STANLIB Global Balanced Feeder Fund

STANLIB

Fund information update at 31 January 2020

What is the fund's objective?

The fund aims to maximise long-term total returns.

What does the fund invest in?

The fund invests in shares of the STANLIB Global Balanced Fund, which in turn invests in a combination of liquid global stocks and securities across sectors and geographies. The fund may vary the ratio of stocks and securities to maximise capital growth and investment returns in changing economic environments. The fund will have minimum foreign exposure of 85%.

What possible risks are associated with this fund?

This fund is part of STANLIB's risk-profiled range of international investment options. The possible risks associated with this fund include general market and economic risk such as exchange-rate fluctuations and geographical risk in that it includes funds held globally. Where foreign investments are included in the fund there may be additional risks, such as possible constraints on liquidity and the return of funds to South Africa, macroeconomic risks, political risks, tax risks, settlement risks, and possible limitations on the availability of market information.

Risk rating				
Conservative	Moderately conservative	Moderate	**Moderately aggressive**	Aggressive

What is the suggested investment period for this fund?

Minimum period					
1 Month	6 Months	1 Year	**3 Years**	5 Years	7 Years

Who should consider investing in this fund?

This will suit investors who want to build up their investments offshore and do not require income. It may include saving for future goals such as children's university education.

Income

Distribution Net income is calculated and accrued daily and is declared and distributed semi-annually.
Due to the nature of this portfolio it is unlikely that any net income will be available for distribution.

Declaration 30 June, 31 December

General fund information

Investment managers -

Feeder	STANLIB Asset Management (Pty) Ltd	
Underlying	Columbia Threadneedle Investments	
Size (NAV)	R 1.04 billion	
Classification	Global - Multi Asset - High Equity	
Benchmark	MSCI AC World Index 60% Barclays Global Aggregate Bond Index 20% S&P Developed REIT 10% LIBID USD 1m 5% LIBID GBP 1m 2.5% LIBID EUR 1m 2.5%	
Regulation 28	Does not apply	
	Class B1	**Class A**
Launch	02 January 2007	01 February 2001
ISIN number	ZAE000088951	ZAE000027744
JSE code	SIBFB1	STIB
Minimum investment requirements -		
Lump sum	R 5,000	R 5,000
Monthly	R 500	R 500

What are the costs to invest in this fund?

Maximum charges including VAT

	Class B1	Class A
Initial fee (manager)	0.000%	0.000%
Initial fee (adviser)	0.000%	3.450%
Annual fee (manager)	0.690%	1.265%
Annual fee (adviser)	0.000%	0.575%
Performance fee	N/A	N/A

Annual fee (manager) – this is a service charge (% based) applicable to each class of a fund, that is levied on the value of your portfolio and includes the **Annual fee (adviser)** fee (where applicable). Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

Cost ratios (annual) including VAT as at 31 December 2019

	Class B1	Class A
Based on period from:	01/01/2017	01/01/2017
Total Expense	1.52%	2.04%
Transaction Costs	0.07%	0.07%
Total Investment Charge	1.59%	2.11%
1 Year Total Expense	1.39%	2.04%

Total Expense (TER): This ratio 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.
Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER.
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

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Monthly update at 31 January 2020

Holdings

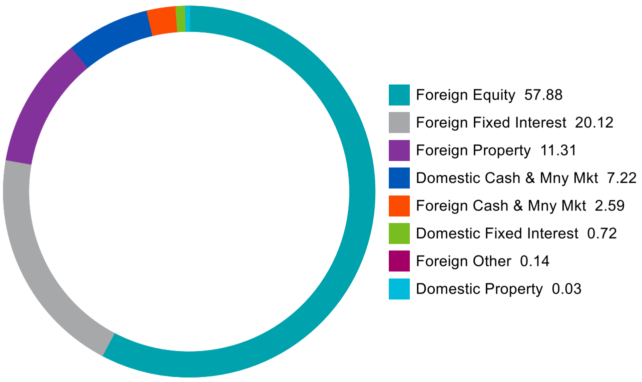
Holdings (%)

SFL - STANLIB Global Balanced Fund B	93.00
STANLIB Institutional Money Market Fund B4	1.47
Domestic Cash	5.53

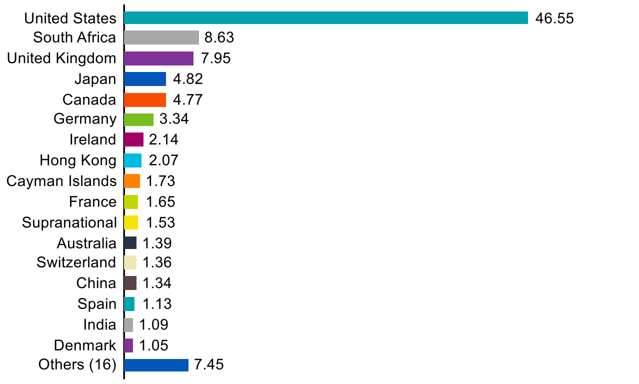
Top Equity holdings (look through) (%)

Alphabet Inc A	3.02
Amazon.com Inc	2.17
Microsoft Corp	1.86
Alibaba Group Holding	1.73
JPMorgan Chase & Co	1.65
Diamondback Energy Inc	1.47
Mastercard Inc	1.44
Visa Inc	1.43
Illumina Inc	1.42
Centene Corp	1.40

Asset allocation (look through) (%)



Country allocation (look through) (%)



Performance and Income

Class B1 Launch: 02 January 2007 Class A Launch: 01 February 2001

Benchmark: MSCI ACWI (60%); Barclays Glbl Aggr Bond (20%); S&P Dev REIT 10%; LIBID USD 1m (5%); LIBID GBP 1m (2.5%); LIBID EUR 1m (2.5%)

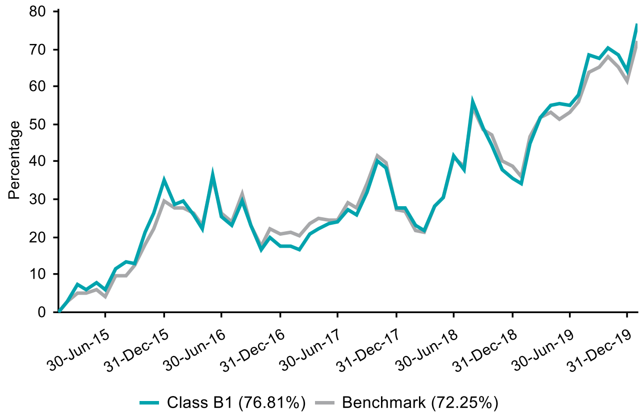
Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class B1					
Class	31.76	14.53	12.07	13.62	13.24
Rank/Out of	1/14	1/12	1/10	1/7	2/7
Sector Average	24.67	9.68	9.20	12.82	12.58
Benchmark	26.77	12.45	11.48	13.84	13.93
Class A					
Class	30.92	13.93	11.57	13.13	12.72

Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Statistics (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class B1					
Positive Months	8	20	33	50	70
Max Gain	31.76	51.70	76.81	146.18	253.81
Max Drawdown	-3.63	-13.99	-14.61	-14.61	-14.61
Highest	31.76	31.76	33.25	37.05	37.05
Lowest	7.87	-9.92	-12.93	-12.93	-12.93
Class A					
Highest	30.92	30.92	32.70	36.48	36.48
Lowest	7.18	-10.13	-13.18	-13.18	-13.18

Highest – this reflects the highest 12 month return during the period.
Lowest - this reflects the lowest 12 month return during the period.

Cumulative performance (%) over 5 Years



Amount declared (cents per unit)

	Class B1	Class A
28 June 2019	0.00	0.00
31 December 2019	0.00	0.00
In last 12 months	0.00	0.00
In 2019	0.00	0.00

STANLIB Global Balanced Feeder Fund

Quarterly update at 31 December 2019

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 - Columbia Threadneedle Investments were appointed by the investment manager (STANLIB Asset Management Limited) as the sub-investment manager of the STANLIB Global Balanced Fund, a sub-fund of STANLIB Funds Limited, with Alex Lyle being the portfolio manager of this sub-fund. Columbia Threadneedle Investments is a leading global asset management group that provides a broad range of actively managed investment strategies and solutions for individual, institutional and corporate clients around the world. Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc. (NYSE: AMP), a leading US-based financial services provider. As a part of Ameriprise Columbia Threadneedle Investments are supported by a large and well capitalised diversified financial services firm.

Fund review

The STANLIB Global Balanced Feeder Fund returned -1.6% over the quarter compared with -2.2% from the composite benchmark. Asset-allocation had a positive impact overall, adding to the relative return. This was mainly due to the overweight exposure to equities and the underweight in bonds. Being overweight in cash detracted marginally. A strongly positive contribution from equities outweighed negative contributions from the other portfolios – especially the property portfolio.

Market overview

As measured by the MSCI ACWI, global equities returned 9.1% for the quarter. Factors driving sentiment included brighter US economic data, better-than-expected corporate results, receding Brexit fears, and easing monetary policy, including another rate cut by the Federal Reserve. Perhaps the main catalyst, however, was perceived progress towards a US-China trade deal. In December, the two sides reached a phase-one agreement in principle, avoiding tariffs that were due to kick in. Bonds underperformed equities. The Bloomberg Barclays Global Aggregate index returned 0.5% in dollars. Yields on 10-year US, German and UK government bonds rose 25 basis points (bps), 39 bps and 33 bps, respectively, though the impact of this on corporate bonds was offset by tighter credit spreads as risk appetite improved. All the main equity regions posted strong gains in dollar terms. Emerging markets (EM) fared best by far, aided by rising risk appetite, a slew of EM interest-rate cuts, and a weaker US dollar. The UK was next. Dollar returns were inflated by a stronger pound as the UK prime minister negotiated a new Brexit deal with the EU and then won a decisive general election victory. US equities performed in line with the MSCI ACWI, as investors focused on the developments outlined above and largely ignored the impeachment proceedings against President Trump. The Japanese government unveiled a huge fiscal stimulus package but the MSCI Japan nevertheless trailed global averages in dollar terms: a weaker yen buoyed the market in local terms but eroded returns in dollars. The MSCI Europe ex UK was another laggard, held back by ongoing worries about the eurozone economy. Developed Asia ex Japan equities brought up the rear, with regional heavyweight Australia pressured by ongoing weakness in its scandal-hit financial sector

Looking ahead

The cycle is clearly mature, but we do not believe the end is imminent – rather it is being extended and redefined by a combination of structural factors leading to low interest rates, low inflation and ongoing moderate growth. In early 2019 we became less constructive on equities, given ongoing trade tensions, increasingly patchy economic data, and falling earnings expectations. In recent weeks, however, the outlook has brightened somewhat. The downturn in macro-data is no longer accelerating, leading indicators are stabilising, and uncertainties around Brexit and trade feel less profound than they were. Within fixed income, we have become more positive on corporate bonds: slow but positive global economic growth, gentle inflation and dovish central-bank policy tends to be a sweet spot for credit investing. From a sector perspective, we prefer defensive, non-cyclical or regulated sectors where visibility of earnings is good. These include defensive consumer sectors like food and beverage, regulated infrastructure and utilities. Within the banking sector, which accounts for over a quarter of the investment grade credit market, we currently favour senior preferred bonds. Sitting at the top of the capital structure, these represent the safest part of a bank balance sheet.

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 (look through)	Q4 2019	Q3 2019	Change
Domestic Cash & Mny Mkt	3.52	3.08	0.45
Domestic Fixed Interest	0.75	0.75	0.01
Domestic Property	0.03	0.03	0.00
Foreign Cash & Mny Mkt	2.69	2.70	-0.01
Foreign Equity	60.18	60.46	-0.29
Foreign Fixed Interest	20.92	21.02	-0.10
Foreign Other	0.14	0.14	0.00
Foreign Property	11.76	11.82	-0.06

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	388.73	61,224,391.31	237,997,697.08
B1	Retail	410.01	43,678,474.71	179,085,717.41

All data as at 31 December 2019.

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

STANLIB Global Balanced Feeder Fund

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Important information update at 31 January 2020

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 Balanced 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) 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 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 January 2020.

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.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for periods of 1 year or longer, where no value is shown no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

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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