

STANLIB Global Bond Feeder Fund

STANLIB

Fund information update at 31 January 2020

What is the fund's objective?

The fund aims to generate both capital and income growth over the long term.

What does the fund invest in?

The fund invests in cash and participatory interests of the STANLIB Global Bond Fund. This fund will only invest in foreign territories with a regulatory environment that provides investor protection at least equivalent to that of South Africa. The fund can be 100% exposed to foreign markets.

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 unfavourable market movements, volatility, economic and political risk, and company risk. Exchange-rate fluctuations and geographical risk are also applicable because the fund includes funds held globally. Where foreign shares 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 Brandywine Global Investment Management

Size (NAV) R 1.04 billion

Classification Global - Interest Bearing - Variable Term

Benchmark Barclays Global Aggregate Bond Index 95%; STeFI Composite 5%

Regulation 28 Does not apply

	Class A	Class B3
Launch	01 February 2001	04 January 2016

ISIN number	ZAE000027769	ZAE000213112
--------------------	--------------	--------------

JSE code	STUA	SGBFB3
-----------------	------	--------

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 A	Class B3
Initial fee (manager)	0.000%	0.000%
Initial fee (adviser)	2.070%	0.000%
Annual fee (manager)	0.920%	0.345%
Annual fee (adviser)	0.575%	0.000%
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 A	Class B3
Based on period from:	01/01/2017	01/10/2016
Total Expense	1.81%	1.14%
Transaction Costs	0.00%	0.00%
Total Investment Charge	1.81%	1.14%
1 Year Total Expense	1.69%	1.04%

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.

STANLIB Global Bond Feeder Fund

STANLIB

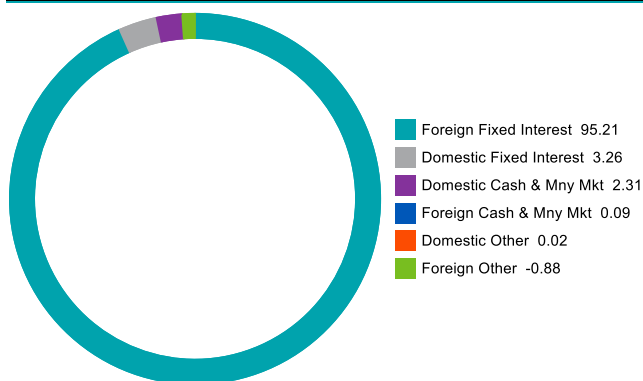
Monthly update at 31 January 2020

Holdings

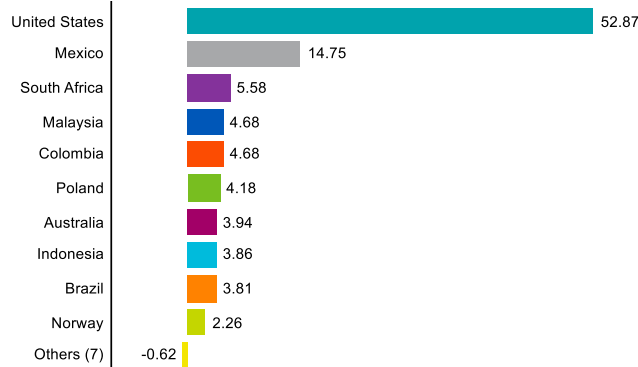
Holdings (%)

SFL - STANLIB Global Bond Fund	97.93
Domestic Cash	2.07

Asset allocation (look through) (%)



Country allocation (look through) (%)



Performance and Income

Class A Launch: 01 February 2001

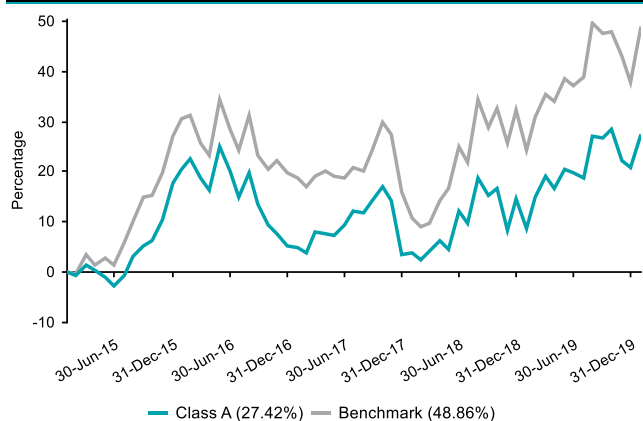
Class B3 Launch: 04 January 2016

Benchmark: Barclays Global Aggregate Bond Index 95%; STeFI Composite 5% from 08/09/2017; CITI Eurodollar Bond (90%); Alex Forbes Money Market (10%) from launch.

Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class A					
Class	17.14	6.65	4.97	6.90	8.78
Benchmark	19.71	8.05	8.39	10.87	11.28
Class B3					
Class	17.90	7.37			

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

Cumulative performance (%) over 5 Years



Statistics (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class A					
Positive Months	6	18	29	44	63
Max Gain	18.23	25.56	32.33	62.17	151.33
Max Drawdown	-6.05	-12.46	-18.01	-18.01	-18.01
Highest	17.14	17.14	26.36	26.36	31.30
Lowest	5.52	-15.26	-15.26	-15.26	-15.26
Class B3					
Highest	17.90	17.90			
Lowest	6.21	-14.52			

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

Amount declared (cents per unit)

	Class A	Class B3
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

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 - Brandywine Global Investment Management 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. Brandywine Global is a mid-sized boutique investment firm with USD 70 billion under management. The company is an independent subsidiary of Legg Mason and operates as a fully autonomous entity with complete control over investments. The company's mission is to seek value not yet recognised by others.

Fund review

The fund returned -3.76% for the fourth quarter compared to the benchmark return of -6.62%. The fund outperformed its benchmark for 2019 with a return of 6.10% vs the benchmark return of 4.22%. The portfolio's strong performance was mainly due to the currency contribution. Signs of tentatively improving global growth curbed U.S. dollar appreciation in the fourth quarter, allowing many other currencies to gain during the period. The fund ended the year quarter stronger at R13.98/\$ after trading at R15.17/\$ at the end of September 2019. The fund remains volatile due to economic uncertainty and a low growth environment in SA.

The market value of the fund declined to R975 million at the end of December from R993 million at the end of September 2019.

Market overview

Trade- and commodity-centric currencies responded in kind as macro uncertainties abated, a theme that resonated across Asia-Pacific, Latin America, and Europe. Exposure to these currencies aided relative performance during the quarter. More specifically, the combination of firmer commodity prices and deescalating U.S.-China trade tensions benefited a broad range of trade- and commodity-linked currencies like the Norwegian krone, Polish zloty, Colombian peso, Malaysian ringgit, South Korean won, and Indonesian rupiah. In addition to positive signs on trade and commodities, the related bounce in retail spending and overall consumer confidence drove currencies like the Australian and New Zealand dollars higher. Relative performance also benefited from avoiding certain currencies, like the Japanese yen—which was one of the few to underperform the U.S. dollar—and fell as the Bank of Japan declined to implement new stimulus measures even as economic growth plateaued. The British pound significantly rallied after economic data improved and the election results mandated the prime minister to deliver Brexit. The Swedish krona gained after the Riksbank finally raised its policy rate after prolonged anticipation. The Brazilian real staged a comeback as central bank easing registered in the economy, reigniting investor interest in the currency. As the prospects for the USMCA trade deal passing in U.S. Congress improved, along with a rate cut from the Banco de México helped the Mexican peso reach a nearly six-month high.

The bond positions in some of these emerging market countries also contributed to relative returns. Avoiding expensive core and peripheral European government bonds and Japanese Government Bonds was accretive to relative performance, as these bonds constituted a large portion of the index. However, exposure to U.S. Treasuries did detract from the strategy's returns as bond yields also rose during the period.

In terms of other detractors to relative performance, the lack of euro positioning offset the otherwise generally positive returns as the currency rallied on signs of a regional economic recovery and dissipating U.S.-China trade tensions. A position in the Chilean peso also detracted from otherwise strong currency returns as it weakened from the ongoing civil protests and the expected pressure government concessions could have on the country's fiscal position.

Looking ahead

The reductions to portfolio duration made at the end of September and early October have been sustained going into the new year. The price profile in the global bond market has improved somewhat but remains very expensive particularly in the developed country sovereign bond markets. The duration exposure that exist in the portfolio is concentrated in emerging markets.

Our assessment is that macro information risks are clearly tilted in the direction of the global outlook improving relative to the fairly pessimistic view embedded in the current risk profile. The lack of U.S. dollars in the portfolios is the other major feature of current portfolio positioning. This positioning supports the view of a moderately overvalued dollar.

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	2.22	1.97	0.25
Domestic Fixed Interest	3.69	3.70	-0.01
Domestic Other	0.02	0.02	0.00
Foreign Cash & Mny Mkt	-0.05	-0.05	0.00
Foreign Fixed Interest	93.99	94.22	-0.24
Foreign Other	0.14	0.14	0.00

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	256.96	7,922,313.64	20,357,464.33
B3	Retail	277.99	1,869,939.22	5,198,336.91

All data as at 31 December 2019.

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

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) 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 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

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
Website: 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

Trustee

Standard Chartered Bank
Reg. No. 2003/020177/10
5th Floor, 4 Sandown Valley Crescent, Sandton, 2196
Telephone: +27 (0)11 217 6600