

## 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.



**Ansie van Rensburg**  
BCom (Hons)(Economics)  
Head of Money Market

Ansie is head of the Money Market at STANLIB Asset Management. She joined STANLIB's forerunner Standard Corporate and Merchant Bank in 1991, and today is a member of the investment strategy team with specific responsibility for investment of funds in the fixed interest and money markets. After obtaining her BCom with honours in economics, Ansie served articles with Theron van der Poel. She first entered the industry as a management trainee and later money market trader with Volkskas Merchant Bank. She was also involved in the founding of money broking operation CM Interbank.



**Eulali Gouws**  
BCom (Hons)(Accounting), CA (SA), CFA  
Portfolio manager

Eulali is a member of STANLIB's multi-award-winning Fixed Income team, which is one of the largest in South Africa. She is a money market portfolio manager as well as a qualified money market, bond and foreign exchange dealer. She also assists with STANLIB's offshore funds. Eulali started her financial services career at KPMG where she was part of the financial engineering group. As part of this team she specialised in the modelling of financial instruments as well as various treasury and market risk operations. After moving to Standard Bank, she joined STANLIB in September 2015. Eulali is a qualified chartered accountant and a CFA charter holder.

## Fund review

The STANLIB Money Market Fund ended the quarter with R21.3 billion under management. The weighted average duration of the fund was 41 days. The below-benchmark duration position reflects our interest rate view of more aggressive hikes in the coming months and limits the fund's interest rate risk. The bulk of the fund was invested in floating rate instruments to keep pace with the more aggressive hiking cycle.

## Market overview

The South African Reserve Bank (SARB)'s Monetary Policy Committee (MPC) raised the repo rate by 50 bps in May, increasing it to 4.75%. The decision was not unanimous, with four members of the committee preferring the 50 bps hike and one member a 25 bps hike. The prime interest rate has now been hiked by 100 bps since the start of this year. The FRA curve fell and flattened after the meeting. At the quarter end, Governor Lesetja Kganyago said that a 50 bps hike was "not off the table" at the next MPC meeting in July, which caused the FRA market to reprice again. The governor's hawkish rhetoric during the press briefing after the May meeting indicated a material risk of another 50 bps hike at the July meeting, especially if inflation keeps on surprising to the upside.

The JIBAR curve continued to steepen after the May MPC meeting, with 12-month rates increasing by 100 bps during the quarter. The 12-month JIBAR rate moved from 6.4% to 7.4%, with three-month JIBAR increasing from 4.4% to 5%. Treasury Bills moved with the money market curve and are trading more in line with bank NCD rates than in previous quarters.

Consumer price inflation rose to 6.5% in May, up from 5.9% in April. The largest contributors to the annual increase were transport, food and non-alcoholic beverages. The upward trend in core inflation picked up moderately, suggesting that companies are slowly passing cost increases onto consumers and that underlying inflationary pressures are building. We expect inflation will rise above 7% in June. This is due to a range of factors, including trends in global inflation, recent demands for higher wages, a weaker exchange rate, the potential of a prolonged spike in agricultural and food prices, sustained high oil prices, and upward pressure on administered prices, including water. Under these circumstances, the SARB is expected to continue to increase interest rates, especially considering the risk of 'second-round' inflationary pressure in SA (including higher wages), as well as the broad-based rise in global interest rates (well over 40 countries have increased interest rates during the first six months of 2022).

Growth was revised lower to 1.7% from 1.9% for 2022 due to the impact of the KZN floods and intensified load shedding. GDP growth is expected at 1.9% for 2023 and 2024.

In May, S&P Global Ratings revised its outlook on SA to positive from stable. Fitch Ratings and Moody's maintain the country on a stable outlook.

In June, the introduction of the Monetary Policy Implementation Framework (MPIF) began, which the governor stated would be implemented by July. The MPIF sees the SARB switching from a system based on a shortage of bank reserves to one of surplus. The 12-week transition started on 8 June 2022, with a shortage of R30.3 billion. The targeted surplus at the end of the transition period is R50 billion. This could result in the spread of JIBAR over repo narrowing in the coming months.

## Looking ahead

Currently, we expect a 50 bps increase in SA's repo rate from the MPC in July, with the SARB likely to follow the direction, but not necessarily the exact moves, of the FOMC, which has hiked in consecutive 25 bps, 50 bps and 75 bps tranches so far this year. The US interest rate move reinforces the likelihood of a 50 bps, instead of a 25 bps, hike by the SARB in July, although SA's FRA curve is now factoring in a larger hike. We remain concerned about GDP growth, as the devastating KZN floods and intensified load shedding are likely to weigh on economic activity.

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.

# STANLIB Money Market Fund

Quarterly update at 30 June 2022

# STANLIB

## Change in allocation of the fund over the quarter

Asset type	Q2 2022	Q1 2022	Change
Domestic Cash	1.34	1.56	-0.22
Domestic Fixed Interest Corp	11.37	15.16	-3.79
Domestic Money Market	87.29	83.28	4.00

The portfolio adhered to its portfolio objective over the quarter.

## Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Rand)
R	Retail	0.58	100.00	20,640,292,666.08	20,640,292,666.08
B1	Retail	0.58	100.00	219,628,548.99	219,628,548.99

All Price, Units and NAV data as at 30 June 2022.

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

TER - 1 Year Total Expense Ratio (%) including VAT as at 31/03/2022. The Total Expense ratio (TER) 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.

## 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 Money Market 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 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 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 12h00.

This portfolio is a Money Market portfolio. A Money Market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, however, in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield (if shown) is a current 7-day average effective yield calculated daily. Excessive withdrawals from the portfolio could place the portfolio under liquidity pressures and, under such circumstances, a process of rein-fencing of withdrawal instructions and managed pay-outs over time may be followed.

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 30 June 2022.

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.

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

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### Investment Manager

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