

STANLIB SA Equity Fund

Fund information update at 31 January 2020

STANLIB

What is the fund's objective?

The fund's main objective is to provide a diversified SA portfolio that delivers a reasonable level of capital over the longer term.

What does the fund invest in?

The fund invests across sectors in instruments such as shares, stock, loan stock, debenture stock and debenture bonds. The fund maintains a minimum equity exposure of 75% and only invests in South African investment markets with no exposure to foreign investment markets.

What possible risks are associated with this fund?

General market risks include unfavourable market movements, volatility, economic and political risk, and company-specific risk. Where exposure to foreign investments is included in the portfolio, 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
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What is the suggested investment period for this fund?

Minimum period

1 Month	6 Months	1 Year	3 Years	5 Years	7 Years
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Who should consider investing in this fund?

As STANLIB's oldest fund and the investment of choice for over 50 000 investors, this fund attracts investors that want to achieve steady growth of both income and capital.

Income

Distribution Net income is calculated and accrued daily and is declared and distributed semi-annually.

Declaration 30 June, 31 December

General fund information

Manager(s) Herman van Velze and Theo Botha

Size (NAV) R 2.56 billion

Classification South African - Equity - General

Benchmark FTSE/JSE SWIX All Share Index

Regulation 28 Does not apply

	Class R	Class A
Launch	01 August 1994	03 July 2000
ISIN number	ZAE000020111	ZAE000025102
JSE code	GDBT	LIPA
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 R	Class A
Initial fee (manager)	0.000%	0.000%
Initial fee (adviser)	3.450%	3.450%
Annual fee (manager)	1.150%	1.725%
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 R	Class A
Based on period from:	01/01/2017	01/01/2017
Total Expense	1.15%	1.72%
Transaction Costs	0.24%	0.24%
Total Investment Charge	1.39%	1.96%
1 Year Total Expense	1.15%	1.73%

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.

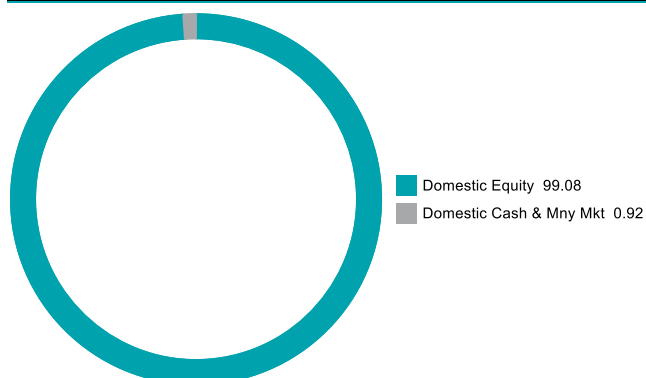
STANLIB SA Equity Fund

Monthly update at 31 January 2020

STANLIB

Holdings

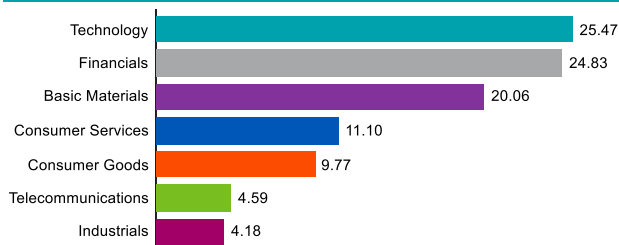
Asset allocation (%)



Top Equity holdings (%)

Naspers Ltd	17.54
Prosus NV N (ZAR)	7.70
Anglo American Plc	6.64
Standard Bank Group Ltd	6.09
BHP Group Plc	5.35
Sanlam Ltd	5.31
MTN Group Ltd	4.55
Capitec Bank Holdings Ltd	3.77
The Bidvest Group Ltd	3.54
Bid Corp Ltd	3.48

Equity allocation (Industry) (%)



Performance and Income

Class R Launch: 01 August 1994

Class A Launch: 03 July 2000

Benchmark: FTSE/JSE SWIX All Share Index

Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class R					
Class	-3.21	-1.17	-1.24	2.76	7.94
Rank/Out of	145/158	115/131	96/103	78/81	44/60
Sector Average	4.44	2.39	2.64	6.10	8.93
Benchmark	4.15	3.88	3.59	7.89	11.18
Class A					
Class	-3.76	-1.74	-1.82	2.12	7.27

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 R					
Positive Months	7	20	32	48	73
Max Gain	9.31	18.11	18.11	43.48	152.19
Max Drawdown	-11.45	-15.81	-15.81	-15.81	-15.81
Highest	3.91	16.30	16.30	29.70	43.20
Lowest	-8.65	-14.60	-14.60	-14.60	-14.60
Class A					
Highest	3.31	15.64	15.64	28.90	42.46
Lowest	-9.18	-15.09	-15.09	-15.09	-15.09

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 R	Class A
28 June 2019	9.02	7.03
31 December 2019	4.90	2.69
In last 12 months	13.92	9.72
In 2019	13.92	9.72

STANLIB SA Equity Fund

Quarterly update at 31 December 2019

STANLIB

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.



Herman van Velze
BEng (Mining), MBL
Head of Equities

Herman joined STANLIB in 1995 as a research analyst and a resource portfolio manager. Since then he has held the positions of head of Research, portfolio manager, head of Balanced Fund and he is currently the head of Equities and a member of STANLIB's investment executive committee. In 2007 Herman joined a private equity company as a deal originator to expand his investment skillset. He later in 2009 re-joined STANLIB as the head of Balanced funds. He oversees a number of portfolio managers and analysts who provide company research and actively pursue investment ideas. Under his leadership, the team reviews and refines opportunities which are considered for the portfolio. Herman holds a bachelor of engineering from the University of Pretoria and a MBL from UNISA.



Theo Botha
BCom (Hons)(Investment), CFA
Portfolio manager

Theo is currently a portfolio manager in the equity team and has been with STANLIB since 1999. Theo is a highly experienced industry professional who was previously head of the Industrial Research team at STANLIB, with direct research responsibility for the luxury goods, food manufacturing, hospitals and pharmaceutical sectors. Prior to joining Liberty Asset Management as a research sector head in 1999, Theo had spent nine years with UAL/NIB Asset Management in various research and fund management positions. Theo completed his BCom honours degree in 1989, majoring in investment management, and he has been a CFA charterholder since 1994.

Fund review

The STANLIB SA Equity Fund delivered a 1.80% return for Q4 2019 compared with a benchmark (FTSE/JSE SWIX All Share Index) return of 4.8%. The one-year return for the fund is 1.45% compared with the benchmark return of 9.3%.

Contributing to the relative performance of the fund were our overweight exposures to Northam, Capitec and Dischem and underweight positions in Telkom, Woolworths and ABSA. Overweight positions in ABInbev, Prosus and MTN and underweight positions in Platinum and Gold shares detracted from performance.

During the quarter, we exited our positions in Glencore, African Rainbow Minerals and Curro and reduced our exposures to Capitec, Northam, Sasol and Bidcorp. We used the proceeds to build an overweight position in Anglo American.

Market overview

The FTSE/JSE SWIX All Share Index's total return for Q4 2019 was 4.8%, outperforming SA bonds (1.7%) and SA cash (1.7%) over the short term. SA Industrials delivered no return during Q3 while SA Financials and SA Resources gained 2.8% and 13.8% respectively.

Over the one-year period to 31 December 2019, the FTSE/JSE SWIX All Share Index delivered 9.3%, with Resources remaining the best performing sector (28.5%) for the year. Financials remain the laggard at 0.6%. Industrials gained 8.9%.

Global equities delivered stellar performance during the quarter, with the MSCI World Index up 8.7% (in US dollar terms). The MSCI Emerging Markets Index gained 11.9% while the MSCI South Africa increased by 13.2% during the quarter.

Looking ahead

The global backdrop for markets remains linked to the China-US trade war and investors have reacted positively to the phase one deal. While this is clearly a step forward, we continue to anticipate both positive and negative surprises, given the intermingling of issues such as deficit reduction, market access, intellectual property and industrial policies being somewhat more positive than a quarter ago. The US and China seem ready to sign a trade deal and the US economy is ticking along nicely. Brexit is a certainty and now needs implementation.

Emerging markets should continue to benefit from the Fed's dovish stance and China's domestic stimulus.

In South Africa, we believe the economic conditions for a number SARB rate cuts are good and this can add some impetus to the local economy. This view is tempered by the constraints that the National Treasury is experiencing, and the possibility of selected tax hikes will be negative for consumers. The continued impact of Eskom loadshedding and drought conditions in selected areas remains a concern in the short and medium term.

This asset class offers investors an attractive opportunity into quality businesses locally and internationally supported by global structural growth trends. There are many self-help opportunities to increase profitability, acquisition earnings to boost bottom-line profits and ultimately grow the SA market's earnings base in 2020.

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 2019	Q3 2019	Change
Domestic Cash & Mny Mkt	1.58	0.89	0.70
Domestic Equity	98.42	99.11	-0.70

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	715.67	34,187,479.10	244,670,410.52
R	Retail	718.01	334,799,112.24	2,403,885,435.36

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 SA Equity 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.

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

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