



NOVARE[®]
actuaries & consultants

| Monthly Report |

**Anglican Church of
Southern Africa Retirement
Fund**

February 2023

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



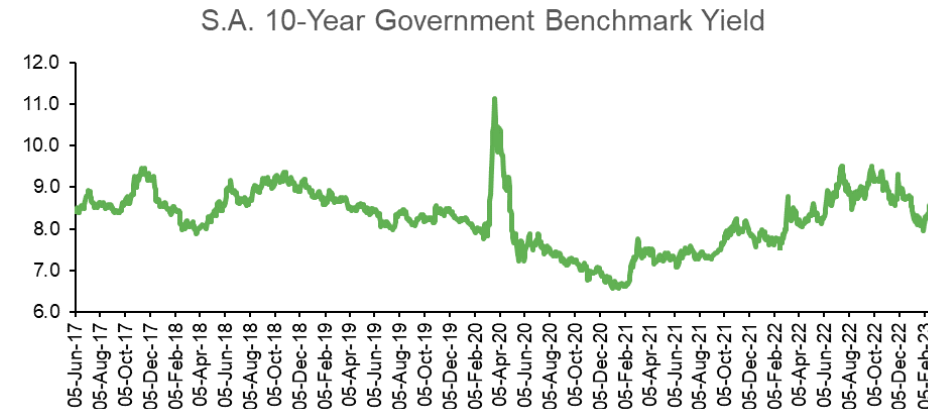
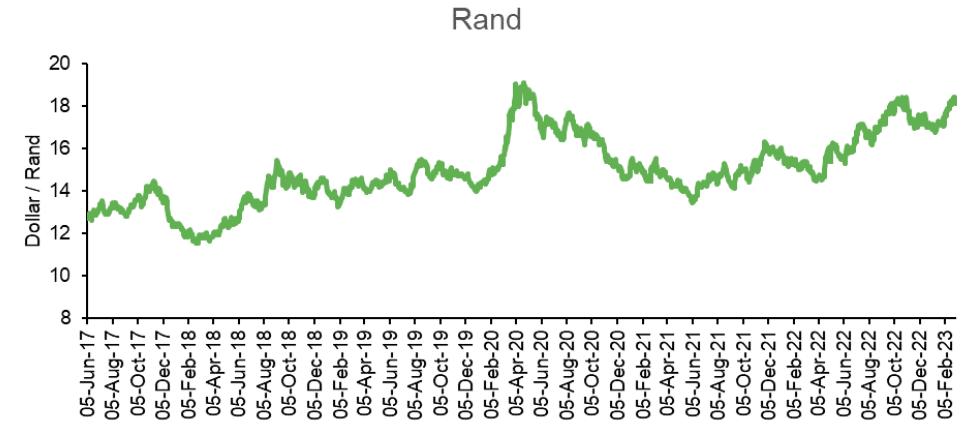
DOMESTIC MARKET VIEW



Power utility Eskom once again dominated the news headlines in South Africa throughout the month. The country was at stage 6 for seven straight days for the first time ever, which undoubtedly would have slowed down economic activity.

On Wednesday, 22 February, the Minister of Finance, Mr Enoch Godongwana, delivered his annual budget speech which was generally warmly welcomed by the business community and investors. The focus was however heavily on Eskom and the larger power issue.

There was no increase in any of the major tax rates, a package of debt relief for Eskom totaling R254 billion over the next three fiscal years and predicted primary budget surpluses (excluding interest payments) starting in 2022/23 were among the significant budget announcements.

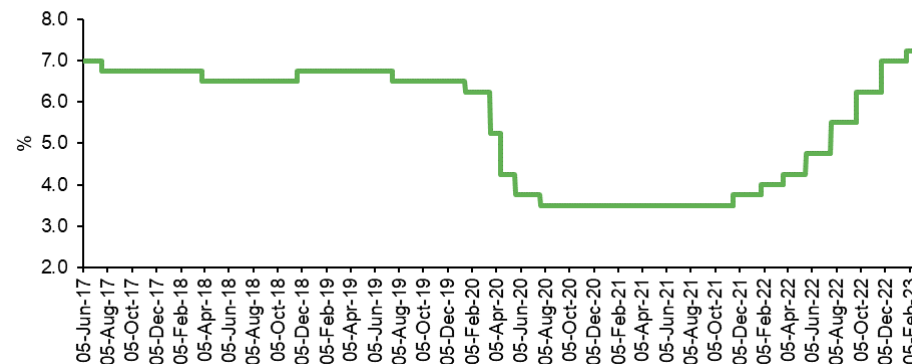


DOMESTIC MARKET VIEW

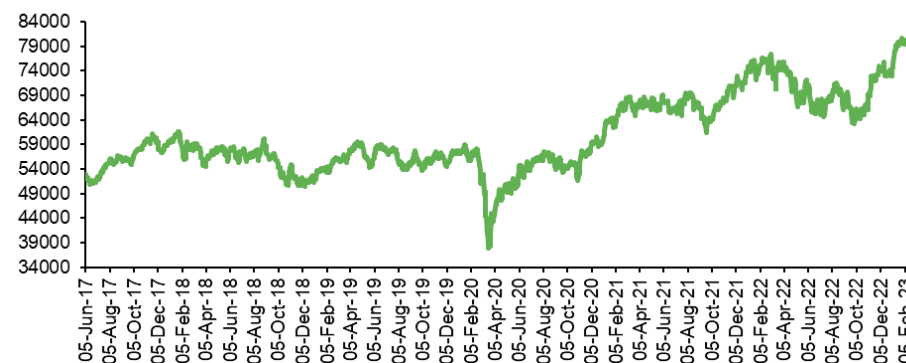
To add to an already gloomy month, the Financial Action Task Force (FATF), an intergovernmental organization that establishes global standards aimed at preventing money laundering and terrorist financing (ML/TF) activities, also added South Africa to a list of nations under increased monitoring for failing to meet certain standards in combating ML/TF. This was however a highly anticipated development. SA joins the list as the first new G20 member.

Local equities delivered a total return of -2.32% m/m in February, with listed property also in the red, returning -0.72% m/m. The ALBI recorded a total return of -0.87% m/m, the CILI inflation-linked bond index returned 0.45% m/m and cash returned 0.54% m/m.

Repo Rate



FTSE/JSE All Share Index

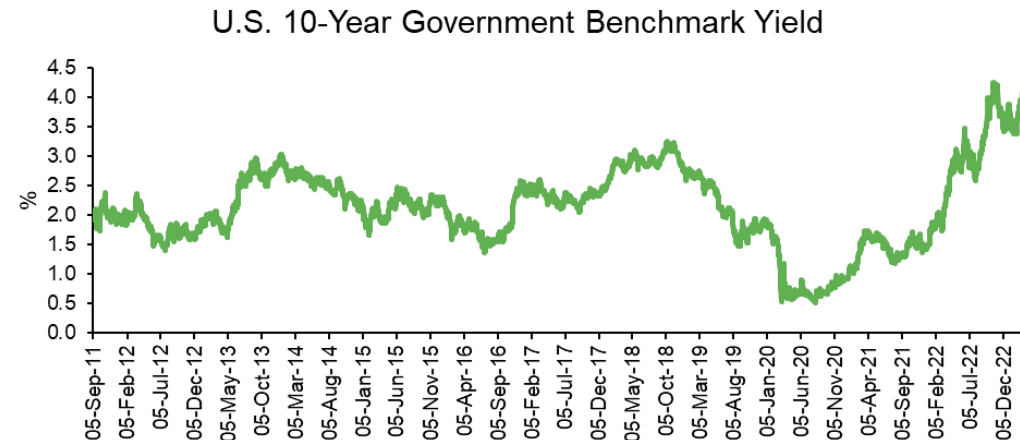
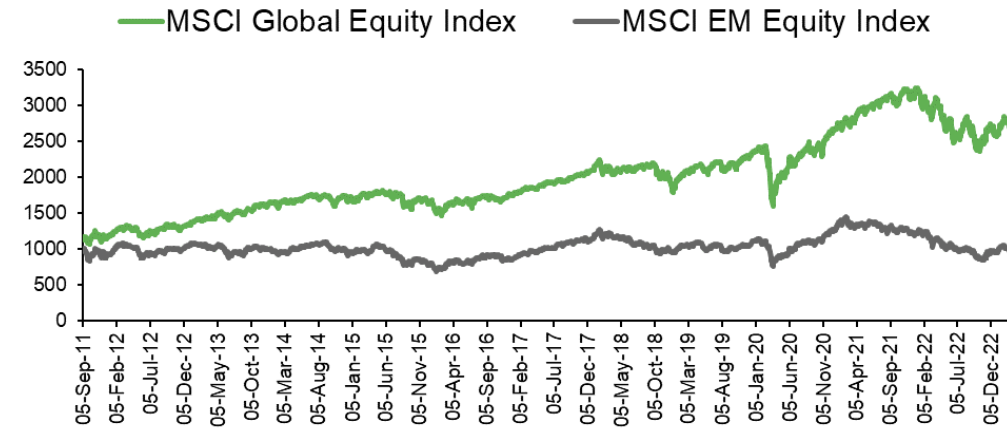


INTERNATIONAL MARKET VIEW

Following a solid start to the year, aided by decreasing inflation and expectations of an end to the global monetary tightening cycle, resilient economic data in February led to a rise in bond yields and a decrease in share markets. The global aggregate bond index fell 3.3% for the month, reversing much of the good return from January, while developed market equities fell 2.4%.

With economic statistics showing that a recession is unlikely, investors revised their expectations for both the peak in interest rates and the subsequent speed of rate decreases, as the path back to target inflation may take longer than originally anticipated. While solid economic data would normally be expected to bolster stocks, equity markets had obviously been anticipating prospective rate cuts and were thus more dissatisfied by the idea of less monetary easing in the near future than they were heartened by the prospect of a delayed recession.

Accordingly, the European Central Bank (ECB), the Bank of England, and the Federal Reserve all raised interest rates at the start of the month, as expected. With some subtleties, the overarching message from the accompanying remarks was that, notwithstanding the recent fall, inflation remains too high and the central banks' mission is not yet done.



INTERNATIONAL MARKET VIEW

The reopening of China following the shutdown triggered a quick consumption-driven revival in the Chinese economy. The enormous sum of extra money saved up during the shutdown is anticipated to fuel spending. The Caixin January services PMI showed a significant comeback to 52.9, indicating that the services sector is primarily driving the economic recovery (from 48).

Over the month, Chinese stocks decreased by 9.9%. After rising 35.5% from their October lows, some profit-taking was sparked by the escalating geopolitical concerns. Yet, they are still down 47.5% from their peaks in 2021, and a faster-than-expected economic recovery might help them.

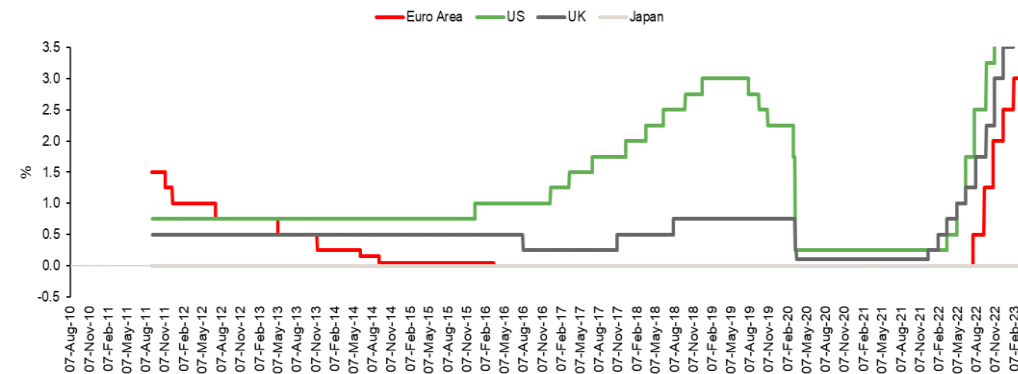
In February, the S&P GSCI Commodities Index saw a decline of -4.14%. The components of the index with the weakest performance were industrial metals and precious metals. In terms of industrial metals, the prices of nickel, zinc, and aluminum all fell rapidly, although those of lead and copper were only slightly lower. Silver and gold prices fell in the month within precious metals. Moreover, energy prices declined.

OIL (BRENT)

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION

RSA BONDS

At the end of February, the yield curve flattened; the shorter-dated R186 and the R2030 both saw an increase in yield of 44 bps. The R2048 yield increased by 18bp as the longer end of the curve yields increased as well. The R206 returned -0.74% m/m, the R2030 -1.49% m/m, and the R2048 -0.61% m/m, respectively. The R68.2 billion maturity of the R2023 government bond on February 28, 2023, was a significant event in the bond market. Non-residents remained net sellers, but to a lesser extent than towards the end of 2022, off-loading R9.1bn worth of SA bonds. This brings the cumulative outflow for the last 12 months to R273bn.

The ALBI ended the month down by -0.87%.

RSA PROPERTY, ALTERNATIVES AND CASH

During February, listed property experienced a more muted month ending down -0.72%. 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 analysts have issued short-term recessionary risk warnings. 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

Money-markets saw a sharp steepening in the curve during February. The 3-m JIBAR rate fell by 2bps to close the month at 7.45% in the South African money market, while the 12-m JIBAR rate increased by 32bps to 8.83%. These rates have increased by 323bp and 280bp, respectively, over the past year. At the end of February, the average yield on 12-month T-bills decreased by 2bp to 8.07%.

Cash remains the balancing item.

RSA EQUITIES

Power utility Eskom once again dominated the news headlines in South Africa throughout the month. The country was at stage 6 for seven straight

days for the first time ever, which undoubtedly would have slowed down economic activity. On Wednesday, 22 February, the Minister of Finance, Mr Enoch Godongwana, delivered his annual budget speech which was generally warmly welcomed by the business community and investors. The focus was however heavily on Eskom and the larger power issue. There was no increase in any of the major tax rates, a package of debt relief for Eskom totalling R254 billion over the next three fiscal years and predicted primary budget surpluses (excluding interest payments) starting in 2022/23 were among the significant budget announcements.

To add to an already gloomy month, the Financial Action Task Force (FATF), an intergovernmental organization that establishes global standards aimed at preventing money laundering and terrorist financing (ML/TF) activities, also added South Africa to a list of nations under increased monitoring for failing to meet certain standards in combating ML/TF. This was however a highly anticipated development. SA joins the list as the first new G20 member. Local equities delivered a total return of -2.32% m/m in February.

We have started to reduce our underweight to this asset class and will consider increasing further should the opportunity arise.

INTERNATIONAL

Following a solid start to the year, aided by decreasing inflation and expectations of an end to the global monetary tightening cycle, resilient economic data in February led to a rise in bond yields and a decrease in share markets. The global aggregate bond index fell 3.3% for the month,

reversing much of the good return from January, while developed market equities fell 2.4%.

With economic statistics showing that a recession is unlikely, investors revised their expectations for both the peak in interest rates and the subsequent speed of rate decreases, as the path back to target inflation may take longer than originally anticipated.

While solid economic data would normally be expected to bolster stocks, equity markets had obviously been anticipating prospective rate cuts and were thus more dissatisfied by the idea of less monetary easing in the near future than they were heartened by the prospect of a delayed recession.

Accordingly, the European Central Bank (ECB), the Bank of England, and the Federal Reserve all raised interest rates at the start of the month, as expected. With some subtleties, the overarching message from the accompanying remarks was that, notwithstanding the recent fall, inflation remains too high and the central banks' mission is not yet done.

The reopening of China following the shutdown triggered a quick consumption-driven revival in the Chinese economy. The enormous sum of extra money saved up during the shutdown is anticipated to fuel spending. The Caixin January services PMI showed a significant comeback to 52.9,

indicating that the services sector is primarily driving the economic recovery (from 48).

Over the month, Chinese stocks decreased by 9.9%. After rising 35.5% from their October lows, some profit-taking was sparked by the escalating geopolitical concerns. Yet, they are still down 47.5% from their peaks in 2021, and a faster-than-expected economic recovery might help them.

In February, the S&P GSCI Commodities Index saw a decline of -4.14%. The components of the index with the weakest performance were industrial metals and precious metals. In terms of industrial metals, the prices of nickel, zinc, and aluminium all fell rapidly, although those of lead and copper were only slightly lower. Silver and gold prices fell in the month within precious metals. Moreover, energy prices declined.

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

	←	ON-WEIGHT	→		PREVIOUS
	UNDER-WEIGHT			OVER-WEIGHT	
DOMESTIC	Under-weight				
Equities	95%				90%
Bonds		100%			95%
Property	95%				85%
Alternatives		100%			100%
Cash	Balancing				100%
OFFSHORE			120%		120%
Equities	90%				80%
Bonds	80%				70%
Property	90%				
Alternatives				125%	100%
AFRICA		100%			

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, domestic property and onweight domestic bonds: whilst maintaining an overweight to International assets. Due to the limit of 30% 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	-2.8%	0.1%	4.2%	-7.8%	9.3%	6.3%
MSCI Emerging Markets	-6.5%	-0.4%	0.9%	-14.9%	1.3%	-1.5%
Global Bonds (R)	1.9%	7.1%	7.7%	3.2%	0.0%	7.3%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	-2.4%	-4.0%	-2.9%	-14.8%	18.9%	5.2%
Platinum (USD/oz)	-5.7%	-6.3%	-11.1%	-9.8%	2.7%	-0.5%
Gold (USD/oz)	-5.0%	2.9%	-0.7%	-4.5%	3.4%	6.6%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	-2.2%	4.1%	6.5%	6.2%	19.5%	9.8%
Domestic Bonds	-0.9%	2.7%	2.0%	4.9%	7.4%	7.1%
Domestic Cash	0.5%	1.7%	1.1%	5.7%	4.8%	5.8%
Domestic Property	-0.7%	-0.6%	-1.7%	5.1%	2.7%	-3.6%
International Equity	3.0%	6.8%	12.8%	11.3%	16.5%	17.4%
International Bonds	1.9%	7.1%	7.7%	3.2%	0.0%	7.3%
Exchange rate (R / \$)	5.4%	6.6%	7.8%	19.5%	5.5%	9.3%

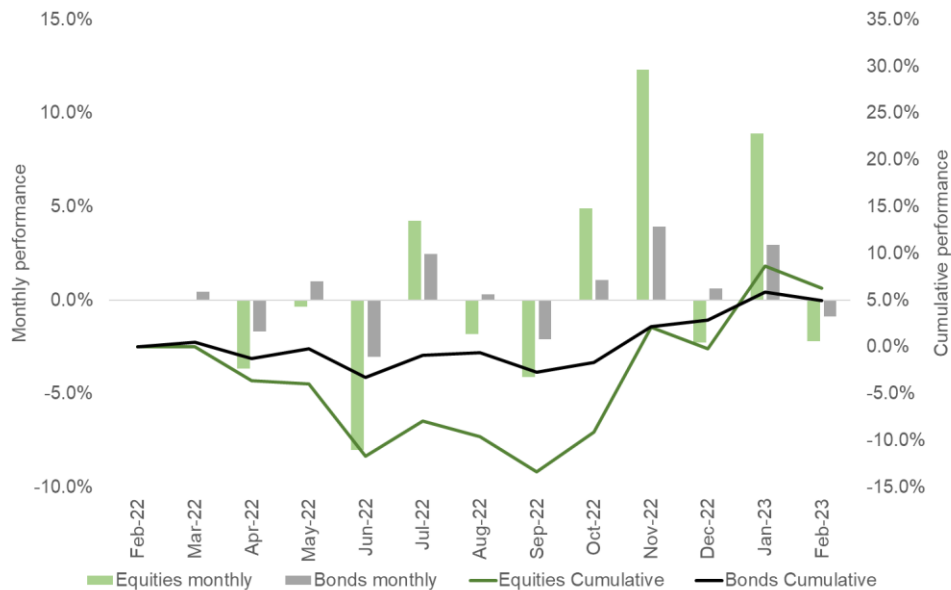
Scale:

Best performing asset class

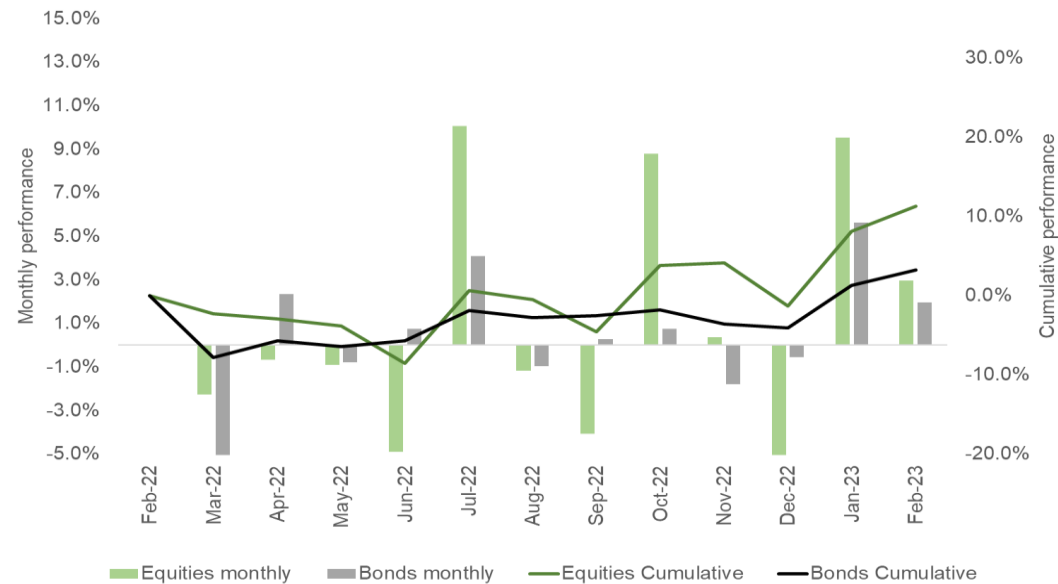
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

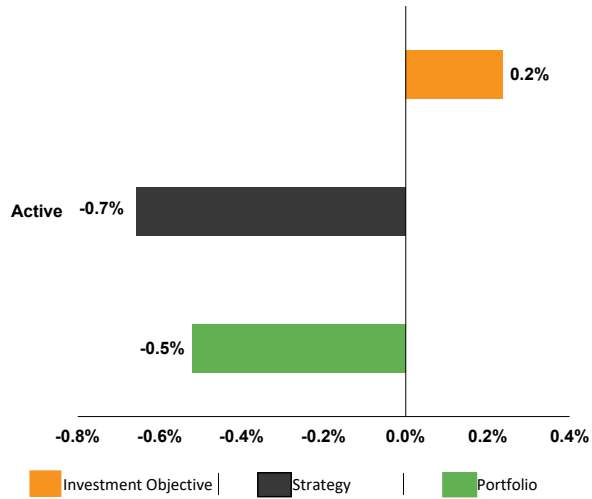
Fund Overview



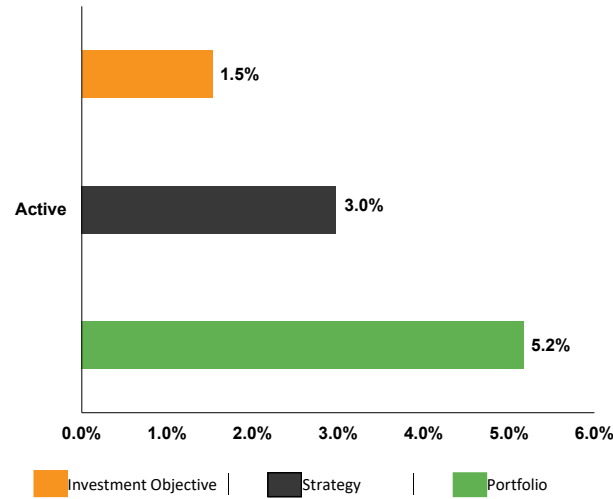
EXECUTIVE SUMMARY



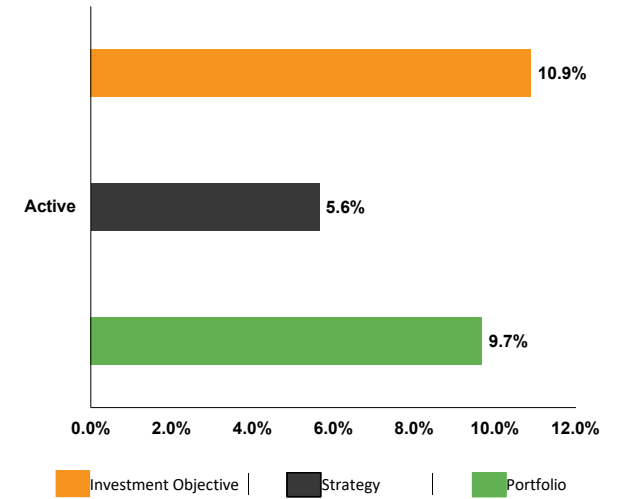
Monthly Return for February 2023



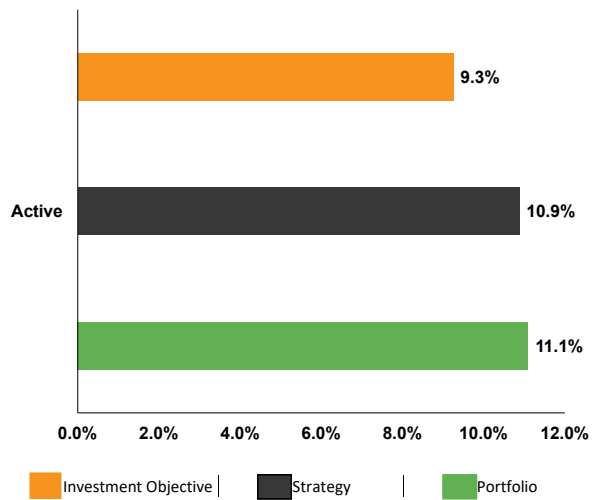
3 Months Return up to February 2023



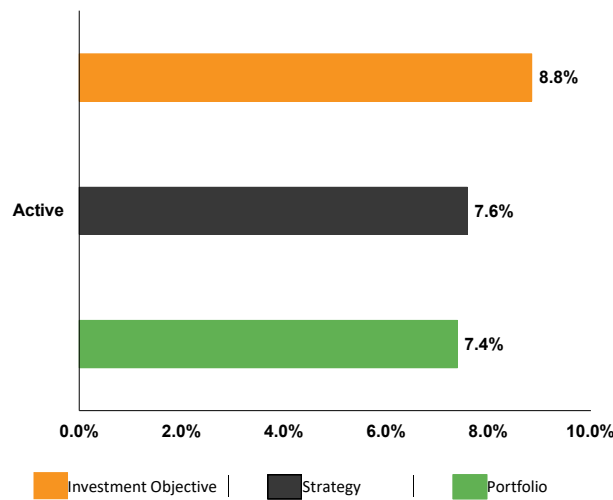
1 Year Return up to February 2023



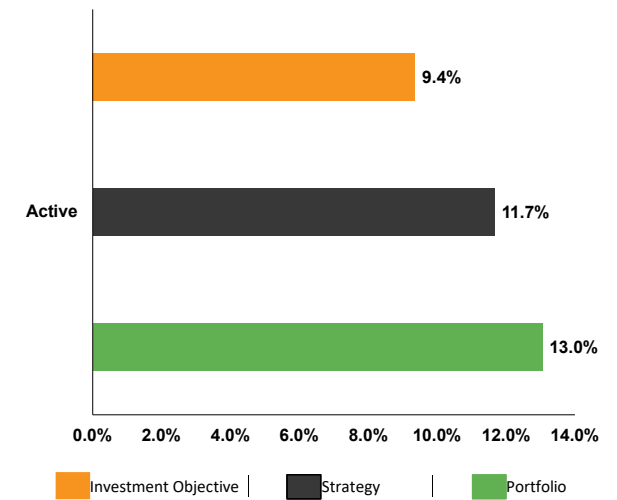
3 Year Return up to February 2023



5 Year Return up to February 2023



Returns Since Inception



PORTFOLIO MARKET VALUES AND RETURNS

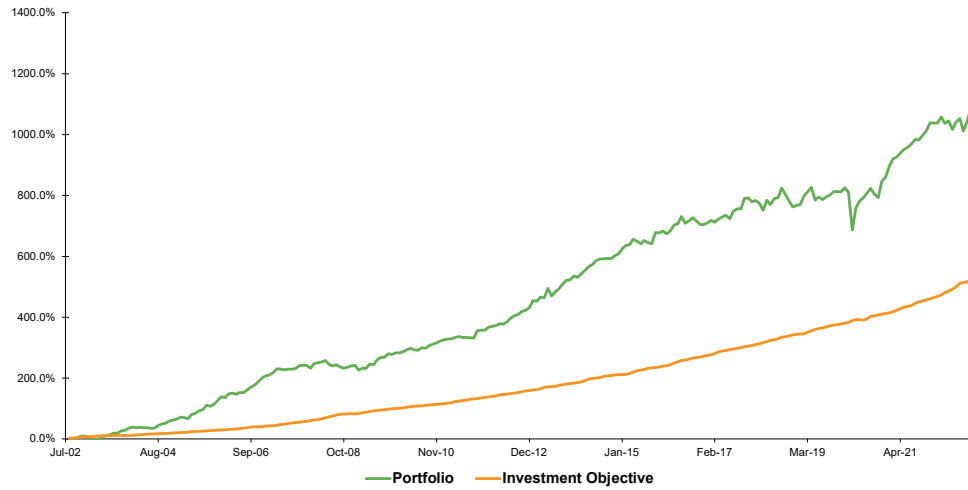
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	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	200 924 776	100.0%	-0.5%	5.2%	9.7%	11.1%	7.4%	6.8%	13.0%
			-0.7%	3.0%	5.6%	10.9%	7.6%	7.3%	11.7%
			0.1%	2.2%	4.0%	0.2%	-0.2%	-0.5%	1.4%
Active Objective	200 924 776	100%	-0.5%	5.2%	9.7%	11.1%	7.4%	6.8%	13.0%
			0.2%	1.5%	10.9%	9.3%	8.8%	9.2%	9.4%
			-0.8%	3.6%	-1.2%	1.8%	-1.5%	-2.3%	3.7%

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

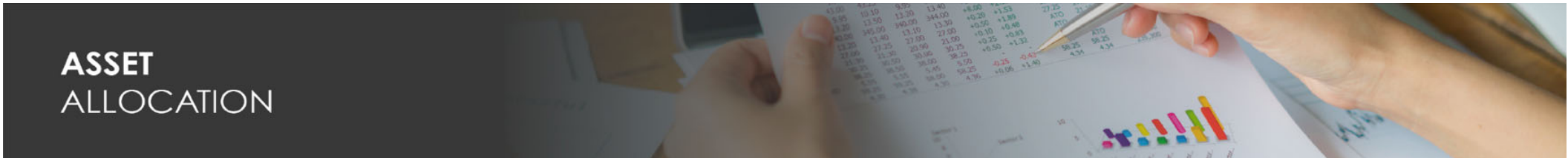


MANAGER PERFORMANCE

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

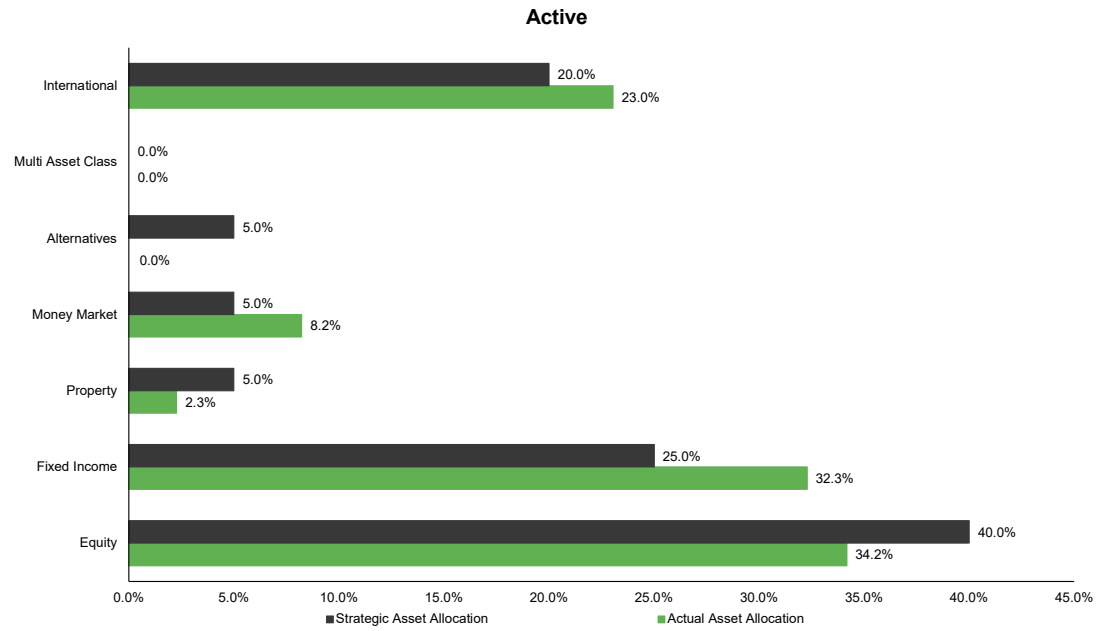
Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Fixed Income	Futuregrowth Infrastructure Bond Fund All Bond Index	2011/07/31	31 147 882	15.5%	-0.6%	4.0%	8.0%	9.5%	8.7%	8.8%	9.9%
					-0.9%	2.7%	4.9%	7.4%	7.1%	8.1%	
					0.3%	1.3%	3.0%	2.1%	1.7%	1.5%	1.8%
Money Market	Liberty Standard Money Market STEFI	2008/10/31	15 164 379	7.5%	0.6%	1.8%	6.1%	4.9%	6.0%	6.5%	6.6%
					0.5%	1.7%	5.7%	4.8%	5.8%	6.3%	6.4%
					0.0%	0.1%	0.4%	0.1%	0.2%	0.2%	0.2%
Multi Asset Class	Standard Money Market STEFI	2006/05/31	1 096 719	0.5%	0.6%	1.8%	6.1%	4.9%	5.8%	5.9%	6.7%
					0.5%	1.7%	5.7%	4.8%	5.8%	6.3%	6.9%
					0.0%	0.1%	0.4%	0.1%	0.1%	-0.4%	-0.2%
Multi Asset Class	Prudential House View with Global CPI + 5%	2020/01/31	78 704 094	39.2%	-0.3%	6.7%	12.0%	13.0%	-	-	11.6%
					0.3%	1.8%	11.9%	10.3%	-	-	10.2%
					-0.6%	5.0%	0.1%	2.8%	-	-	1.4%
Multi Asset Class	Ninety One House View with Global CPI + 5%	2020/01/31	74 811 703	37.2%	-1.0%	4.9%	7.1%	10.4%	-	-	9.7%
					0.3%	1.8%	11.9%	10.3%	-	-	10.2%
					-1.3%	3.2%	-4.8%	0.1%	-	-	-0.5%
			200 924 776	100%							

ASSET ALLOCATION



Asset Class	Manager	Active	Total Fund
Fixed Income Money Market	Futuregrowth Infrastructure Bond Fund	31 147 882	31 147 882
	Liberty Standard Money Market	15 164 379	15 164 379
	Standard Money Market	1 096 719	1 096 719
Multi Asset Class	Prudential House View with Global	78 704 094	78 704 094
	Ninety One House View with Global	74 811 703	74 811 703
Total Fund		200 924 776	200 924 776

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

