

# STANLIB S&P500 Index Feeder ETF

Fund information update at 31 July 2019

## What is the fund's objective?

The objective of the STANLIB S&P500 Index Feeder ETF is to track the S&P500 index ("the Index") as closely as possible, in South African Rand.

## What does the fund invest in?

The fund is a feeder fund and as such it invests in the iShares Core S&P500 UCITS ETF. This underlying fund tracks the S&P500 Index and aims to replicate the performance of the Index.

The S&P500 Index gives the performance of the top 500 leading US listed companies and captures approximately 80% coverage of available market capitalisation. The Index is rebalanced quarterly.

The fund may also hold a small portion in cash instruments and listed derivatives to effect efficient portfolio management.

## What possible risks are associated with this fund?

Risks include general market conditions and market volatility, company specific risk, country specific risk, exchange rate risk, economic and political risk.

## 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?

- Investors who seek broad exposure to US equities in South African Rand;
- Individual investors who seek US equity exposure without foreign exchange tax clearance;
- Investors who seek a low cost US equity fund;
- Investors who seek a simple and transparent investment process that invests in liquid, listed securities;
- Investors who seek equity market exposure that blends well with other investment strategies to reduce total costs and diversify risk;
- Investors who are willing to take a longer term view as this fund is aggressively risk profiled and investors should expect some volatility in the shorter term.

## Income

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

The underlying fund does not distribute income so it is unlikely that any net income will be available for distribution.

**Declaration** Quarterly, in accordance with the JSE corporate actions timetable.

## General fund information

**Manager(s)** Ryan Basdeo

**Size (NAV)** R 18.16 million

**Classification** Regional - Equity - General

**Regulation 28** Does not apply

**Index** S&P 500 Index (net)

**Index info** [www.stanlib.com/indexinvestments](http://www.stanlib.com/indexinvestments)

**Methodology** Feeder

**Rebalancing** Quarterly

**Securities Lending Ratio** 0.00%

Securities lending can increase returns in a low risk manner. Risks associated with such transactions are borrower default risk. This risk is minimised through all securities lending being fully collateralised and only using reputable counterparties. Exposure of the fund to counterparties is continuously monitored. Manufactured (taxable) dividends could arise from such transactions.

### Class A

**Launch** 07 March 2018

**ISIN number** ZAE000255055

**JSE code** ETF500

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

### Maximum charges including VAT

	Class A
<b>Annual fee</b>	0.201%
<b>Performance fee</b>	N/A

**Annual fee** – 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 fund management fee and administration fee. The fee also includes other charges such as audit, custody and index provider fees that are normally additional permissible deductions. Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

This portfolio is an exchange traded fund (ETF). The charges detailed above relate to the portfolio, they do not include the fees for trading on an exchange. Brokerage fees, which are payable when buying or selling an ETF on an exchange, are levied by a broker and may vary depending on the broker used.

### Cost ratios (annual) including VAT as at 31 March 2019

	Class A
<b>Based on period from:</b>	07/03/2018
<b>Total Expense</b>	0.27%
<b>Transaction Costs</b>	0.00%
<b>Total Investment Charge</b>	0.27%
<b>1 Year Total Expense</b>	0.27%

**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.

The TER, TC & TIC cannot be determined accurately for portfolios/portfolio classes that are not yet 1 year old because of the short life span of the portfolio/portfolio class. Calculations in this instance are based on actual data where possible and best estimates where actual data is not available.

# STANLIB S&P500 Index Feeder ETF

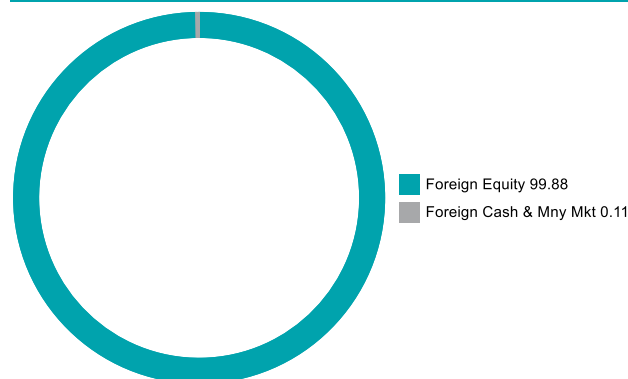
Monthly update at 31 July 2019

## Holdings

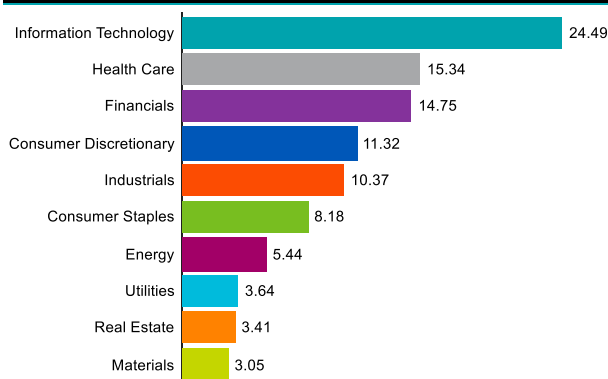
### Holdings (%)

iShares Core S&P 500 UCITS ETF 99.99

### Asset allocation (look through) (%)



### Equity allocation (Industry) (look through) (%)



### Top Equity holdings (look through) (%)

Microsoft Corp	4.20
Apple Inc	3.75
Amazon.com Inc	3.11
Facebook Class A Inc	1.88
Berkshire Hathaway Inc Class B	1.60
JPMorgan Chase & Co	1.52
Alphabet Inc Class C	1.50
Alphabet Inc Class A	1.47
Johnson & Johnson	1.39
Exxon Mobil Corp	1.27

## Performance and Income

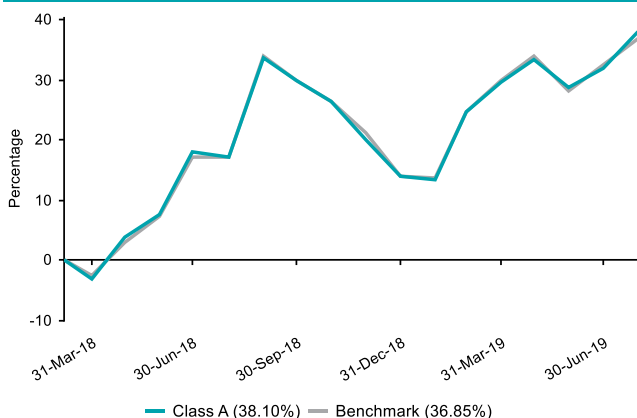
Class A Launch: 07 March 2018

Benchmark: S&P 500 Index (net)

Returns (%)	3m	6m	9m	1yr	Launch
<b>Class A</b>					
Class	3.62	21.89	9.24	17.78	25.90
Benchmark	2.09	20.46	8.34	16.73	25.06

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 (%) from Launch



Statistics (%)	1yr	Launch
Tracking Error	2.51	3.01
<b>Class A</b>		
Positive Months	6	9
Max Gain	21.89	47.62
Max Drawdown	-15.28	-20.85
Highest	33.67	33.67
Lowest	11.85	11.85

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

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

Tracking Error - calculated at portfolio level.

### Amount declared (cents per unit)

	Class A
09 October 2018	0.00
08 January 2019	0.00
08 July 2019	0.00
In last 12 months	0.00
In 2018	0.00

Quarterly update at 30 June 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.



### Ryan Basdeo

MBA (Wits), BCom (Taxation), Registered Securities Trader  
Portfolio manager

After beginning his career as a financial accountant in the employee benefits industry, Ryan joined STANLIB Asset Management in their Institutional Pricing team in 2008. He got experience in the Offshore Trades Processing team from 2010, before moving on to Alternative Investments as market maker for the ETFs and executing trades for the index-tracking funds, as well as assistance with portfolio management. He was appointed a Portfolio Manager in 2017. Ryan has a BCom in Taxation degree, is a JSE Registered Securities Trader, as well as a Registered Bond Trader and has been awarded a MBA from Wits Business School.

## Fund review

The fund performed in line with the Feeder Fund and the index over the quarter.

## Market overview

In the second quarter of 2019, equity markets continued to shrug off any negative sentiment arising from the second half of 2018. The majority of equity markets across the globe recorded strong positive returns in the first half of 2019, with the MSCI World Index recording 15.6%, MSCI Emerging Markets recording 9.2% and the South African equity market as represented by FTSE/JSE Shareholder Weighted Index recording 9%. 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 and the pause in trade wars provided some relief for financial conditions but the era of easy money has shifted towards gradual tightening of monetary policy. Locally, Cyril Ramaphosa led the ANC to a win in the national elections promising tighter reforms and improved governance at struggling state owned entities. But, weak first quarter GDP dominated post-election headlines. Locally, domestic asset classes such as bonds (ALBI), property (PCAP) and cash (STeFi) recorded gains of 3.7%, 4.5% and 1.8% respectively.

## Looking ahead

Against the backdrop of slowing global economic growth, pause in trade war and a less hawkish Fed, there is potential for some relief to the financial markets. But if trade uncertainty continues posing 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. Additionally, 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 government provides evidence that SA's economic policy and reforms are heading in the right direction for future growth. We believe investors should focus on liquid markets 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	Q2 2019	Q1 2019	Change
Domestic Cash & Mny Mkt	0.15	0.09	0.06
Foreign Cash & Mny Mkt	-0.14	0.00	-0.14
Foreign Equity	99.99	99.91	0.08

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	20,432.53	84,920.00	17,351,304.78

All data as at 30 June 2019.

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

Important information update at 31 July 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 S&P500 Index Feeder ETF is a portfolio of the STANLIB ETF 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 Société Générale Johannesburg Branch.

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. Forward pricing is used.

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 an Exchange Traded Fund registered as a CIS (CIS-ETF), it is listed on an exchange and may therefore incur additional costs. Participatory interests in a CIS-ETF cannot be purchased directly from the Manager. A CIS-ETF is subject to exchange listing requirements and settlement cycles for equities and all trading in a CIS-ETF is through an exchange. It may take a few days longer to receive the proceeds of a sale of a CIS-ETF than would be the case for a CIS.

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 July 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: [contact@stanlib.com](mailto:contact@stanlib.com)  
Website: [www.stanlib.com](http://www.stanlib.com)

### Trustee

Société Générale Johannesburg Branch  
Reg. No. 1996/006193/10  
2nd Floor, 160 Jan Smuts Avenue, Rosebank  
Telephone: +27 (0)11 448 8400

### 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)