

MONTHLY INVESTMENT REPORT

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

31 March 2017

NOVARE[®]



FINANCIAL OVERVIEW

After much speculation and anticipation, President Jacob Zuma announced the reshuffle of his cabinet. The restructuring saw the removal of both then Finance Minister Pravin Gordhan as well as his deputy Minister Jonas. The now former Minister of Home Affairs, Malusi Gigaba, will now lead the Finance Ministry, joined by Sifiso Buthelezi as the new deputy. The market reaction was negative as the local unit lost over 8% against the greenback in the week of Gordhan's firing. The rand gave back 2.4% against the dollar for the month but has appreciated 8.3% year-to-date. Despite being immersed in South African politics, the local currency found support in the improved global emerging market backdrop, favourable terms of trade, a narrowing in the current account deficit and attractive carry trade.

As widely expected the South African Reserve Bank (SARB) kept the repo rate unchanged at 7%, as the central bank stated that the inflation outlook has improved, with one of the supportive factors being the stronger rand. The SARB Governor highlighted that the positive gains witnessed over the past few months have been threatened by the recent local political developments, presenting the currency as an upside risk to the inflation outlook. Headline inflation print for February moderated to 6.3% year-on-year, from 6.6% in January, which was in line with expectations. The country's current account deficit narrowed to 1.7% of GDP in 4Q16, from 3.8% in 3Q16, bringing the average for the year to 3.1%, down from 4.1% in 2015.

In terms of market moves, foreigners were net sellers of JSE equities, however, the FTSE/JSE Share Index still managed to return 2.6% for the month, outperforming other asset classes. The local bourse found support from the Resources 20, which was up 3.3% for the month as well as the Industrial 25 which returned 4.6% for the month. The Financial 15 Index was a laggard as it declined by -0.8% in March. Following the political uncertainty around former Finance Minister Gordhan, the yield on the S.A. 10-year bonds peaked at 9% - up from 8.3% in the preceding week. The local bond market continued to attract investors due to the globally favourable emerging market backdrop. Unfortunately, the unfolding political developments reversed the positive trend and bond yields started to tick up again. For the month, the All Bond Index returned 0.4%, while the South Africa Listed Property Index and cash gave back 0.1% and 0.6% respectively.

FINANCIAL OVERVIEW

South African Market (Rand)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
ALSI	7 250.08	2.68	3.78	1.60	3.78	2.53
CAPI	41 969.32	2.32	3.28	1.90	3.28	2.70
SWIX	18 728.84	2.24	3.30	-0.03	3.30	1.59
Top 40	6 287.65	3.30	3.90	0.78	3.90	0.72
Africa Resource 20	1 995.61	3.34	1.93	0.84	1.93	16.11
Africa Financial 15	7 652.65	-0.87	-1.94	1.18	-1.94	-3.67
Africa industrial 25	12 910.94	4.66	7.12	1.34	7.12	-1.31
Africa Mid Cap	15 988.68	-0.13	1.12	2.15	1.12	7.98
Africa Small Cap	21 346.80	0.16	4.54	5.15	4.54	13.47
All Bond Index	546.60	0.40	2.46	2.82	2.46	11.02
Stefi Composite	362.78	0.63	1.84	3.75	1.84	7.56
Africa SA Listed Property	2 131.86	0.11	1.37	2.64	1.37	1.46
MSCI Global Equity (R)	24 858.72	2.97	3.70	5.03	3.70	2.93
Global Bonds (R)	6 804.17	3.08	-0.42	-9.11	-0.42	-11.67
Rand Dollar Exchange Rate	13.41	2.14	-2.03	-2.22	-2.03	-8.48

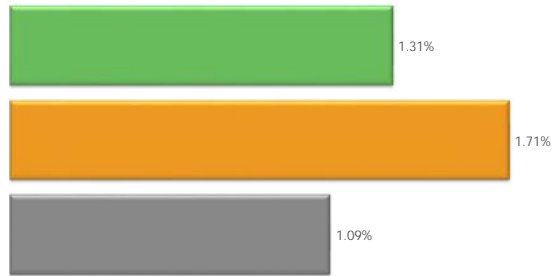
Global Equity (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
S&P 500	2 362.72	-0.04	5.53	8.97	5.53	14.71
NASDAQ	5 911.74	1.48	9.82	11.29	9.82	21.39
MSCI Global Equity (\$)	1 853.69	0.82	5.85	7.42	5.85	12.47
MSCI Emerging Markets (\$)	958.37	2.35	11.14	6.08	11.14	14.53

Global Bond (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Global Bonds (\$)	507.38	0.91	1.64	-7.05	1.64	-3.48

Commodity Prices	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Brent Oil (USD/Barrel)	53.53	-4.09	-5.79	7.06	-5.79	33.66
Platinum (USD/oz)	950.50	-7.09	5.26	-7.40	5.26	-2.76
Gold (USD/oz)	1 249.10	0.03	8.56	-4.79	8.56	1.33

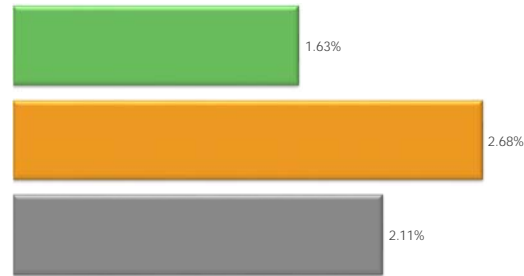
EXECUTIVE SUMMARY

Monthly Return for March 2017



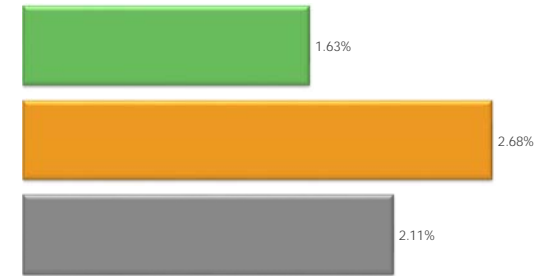
■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

3 Month Return up to 31 March 2017



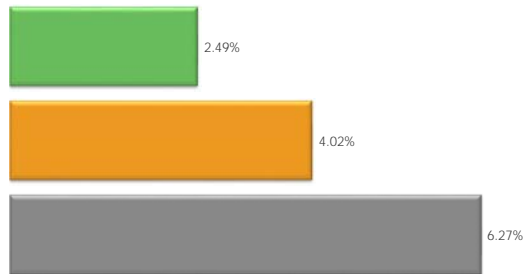
■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

Return from the beginning of the financial year to 31 March 2017



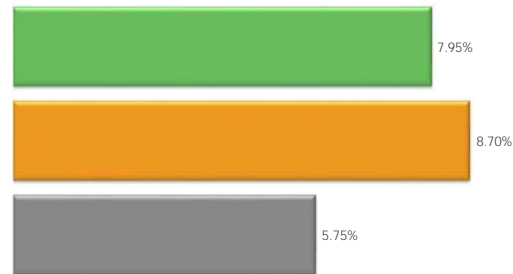
■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

Return for the last 12 months up to 31 March 2017



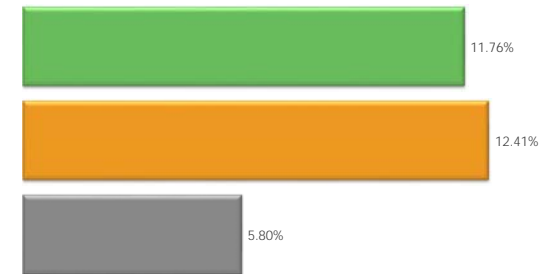
■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

Return for the last 3 years up to 31 March 2017



■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

Return for the last 5 years up to 31 March 2017



■ Members < 63 years ■ Strategic BM: Members < 63 years ■ CPI

Notes:

CPI, in the charts above and throughout the report, is shown as a 1-month lag

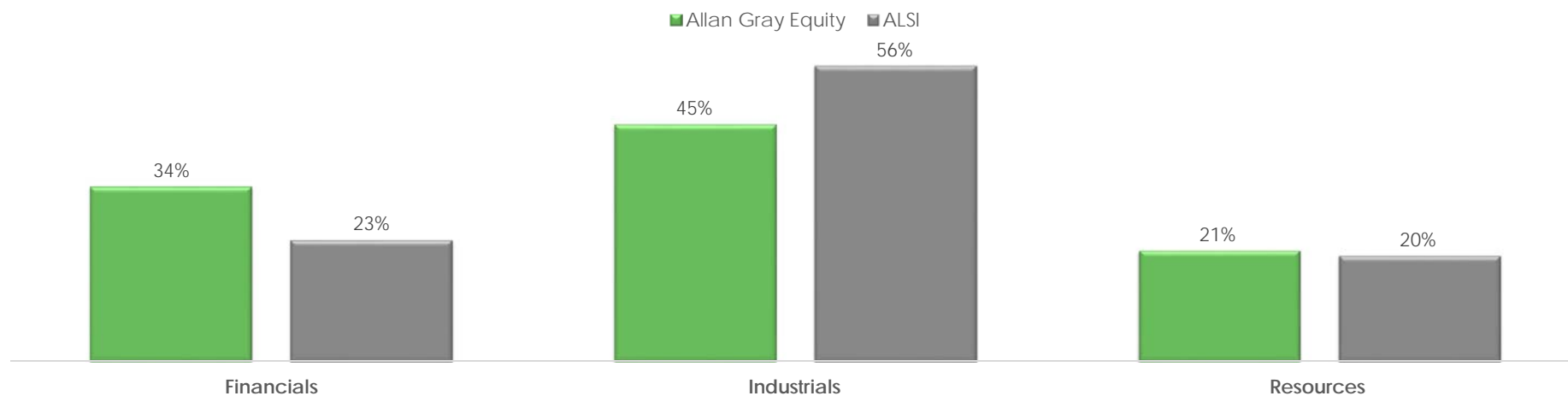
Novare has been tasked to report on the Over and Under 63 years portfolio returns separately effective 1 July 2016. The Under 63 year portfolio has taken on the historical returns.

FUND SPECIFIC ANALYSIS

The cashflow table below gives an indication of the change in market value of the Anglican Church of Southern Africa Retirement Fund over the various periods shown. It also illustrates the cash in/outflows and the return achieved on the Fund's investments over the various periods.

	1 month	3 month	QTD	YTD	12 months	Last 3 years	Last 5 years
Market value at Start	97 622 053	98 711 888	98 711 888	98 711 888	94 701 020	88 564 051	64 970 976
Net Cash Flow	(1 256 986)	(2 687 348)	(2 687 348)	(2 687 348)	(3 425 567)	(13 880 916)	(15 957 002)
Return	1 269 921	1 610 448	1 610 448	1 610 448	6 359 535	22 951 853	48 621 013
Current market value	97 634 988	97 634 988	97 634 988	97 634 988	97 634 988	97 634 988	97 634 988

FUND SHARE STRUCTURE



Equity Managers	Allan Gray Equity
Type of Mandate	Active
Benchmark	ALSI
Inception Date	01 July 2011
Ann return since incep.	15.67%
Benchmark	12.90%

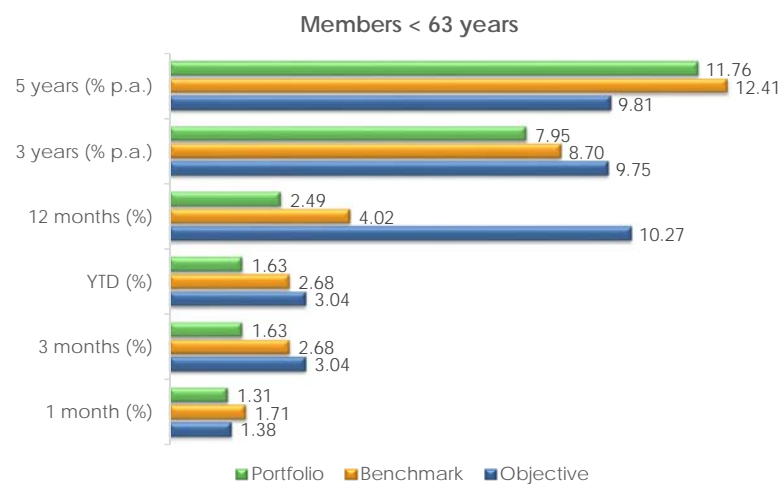
PORTFOLIO MARKET VALUES AND RETURNS

The table below sets out the portfolio returns of the Anglican Church of Southern Africa Retirement Fund over the various periods in comparison with the respective benchmark.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Members < 63 years	97 634 980	100.0	1.31	1.63	1.63	2.49	7.95	11.76
Benchmark			1.71	2.68	2.68	4.02	8.70	12.41
			-0.40	-1.05	-1.05	-1.53	-0.75	-0.66

The table below sets out the portfolio returns of the Anglican Church of Southern Africa Retirement Fund over the various periods in comparison with the respective objective.

Members < 63 years			1.31	1.63	1.63	2.49	7.95	11.76
Objective			1.38	3.04	3.04	10.27	9.75	9.81
CPI + 4%			-0.08	-1.41	-1.41	-7.78	-1.81	1.95
Total Fund	97 634 980	100						



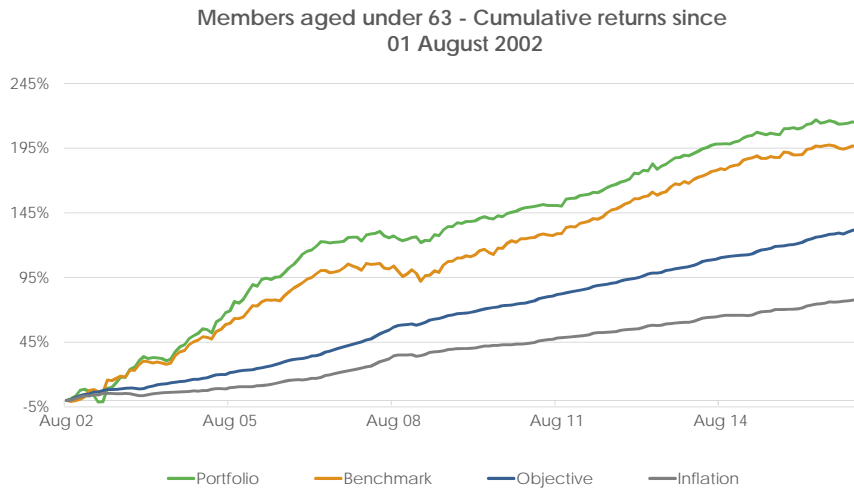
Notes:

Returns over periods longer than a year represent annualised returns.

Novare has been tasked to report on the Over and Under 63 years portfolio returns separately effective 1 July 2016. The Under 63 year portfolio has taken on the historical returns.

LONGER 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. The cumulative graphs below show the Under 63 years portfolio performances since 1 August 2002 against their benchmark and objective. It also shows the performance against inflation (CPI).



Notes:

Novare has been tasked to report on the Over and Under 63 years portfolio returns separately effective 1 July 2016. The Under 63 year portfolio has taken on the historical returns.

MANAGER PERFORMANCE

The table below sets out the individual manager returns for the Anglican Church of Southern Africa Retirement Fund 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 Incept (% p.a.)
SA Equity	Allan Gray Equity ALSI	2011 07 01	18 949 638	19.41	1.41	2.74	2.74	2.74	5.71	9.95	15.19	15.67
					2.68	3.78	3.78	3.78	2.53	5.98	12.49	12.90
					-1.27	-1.04	-1.04	-1.04	3.17	3.97	2.70	2.77
	Liberty Preferred Stefi Composite	2002 08 01	42 426 441	43.45	0.92	0.33	0.33	0.33	-0.34	6.19	14.44	14.86
					0.63	1.84	1.84	1.84	7.56	6.77	6.19	7.82
					0.29	-1.51	-1.51	-1.51	-7.90	-0.59	8.24	7.04
SA Bonds	Futuregrowth IBF All Bond Index	2011 08 01	6 548 724	6.71	0.16	2.13	2.13	2.13	10.20	8.87	9.49	9.62
					0.40	2.46	2.46	2.46	11.02	7.45	7.38	7.28
					-0.24	-0.33	-0.33	-0.33	-0.82	1.41	2.11	2.33
SA Cash	Liberty Liquid Stefi Composite	2004 07 01	226 264	0.23	0.55	1.65	1.65	1.65	6.72	6.04	5.74	4.34
					0.63	1.84	1.84	1.84	7.56	6.77	6.19	7.33
					-0.08	-0.19	-0.19	-0.19	-0.84	-0.73	-0.45	-2.99
	Liberty Standard Money Market Stefi Composite	2008 11 01	10 119 641	10.36	0.65	1.95	1.95	1.95	7.89	6.85	6.32	6.73
					0.63	1.84	1.84	1.84	7.56	6.77	6.19	6.62
					0.02	0.12	0.12	0.12	0.33	0.08	0.13	0.11
Liberty Institutional Money Market Fund Stefi Composite	2006 06 01	1 476 654	1.51	0.62	1.86	1.86	1.86	3.73	5.49	5.50	6.96	
				0.63	1.84	1.84	1.84	7.56	6.77	6.19	7.35	
				-0.01	0.02	0.02	0.02	-3.83	-1.29	-0.69	-0.39	
SA Alternatives	Mayibentsha Moderate CPI + 4.5%	2007 03 01	2 645 636	2.71	0.58	2.80	2.80	2.80	5.37	7.63	9.41	8.33
					1.42	3.15	3.15	3.15	10.77	10.25	10.31	10.87
					-0.84	-0.35	-0.35	-0.35	-5.40	-2.63	-0.90	-2.54
International	Foord International MSCI Global Equity (R)	2012 01 12	15 241 990	15.61	4.05	2.52	2.52	2.52	-0.84	11.84	17.65	17.54
					2.97	3.70	3.70	3.70	2.93	12.13	19.85	20.06
					1.08	-1.18	-1.18	-1.18	-3.77	-0.28	-2.20	-2.51
Total Fund			97 634 988	100								

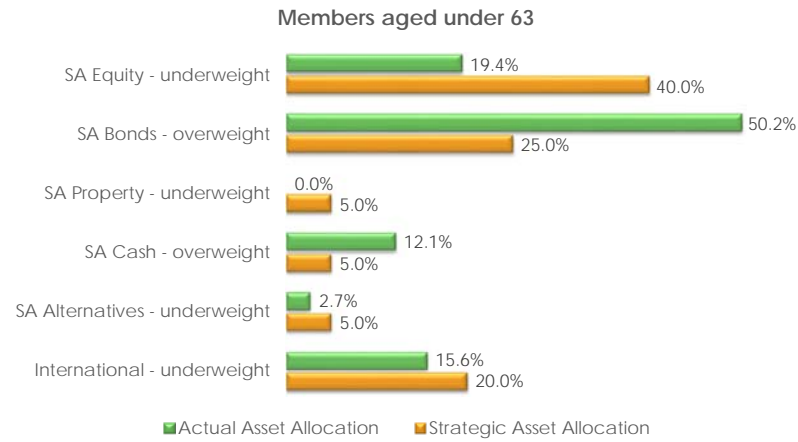
Notes:

The performance figures and market values in the table above have been received from the respective managers.

ASSET ALLOCATION

Asset Class	Manager	Members aged under 63	Total fund
SA Equity	Allan Gray Equity	18 949 638	18 949 638
SA Bonds	Liberty Preferred	42 426 441	42 426 441
	Futuregrowth IBF	6 548 724	6 548 724
SA Cash	Liberty Liquid	226 264	226 264
	Liberty Standard Money Market Fund	1 476 654	1 476 654
	Liberty Institutional Money Market Fund	10 119 641	10 119 641
SA Alternatives	Mayibentsha Moderate	2 645 636	2 645 636
International	Foord International	15 241 982	15 241 982
Total fund		97 634 980	97 634 980

ASSET ALLOCATION



TACTICAL LIMITS			
Members aged under 63	Asset Class	Lower Limit	Upper Limit
	SA Equity	30.0%	50.0%
	SA Bonds	10.0%	30.0%
	SA Property	0.0%	10.0%
	SA Cash	0.0%	20.0%
	SA Alternatives	0.0%	20.0%
	International	0.0%	25.0%

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