

# STANLIB Flexible Income Fund

# STANLIB

Investing with agility and skill to meet your needs

The investment landscape is inherently uncertain and markets can take an unexpected turn at any point. Investors looking to secure and grow their wealth should therefore be appropriately positioned with skilled managers that can prepare for and respond to market movements quickly. The STANLIB Flexible Income Fund is the prime example of an agile investment approach. It expertly navigates changing market conditions to deliver both capital preservation and consistent top-quartile, inflation-beating returns from South African and offshore fixed income instruments. Whether an investor is preparing for retirement or seeking steady income streams, this fund offers a compelling solution.

## Why consider a multi-asset income fund?



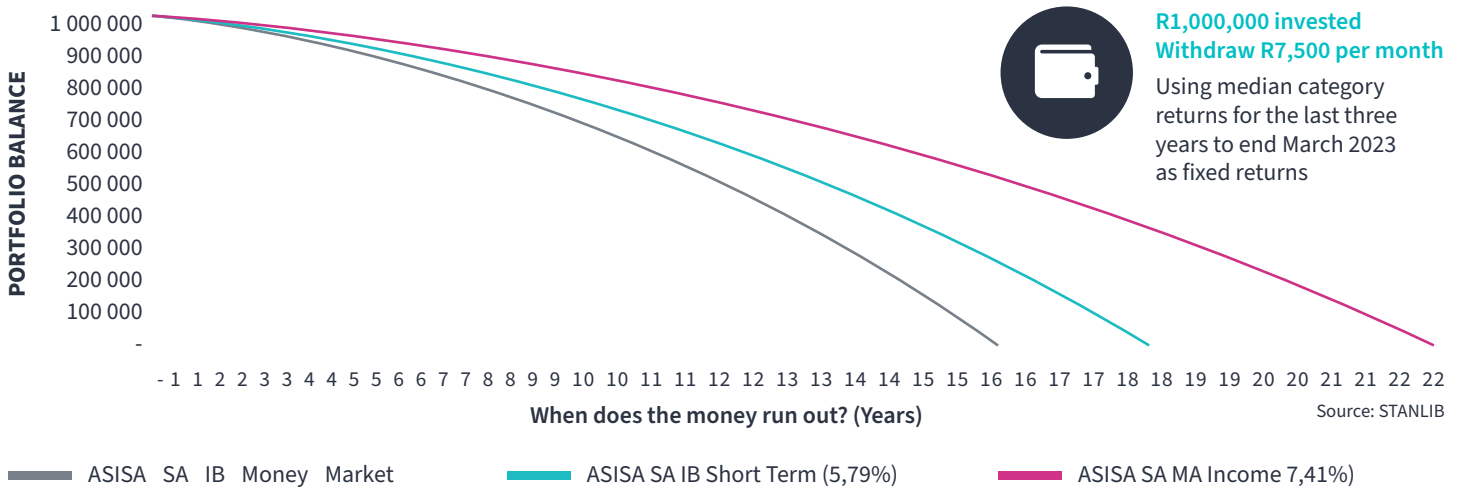
1 Flexible income funds are designed to provide investors with higher returns than money markets and cash can offer through access to a more diversified set of return drivers, while mitigating the risk of capital losses associated with traditional bond investments.



2 These funds are particularly suitable for both pre- and post-retirement needs, where minimising losses and generating income are essential goals.

The graph below demonstrates how multi asset income funds can extend income in retirement compared to money market and short-term interest-bearing funds.

## What difference can higher returns in an income solution make?



**An income solution focused on capital preservation can extend income in retirement**

## Why choose the STANLIB Flexible Income Fund?

### Agility & Skill = Returns & Consistency

The STANLIB Flexible Income Fund's mission is to protect and grow investors' capital.

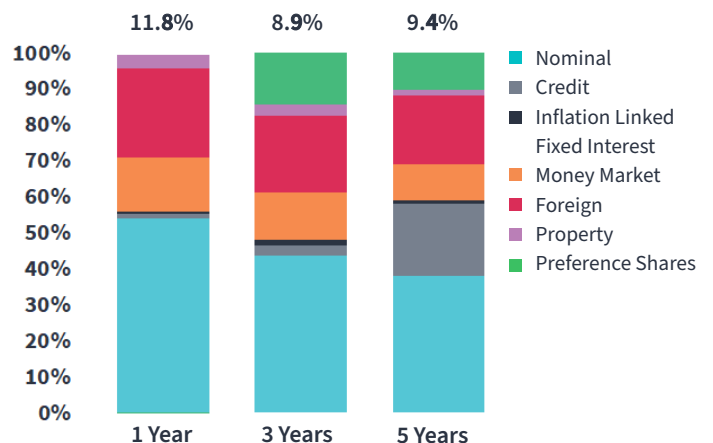
It invests in liquid assets which allows for flexibility and actively seeks alpha across various return drivers, within a strict risk management framework, to optimise client returns.

### Other distinguishing features include:

- Highly experienced and award-winning fixed income investment team
- Ability to deliver consistent returns through different markets
- Employs dynamic and controlled asset allocation and a rigorous risk management approach
- Access to world-class expertise and research from our strategic offshore partners J.P. Morgan Asset Management

The managers invest across the entire spectrum of high yielding, income-generating asset classes in South Africa and offshore. Given such diversification, no single asset class is responsible for driving performance.

### Asset class % contribution to total return



Effective active asset allocation driving strong performance in different markets.

## Dynamic & controlled asset allocation

	SAA	TAA Bands
Bonds	70.0	0-100%
Credit		
Money Market	50.0	0-100%
Property	7.5	0-15%
Inflation Linked Bonds	5.0	0-15%
Preference Shares	2.5	0-5%
Offshore	10.0	0-15%
<ul style="list-style-type: none"> <li>Offshore Bonds</li> <li>Offshore Property</li> <li>Currency</li> </ul>		



Making use of a flexible asset allocation framework

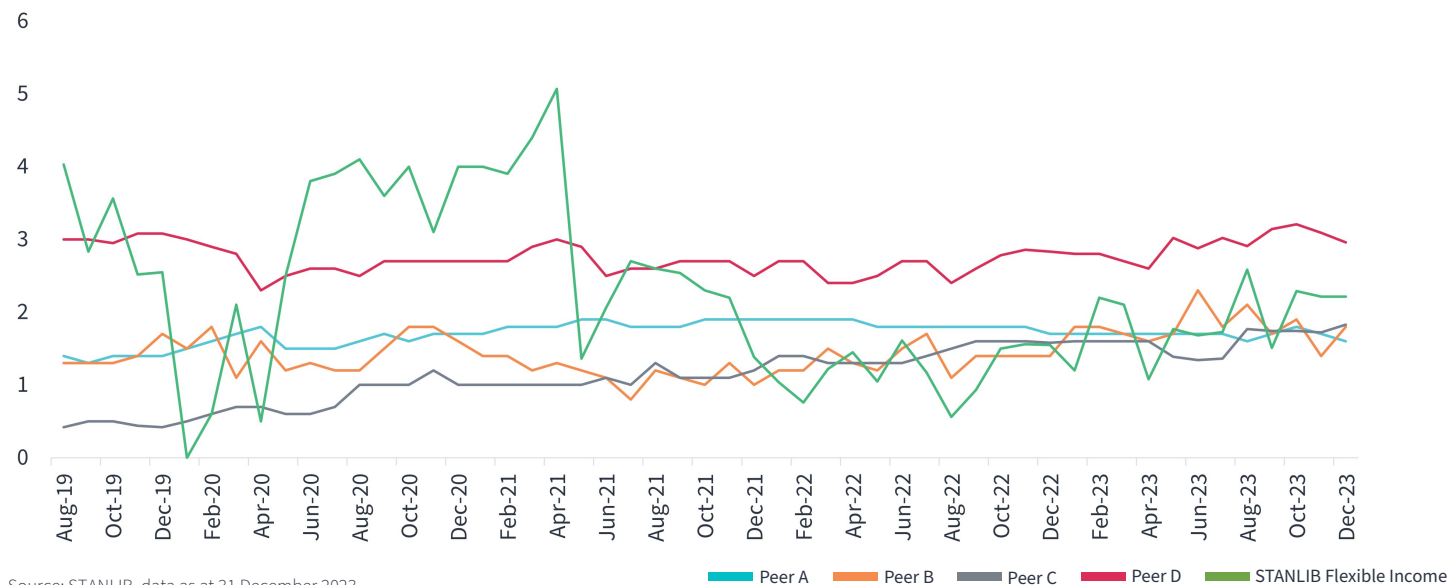
Source: STANLIB, data as at 31 December 2023



Importantly, the fund's mandate allows our managers to invest in fixed income securities of any maturity issued by governments, state-owned enterprises, municipalities and companies. Investors' capital is grown and preserved by identifying mispricing of securities as well as by changing the duration (or interest rate sensitivity) of the portfolio - as and when it's required.

## The fund is managed very actively compared to peers

STANLIB versus peers modified duration to end of December 2023



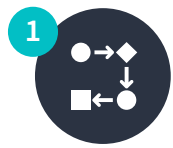
	LOWEST	HIGHEST
Peer A	1.3	1.9
Peer B	0.8	2.3
Peer C	0.4	1.8
Peer D	2.3	3.2
STANLIB Flexible Income	0.5	5.1



Overall, the active strategy allows the fund to achieve consistent, bond-like returns with reduced volatility.

# The power of investing in the STANLIB Flexible Income Fund

STANLIB's Flexible Income Fund goes beyond conventional approaches with three key differentiators:



## Its truly active approach

STANLIB is an active investment manager, taking full advantage of the entire range of fixed income assets available in the market throughout each cycle, with stringent risk management processes. This allows the team to implement tactical asset allocation and duration management, which preserves capital, provides income, and protects against downside risks.



## Its expert investment team

Its team is not only highly skilled, it also has a vast wealth of experience. STANLIB's experts are accomplished in constructing portfolios that optimise return outcomes for their clients. The team has inclusive and constructive team meetings on a regular basis to discuss asset classes and market highlights to come to forward-looking views. Doing so shapes the team's macro and interest rate perspective, while ensuring effective decision-making.



## Its breadth & scale

STANLIB is the largest fixed income asset manager in South Africa. The team leverages all the company's resources to offer access to sophisticated, active tactical asset allocation across all classes of income-generating securities. It partners with J.P. Morgan Asset Management as a key strategic offshore partner - further enhancing STANLIB's capabilities.

## Who should invest in the fund?

### Investors who:

- Are seeking to grow their capital while earning a stable income over the medium term (three years or longer)
- Require higher returns than money markets or cash
- Have a low tolerance for volatility
- Need liquidity

Economic and financial market conditions can change rapidly. The STANLIB Flexible Income Fund offers clients the benefits of a robust and agile investment process that offers bond-like returns with reduced volatility for better financial security. Choosing this fund can provide investors with the upside potential and downside risk protection needed to achieve their financial goals.

For more information on the STANLIB Flexible Income Fund, please visit [www.stanlib.com](http://www.stanlib.com).

### Fund information

Portfolio Managers	Victor Mphaphuli & Sylvester Kobo
ASISA Category	SA - Multi-Asset - Income
Benchmark	110% STEFI
Suggested investment period	3 Years
Liquidity	Daily
Income Distribution	Quarterly

## Disclaimer

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