

## Who are the investment managers?

Feeder - STANLIB Asset Management (Pty) Ltd, FSP 719, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, manage the investments of the fund.

Underlying - JP Morgan Asset Management (UK) Limited (JPMorgan) were appointed by the investment manager (STANLIB Asset Management Limited) as the sub-investment manager of the STANLIB Global Bond Fund, a sub-fund of STANLIB Funds Limited. JPMorgan is a private limited company incorporated under the laws of England and Wales.

## Fund review

The Global Bond feeder fund returned 4.65% for the quarter vs the benchmark return of 4.37%. The fund favours the higher yielding credit sectors of the bond market: corporate bonds and securitized bonds, including agency pass-throughs, non-agency commercial mortgage-backed securities and short-duration securitized credit. Emerging markets also present opportunities with high real yields and cutting cycles already on the way.

## Market overview

In the US, the FOMC voted to leave the Federal funds rate unchanged at a target range of 5.25%-5.50% and strongly hinted that it has finished hiking interest rates this cycle. Policy rate projections (dot plot) signaled one additional rate cut in 2024, bringing expected cumulative cuts to three in 2024. The labor market remained healthy with non-farm payrolls rising more than market expectations and unemployment rate slipping to 3.7% from 3.9%, marking a 24th consecutive month with the rate under 4%. On the inflation front, the November CPI report saw a further small decline in not-seasonally-adjusted year-over-year inflation to 3.1% from 3.2% in October. The major driver of the decline was falling energy and gasoline prices with the rise in auto insurance rates, rent and owners' equivalent rent offsetting some of the decline.

In the Eurozone, the European Central bank kept rates constant during the month as widely expected, however, comments maintained a hawkish undertone offering some pushback to the market pricing of rates. On the data front, Purchasing Managers' Indices (PMIs) have partially rebounded over the last couple of months. While the PMIs remain at weak levels, the recent rise reduces the risk of renewed intensification of weakness. Headline inflation also rose in December along expected lines while core inflation eased to 3.4% year-over-year, from the previous 3.6% in November.

In UK, the Bank of England left rates unchanged at its December meeting with the votes and forward guidance remaining unchanged in a slightly more hawkish than expected communication. There was a significant downside surprise on core inflation in November, including services, which might increase the pressure on the Monetary Policy Committee to drop its tightening bias. However, the annualized run rate on services inflation remains too high at 4.5%, suggesting the Bank of England might be a little far from cutting rates.

In Japan, the Bank of Japan (BoJ) kept the policy rates unchanged in line with expectations. Given the market expectations for an early removal of negative policy rates, this was viewed as a dovish outcome. On the inflation front, the BoJ core CPI (ex. Fresh food and energy) continued to decelerate even as the level remained elevated at 3.8% year-over-year in November.

## Looking ahead

The Feds dovish pivot has tipped the odds away from recession and toward a soft landing. Markets are expecting central banks to cut rates sooner in 2024 from the earlier "higher for longer" expectations. Treasury-risk asset correlation should return to its normal negative relationship and work as a hedge to riskier assets. The primary risk remains a return to higher inflation and a central bank policy response of further tightening.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

## Change in allocation of the fund over the quarter

Asset type	Q4 2023	Q3 2023	Change
Domestic Cash & Mny Mkt	7.31	5.60	1.72
Domestic Fixed Interest	1.38	1.40	-0.03
Foreign Cash & Mny Mkt	13.47	13.71	-0.25
Foreign Fixed Interest	77.84	79.29	-1.44

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Rand)
B3	Retail	1.08	361.97	8,463,077.66	30,633,717.12

All Price, Units and NAV data as at 31 December 2023.

Units - amount of participatory interests (units) in issue in relevant class.

TER - 1 Year Total Expense Ratio (%) including VAT as at 30/09/2023. The Total Expense ratio (TER) shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over the period shown and annualised to the most recently completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

## Disclosures

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending.

The STANLIB Global Bond Feeder Fund is a portfolio of the STANLIB Collective Investment Scheme (the Scheme).

The manager of the Scheme is STANLIB Collective Investments (RF) (Pty) Limited (the Manager). The Manager is authorised in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA). The Manager is a member of the Liberty Group of Companies. The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a CIS portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager.

The trustee of the Scheme is Standard Chartered Bank.

The investments of this portfolio are managed, on behalf of the Manager, by STANLIB Asset Management (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 719, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002.

Prices are calculated and published on each working day, these prices are available on the Manager's website ([www.stanlib.com](http://www.stanlib.com)) and in South African printed news media. This portfolio is valued at 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 15h00.

This portfolio is permitted to invest in foreign securities. Should the portfolio include any foreign securities these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

This is a portfolio that derives its income primarily from interest-bearing instruments. The yield (if shown) is a current effective yield calculated daily.

This portfolio is a Feeder Fund portfolio. A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme, that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

All performance returns and ranking figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 31 December 2023.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Manager and from the Manager's website ([www.stanlib.com](http://www.stanlib.com)).

## Contact details

### Manager

STANLIB Collective Investments (RF) (Pty) Limited  
Reg. No. 1969/003468/07  
17 Melrose Boulevard, Melrose Arch, 2196  
Telephone: 0860 123 003  
Email: [contact@stanlib.com](mailto:contact@stanlib.com)  
Website: [www.stanlib.com](http://www.stanlib.com)

### Investment Manager

STANLIB Asset Management (Pty) Ltd  
An authorised financial services provider, FSP No. 719  
Reg. No. 1969/002753/07  
17 Melrose Boulevard, Melrose Arch, 2196  
Telephone: +27 (0)11 448 6000  
Website: [www.stanlib.com](http://www.stanlib.com)

### Trustee

Standard Chartered Bank  
Reg. No. 2003/020177/10  
2nd Floor, 115 West Street, Sandton, 2196  
Telephone: +27 (0)11 217 6600