NOVARE®

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Monthly Report

Anglican Church of Southern Africa Pension Fund

February 2019

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REPORT OVERVIEW

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

Effective 1 July 2018, the Fund has combined the previous Active and Pensioner portfolios into one portfolio (Overall), which is further broken down into the Growth and LDI components.

OBJECTIVE

The objective of the Fund is represented by an inflation target for each structure as shown below:

Overall	CPI + 3.75%
Growth	CPI + 4.5%
LDI	CPI + 2%

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are net of manager fees. Please note the performance of the Overall portfolio represents the combination of both the Growth and LDI Assets.

The year end for the Fund is 31 December. The returns for the financial year reflect returns from the end of the last financial year.

Where reference is made to YTD, the performance for the calendar year is indicated.

MARKET OVERVIEW

The performance figures reflected in Section A of this report have been sourced from Reuters.

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

All performance figures for periods greater than 12 months (1 year) are annualised, unless indicated otherwise.

MANAGER PERFORMANCE

The performance figures of the Fund's underlying managers represent the returns as per the manager monthly reports.

BENCHMARK

The benchmark of the Overall portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	ALSI
Domestic Fixed Income	37.5%	Colourfield (Liability Driven)
Domestic Property	5%	SA Listed Property
Domestic Alternatives	10%	CPI + 4.5%
International Equities	20%	International Composite: 60% MSCI World / 40% Barclays Global Bond

The benchmark of the Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	42.5%	ALSI
Domestic Property	8%	SA Listed Property
Domestic Alternatives	16%	CPI + 4.5%
Domestic Cash	1.5%	STeFI
International Equities	32%	International Composite: 60% MSCI World / 40% Barclays Global Bond

The benchmark of the LDI portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Fixed Income	100%	Colourfield (Liability Driven)

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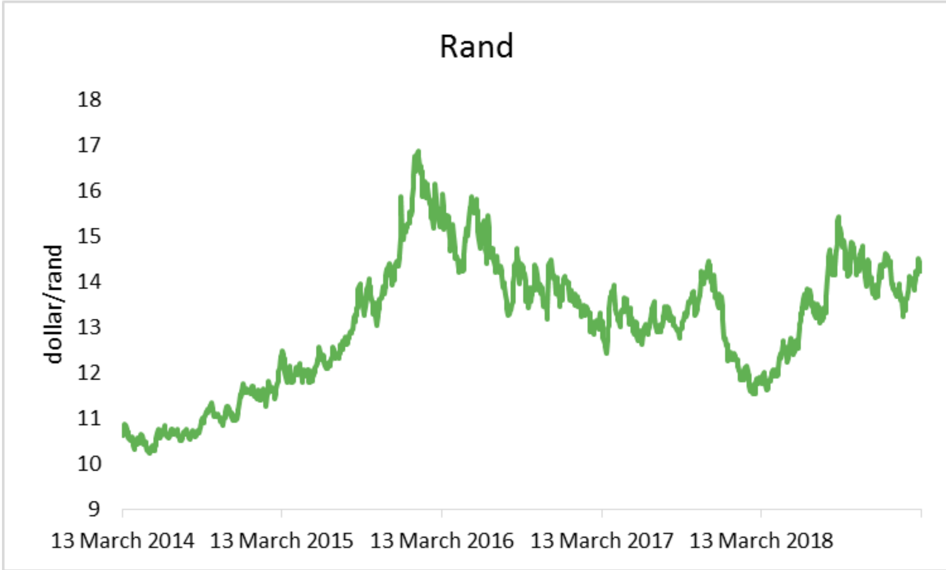
Section A

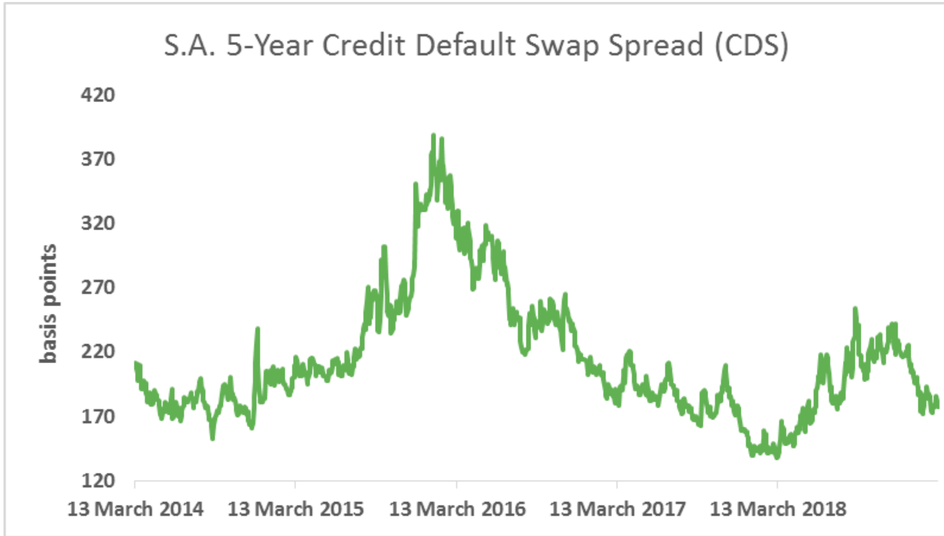
Market Overview

DOMESTIC MARKET VIEW

The rand swapped its title of the best-performing emerging market currency for the worst performing as the local unit depreciated 6.3% against the U.S. dollar, 7.5% against the pound and 5.6% against the euro. The local currency was pulled back and forth by a series of local and global factors. On the local front, Eskom's precarious financial position and subsequent load shedding coupled with concerns regarding slower global growth and the country's fiscal metrics all contributed to the rand weakness. Thankfully, the continuation of the U.S. Fed's dovish rhetoric was a source of support for risk assets such as the rand.



Finance Minister Tito Mboweni tabled the 2019 National Budget during the month. The Minister emphasised the fine balancing act of being cognizant of the fiscal situation while acknowledging the significant risk that Eskom poses to the economy. The 2019 National Budget showed that the fiscal framework remains fragile. Medium-term estimates showed the widening of the consolidated budget deficit to -4.5% for the 2019/20 fiscal year. Gross-debt to GDP was revised slightly higher when compared to the MTBPS in 2018, stabilising at 60.2% of GDP at 2023/24. While there was a reduction in spending of R50.3 billion, this reduction was unfortunately countered by State-owned Entities (SOE) bailouts.

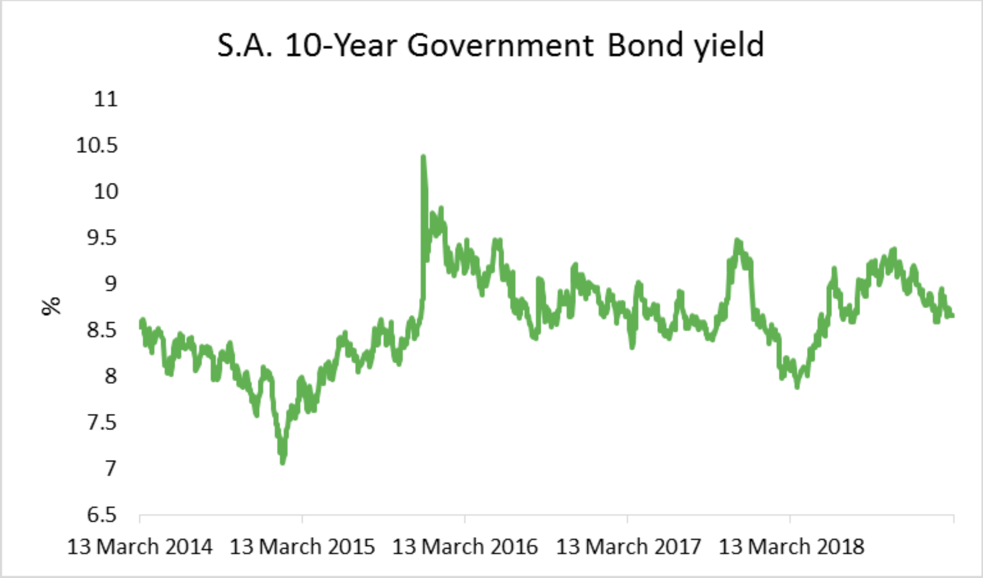


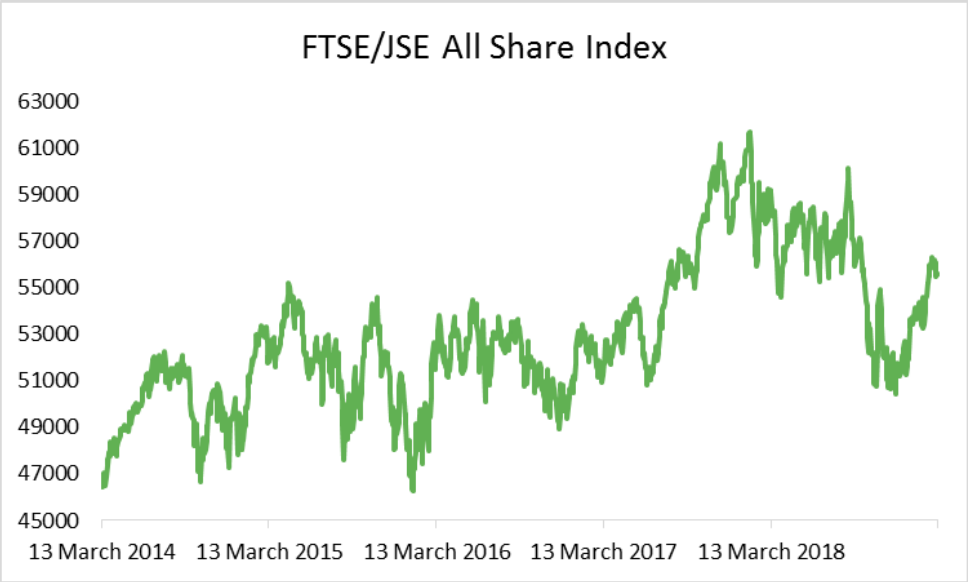
National Treasury has provisionally set aside R150 billion over a ten-year period which will be allocated in stages to incentivise the required reforms within the institution. Over the medium-term, National Treasury will allocate R23 billion per year to Eskom, which will need to be repaid. Over a three-year period, this would total to R69 billion in financial support.

DOMESTIC MARKET VIEW

South African longer-dated bond yields rose in mid-February (on the back of the budget) but fell again to end marginally higher for the month. Vanilla bonds experienced negative performance for the month as reflected in the All Bond Index which gave back -0.4% The release of the weaker than expected headline inflation print which came in at 4% year-on-year (from 4.5% year-on-year in December), led to a weakening of inflation-linked bonds.

The local equity market extended last month's gains with the FTSE/JSE All Share Index falling in line with global sentiment and returning 3.4% for the month. While the local bourse alternated between gains and losses, the index was supported by the strong performance from the resource and rand hedge counters. The *Resource 20 Index was up an impressive 8.0% while the Industrial 25 Index was buoyed by rand weakness and returned 4.1%. The* Financial 15 Index was down -2.0% while the S.A listed Property Index erased some of last months gains to end -5.7% weaker for the month.



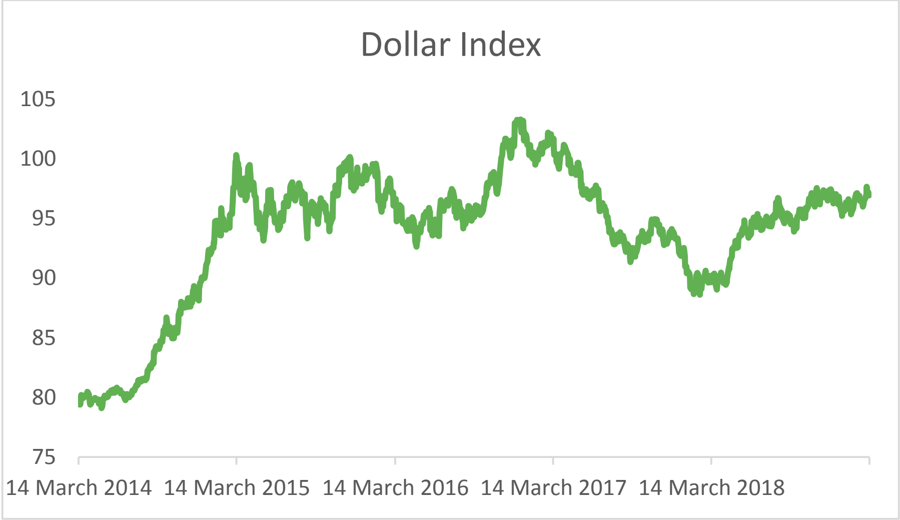


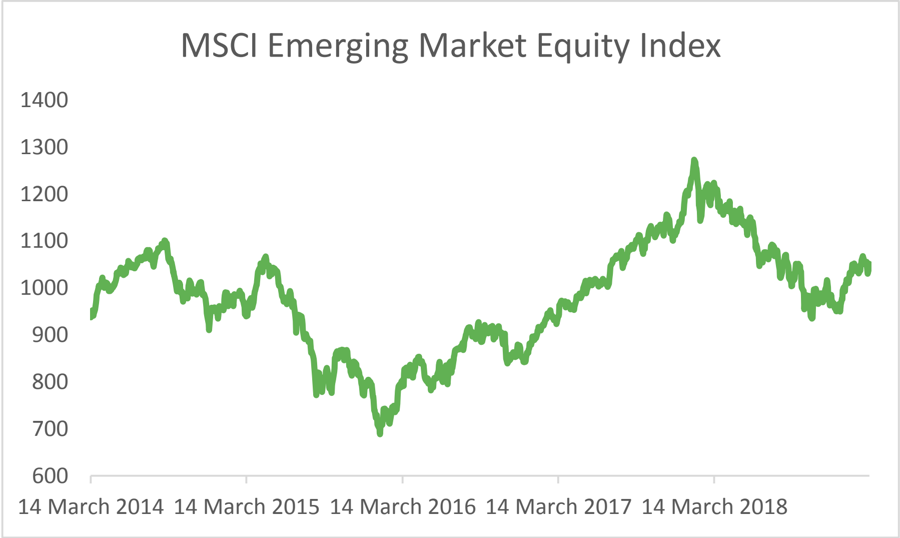
INTERNATIONAL MARKET VIEW

Following extended trade negotiations between Washington and Beijing officials, U.S. President Donald Trump confirmed that the U.S. would delay a set of additional tariffs on Chinese goods that were due to take effect on 1 March 2019. This improved risk sentiment, however, periodic spells of doubts regarding the conclusion of the trade deal continued to cause some market angst. Concerns that the global economy may be slowing down also lingered as the European Commission released a host of downward revisions to its economic forecasts for several major economies in the region.

Global central banks responded by maintaining an accommodative monetary policy stance. The Bank of England kept interest rates unchanged, while minutes from the January meeting held by the U.S. Fed last month reiterated the central bank's new dovish stance. The central bank communicated it would be more flexible regarding the shrinking of the balance sheet but gave itself some wriggle room by stating that the current approach would be reconsidered if potential headwinds eased.

The monthly jobs numbers out of the world's largest economy came in ahead of expectations. In the wake of the government shutdown, the report showed that the U.S. economy added 304 000 jobs in the month of January, marking its 100th consecutive month of jobs growth and signalling underlying strength in the U.S. economy. With that said, the report also showed that December's job gains were revised sharply lower while the gain in average hourly earnings remained lacklustre.



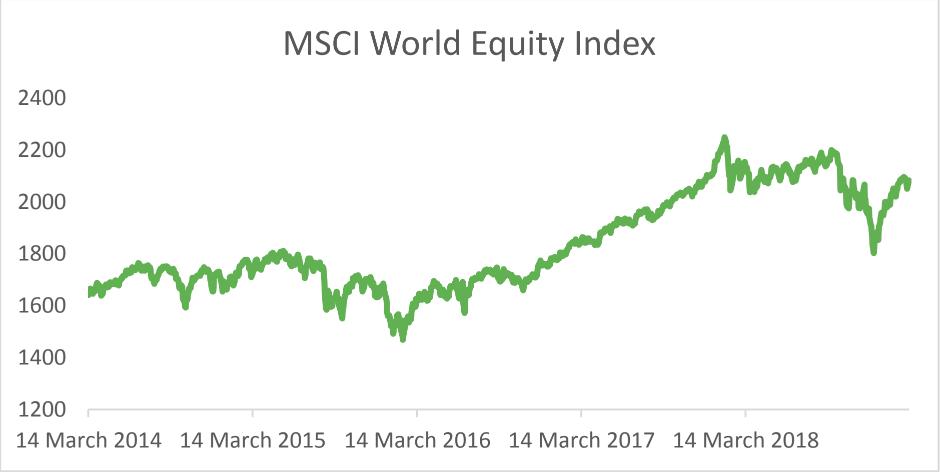


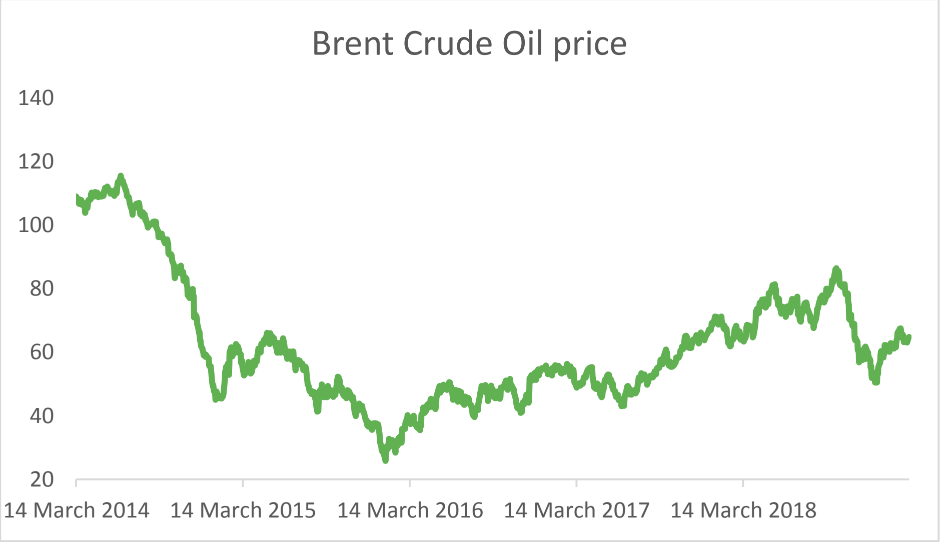
INTERNATIONAL MARKET VIEW

Investors kept a close eye on the latest Brexit developments as the 29 March deadline marched closer. In Spain, parliament rejected Spanish Prime Minister Pedro Sanchez's minority government budget proposal for 2019. Sanchez subsequently called a snap general election and Spaniards will now head to the polls on 28 April 2019.

Overall the risk-on sentiment and the pause on interest rate hikes by global central banks led equity markets higher. This was reflected in the MSCI Global Equity Index which returned 3.0% for the month, outperforming the 0.2% returned by the MSCI Emerging Market index. On Wall Street, the S&P 500 was up 3.2% and the tech-heavy Nasdaq returned 3.6%. In Europe, the FTSE 100 gained 2.2% as the Brexit deadline loomed. Global bonds traded lower in the month as mirrored in the Barclays Global Aggregate Bond index which was down -0.5%

In the commodities market, global growth concerns weighed on the price of oil. Fortunately, OPEC-led supply cuts and U.S. sanctions against Venezuela provided crude with support which led to Brent Crude rallying 8.7% for the month. Platinum was up 6.6%, while gold lagged and returned 0.2% for the month.





TACTICAL
ASSET ALLOCATION

RSA BONDS

The U.S. Federal Reserve's recent dovish rhetoric indicates that the central bank is not likely to increase rates over the next three to six months. The upside to U.S. Treasury yields will probably be limited until such time that economic activity firms and investors embrace the less negative view of the global growth outlook. For emerging market (EM) economies which are vulnerable to "hot money", this will be a source of support for EM assets as the window of opportunity for higher-yielding EM assets will likely persist until then.

We expect the tailwind for local assets to offset the negative impact of domestic headwinds, albeit these countervailing forces subsequently lead to high volatility. Domestic tailwinds to keep an eye on will remain S.A.'s weak growth profile, the country's fragile fiscal metrics (which could prompt negative credit rating action) and uncertainty regarding some economic policies. With that said, we expect both the rand and local bonds to be range bound in the near term.

On a six to 12 month basis, we expect the Fed to resume the normalisation of monetary policy and Treasury yields to drift higher. This could see the rand weaken and bond yields drifting higher (but not driven by the dollar). We expect the dollar to consolidate last year's gains and gradually drift lower over the next six to 12 months. We have maintained an on-weight position in local bonds during the month of February.

RSA PROPERTY, ALTERNATIVES AND CASH

A recovery in S.A. Listed Property could be in store if the rand strengthens and bond yields continue to decline. The sector was severely hurt by the significant falls in the shares of Resilient, Fortress and NepiRock (which make up a sizeable proportion on the South African Listed Property Index) following allegations of share manipulation.

The current environment presents a challenging macroeconomic backdrop with a broad range of risks requiring consideration. On the domestic front, the risks range from weak property fundamentals, upcoming elections, tenant-specific risk and potential reporting changes. More broadly, the market remains vulnerable to external shocks. In these market conditions, we believe a vigorous process is crucial when it comes to evaluating risk and return opportunities and, therefore, stock selection will be key.

We have maintained the on-weight position in S.A. Listed Property. In terms of cash, the market is pricing in a benign outlook for local interest rates, however, the state of the fiscus and possibility of a downgrade are still risk factors for the local economy. In the absence of other options, money market investments provide the best capital protection in the short-term. Cash is, therefore, the balancing item.

RSA EQUITIES

S.A. has a high beta, indicating that one needs to be cognizant of external triggers such as commodity price weakness, a stronger U.S. dollar (or weaker emerging market currencies) and the negative impact of the U.S.-China trade spat. In addition, weaker-than-expected global growth would not be supportive of local equities.

Local stocks have bounced back from extremely oversold levels (along with global equities) and technical conditions are no longer a tailwind. Valuations have become more attractive than compared to two years ago, but this is justified by a lower return on equity (ROE). Moreover, because we do not anticipate a significant weakening in the rand in the near term, the rand-hedge tailwind may be absent. Barring a sustainable improvement in growth expectations (and earnings), we only foresee limited upside in absolute terms.

South Africa's GDP growth for Q4 2018 rose by 1.4% quarter-on-quarter, bringing 2018's full-year growth to 0.8% year-on-year. This was slightly better than expected. Moody's credit rating agency projects that the country's growth will reach 1.3% in 2019 – an increase from the estimated 0.5% in 2018. The rating agency's projections are line with the growth forecasts from the World Bank while National Treasury and the Reserve Bank expect growth to reach 1.7% and 1.9% respectively in the 2019 year. Slower global growth and lacklustre domestic demand pose a risk to the growth outlook.

While the pace of reform implementation has been slow, President Ramaphosa has made significant in-roads in his investment drive. The announcement of a stimulus package and the reprioritisation of the existing budget framework to stimulate economic growth and job creation have also been perceived positively. This may result in improved economic growth if it does materialize. Given the above points and the fact that economic growth may continue to underwhelm, we maintained the underweight position in local equities.

TACTICAL
ASSET ALLOCATION

INTERNATIONAL

Global growth momentum is destined to slow but economic expansion is not at risk (barring any further escalation of trade tensions and/or a similar shock). The fears of an economic slowdown, heightened market volatility and an inverted yield curve resulted in the U.S. Fed taking a more dovish stance towards tightening monetary policy. The six to 12 month outlook remains positive for most risk asset markets. Nevertheless, sustaining the rally requires a calm government bond market and a gradual firming in global growth.

The dominant issue for equity markets in early 2019 is whether the collapse in stock prices late last year was an indication of a recession or an over-reaction to an expected growth slowdown. The U.S. economy will slow down but to a lesser degree than the current market narrative suggests. Our view is that the U.S. economic expansion is likely to continue and enable equity prices to, at least partially, reverse the aggressive de-rating that occurred in late 2018.

We expect policy support in the form of a U.S.-China trade truce as well as fiscal and monetary stimulus in China in the first half of 2019. This should help support a risk-on sentiment. Nonetheless, we still expect equity markets to remain volatile in the near run as investors absorb trade tensions, the shifts in the cyclical interest/inflation outlook and geopolitical risk. We have maintained an overweight position in global equities.

Global government bond markets have settled into trading ranges and subsequently very low yields. The pullback in G7 government bond yields reflected an unwinding of Fed rate expectations and lower inflation expectations. Government bonds are unattractive if the economic expansion continues, which is what we expect. We maintained an underweight position in global bonds.

NOVARE HOUSE VIEW: February 2019

TACTICAL POSITIONING*

	UNDER-WEIGHT	←	ON-WEIGHT	→	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight					
Equities		95%				95%
Bonds			100%			100%
Property			100%			100%
Alternatives			100%			100%
Cash			Balancing			100%
OFFSHORE				**120%**		***120%***
Equities				105%		105%
Bonds		70%				70%
Alternatives				125%		125%
AFRICA			***100%***			

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equitiies , onweight domestic bonds and domestic property whilst maintaining an overweight to International assets. Due to the limit of 25% to international assets(30% if a minimum 5% Africa exposure is held), the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
- -

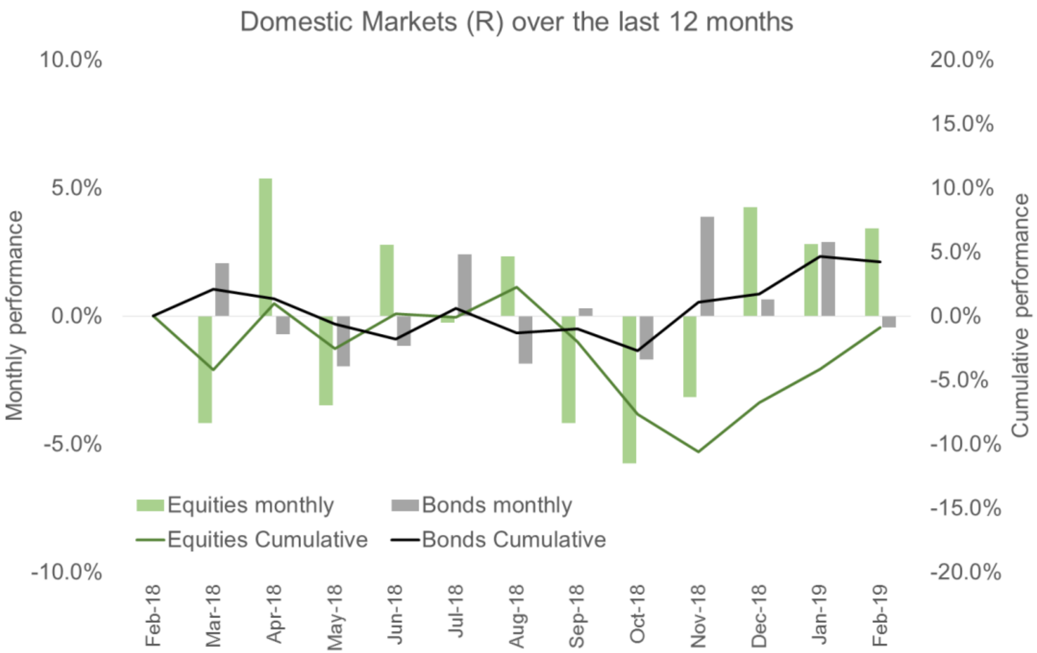
MARKET PERFORMANCE

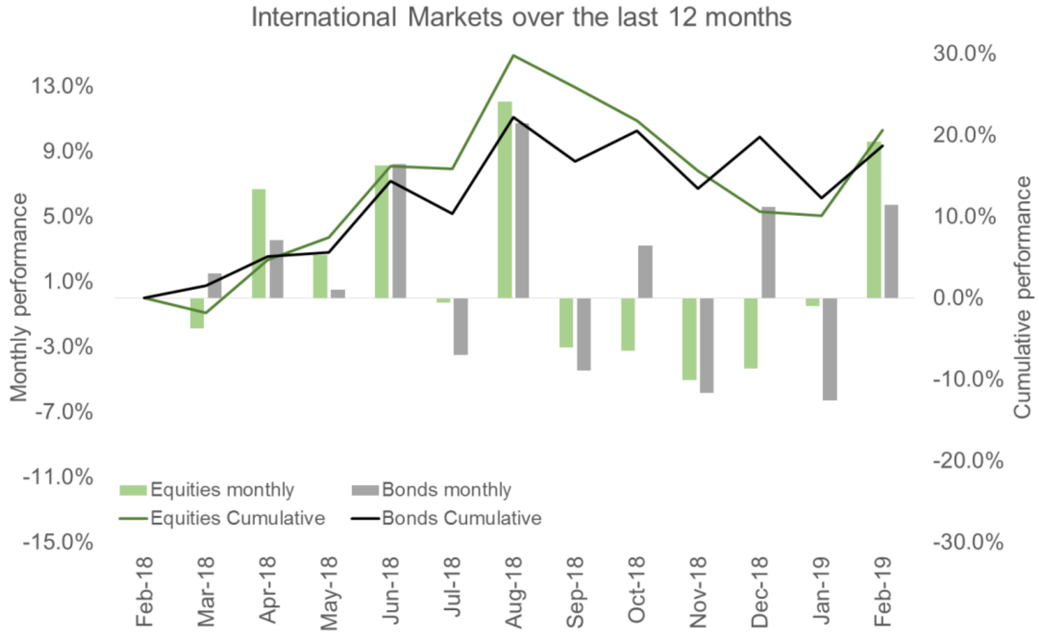
Global Assets (US$)	1 month	3 months	6 months	YTD	12 months
MSCI All Countries Equity	2.7%	3.1%	-2.7%	10.9%	-0.3%
MSCI Emerging Markets	0.2%	6.2%	0.5%	9.0%	-9.5%
Global Bonds (R)	5.7%	4.6%	-2.9%	-0.9%	18.7%

Commodity Prices	1 month	3 months	6 months	YTD	12 months
Brent Oil (USD/Barrel)	8.7%	12.3%	-14.6%	22.0%	2.7%
Platinum (USD/oz)	6.6%	9.3%	11.1%	9.9%	-11.0%
Gold (USD/oz)	0.3%	8.3%	10.2%	3.3%	0.5%

Asset Allocation (Rand)	1 month	3 months	6 months	YTD	12 months
Domestic Equities	3.4%	10.8%	-3.1%	6.3%	-0.9%
Domestic Bonds	-0.4%	3.1%	5.6%	2.4%	4.2%
Domestic Cash	0.5%	1.8%	3.6%	1.2%	7.3%
Domestic Property	-5.7%	1.9%	-3.7%	3.0%	-5.2%
International Equity	9.6%	4.3%	-7.1%	9.0%	20.6%
International Bonds	5.7%	4.6%	-2.9%	-0.9%	18.7%
Exchange rate (R / $)	6.3%	1.6%	-4.1%	-1.9%	19.4%

Scale:
Best performing asset class
Worst performing asset class

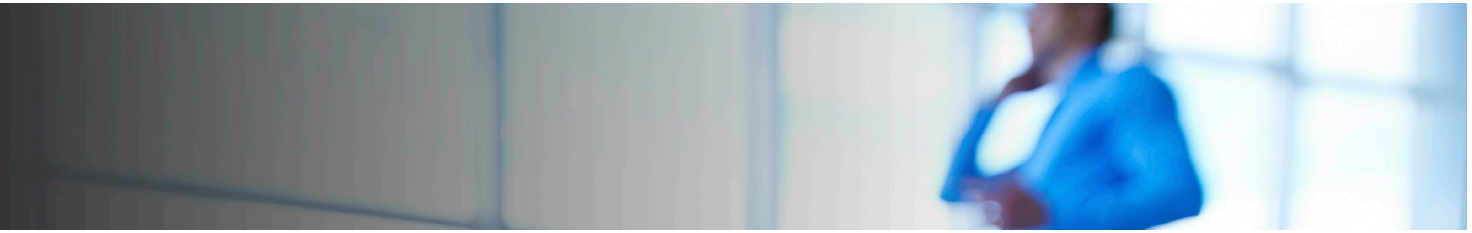




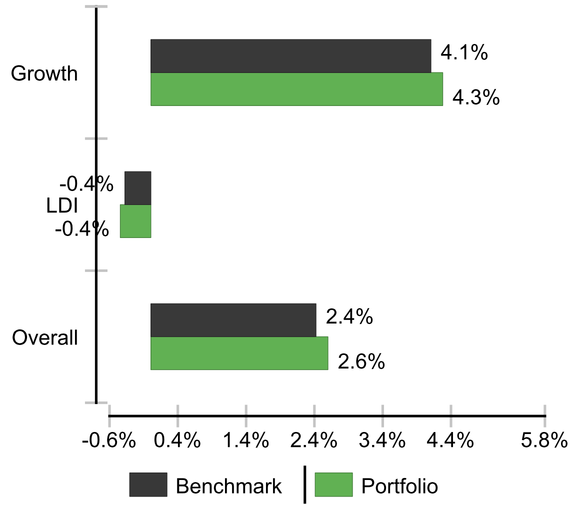
Section B

Fund Overview

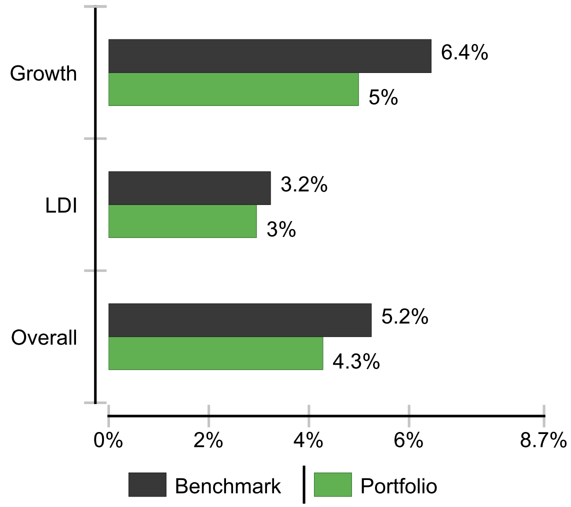
EXECUTIVE SUMMARY



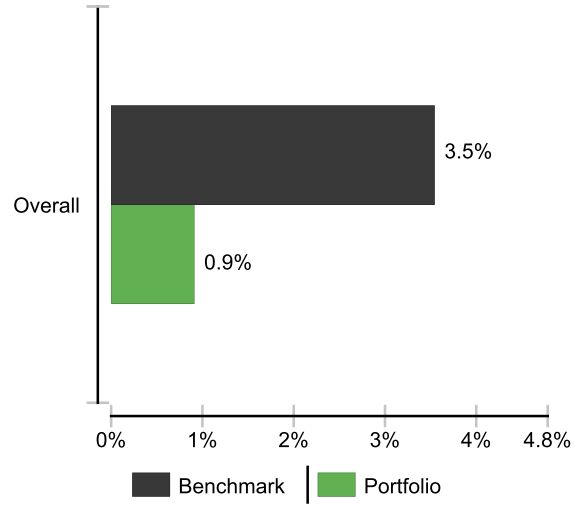
Monthly return for February 2019



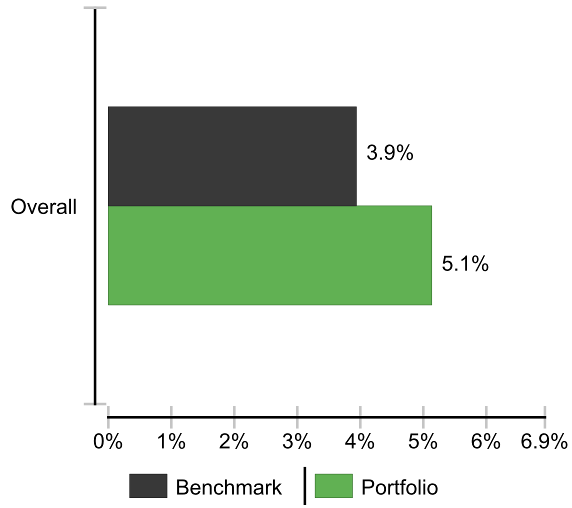
3 Months return up to February 2019



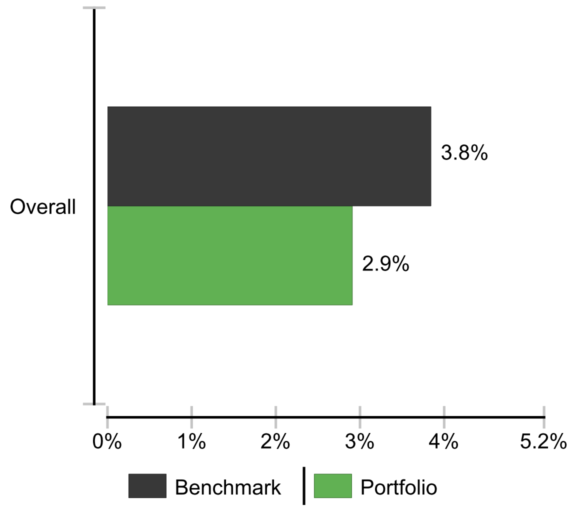
Return from the end of the financial year to February 2019



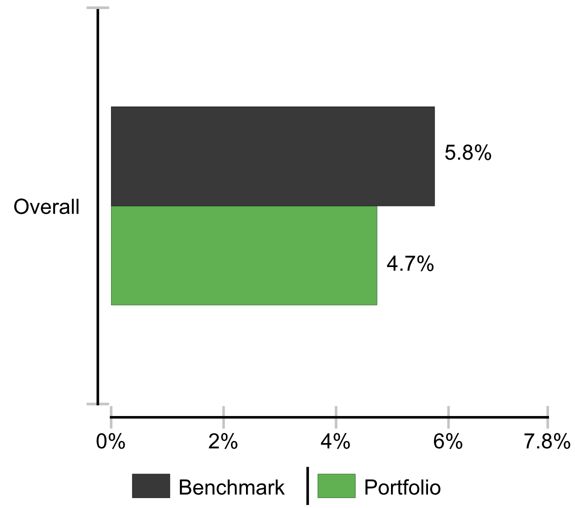
Return for the last 12 months up to February 2019



Return for the last 3 years up to February 2019



Return for the last 5 years up to February 2019



PORTFOLIO MARKET VALUES AND RETURNS

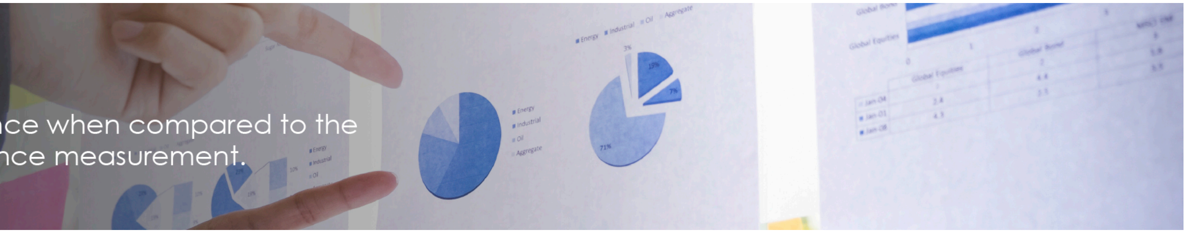
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	Market value (R)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Overall	1,205,200,943.0	2.6	4.3	4.0	5.1	2.9	4.7
Strategic Benchmark		2.4	5.2	4.3	3.9	3.8	5.8
		0.2	-1.0	-0.3	1.2	-0.9	-1.0
Growth	788,896,878.4	4.3	5.0	5.3	-	-	-
Strategic Benchmark		4.1	6.4	6.0	-	-	-
		0.2	-1.5	-0.6	-	-	-
LDI	416,304,064.8	-0.4	3.0	1.7	-	-	-
Strategic Benchmark		-0.4	3.2	1.6	-	-	-
		-0.1	-0.3	0.0	-	-	-

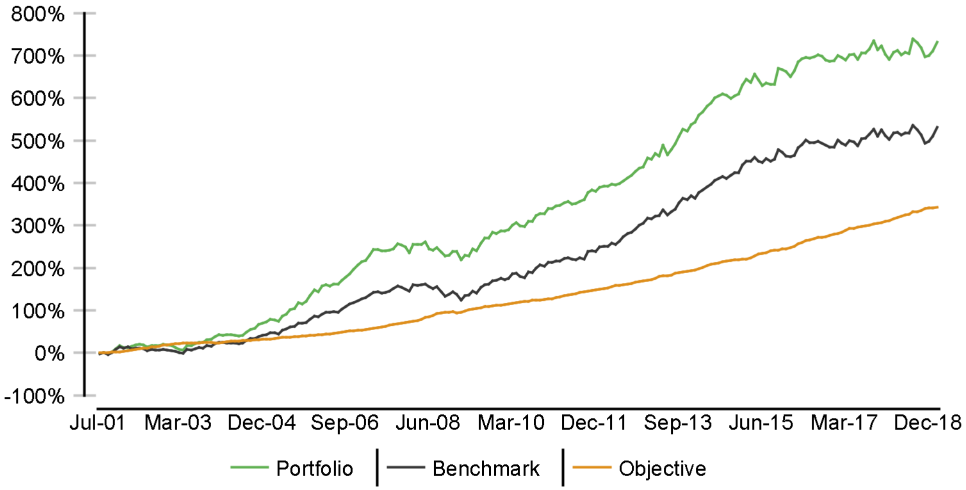
		1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Overall		2.6	4.3	4.0	5.1	2.9	4.7
Investment Objective		0.1	0.7	0.3	7.4	8.0	8.3
		2.5	3.5	3.8	-2.3	-5.1	-3.5
Growth		4.3	5.0	5.3	-	-	-
Investment Objective		0.2	0.9	0.4	-	-	-
		4.1	4.1	5.0	-	-	-
LDI		-0.4	3.0	1.7	-	-	-
Investment Objective		0.0	0.3	0.0	-	-	-
		-0.4	2.6	1.7	-	-	-

LONG TERM RETURNS

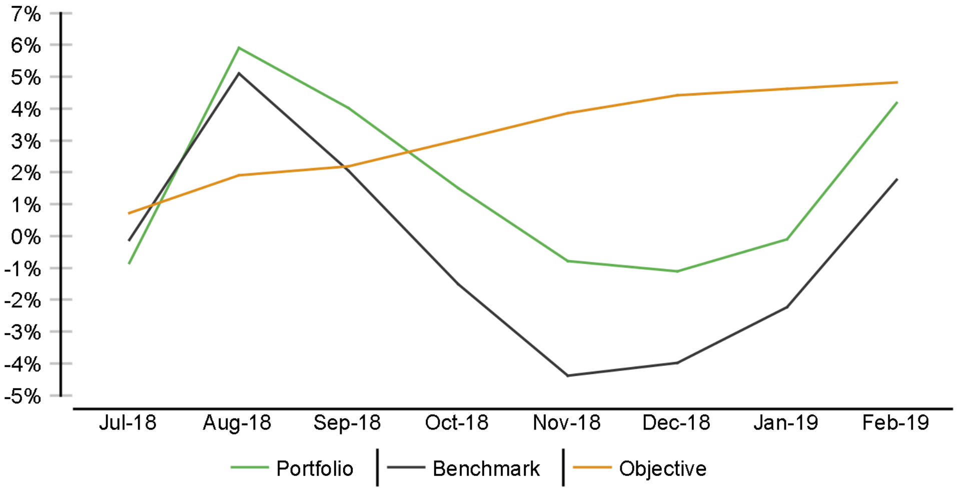
Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.



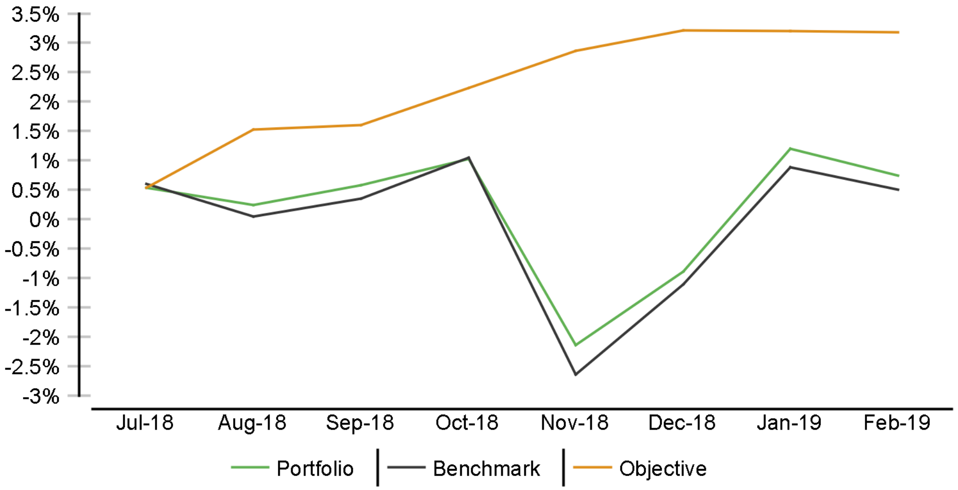
Overall - Cumulative returns since 30 June 2001



Growth - Cumulative returns since 30 June 2018



LDI - Cumulative returns since 30 June 2018



MANAGER PERFORMANCE

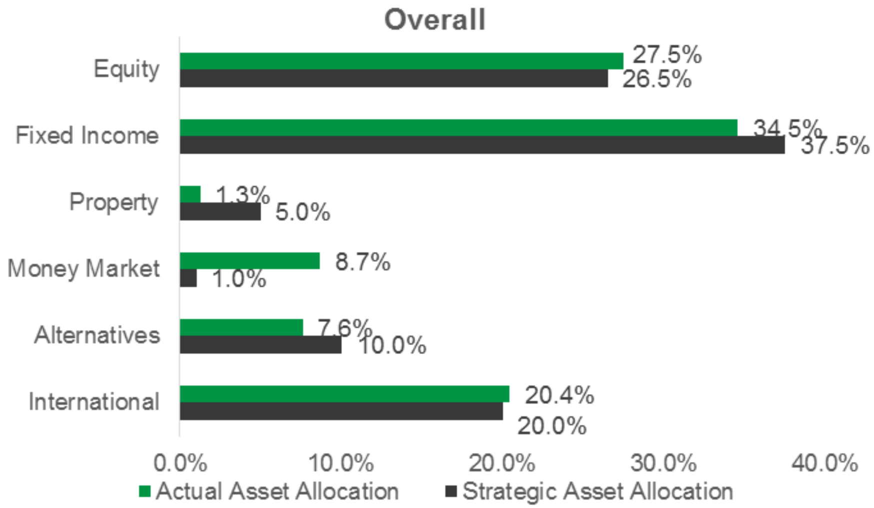
The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

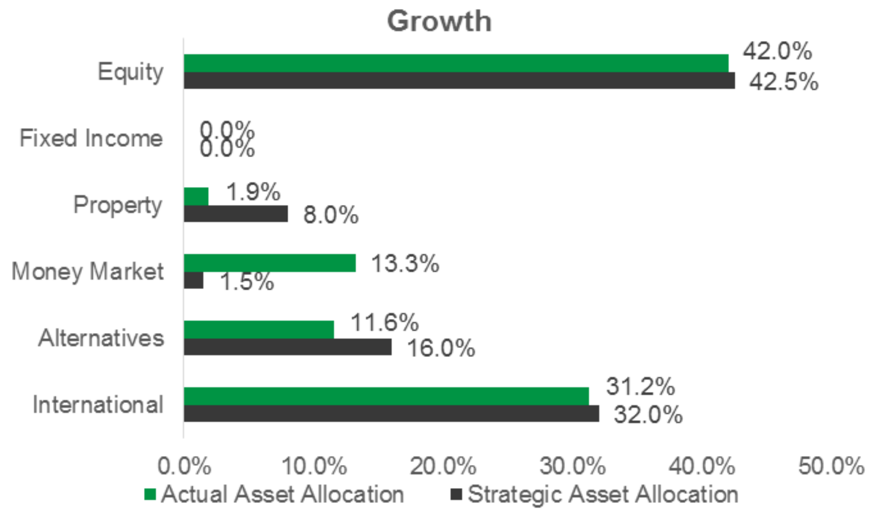
Asset Class	Manager	Inception date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	QTD (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Equity	**Aeon**	2018/10/31	211,615,878.8	17.6	2.6	7.1	5.4	5.4	-	-	-	2.4
	JSE Capped Share weighted index				1.2	6.7	4.0	4.0	-	-	-	4.9
					1.3	0.3	1.4	1.4	-	-	-	-2.5
	Satrix Equity	2018/08/31	142,130,941.5	11.8	1.3	6.7	4.0	4.0	-	-	-	-4.1
	JSE Capped Share weighted index				1.2	6.7	4.0	4.0	-	-	-	-4.1
					0.0	-0.1	0.0	0.0	-	-	-	0.0
Fixed Income	**Colourfield**	2016/05/31	416,304,064.8	34.5	-0.4	2.9	1.6	1.6	-1.0	-	-	-1.9
	Liability Benchmark				-0.4	3.2	1.6	1.6	-1.6		-	-2.6
					-0.1	-0.3	0.0	0.0	0.5	-	-	0.7
Property	**Futuregrowth Community Property Fund**	2007/04/30	28,441,215.8	2.4	0.7	3.3	1.5	1.5	12.2	17.5	15.8	13.4
	CPI + 4%				0.2	0.8	0.3	0.3	8.0	9.0	9.1	9.9
					0.6	2.5	1.2	1.2	4.2	8.5	6.7	3.4
Money Market	**Liberty Cash**	2002/01/31	97,309,202.3	8.1	0.6	1.9	1.2	1.2	7.8	8.0	5.6	5.7
	Stefi Composite				0.5	1.8	1.2	1.2	7.3	7.4	7.0	7.9
					0.0	0.1	0.0	0.0	0.5	0.6	-1.3	-2.2
Alternatives	**Sanlam Investment Unlisted Property**	2018/07/31	63,189,443.2	5.2	-0.5	3.2	2.8	2.8	-	-	-	5.4
	ALBI 7 - 12 Years				-0.1	3.5	2.5	2.5	-	-	-	4.2
					-0.5	-0.2	0.4	0.4	-	-	-	1.2
International	**Investec Global Franchise**	2018/07/31	246,210,196.9	20.4	11.4	4.7	9.3	9.3	-	-	-	9.3
	MSCI World				9.6	4.3	9.0	9.0	-	-	-	4.1
					1.8	0.4	0.3	0.3	-	-	-	5.2
			1,205,200,943.2	100.0								

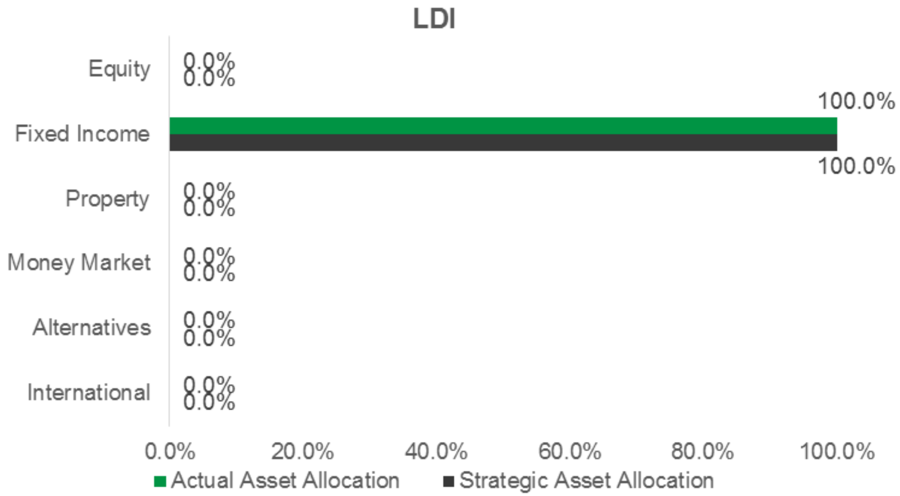
ASSET ALLOCATION

	Manager	Growth	LDI	Overall
Equity	Aeon	211,615,878.8	-	211,615,878.8
	Satrix Equity	142,130,941.5	-	142,130,941.5
Fixed Income	Colourfield	-	416,304,064.8	416,304,064.8
Property	Futuregrowth Community Property Fund	28,441,215.8	-	28,441,215.8
Money Market	Liberty Cash	97,309,202.3	-	97,309,202.3
Alternatives	Sanlam Investments Unlisted Property	63,189,443.2	-	63,189,443.2
International	Investec Global Franchise	246,210,196.9	-	246,210,196.9
Total fund		**788,896,878.4**	**416,304,064.8**	**1,205,200,943.2**

ASSET ALLOCATION







Section C

Glossary

INVESTMENT GLOSSARY

ALTERNATIVE INVESTMENTS

Any non-traditional asset class. Investing in these generally provides a portfolio with greater diversification.

ANNUALISED RETURN

Where a cumulative return is over a period greater than a year, an annualised return is what the return is when converted into annual periods. For example, if the cumulative return over a 3-year period was 6%, the annualised return would be approximately 2% p.a. It means the investment earned an effective return of around 2% each year over the 3-year period (to arrive at the 6%).

ASSET CLASS

A type of investment, such as equities, bonds, cash, private equity etc.

BENCHMARK

What a portfolio, asset class or investment manager is judged against.

BENCHMARK PERFORMANCE

The performance return of an investment manager's benchmark or a Fund's strategic asset allocation.

BOND

A bond is issued by a company or country where it borrows money from the market, with a promise to repay it back. Bonds are characterised by what interest is paid back each year, and how long the term of the bond is.

CPI

Consumer price index. It is commonly used to identify periods of inflation or deflation.

CREDIT RATING

The rating given by a credit-rating agency, based on its view of the financial wellbeing of a company or country and the likelihood of default (i.e. inability to meet debt obligations). The highest rating is usually AAA, and the lowest is D.

CRISA

Code of Responsible Investing in South Africa.

CUMULATIVE RETURN

The aggregated return of an investment over a particular time-period.

DERIVATIVES

A derivative is a security of which the price is dependent upon or derived from one or more underlying assets.

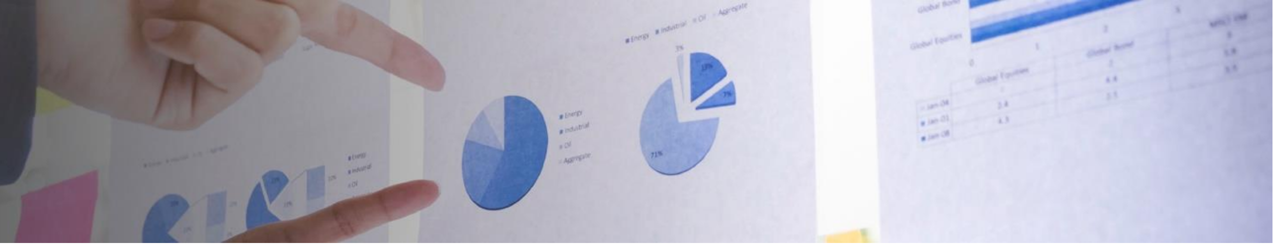
EQUITY

Referring to the asset class, equity describes the ownership of a company. An individual or financial institution can own part of the company by buying equity shares or stocks. These are generally traded on a stock exchange, such as the Johannesburg Stock Exchange.

FUND OBJECTIVE

The investment objective that a Fund portfolio is trying to achieve. This is generally a return in excess of CPI. Eg CPI + 3% per annum.

INVESTMENT GLOSSARY



HEDGE FUND

A type of alternative asset class. Here the investment manager generally invests in traditional asset classes, but has more tools to express their view of the market. Hedge funds look to protect capital in times of market falls and offer diversification from traditional asset classes.

INDEX

A benchmark measure to gauge how an asset class has performed. For example, the JSE All Share index is a measure to gauge how South African equities have performed.

INFLATION

The increase (or decrease) in the price of goods. For example, if inflation over the year was 5%, this means that prices rose by 5% over the period.

INTERNATIONAL

The assets of a Fund that are invested outside of South Africa. Exposure is limited to 25% per Regulation 28 of the Pension Fund, or 30% subject to 5% being invested in Africa.

INVESTMENT OBJECTIVE

The target that an investment fund or portfolio is trying to achieve.

INVESTMENT POLICY STATEMENT (IPS)

A document which sets out the investment aspects of the Fund, including its Fund objectives and describes the various strategies followed to meet them.

MONTHLY RETURN

The performance return over a month.

MANDATE

An investment manager's portfolio and objective.

OVERWEIGHT

To have a higher allocation in a particular asset class or security than what the comparable benchmark indicates.

PERFORMANCE

How much the value of a portfolio or instrument has grown by over a particular period.

PRIVATE EQUITY

An alternative asset class where investors buy equity ownership of a company but where the equity is not listed on a stock exchange.

PROPERTY

An asset class where one invests in property either directly (ie buying a property) or indirectly (ie buying property shares on the stock exchange).

PROTECTED EQUITY

An asset class giving the investor exposure to equities, but whilst also offering protection against market falls.

INVESTMENT GLOSSARY

REGULATION 28

Refers to regulation 28 of the Pension Funds Act, i.e. the guidelines for South African retirement funds which is aimed at ensuring Funds are not taking on too much risk, by limiting the excessive use of specific investment instruments, markets and asset classes.

REPO RATE

The interest rate which the Reserve Bank lends money to the commercial banks. An increase in the repo rates puts pressure on commercial banks to increase the prime rate.

SHARPE RATIO

A statistical measure indicating the reward for taking on an additional unit of risk. A high positive value is ideal as it indicates that for the risk taken, positive returns were achieved.

STRATEGIC ASSET ALLOCATION

This is the target that a Fund portfolio should be invested in over the long term across various asset classes. The strategic asset allocations are designed to help meet the Fund objective.

TACTICAL ASSET ALLOCATION

These are deviations made away from the strategic asset allocation with the aim of enhancing performance based on views of the investment markets.

TRACKING ERROR

A statistical measure indicating the deviation or difference of a portfolio's return compared to its benchmark return.

TRADITIONAL ASSET CLASS

This generally refers to equities, bonds, cash and property

UNDERWEIGHT

To have a lower allocation in a particular asset class or security than what the comparable benchmark indicates.

VOLATILITY

A risk measure characterised by the standard deviation of portfolio returns. The higher the value, the higher expected risk.

YEAR-TO-DATE ("YTD")

The performance return since the beginning of the latest calendar year

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