

1invest SA Bond ETF

Fund information update at 30 September 2021

What is the fund's objective?

The objective of the 1invest SA Bond ETF is to track the S&P South Africa Sovereign Bond 1+ Year Index as closely as possible.

What does the fund invest in?

The fund invests in the constituents of the S&P South Africa Sovereign Bond 1+ Year Index and aims to replicate the Index by holding the same weightings of these constituents. The S&P South Africa Sovereign Bond 1+ Year Index seeks to track the performance of local currency denominated sovereign debt publicly issued by the government of South Africa in its domestic market, with maturities of one year or more. The fund is rebalanced monthly and therefore has minimal trading costs. 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 default risk, interest rate risks, inflation risk, market volatility, economic and political risk.

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?

- The fund is a long-term investment aimed at investors with a time horizon of a minimum of three to five years;
- It is suited to conservative investors with a low risk appetite and is fully allocated to domestic bonds;
- This fund is aimed at investors who seek exposure to domestic bonds at reduced cost;
- It is a low-cost alternative to actively managed domestic bond funds.

Income

Distribution Net income is calculated and accrued daily and is declared quarterly. Distributions (net of tax) are reinvested at each distribution date.

Declaration Date announced to investors via SENS and which is in accordance with the JSE corporate actions timetable.

General fund information

| | |
|-----------------------|--|
| Manager(s) | Ryan Basdeo, Bokang Koela and Rademeyer Vermaak |
| Size (NAV) | R 57.63 million |
| Classification | South African - Interest Bearing - Variable Term |
| Regulation 28 | Does not apply |
| Index | S&P South Africa Sovereign Bond 1+ Year Index |
| Methodology | Replication |
| Rebalancing | Monthly |
| | Class A |
| Launch | 05 June 2019 |
| ISIN number | ZAE000265625 |
| JSE code | ETFBNB |

What are the costs to invest in this fund?

Maximum charges including VAT

| | Class A |
|------------------------|---------|
| Annual fee | 0.288% |
| Performance fee | N/A |

Annual fee - 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 fund management fee and administration fee. The fee also includes other charges such as audit, custody and index provider fees that are normally additional permissible deductions. Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

This portfolio is an exchange traded fund (ETF). The charges detailed above relate to the portfolio, they do not include the fees for trading on an exchange. Brokerage fees, which are payable when buying or selling an ETF on an exchange, are levied by a broker and may vary depending on the broker used.

Cost ratios (annual) including VAT as at 30 June 2021

| | Class A |
|--------------------------------|------------|
| Based on period from: | 04/06/2019 |
| Total Expense | 0.29% |
| Transaction Costs | 0.00% |
| Total Investment Charge | 0.29% |
| 1 Year Total Expense | 0.29% |

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.

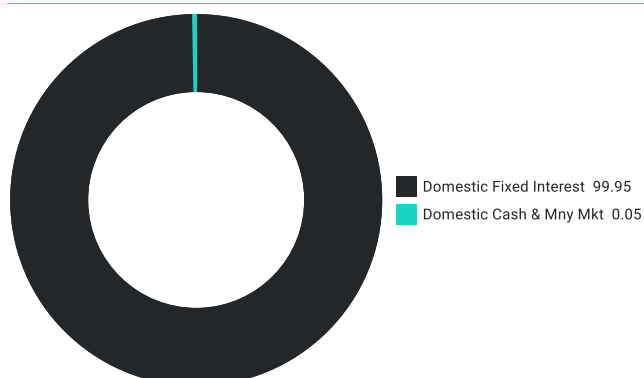
1invest SA Bond ETF



Monthly update at 30 September 2021

Holdings

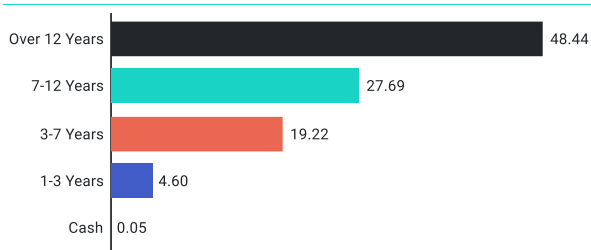
Asset allocation (%)



Top holdings (%)

| | | | |
|--------------------------------|---------|------------|-------|
| R186 Republic of South Africa | 10.500% | 21/12/2026 | 19.22 |
| R2030 Republic of South Africa | 8.000% | 31/01/2030 | 13.12 |
| R2048 Republic of South Africa | 8.750% | 28/02/2048 | 12.47 |
| R2032 Republic of South Africa | 8.250% | 31/03/2032 | 9.15 |
| R2037 Republic of South Africa | 8.500% | 31/01/2037 | 8.58 |
| R2035 Republic of South Africa | 8.875% | 28/02/2035 | 8.19 |
| R2044 Republic of South Africa | 8.750% | 31/01/2044 | 7.14 |
| R2040 Republic of South Africa | 9.000% | 31/01/2040 | 5.93 |
| R213 Republic of South Africa | 7.000% | 28/02/2031 | 5.43 |
| R2023 Republic of South Africa | 7.750% | 28/02/2023 | 4.60 |

Fixed Interest allocation (Industry) (%)



Performance and Income

Class A Launch: 05 June 2019

Benchmark: S&P South Africa Sovereign Bond 1+ Year Index

| Returns (%) | 6m | 9m | 1yr | 2yrs | Launch |
|----------------|------|------|-------|------|--------|
| Class A | | | | | |
| Class | 7.19 | 5.13 | 12.18 | 7.18 | 7.32 |
| Benchmark | 7.32 | 5.41 | 12.62 | 7.94 | 8.17 |

Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

| Statistics (%) | 1yr | 2yrs | Launch |
|-----------------|-------|-------|--------|
| Class A | | | |
| Positive Months | 10 | 18 | 20 |
| Max Gain | 14.61 | 27.70 | 34.19 |
| Max Drawdown | -2.65 | -9.97 | -16.08 |
| Highest | 16.62 | 16.62 | 16.62 |
| Lowest | 3.78 | 1.32 | 1.32 |

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 |
|--------------------------|---------|
| 28 October 20 | 162.99 |
| 19 January 21 | 147.83 |
| 20 April 21 | 186.00 |
| 13 July 21 | 177.42 |
| In last 12 months | 674.24 |
| In 2020 | 512.62 |

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Quarterly update at 30 September 2021

Who are the investment managers?

1INVEST Fund Managers (Pty) Ltd, FSP 49955, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, manage the investments of the fund.

The fund is run by the 1invest team which specialises in the manufacture of index and factor products for individual and institutional investors. Investors who seek a simple, transparent and cost-effective investment solution can invest in index products that meet their financial goals.



Ryan Basdeo

MBA (Wits), BCom (Taxation),
Registered Securities Trader
Head of Index Portfolio Management



Bokang Koela

MSc (Financial Mathematics)
Junior Portfolio Manager



Rademeyer Vermaak

MEng (Electronic - Cum Laude),
CFA
Head of Portfolio Management

Commentary

Fund review

The review of the S&P South Africa Sovereign Bond 1+ Year Index (SPFIZAA) in the last quarter saw no additions or deletions from the index. The fund performed in line with the Index. The R186 Government bond remained the largest bond in the fund and its yield increased from 7.42% to 7.61% and its modified duration decreased from 4.22 to 3.97 over the quarter. The fund's yield increased from 9.23% to 9.52% and its modified duration decreased from 6.55 to 6.52 over the quarter.

Market overview

Global equity markets have been under pressure over the past quarter, as economies have faced challenges with vaccine rollouts, increased concerns over rising interest rates and general unease surrounding new strains of the COVID-19 virus. Markets were relatively flat or negative over the quarter, with the MSCI World returning -0.35%, MSCI EM at -8.84%, and the S&P500 flat at +0.23%. The one notable gainer was the MSCI EMEA, which returned +3.06%. Broad market sentiment remains relatively pro-risk, as economies begin to reopen and return to normal. In the US, with the recent conclusion of Jackson Hole, the key issues raised were that of rising inflation and the imminent prospect of tapering. Markets reacted positively to the relatively dovish stance of the Fed, with the S&P500 reaching new all-time highs in the wake of the symposium. China continued to be a talking point over the last quarter, as greater state control and a slowdown in growth have become the primary themes. There seems to be an unmistakable increase in the level of state involvement, with economic objectives taking the back seat to those of a more social and political nature. In South Africa, the rollout of the vaccination programme has been positive, with over 18million people now vaccinated. With the recent move to Level 1 lockdown and low infection rates, there is more economic stimulation, as the populace remains anxious for a return to normalcy. Inflation remains a key area of concern, as the SARB has highlighted the upside risks over both the short and medium terms. Headline CPI was revised slightly higher to 4.4% in 2021 and remains unchanged at 4.2% in 2022 and 4.5% in 2023. In terms of the growth outlook, GDP has been revised upward to 5.3% in 2021 (up from 4.2%), however, it has seen downward revisions to 1.7% and 1.8% for 2022 and 2023 respectively. At the most recent MPC meeting, the SARB decided to leave the repo rate unchanged at 3.50%, by unanimous vote. This has been seen as mostly positive, despite the Rand also coming under pressure in recent months. Local indices were largely negative or flat over the quarter, with the Top 40 returning -3.82%, All Share at -2.97%, Capped SWIX ALSI at +1.47%, ALBI at +0.37%, and the STeFI at +0.95%.

Looking ahead

As developed markets continue to lead the charge in vaccination programmes and uptake, emerging markets have been playing catch up with mixed success. In countries like South Africa, where vaccination rates had significant early momentum, a marked decrease over the last few weeks has been observed, as vaccine hesitancy and misinformation remain a concern. Nonetheless, economies are pushing forth, with tourism ticking up, both locally and abroad. Even with concerns of mutant COVID-19 strains such as Delta and Lambda, there is general positive sentiment that the worst is behind us, as the world looks to rebuild and regain normality. All eyes will be on inflation, both locally and globally, as the trillions of dollars that have been pumped into the global financial system over the past 18 months begins to find its way into economies around the world. China remains an area of focus, with the increasing scale of state interventions, as well as the deepening semi-conductor chip crisis. Locally, the major positive for South Africa has been the record trade balances that are being achieved. At the end August, the trade surplus was up 146% y/y, at a record R332billion. With the Rand and many other emerging market currencies weakening against the US Dollar, an increasing number of countries have started increasing interest rates, in an attempt to protect against further currency weakness and combat concerns over domestic inflation. Even though the SARB resolved to keep rates unchanged for now, they would have taken note of this trend in other emerging markets. Furthermore, with municipal elections imminent, the SA political scene will again be drawn into focus, which has traditionally been an area of scrutiny and a test for markets. As South Africa heads into the festive season, the concern of a fourth wave of COVID-19 looms, as restrictions are eased, and travel starts to increase again.

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 | Q3 2021 | Q2 2021 | Change |
|-------------------------|---------|---------|--------|
| Domestic Cash & Mny Mkt | 0.05 | 0.02 | 0.03 |
| Domestic Fixed Interest | 99.95 | 99.98 | -0.03 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Rand) |
|-------|--------|-------------|------------|---------------|
| A | Retail | 8,232.36 | 700,000.00 | 57,626,550.38 |

All data as at 30 September 2021.

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

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Important information update at 30 September 2021

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 1invest SA Bond ETF is a portfolio of the STANLIB ETF 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 Absa Bank Limited.

The investments of this portfolio are managed, on behalf of the Manager, by 1INVEST Fund Managers (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 49955, 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) and in South African printed news media. This portfolio is valued at 17h00. Forward pricing is used.

This portfolio is an Exchange Traded Fund registered as a CIS (CIS-ETF), it is listed on an exchange and may therefore incur additional costs. Participatory interests in a CIS-ETF cannot be purchased directly from the Manager. A CIS-ETF is subject to exchange listing requirements and settlement cycles for equities and all trading in a CIS-ETF is through an exchange. It may take a few days longer to receive the proceeds of a sale of a CIS-ETF than would be the case for a CIS.

This is a portfolio that derives its income primarily from interest-bearing instruments. The yield (if shown) is a current effective yield calculated daily.

This portfolio is a third party named, incubator portfolio. The Manager retains full legal responsibility for this portfolio. A third party named, incubator portfolio is a portfolio bearing the name of the financial services provider (FSP), who intends to apply to the Registrar to be approved as a manager within three years after the Registrar has approved the portfolio, and 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. 1INVEST Fund Managers (Pty) Ltd, an authorised FSP, FSP No. 49955, 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 and ranking figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 30 September 2021.

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 periods of 1 year or longer, where no value is shown 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).

Contact details

Manager

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STANLIB

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