



NOVARE[®]
actuaries & consultants

| Monthly Report |

**Anglican Church of
Southern Africa Retirement
Fund**

June 2024

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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%

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Section A

Market Overview



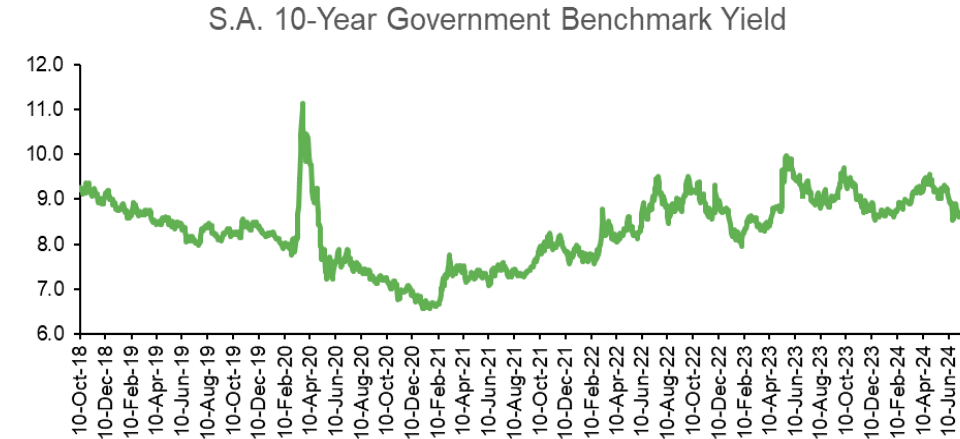
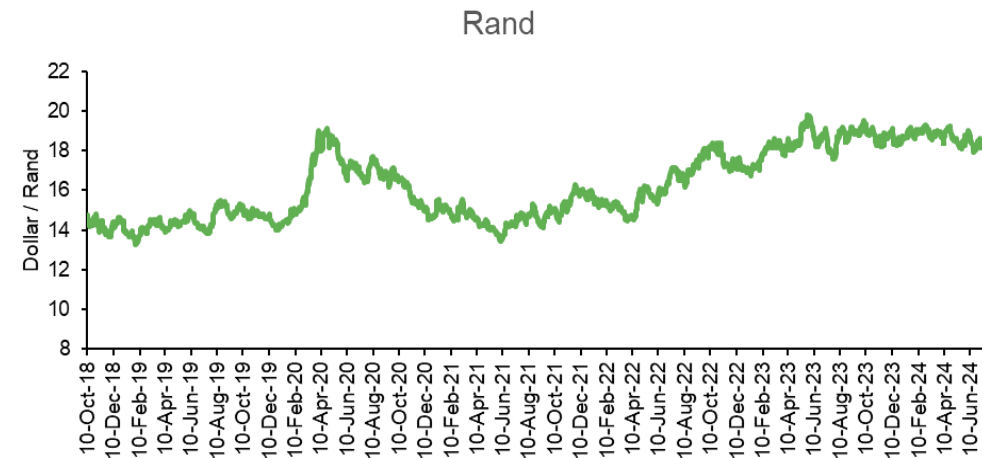
DOMESTIC MARKET VIEW



Following the May elections, the African National Congress (ANC) lost its parliamentary majority for the first time in democratic history, dropping from 57.6% in 2019 to 40.2% of the vote in 2024.

The end of the second quarter of 2024 marked a pivotal point in South African politics, with the formation of a Government of National Unity (GNU) after extensive coalition negotiations. On 30 June 2024, President Cyril Ramaphosa announced his Cabinet and Deputy Minister appointments.

June was a favourable month for South African equities and fixed income. The local equity market maintained its positive momentum, with the ALSI index returning 4.1% in June and 5.8% YTD. The Resources Index experienced a negative month, posting -3.7%, bringing its YTD return to 4.3%. Conversely, financials had a strong turnaround, with the Financials Index returning 14.5% in June and 8.8% YTD. Property stocks were also up 6.0%, resulting in a 9.5% YTD return.



DOMESTIC MARKET VIEW

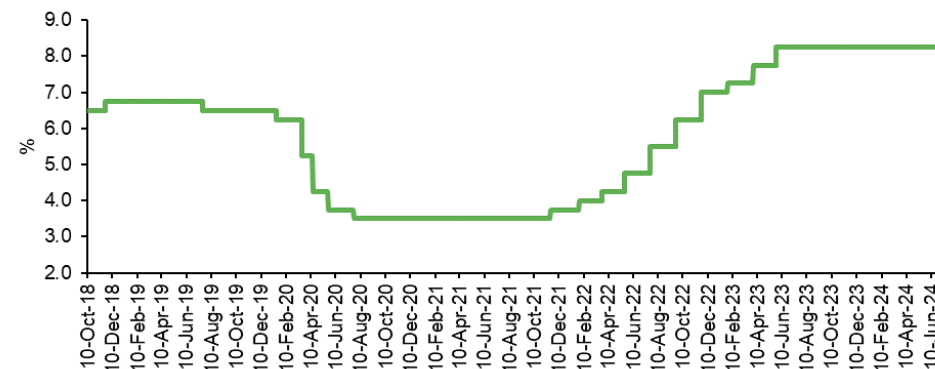
The ALBI Index delivered a return of 5.2% in June, bringing the YTD return to 5.6%.

While cash remains attractive, it is no longer outperforming bonds YTD. The Stefi Index delivered a return of 0.6% in June, standing at 4.2% YTD.

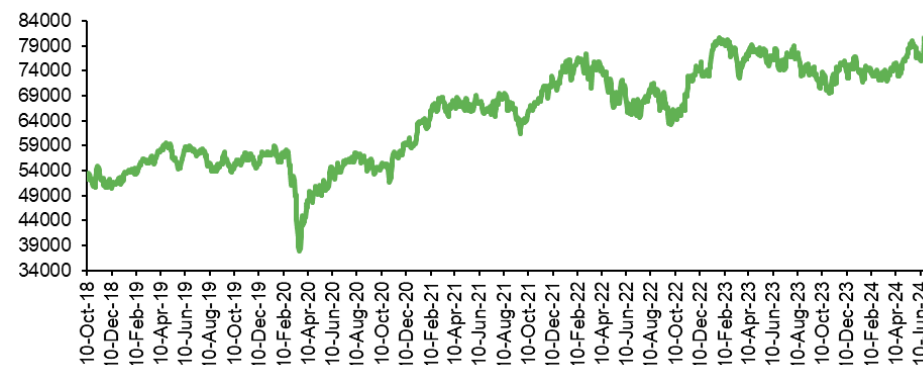
On the macroeconomic front, South Africa's May headline inflation, measured by the Consumer Price Index (CPI), remained at 5.2% year-on-year (YoY), unchanged from April.

Core inflation, which excludes volatile price categories such as food, fuel, and electricity, stayed at 4.6% YoY, aligning closely with the South African Reserve Bank's (SARB) target midpoint of 4.5%. The SARB's Monetary Policy Committee (MPC) is set to convene on 18 July.

Repo Rate



FTSE/JSE All Share Index

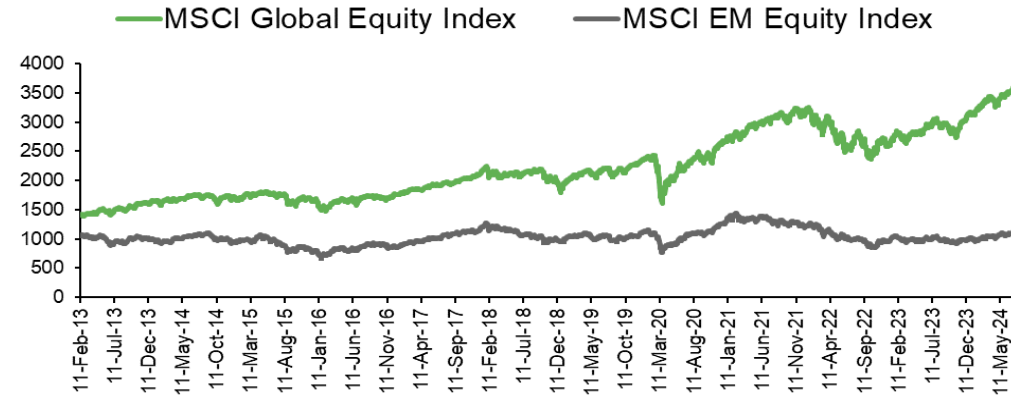


INTERNATIONAL MARKET VIEW

The second quarter continued the momentum from the first, with risk assets delivering positive returns to investors. Companies exposed to artificial intelligence (AI) outperformed other market sectors, and a robust earnings season for US tech companies positioned global growth stocks as the top-performing asset class. Chinese authorities' efforts to support the real estate sector boosted Chinese equity markets, and strong performance from the AI-exposed Taiwanese stock market propelled Asia ex-Japan equities to strong returns.

The MSCI ACWI index posted a 2.2% return in US Dollar terms for the month, lifting its year-to-date (YTD) performance to 11.3%. The Bloomberg Global Aggregate generated a modest return of 0.1% in June, yet it remains down YTD with a return of -3.2%.

The Federal Reserve's June press conference and Federal Open Market Committee (FOMC) projections decided to hold rates, as expected. Their 2024 core Personal Consumption Expenditures (PCE) estimate, the Fed's preferred measure of underlying inflation, increased from 2.6% to 2.8%. Fed Chairman Jerome Powell indicated that officials are "coming to the view that rates are less likely to go down to their pre-pandemic level."



U.S. 10-Year Government Benchmark Yield



INTERNATIONAL MARKET VIEW

In Europe, the European Central Bank (ECB) is more optimistic about the economy's disinflationary path than their US counterparts. In June, the Governing Council decided to lower interest rates by 0.25%, based on the inflation outlook and the strength of monetary policy transmission.

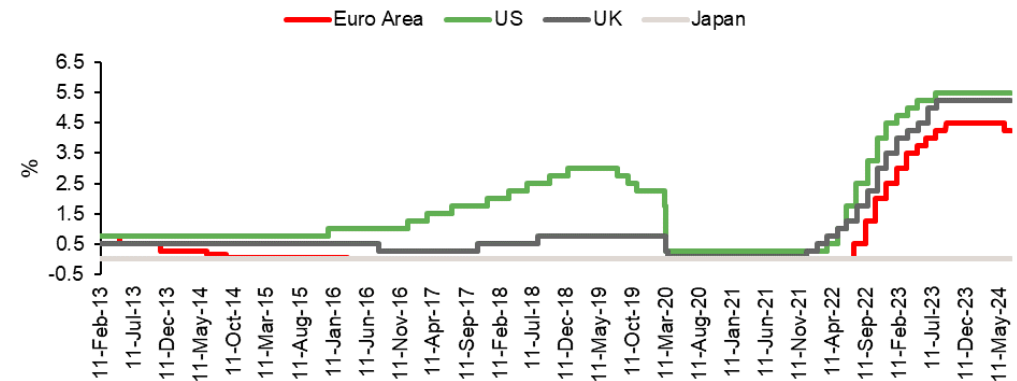
In the UK, persistent services inflation prevented a rate cut in June, despite the Bank of England (BoE) signalling it as a potential option.

Although supportive base effects temporarily brought UK headline inflation back to target, strong wage growth and a forecasted reacceleration in inflation prevented the BoE from cutting rates. However, the BoE has left open the possibility of a move in August.

OIL (BRENT)



G4 Policy Rates

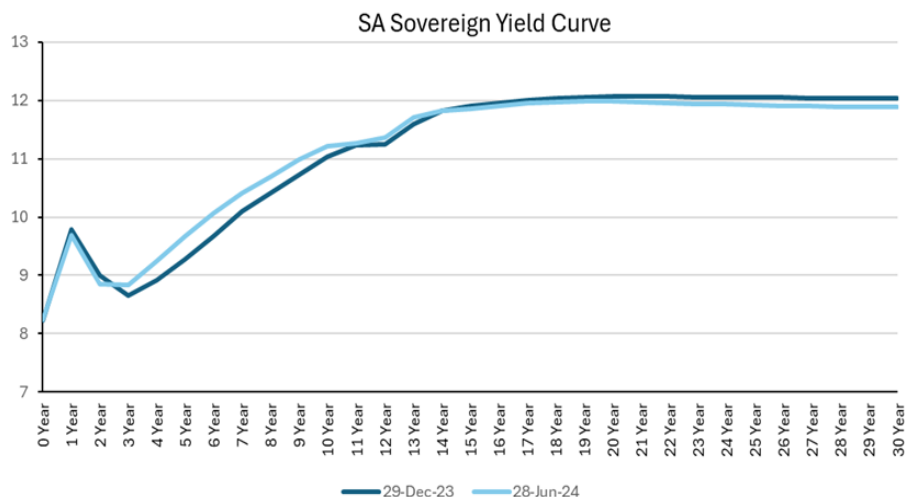


TACTICAL ASSET ALLOCATION

RSA BONDS & MONEY MARKET

The ALBI Index delivered a return of 5.2% in June, bringing the YTD return to 5.6%. While cash remains attractive, it is no longer outperforming bonds YTD. The Stefi Index delivered a return of 0.6% in June, standing at 4.2% YTD.

As can be seen from the below graph, the yield curve has twisted on a YTD basis, during the month of June, yields on the longer end have moved lower than a year ago, signalling an expectation of lower interest rates and or reduced sovereign risk. Longer duration bond yields are now lower than a year ago and this shift happened mostly between May and June 2024. The dark blue line represents the yields (y-axis) for different tenors (x-axis) as at



29 December 2023, the light blue line shows the same data but as at the end of June 2024.

RSA PROPERTY, ALTERNATIVES AND CASH

Property stocks were also up 6.0%, resulting in a 9.5% YTD return. We remain neutral SA Property within a South African asset allocation perspective.

RSA EQUITIES

June was a good month for South African equities. The local equity market maintained its positive momentum, with the ALSI index returning 4.1% in June and 5.8% YTD. The Resources Index experienced a negative month, posting -3.7%, bringing its YTD return to 4.3%. Conversely, financials had a strong turnaround, with the Financials Index returning 14.5% in June and 8.8% YTD. Property stocks were also up 6.0%, resulting in a 9.5% YTD return. We remain neutral SA Equities within a South African asset allocation perspective.

INTERNATIONAL

The Federal Reserve's June press conference and Federal Open Market Committee (FOMC) projections decided to hold rates, as expected. Their 2024 core Personal Consumption Expenditures (PCE) estimate, the Fed's preferred measure of underlying inflation, increased from 2.6% to 2.8%. Fed

Chairman Jerome Powell indicated that officials are "coming to the view that rates are less likely to go down to their pre-pandemic level." In Europe, the European Central Bank (ECB) is more optimistic about the economy's disinflationary path than their US counterparts. In June, the Governing Council decided to lower interest rates by 0.25%, based on the inflation outlook and the strength of monetary policy transmission.

In the UK, persistent services inflation prevented a rate cut in June, despite the Bank of England (BoE) signalling it as a potential option. Although supportive base effects temporarily brought UK headline inflation back to target, strong wage growth and a forecasted reacceleration in inflation prevented the BoE from cutting rates. However, the BoE has left open the possibility of a move in August.

Global Equities (all returns in USD)

The second quarter continued the momentum from the first, with risk assets delivering positive returns to investors. Companies exposed to artificial intelligence (AI) outperformed other market sectors, and a robust earnings season for US tech companies positioned global growth stocks as the top-performing asset class. Chinese authorities' efforts to support the real estate sector boosted Chinese equity markets, and strong performance from the AI-exposed Taiwanese stock market propelled Asia ex-Japan equities to strong returns.

The MSCI ACWI index posted a 2.2% return in US Dollar terms for the month, lifting its year-to-date (YTD) performance to 11.3%. We have a neutral stance on Global equities with a neutral rating on the US, overweight on both Euro area and EM Ex China equities and finally an underweight view on Chinese equities.

Global Bonds (all returns in USD)

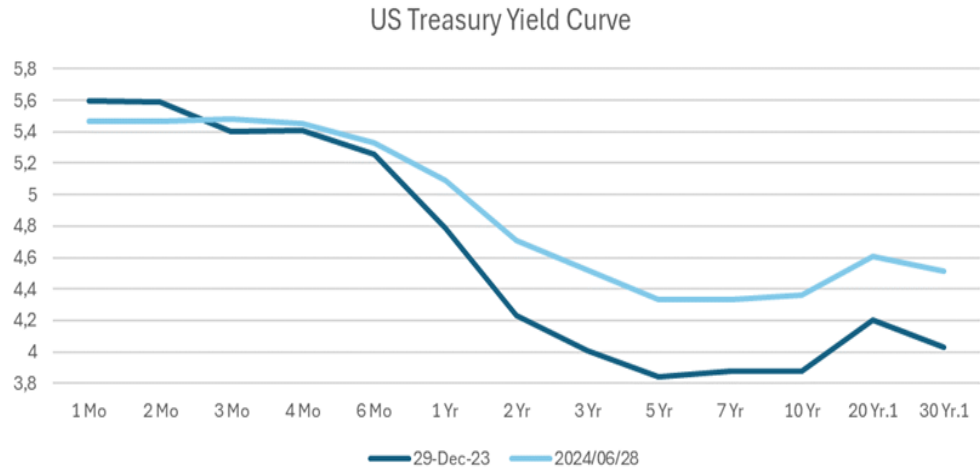
The Bloomberg Global Aggregate generated a modest return of 0.1% in June, yet it remains down YTD with a return of -3.2%. Markets are still anticipating rate cuts in the 2nd half of this year, albeit with some divergence in the timing between the US and Europe.

In June, the Governing Council decided to lower interest rates by 0.25%, based on the inflation outlook and the strength of monetary policy transmission. In the UK, persistent services inflation prevented a rate cut in June, despite the Bank of England (BoE) signalling it as a potential option. Divergent monetary policy and uncertainty around the path of interest rates is likely to remain a source of volatility for government bond markets for some time.

As can be seen from the below graph, the US yield curve has shifted up significantly. The dark blue line represents the yields (y-axis) for different tenors (x-axis) as at 29 December 2023, the light blue line shows the same data but as at the end of June 2024.

Resilient economic activity in the second quarter fed through into resilient corporate earnings and, these resilient earnings meant that both default rates and spreads remained contained. Overall, this supported the riskier segments on fixed income.

In the fixed income and money market space we prefer cash or short dated bonds.



NOVARE HOUSE VIEW: JUNE 2024
TACTICAL POSITIONING*

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

* positioning is as a % of strategic asset allocation

Summary:

Novare remains onweight domestic equities, domestic bonds and 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	2.3%	3.0%	11.6%	19.9%	5.9%	11.3%
MSCI Emerging Markets	4.0%	5.1%	7.7%	13.0%	-4.7%	3.5%
Global Bonds (R)	-3.0%	-3.6%	-3.7%	-2.6%	3.5%	3.8%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	4.8%	-2.3%	10.3%	12.7%	4.4%	5.7%
Platinum (USD/oz)	-4.8%	10.4%	0.8%	10.4%	-2.5%	3.6%
Gold (USD/oz)	0.0%	4.2%	12.8%	21.2%	9.7%	10.5%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	4.1%	8.2%	5.8%	9.1%	11.0%	10.6%
Domestic Bonds	5.2%	7.5%	5.6%	13.7%	7.6%	7.8%
Domestic Cash	0.7%	2.1%	4.2%	8.5%	6.5%	6.1%
Domestic Property	6.0%	5.5%	9.6%	26.3%	11.7%	0.9%
International Equity	-1.2%	0.1%	11.4%	16.5%	16.4%	18.2%
International Bonds	-3.0%	-3.6%	-3.7%	-2.6%	3.5%	3.8%
Exchange rate (R / \$)	-3.2%	-2.6%	-0.6%	-3.5%	8.4%	5.2%

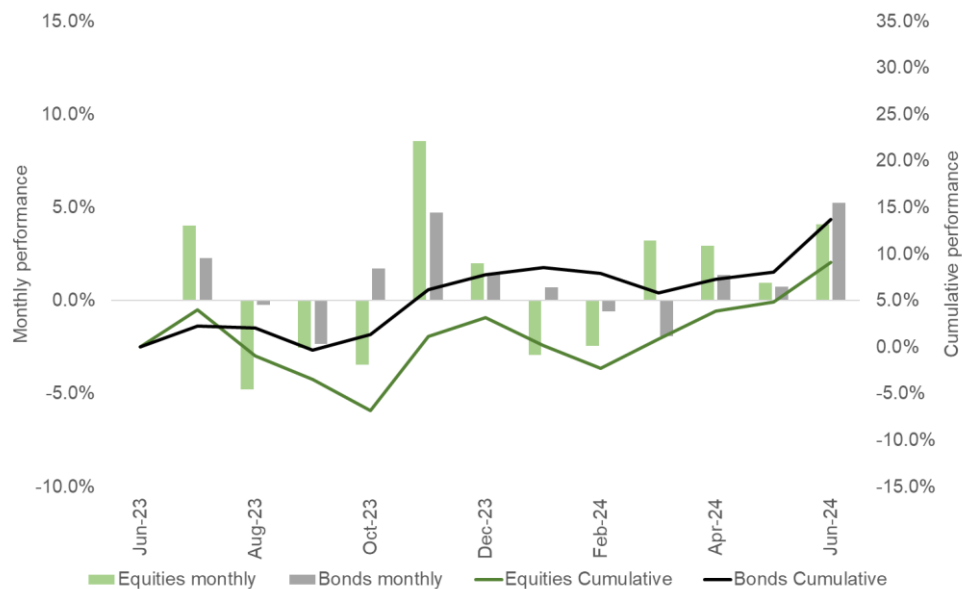
Scale:

Best performing asset class

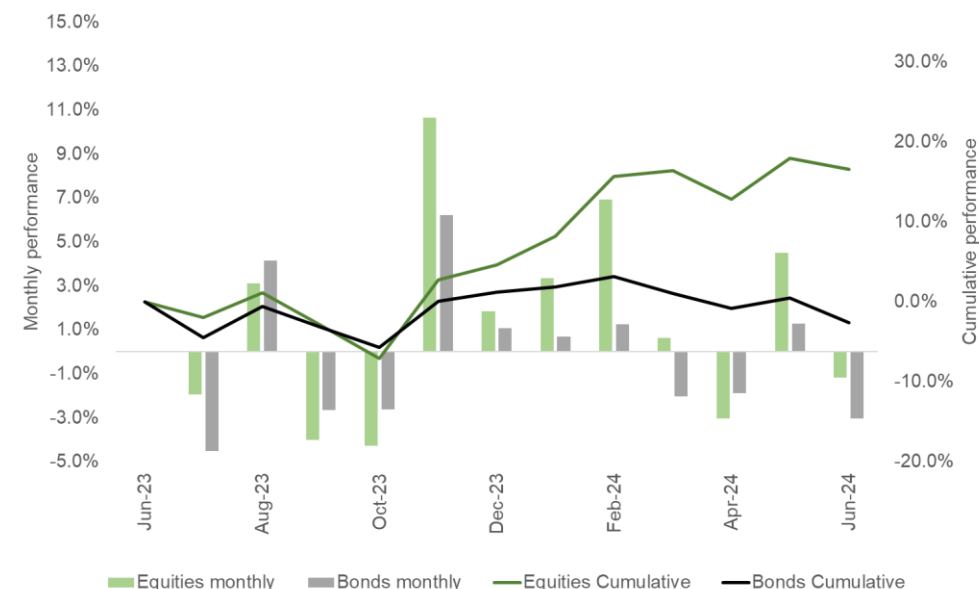
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

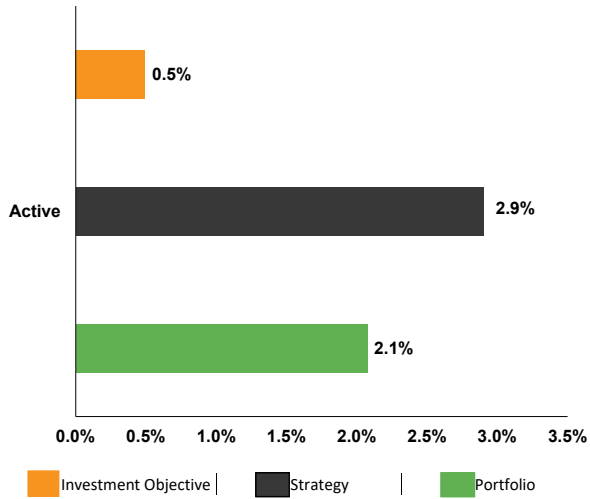
Fund Overview



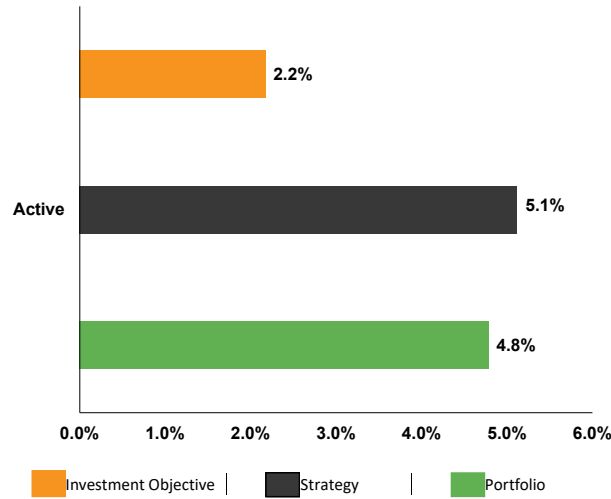
EXECUTIVE SUMMARY



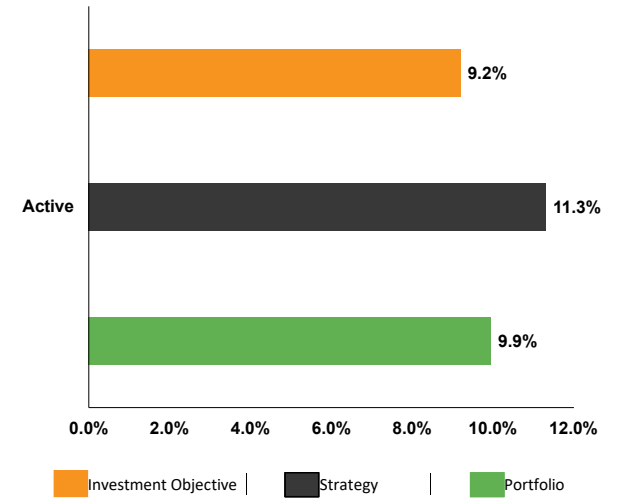
Monthly Return for June 2024



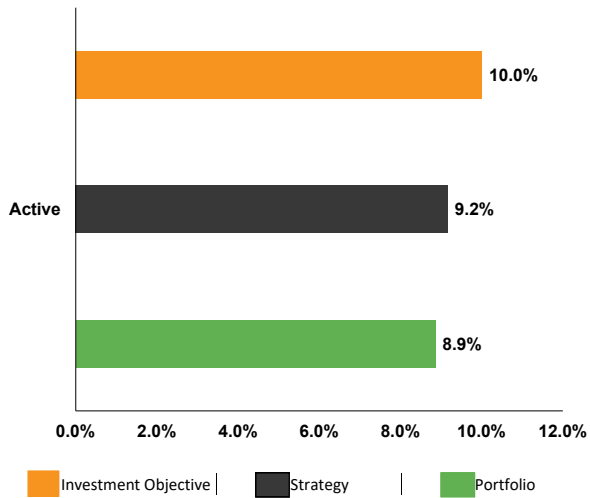
3 Months Return up to June 2024



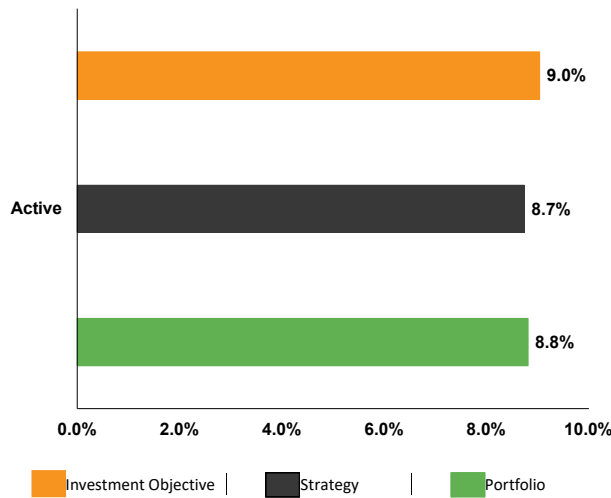
1 Year Return up to June 2024



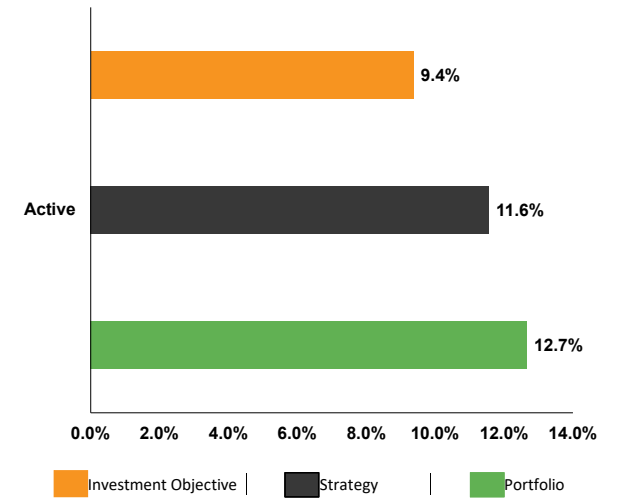
3 Year Return up to June 2024



5 Year Return up to June 2024



Returns Since Inception



PORTFOLIO MARKET VALUES AND RETURNS

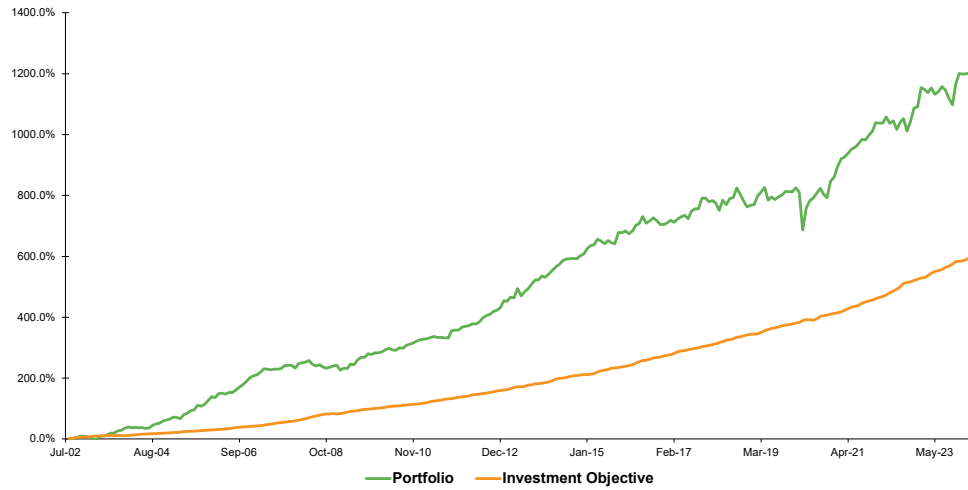
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	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	226 457 333	100.0%	2.1%	4.8%	9.9%	8.9%	8.8%	6.8%	12.7%
			2.9%	5.1%	11.3%	9.2%	8.7%	7.8%	11.6%
			-0.8%	-0.3%	-1.4%	-0.3%	0.1%	-1.0%	1.1%
Active Objective	226 457 333	100%	2.1%	4.8%	9.9%	8.9%	8.8%	6.8%	12.7%
			0.5%	2.2%	9.2%	10.0%	9.0%	8.9%	9.4%
			1.6%	2.6%	0.7%	-1.1%	-0.2%	-2.2%	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

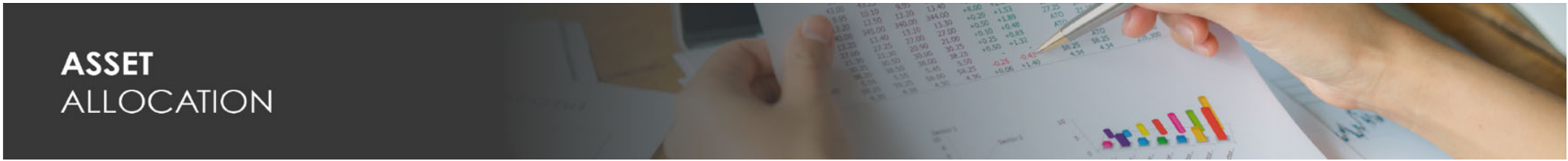


MANAGER PERFORMANCE

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

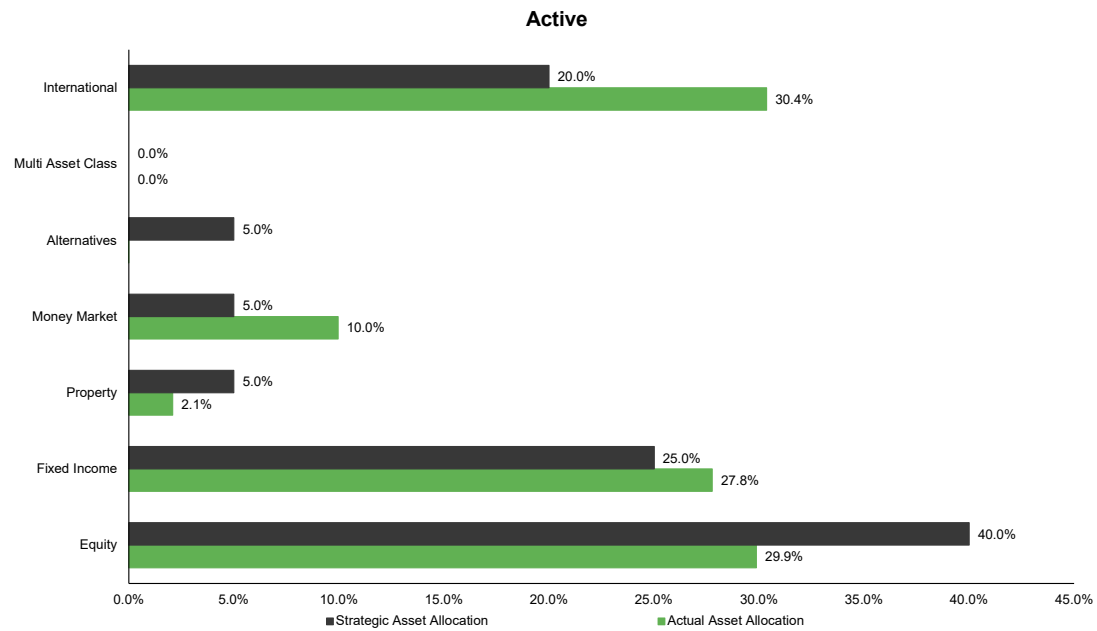
Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Fixed Income	Futuregrowth Infrastructure Bond Fund All Bond Index	2011/07/31	30 585 776	13.5%	5.6%	8.3%	15.3%	9.2%	9.3%	9.8%	9.9%
					5.2%	7.5%	13.7%	7.6%	7.8%	8.6%	8.3%
					0.4%	0.9%	1.6%	1.6%	1.5%	1.2%	1.7%
Money Market	Liberty Standard Money Market STEFI	2008/10/31	17 675 253	7.8%	0.7%	2.1%	8.9%	6.8%	6.3%	6.8%	6.7%
					0.7%	2.1%	8.5%	6.5%	6.1%	6.6%	6.6%
					0.0%	0.1%	0.3%	0.3%	0.2%	0.3%	0.2%
Money Market	Standard Money Market STEFI	2006/05/31	1 829 318	0.8%	0.7%	2.1%	8.9%	6.8%	6.1%	6.2%	6.8%
					0.7%	2.1%	8.5%	6.5%	6.1%	6.6%	7.0%
					0.0%	0.1%	0.3%	0.3%	0.1%	-0.4%	-0.2%
Multi Asset Class	Prudential House View with Global CPI + 5%	2020/01/31	89 399 195	39.5%	1.2%	3.4%	8.2%	9.9%	-	-	9.9%
					0.6%	2.4%	10.2%	11.0%	-	-	10.3%
					0.6%	1.0%	-2.0%	-1.1%	-	-	-0.4%
Multi Asset Class	Ninety One House View with Global CPI + 5%	2020/01/31	86 967 790	38.4%	2.2%	5.7%	10.4%	7.9%	-	-	8.8%
					0.6%	2.4%	10.2%	11.0%	-	-	10.3%
					1.6%	3.3%	0.2%	-3.1%	-	-	-1.6%
			226 457 333	100%							

ASSET ALLOCATION



Asset Class	Manager	Active	Total Fund
Fixed Income Money Market	Futuregrowth Infrastructure Bond Fund	30 585 776	30 585 776
	Liberty Standard Money Market	17 675 253	17 675 253
	Standard Money Market	1 829 318	1 829 318
Multi Asset Class	Prudential House View with Global	89 399 195	89 399 195
	Ninety One House View with Global	86 967 790	86 967 790
Total Fund		226 457 333	226 457 333

ASSET ALLOCATION



PORTFOLIO RISK STATISTICS OVERVIEW

Active Portfolio
2002/07/31

Inception Date

Best 1 Month Period
Worst 1 Month Period
Standard Deviation
Gain Deviation
Loss Deviation
Max Drawdown
Max Drawdown Period Peak (Cumulative)
Max Drawdown Length (Months)
Max Drawdown Recovery Length (Months)
Max Underwater Period (Months)
Sharpe Ratio
Information Ratio

10.3%
-13.6%
8.4%
6.7%
5.3%
15.1%
826.6%
11
8
19
0.62
0.27

*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%	14.3%
Gain Deviation	5.9%		0.2%	9.7%
Loss Deviation	5.5%		0.2%	10.6%
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	0.29
Information Ratio	1.13		0.74	-0.03

*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 to a document featuring several charts and tables. The charts include pie charts and bar graphs, while the tables contain numerical data. The document is held up, and 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 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

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