



NOVARE[®]
actuaries & consultants

| **Monthly Report** |

**Anglican Church of
Southern Africa Pension
Fund**

July 2020

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REPORT OVERVIEW

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

Effective 1 February 2020, the Fund has adopted a structure consisting of 3 main underlying

Portfolios:

- Active members
- Pensioners
- Paid Up/Unclaimed

The Active and Pensioner portfolios are furthermore subdivided between an LDI portfolio and a

Growth portfolio

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees.

MARKET OVERVIEW

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

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

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

OBJECTIVE

The objectives of all the portfolios represent an inflation target of the following:

Actives Overall Portfolio: CPI + 4.25%
Actives Growth Portfolio: CPI + 4.75%
Actives LDI Portfolio: CPI + 3%

Pensioners Overall Portfolio: CPI + 3.25%
Pensioners Growth Portfolio: CPI + 6%
Pensioners LDI Portfolio: CPI + 3%

Paid Up/ Unclaimed Portfolio: CPI + 3%

BENCHMARK

The benchmark performance in this report for the Actives Overall portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	28.5%	Capped SWIX
Domestic Protected Equities	0%	
Domestic Fixed Income	30%	Liability Benchmark
Domestic Property	0%	
Domestic Money Market	1.5%	STeFI
Domestic Alternatives	15.0%	ALBI 7 – 12 years
Africa	0%	
International	25%	MSCI World

The benchmark performance in this report for the Actives Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	40.5%	Capped SWIX
Domestic Protected Equities	0%	
Domestic Fixed Income	0%	
Domestic Property	0%	
Domestic Money Market	2.0%	STeFI
Domestic Alternatives	21.5%	CPI + 3.5%
Africa	0%	
International	36.0%	MSCI World

REPORT OVERVIEW

The benchmark performance in this report for the Actives LDI portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Fixed Income	100%	Liability Benchmark

The benchmark performance in this report for the Unclaimed Benefits/Paid-Ups is as follows:

Asset Class	Allocation	Benchmark
Domestic Money Market	100%	STeFI

The benchmark performance in this report for the Pensioners Overall portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	0%	
Domestic Fixed Income	0%	
Domestic Property	92.0%	CPI + 4%
Domestic Money Market	0%	
Domestic Alternatives	0%	
Africa	0%	
International	8.0%	MSCI World

The benchmark performance in this report for the Pensioners Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	0%	
Domestic Fixed Income	0%	
Domestic Property	0%	
Domestic Money Market	0%	
Domestic Alternatives	0%	
Africa	0%	
International	100%	MSCI World

The benchmark performance in this report for the Pensioners LDI portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Fixed Income	100%	Liability Benchmark

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NAC is approved by the Financial Services Board in terms of Section 13B of the Pension Funds Act, 24 of 1956, as an Investment Administrator: 24/ 456.

Section A

Market Overview



DOMESTIC MARKET VIEW

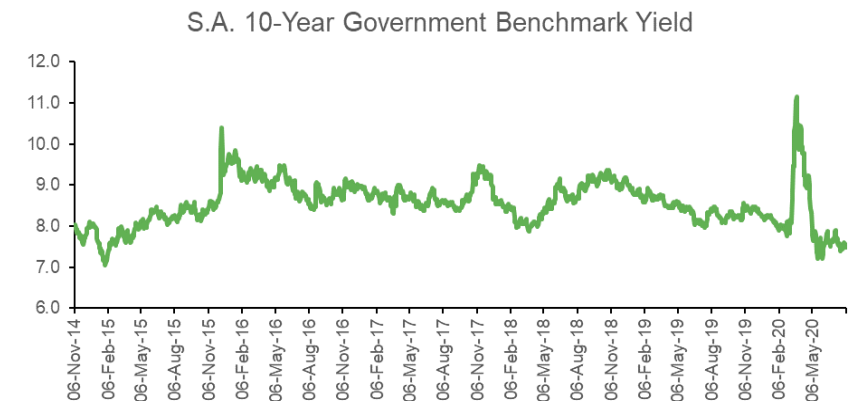
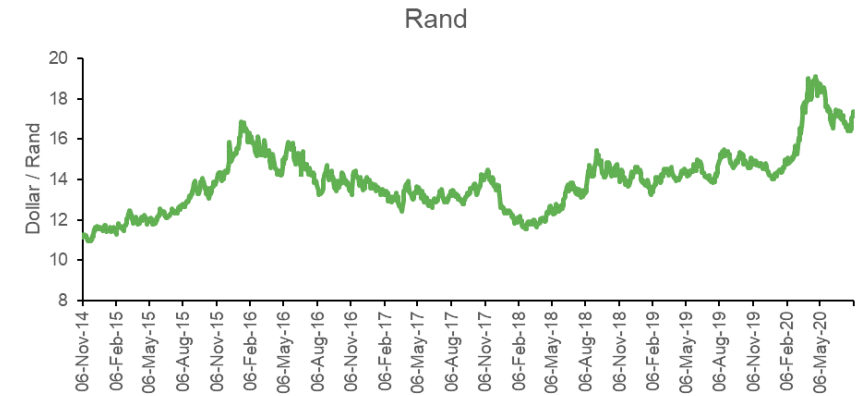


On the local side news of the confirmation of a \$4.3 billion loan from the International Monetary Fund (IMF) through its Rapid Financing Instrument dominated headlines. Through the loan government has once again re-committed to the fiscal consolidation outlined in the supplementary budget presented in June.

Government further indicated to the IMF that it would further commit to reducing the size of the public sector wage bill and would link further transfers to state owned enterprises to key performance indicators.

The number of local Corona virus cases topped 500,000 into the end of the month. The President Ramaphosa however mentioned that they are seeing signs of the spread of the virus stabilising. Particular promising signs have been seen in some of the larger hotspots including the Western- and Eastern Cape and Gauteng.

In line with these findings the tourism minister also relaxed the recently reintroduced curfew as well as inter-provincial leisure travel. These measures should go a long way in supporting the battered tourism sector.



DOMESTIC MARKET VIEW

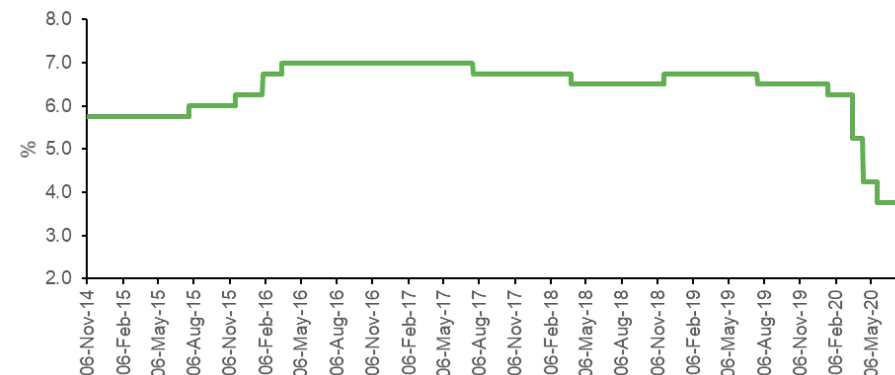


Headline consumer price inflation edged slightly higher in June after falling to a 2-decade low in May. The 2.2% y-o-y print is the second consecutive month that the number came in below the lower bound of the SARB's 3-6% target range. Lower fuel prices were once again a significant driver of the depressed annual inflation number seen in June.

The local market remained subdued despite the more risk-on environment globally as the JSE All Share index ended flat. Gold remained the main driver of the local market as the yellow metal aims toward \$2000 per ounce.

The 10-yr government bond ended the month fairly flat at 9.5%. In the local fixed income markets the yield curve steepened as the SARB once again cut interest rates by 25bps. Expectations for further rate cuts were however dampened due to more neutral voting from the Monetary Policy Committee.

Repo Rate



FTSE/JSE All Share Index

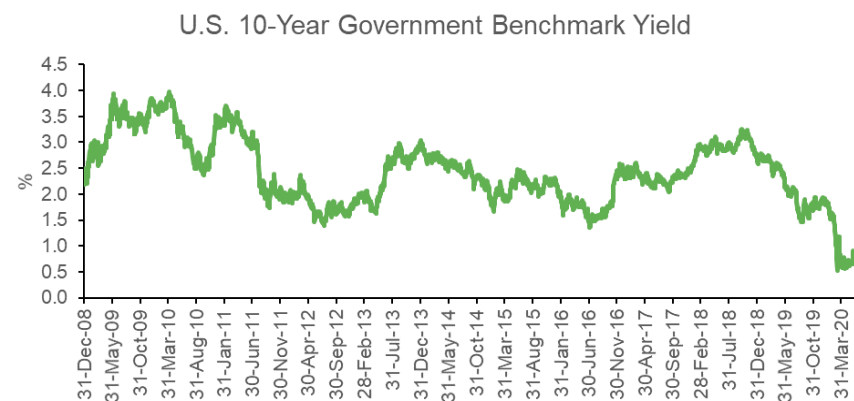
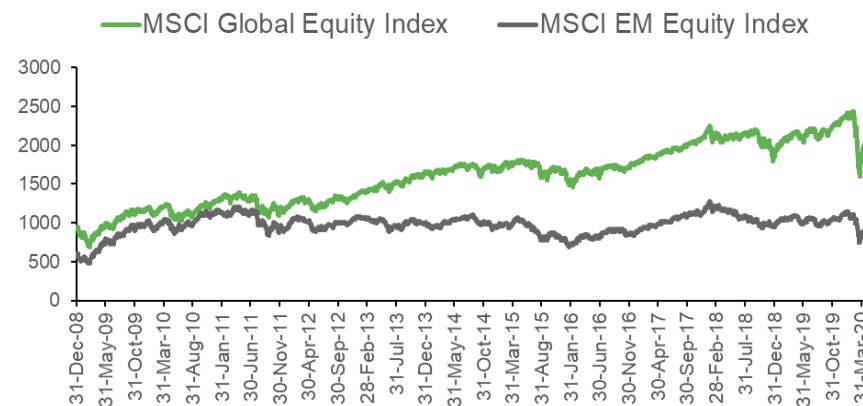


INTERNATIONAL MARKET VIEW

The main headline in July was the long awaited Q2 2020 GDP report. The U.S. economy contracted at a 32.9% annualized rate, the steepest drop on record since the Commerce Department began tracking GDP data in 1947. Approximately two-thirds of the decline can be attributed to a pullback in consumer spending on services. With renewed spikes in Corona cases around the US there is a risk that renewed lockdown measures could slow the recovery in consumer spending further. Global Corona virus cases have now topped 18 million with the number of deaths closing in on 700,000. The US remains the worst infected, making up for almost a quarter of cases and deaths worldwide with only around 4% of the global population.

At the July meeting the Federal Open Market Committee reaffirmed its commitment to support the U.S. economy using “its full range of tools.” It decided to keep interest rates unchanged at near zero, noting in a statement that “the path of the economy will depend significantly on the course of the virus.” Chairman Powell indicated that in order to support the economy successfully monetary policy should be applied in conjunction with fiscal policy. Members of Congress have however not reached a conclusion regarding the continued fiscal support, mostly due to political infighting. This remains a big risk for the U.S. economy going into August.

Earnings season also upped the ante during the last week of the month as most of the big hitters reported during the week. Consensus expectations for the Q2 period called for a 45% decline in earnings growth, and approximately 80% of companies that have reported so far have beaten that number. While we are still on track for a very negative second-quarter number it will probably end closer to -35%, instead of -45%. Overall, there’s some evidence that companies may have improved a bit during the latter half of the second quarter but the key for markets will be how the recovery plays out into H2 of 2020.

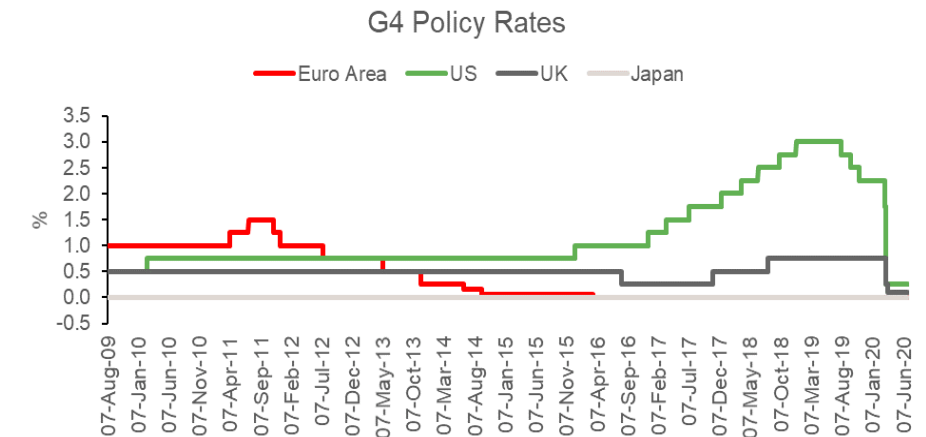
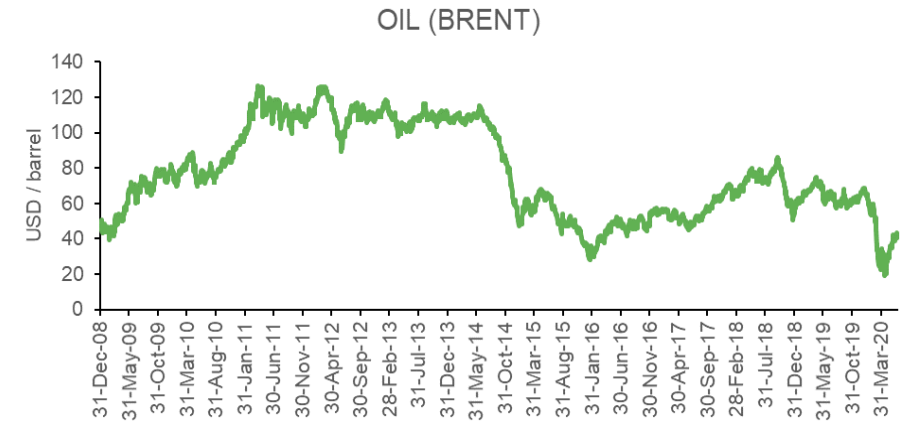


INTERNATIONAL MARKET VIEW

While recent economic data releases do suggest a global growth rebound, preliminary readings for July activity point to a moderation in the speed of the recovery. As the U.S. struggles more than other developed economies to manage COVID-19 and support the recovery, the dollar's resilience has been eroded.

With a weaker USD, the MSCI ACWI index rose 4% in local terms in July vs. 5.3% for U.S. dollar-based investors. Within equities, emerging markets outperformed, led by China, while the tech-heavy S&P 500 also did well following consensus beating earnings from the FAMANG stocks.

On the fixed income side, the U.S. yield curve moved lower and flattened while European sovereigns also rallied nicely, particularly in the periphery. Credit spread tightening remained resilient through equity market volatility. The US fixed income market is continuing to price in a very different expectation of the world going forward, as rates have remained at historic lows while equities price in an aggressive V-shaped recovery. The 3rd quarter of 2020 will remain key to how markets play out as it remains to be seen what prolonged effect the pandemic has on the global economy.



TACTICAL ASSET ALLOCATION

RSA BONDS

Local fixed income markets were fairly muted during the month, trading in a fairly tight range. The 10-year government bond ended the month flat at 9.5%. In the local fixed income markets, the yield curve steepened as the SARB once again cut interest rates by 25bps. Expectations for further rate cuts were, however, dampened due to more neutral voting from the Monetary Policy Committee.

Headline consumer price inflation edged slightly higher in June after falling to a two-decade low in May. The 2.2% year-on-year print is the second consecutive month that number has come in below the lower bound of the SARB's 3% to 6% target range. Lower fuel prices were again a significant driver of the depressed annual inflation number in June.

Foreigners were net buyers of SA bonds, continuing the inflows seen from previous months. The fact that real yields in South Africa are still in positive territory should sustain further offshore inflows, at least for the time being. Because the steepening yield curve is characterised by the possibility of the front end moving lower on further potential interest rate cuts, while the back end is under pressure due to a deteriorating fiscal situation, we maintain our cautious view of the asset class.

RSA PROPERTY, ALTERNATIVES AND CASH

The property sector remained under pressure, losing -3.19% during the month. While valuations are still attractive in a depressed market, upcoming company results, and the speed of the economic recovery will determine performance into year-end.

The weak macro-economic backdrop continues to negatively affect all sectors of the property market. Retail sales remain under severe pressure, leading to weak trading densities and lower occupancy levels. Retailers were starting to negotiate shorter lease terms and lower lease escalations. We maintained an underweight position in this asset class. The yield curve continued to steepen in July in response to increased sovereign risk and fears of default, which dampens demand for the longer end. 2yr vs 10yr spreads widened 31bp and 10yr vs 20yr spreads 9bp over the month.

Investors continue to assess value in ILBs relative to their SAGB peers which, given that breakeven inflation is tracking well above inflation expectations, ILBs continue to look expensive. Credit spreads remain wide and are mainly driven by large credit uncertainty and the benchmarking to the government yield curves for institutional investors.

RSA EQUITIES

Equities were the best performer over the month, returning 2.56%. Resources once again led the charge, with gold and platinum returning in excess of 20%, driven mostly by a strong bounce in commodities globally. Emerging market equities rallied, recording their strongest quarterly return in over a decade, with US dollar weakness amplifying returns. Non-residents persisted in selling off SA equities at an accelerated pace. Already fragile South African consumers and businesses will not experience the financial support offered to those in more prosperous nations, and we believe SA Inc. will remain under pressure.

We therefore maintain a preference for companies with strong business models capable of earnings resilience in what will be an even more challenging environment than we expected heading into 2020. Traditional valuation metrics indicate that local equities are not currently offering great value but are not overly expensive either. We continued with an underweight position in local stocks within an emerging market equity portfolio.

INTERNATIONAL

At the July meeting, the Federal Open Market Committee reaffirmed its commitment to support the US economy using "its full range of tools." It decided to keep interest rates unchanged at near zero, noting in a statement that "the path of the economy will depend significantly on the course of the virus." Chairman Jerome Powell indicated that to support the economy successfully, monetary policy should be applied in conjunction with fiscal policy. Members of Congress have, however, not reached a conclusion regarding continued fiscal support, mostly due to political infighting. This remained a big risk for the US economy going into August.

Earnings season picked up during the last week of the month as most of the big hitters reported during the week. While consensus expectations for Q2 were for a 45% decline in earnings growth, approximately 80% of companies that have reported so far have beaten that number. While we are still on track for a very negative second quarter number it will probably be closer to -35%, than -45%. Overall, there's some evidence that business conditions for companies may have improved slightly in the latter half of the second quarter, but the key for markets will be how the recovery plays out in the second half of 2020.

While recent economic data releases suggest a global growth rebound, preliminary readings for July activity point to a moderation in the speed of the recovery. As the US struggles more than other developed economies to manage Covid-19 and support the recovery, the dollar's resilience has been eroded. With a weaker USD, the MSCI ACWI index rose 4% in local terms in July versus 5.3% for US dollar-based investors. Within equities, emerging markets outperformed, led by China, while the tech-heavy S&P 500 also did well following consensus beating earnings from the FAMANG stocks. On the fixed income side, the US yield curve moved

lower and flattened while European sovereigns also rallied nicely, particularly on the periphery. Credit spread tightening remained resilient through equity market volatility.

The US fixed income market is continuing to price in a very different expectation of the world going forward, as rates remained at historic lows while equities priced in an aggressive V-shaped recovery. The third quarter of 2020 is key to how markets play out as it remains to be seen what prolonged effect the pandemic will have on the global economy.

NOVARE HOUSE VIEW: July 2020
TACTICAL POSITIONING*

	UNDER-WEIGHT	← ON-WEIGHT →	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight			
Equities	85%			95%
Bonds	95%			95%
Property	85%			95%
Alternatives		100%		100%
Cash	Balancing			100%
OFFSHORE			120%	120%
Equities	80%			100%
Bonds	70%			70%
Alternatives		100%		125%
AFRICA		100%		

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, 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
-
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TACTICAL ASSET ALLOCATION

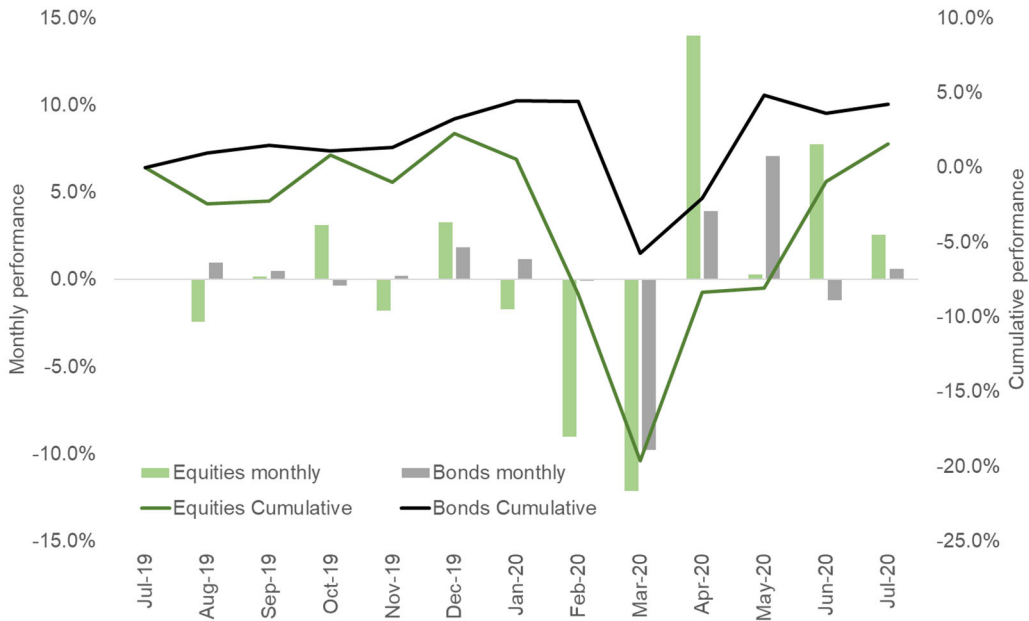
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	5.3%	13.5%	-1.0%	7.8%	7.6%	8.0%
MSCI Emerging Markets	9.0%	18.0%	-1.5%	6.9%	3.2%	6.5%
Global Bonds (R)	1.5%	-3.3%	29.5%	28.3%	13.9%	10.7%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	5.5%	64.4%	-34.2%	-32.3%	-6.2%	-3.6%
Platinum (USD/oz)	11.9%	16.9%	-6.5%	4.1%	-1.1%	-1.6%
Gold (USD/oz)	11.5%	15.1%	29.6%	38.1%	15.9%	12.5%

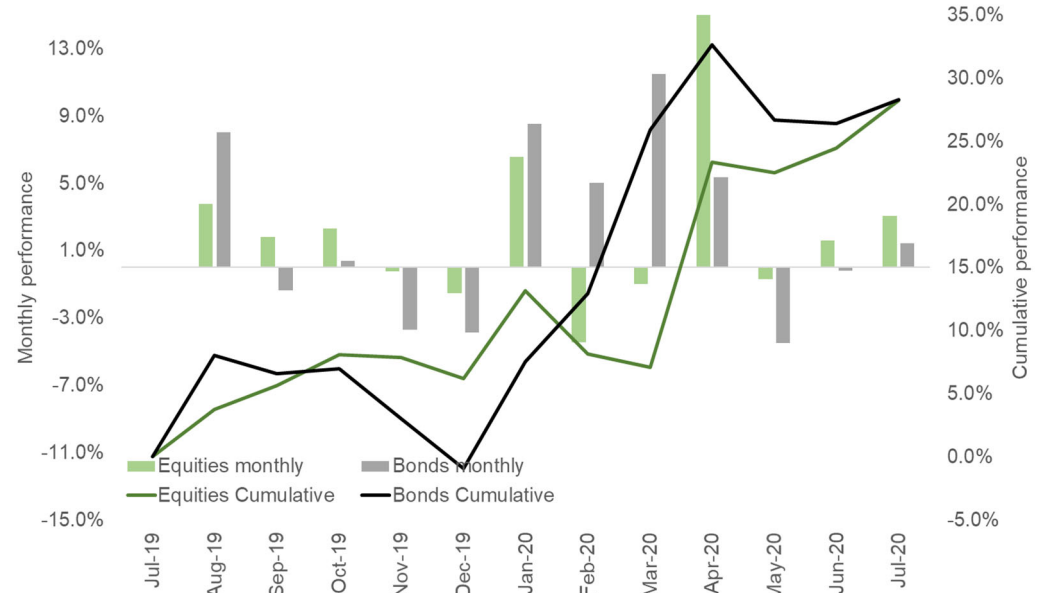
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	2.6%	10.8%	-0.7%	1.6%	3.6%	4.6%
Domestic Bonds	0.6%	6.4%	1.0%	4.2%	7.8%	7.4%
Domestic Cash	0.4%	1.4%	3.6%	6.7%	7.1%	7.2%
Domestic Property	-3.2%	9.0%	-39.5%	-41.2%	-20.2%	-10.5%
International Equity	3.1%	4.0%	20.7%	28.2%	17.9%	13.6%
International Bonds	1.5%	-3.3%	29.5%	28.3%	13.9%	10.7%
Exchange rate (R / \$)	-1.7%	-7.9%	21.9%	18.9%	9.0%	6.2%

Scale:
 Best performing asset class █
 Worst performing asset class █

Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



MARKET PERFORMANCE

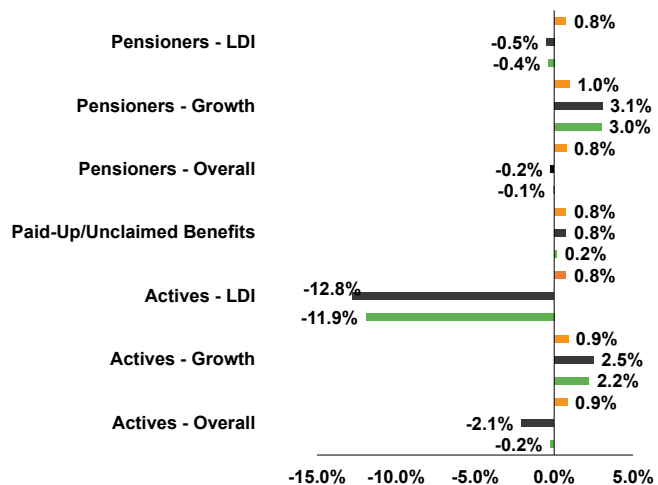
Section B

Fund Overview



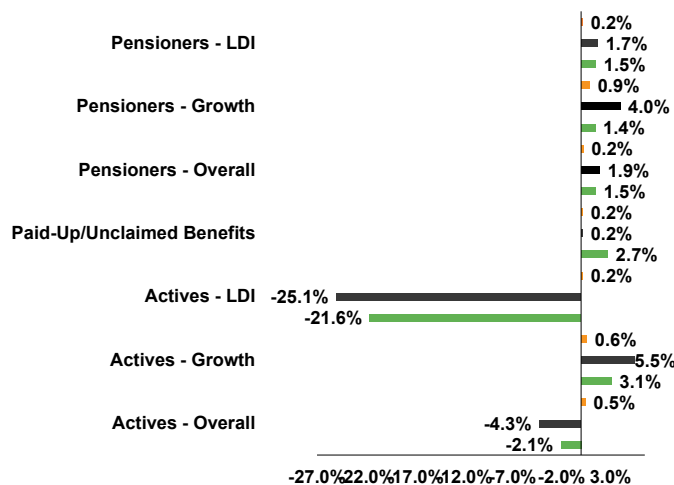
EXECUTIVE SUMMARY

Monthly Return for July 2020



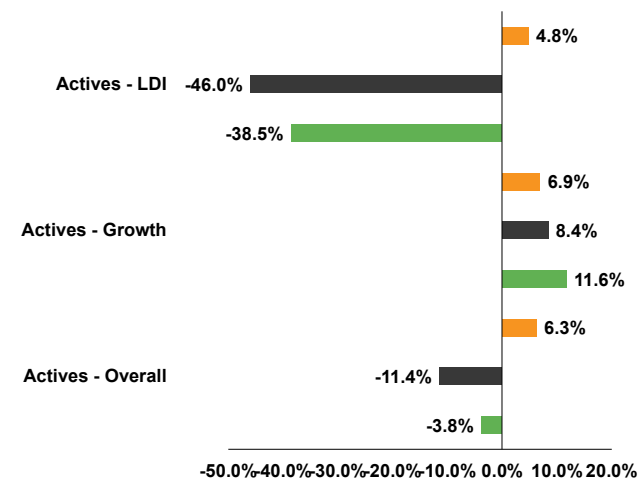
Investment objective | Benchmark | Portfolio

3 Months Return up to July 2020



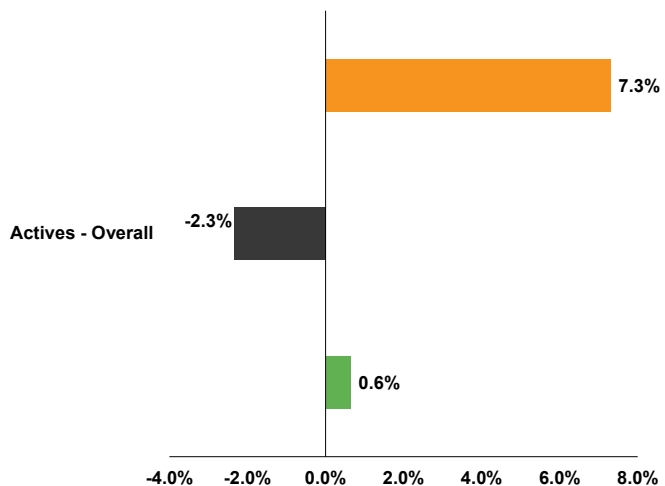
Investment objective | Benchmark | Portfolio

1 Year Return up to July 2020



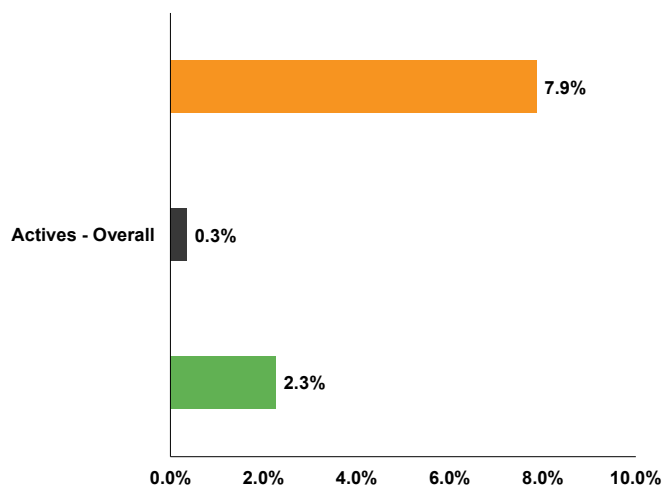
Investment objective | Benchmark | Portfolio

3 Year Return up to July 2020



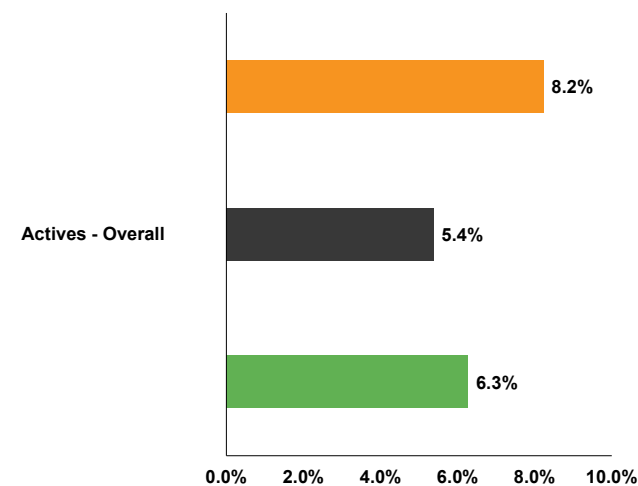
Investment objective | Benchmark | Portfolio

5 Year Return up to July 2020



Investment objective | Benchmark | Portfolio

8 Year Return up to July 2020

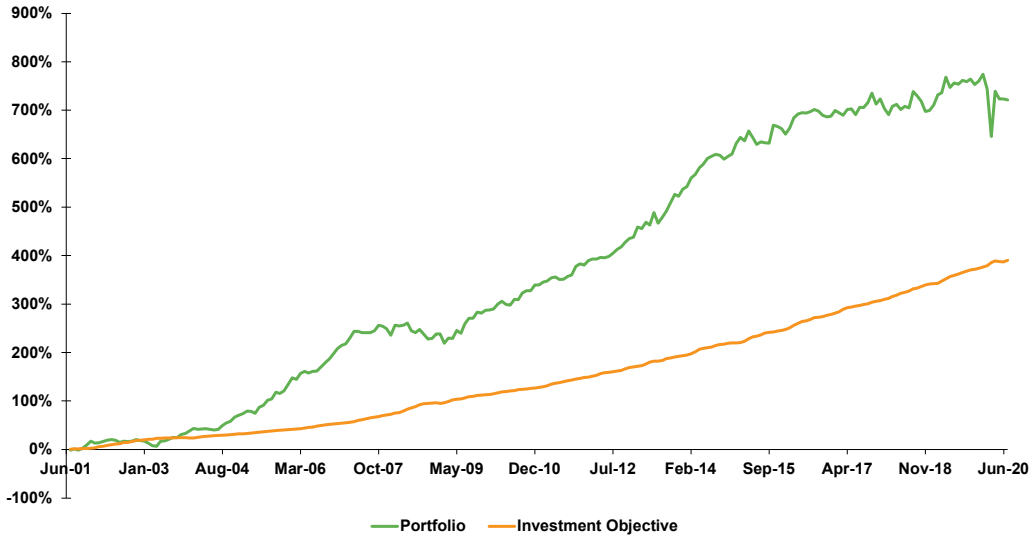


Investment objective | Benchmark | Portfolio

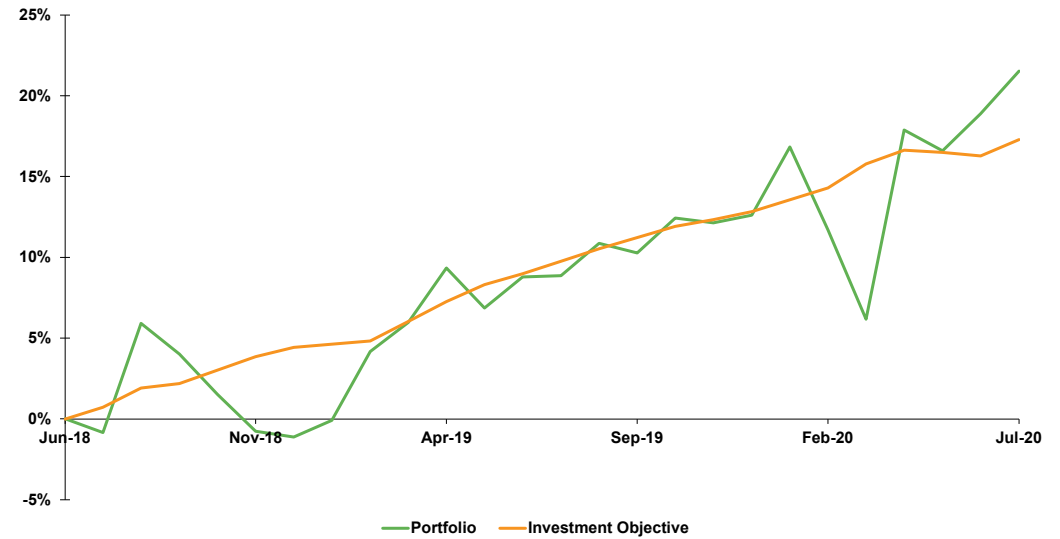
LONG TERM RETURNS

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.

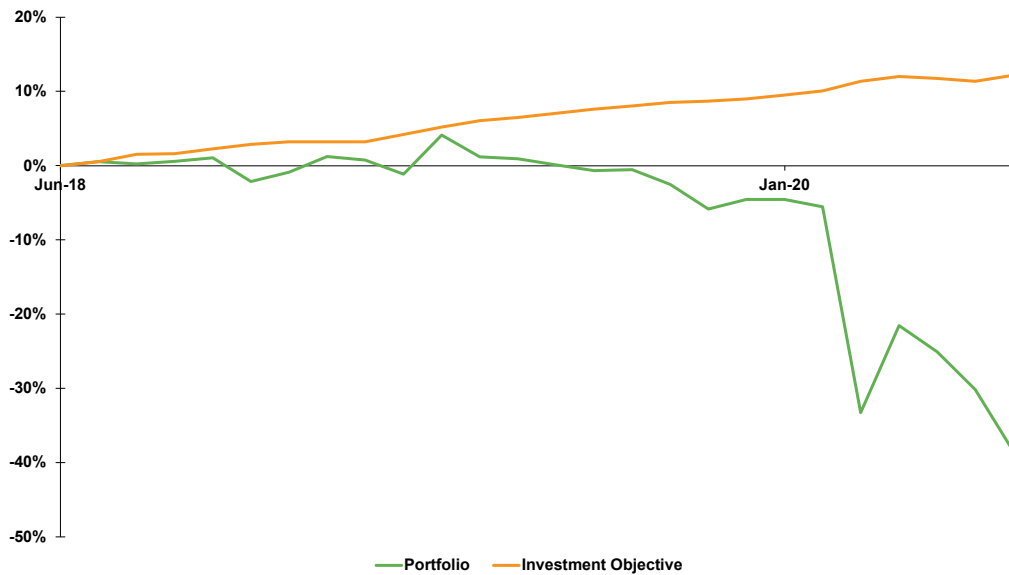
Actives Overall Portfolio - Cumulative return since 30 June 2001



Actives Growth Portfolio - Cumulative return since 30 June 2018



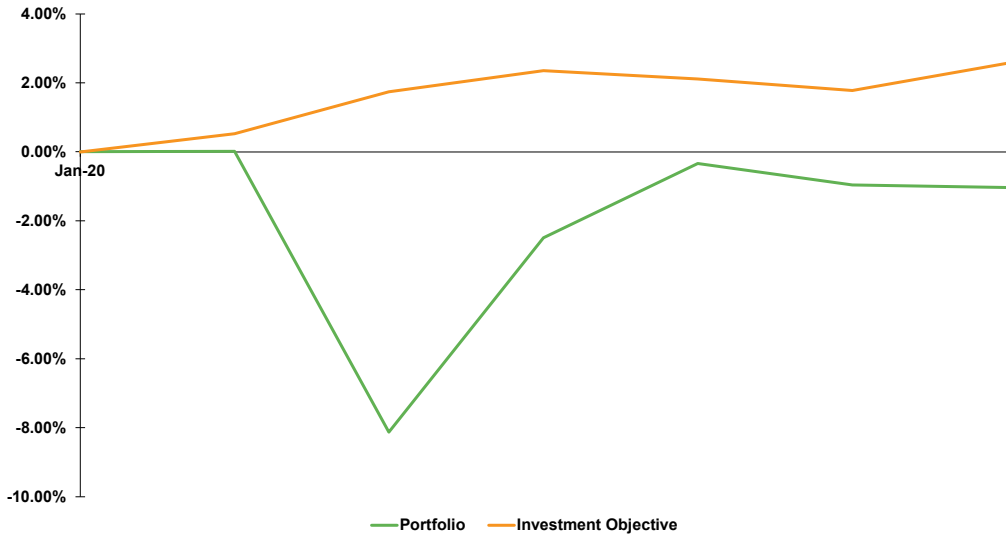
Actives LDI - Cumulative return since 30 June 2018



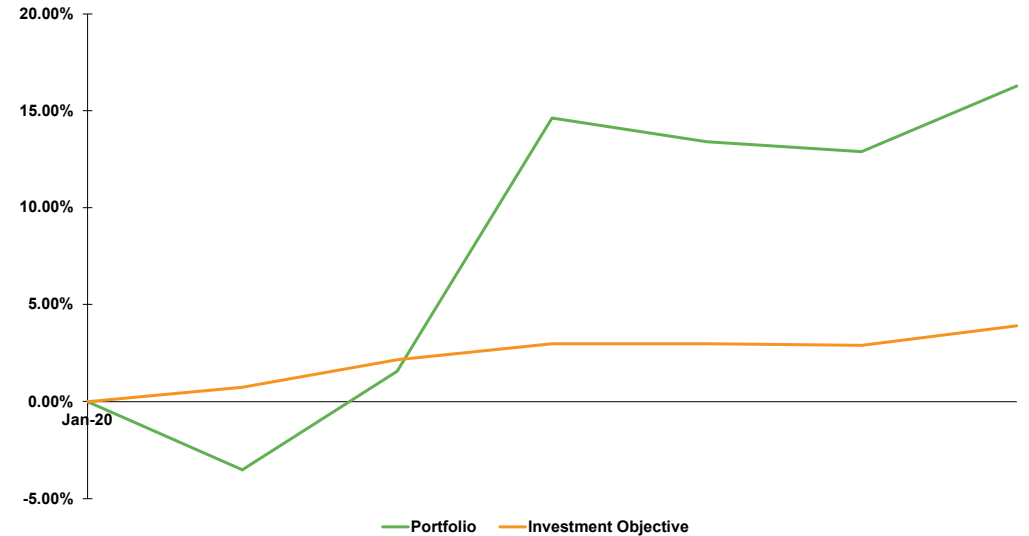
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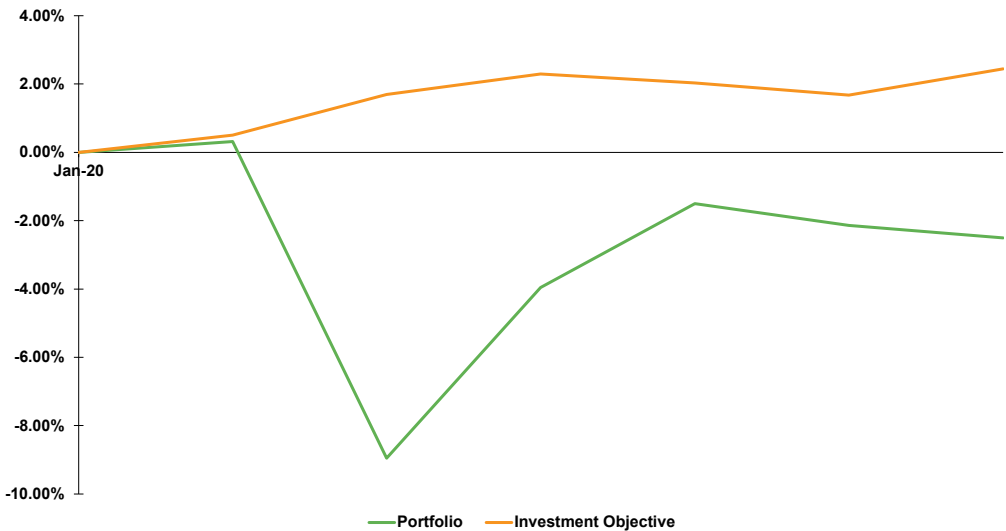
Pensioners Overall - Cumulative return since 31 January 2020



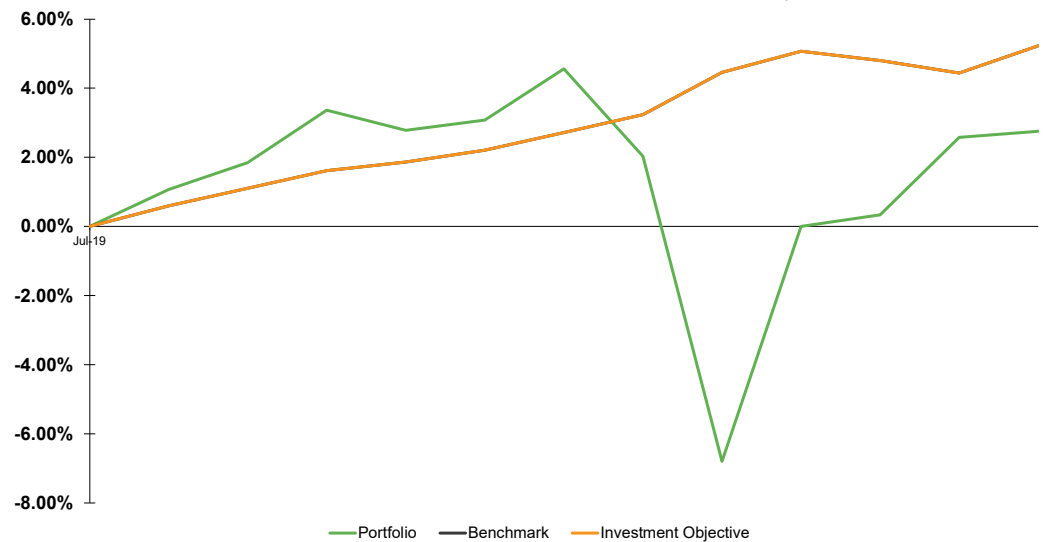
Pensioners Growth - Cumulative return since 31 January 2020



Pensioners LDI - Cumulative return since 31 January 2020



Paid-Up/Unclaimed Benefits - Cumulative return since 30 July 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)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	Since 1 June 2018	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Actives Overall	557 623 186		-0.2%	-2.1%	-3.8%	1.2%	0.6%	2.3%	6.3%	11.7%
Strategic Benchmark			-2.1%	-4.3%	-11.4%	-3.8%	-2.3%	0.3%	5.4%	9.8%
			1.8%	2.2%	7.6%	4.9%	3.0%	1.9%	0.9%	1.9%
Actives Growth	472 157 065		2.2%	3.1%	11.6%	-	-	-	-	9.8%
Strategic Benchmark			2.5%	5.5%	8.4%	-	-	-	-	6.5%
			-0.3%	-2.4%	3.3%	-	-	-	-	3.3%
Actives LDI	85 466 121		-11.9%	-21.6%	-38.5%	-	-	-	-	-20.8%
Strategic Benchmark			-12.8%	-25.1%	-46.0%	-	-	-	-	-25.9%
			0.9%	3.5%	7.4%	-	-	-	-	5.1%
Paid-Up/Unclaimed Benefits	56 160 860		0.2%	2.7%	2.7%	-	-	-	-	2.7%
Strategic Benchmark			0.8%	0.2%	5.2%	-	-	-	-	5.2%
			-0.6%	2.6%	-2.5%	-	-	-	-	-2.5%
Pensioners Overall	508 635 461		-0.1%	1.5%	-	-	-	-	-	-1.0%
Strategic Benchmark			-0.2%	1.9%	-	-	-	-	-	-2.2%
			0.1%	-0.4%	-	-	-	-	-	1.1%
Pensioners Growth	46 122 676		3.0%	1.4%	-	-	-	-	-	16.3%
Strategic Benchmark			3.1%	4.0%	-	-	-	-	-	13.3%
			-0.1%	-2.5%	-	-	-	-	-	3.0%
Pensioners LDI	462 512 784		-0.4%	1.5%	-	-	-	-	-	-2.5%
Strategic Benchmark			-0.5%	1.7%	-	-	-	-	-	-3.5%
			0.1%	-0.2%	-	-	-	-	-	1.0%
Actives Overall Objective			-0.2%	-2.1%	-3.8%	1.2%	0.6%	2.3%	6.3%	11.7%
Objective			0.9%	0.5%	6.3%	7.2%	7.3%	7.9%	8.2%	8.7%
			-1.1%	-2.5%	-10.0%	-6.0%	-6.7%	-5.6%	-2.0%	3.0%
Actives Growth Objective			2.2%	3.1%	11.6%	-	-	-	-	9.8%
Objective			0.9%	0.6%	6.9%	-	-	-	-	8.0%
			1.3%	2.5%	4.8%	-	-	-	-	1.9%
Actives LDI Objective			-11.9%	-21.6%	-38.5%	-	-	-	-	-20.8%
Objective			0.8%	0.2%	4.8%	-	-	-	-	5.7%
			-12.7%	-21.7%	-43.3%	-	-	-	-	-26.5%
Paid-Up/Unclaimed Benefits Objective			0.2%	2.7%	2.7%	-	-	-	-	2.7%
Objective			0.8%	0.2%	5.2%	-	-	-	-	5.2%
			-0.6%	2.6%	-2.5%	-	-	-	-	-2.5%
Pensioners Overall Objective			-0.1%	1.5%	-	-	-	-	-	-1.0%
Objective			0.8%	0.2%	-	-	-	-	-	2.6%
			-0.9%	1.3%	-	-	-	-	-	-3.6%
Pensioners Growth Objective			3.0%	1.4%	-	-	-	-	-	16.3%
Objective			1.0%	0.9%	-	-	-	-	-	3.9%
			2.0%	0.6%	-	-	-	-	-	12.4%
Pensioners LDI Objective			-0.4%	1.5%	-	-	-	-	-	-2.5%
Objective			0.8%	0.2%	-	-	-	-	-	2.4%
			-1.1%	1.4%	-	-	-	-	-	-4.9%
Total	1 122 419 507									

MANAGER PERFORMANCE

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

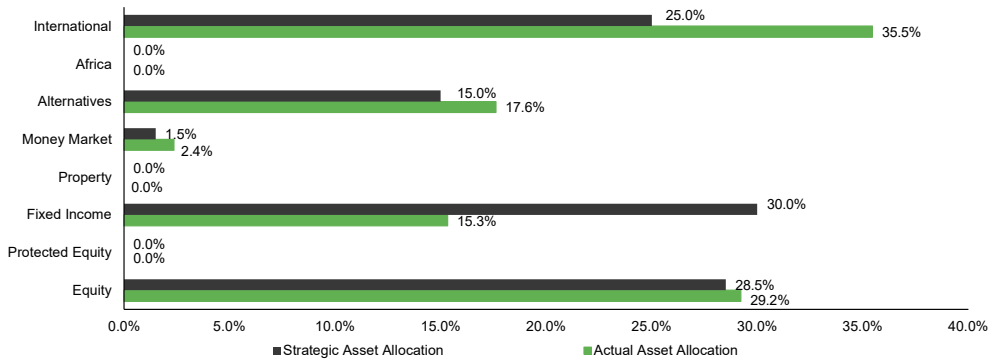
Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	Since 1 June 2018	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Equity	Aeon JSE Capped Share Weighted Index	2018/10/31	103 991 658	9.3%	2.0%	9.6%	-1.4%	-	-	-	1.2%
					3.0%	9.7%	-5.1%	-	-	-0.5%	
					-1.0%	-0.1%	3.8%	-	-	-	1.8%
Equity	Sanlam Satrix Equity JSE Capped Share Weighted Index	2018/08/31	58 931 126	5.3%	3.0%	9.7%	-5.2%	-	-	-	-5.2%
					3.0%	9.7%	-5.1%	-	-	-5.1%	
					0.0%	0.0%	-0.1%	-	-	-	-0.1%
Fixed Income	Colourfield Liability Benchmark	2016/05/31	547 978 905	48.8%	-2.7%	-3.8%	-15.5%	-8.8%	-6.7%	-	-5.4%
					-3.1%	-4.6%	-19.0%	-10.9%	-8.5%	-	-6.9%
					0.4%	0.8%	3.5%	2.1%	1.8%	-	1.6%
Property	Futuregrowth Community Property Fund CPI + 4%	2007/04/30	33 479 782	3.0%	0.6%	0.7%	7.1%	9.9%	10.3%	15.2%	12.8%
					0.8%	0.4%	6.2%	7.3%	7.7%	8.5%	9.7%
					-0.3%	0.3%	0.8%	2.5%	2.5%	6.7%	3.1%
Money Market	Liberty STEFI Composite	2002/01/31	8 279 228	0.7%	0.4%	1.3%	6.8%	7.2%	7.5%	7.4%	5.8%
					0.4%	1.4%	6.7%	7.0%	7.1%	7.2%	7.8%
					0.0%	-0.1%	0.1%	0.2%	0.4%	0.2%	-2.0%
Money Market	Prescient Yield Quants Plus STEFI	2020/01/31	4 948 550	0.4%	0.5%	1.6%	-	-	-	-	3.4%
					0.4%	1.4%	-	-	-	-	3.0%
					0.1%	0.2%	-	-	-	-	0.3%
Alternatives	Sanlam Property ALBI 7 - 12 Years	2018/07/31	64 812 006	5.8%	0.9%	-4.2%	-0.2%	-	-	-	4.3%
					0.8%	8.4%	6.7%	-	-	-	8.3%
					0.1%	-12.6%	-6.8%	-	-	-	-3.9%
International	Ninety One Global Franchise MSCI World	2018/07/31	243 837 391	21.7%	3.0%	1.5%	34.6%	-	-	-	27.2%
					3.1%	4.0%	28.2%	-	-	-	20.2%
					-0.1%	-2.5%	6.4%	-	-	-	7.0%
Multi Asset Class	Allan Gray Stable CPI + 3%	2019/07/31	56 160 860	5.0%	0.2%	2.8%	1.9%	-	-	-	1.9%
					0.8%	0.2%	5.2%	-	-	-	5.2%
					-0.6%	2.6%	-3.4%	-	-	-	-3.4%
			1 122 419 507	100%							

ASSET ALLOCATION

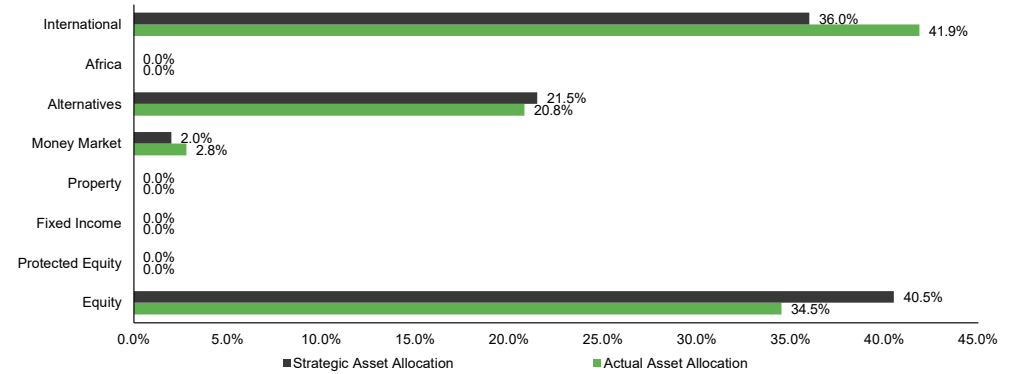
Asset Class	Manager	Actives Growth	Actives LDI	Actives Overall	Paid-Up/Unclaimed Benefits	Pensioners Growth	Pensioners LDI	Pensioners Overall	Total Fund
Equity	Aeon	103 991 658		103 991 658					103 991 658
	Sanlam Satrix Equity	58 931 126		58 931 126					58 931 126
Fixed Income	Colourfield		85 466 121	85 466 121			462 512 784	462 512 784	547 978 905
Property	Futuregrowth Community Property Fund	33 479 782		33 479 782					33 479 782
Money Market	Liberty	8 279 228		8 279 228					8 279 228
	Prescient Yield Quants Plus	4 948 550		4 948 550					4 948 550
Alternatives	Sanlam Unlisted Property Fund	64 812 006		64 812 006					64 812 006
International	Ninety One Global Franchise	197 714 715		197 714 715		46 122 676		46 122 676	243 837 391
Multi Asset Class	Allan Gray Stable				56 160 860				56 160 860
Total Fund		472 157 065	85 466 121	557 623 186	56 160 860	46 122 676	462 512 784	508 635 461	1 122 419 507

ASSET ALLOCATION

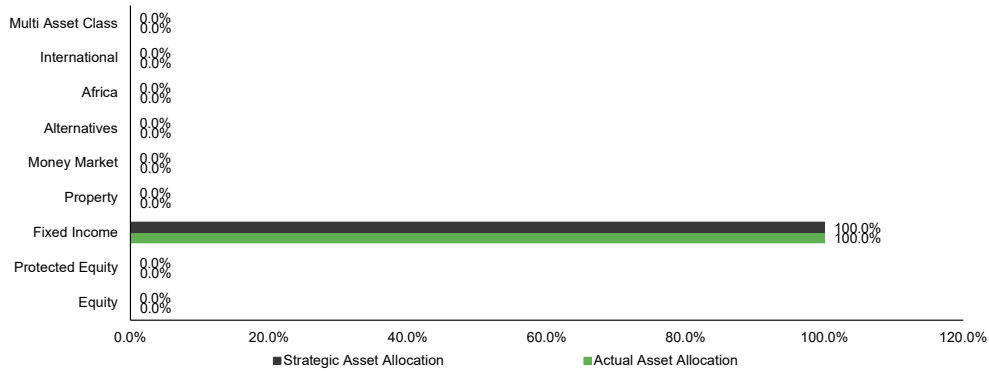
Actives Overall



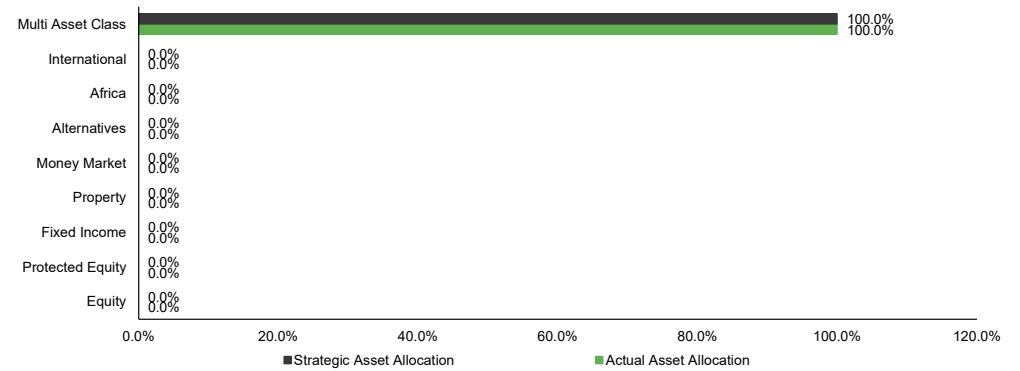
Actives Growth



Actives LDI

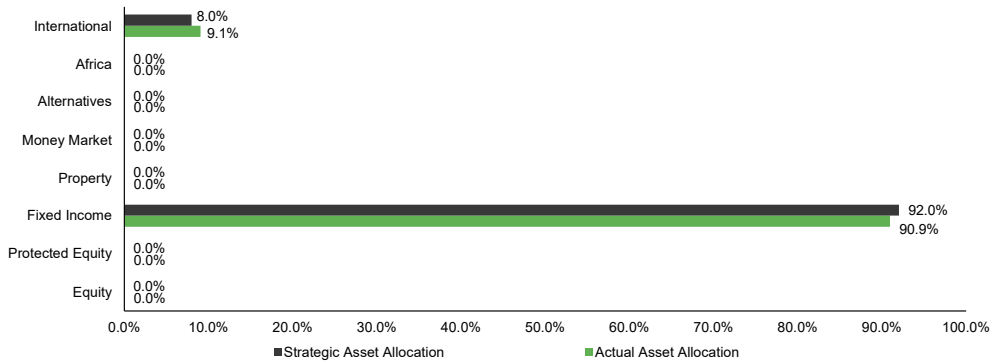


Paid-Up/Unclaimed Benefits

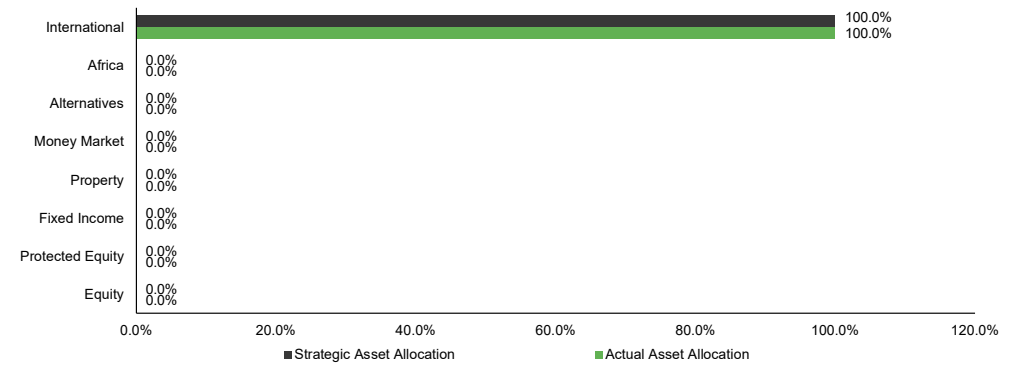


ASSET ALLOCATION

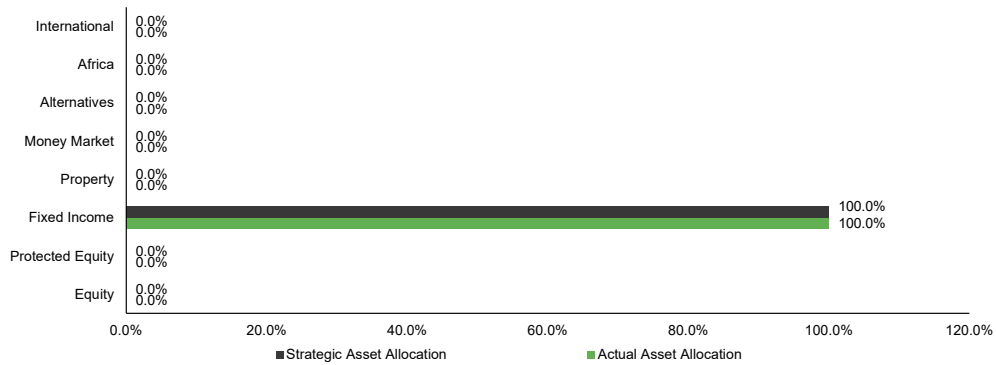
Pensioners Overall



Pensioners Growth



Pensioners LDI



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. E.g. CPI + 3% per annum.

INVESTMENT GLOSSARY

A hand in a dark suit sleeve points towards a document. The document features several charts, including two pie charts and a table. The pie charts are labeled with 'Energy', 'Industrial', and 'Agriculture'. The table has columns for 'Global Equities', 'Global Bonds', and 'Global Commodities', with rows for 'Jan-18', 'Jan-17', and 'Jan-16'. The background is a blurred office setting.

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 (i.e. buying a property) or indirectly (i.e. 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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