

# STANLIB Global Government Bond Index Feeder Fund

Minimum Disclosure Document as at 31 May 2018

**STANLIB**  
INDEX INVESTMENTS

## What is the fund's objective?

The objective of the STANLIB Global Government Bond Index Feeder Fund is to track the FTSE Group-of-7 (G7) Index ("the Index") as closely as possible, in South African Rand. (Please note the FTSE G7 Index was previously named the Citi G7 Index.)

## What does the fund invest in?

The fund is a feeder fund and as such it invests in the iShares Global Govt Bond UCITS ETF. This underlying fund tracks the Index and aims to replicate the performance of the Index. The G7 Government Bond Index includes Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States. This Index covers approximately 85% of the market value of the World Government Bond Index. The Index 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 general market conditions and market volatility, country specific risk, default risk, interest rate risk, exchange rate risk, economic and political risk.

Risk Rating				
Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive

## Who should consider investing in this fund?

- Investors who seek broad exposure to global government bonds in South African Rand
- Investors who seek global bond exposure without foreign exchange tax clearance
- Investors who seek a low cost global government bond 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 medium term view as this fund has a moderately conservative risk profile and investors should expect some volatility in the short term

## What is the suggested investment period?

Three years or longer.

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

Portfolio charges including VAT:

	Class A
Initial advice fee (max)	1.00%
Manager annual fee	0.35%
<b>Total Expense Ratio (TER)</b>	<b>N/A</b>
<b>Transaction Costs (TC)</b>	<b>N/A</b>

Total Exchange Ratio and Transaction Costs will be published when the fund has reached one year post launch and the TER will include the TER of the underlying fund. The TER of the underlying fund (iShares Global Govt Bond UCITS ETF) was 20bps as at May 2018.

## General fund information

	Class A
<b>Launch date:</b>	14 March 2018
<b>Portfolio Manager(s)</b>	Ryan Basdeo
<b>Portfolio Size (NAV)</b>	R 1.0 million
<b>Investment minimum:</b>	
<b>Lump sum:</b>	R5 000
<b>Debit order per month:</b>	R500
<b>ISIN Code:</b>	ZAE000254801
<b>JSE Code:</b>	SGBIF
<b>Sector classification:</b>	Global Interest Bearing – Variable Term
<b>Portfolio benchmark:</b>	FTSE G7 Government Bond Index
<b>Distribution status:</b>	Distributing – net revenue is calculated on a daily basis and distributed semi-annually
<b>Income declaration:</b>	30 June and 31 December

## Performance (%)

Performance data will be available when the fund has a 12 month track record.

## Income distribution

	Declared in 2018	Declared in 2017
Class A	N/A	N/A

## Who are the fund managers?

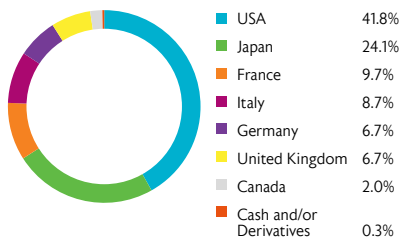
The fund is run by the STANLIB Index Investments team which specialises in the manufacture of index and factor products for individual and institutional investors. Investors who seek a simple, transparent and low-cost investment solution can invest in index products that meet their financial goals.



### Ryan Basdeo

Portfolio Manager  
BCom(Taxation), Registered Security Trader  
Industry experience: 11 years

## Underlying fund country allocation



## Top 10 holdings (% of underlying fund)

	Fund weight
USD Cash	0.92
Treasury Note	0.62
Treasury Note	0.56
Treasury Note	0.55
Treasury Note	0.41
Treasury Note (Old)	0.41
Treasury Note	0.40
Treasury Note	0.38
France (Republic of) RegS	0.38
Treasury Note	0.38

## Contact details

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**Compliance number:** HX0165

**Published date:** 20 June 2018

## Fund review

The fund performed in line with the index and underlying fund since the inception date of 14 March 2018. US treasury bonds had contributed to the majority of the fund performance as it forms the largest holding. The index has delivered a return of 7.1% in US dollars terms for the 12 months ended 31 March 2018.

## Market overview

US Treasury yields rose markedly across the curve over the quarter as expectations of growth, inflation and interest rates shifted higher, triggered by higher US wage numbers. Volatility returned to markets, picking up sharply from low levels and impacting risk assets. In March, sentiment was negatively impacted by growing tension in world trade between the US and China. The US yield curve continued to flatten modestly with shorter-dated maturities impacted by a rate hike in March. Ten year yields increased from 2.41% to 2.74%, reaching a high of 2.95% in February, five-years from 2.21% to 2.56% and two-year yields from 1.88% to 2.27%.

## Looking ahead

The short-term economic outlook remains positive on the back of a positive trend in global trade activity. Global leaders and policymakers' decisions will remain key drivers in ensuring geopolitical and protectionist threats do not undermine economic growth in the longer run. The fund remains positioned to deliver returns that are aligned to the index.

## 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 repurchases 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.

A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

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