



NOVARE[®]
actuaries & consultants

| Monthly Report |

**Anglican Church of
Southern Africa Retirement
Fund**

December 2023

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REPORT OVERVIEW

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

OBJECTIVE

The objective represents the inflation target of CPI + 4%

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees. The year end for the Fund is 31 December. The returns for the financial year reflect returns from the 1st month of the financial year. The YTD graph illustrates the calendar months of our current year.

BENCHMARK

The benchmark performance in this report is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	40%	SWIX
Domestic Fixed Income	25%	ALBI
Domestic Property	5%	SA Listed Property
Domestic Money Market	5%	STeFI
Domestic Alternatives	5%	CPI + 4.5%
International	20%	International Composite: 60% MSCI World / 40% Barclays Global Bond

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.

MANAGER PERFORMANCE

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

TACTICAL LIMITS

Asset Class	Lower limit	Upper limit
Domestic Equities	30%	50%
Domestic Fixed Income	10%	30%
Domestic Property	0%	10%
Domestic Money Market	0%	20%
Domestic Alternatives	0%	20%
International	0%	25%

DISCLAIMER

This document is confidential and issued for information purposes only and intended solely for the addressee(s) and members of the **Anglican Church of Southern Africa Retirement Fund**, which employs Novare Actuaries and Consultants (Pty) Ltd (Registration number: 2001/008015/07) (**NAC**), as its Investment Consultant. The performance of the Fund is dependent on the fluctuations of the underlying financial instruments, exchange rates and other economic factors. Past performance is not a guarantee for future performance. No guarantees are provided in relation to portfolio investment performance. NAC does not accept any liability or responsibility of whatsoever nature and however arising in respect of any claim, damage, loss or expense relating to or arising out of or in connection with the reliance by anyone on the contents of this document. Copyright of this document will remain vested with NAC and may not be reproduced to anyone in part or whole without the prior written consent of NAC. NAC is an Authorised Financial Service Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002. **FSP No. 815**. 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



The South Africa's JSE FTSE All Share Index ended the year positive, posting gains of 1.8% for December resulting to 5.3% for the year. The FTSE JSE Capped SWIX rose 2.7% for the month and ending the year with +3.6%.

Property and financials stocks were the lead performing for the month, with the SA Listed Property Index jumping 9.3%, but ending the year with positive 2.5%, while Financial-15 Index was up 5.34% for December adding to the twelve months return of 15.1%.

SA consumer price index (CPI), dropped by 0.1% for the month (November), against market expectation of +0.1%. This marks it the first decrease in ten months or since Jan 2023. The decrease can be attributed mainly to a 5.5% decline in the fuel price index.

Rand



S.A. 10-Year Government Benchmark Yield

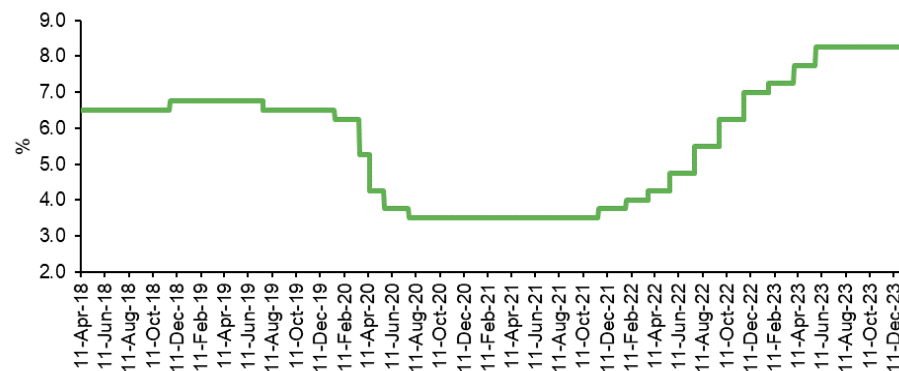


DOMESTIC MARKET VIEW

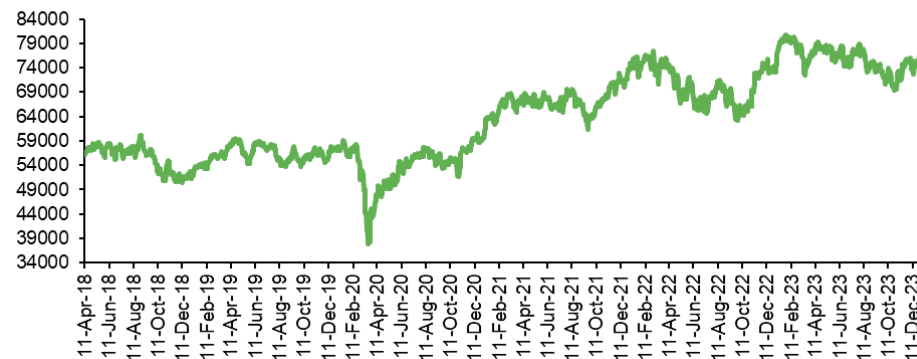
Despite the challenges facing South Africa like persistent Eskom's loadshedding and the decline in Transnet's railway infrastructure, South African rand strengthened by 2.6% against the dollar in December ending 3.0% for the fourth quarter.

South Africa's economic recovery from the COVID-19 pandemic has been among the weakest in emerging markets. The third quarter of 2023 saw a slight contraction in the South African economy, with quarter-on-quarter GDP declining 0.2% versus the prior period's 0.5% expansion.

Repo Rate



FTSE/JSE All Share Index



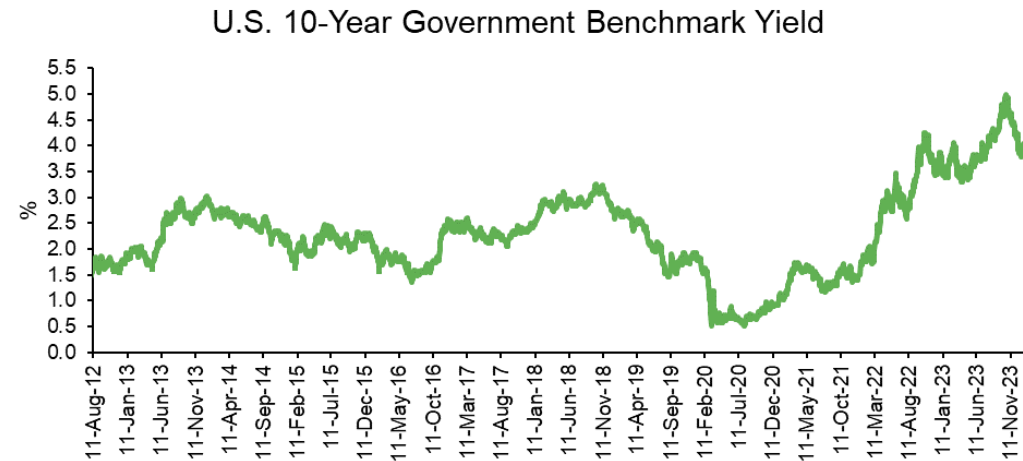
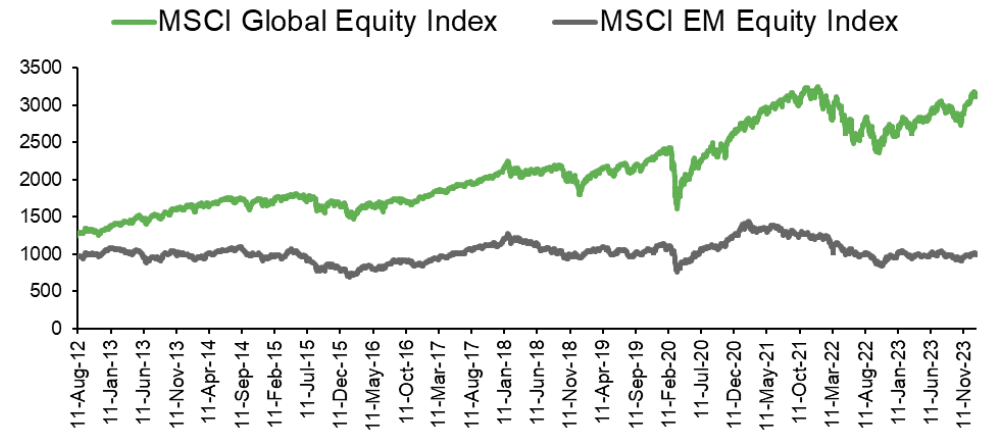
INTERNATIONAL MARKET VIEW

Despite the difficult macro ecosystem (high inflation and interest rates) and geopolitics (persistent war in Ukraine and one that broke out in Gaza), global equity markets had a good performance in December, fourth quarter and 2023 calendar year.

After posting three consecutive months of losses, US markets reversed course in November and December, rallying into year-end and recording impressive gains for 2023. The US tech-heavy Nasdaq Composite Index surged 5.5% in December, fueled by stellar performances seen in the “Magnificent Seven” stocks which comprises Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. The Dow Jones advanced 4.8% while the large-cap S&P500 jumped 4.4% for the month. The world market index, represented by MSCI world also posted impressive numbers, up 5% for the same period, ending the year 2023 with 20% gain.

The biggest driver of performance was the optimism around declining inflation and easing of recession fears that were replaced by a growing belief that US policymakers would achieve an economic soft landing. The hype around AI, also contributed to the soaring of the large technology companies listed on Nasdaq. As widely anticipated, the US Federal Reserve decided to keep key interest rates unchanged for the third consecutive time at its last meeting for 2023, acknowledging easing in inflation over the course of the year. The markets reacted positively when Fed Chair Jerome Powell indicated that the next action from the central bank will likely be a reduction in interest rates.

The November headline inflation, as measured by the Consumer Price Index (CPI), rose 3.1% year on year (YoY) and in line with market expectations, while retail sales rebounded, rising by 0.3% as reported in the US economic data. In Europe, the German Dax and French CAC40 added positive returns of 3.31% and 3.18% for December, setting an all-time high of 20.31% and 16.52% for 2023, respectively.



INTERNATIONAL MARKET VIEW

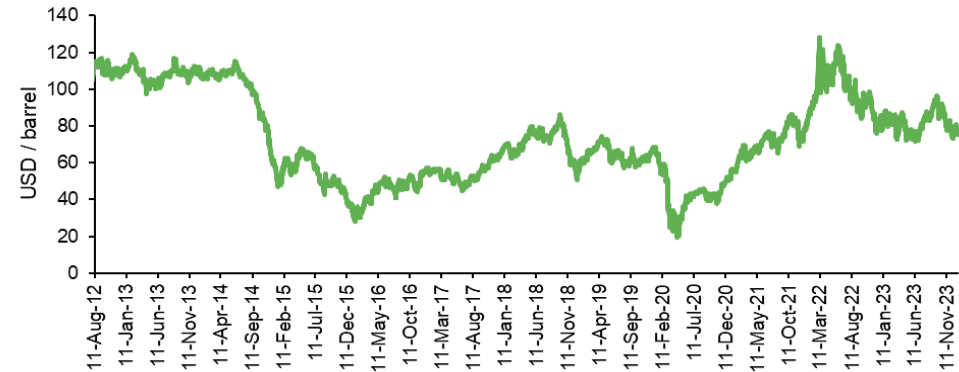
The November eurozone economic data print indicated a decline in inflation to 2.4% vs 2.9% YoY in October. Germany's November inflation slowed for a fifth consecutive month, falling to its lowest level since June 2021 as energy product and food prices dropped, coming in at 3.2% YoY vs October's 3.8% print.

France's November inflation also continued to cool, falling to 3.5% YoY, compared to October's 4.0% YoY print, on the back of a slowdown in energy prices, services, and manufactured goods. However, in its December meeting, the governing council of the European Central Bank (ECB) opted to maintain its key interest rates at record high levels. ECB President, Christine Lagarde, reiterated the Central Bank's concern about an imminent rebound in inflation, signalling a reluctance to pursue rate cuts. Economic activity in the Eurozone also contracted, but for the seventh consecutive month to December.

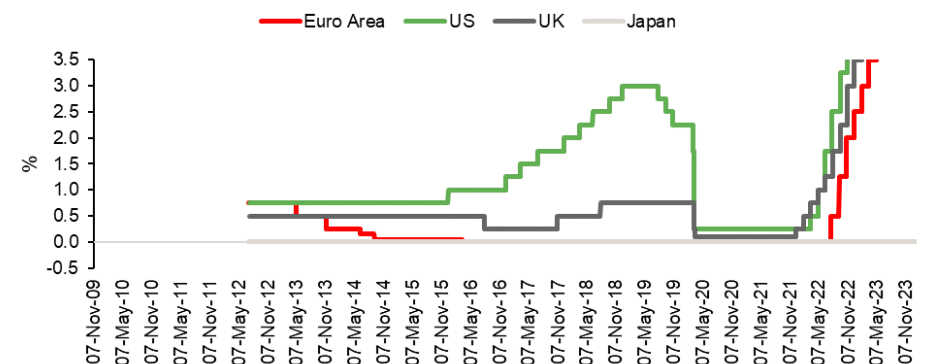
The UK's blue-chip FTSE-100 advanced by 3.7% in December leading to 3.8% for 2023. December UK inflation rose at its slowest pace in 18 months, falling to 4.3% vs October's 4.6% YoY print. The Bank of England (BoE) maintained its main interest rate at 5.3%, indicating that a restrictive monetary policy stance might be necessary "for an extended period of time". In November, the UK's Consumer Price Index (CPI) saw a YoY increase of 3.9%, a decrease from the 4.6% rise recorded in October and lower than the market expectation of a 4.4% increase.

China's equity markets had a very disappointing month and year, amid investor concerns over the country's economic recovery trajectory and the property sector slump. Hong Kong's Hang Seng Index ended the month flat, up only 0.03%, falling 13.8% for 2023. The Shanghai Composite Index also ended 1.8% lower for the month and -3.7% for 2023.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION



RSA BONDS

The All-Bond Index (ALBI) was up 1.4% for the month. SA consumer price index (CPI), dropped by 0.1% for the month (November), against market expectation of 0.1%. This marks it the first decrease in ten months or since Jan 2023. The decrease can be attributed mainly to a 5.5% decline in the fuel price index. We remain of the view that local bonds offer value due to their relative performance and therefore remain on-weight the asset class.

RSA PROPERTY, ALTERNATIVES AND CASH

Property was one of the lead performers for the month, with the SA Listed Property Index jumping 9.3%, and ending the year up 2.5%, although it still trails other asset classes over longer periods. The SARBs rate hiking cycle does not warrant an increase in our allocation, and we remain underweight property.

RSA MONEY MARKET

South Africa's money market increased slightly in December 2023, after remaining flat at the end of November, as the 3-m JIBAR rate increased by 3bp and ended the month at 8.40%, while the 12-m JIBAR rate increased by 10bp to 9.13%. The 12-m T-bill average yield further decreased 2bp to 8.41% at the end of December.

RSA EQUITIES

The JSE FTSE All Share Index ended the year positive, posting gains of 1.8% for December resulting to 5.3% for the year. The FTSE JSE Capped SWIX rose 2.7% for the month and ending the year with +3.6%. Property and financials stocks were the lead performers for the month, with the SA

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INTERNATIONAL

Despite the difficult macro ecosystem (high inflation and interest rates) and geopolitics (persistent war in Ukraine and one that broke out in Gaza), global equity markets had a good performance in December, fourth quarter and 2023 calendar year. After posting three consecutive months of losses, US markets reversed course in November and December, rallying into year-end and recording impressive gains for 2023. The US tech-heavy Nasdaq Composite Index surged 5.5% in December, fueled by stellar performances seen in the "Magnificent Seven" stocks which comprises Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

The Dow Jones advanced 4.8% while the large-cap S&P500 jumped 4.4% for the month. The world market index, represented by MSCI world also posted impressive numbers, up 5% for the same period, ending the year 2023 with 20% gain. The biggest driver of performance was the optimism around declining inflation and easing of recession fears that were replaced by a growing belief that US policymakers would achieve an economic soft landing.

The hype around AI, also contributed to the soaring of the large technology companies listed on Nasdaq. As widely anticipated, the US Federal Reserve decided to keep key interest rates unchanged for the third consecutive time at its last meeting for 2023, acknowledging easing in inflation over the course of the year. The markets reacted positively when Fed Chair Jerome Powell indicated that the next action from the central bank will likely be a reduction in interest rates.

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property sector slump. Hong Kong's Hang Seng Index ended the month flat, up only 0.03%, falling 13.8% for 2023. The Shanghai Composite Index also ended 1.8% lower for the month and -3.7% for 2023.

In Japan, the Nikkei 225 Index closed the month down 0.1% but an impressive +28.2% for the year 2023. Japan's November core CPI (excluding the volatile fresh food category but including energy costs) slowed sharply to 2.5% YoY vs October's 2.9% print.

NOVARE HOUSE VIEW: DECEMBER 2023
TACTICAL POSITIONING*

	UNDER-WEIGHT	← ON-WEIGHT →	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight			
Equities		100%		95%
Bonds		100%		100%
Property	95%			95%
Alternatives		100%		100%
Cash	Balancing			
OFFSHORE			110%	120%
Equities	90%			90%
Bonds	90%			80%
Property	90%			90%
Alternatives			115%	125%
AFRICA		100%		100%

* positioning is as a % of strategic asset allocation

Summary:

Novare remains onweight domestic equities, domestic bonds and underweight domestic property: whilst maintaining an overweight to International assets. Due to the limit of 45% to international assets, the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
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TACTICAL ASSET ALLOCATION

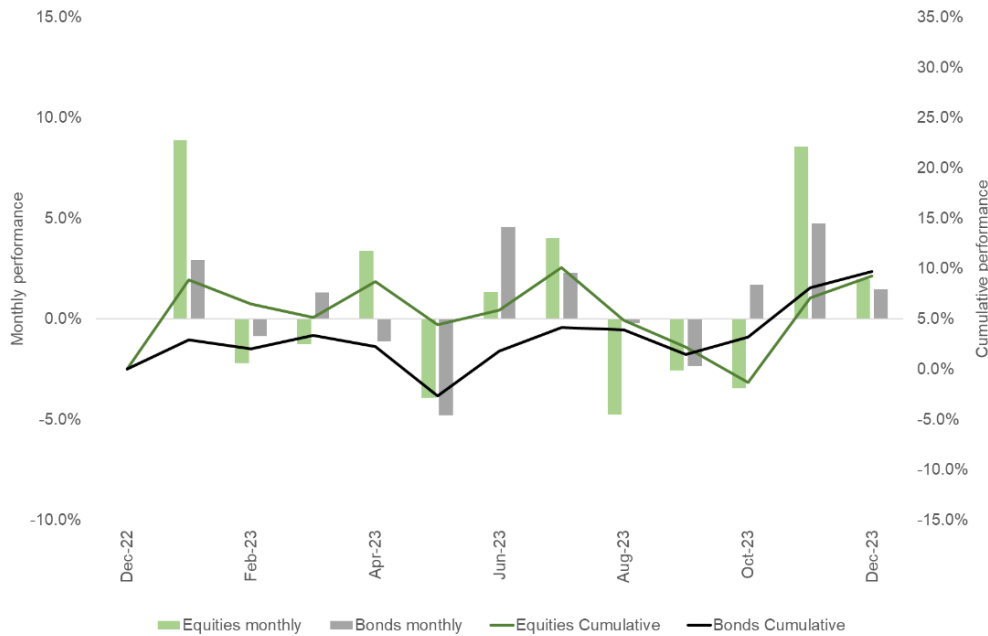
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	4.8%	11.1%	22.8%	22.8%	6.2%	12.3%
MSCI Emerging Markets	3.9%	7.9%	10.3%	10.3%	-4.7%	4.1%
Global Bonds (R)	1.1%	4.5%	17.3%	17.3%	2.7%	5.3%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	-4.7%	-16.4%	-10.3%	-10.3%	14.1%	7.2%
Platinum (USD/oz)	6.1%	9.1%	-8.0%	-8.0%	-2.7%	4.5%
Gold (USD/oz)	1.1%	11.6%	13.1%	13.1%	2.9%	10.0%

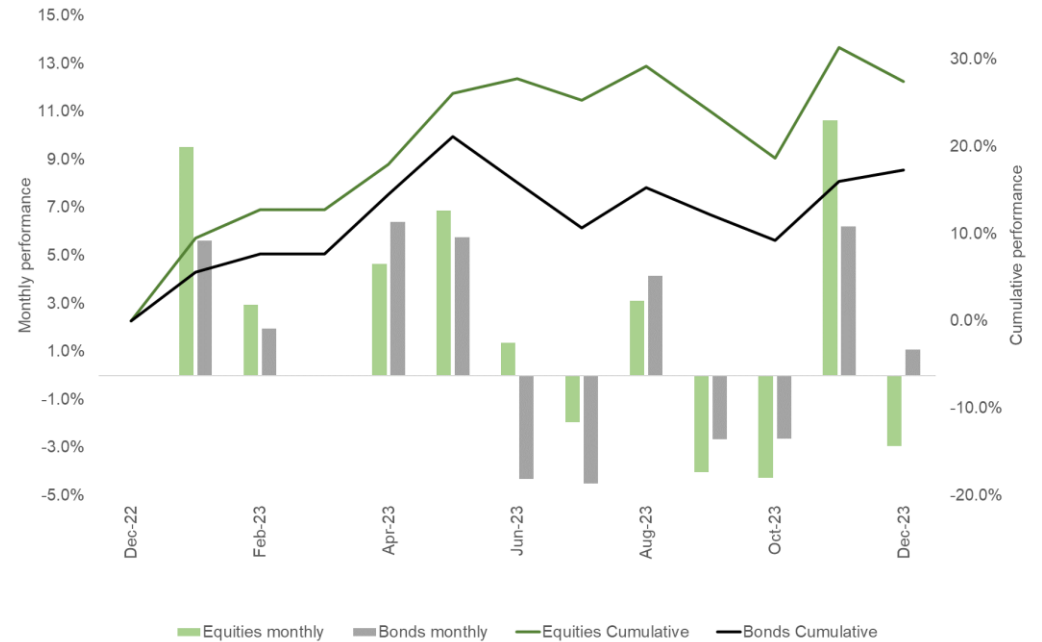
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	2.0%	6.9%	9.3%	9.3%	13.5%	11.9%
Domestic Bonds	1.5%	8.1%	9.7%	9.7%	7.4%	8.2%
Domestic Cash	0.7%	2.1%	8.1%	8.1%	5.7%	5.9%
Domestic Property	9.9%	16.4%	10.1%	10.1%	14.9%	0.2%
International Equity	-3.0%	2.8%	27.4%	27.4%	14.1%	17.9%
International Bonds	1.1%	4.5%	17.3%	17.3%	2.7%	5.3%
Exchange rate (R / \$)	-3.0%	-3.3%	7.5%	7.5%	7.6%	5.0%

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

Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

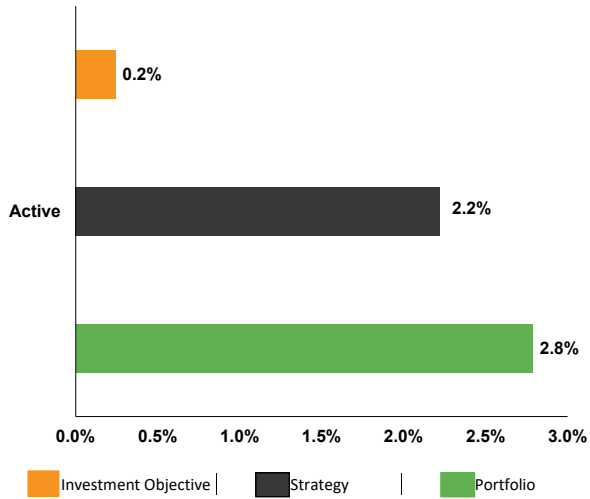
Fund Overview



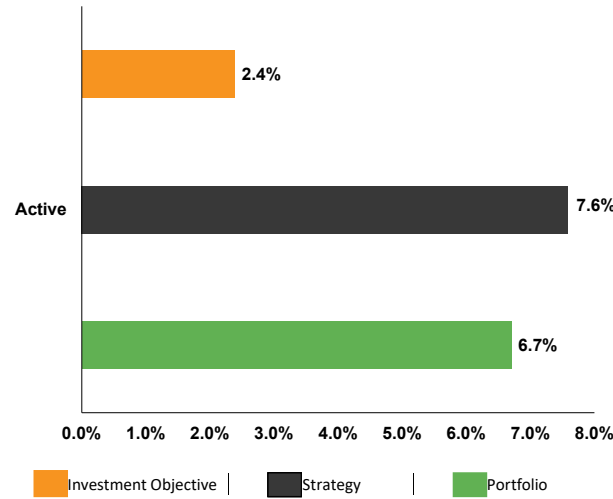
EXECUTIVE SUMMARY



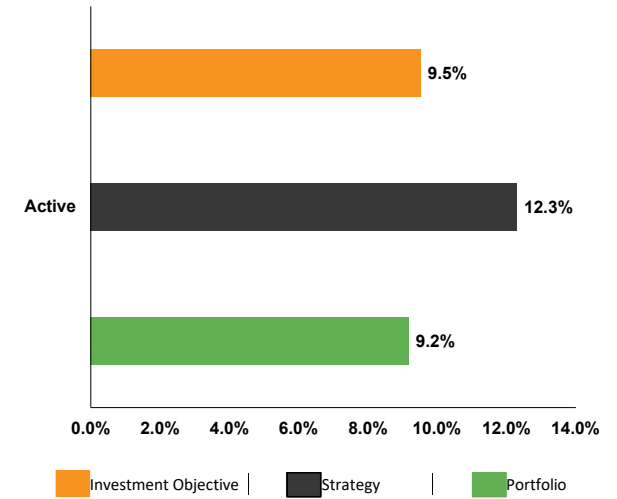
Monthly Return for December 2023



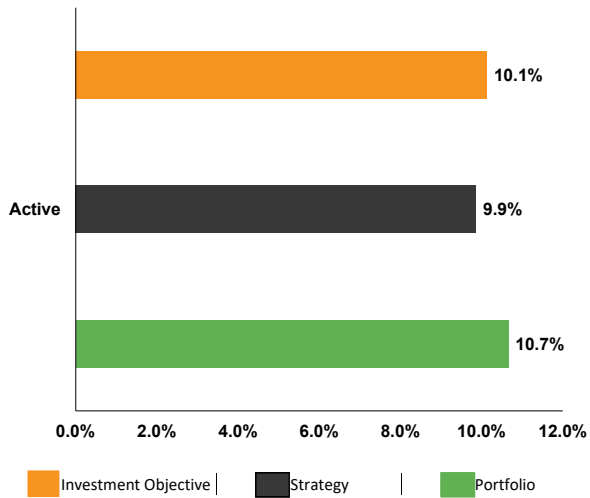
3 Months Return up to December 2023



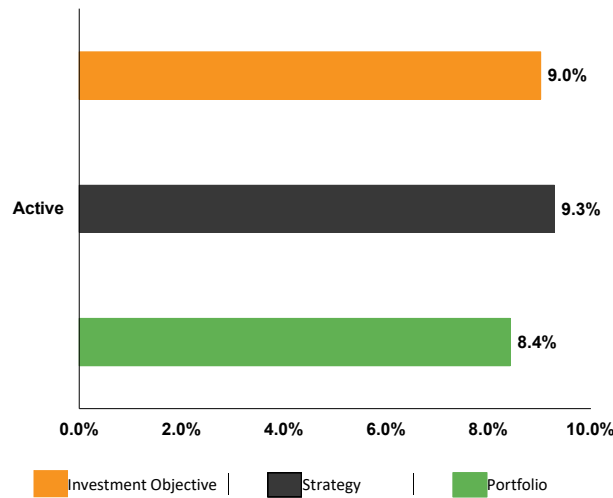
1 Year Return up to December 2023



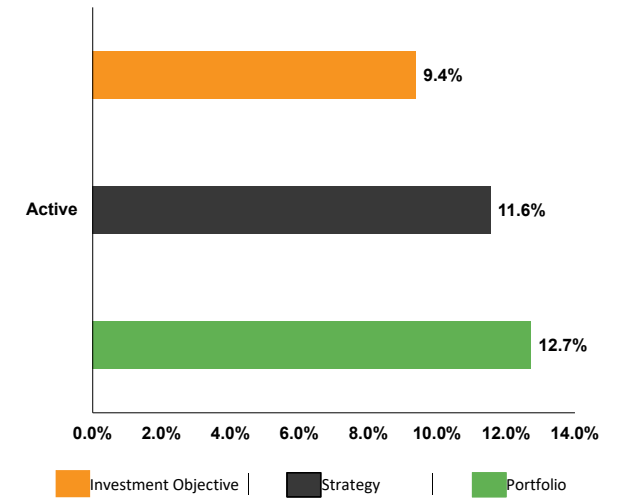
3 Year Return up to December 2023



5 Year Return up to December 2023



Returns Since Inception



PORTFOLIO MARKET VALUES AND RETURNS

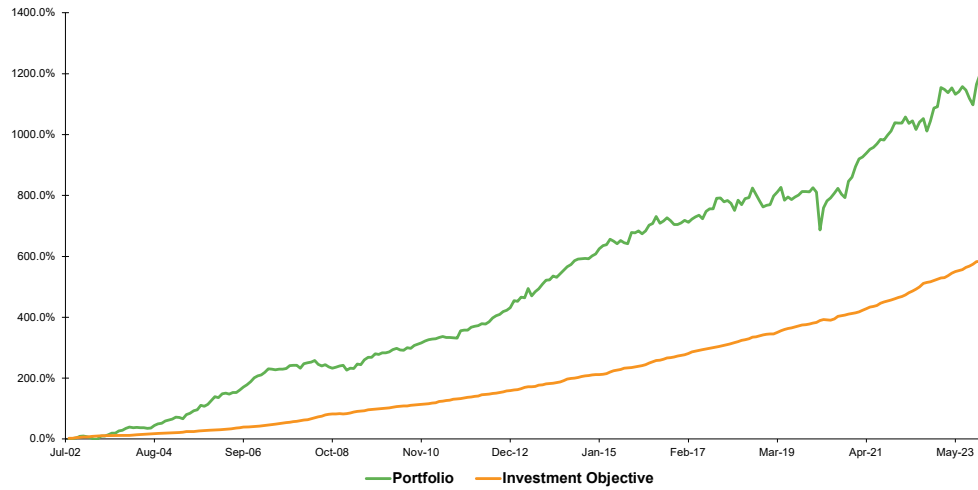
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Active Strategy	214 531 342	100.0%	2.8%	6.7%	9.2%	10.7%	8.4%	6.5%	12.7%
			2.2%	7.6%	12.3%	9.9%	9.3%	7.9%	11.6%
			0.6%	-0.9%	-3.1%	0.8%	-0.9%	-1.4%	1.2%
Active Objective	214 531 342	100%	2.8%	6.7%	9.2%	10.7%	8.4%	6.5%	12.7%
			0.2%	2.4%	9.5%	10.1%	9.0%	9.2%	9.4%
			2.5%	4.3%	-0.3%	0.5%	-0.6%	-2.6%	3.3%

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.

Active - Cumulative return since 31 July 2002



MANAGER PERFORMANCE

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

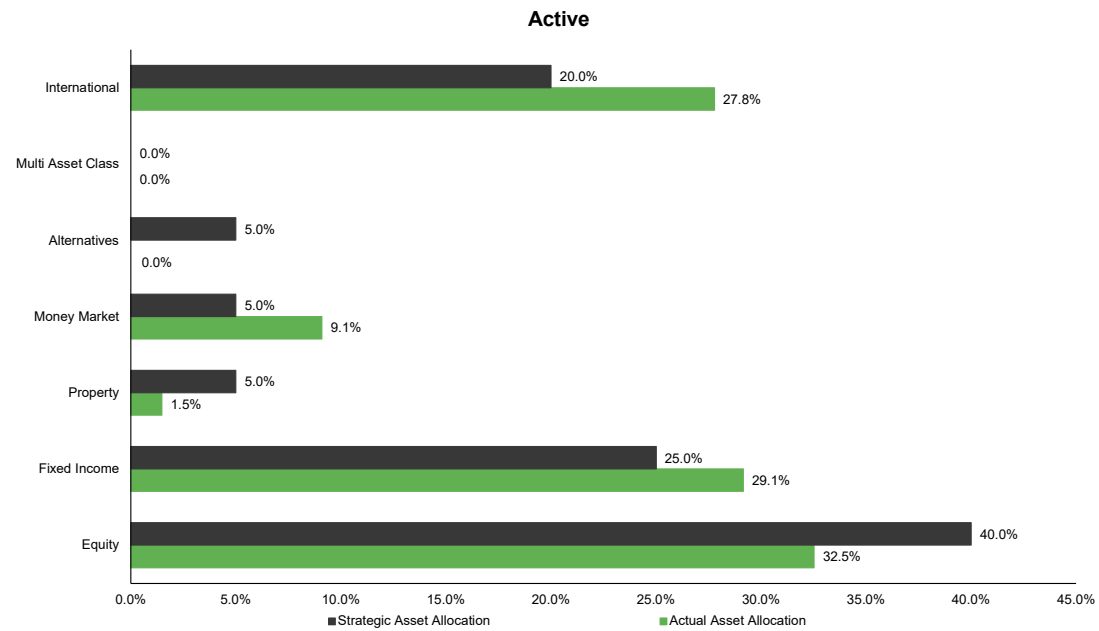
Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Fixed Income	Futuregrowth Infrastructure Bond Fund All Bond Index	2011/07/31	30 778 234	14.3%	2.2%	9.5%	10.0%	9.6%	9.6%	10.4%	9.8%
					1.5%	8.1%	9.7%	7.4%	8.2%	9.3%	8.1%
					0.7%	1.4%	0.3%	2.2%	1.4%	1.1%	1.7%
Money Market	Liberty Standard Money Market STEFI	2008/10/31	15 551 333	7.2%	0.7%	2.1%	8.4%	5.9%	6.1%	6.7%	6.7%
					0.7%	2.1%	8.1%	5.7%	5.9%	6.5%	6.5%
					0.0%	0.1%	0.4%	0.3%	0.2%	0.3%	0.2%
Money Market	Standard Money Market STEFI	2006/05/31	1 172 601	0.5%	0.7%	2.1%	8.4%	5.9%	6.0%	6.1%	6.8%
					0.7%	2.1%	8.1%	5.7%	5.9%	6.5%	6.9%
					0.0%	0.1%	0.4%	0.3%	0.1%	-0.4%	-0.2%
Multi Asset Class	Prudential House View with Global CPI + 5%	2020/01/31	85 985 429	40.1%	3.2%	7.0%	11.5%	12.9%	-	-	10.3%
					0.3%	2.6%	10.5%	11.1%	-	-	10.4%
					2.9%	4.4%	1.0%	1.8%	-	-	-0.1%
Multi Asset Class	Ninety One House View with Global CPI + 5%	2020/01/31	81 043 745	37.8%	3.0%	6.4%	7.3%	9.4%	-	-	8.2%
					0.3%	2.6%	10.5%	11.1%	-	-	10.4%
					2.7%	3.7%	-3.2%	-1.8%	-	-	-2.2%
			214 531 342	100%							

ASSET ALLOCATION



Asset Class	Manager	Active	Total Fund
Fixed Income Money Market	Futuregrowth Infrastructure Bond Fund	30 778 234	30 778 234
	Liberty Standard Money Market	15 551 333	15 551 333
	Standard Money Market	1 172 601	1 172 601
Multi Asset Class	Prudential House View with Global	85 985 429	85 985 429
	Ninety One House View with Global	81 043 745	81 043 745
Total Fund		214 531 342	214 531 342

ASSET ALLOCATION





PORTFOLIO RISK STATISTICS OVERVIEW

Inception Date	Active Portfolio 2002/07/31
Best 1 Month Period	10.3%
Worst 1 Month Period	-13.6%
Standard Deviation	8.5%
Gain Deviation	6.8%
Loss Deviation	5.4%
Max Drawdown	15.1%
Max Drawdown Period Peak (Cumulative)	826.6%
Max Drawdown Length (Months)	11
Max Drawdown Recovery Length (Months)	8
Max Underwater Period (Months)	19
Sharpe Ratio	0.62
Information Ratio	0.29

*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

MANAGER RISK STATISTICS OVERVIEW

	Futuregrowth Infrastructure Bond Fund	Liberty Standard Money Market	Prudential House View with Global	Ninety One House View with Global
Inception Date	2011/07/31	2008/10/31	2020/01/31	2020/01/31
Benchmark	All Bond Index	STEFI	CPI + 5%	CPI + 5%
Best 1 Month Period	7.4%		1.0%	14.0%
Worst 1 Month Period	-11.1%		0.2%	-19.0%
Standard Deviation	8.0%		0.5%	15.2%
Gain Deviation	5.9%		0.2%	10.3%
Loss Deviation	5.5%		0.2%	11.2%
Max Drawdown	11.2%		0.0%	21.3%
Max Drawdown Period Peak (Cumulative)	127.6%			0.0%
Max Drawdown Length (Months)	2		0	2
Max Drawdown Recovery Length (Months)	7		--	8
Max Underwater Period (Months)	9		--	10
Sharpe Ratio	0.46		0.33	0.32
Information Ratio	1.13		0.71	-0.01

*Displayed risk statistics are calculated on actual portfolio/investment returns since inception of initial investment.

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 pie charts and a table. One pie chart is labeled with 'Energy', 'Industrial', and 'Agriculture'. Another pie chart shows percentages like '73%' and '26%'. A table in the background has columns for 'Global Equities', 'Global Bonds', and 'Global Commodities'.

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 35% per Regulation 28 of the Pension Fund Act, or 45% subject to 10% 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.

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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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