

STANLIB ALBI (non-TR) Index Tracker Fund

Fund Information as at 31 March 2018

What is the fund's objective?

The objective of the STANLIB ALBI (non-TR) Index Tracker Fund is to track the performance of the JSE ASSA All-Bond Non-TR Clean Price Index (ALBI) as closely as possible.

What does the fund invest in?

The fund invests in the constituents of the ALBI and aims to replicate the index by holding the same weightings of these constituents. The ALBI is a composite bond Index that represents the top 20 vanilla bonds from across a range of maturities in the South African market, ranked by liquidity and market capitalisation.

The fund is rebalanced monthly. 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 default risk, interest rate risks, inflation risk, market volatility, economic and political risk.

Risk Rating

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
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Who should consider investing in this fund?

- Investors who seek exposure to the South African bond market
- Investors who seek a low cost fund
- Investors who seek a simple and transparent investment process that invests in liquid, listed securities
- Investors who seek bond market exposure that blends well with other investment strategies to reduce total costs and diversify risk

What is the suggested investment period?

One year or longer.

What are the costs to invest in this fund?

Portfolio charges including VAT:

	Class A
Initial advice fee (max)	0.00%
Initial manager fee	0.00%
Advice annual fee (max)	1.00%
Manager annual fee	0.46%
Total Expense Ratio (TER) 1 year	0.53%
Total Expense Ratio (TER) 3 years (annualised)	0.53%
Transaction Costs (TC) 3 year (annualised)	0.00%
Total Investment Charges (TIC) 3 year (annualised)	0.53%

Note: All fund returns already take these expenses into account.

Class A fee is an annual service charge on the value of your portfolio and includes the fees of your accredited financial adviser as indicated.

The **Total Expense Ratio (TER)** is the charges paid by the portfolio for management and operating costs incurred in the administration of the fund.

The TER is expressed as a percentage of the daily net asset value (NAV) of the fund and calculated over three years on an annualised basis. A higher TER does not necessarily imply a poor return, neither does a lower TER imply a good return.

The **Transaction Cost (TC)** is the cost incurred by the portfolio in the buying and selling of underlying assets. The TC is expressed as a percentage of the daily NAV of the fund and calculated over a one year period.

The **Total Investment Charges (TIC)** of the fund is the TER and TC combined.

General fund information

	Class A
Launch date:	11 March 2015
Portfolio Manager(s)	Ann Sebastian
Portfolio Size (NAV)	R 57.21 million
Investment minimum:	
Lump sum:	R5 000
Debit order per month:	R500
ISIN Code:	ZAE000202438
JSE Code:	SIATA
Sector classification:	South African – IB Variable Term
Portfolio benchmark:	JSE ASSA All-Bond non-TR Clean Price Index
Distribution status:	Distributing – net revenue is calculated daily and distributed quarterly
Income declaration:	31 March, 30 June, 30 September, 31 December.

Performance (%)

Annualised	1 year	3 year	5 year	Since incep.
Class A	15.20	7.69	-	7.61
Benchmark	16.23	8.64	-	8.78

Cumulative	1 year	3 year	5 year	Since incep.
Class A	15.20	24.90	-	25.10
Benchmark	16.23	28.25	-	29.36

Actual lowest and highest annual returns (%)*

Highest annual	15.91
Lowest annual	-1.94

Since February 28th 2018 the funds are priced at 17h00 (previously 15h00).

Performance is calculated based on the net asset value (NAV) of the portfolio. Individual investors may realise returns that are different to the NAV performance as a result of initial fees, actual date of investment, date of reinvestment of income and dividend withholding tax.

*12-month rolling periods since inception.

Income distribution

	Declared in last 12 months	Declared in 2017
Class A	7.84 cpu	7.75 cpu

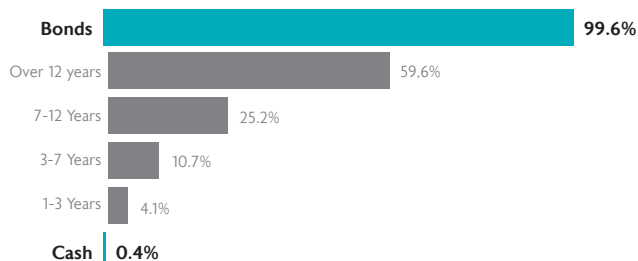
STANLIB ALBI (non-TR) Index Tracker Fund

Performance as at 31 March 2018

STANLIB

INDEX INVESTMENTS

Asset allocation



Top 10 holdings (% of fund)

	Fund weight
R186 Republic Of South Africa	16.42%
RSA R2048 8.75% 28/02/2048	11.54%
RSA R2030 8.00% 31/01/2030	7.19%
R2044 Republic Of South Africa	7.15%
R2037 Republic Of South Africa	7.12%
SA Government Vanilla Fixed In	6.46%
Republic Of South Africa 8.25%	5.91%
RSA R2023 7.75% 28/02/2023	5.16%
R209 Republic Of South Africa	5.10%
Republic Of South Africa 8.875	4.79%

Who are the fund managers?

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

Portfolio Manager

BSc(Hons), (Advanced Mathematics of Finance)

Industry experience: 5 years

Contact details

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Fund review

The review of the BESA All Bond Index (ALBI) in the last quarter saw no inclusions and exclusions from the index. The fund performed in line with the Index. The yield of the fund decreased from 9.12% at the end of December 2017 to 8.44% at the end of March 2018. The modified duration of the fund increased from 7.16 at the end of December 2017 to 7.60 at the end of March 2018.

Market overview

The global recovery across China, Japan, Europe and the United States continued to support commodity prices and emerging market currencies in the first quarter of 2018. The Fed hiked rates by 25 basis points in their March meeting and there was growing tension in world trade between the US and China. Higher rates and potential for a trade war triggered volatility in global equity markets which posted a loss of 1.15% (MSCI World) over the quarter. In South Africa, Cyril Ramaphosa was sworn in as South Africa's president and his State of the Nation address was favourably received. Over the quarter local property fell 19.61% (SAPY) and equities were down 5.97% (ALSI). Losses in equities were driven by poor performance of rand hedge stocks, and by a sell-off in Naspers, following the announcement it would be trimming its shareholding in Tencent Holdings. Property's decline was due to losses in the Resilient stable. The local bond market rallied impressively to +8.06% (ALBI) over the quarter, signalling the pricing out of political risk with 10-year SA government bond yields falling sharply to their current levels of 8.04%. February's budget offered significant fiscal consolidation with VAT being raised to 15%. National Treasury cut the size of its weekly bond auction by a third, and the SARB cut its benchmark repo rate by 25bps. The bond market momentum was further reinforced by Rating's Agency Moody's decision to keep the countries investment grade credit rating and improve the countries outlook to stable.

Looking ahead

We expect continued rate increases in the US and escalating trade friction to add further anxiety to global equity markets over the short to medium term. While the changing political and economic environment is a positive for South Africa, uncertainty remains around the direction of the land restitution debate and the implications for agricultural investment and property rights.

Disclaimer

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 the future. An investment in the participations of a CIS in securities is not the same as a deposit with a banking institution. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments (RF) Pty Ltd (the Manager). Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Liberty is a full member of the Association for Savings and Investments of South Africa. The Manager is a member of the Liberty Group of Companies.

This portfolio is valued on a daily basis at 17h00. Investments and repurchase will receive the price of the same day if received prior to 15h00.

The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The manager has a right to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate.

Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge, and from the website: www.stanlib.com. The prices of unit trust funds are calculated and published on each working day. These prices are available on the Manager's website and in the South African printed news media.

Performance is calculated for the portfolio. The individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax.

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Investment manager: STANLIB Asset Management (Pty) Ltd, an authorised FSP under FAIS Act