

# Noble PP STANLIB Strategic Income Fund of Funds

Minimum Disclosure Document as at 31 May 2016



## INVESTMENT POLICY AND OBJECTIVES

The Noble PP STANLIB Strategic Income Fund of Funds is a conservatively managed fund of funds. The objective of this portfolio is to provide the investor with a high level of income combined with relatively low long term capital growth, and will seek to follow an investment policy which will reflect a spread of investments aiming at income and capital growth normally associated with the investment structure of a conservative retirement fund.

## INVESTMENT STRATEGY

Investments to be included in the Noble PP STANLIB Strategic Income Fund of Funds will, apart from assets in liquid form, consist solely of participatory interests in portfolios of collective investment schemes investing in equity securities, property shares, property related securities, non-equity securities and money market instruments.

## ANNUALISED PERFORMANCE(%)

	1 year	3 years	5 years
Class A	7.02	8.05	10.01
Class B1	7.63	8.66	10.63
Sector	7.63	8.38	9.84
Benchmark	7.83	7.00	6.83
Rank (Class A)	81/122	56/92	42/76
Lowest Return over 12 Rolling Months	4.32	4.32	4.32
Highest Return over 12 Rolling Months	9.67	13.20	17.23

\*Annualised Return: is the weighted average compound growth rate over the performance period measured. The 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. Figures quoted are from Morningstar to the period ending 31 May 2016 for a lump sum, using NAV-NAV prices and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the upfront manager's charge applicable, the actual investment date and the date of reinvestment of income.

## PRODUCT DETAILS

<b>Portfolio Managers</b>	Piet de Jongh, Pieter Van Zyl
<b>Portfolio Size</b>	R 730.74 million
<b>Sector Classification</b>	South African - Multi Asset - Low Equity
<b>Income Distribution</b>	Net revenue is declared on a daily basis and distributed quarterly.
<b>Income Declaration</b>	31 March, 30 June, 30 September & 31 December
<b>Benchmark</b>	CPI + 1
<b>Launch Date</b>	30 Nov 2010
<b>Minimum Investment</b>	
Lump Sum	R10,000
Debit Order Per Month	R500
<b>ISIN No.</b>	ZAE000151916
<b>JSE Code</b>	NPPIA
<b>Total Expense Ratio **</b>	2.48%

### Maximum Portfolio Charges \*\*\*

Upfront Charge: Manager	3.00%
Upfront Charge: Intermediary	3.00%
Total Service Charge	1.25%
Service Charge Intermediary Portion	0.25%

\*\* Please refer to page 2 under "Statutory Disclosure and General Terms & Conditions"

\*\*\* Additional Information can be obtained from Portfolio Charges Brochure on [www.stanlib.com](http://www.stanlib.com)

## HISTORY

Noble, founded in 1995 as an Asset Management Company, has become one of the leaders in providing clients with structured products and investment opportunities.

We are an approved Discretionary Financial Services Provider registered with the Financial Services Board in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 370 of 2002) (FSB No. 568).

## RISK RATING

Conservative **Low** Moderate Aggressive

A conservative investor requires stable growth or a high level of income. The primary investment goal is capital protection.

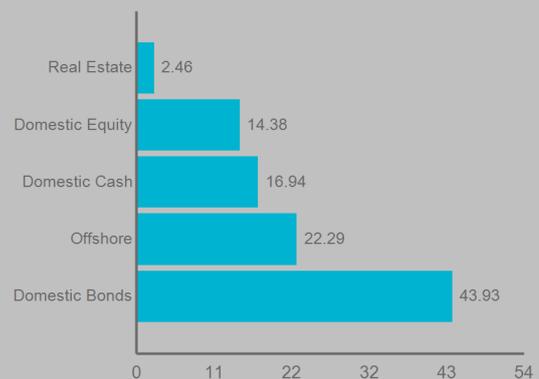
## INCOME DISTRIBUTION

	Paid in the last 12 months	Paid during 2015	2015 payments as a % of year end price
Class A	5.10 cpu	4.82 cpu	2.75 %

## MANCO EXPOSURE

Coronation	Investec	MET	STANLIB
Old Mutual	Pan-African	Prudential	Nedgroup
			PSG

## ASSET ALLOCATION (%)



## MARKET NICHE

This portfolio is ideal for risk averse investors seeking consistent income returns with capital growth, but who do not want to be overly exposed to equity markets.

Ideal for retired investors, retirement schemes, multi-managers and individuals with compulsory and voluntary savings via living annuities, preservation funds, retirement annuities and flexible investments.

# Noble PP STANLIB Strategic Income Fund of Funds

Minimum Disclosure Document as at 31 May 2016



## BENEFITS OF MULTI-MANAGED PORTFOLIOS

The potential to be offered the "best of breed" asset managers. The manager of a multi-manager portfolio will seek managers in various sectors and combine them in a single portfolio in an attempt to provide you with superior investment performance. Use of different managers inherently lead to diversification and dilution of risk. Balance between one and many managers, established and emerging managers. Blend the talent of unique individuals and the strength of a team. Multi-management models are able to reduce volatility in a turbulent market, as it is able to use different managers (even in same asset classes). Multi-management portfolios are not necessarily the top performers, but rather deliver consistent returns in the long term. Investing in a multi-manager product enables you to tap into the expertise and investment strategies of a number of different asset managers employed by different asset management companies. Flexibility- enables the portfolio manager to select specialist managers from different investment companies for the various investment disciplines and styles and can replace them relatively easy if they do not perform. Cost effective-able to aggregate asset bases, thus able to negotiate lower underlying portfolio fees and rebates. CGT benefits for discretionary investors.

## RISK

General market risks:

- Price/ demand fluctuations
- Decline in bond yields
- Fluctuating interest rates
- Poor performance of underlying shares and unstable economic conditions.

Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, tax risk, settlement risks and potential limitations on the availability of market information.

## ADDITIONAL INFORMATION

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](http://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 ([www.stanlib.com](http://www.stanlib.com)) and in the South African printed news media.

## CONTACT DETAILS

**Noble Private Portfolios (Pty) Ltd**  
Registration number 96/06915/07

Suite 2, 77 Park Drive, Northcliff, Johannesburg  
PO Box 73022, Fairland, 2030

☎ Telephone 011 476 8055

**STANLIB Collective Investments (RF) Limited**

Reg. No. 1969/003468/06

17 Melrose Boulevard  
Melrose Arch  
Johannesburg  
South Africa

PO Box 202  
Melrose Arch  
2076

Contact Centre

0860 123 003 ☎

[www.stanlib.com](http://www.stanlib.com) 🌐

Compliance Number :

HX4605

Published Date :

6/15/2016

## STATUTORY DISCLOSURE AND GENERAL TERMS AND CONDITIONS

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 is not necessarily a guide to the future. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. Participatory interest prices are calculated on a net asset value basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions

from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, STT, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by STANLIB

Collective Investments Limited ("the Manager"). Where exit fees are applicable, participatory interests are redeemed at the net asset value where after the exit fee is deducted and the balance is paid to the investor. A Portfolio of a collective investment scheme in securities may borrow up to 10% of the market value of the Portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests, and may also engage in scrip lending. A schedule of fees and charges and maximum commissions is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. A fund of funds is a portfolio that invests in portfolios of collective investment schemes which levy their own charges which could result in a higher fee structure for these portfolios. The Manager reserves the right to close

certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the Collective Investment Schemes Control Act, 2002, and on the terms and conditions of the relevant Deeds. Payment will be made within 14 days of receipt of a valid repurchase form. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT). The Manager is obliged to report on the weighted average cost method for CGT purposes. Liberty is a full member of the Association for Savings & Investment SA (ASISA). STANLIB is a member of the Liberty group of companies. The Manager carries full responsibility for this third party portfolio. All portfolios are valued on a daily basis at 15h30, except for some Fund of Funds and Feeder Funds which are valued at 17h00. Investments and repurchases will receive the price of the same day if received prior to 15h30. As Noble Private Portfolios (Pty) Ltd (Noble) did not do a full needs analysis in respect of a particular investor, the investor understands that there may be limitations on the appropriateness of any information in this document with regard to the investor's unique objectives, financial situation and particular needs. The information and content of this document are intended to be for information purposes only and STANLIB Collective Investments Limited (STANLIB) nor Noble do not guarantee the suitability or potential value of any information contained herein. STANLIB and Noble do not expressly or by implication propose that the products or services offered in this document are appropriate to the particular investment objectives or needs of any existing or prospective client. Contact details of Trustees: Standard Chartered Bank, 4 Sandown Valley Crescent, Sandton, 2196. Telephone 011 291 8042. Please note that in most cases where the FSP is a related party to Noble Private Portfolios Pty(Ltd) and/or STANLIB, Noble Private Portfolios Pty (Ltd) and/ or the distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client. Such fees are paid out of the portfolio's service charge and ranges anything between (excl VAT):

STANLIB - Up to 0.35%; Noble PP - Up to 0.85%; Distributor - Up to 0.00%; LISP - Up to 0.25%; Service Fee (Excl. VAT) - Up to 1.00%

The Total Expense Ratio (TER) for this class or portfolio is indicated above. For the period from 01 Apr 2015 to 31 Mar 2016 each TER is the annualised percent of the average Net Asset Value of the portfolio incurred as charges, levies and fees. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

## QUARTERLY COMMENTARY

World Economy

There are strong indications that the US interest rates will be raised in June/July. The US S&P 500 Index rose to 2099, just below its record high of 2134 in May 2015. This seems odd given the pessimistic outlook of investors sitting on high levels of cash, as indicated by the BofA Merrill Lynch Survey of Global Fund Managers. The Dow Jones Euro Stoxx 50 Index of Europe's 50 biggest shares remains -19.6% below its high of last April and -43% below its all-time record high of March 2000. The dollar has strengthened in anticipation of another interest rate hike in June or July. Metal prices have fallen from a high a month ago, Gold -6.8%, Platinum -10% and Iron ore -28%. The oil price has improved breaking \$50 a barrel. In the Eurozone analysts expect deflationary pressures to start subsiding due to the rise in oil prices over the past months.

SA Economy

South Africa's annual consumer price inflation in April 2016 was 6.2%, according to Statistics South Africa. SA recorded a trade surplus of R430m in April, SARS reported. The JSE All Share Total Return Index (ALSI including dividends) was at an all-time high end of May. The ALSI 40 Index returned +17% from the January low. At the same time the JSE Banks Total Return Index was down -21% from the April 2015 record high. The big industrial rand hedges, Naspers, SAB Miller and British American Tobacco hit a record high. Although the JSE Resources Index is +46% up from 20th of January, the 4th biggest share on the JSE BHP Billiton is still -48% below its 2014 record high and shares like MTN, Sasol and Richemont, also in the top 10, is way of their highs. The rating agency Standard & Poor will announce their decision regarding SA foreign debt rating Friday June the 3rd. The SA Rand was the worst performing emerging market currency against the US dollar in May, partially due to the uncertainty regarding the rating outcome and a possible US interest rate increase.

Why does the above matter?

- A downgrade is probably priced in the market if we look at the banking sector and currency depreciation
- The JSE All Share Index and Top 40 Index is driven by a few Rand Hedge Companies, if we look at the performance of the major contributors i.e. Naspers
- Foreign exposure hedge against a downgrade, currency depreciation and political risk/uncertainty with possible additional risk i.e. MTN (regulatory), Richemont (technology, Euro country) and BHP Billiton (disaster claims).
- Commodities are volatile offering opportunities with associated risks i.e. Oil
- A correlation exist between the JSE ALSI and US Share market.
- Inflation indicates which industries should be looked at more carefully i.e. consumer products.

Portfolio View

- During periods of uncertainty and volatile markets, as we are experiencing, our focus is more on the risk side compared to rewards.
- It is our responsibility to ensure that portfolios are constructed in such a way that clients are as safe as possible.
- We expect that during the current business cycle, rewards will be subdued compared to the abundance of the last five years.
- Should markets allow us, we will start taking higher risk.
- Capital preservation, though, remains the preferred objective.

## Total Expense Ratio, Transaction Costs & Total Investment Charge

**Total Expense Ratio (TER):** This 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 a rolling three years (where applicable) 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 cannot be regarded as an indication of future TERs.

**Transaction Costs (TC):** The percentage of the value of the fund as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs 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):** The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER & TC) should not be deducted from the fund returns. It is the sum of the TC & TER.

## TER and Transaction Costs Breakdown

Fund Class	TER	TC	TIC
A1	2.24%	0.05%	2.29%
A2	3.3%	0.05%	3.35%
B1	1.58%	0.05%	1.63%
A	2.48%	0.05%	2.53%

TER + TC = TIC

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable)