

STANLIB returns a further R440m to African Bank investors

Dear investor

STANLIB has returned R2.5bn held in African Bank (ABIL) Retention Funds in the past 18 months to investors. We are pleased to announce that we will return a further R440m which will be transferred to investors' original accounts. This makes a total of R2.94bn returned to investors since the ABIL instruments became tradable on 4 April 2016.

On 20 October 2017, we will switch the available cash balance in your Retention Fund into your original STANLIB Fund from which you will be able to access these funds. Assets remaining in the ABIL Retention Funds will continue to earn and accrue interest on the underlying instruments.

We have now returned the full amount for three ABIL Retention funds and closed them. They are the STANLIB Institutional Money Market ABIL Retention Fund, STANLIB Money Market ABIL Retention Fund and STANLIB Inflation Plus 5 ABIL Retention Fund.

The table below illustrates the proposed percentage of your retention fund that will switch into your original fund. The actual percentage can only be confirmed once we have priced the fund the day before the switch.

Fund name	Ratio per fund returned to investors in October
STANLIB Income ABIL Retention Fund	45%
STANLIB Extra Income ABIL Retention Fund	10%
STANLIB Aggressive Income ABIL Retention Fund	12%
STANLIB Enhanced Yield ABIL Retention Fund	4%
STANLIB Multi-Manager Flexible Property ABIL Retention Fund	3%
STANLIB Multi-Manager Balanced ABIL Retention Fund	1%
STANLIB Bond ABIL Retention Fund	1%
STANLIB Prudential Bond ABIL Retention Fund	0%
STANLIB Multi-Manager Absolute Income ABIL Retention Fund	44%
STANLIB Flexible Income ABIL Retention Fund	3%

The remaining assets will be kept in the above-listed retention funds until our fund managers can dispose of them in the best interests of our investors. All instruments are valued at market value.

Update on African Bank

African Bank's September 2017 annual results are expected to be released at the end of November. We will engage with management and analyse the results and assess the bank's progress in terms of strategy and performance. We continue to engage with market participants to manage our exposure.

For now, the bank's collections remain stable. Management recently bought back shorter dated bonds, which will ultimately assist in structuring the balance sheet more effectively from a capital and liquidity perspective. The bank has cash balances of around R7bn following the bond buy-back, which is a positive for future refinancing needs.

ABIL retention fund performance

Fund Name	Inception Date	1 Year	2 Years (Ann.)	3 Years (Ann.)	Return Since Inception (Ann)
STANLIB PRUDENTIAL ABIL	2014/08/01	17.85	14.33		11.19
STANLIB INCOME ABIL	2014/08/01	17.39	17.82	13.88	13.77
STANLIB FLEXIBLE ABIL	2014/08/01	17.32	17.49	13.35	13.25
STANLIB EXTRA ABIL	2014/08/01	31.57	22.18	14.32	14.20
STANLIB AGGRESSIVE ABIL	2014/08/01	16.99	17.95	13.09	12.98
STANLIB ENHANCED ABIL	2014/08/01	45.79	29.52	18.86	18.68

* as at 31 August 2017

We will continue to look for opportunities to liquidate the remaining ABIL investments for the benefit of our investors.

We assure you that we remain committed to your investment. Should you have any further questions or require additional information, please contact our call centre or refer to the STANLIB website, www.stanlib.com.

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