

African Bank Update



Positive news for STANLIB African Bank retention fund clients

Wednesday, 20 April 2016

Dear investor,

STANLIB is pleased to advise that the curator launched the Good Bank, called African Bank Limited, on 4 April 2016. When African Bank was placed under curatorship on 10 August 2014, the South African Reserve Bank (SARB) announced it would create a new Good Bank made up of selected assets and liabilities of the original African Bank. It is reassuring that this has now happened as planned.

STANLIB has played a leading role in working with the South African Reserve Bank and African Bank's curator to help get our clients the best possible outcome.

On the launch of African Bank Limited (the Good Bank) on 4 April 2016, the curator paid out accrued interest for the period of curatorship, paid out a portion of the debt as cash and replaced the balance of the fixed income instruments with new bonds in the new bank.

It has always been our intention to return capital held in retention funds to our customers as soon as possible. We have managed, in a very short time, to dispose of all the assets in the Money Market funds (STANLIB Money Market Retention Fund and the STANLIB Institutional Money Market Retention Fund). Investors in these funds will now get their money back.

The remaining assets in the other retention funds (see funds listed below)* are now being valued on a daily basis. Our fund managers will make every effort to dispose of these assets at a fair value and in the best interests of our investors. It could take some time before these funds become available to clients. These assets will earn interest which will be paid out on a quarterly or biannual basis, depending on the fund.

Impact on STANLIB Money Market Retention Fund and the STANLIB Institutional Money Market Retention Fund

- **Capital realisation**

As mentioned above, our fund managers have disposed of all the assets in the Money Market retention funds. This is good news as it means investors will be able to access the full amount held in their retention funds. The proceeds will be switched back to their original Money Market fund on 6 May 2016. Investors can then choose to access these funds or keep them invested in the original fund.

- **Income distribution**

All income received and earned by the Retention Fund will be declared at the end of April and reinvested back into the Retention Fund. It will be switched, along with the capital, on 6 May 2016 to the client's original Money Market Fund.

Impact on all other funds*

- STANLIB Aggressive Income ABIL Retention Fund
- STANLIB Bond ABIL Retention Fund
- STANLIB Enhanced Yield Retention Fund
- STANLIB Extra Income Retention Fund
- STANLIB Flexible Income ABIL Retention Fund
- STANLIB Income ABIL Retention Fund
- STANLIB Inflation Plus 5% ABIL Retention Fund
- STANLIB Multi-Manager Absolute Income ABIL Retention Fund
- STANLIB Multi-Manager Balanced ABIL Retention Fund
- STANLIB Multi-Manager Flexible Property ABIL Retention Fund
- STANLIB Prudential Bond ABIL Retention Fund

- **Capital realisation**

As we have previously communicated, these funds hold both senior and junior debt. The curator has paid out 10% of the senior debt in cash into your retention fund. This will be switched back to your original fund on 6 May 2016. You can then choose to access these funds following the normal repurchase process or keep them invested in the original fund.

As and when the remaining assets mature, or our fund managers are able to dispose of the assets at a fair value in the best interests of our customers, the proceeds will be switched into your original fund.

- **Income distribution**

All income received and earned by the Retention Fund will be declared at the end of April and reinvested back into the Retention Fund. It will be switched, along with the 10% cash, on 6 May 2016 to your original Fund.

Other considerations

All these transactions will be reflected on your future statements or you can log into STANLIB.com to view these transactions. The distribution of income is subject to approval from the Financial Services Board.

No management fees have been charged on the Retention Funds and STANLIB has undertaken to pay all the operating costs in the Retention Funds.

We will now start valuing your Retention Funds at market value so you will notice that the unit price changes.

We assure you that we remain committed to your clients' investment with STANLIB. Should you have any further questions or require additional information, please contact your financial adviser or refer to the STANLIB website, www.stanlib.com.

Regards,

Herman van Velze
Head of Investments

Henk Viljoen
Head of Fixed Interest Franchise

*STANLIB Aggressive Income ABIL Retention Fund, STANLIB Bond ABIL Retention Fund, STANLIB Enhanced Yield Retention Fund, STANLIB Extra Income Retention Fund STANLIB Flexible Income ABIL Retention Fund, STANLIB Income ABIL Retention Fund, STANLIB Inflation Plus 5% ABIL Retention Fund, STANLIB Multi-Manager Absolute Income ABIL Retention Fund, STANLIB Multi-Manager Balanced ABIL Retention Fund, STANLIB Multi-Manager Flexible Property ABIL Retention Fund, STANLIB Prudential Bond ABIL Retention Fund



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