

MONTHLY INVESTMENT REPORT

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

31 May 2017

NOVARE[®]



FINANCIAL OVERVIEW

The local equity market lagged the performance of global emerging markets, despite the share price of Naspers (the largest listing on the local bourse) which gained a strong 5.3%. The FTSE/JSE All Share Index closed 0.4% lower. It was dragged down by a 1.6% decline in the financial sector and 3.4% loss in the resources sector. Industrial shares bucked the trend and closed 1.8% higher. Local economic data remained dismal. Retail sales for March rebounded, but it still showed a contraction during the first quarter of this year. Similarly, manufacturing production declined by 0.9% during the first quarter. Mining production grew by 3.5% over the same period as activity was driven by a rebound in PGM production.

South Africa's image as a manufacturing hub received another setback when General Motors announced their disinvestment from the country by the end of the year. The further loss of jobs is concerning as South Africa's official unemployment rate increased to 27.7% in the first quarter of 2017 - the highest level since 2003. Some positive relief came in the form of consumer price inflation which moderated to 5.3% in April from 6.1% the previous month. This was the lowest rate since December 2015 and was driven by an easing in food and transport costs.

Despite the easing in inflation, the South African Reserve Bank maintained a less-than-expected dovish stance at their meeting during the month as the Governor announced the committee's concern over the longer-term inflation outlook which was still near the upper end of the targeted band. Interest rates were left unchanged. Foreign buying of local bonds supported the bond market and the All Bond Index rose 0.9% during the month. The currency also benefitted from the foreign portfolio inflows and it appreciated by more than 2% against the dollar to close the month at R13.07/\$. Listed property ended the month relatively unchanged returning 0.1%.

FINANCIAL OVERVIEW

South African Market (Rand)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
ALSI	7 482.47	-0.42	5.97	8.14	7.10	2.18
CAPI	42 995.97	-0.85	4.82	6.99	5.80	1.99
SWIX	19 475.75	-0.07	6.32	9.54	7.42	2.95
Top 40	6 582.82	0.21	8.15	9.34	8.77	1.01
Africa Resource 20	1 931.90	-3.48	0.04	-5.01	-1.32	2.02
Africa Financial 15	7 835.87	-1.63	1.51	3.66	0.41	2.12
Africa industrial 25	13 933.21	1.85	12.95	17.69	15.60	1.90
Africa Mid Cap	15 188.24	-4.24	-5.13	-0.07	-3.94	3.99
Africa Small Cap	20 262.12	-2.59	-4.93	0.81	-0.77	5.42
All Bond Index	560.07	0.98	2.87	6.63	4.99	13.35
Stefi Composite	367.28	0.63	1.88	3.75	3.10	7.62
Africa SA Listed Property	2 145.07	0.11	0.73	6.32	1.99	3.73
MSCI Global Equity (R)	24 993.71	-0.40	3.53	3.61	4.26	-4.90
Global Bonds (R)	6 790.40	-1.10	2.87	-4.07	-0.62	-18.04
Rand Dollar Exchange Rate	13.07	-2.14	-0.42	-7.21	-4.49	-16.70

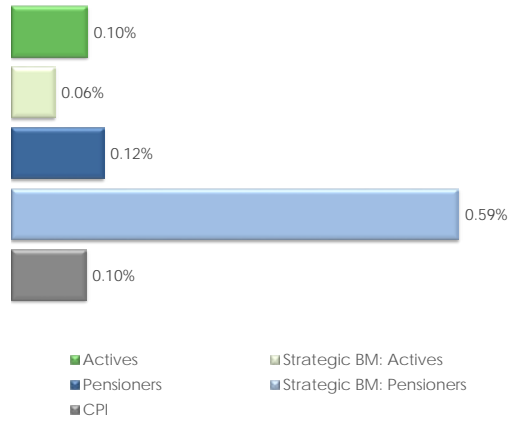
Global Equity (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
S&P 500	2 411.80	1.16	2.04	9.69	7.73	15.01
NASDAQ	6 198.52	2.50	6.40	16.43	15.15	25.27
MSCI Global Equity (\$)	1 911.74	1.78	3.97	11.66	9.17	14.16
MSCI Emerging Markets (\$)	1 005.33	2.80	7.36	16.51	16.59	24.51

Global Bond (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Global Bonds (\$)	519.39	1.07	3.30	3.39	4.05	-1.61

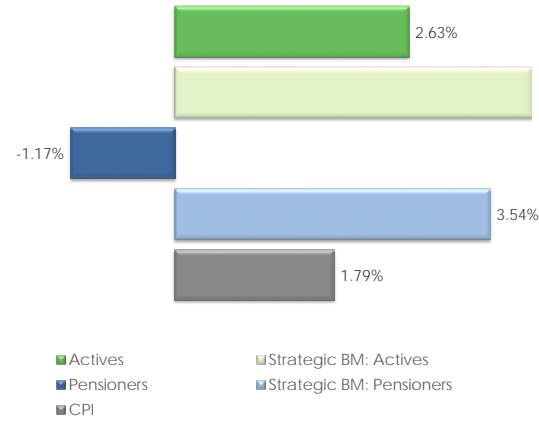
Commodity Prices	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Brent Oil (USD/Barrel)	50.91	-2.19	-8.78	-1.68	-10.40	1.52
Platinum (USD/oz)	948.50	0.48	-7.28	4.00	5.04	-3.12
Gold (USD/oz)	1 268.81	0.05	1.61	8.11	10.27	4.37

EXECUTIVE SUMMARY

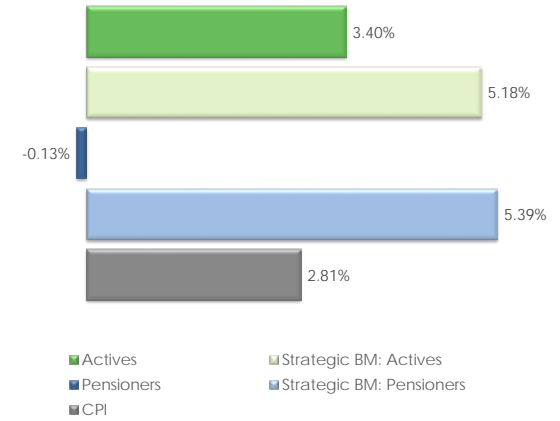
Monthly Return for May 2017



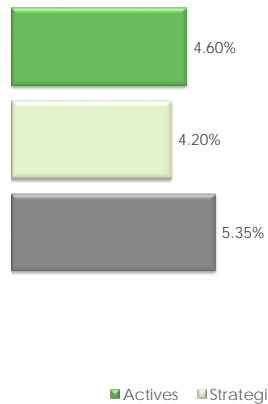
3 Month Return up to 31 May 2017



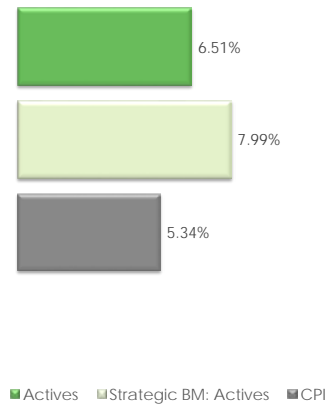
Return from the beginning of the financial year to 31 May 2017



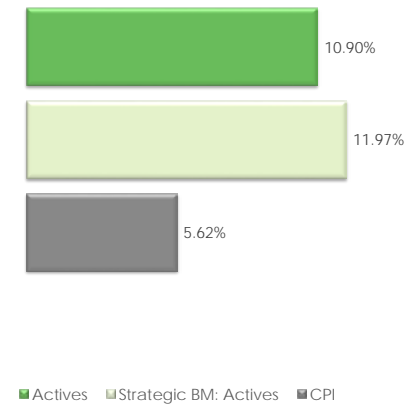
Return for the last 12 months up to 31 May 2017



Return for the last 3 years up to 31 May 2017



Return for the last 5 years up to 31 May 2017



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 Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

FUND SPECIFIC ANALYSIS

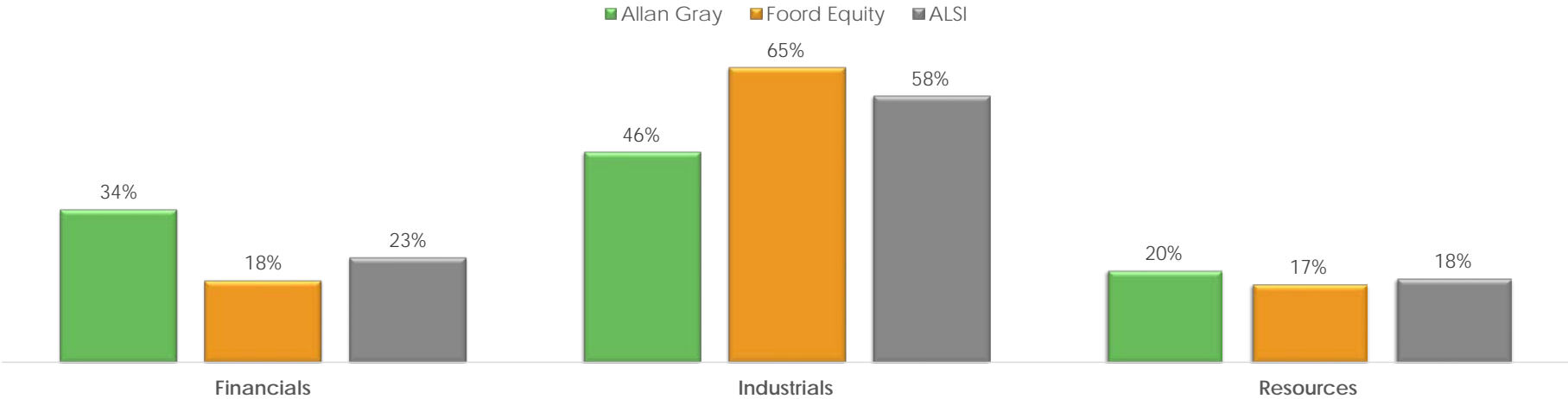
The Cash Flow Table below, gives an indication of the Rand value that has been added to the Anglican Church Of Southern Africa Pension Fund. The added values is divided between cash in/out flows and the return achieved on the Fund's investments over the various periods.

	1 month	3 month	QTD	YTD	12 months	Last 3 years	Last 5 years
Market value at start	1 200 261 194	1 196 801 485	1 183 500 713	1 189 104 013	1 229 058 346	1 089 454 442	858 492 909
Net Cash Flow	(1 050 580)	(7 425 001)	(2 203 093)	(10 125 001)	(44 125 001)	(530 790 682)	(615 794 981)
Return	1 312 182	11 146 313	19 225 177	21 543 785	15 589 451	641 859 036	957 824 868
Current market value	1 200 522 796	1 200 522 796	1 200 522 796	1 200 522 796	1 200 522 796	1 200 522 796	1 200 522 796

MOST RECENT STRATEGIC CHANGES

Date	Transferred from	Transferred to	Amount (R)
30 May 2017	Allan Gray	Bank Account	65 000 000
30 May 2017	Foord	Bank Account	27 000 000
11 May 2017	Allan Gray	Bank Account	5 000 000
30 September 2016	Liberty	Cape Town BA	2 000 000
01 July 2016	Metope	Bank Account	5 000 000
15 June 2016	Metope	Bank Account	5 000 000
14 June 2016	Metope	Bank Account	10 000 000
02 June 2016	Foord	Bank Account	5 000 000
13 May 2016	Bank Account	Colourfiled	110 521 618
06 April 2016	FG IDB	Bank Account	43 322 058

FUND SHARE STRUCTURE



Equity Managers	Allan Gray	Foord Equity
Type of Mandate	Active	Active
Benchmark	AFGLMW	ALSI
Inception Date	01 July 2001	01 January 2013
Ann return since incept.	15.73%	11.60%
Benchmark	14.25%	9.93%

Notes:
The fund has equity exposure via the Allan Gray Global balanced Fund.

PORTFOLIO MARKET VALUES AND RETURNS

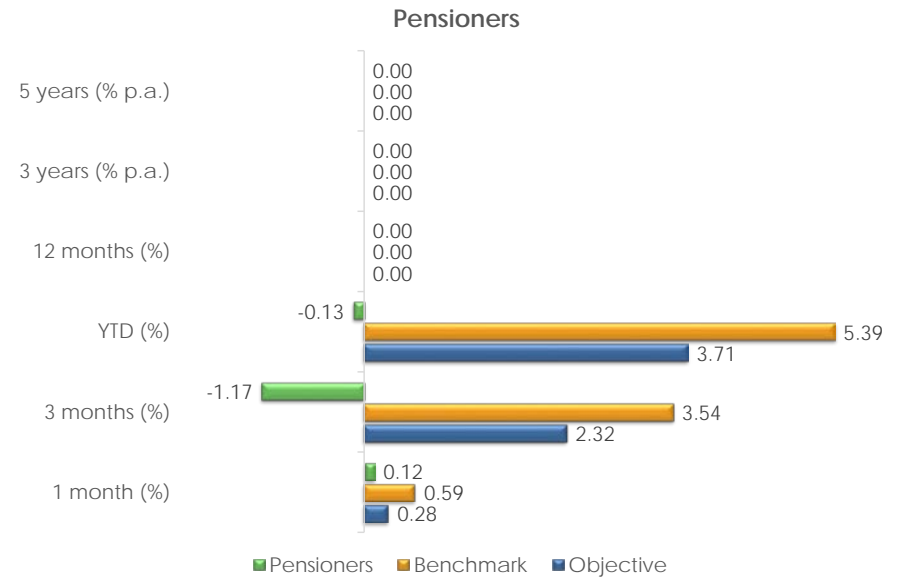
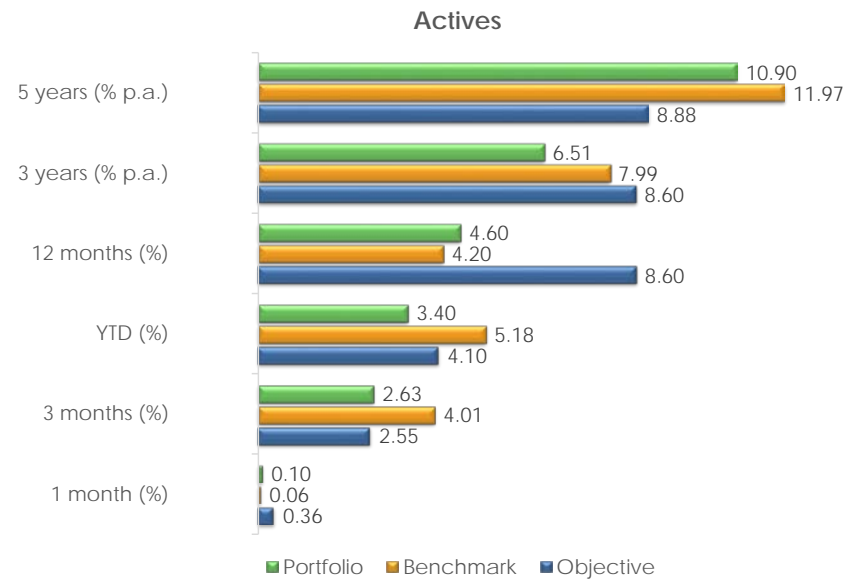
The table below shows the portfolio returns of the Anglican Church Of Southern Africa Pension Fund for various periods and compares it with the respective benchmarks.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Actives	674 663 548	56.2	0.10	2.63	3.40	4.60	6.51	10.90
Benchmark			0.06	4.01	5.18	4.20	7.99	11.97
			0.04	-1.39	-1.77	0.40	-1.49	-1.08
Pensioners	525 859 248	43.8	0.12	-1.17	-0.13	-	-	-
Benchmark			0.59	3.54	5.39	-	-	-
			-0.47	-4.71	-5.52	-	-	-

The table below shows the portfolio returns of the Anglican Church Of Southern Africa Pension Fund for various periods and compares it with the respective objectives.

Actives			0.10	2.63	3.40	4.60	6.51	10.90
Objective			0.36	2.55	4.10	8.60	8.60	8.88
CPI + 3.25%			-0.26	0.08	-0.70	-4.00	-2.09	2.02
Pensioners			0.12	-1.17	-0.13	-	-	-
Objective			0.28	2.32	3.71	-	-	-
CPI + 2.25%			-0.16	-3.49	-3.83	-	-	-
Total Fund	1 200 522 796	100						

PORTFOLIO MARKET VALUES AND RETURNS (continued)



Notes:

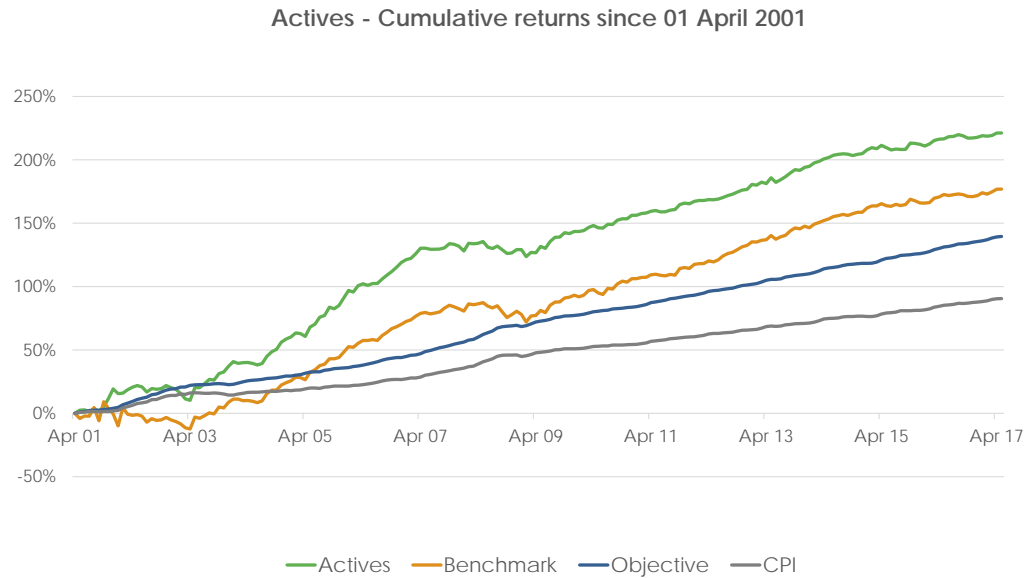
Returns over periods longer than a year represent annualised returns.

Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

LONGER TERM RETURNS

Longer term returns should be used to assess the Anglican Church Of Southern Africa Pension Fund performance when compared to benchmark as short term market volatility may distort short term performance measurement.

The cumulative graph below shows the Active portfolio performance since 1 April 2001 against its benchmark and objective. It also shows the performance against



Notes:

Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

MANAGER PERFORMANCE

The table sets out the individual manager returns for the Anglican Church Of Southern Africa Pension Fund and compares them with their respective benchmarks over the various periods.

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 AFGLMW	2001 07 01	284 086 279	23.66	-0.14	3.73	1.88	4.83	7.53	10.88	15.34	15.73	
					-0.12	0.09	2.02	1.20	-0.97	6.11	12.15	14.25	
					-0.02	3.64	-0.14	3.63	8.50	4.77	3.19	1.48	
	Foord Equity ALSI	2013 01 01	143 808 337	11.98	0.86	5.27	4.22	6.11	3.95	5.49	-	-	11.60
					-0.42	5.97	3.21	7.10	2.18	5.61	-	9.93	
					1.28	-0.71	1.01	-0.99	1.78	-0.12	-	1.67	
SA Bonds	Colourfield All Bond Index	2016 02 01	491 411 604	40.93	0.12	-2.99	0.82	-1.72	0.59	-	-	3.10	
					0.98	2.87	2.46	4.99	13.35	-	-	13.19	
					-0.86	-5.86	-1.64	-6.71	-12.77	-	-	-10.09	
SA Property	Metope Africa SA Listed Property	2007 07 01	73 788 862	6.15	0.30	1.49	0.90	2.84	3.96	16.81	16.90	15.00	
					0.11	0.73	0.62	1.99	3.73	14.33	15.22	14.37	
					0.19	0.76	0.28	0.85	0.23	2.48	1.68	0.63	
SA Cash	Liberty Standard Money Market Stefi Composite	2002-02-01	7 683 778	0.64	0.78	2.21	1.54	3.59	6.07	3.43	4.43	5.41	
					0.63	1.88	1.24	3.10	7.62	6.88	6.26	7.93	
					0.15	0.33	0.30	0.49	-1.54	-3.45	-1.83	-2.52	
	Liberty Liquid Stefi Composite	2002-02-01	(4 604 382)	-0.38	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	
					-	-	-	-	-	-	-	-	
Cash in Transit	2002-02-01	97 000 000	8.08	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-		
				-	-	-	-	-	-	-	-		
SA Alternatives	Mayibentsha Focused CPI + 4.5%	2011 07 01	17 614 691	1.47	-0.36	1.86	0.98	3.36	2.72	4.34	8.18	9.05	
					0.46	2.84	1.40	4.59	9.85	9.85	10.13	10.21	
					-0.82	-0.98	-0.43	-1.23	-7.13	-5.50	-1.94	-1.16	
	Futuregrowth CPF CPI + 4%	2007 05 01	20 221 945	1.68	0.84	2.55	1.48	4.06	25.54	17.87	14.91	13.38	
					0.42	2.73	1.32	4.40	9.35	9.35	9.63	10.21	
					0.42	-0.17	0.15	-0.33	16.18	8.52	5.28	3.17	
International	Novare Global 60% MSCI / 40% JPM	2004 03 01	69 511 683	5.79	-0.50	5.38	1.48	6.53	-0.18	14.39	18.77	12.18	
					-0.68	3.27	0.24	2.29	-10.28	9.76	15.65	10.34	
					0.18	2.11	1.24	4.24	10.11	4.63	3.12	1.84	
Total Fund			1 200 522 796	100									

Notes:

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

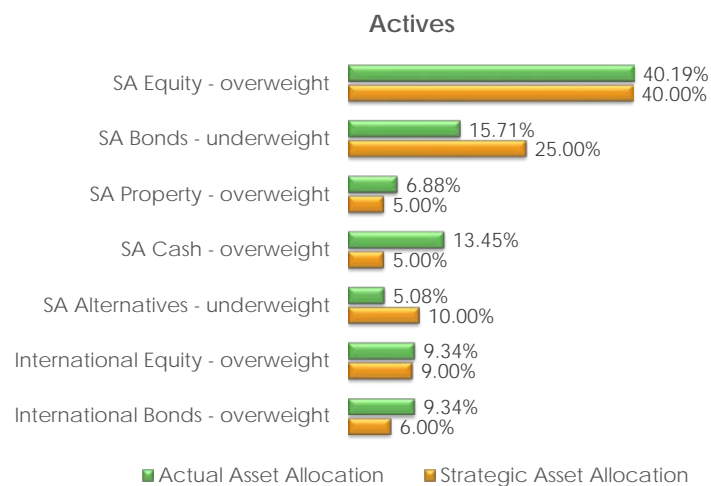
ASSET ALLOCATION

Asset Class	Manager	Actives	Pensioners	Total Fund
SA Equity	Allan Gray	188 382 346	95 703 933	284 086 279
	Foord Equity	110 725 238	33 083 098	143 808 337
SA Bonds	Colourfield	116 925 084	374 486 520	491 411 604
SA Property	Metope	51 203 165	22 585 697	73 788 862
SA Cash	Liberty Liquid	(4 604 382)	-	(4 604 382)
	Liberty Standard Money Market	7 683 778	-	7 683 778
	Cash in Transit	97 000 000	-	97 000 000
SA Alternatives	Futuregrowth CPF	20 221 945	-	20 221 945
	Mayibentsha Focused	17 614 691	-	17 614 691
International	Novare Global	69 511 683	-	69 511 683
Total Fund		674 663 548	525 859 248	1 200 522 796

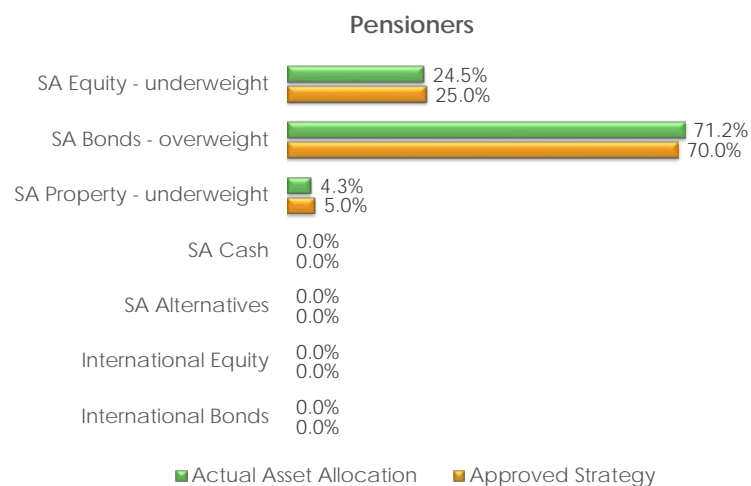
Notes:

The market values in the table above have been received from the respective managers.
The fund has equity exposure via the Allan Gray Global balanced Fund.

ASSET ALLOCATION



	TACTICAL LIMITS		
	Asset Class	Lower Limit	Upper Limit
Actives	SA Equity	25.0%	55.0%
	SA Bonds	5.0%	40.0%
	SA Property	0.0%	15.0%
	SA Cash	0.0%	10.0%
	SA Alternatives	5.0%	15.0%
	International Bonds	0.0%	25.0%
	International Equity	0.0%	25.0%



	TACTICAL LIMITS		
	Asset Class	Lower Limit	Upper Limit
Pensioners	SA Equity	0.0%	40.0%
	SA Bonds	50.0%	100.0%
	SA Property	0.0%	10.0%
	SA Cash	0.0%	20.0%
	SA Alternatives	0.0%	0.0%
	International Bonds	0.0%	0.0%
	International Equity	0.0%	0.0%

Notes:

The fund has equity exposure via the Allan Gray Global balanced Fund.

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