

# STANLIB Quants Fund

Fund information update at 31 March 2019

## What is the fund's objective?

This fund's primary objective is to achieve stable medium- to long-term capital growth with lower volatility than that of other general share portfolios. Income generation is a secondary objective.

## What does the fund invest in?

The portfolio predominantly includes shares in companies listed on exchanges and, when appropriate, other types of investments such as bonds and preference shares that represent the positioning of an average general collective investment portfolio focusing on shares. The portfolio manager makes use of specially designed mathematical models to give the investor a unique investment approach. The selection of shares rotates between growth and value shares.

## What possible risks are associated with this fund?

General market risks include a change in interest rates and economic conditions, and share price volatility. 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
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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?

This fund suits investors who wish to build up their capital with less risk of volatility over the longer term.

## Income

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

**Declaration** 31 December

## General fund information

<b>Manager(s)</b>	Ann Sebastian	
<b>Size (NAV)</b>	R 117.69 million	
<b>Classification</b>	South African - Multi-Asset - Flexible	
<b>Benchmark</b>	Sector average: South African - Multi Asset - Flexible	
<b>Regulation 28</b>	Does not apply	
	<b>Class A</b>	<b>Class B1</b>
<b>Launch</b>	02 May 2001	02 May 2001
<b>ISIN number</b>	ZAE000030110	ZAE000030136
<b>JSE code</b>	LIQA	LIQF
<b>Minimum investment requirements -</b>		
Lump sum	R 5,000	N/A
Monthly	R 500	N/A

## What are the costs to invest in this fund?

### Maximum charges including VAT

	Class A	Class B1
<b>Initial fee (manager)</b>	0.000%	0.000%
<b>Initial fee (adviser)</b>	0.000% - 3.450%	0.000%
<b>Annual fee (manager)</b>	1.725%	1.150%
<b>Annual fee (adviser)</b>	0.575%	0.000%
<b>Performance fee</b>	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 2018

	Class A	Class B1
<b>Based on period from:</b>	01/01/2016	01/01/2016
<b>Total Expense</b>	1.73%	1.16%
<b>Transaction Costs</b>	0.17%	0.17%
<b>Total Investment Charge</b>	1.90%	1.33%
<b>1 Year Total Expense</b>	1.73%	1.16%

**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.

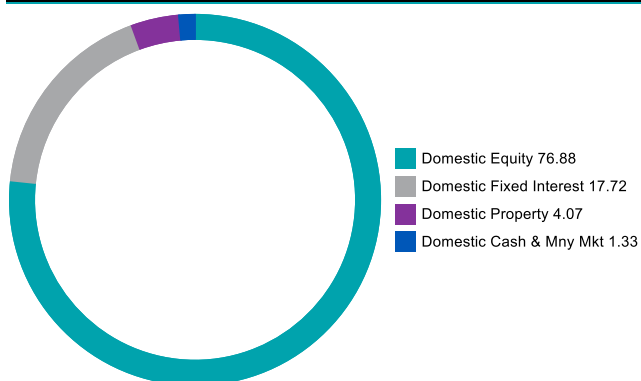
**Transaction Costs (TC):** This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may 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.

Monthly update at 31 March 2019

## Holdings

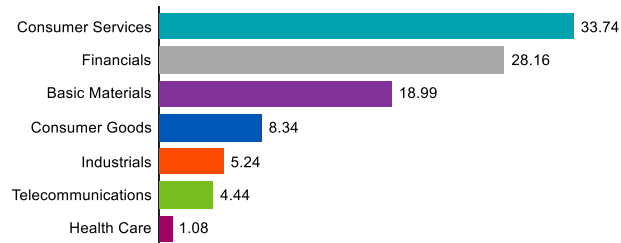
### Asset allocation (%)



### Top Equity holdings (%)

Naspers Ltd	20.01
Standard Bank Group Ltd	4.15
Firststrand Ltd	3.73
Anglo American Plc	3.63
Sanlam Ltd	2.24
Vodacom Group Ltd	2.11
BHP Group Plc	2.11
AVI Ltd	1.98
British American Tobacco Plc	1.93
Remgro Ltd	1.93

### Equity allocation (Industry) (%)



## Performance and Income

Class A Launch: 02 May 2001

Class B1 Launch: 02 May 2001

Benchmark: Sector average: South African - Multi Asset - Flexible

Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
<b>Class A</b>					
Class	-1.02	2.76	3.84	7.01	9.27
Rank/Out of	52/59	27/51	33/43	30/37	19/31
Sector Average	3.97	2.90	5.36	8.95	10.86
Benchmark	3.95	2.93	4.71	7.85	9.91
<b>Class B1</b>					
Class	-0.44	3.34	4.43	7.62	9.90

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
<b>Class A</b>					
Positive Months	8	21	37	55	80
Max Gain	7.24	16.90	26.79	68.79	154.99
Max Drawdown	-9.75	-11.22	-11.22	-11.22	-11.22
Highest	9.61	16.66	21.81	22.78	29.56
Lowest	-10.15	-10.15	-10.15	-10.15	-18.20
<b>Class B1</b>					
Highest	10.24	17.32	22.50	23.46	30.23
Lowest	-9.63	-9.63	-9.63	-9.63	-17.68

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 A	Class B1
<b>31 December 2018</b>	8.65	11.10
<b>In last 12 months</b>	8.65	11.10
<b>In 2018</b>	8.65	11.10

Quarterly update at 31 March 2019

## 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.

The fund is run by the STANLIB Index Investments team which specialises in the manufacture of index and factor products for individual and institutional investors. Investors who seek a simple, transparent and low-cost investment solution can invest in index products that meet their financial goals.



### Ann Sebastian

BSc (Hons)(Advanced Mathematics of Finance)  
Portfolio manager

Possessing a very strong academic record and a passion for financial markets, Ann joined the Beta Quants team in 2012. As a quantitative analyst, she specialises in asset allocation, portfolio construction, investment risk management and multi-factor risk modelling. She is currently a Portfolio manager at STANLIB Index Investments responsible for the management of R 22 billion across quantitative enhanced index funds, smart beta funds, completion strategies and index tracking fund across a number of asset classes. Ann studied at Wits University, where she took a BSc in Mathematical Sciences with double majors in Pure Mathematics and Economic Sciences. She then went on to do her BSc honours degree studying Advanced Mathematics of Finance. She is currently studying towards a MSc in Statistical Science from UCT where her thesis covers "Tactical Asset Allocation with Flexible Investor Views".

## Fund review

The fund's average effective exposure to domestic equities was around 75% for the quarter whilst the remaining 25% of the fund was held in fixed interest instruments. The performance of the fund benefited from positive returns from equities (SWIX), up by 6% this quarter. The fund's local bond allocation also contributed to performance, with bonds (ALBI) up 3.8% this quarter.

## Market overview

In the first quarter of 2019, equity markets shrugged off any negative sentiment arising from the second half of 2018. The majority of equity markets across the globe recorded strong positive returns, with the MSCI World Index recording 13.5%, MSCI Emerging Markets recording 11.1% and the South African equity market, as represented by FTSE/JSE All Share Index, recording 8%. Global growth continues at a slower pace with many of the major economies progressing to later stages of the business cycle. The less hawkish Fed provided some relief for financial conditions but the era of easy money has shifted towards gradual tightening of monetary policy. Locally, Eskom and corruption in other SOE's remain in the headlines as domestic asset classes such as bonds (ALBI), property (PCAP) and cash (SteFi) recorded gains of 3.8%, 1.73% and 1.9% respectively.

## Looking ahead

Against the backdrop of slowing global economic growth, there is potential for trade uncertainty to continue, resulting in higher prices and a significant drag on business and consumer confidence. We expect risk aversion will rise as the ability of developed markets and vulnerable emerging economies to weather the impact of trade wars remains uncertain. Emerging economies with sizeable dollar debts and fiscal deficits may struggle. After more than two years of steadily rising interest rates, 2019 could mark the peak for US treasury yields for the current business cycle, however the road ahead is likely to remain bumpy. Locally, uncertainty will remain high until the widely anticipated national election provides some direction on the future of SA's economic policy. We believe investors should focus on liquid market segments with risk dialled down compared with market benchmarks.

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	Q1 2019	Q4 2018	Change
Domestic Cash & Mny Mkt	1.33	3.50	-2.17
Domestic Equity	76.88	74.28	2.60
Domestic Fixed Interest	17.72	18.08	-0.36
Domestic Property	4.07	4.14	-0.07

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	451.85	4,037,324.91	18,242,497.35
B1	Retail	452.64	21,768,798.49	98,534,935.01

All data as at 31 March 2019.

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

Important information update at 31 March 2019

## 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 Quants 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 17h00 (prior to 28/02/18 15h00). Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 15h00.

All performance returns figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 31 March 2019.

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 all periods of 1 year or longer, where blank 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

STANLIB Collective Investments (RF) (Pty) Limited  
Reg. No. 1969/003468/07  
17 Melrose Boulevard, Melrose Arch, 2196  
Telephone: 0860 123 003  
Email: [fundfactsheets@stanlib.com](mailto:fundfactsheets@stanlib.com)  
Website: [www.stanlib.com](http://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

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

### STANLIB Index Investments team

Email: [indexinvestments@stanlib.com](mailto:indexinvestments@stanlib.com)  
Website: [www.stanlib.com/indexinvestments](http://www.stanlib.com/indexinvestments)