



NOVARE[®]
actuaries & consultants

| Monthly Report |

**Anglican Church of
Southern Africa Retirement
Fund**

February 2024

TABLE OF CONTENTS

Section A: Market Overview

Section B: Fund Overview

Section C: Glossary



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



For the second consecutive month, the South African stock market produced negative returns, with the All-Share Index down 2.4% for February 2024.

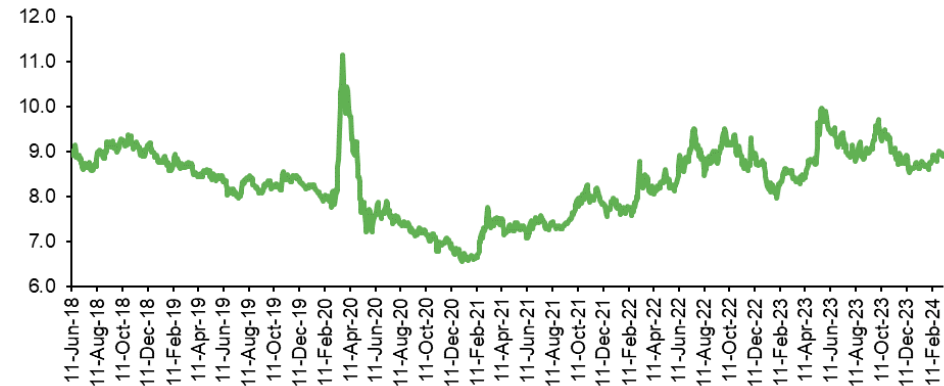
The local bourse was dragged down by resources companies, more so the platinum miners. The sector's decline was due to trading updates that indicated the negative impact decreasing metal prices had on earnings. The few mid and small caps stocks that produced good returns were not enough to get the market out of negative territory.

In the local economy, businesses remained under significant pressure from the ongoing effects of load-shedding and various other structural economic issues, which weigh on jobs and unemployment. Though GDP is expected to grow by 1.3% in 2024, from 0.6% in 2023, it is viewed by market commentators as growing at an inadequate rate to sustainably boost long-term employment prospects for South Africans.

Rand



S.A. 10-Year Government Benchmark Yield



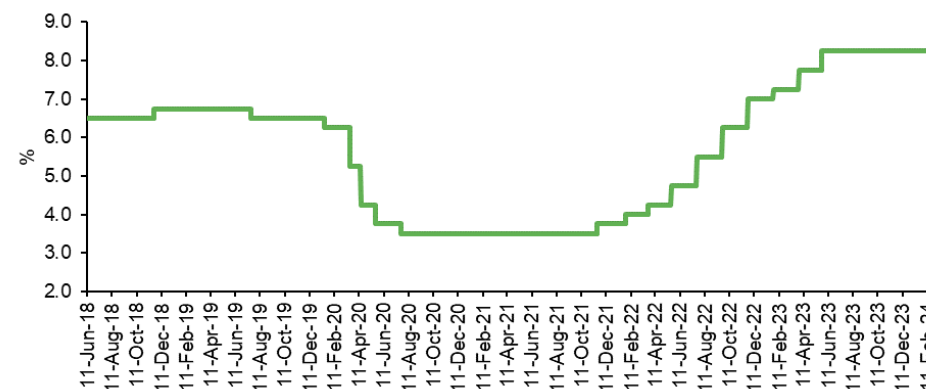
DOMESTIC MARKET VIEW

South Africa's annual inflation rate rose to 5.3% YoY in January 2024, up from December's 5.1% and compared with market forecasts of 5.4%, moving away from the South African Reserve Bank's preferred 4.5% midpoint of the 3–6% target range. On a monthly basis, the CPI reading had a modest increase of 0.1% in January 2024, after being flat in the prior month.

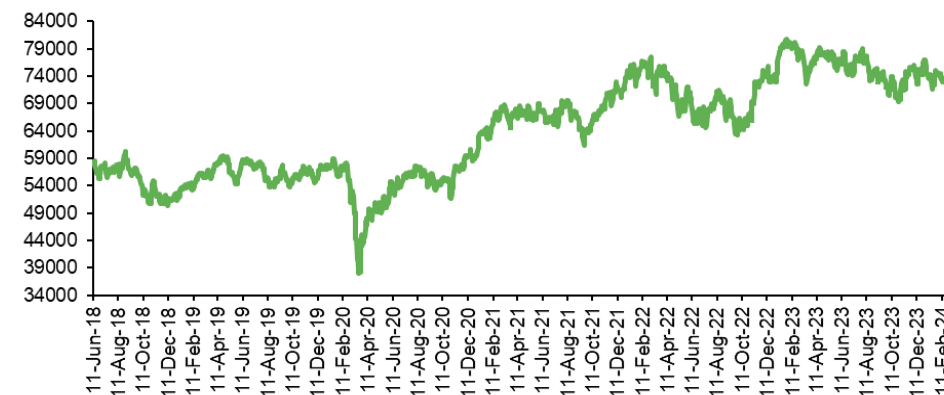
On a slightly positive note, SA was able to assure its trading partners that the country has the financial capacity to service its debt commitments, despite the persistent economic pressures it is facing. This assurance came from the National Treasury's resolution as tabled in the Budget for the fiscal year 2024/2025.

The plan is to use R500 billion from the Gold and Foreign Exchange Contingency Reserves Account (GFECRA), to reduce the country's debt burden and associated interest costs.

Repo Rate



FTSE/JSE All Share Index



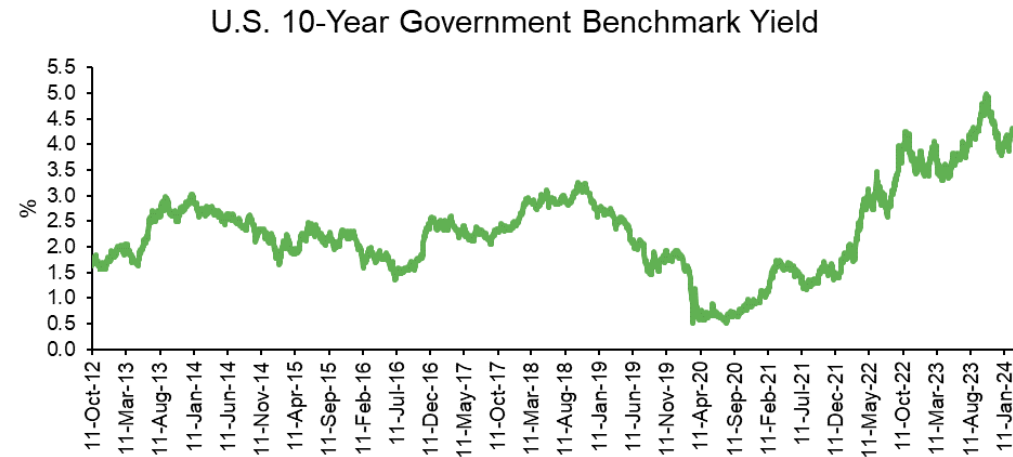
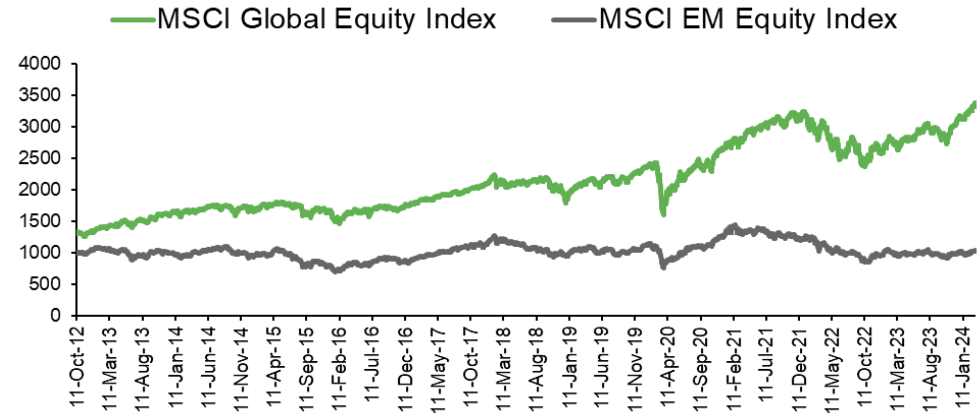
INTERNATIONAL MARKET VIEW

February 2024 was a reasonably good month for equity markets due to resilient economic data and strong earnings reports. In contrast, fixed income markets and UK equities were broadly down.

The MSCI World and MSCI EM indices rose by 4.2% and 4.8% respectively, primarily driven by the recovery of Chinese equities. Japan remains an outperformer with the Nikkei 225 Index reaching an all-time high in 30 years.

Fixed income markets were under pressure due to investors pricing in higher for longer interest rates and pushing rate cut expectations further into 2024, resulting in negative sentiment on fixed income. As a result, the Bloomberg Global Aggregate Index ended the month down 1.3%.

The US PMI remained resilient, signalling expansion over February, albeit still below 50. US PCE inflation, the measure targeted by the Federal Reserve, edged down to 2.4% YoY in January (from December 2023's 2.6%), as expected. Reactions by members of the FOMC were largely muted, with caution about the timing of rate cuts remaining a prevalent message.



INTERNATIONAL MARKET VIEW

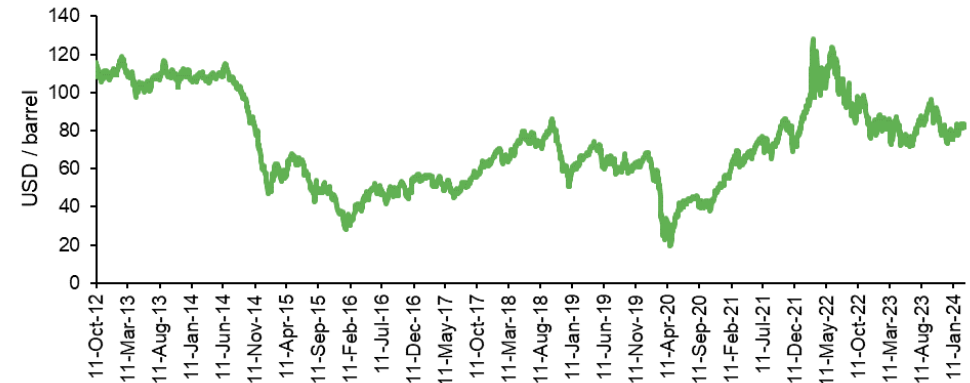
In the UK, inflation remains above the MPC's 2% target at 4.2%. The Bank of England is committed to keeping interest rates high for long enough to get inflation back to the 2% target in a lasting way.

The UK however slipped into a technical recession in Q3 2023 as GDP shrank by 0.3%.

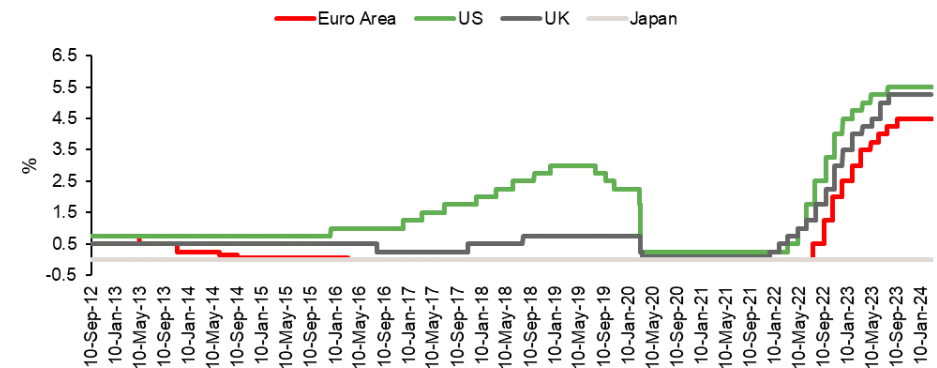
In the EU, inflation is projected to be lower at 2.6% for February 2024.

In China and Japan, the February manufacturing PMIs remained below the 50-neutral level, suggesting continued contraction in manufacturing in these economies. However, activity data over the Lunar New Year holiday period strengthened, and the Chinese government announced several supportive interventions, including a cut to the 5-year loan prime rate (a benchmark for mortgage rates), curbs on short selling, and stock purchases by state-owned investment firms.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION



RSA BONDS

The All-Bond Index (ALBI) was down 0.8% for the month. South Africa's annual inflation rate rose to 5.3% YoY in January 2024, up from December's 5.1% and compared with market forecasts of 5.4%, moving away from the South African Reserve Bank's preferred 4.5% midpoint of the 3–6% target range.

On a monthly basis, the CPI reading had a modest increase of 0.1% in January 2024, after being flat in the prior month. 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

Following a good month, SA Listed Property had a flat month, down -0.2%. We remain underweight property.

RSA MONEY MARKET

The 3-m JIBAR rate decreased by 4bp and ended the month at 8.35%, while the 12-m JIBAR rate decreased by 8bp to 9.08%. The 12-m T-bill average yield further decreased 22bp to 8.19% at the end of February. All signalling expected rate cuts. MPC needs to see a sustained decline in inflation before they can recalibrate monetary policy. Cash remains the balancing item.

RSA EQUITIES

For the second consecutive month, the South African stock market produced negative returns, with the All-Share Index down 2.4% for February 2024. The local bourse was dragged down by resources companies, more so the platinum miners.

In the local economy, businesses remained under significant pressure from the ongoing effects of load-shedding and various other structural economic issues, which weigh on jobs and unemployment.

Though GDP is expected to grow by 1.3% in 2024, from 0.6% in 2023, it is viewed by market commentators as growing at an inadequate rate to sustainably boost long-term employment prospects for South Africans.

INTERNATIONAL

For the second consecutive month, the South African stock market produced negative returns, with the All-Share Index down 2.4% for February 2024. The local bourse was dragged down by resources companies, more so the platinum miners. The sector's decline was due to trading updates that indicated the negative impact decreasing metal prices had on earnings. The few mid and small caps stocks that produced good returns were not enough to get the market out of negative territory.

In the local economy, businesses remained under significant pressure from the ongoing effects of load-shedding and various other structural economic issues, which weigh on jobs and unemployment. Though GDP is expected to grow by 1.3% in 2024, from 0.6% in 2023, it is viewed by market commentators as growing at an inadequate rate to sustainably boost long-term employment prospects for South Africans.

South Africa's annual inflation rate rose to 5.3% YoY in January 2024, up from December's 5.1% and compared with market forecasts of 5.4%, moving away from the South African Reserve Bank's preferred 4.5% midpoint of the 3–6% target range. On a monthly basis, the CPI reading had a modest increase of 0.1% in January 2024, after being flat in the prior month.

On a slightly positive note, SA was able to assure its trading partners that the country has the financial capacity to service its debt commitments, despite the persistent economic pressures it is facing.

This assurance came from the National Treasury's resolution as tabled in the Budget for the fiscal year 2024/2025. The plan is to use R500 billion from the Gold and Foreign Exchange Contingency Reserves Account (GFECRA), to reduce the country's debt burden and associated interest costs.

**NOVARE HOUSE VIEW: FEBRUARY 2024
TACTICAL POSITIONING***

	←	ON-WEIGHT	→	
	UNDER-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
-
--

TACTICAL ASSET ALLOCATION

Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	4.3%	10.0%	5.0%	23.8%	7.3%	11.0%
MSCI Emerging Markets	4.8%	3.9%	-0.1%	9.2%	-5.9%	2.3%
Global Bonds (R)	1.3%	3.1%	2.0%	11.0%	3.3%	5.9%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	1.7%	1.3%	6.3%	-1.8%	8.3%	4.3%
Platinum (USD/oz)	-5.8%	-5.6%	-11.0%	-7.9%	-10.4%	0.1%
Gold (USD/oz)	-0.1%	-0.2%	-1.2%	12.5%	4.8%	9.0%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	-2.4%	-3.4%	-5.3%	-2.9%	7.5%	9.3%
Domestic Bonds	-0.6%	1.6%	0.1%	7.6%	7.2%	7.8%
Domestic Cash	0.7%	2.1%	1.4%	8.3%	5.9%	6.0%
Domestic Property	0.8%	15.3%	4.9%	17.6%	14.8%	0.6%
International Equity	6.9%	12.6%	10.5%	31.1%	18.1%	19.3%
International Bonds	1.3%	3.1%	2.0%	11.0%	3.3%	5.9%
Exchange rate (R / \$)	2.5%	1.6%	4.7%	4.4%	8.2%	6.3%

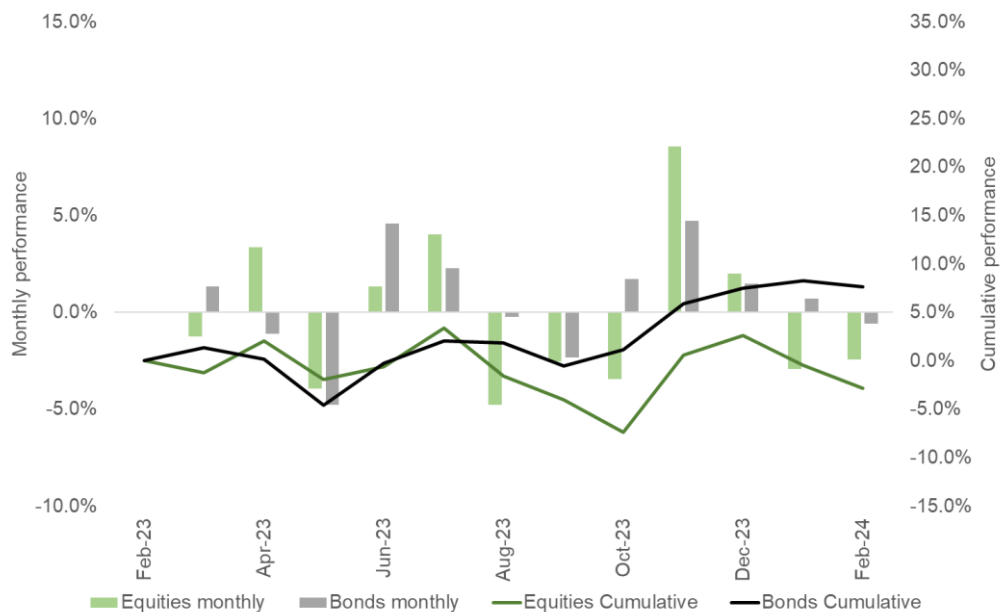
Scale:

Best performing asset class

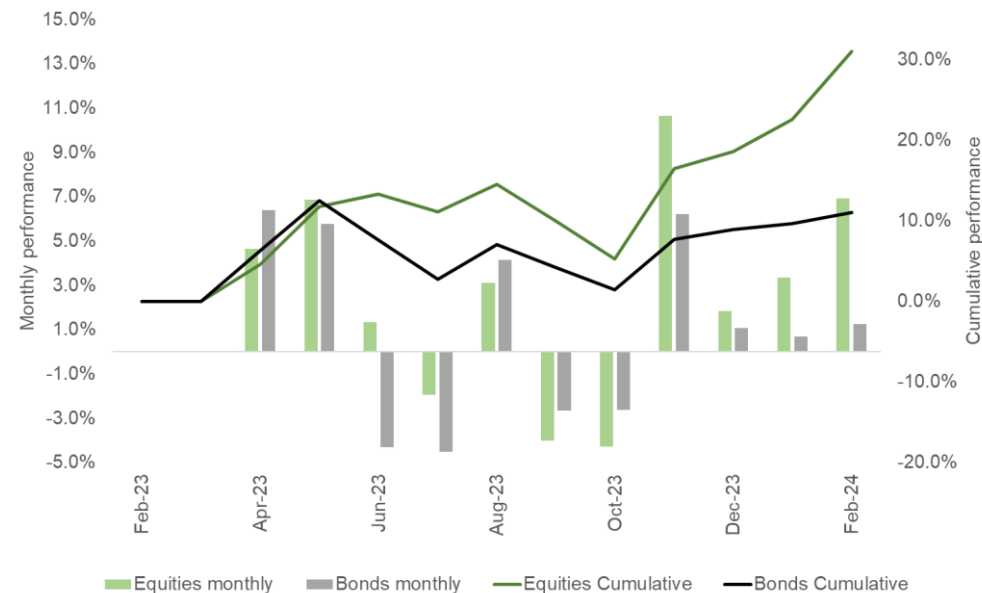
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

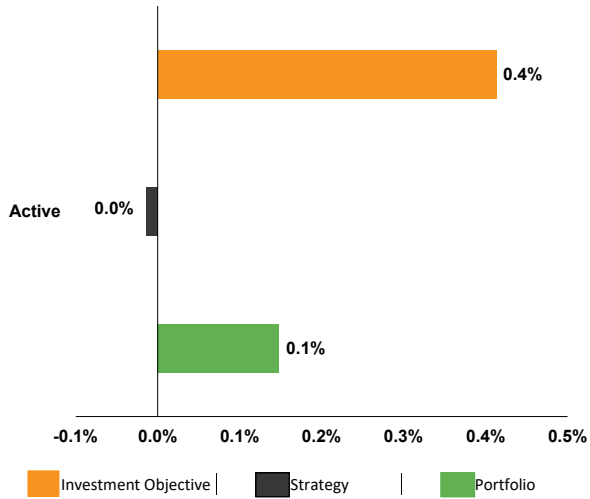
Fund Overview



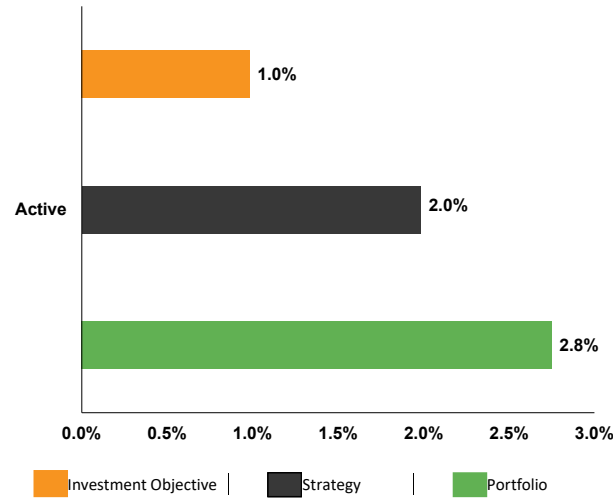
EXECUTIVE SUMMARY



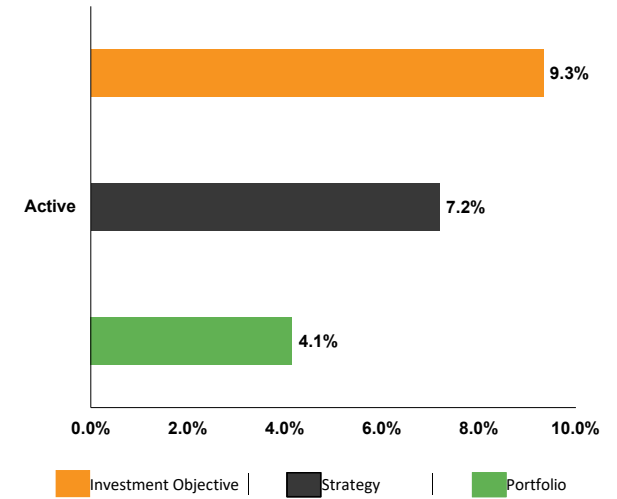
Monthly Return for February 2024



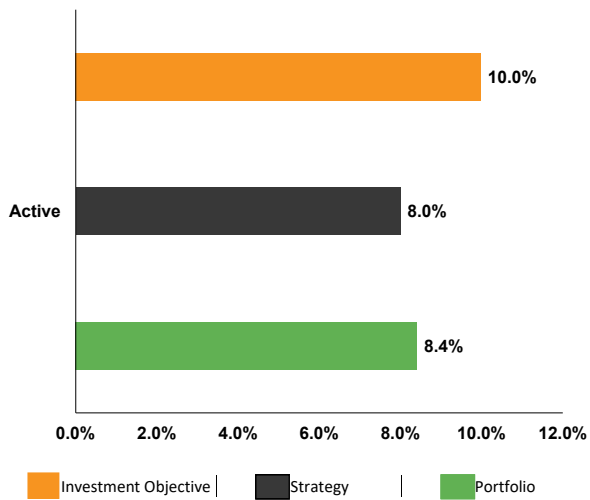
3 Months Return up to February 2024



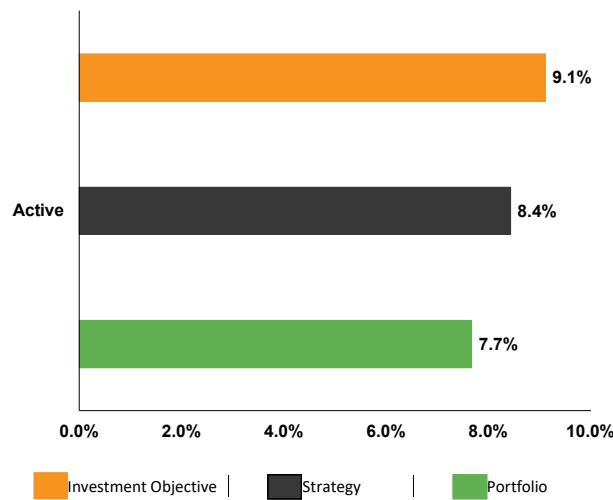
1 Year Return up to February 2024



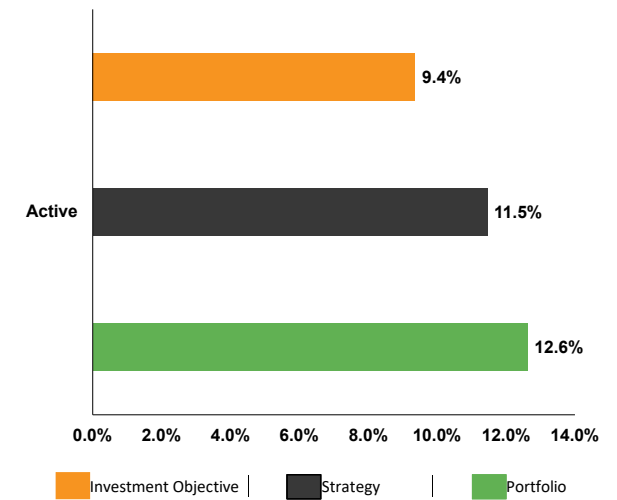
3 Year Return up to February 2024



5 Year Return up to February 2024



Returns Since Inception



PORTFOLIO MARKET VALUES AND RETURNS

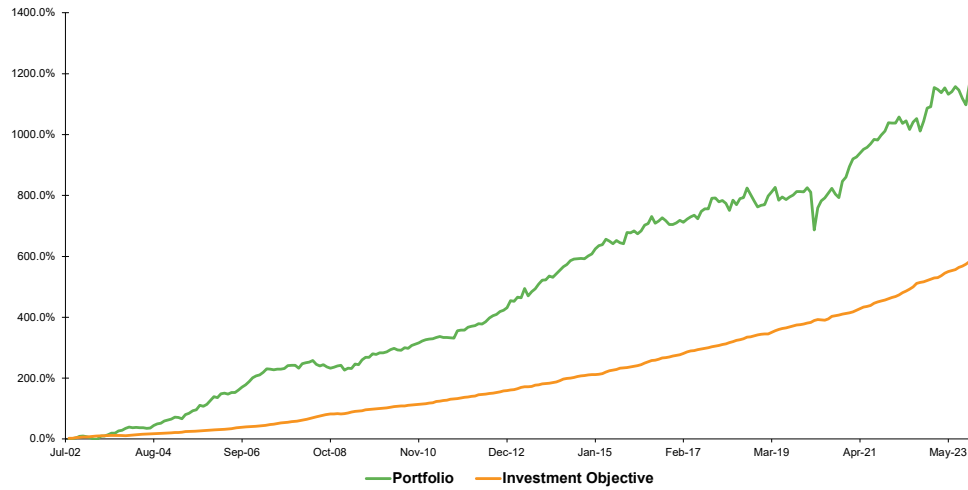
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	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	213 429 212	100.0%	0.1%	2.8%	4.1%	8.4%	7.7%	6.5%	12.6%
			0.0%	2.0%	7.2%	8.0%	8.4%	7.9%	11.5%
			0.2%	0.8%	-3.0%	0.4%	-0.8%	-1.3%	1.2%
Active Objective	213 429 212	100%	0.1%	2.8%	4.1%	8.4%	7.7%	6.5%	12.6%
			0.4%	1.0%	9.3%	10.0%	9.1%	9.1%	9.4%
			-0.3%	1.8%	-5.2%	-1.6%	-1.4%	-2.5%	3.3%
	213 429 212	100%							

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.

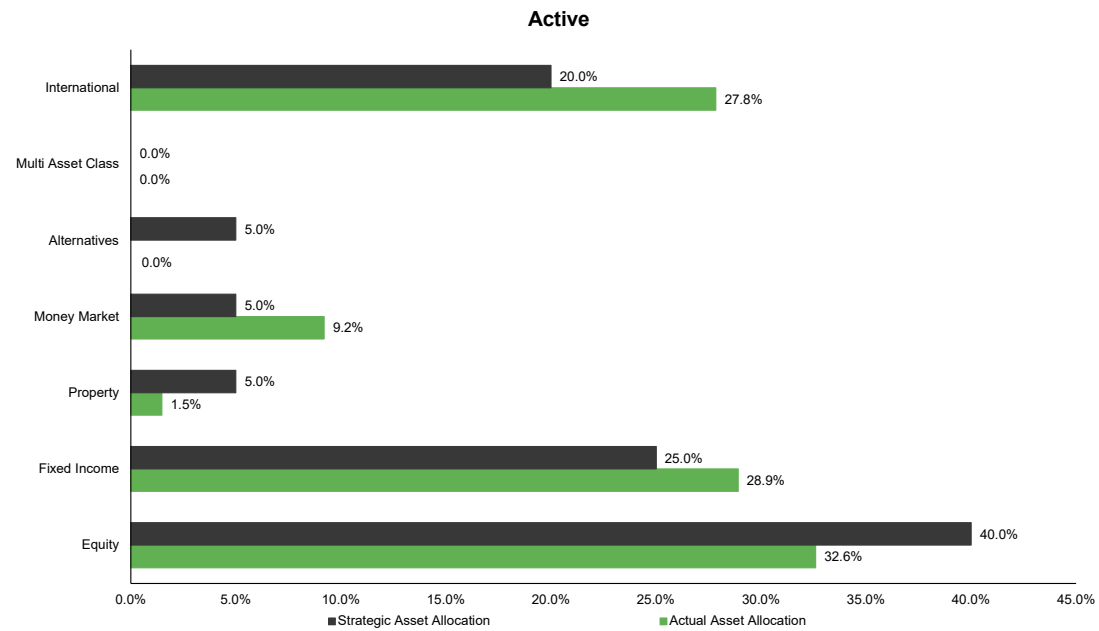
Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Fixed Income	Futuregrowth Infrastructure Bond Fund All Bond Index	2011/07/31	30 014 088	14.1%	-0.6%	2.5%	7.7%	9.1%	9.1%	10.0%	9.7%
					-0.6%	1.6%	7.6%	7.2%	7.8%	8.8%	8.0%
					0.0%	0.9%	0.0%	1.9%	1.4%	1.2%	1.7%
Money Market	Liberty Standard Money Market STEFI	2008/10/31	15 667 088	7.3%	0.7%	2.1%	8.7%	6.3%	6.2%	6.8%	6.7%
					0.7%	2.1%	8.3%	5.9%	6.0%	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	1 185 107	0.6%	0.7%	2.1%	8.7%	6.3%	6.0%	6.2%	6.8%
					0.7%	2.1%	8.3%	5.9%	6.0%	6.5%	7.0%
					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	85 764 701	40.2%	0.3%	3.1%	4.5%	10.1%	-	-	9.8%
					0.5%	1.2%	10.3%	11.0%	-	-	10.2%
					-0.2%	1.9%	-5.8%	-0.9%	-	-	-0.4%
Multi Asset Class	Ninety One House View with Global CPI + 5%	2020/01/31	80 798 229	37.9%	0.2%	2.8%	2.1%	6.1%	-	-	7.8%
					0.5%	1.2%	10.3%	11.0%	-	-	10.2%
					-0.3%	1.5%	-8.2%	-4.9%	-	-	-2.5%
			213 429 212	100%							

ASSET ALLOCATION



Asset Class	Manager	Active	Total Fund
Fixed Income Money Market	Futuregrowth Infrastructure Bond Fund	30 014 088	30 014 088
	Liberty Standard Money Market	15 667 088	15 667 088
	Standard Money Market	1 185 107	1 185 107
Multi Asset Class	Prudential House View with Global	85 764 701	85 764 701
	Ninety One House View with Global	80 798 229	80 798 229
Total Fund		213 429 212	213 429 212

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. E.g. 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 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.

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

CONTACT US

Novare Actuaries and Consultants (Pty) Ltd

Registration No: 2001/008015/07

Third Floor, The Cliffs Office Block I

Niagara Way, Tyger Falls

Carl Cronje Drive, Bellville, 7530

South Africa

P O Box 4742, Tyger Valley, 7536

