

Who are the investment managers?

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.



Eulali Gouws

BCom (Hons)(Accounting), CA (SA), CFA
Portfolio manager

Eulali is a member of STANLIB's multi-award-winning Fixed Income team, which is one of the largest in South Africa. She is a money market portfolio manager as well as a qualified money market, bond and foreign exchange dealer. She also assists with STANLIB's offshore funds. Eulali started her financial services career at KPMG where she was part of the financial engineering group. As part of this team she specialised in the modelling of financial instruments as well as various treasury and market risk operations. After moving to Standard Bank, she joined STANLIB in September 2015. Eulali is a qualified chartered accountant and a CFA charter holder.



Victor Mphaphuli

BCom (Hons)(Economics), GEDP
Co-head of Fixed Interest

Victor is a key member of STANLIB's multi-award-winning Fixed Interest team, one of the largest in South Africa. Victor is one of the top fixed income fund managers in the country and has won ABSIP Awards for fund management as well as Raging Bull Awards. He initially joined the team as a bond dealer and later assumed added responsibility for portfolio management. He was promoted to head of Bond and Income Funds in 2008, assuming full responsibility for the daily management of these funds. In 2016 Victor was promoted to co-head of Fixed Interest which he jointly manages with Henk Viljoen. Victor began his financial services career as a trainee foreign currency dealer with Standard Bank's treasury division in 1996. After gaining experience as a bond market dealer with Nedbank Investment Bank, he joined STANLIB's forerunner Liberty Asset Management in 2001.

Fund review

The US Dollar Currency Fund of Funds aims to maintain capital value and liquidity while producing a return for investors in line with money market rates. The Stanlib US dollar Fund, managed by J.P. Morgan Asset Management, uses high quality short-term Debt Securities, deposits with credit institutions and Reverse Repurchase Agreements to enhance returns. Investments will have a credit quality consistent with maintaining a Fitch Fund rating of AAA and a rating of AAA by Standard & Poor's for the fund. The fund returned -1.86% for the quarter vs the benchmark return of -1.85%.

Market overview

The US Federal Open Market Committee (Fed) kept the target range for the federal funds rate unchanged at 5.25-5.50%, as universally expected at the last meeting for 2023. There were also no changes to the pace of quantitative tightening. Despite the actual decisions throwing few surprises, there were huge reactions in markets, as Fed Chair Powell gave equity and bond markets an early Christmas present by signalling that the next move by the US central bank will indeed be a cut in interest rates.

The moves in financial markets were first driven by an updated set of economic projections, which were released alongside the policy decision. Here the most interest was in the 'dot plot' which anonymously sets out FOMC members' views on where interest rates will lie over the next few years. This showed that the median view on the committee is for 75bps worth of cuts next year, i.e., three 25bp rate reductions, one more cut than in the September projections, and from a lower base – in September the median view was that there would be a final hike in 2023, which didn't materialise. The FOMC expects this to be followed by 100bps of cuts in 2025 and 75bps of cuts in 2026, which would leave the Federal funds target range at 2.75-3.00%, unchanged from the September projections. There were also relatively few alterations to the other macroeconomic projections. However, core PCE inflation was revised down in the first three years of the forecast horizon, but ending 2026 at the 2.0% objective, as it did in the September projections.

Looking ahead

The labour market is still tight, with wages currently running above what would be consistent with 2% inflation, and although the economy is likely slowing, this is from a very strong base in Q3. Given this, there is still some threat of an inflation resurgence, and the Fed may be relatively cautious when it comes to loosening monetary policy, at least at the start. For now, we maintain our view of 75bps of cuts next year, matching the FOMC's median projections, but with the risks clearly tilted to more monetary loosening.

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	2.76	5.22	-2.46
Foreign Cash & Mny Mkt	97.24	94.78	2.46

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Rand)
B1	Retail	0.16	218.02	224,980,725.20	490,498,662.22

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 US Dollar Currency Fund of Funds 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) 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 Fund of Funds portfolio. A Fund of Funds portfolio is a portfolio that invests in other portfolios of collective investment schemes, that levy their own charges, which could result in a higher fee structure for the Fund of Funds portfolio.

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).

Contact details

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Trustee

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