

# 1invest S&P500 Index Feeder ETF



Fund information update at 30 June 2020

## What is the fund's objective?

The objective of the 1invest S&P500 Index Feeder ETF is to track the S&P500 index ("the Index") as closely as possible, in South African Rand.

## What does the fund invest in?

The fund is a feeder fund and as such it invests in the iShares Core S&P500 UCITS ETF. This underlying fund tracks the S&P500 Index and aims to replicate the performance of the Index.

The S&P500 Index gives the performance of the top 500 leading US listed companies and captures approximately 80% coverage of available market capitalisation. The Index is rebalanced quarterly.

The fund may also hold a small portion in cash instruments to effect efficient portfolio management.

## What possible risks are associated with this fund?

Risks include general market conditions and market volatility, company specific risk, country specific risk, exchange rate risk, economic and political risk.

## Risk rating

Conservative	Moderately conservative	Moderate	Moderately aggressive	Aggressive
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## What is the suggested investment period for this fund?

## Minimum period

1 Month	6 Months	1 Year	3 Years	5 Years	7 Years
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## Who should consider investing in this fund?

- Investors who seek broad exposure to US equities in South African Rand;
- Individual investors who seek US equity exposure without foreign exchange tax clearance;
- Investors who seek a low cost US equity fund;
- Investors who seek a simple and transparent investment process that invests in liquid, listed securities;
- Investors who seek equity market exposure that blends well with other investment strategies to reduce total costs and diversify risk;
- Investors who are willing to take a longer term view as this fund is aggressively risk profiled and investors should expect some volatility in the shorter term.

## Income

**Distribution** Net income is calculated and accrued daily and is declared and distributed quarterly.

The underlying fund does not distribute income so it is unlikely that any net income will be available for distribution.

**Declaration** Quarterly, in accordance with the JSE corporate actions timetable.

## General fund information

<b>Manager(s)</b>	Ryan Basdeo and Ann Sebastian
<b>Size (NAV)</b>	R 41.43 million
<b>Classification</b>	Regional - Equity - General
<b>Regulation 28</b>	Does not apply
<b>Index</b>	S&P 500 Index (net)
<b>Index info</b>	<a href="http://www.stanlib.com/indexinvestments">www.stanlib.com/indexinvestments</a>
<b>Methodology</b>	Feeder
<b>Rebalancing</b>	Quarterly
<b>Securities Lending Ratio</b>	0.00%
Securities lending can increase returns in a low risk manner. Risks associated with such transactions are borrower default risk. This risk is minimised through all securities lending being fully collateralised and only using reputable counterparties. Exposure of the fund to counterparties is continuously monitored. Manufactured (taxable) dividends could arise from such transactions.	
<b>Class A</b>	
<b>Launch</b>	07 March 2018
<b>ISIN number</b>	ZAE000255055
<b>JSE code</b>	ETF500

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

### Maximum charges including VAT

	Class A
<b>Annual fee</b>	0.201%
<b>Performance fee</b>	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 31 March 2020

	Class A
<b>Based on period from:</b>	07/03/2018
<b>Total Expense</b>	0.27%
<b>Transaction Costs</b>	0.04%
<b>Total Investment Charge</b>	0.31%
<b>1 Year Total Expense</b>	0.27%

**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.

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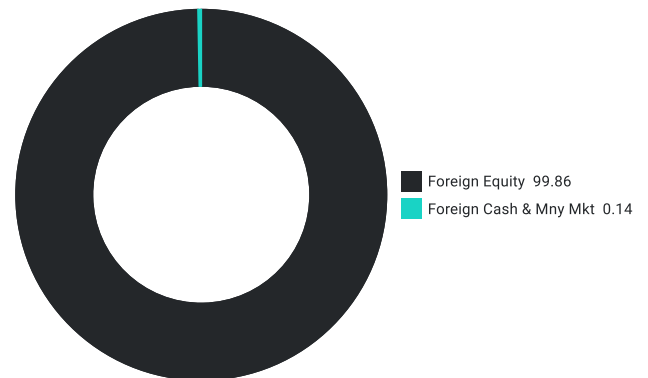
Monthly update at 30 June 2020

## Holdings

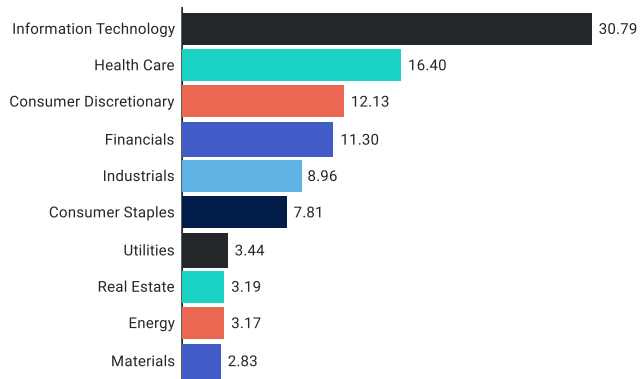
### Holdings (%)

iShares Core S&P 500 UCITS ETF	100.00
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### Asset allocation (look through) (%)



### Equity allocation (Industry) (look through) (%)



### Top equity holdings (look through) (%)

Microsoft Corp	6.01
Apple Inc	5.79
Amazon.com Inc	4.50
Facebook Inc A	2.13
Alphabet Inc A	1.66
Alphabet Inc C	1.61
Johnson & Johnson	1.44
Berkshire Hathaway Inc B	1.35
Visa Inc A	1.27
The Procter & Gamble Co	1.15

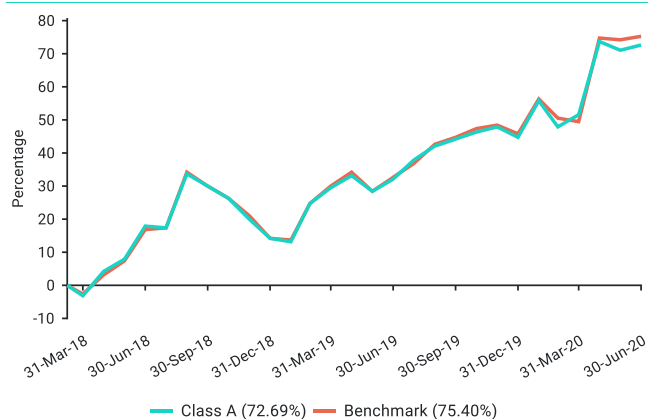
## Performance and Income

Class A Launch: 07 March 2018  
Benchmark: S&P 500 Index (net)

Returns (%)	6m	9m	1yr	2yrs	Launch
<b>Class A</b>					
Class	19.12	19.63	30.86	20.98	26.56
Benchmark	20.16	21.23	32.30	22.37	27.40

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 (%) from Launch



Statistics (%)	1yr	2yrs	Launch
Tracking Error	5.19	3.85	3.56
<b>Class A</b>			
Positive Months	9	14	17
Max Gain	31.64	53.32	86.03
Max Drawdown	-5.17	-15.28	-21.37
Highest	37.59	37.59	37.59
Lowest	6.13	6.13	6.13

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

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

Tracking Error - calculated at portfolio level.

### Amount declared (cents per unit)

	Class A
08 July 19	0.00
14 January 20	0.00
In last 12 months	0.00
In 2019	0.00

# 1invest S&P500 Index Feeder ETF



Quarterly update at 30 June 2020

## 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  
Portfolio manager



### Ann Sebastian

BSc (Hons)(Advanced Mathematics of Finance)  
Portfolio manager

## Commentary

### Fund review

The fund performed in line with the Feeder Fund and the index over the quarter.

### Market overview

Global markets rallied on the back of fiscal and monetary stimulus. Economic activity improved over the quarter as many economies reopened. To minimise the COVID-19 economic damage to businesses and individuals, central banks and governments globally rolled out monetary and fiscal responses. In Q2 2020, MSCI EM was up +17.3% but behind MSCI EMEA (+17.8%) and MSCI World (+18.8%). The South African Reserve Bank took two drastic measures in supporting the local economy. The first was a 100bp cut in the key policy rate to 4.25% on 14 April 2020. Secondly, we saw a further cut in the key policy rate by 50bp to 3.75% on 21 May 2020. On 24 June 2020 finance minister Tito Mboweni presented the supplementary budget speech. The economic picture painted by the minister was bleak. SA GDP growth is expected to decline by 7.2% YoY in 2020, while growth next year is forecast at 2.1% YoY. Local indices were up over Q2 with Top 40 (+24.2%), All Share (+23.2%) and the Capped SWIX (+21.6%). ALBI (+9.9%), however the STeFI (+1.5%).

### Looking ahead

COVID-19 coverage will continue to dominate the headlines as rising infection rates could lead to further social distancing measures being imposed or voluntarily adopted. Globally asset classes are pricing in the V shaped recovery. We are seeing positive signs of global cooperation as governments are coming together to find a solution to defeat the pandemic. Consensus expectations are currently for the global economy to rebound in 2021 once the health crisis is resolved and indeed for this to begin in the second half of 2020.

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	Q2 2020	Q1 2020	Change
Domestic Cash & Mny Mkt	0.00	0.09	-0.09
Foreign Cash & Mny Mkt	0.14	0.27	-0.13
Foreign Equity	99.86	99.64	0.22

The portfolio adhered to its portfolio objective over the quarter.

### Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	26,741.58	154,920.00	41,428,051.29

All data as at 30 June 2020.

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

# 1invest S&P500 Index Feeder ETF



Important information update at 30 June 2020

## 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 S&P500 Index Feeder 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](http://www.stanlib.com)) and in South African printed news media. This portfolio is valued at 17h00. Forward pricing is used.

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 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 portfolio is a Feeder Fund portfolio. A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme, that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

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 June 2020.

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

## Contact details

### Manager

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**STANLIB**

### Third Party Manager

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**1invest**

### Trustee

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This is a Minimum Disclosure Document (MDD) and General Investor Report (GIR).