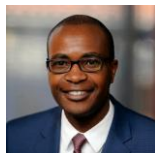


## Who are the investment managers?

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 - STANLIB Asset Management Limited is the portfolio manager of the STANLIB Global Property Fund, a sub-fund of the Threadneedle (Lux) SICAV.



### Keillen Ndlovu

BCom (Hons), CAIB (SA), Property Development Programme  
Head of Listed Property

Keillen manages the largest listed property fund in South Africa, the STANLIB Property Income Fund. After beginning his property career with Standard Bank Properties in 2004, Keillen transferred to STANLIB in 2005 as a listed property analyst. After becoming a full-time fund manager in 2008, he successfully assumed increased responsibilities and fund management exposure, and was appointed head of STANLIB's Listed Property team in 2010. The Listed Property team has won numerous awards over the years and under his tenure has expanded its listed property offering to global property markets. Keillen is a regular commentator in the media on listed and commercial property issues.



### Nesi Chetty

BCom (Hons) Finance Cum Laude, CFA  
Senior Portfolio Manager

Nesi started his investments career with RMB in 2002 where he was a member of the consumer industrial team and also assumed non-consumer research responsibilities. Nesi was previous head of Financials at RMB Asset Managers, responsible for banks and life assurance. He also managed the award winning RMB Financials Fund. In 2010, He was appointed as a fund manager and Head of property for Momentum. He managed the flagship Momentum Property Fund for over a decade and was responsible for asset allocation, research, strategy, and fund management within the property investments business. Nesi is a regular commentator on property, equities and the broader financial market. Nesi joined STANLIB in June 2019 to co manage local and global listed property.

## Fund review

The fund's return was -8.22% for Q4 2019 compared with the rand benchmark return of -6.26%. The negative return was virtually entirely due to rand strength in the quarter, as the rand appreciated almost 8% against the US dollar. The fund's overweight positions in US residential (such as Equity Residential and Essex Property), US healthcare majors (Welltower and Ventas) and underweight UK (Land Securities and British Land) were the principal detractors from performance. The fund's overweight positions in global industrial REITs (Prologis, Segro) and German residential companies contributed to gains. The UK was the best-performing (significant) territory, followed by safe-haven countries such as Switzerland and the Nordic countries.

## Market overview

Global REIT markets were broadly flat as the yield on US 10-year bonds rose about 25 bps, ending the year at 1.9%, offset by improved sentiment following an anticipated agreement between the US and China on trade. Q3 results were mixed (with some disappointment about 2020 growth guidance by US healthcare and US self-storage REITs), however share price performance was dominated by positive sentiment towards the UK and European REITs. We consider Brexit will be negative for UK economic growth in the medium term, so the fund will continue to be underweight UK REIT majors.

North American property markets continue to be supported by relatively healthy economic conditions, supporting demand across all property subsectors (except retail and lodgings/resorts) while supply remains at or below historic average levels (with a temporary supply excess in certain senior housing and self-storage markets). As a result, REITs continued to report and guide steady earnings growth, with cautious optimism about the rest of the year and 2020.

European property market prospects continue to diverge. The structural demand for industrial assets continues unabated across all regions, reflecting the relentless rise of online shopping. The demand/supply imbalance driving rental growth is also marked in various residential markets such as Germany, Sweden, Finland and the Netherlands. UK and European retail property continue to see a structural reduction in the demand for space. Continental office markets (particularly Paris, Madrid, Berlin and Warsaw) continue to benefit from strong demand/supply imbalances while niche property markets such as healthcare and student housing are showing growing rental values due to structural growth factors

In Asia, Hong Kong's turmoil continued as the city continued to suffer from protest action over the city's autonomy. However, risk appetite bounced back as investors bought up shares in listed (property) developers. Singapore's underlying property markets continue to benefit from robust occupier demand and weak growth in supply, putting developers in the spotlight for growth. In Japan, positive momentum continues in the country's main city office, retail and industrial markets. Australia's consumer spending rate continues to moderate, which is continuing to weigh on the retail and residential markets, while the main cities' industrial markets continue to grow in line with the global trend of growth in online retail.

## Looking ahead

2020 should be a year of polarisation, as slowing GDP growth globally impacts certain markets disproportionately, with niche property sectors likely to continue to outperform more mainstream sectors of retail and office. As a growth-oriented fund, we expect further polarisation of prospects interspersed by an occasional short term shift in value. More defensive subsectors and countries are likely to continue to outperform in this context. Valuation yields, while cyclically high, are reasonable in relative terms and therefore are likely to continue to be supported by the risk premium vs reference bonds and lower re-financing costs from lower interest rates.

We continue to tilt the fund gradually to reflect our view that the best offence is defence, substituting more cyclical exposure with secular growth. Following a 1.75% total return in US dollars in Q4, on average global listed property was trading broadly in line with reported net asset values and now offers a one-year forward average dividend yield of approximately 4%, taking into account a forecast 5% growth in earnings.

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	2.47	0.93	1.53
Foreign Cash & Mny Mkt	3.15	2.85	0.30
Foreign Property	94.38	96.21	-1.83

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	407.46	79,576,931.06	324,240,290.04
B1	Retail	426.71	56,792,100.39	242,340,268.87

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 Property 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 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](http://www.stanlib.com)).

## Contact details

### Manager

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