

# Noble PP STANLIB Flexible Fund

Fund information update at 31 January 2019

Stability | Strength | Safety

## What is the fund's objective?

The Noble PP STANLIB Flexible Fund is a flexible fund that aims to provide investors with consistent inflation-beating total returns, while minimising downside risk. Specifically, the fund concentrates on capital growth.

## What does the fund invest in?

The fund invests in financially sound local equity securities, bonds, property shares, property related securities, preference shares, money market instruments and assets in liquid form. The fund also invests in participatory interests and other forms of participation in South African portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the fund's primary objective. The portfolio manager may also make active use of derivatives to reduce the risk that a general decline in the value of equity, property and bonds markets may have on the value of the fund. The portfolio manager has the maximum flexibility to vary assets between the various asset classes to reflect the changing economic market conditions.

## What possible risks are associated with this fund?

General market risks include price demand fluctuations, decline in bond yields, fluctuating interest rates, poor performance of underlying shares and unstable economic conditions. Foreign securities may attract additional risks, such as potential constraints on liquidity and the repatriation of funds, macro-economic risks, political risks, tax risks, settlement risks, and potential limitations on the availability of market information.

## 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?

This fund aims to achieve consistent above average performance over the long term (at least five years), providing investors with consistent inflation-beating total returns while minimising downside risk. Typically, this investor is prepared to accept the risk of a moderate investor and does not want full exposure to equities.

## Income

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

**Declaration** 30 June, 31 December

## General fund information

**Manager(s)** Piet de Jongh and Pieter Van Zyl  
**Size (NAV)** R 1.13 billion  
**Classification** South African - Multi Asset - Flexible  
**Benchmark** CPI + 3% with effect from 15 February 2018, formerly CPI+5% from launch.

### Regulation 28 Complies

Regulation 28 of the Pension Funds Act sets the limits in terms of the maximum exposure the retirement fund and the individual retirement fund member's savings (i.e. your savings) may have to various asset classes. For more information please refer to the Regulation 28 Guidelines available on our website ([www.stanlib.com](http://www.stanlib.com)). This Fund complies with this Regulation.

	Class A	Class A1
<b>Launch</b>	01 December 2010	01 April 2014

This portfolio was originally launched 4 August 2008 under a third party agreement with another manager. This portfolio then transferred/was launched under STANLIB with effect from 1 December 2010. The track record, for performance measurement purposes, is reflected from the original launch date of the relevant portfolio class.

<b>ISIN number</b>	ZAE000151981	ZAE000189916
<b>JSE code</b>	NPPFA	NSFA1
<b>Minimum investment requirements -</b>		
Lump sum	R 10,000	R 10,000
Monthly	R 500	R 500

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

### Maximum charges including VAT

	Class A	Class A1
<b>Initial fee (manager)</b>	0.000%	0.000%
<b>Initial fee (adviser)</b>	3.450%	3.450%
<b>Annual fee (manager)</b>	1.438%	1.150%
<b>Annual fee (adviser)</b>	0.288%	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 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 A1
<b>Based on period from:</b>	01/01/2016	01/01/2016
<b>Total Expense</b>	1.56%	1.27%
<b>Transaction Costs</b>	0.03%	0.03%
<b>Total Investment Charge</b>	1.59%	1.30%
<b>1 Year Total Expense</b>	1.59%	1.31%

**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.

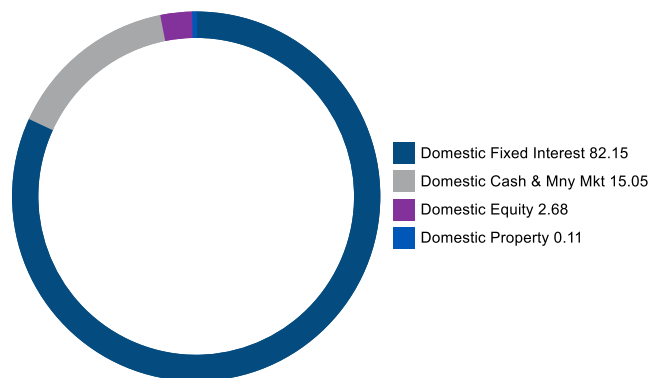
# Noble PP STANLIB Flexible Fund

Monthly update at 31 January 2019

Stability | Strength | Safety

## Holdings

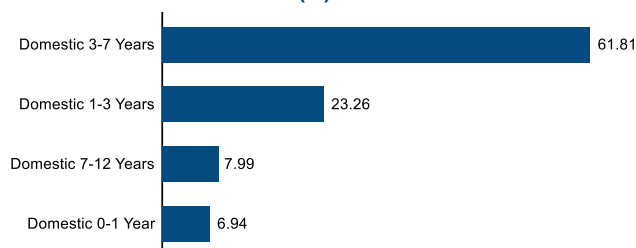
### Asset allocation (%)



### Top holdings (%)

Investec Bank Ltd 3M Jibar+145Bps 28/12/2023	5.37
Standard Bank 3M Jibar + 145Bps 31/01/2026	5.32
Counterpoint Met Enhanced Income Fund A1	4.56
Standard Bank 3M Jibar + 350Bps 19/10/2020	4.55
Standard Bank 3M Jibar+240Bps 03/12/2023	4.50
Standard Bank Frd 3M Jibar +100Bps=8.15% 22/01/2020	4.44
Firststrand Bank Frn 3M Jibar + 315Bps 20/09/2022	4.05
STANLIB Income Fund B2	3.78
Absa Bank Frn 3M Jibar+135Bps 29/08/2023	3.60
Sanral Pn 8.40% 28/03/2019	2.63

### SA Fixed Interest allocation (%)



## Performance and Income

This portfolio was originally launched 4 August 2008 under a third party agreement with another manager. This portfolio then transferred/was launched under STANLIB with effect from 1 December 2010. The track record, for performance measurement purposes, is reflected from the original launch date of the relevant portfolio class.

Class A Launch: 01 December 2010

Class A1 Launch: 01 April 2014

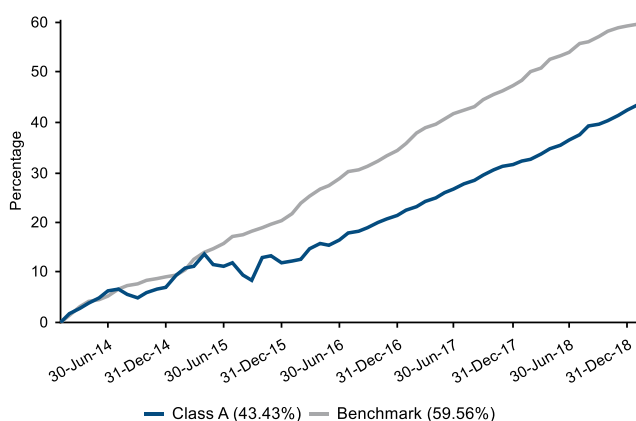
Benchmark: CPI + 3% wef 15/02/2018 (formerly CPI+5%)

### Returns (%)

	1yr	3yrs	5yrs	7yrs	10yrs
<b>Class A</b>					
Class	8.34	8.55	7.48	8.64	8.48
Rank/Out of	2/61	4/50	8/43	17/38	22/33
Sector Average	-3.00	3.47	5.41	8.75	10.04
Benchmark	7.06	9.31	9.71	9.96	10.08
<b>Class A1</b>					
Class	8.65	8.86			

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 (%) over 5 Years



### Statistics (%)

	1yr	3yrs	5yrs	7yrs	10yrs
<b>Class A</b>					
Positive Months	12	35	52	70	98
Max Gain	8.34	27.89	43.43	78.72	125.71
Max Drawdown		-0.31	-4.60	-4.60	-4.60
Highest	8.34	9.88	15.82	15.82	15.82
Lowest	7.42	1.69	1.69	1.69	1.69
<b>Class A1</b>					
Highest	8.65	10.21			
Lowest	7.73	2.00			

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

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

### Amount declared (cents per unit)

	Class A	Class A1
<b>29 June 2018</b>	4.45	4.62
<b>31 December 2018</b>	4.39	4.57
<b>In last 12 months</b>	8.84	9.19
<b>In 2018</b>	8.84	9.19

## Who are the investment managers?

Noble Private Portfolios (Pty) Ltd, FSP 568, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, manage the investments of the fund.

Noble Private Portfolios, founded in 1995 as an asset management company, has become one of the leaders in providing clients with structured products and investment opportunities. Noble PP is a member of StoneHouse Capital. StoneHouse is a wholly owned subsidiary of Liberty Holdings, part of the Standard Bank Group of Companies. Noble PP follows a unique multi asset investment methodology that aims to deliver returns in excess of those offered by traditional investment funds by the careful and active allocation of portfolios across all asset classes, combined with the active selection of the best performing underlying fund managers.



### Piet de Jongh

MCom (Economics), Advanced Management Program at Harvard  
Director/Fund Manager

After acquiring an MCom in Economics as well as the Advanced Management Program at Harvard, Piet de Jongh lectured in Economics at the University of Pretoria before going into banking. Subsequently he became Managing Director of Volkskas Industrial Bank and from there went into the investment markets as the Chief Executive of the Eskom Pension Fund. Being an established investment manager, Piet moved from the corporate environment to become an independent fund manager.



### Pieter Van Zyl

Honours Degree, Diploma in Financial Markets and Instruments from UP  
Director/Fund Manager

Pieter van Zyl holds an Honours Degree as well as a diploma in Financial Markets and instruments from the University of Pretoria. He started his professional career in the financial markets with Old Mutual, whereafter he joined Sanlam. In 1998 he moved to Gensec. Pieter subsequently became Managing Director of Gins Global Index Funds and has established himself as a reputable fund manager at Noble Private Portfolios since 2002.

## Fund review

### World Economy

US employers added the most workers in 10 months as wage gains accelerated and labour-force participation jumped, reflecting a robust job market that nevertheless faces mounting risks in 2019. The US Federal Reserve is likely to raise rates three times in 2019. Other central banks, including the Bank of England (depending on the Brexit process), the Bank of Canada, and a few emerging market central banks – such as those in Brazil, India and Russia – may also raise rates, according to Nariman Behravesh Chief Economist, IHS Markit. The prediction for a shake-up of the world's GDP rankings comes in new long-term forecasts by Standard Chartered, which includes a projection for China to become the largest economy by 2020, using purchasing power parity exchange rates and nominal GDP. Asia's share of global GDP, which rose to 28% in 2018 from 20% in 2010, is likely to reach 35% by 2030 – matching that of the eurozone and US combined. Global economic growth is projected to soften from a downwardly revised 3% in 2018 to 2.9% this year amid rising downside risks to the outlook, the World Bank said. Growth in the United States is likely to slow to 2.5% this year from 2.9% in 2018, while China is expected to grow at 6.2% in the year compared with 6.5% in 2018, according to the World Bank.

### SA Economy

SA recorded a trade surplus of R3.49bn in November, statistics released by SARS. However, for the 11 months to end-November there was a trade deficit amounting to R4.16bn, a deterioration on the surplus of R62.3bn. Inflation accelerated slightly to 5.2% in November from 5.1% in October due to higher food prices and a spike in the price of diesel. New-vehicle exports hit an annual record of 351,154 in 2018 following a 56% surge in shipments in December. Full-year 2018 sales of all vehicles fell 1% from the previous year. The Absa purchasing managers index (PMI), which gauges activity in the manufacturing industry, rose from 49.5 in November to 50.7 points in December. The "volatility and sensitivity" to global financial markets will likely remain a key theme for the local currency in 2019, Investec Chief Economist Annabel Bishop said. Education expert Nic Spaull believes a fundamental problem with SA's education system is that not all students are equipped with the basics in primary school. This comes after the Spectator Index ranked SA's youth unemployment rate as the highest in the world.

### Trends and Opportunities

- Global economic growth is projected to be 2.9% this year.
- The US Federal Reserve is likely to raise rates three times in 2019.
- Growth in the United States is likely to slow to 2.5% this year.

"If you do not change, you can become extinct!" Spencer Johnson, Who Moved My Cheese?

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	Q4 2018	Q3 2018	Change
Domestic Cash & Mny Mkt	21.96	16.33	5.63
Domestic Equity	2.72	9.18	-6.46
Domestic Fixed Interest	75.22	74.37	0.84
Domestic Property	0.10	0.11	-0.01

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	127.12	666,803,752.16	847,632,428.74
A1	Retail	127.30	193,171,415.64	245,914,274.30

All data as at 31 December 2018.

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

## 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 Noble PP STANLIB Flexible 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 Noble Private Portfolios (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 568, 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 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 15h00.

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 a third party named, co-named portfolio. The Manager retains full legal responsibility for this portfolio. A third party named, co-named portfolio is a portfolio bearing the name of both the Manager and the financial services provider (FSP) where the FSP, under an agreement with the Manager, undertakes financial services of a discretionary nature, as contemplated in the Financial Advisory and Intermediary Services Act, Act No. 37 of 2002 (FAIS), in relation to the assets of the portfolio. Noble Private Portfolios (Pty) Ltd, an authorised FSP, FSP No. 568, FAIS, is the third party manager of this portfolio.

The FSP is a related party to the Manager, the FSP may earn additional fees other than those charged by the Manager. It is the responsibility of the FSP to disclose additional fees to the investor. This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

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

### Third Party Manager

Noble Private Portfolios (Pty) Ltd  
An authorised financial services provider, FSP No. 568  
Reg. No. 1996/006915/07  
Suite 2, 77 Park Drive, Northcliff  
Telephone: +27 (0)11 476 8548  
Website: [www.noblepp.co.za](http://www.noblepp.co.za)

### Trustee

Standard Chartered Bank  
Reg. No. 2003/020177/10  
5th Floor, 4 Sandown Valley Crescent, Sandton, 2196  
Telephone: +27 (0)11 217 6600