

STANLIB Income Fund

Fund features



Highly experienced & largest fixed interest team

STANLIB's award-winning fixed interest team is one of South Africa's largest fixed interest managers by assets. This gives us a competitive advantage in negotiating preferential rates on instruments we invest in.



Consistent returns

The fund provides investors with a stable income throughout the business cycle and low capital volatility.



Client tailored fixed income solutions

We have a 360-degree view of the markets, which helps us to identify opportunities and construct optimal portfolios.



No "one size fits all"

We understand the different needs of each client and have various funds to meet those needs.



Identifying diverse opportunities to drive performance

The fund is highly diversified and invests in fixed income instruments such as cash, bonds, preference shares, debentures and the money market.



Focused income for your drawdown needs

The fund has beaten its benchmark over the last one, three, five and 10 year periods and has significantly outperformed the benchmark since inception.



Victor Mphaphuli
Co-head of Fixed Interest



Henk Viljoen
Co-head of Fixed Interest

Fund aim

This fund's primary objective is to achieve a reasonable level of current income and stability for capital invested.

Fund details

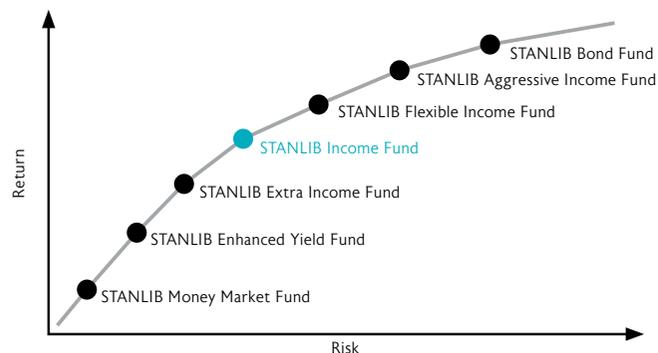
Inception	April 1987
Size	R35.56 billion
Class	R
Risk	Conservative

Performance

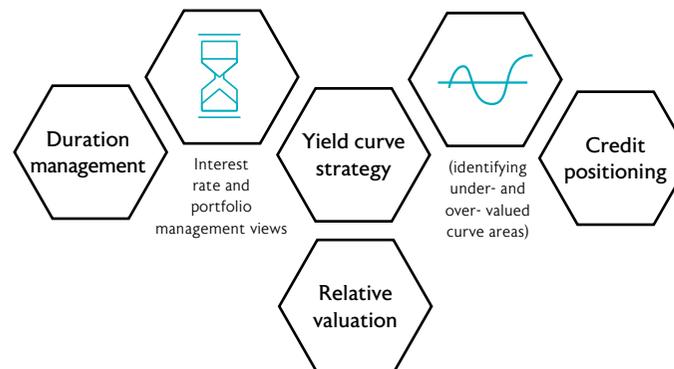
Fund Class R					
	1 Year	3 Years	5 Years	7 Years	10 Years
Fund	8.7	8.74	7.67	7.39	7.67
Benchmark	7.25	7.39	6.91	6.55	7.12
High	8.82	9.63	9.63	9.63	14.60
Low	7.97	6.98	4.85	4.85	4.85

Source: Morningstar, as at 31 December 2018

STANLIB fixed interest solutions



How we add to performance



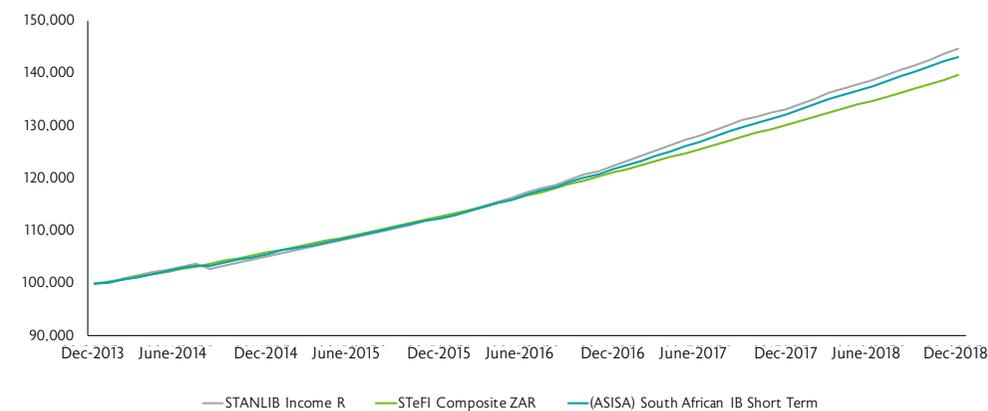
STANLIB Income Fund

Consistent inflation beating returns



Source: Morningstar, as at 31 December 2018

Cumulative performance - 5 years



Source: Morningstar, as at 31 December 2018

Portfolio commentary

The modified duration of the portfolio was defensive as the SARB increased the repo rate by 25bps. Returns were generated by investments in high-yielding credit. During the fourth quarter, credit spreads compressed further, benefiting the portfolio.

The bond market returned 2.8% during Q4, making it the best-performing domestic asset class in 2018, with a 7.7% return, mainly buoyed by an improved backdrop for global interest rates. Currency volatility influenced yields, with the rand ranging between R14.89/\$ and a quarter's best level of R13.66/\$.

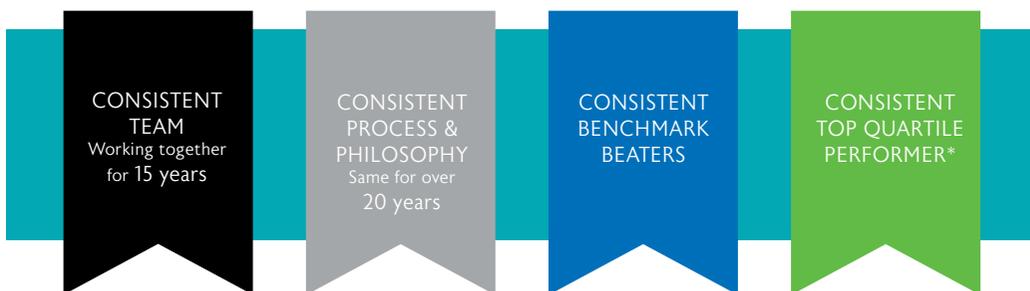
A less aggressive US Fed rate hiking strategy would be positive for bond markets this year but domestically the main challenges will come from national elections, fears of a rating downgrade and the February Budget statement.

Disclaimer

CIS are traded at ruling prices and can engage in borrowing and scrip lending. Performance has been calculated using net NAV to NAV numbers, including actual initial and all ongoing fees, with income reinvested on the reinvestment date. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Collective investment schemes in securities are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance, forecasts and commentary are not necessarily a guide to future performance. A portfolio of a collective investment scheme in securities may also engage in scrip lending. Where different classes of participatory interests apply to certain portfolios, they would be subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Liberty is a member of the Association of Savings and Investment of South Africa. The Manager is a member of the Liberty group of companies. Contact details of Trustees: Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196. Telephone +27 (0)11 291 8042. STANLIB Collective Investments (RF) Pty Limited (Reg. No. 1969/003468/07). STANLIB Collective Investments (RF) Pty Limited is registered and approved under the Collective Investment Schemes Control Act. 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. This is a portfolio that derives its income primarily from interest-bearing instruments. The yield is a current effective yield calculated daily.

Fund facts

- CPI + 2.5% pa return over the last 10 years
- Suitable for investors who require a regular quarterly income



* Full details and basis for the ranking are available from STANLIB on request.

STANLIB

17 Melrose Boulevard, Melrose Arch, 2196, PO Box 203, Melrose Arch, 2076

T +27 (0)11 448 6000 T 0860 123 003 (SA only)

STANLIB is an authorised financial service provider

stanlib.com

Published date: February 2019
Compliance no: 5301ZB