



NOVARE[®]
actuaries & consultants

| Monthly Report |

**Anglican Church of
Southern Africa Retirement
Fund**

April 2023

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

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Section A

Market Overview

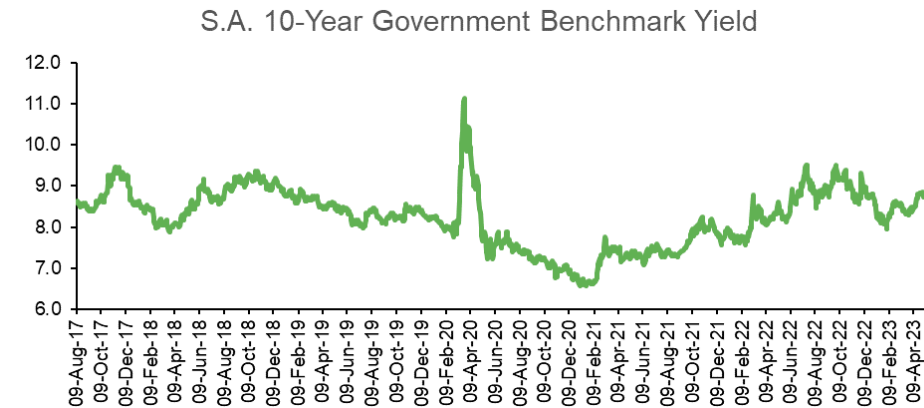
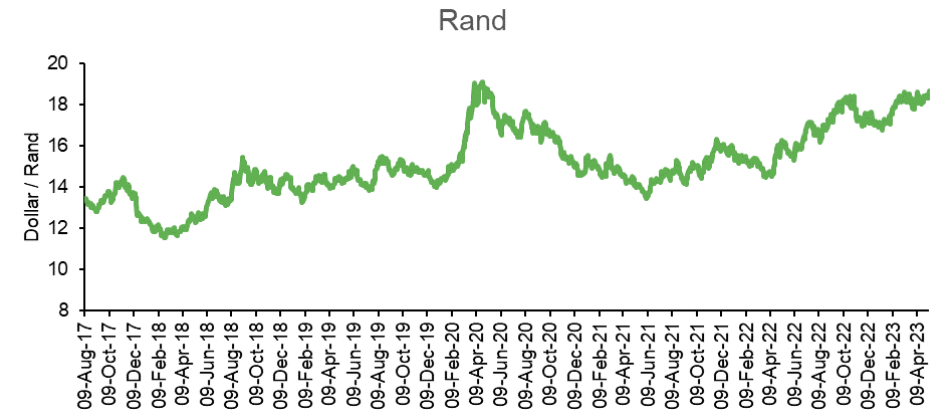


DOMESTIC MARKET VIEW



The SA Reserve Bank stunned the market with a narrow 3:2 vote to hike the repo rate by 50 basis points instead of the widely expected 25 bps, prompted by sharply higher inflation estimates. While equity markets received this as a negative on the day due to the economic headwinds implied, the rand rallied almost 2%, partly closing the gap created by the Fed's aggressive rate hike path with an ever-more attractive carry trade by investing in SA fixed income.

The All-Share Index recorded a 2.8% gain in April, while the Capped SWIX rose by 3.4%, leaving it amongst the best-performing emerging market bourses YTD. Gold counters and platinum group metal stocks outperformed in April, buoyed by higher commodity prices, while SA-focused shares were patchy as ongoing loadshedding continued to weigh heavily on sentiment. The Resi-10 soared 4.2%, while the SA Listed Property Index advanced by 3.8%, and the Indi-25 rose 3.0%. The Fini-15 also gained ground ending the month up 1.3%.



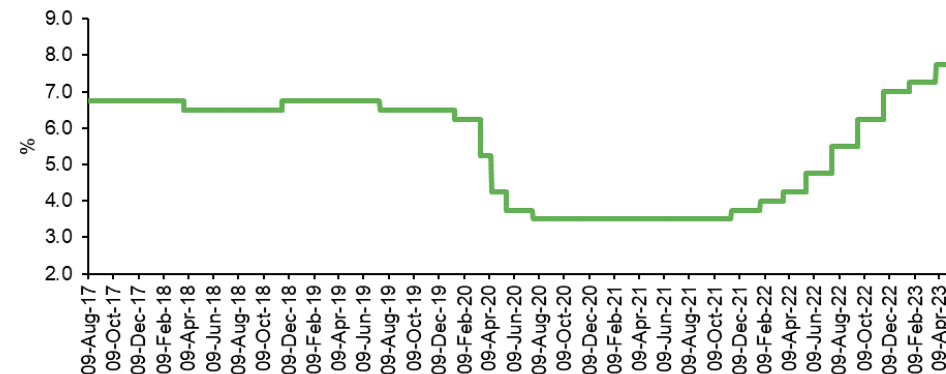
DOMESTIC MARKET VIEW

On the local economic data side, March headline inflation, as measured by the consumer price index (CPI), rose slightly (its second consecutive upward surprise), coming in at 7.1% vs February's 7.0% print. For the month, CPI rose 1.0% in March – its biggest monthly increase since July 2022 when it came in at 1.5%.

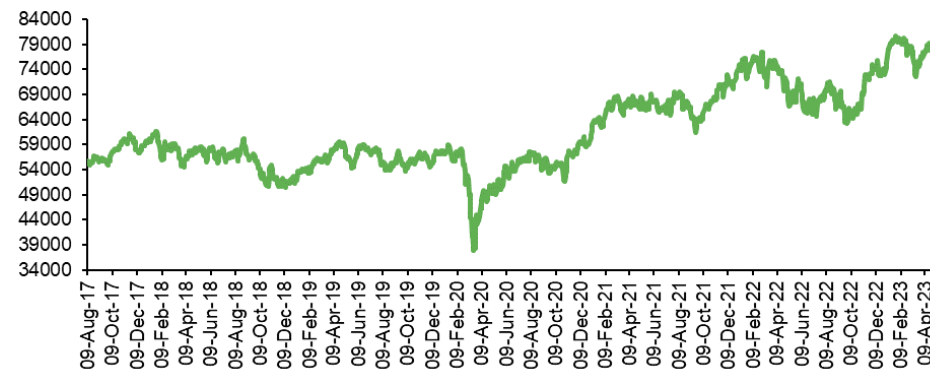
Stubbornly high food price increases were again at the forefront of this latest increase, remaining upwardly sticky and contributing about one-third of the increase in the headline reading. Local retail trade sales shrank for a third consecutive month ending down 0.1% in February, compared to a 1.5% increase decline in January.

The South African 10-year government bond yields drifted higher in April, ending the month at 11.4%, the highest level since late 2022 when the prospect of impeachment of President Cyril Ramaphosa rattled foreign investors. The drift higher in local bond yields came despite a generally benign environment for global bond yields in April.

Repo Rate



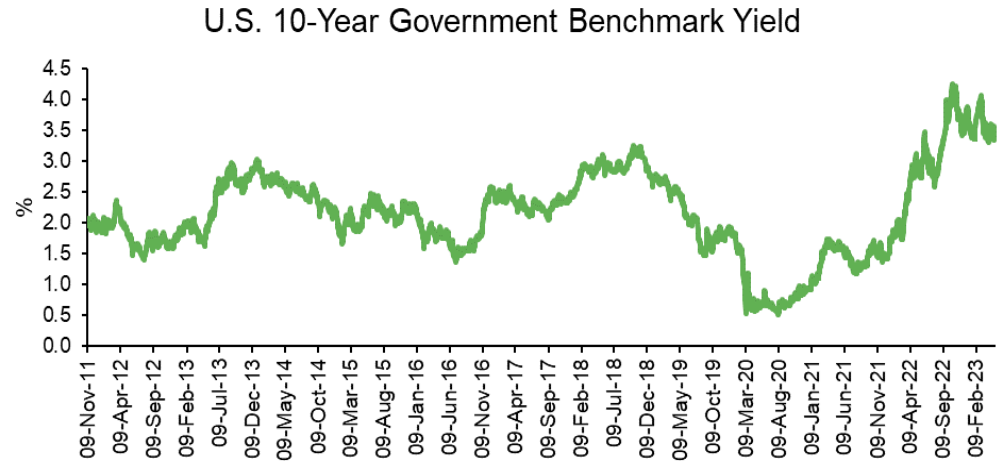
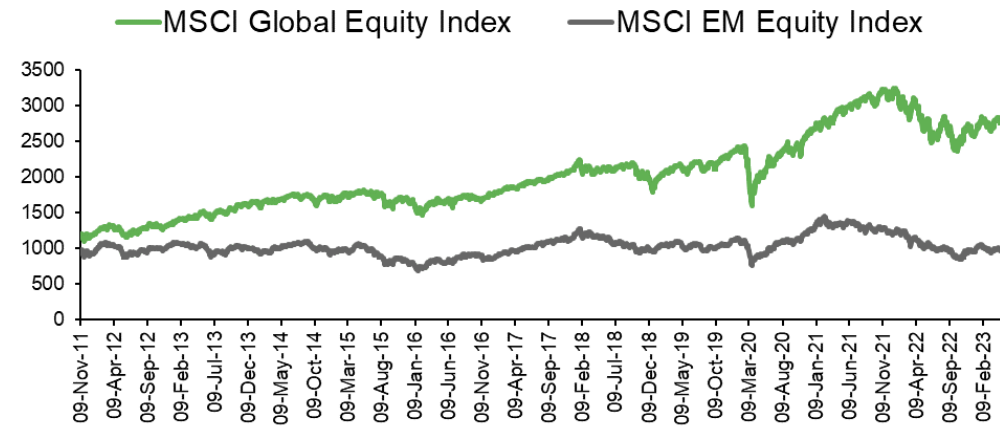
FTSE/JSE All Share Index



INTERNATIONAL MARKET VIEW

Data released during April was positive for the global economy, with growth remaining astonishingly resilient in the face of higher interest rates. The Purchasing Managers Index (PMI) surveys in the United States, Europe, and the United Kingdom all came in above forecasts, and China's Q1 GDP print was also higher than predicted.

Falling energy costs aided in lowering headline inflation in the main developed economies, with energy's share turning negative in the US and the eurozone. Due to the lags imposed by the energy price cap, fuel prices declined in the United Kingdom while the contribution from broader energy remained positive. While OPEC proposed a production cut aiming at stabilizing oil prices at roughly \$80 per barrel, the comparison with sky-high 2022 pricing means energy will continue to drag on inflation in the coming months.

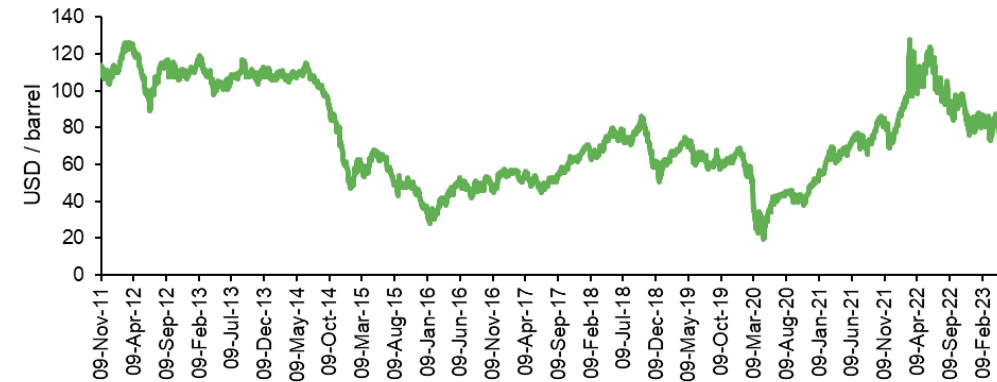


INTERNATIONAL MARKET VIEW

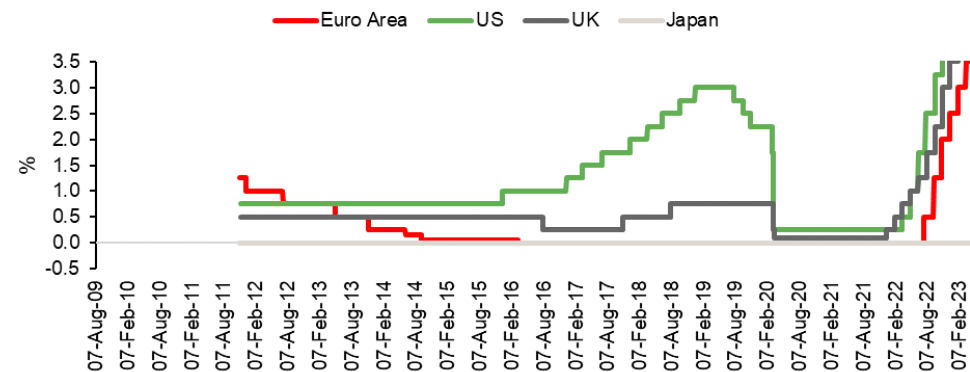
Despite additional stress in the financial sector, the solid economic momentum boosted risk assets. Over the month, developed market equities increased 1.8%, with value firms outpacing their growth rivals somewhat. Global bonds returned 0.4%, with investment grade credit accounting for a substantial portion of this, returning 1.2% throughout the month.

While near-term recessionary risk seems to have receded somewhat, the closure of another US financial institution at the end of April highlights that the cumulative impact of central bank tightening has still not been fully felt by developed economies. This means that despite the recent improvement in the business surveys, portfolio diversification remains essential in the face of significant recession risk.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION



RSA BONDS

South African bonds lagged their developed and emerging markets counterparts during April. The rand had one of the poorest performances among emerging market currencies during the quarter, falling 4.3%. Additionally, SA bonds underperformed, with their spread over US bonds increasing by 20 bps despite tightening spreads in several other developing markets.

The FTSE/JSE All Bond Index (ALBI) returned 3.39% throughout the quarter, outperforming cash's return of 1.70%; nevertheless, for the 12-month period ending in March, the ALBI returned 5.83% vs cash's 5.63% return.

The shift in the yield curve's structure, which saw maturities of 7 to 12 years outperform those of more than 12 years as the latter's steepened significantly over the last quarter, was primarily responsible for the ALBI's good return. The ALBI and cash have performed better than inflation-linked bonds (ILBs) over the past quarter (ILBs +0.94%) and year (ILBs +4.92%). This has mostly been caused by a rise in real yields that has kept pace with nominal bond prices as well as a decline in inflation accrual.

We remain of the view that local bonds offer value due to its relative under-performance and therefor remain slightly over-weight the asset class.

RSA PROPERTY, ALTERNATIVES AND CASH

During April, listed property experienced a good month ending up 5.36%. During 2022, the retail sector's recovery was still going strong, and most merchants saw increases in profits. Retail sales of food and clothing both experienced a significant uptick in trading density over the past year and have increased by 8%.

The overall vacancy rates across the country have continued to improve. National retailers have aggressively expanded into places where they do not already have a presence and found new niches for future growth in areas where they do already have a presence to fill the space left by business closures, such as bank branches and movie theaters.

The forecast for the world economy in 2023 is still unknown, and possible recessionary risk warnings signs along with high rates don't bode well for the sector. There is a downside risk to the demand for space in the future since occupiers of physical real estate will typically continue to be reluctant to expand their facilities or recruit new staff in this uncertain environment. The SARBs rate hiking cycle also does not warrant an increase in our allocation.

RSA MONEY MARKET

The 3-m JIBAR rate jumped by 51bp to end the month at 7.96%, while the 12-m JIBAR rate rose by 18bp to 9.0%. Over the last 12 months, these rates are up 359bp and 260bp, respectively. The 12-m T-bill average yield rose 49bp m/m to 8.56% at the end of April.

RSA EQUITIES

The FTSE JSE Capped SWIX increased by 3.4% MoM, while the FTSE JSE All Share Index saw a 2.8% MoM rise (+7.1% YTD). Higher commodity prices helped gold stocks and platinum group metal (PGM) equities perform better in April, while loadshedding-related shares in South Africa had sporadic performance. The Indi-25 increased by 3.0% MoM (+17.4% YTD), and the Resi-10 increased by 4.2% MoM (-2.5% YTD). Additionally, the Fini-15 advanced (+1.3% MoM and +1.1%/YTD).

By market capitalization, the largest business listed on the JSE, BHP Group, lost 4.7%, while Prosus, the second-largest listed share, down 1.3% month-over-month. Naspers experienced a 1.0% MoM decline. The third-largest listed business, Anheuser Busch InBev, increased 0.4% MoM.

The mining sector outperformed overall in April, with gains from Anglo American Platinum (Amplats), Gold Fields, and Glencore totaling 19.9%, 13.6%, and 5.7%, respectively. British American Tobacco saw a MoM rise of 7.2%. The rand lost 2.7% MoM value against the US dollar and 6.9% over

the past year. We have reduced our underweight to this asset class to neutral mostly on the back of relative valuations.

INTERNATIONAL

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**NOVARE HOUSE VIEW: April 2023
TACTICAL POSITIONING***

	←	ON-WEIGHT	→		PREVIOUS
	UNDER-WEIGHT			OVER-WEIGHT	
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

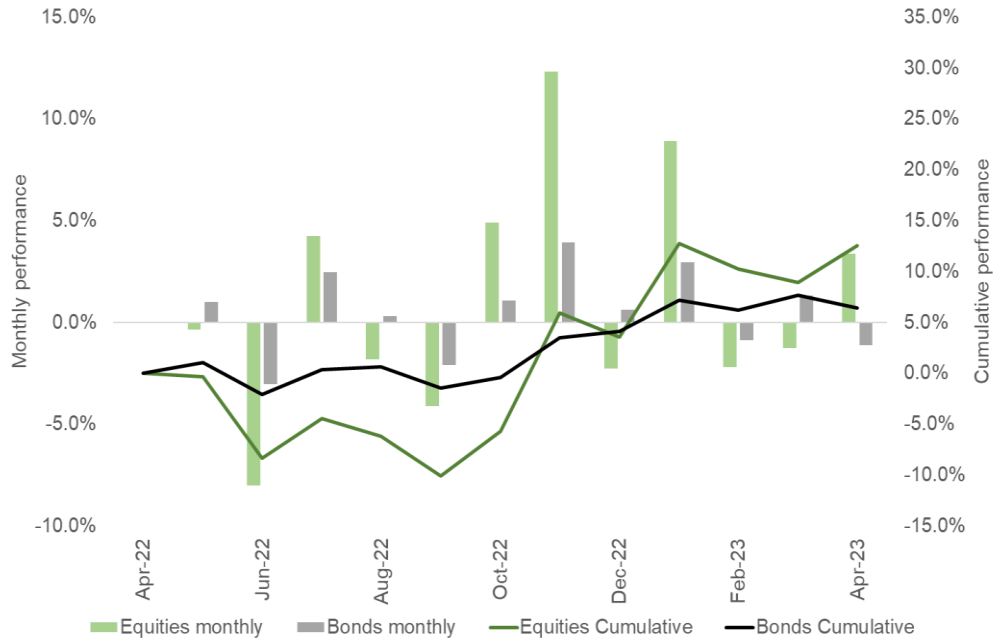
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	1.5%	1.7%	9.0%	2.6%	12.6%	7.6%
MSCI Emerging Markets	-1.1%	-4.7%	2.9%	-6.1%	4.7%	-0.7%
Global Bonds (R)	6.4%	8.4%	14.5%	16.4%	-3.2%	7.6%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	0.6%	-6.0%	-6.5%	-25.0%	44.8%	1.5%
Platinum (USD/oz)	8.3%	6.2%	0.1%	14.4%	11.4%	3.5%
Gold (USD/oz)	1.0%	4.4%	9.1%	4.9%	5.0%	8.6%

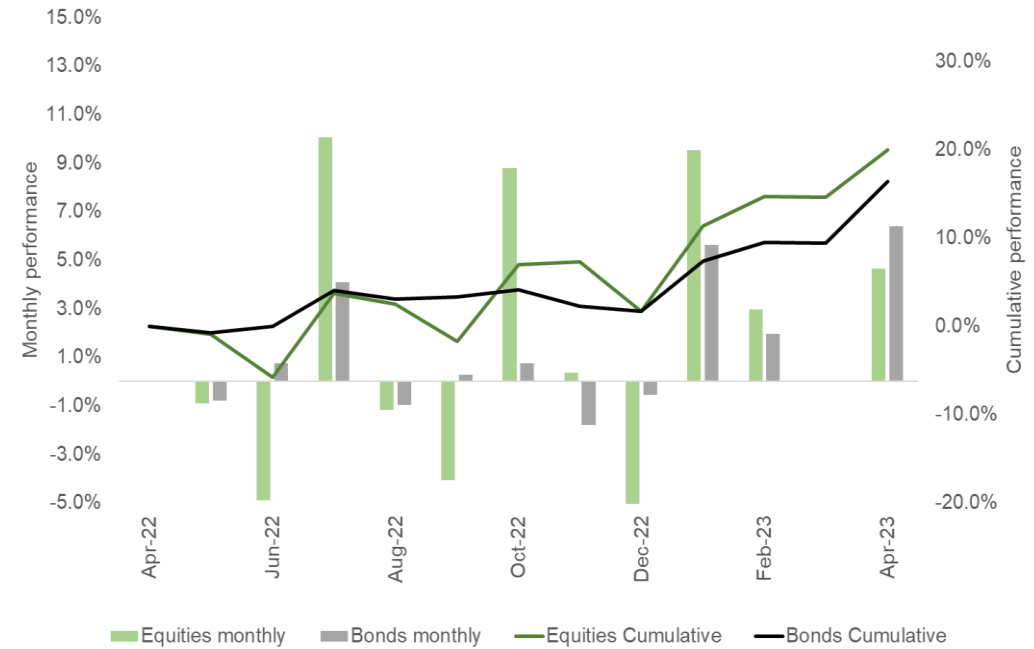
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	3.4%	-0.2%	8.7%	12.6%	20.2%	10.0%
Domestic Bonds	-1.1%	-0.7%	2.2%	6.4%	9.8%	6.8%
Domestic Cash	0.6%	1.8%	2.4%	6.2%	4.9%	5.8%
Domestic Property	5.4%	1.0%	0.0%	3.3%	17.6%	-4.5%
International Equity	4.6%	7.7%	18.0%	19.9%	13.2%	17.4%
International Bonds	6.4%	8.4%	14.5%	16.4%	-3.2%	7.6%
Exchange rate (R / \$)	2.8%	5.0%	7.4%	15.6%	-0.4%	8.0%

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

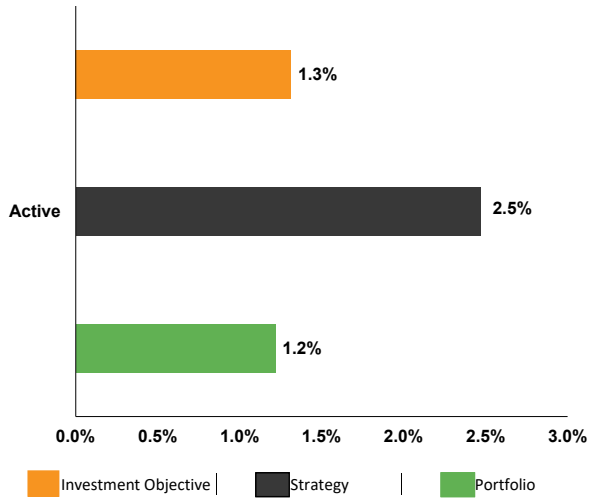
Fund Overview



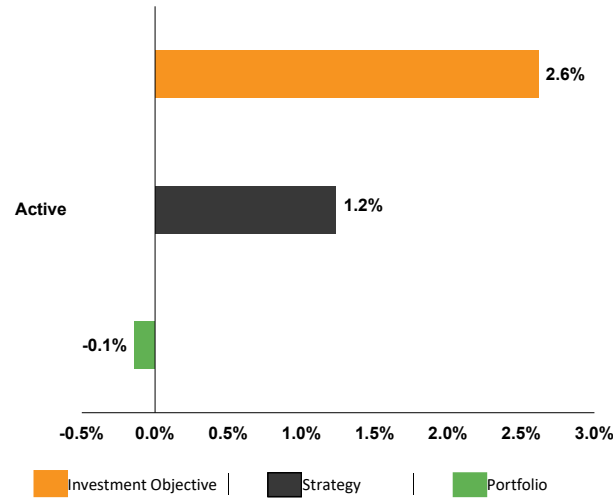
EXECUTIVE SUMMARY



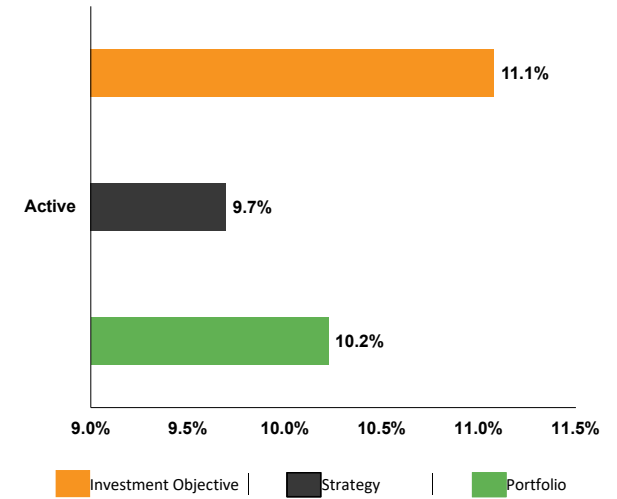
Monthly Return for April 2023



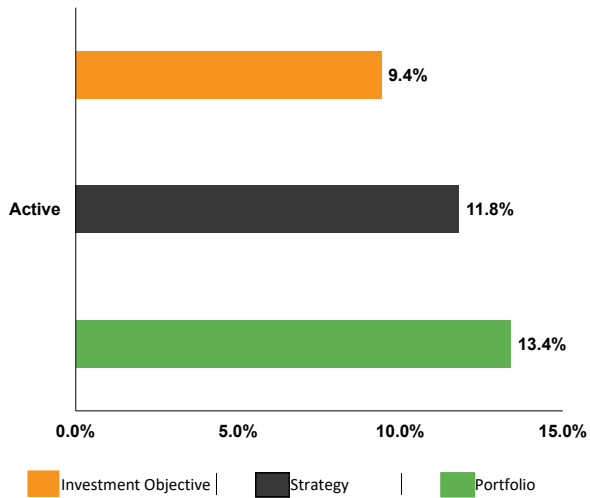
3 Months Return up to April 2023



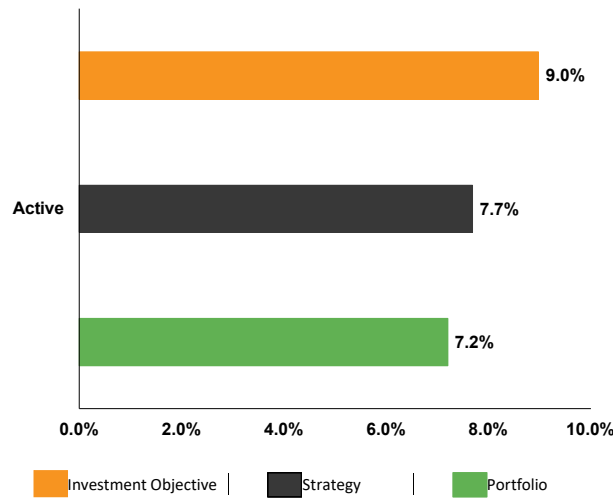
1 Year Return up to April 2023



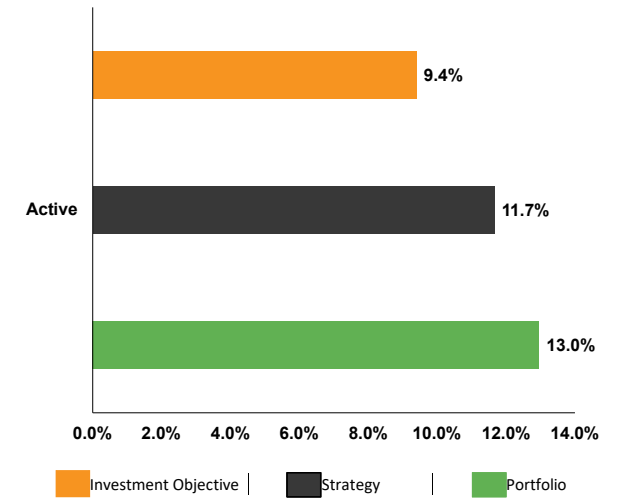
3 Year Return up to April 2023



5 Year Return up to April 2023



Returns Since Inception



PORTFOLIO MARKET VALUES AND RETURNS

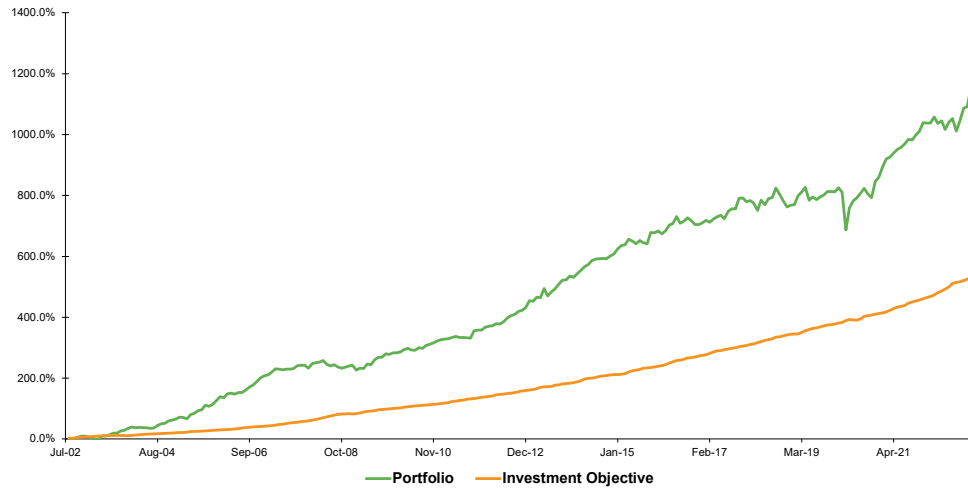
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	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	203 760 476	100.0%	1.2%	-0.1%	10.2%	13.4%	7.2%	6.5%	13.0%
			2.5%	1.2%	9.7%	11.8%	7.7%	7.3%	11.7%
			-1.3%	-1.4%	0.5%	1.6%	-0.5%	-0.8%	1.3%
Active Objective	203 760 476	100%	1.2%	-0.1%	10.2%	13.4%	7.2%	6.5%	13.0%
			1.3%	2.6%	11.1%	9.4%	9.0%	9.1%	9.4%
			-0.1%	-2.8%	-0.9%	4.0%	-1.8%	-2.6%	3.6%

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	30 829 803	15.1%	-1.2%	-0.6%	8.6%	12.6%	8.4%	8.9%	9.7%
					-1.1%	-0.7%	6.4%	9.8%	6.8%	7.5%	8.0%
					-0.1%	0.1%	2.1%	2.8%	1.6%	1.4%	1.8%
Money Market	Liberty Standard Money Market STEFI	2008/10/31	15 710 358	7.7%	0.6%	1.8%	6.6%	5.0%	6.0%	6.5%	6.6%
					0.6%	1.8%	6.2%	4.9%	5.8%	6.3%	6.4%
					0.0%	0.0%	0.4%	0.1%	0.2%	0.2%	0.2%
Money Market	Standard Money Market STEFI	2006/05/31	1 228 737	0.6%	0.6%	1.8%	6.6%	5.0%	5.8%	5.9%	6.7%
					0.6%	1.8%	6.2%	4.9%	5.8%	6.3%	6.9%
					0.0%	0.0%	0.4%	0.1%	0.0%	-0.4%	-0.2%
Multi Asset Class	Prudential House View with Global CPI + 5%	2020/01/31	79 397 608	39.0%	2.4%	0.0%	12.8%	16.1%	-	-	11.1%
					1.4%	2.8%	12.1%	10.4%	-	-	10.5%
					1.0%	-2.9%	0.7%	5.7%	-	-	0.6%
Multi Asset Class	Ninety One House View with Global CPI + 5%	2020/01/31	76 593 971	37.6%	1.4%	-0.2%	9.6%	12.5%	-	-	9.4%
					1.4%	2.8%	12.1%	10.4%	-	-	10.5%
					0.1%	-3.0%	-2.5%	2.0%	-	-	-1.1%
			203 760 476	100%							

ASSET ALLOCATION

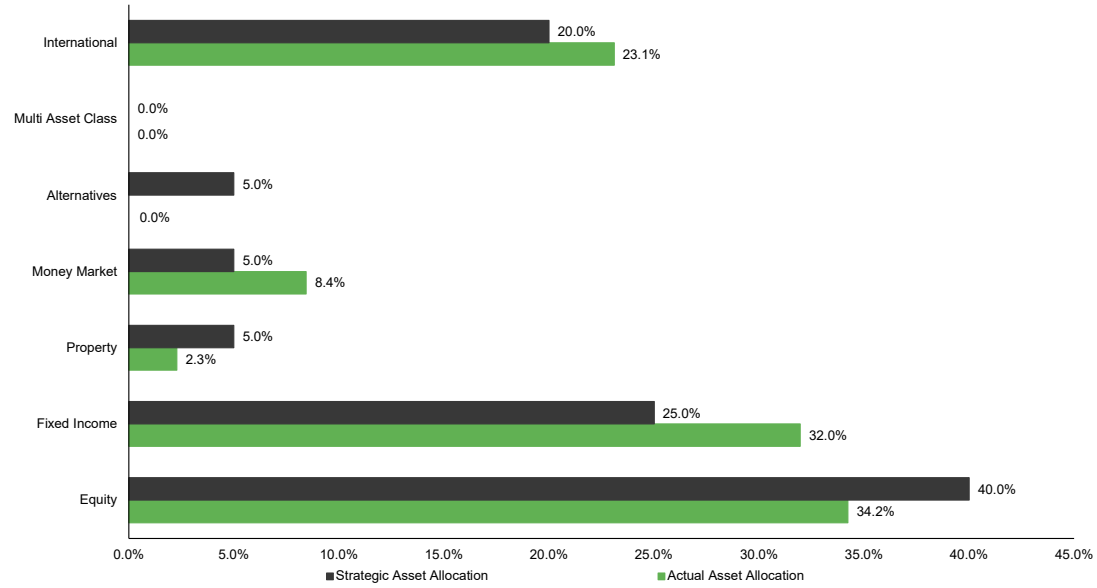


Asset Class	Manager	Active	Total Fund
Fixed Income Money Market	Futuregrowth Infrastructure Bond Fund	30 829 803	30 829 803
	Liberty Standard Money Market	15 710 358	15 710 358
	Standard Money Market	1 228 737	1 228 737
Multi Asset Class	Prudential House View with Global	79 397 608	79 397 608
	Ninety One House View with Global	76 593 971	76 593 971
Total Fund		203 760 476	203 760 476

ASSET ALLOCATION



Active



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

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