

## Who are the investment managers?

STANLIB Eswatini (Pty) Ltd, an authorised financial services provider, registration number R7/16110, under the Securities Act of 2010 and the Financial Services Regulatory Authority Act of 2010, manage the investments of the fund.



**Ansie van Rensburg**  
BCom (Hons)(Economics)  
Head of Money Market

Ansie is head of the Money Market at STANLIB Asset Management. She joined STANLIB's forerunner Standard Corporate and Merchant Bank in 1991, and today is a member of the investment strategy team with specific responsibility for investment of funds in the fixed interest and money markets. After obtaining her BCom with honours in economics, Ansie served articles with Theron van der Poel. She first entered the industry as a management trainee and later money market trader with Volkskas Merchant Bank. She was also involved in the founding of money broking operation CM Interbank.

## Fund review

The Standard Bank Swaziland Money Market Fund ended the quarter with E2.2 billion under management, down from E2.4 billion the previous quarter, as the fund experienced large seasonal outflows in December. The weighted average duration of the fund was 74 days. As we have reached the peak of the interest rate cycle, more fixed rate instruments were added to the portfolio mix, taking advantage of the money market curve. The fund's exposure to domestic assets remained in line with domestic regulation, at 55%.

## Market overview

The Central Bank of Eswatini's Monetary Policy Committee (MPC) left the repo rate unchanged at 7.5% at its November meeting. The last change was a 25bps cut in July. The bank deemed the decision appropriate to safeguard the currency peg with the rand, while supporting domestic economic activity. At the end of November, gross official reserves were E2.89 billion, equivalent to an import cover of 2.8 months. The next MPC meeting takes place on 26 January 2024. The bank will continue to monitor international and domestic developments that can influence inflation and is prepared to act appropriately to support price stability.

Domestic inflation rose to 5% in October from 3.5% in September. This was mainly driven by an increase in the costs of housing and utilities, whose prices rose by 8% after a 5.1% increase in the previous month, as well as transport, rising to 0.3% after a deflationary -3.5% in the previous month. The bank marginally revised its inflation forecast to 5.04% (from 4.93%) for 2023. Risks to the inflation outlook include elevated crude oil prices, the weaker exchange rate and higher food prices.

Economic activity recovered well in the quarter. Quarterly Gross Domestic Product grew by a significant 6.2% y/y in the second quarter of 2023, from a revised decline of 2.4% in the first quarter. The growth observed was broad based, as all sectors of the economy performed positively. The economy is projected to grow by 4.7% in 2023 and 4.9% in 2024.

South African short-term rates traded slightly up during the quarter, with three-month JIBAR moving by seven bps from 8.33% to 8.4%. In the local market, rates remained relatively flat over the quarter, with one-year fixed deposit rates ending the quarter at 9.8%, while 364-day T-bills ended at a high of 10.49%.

## Looking ahead

We anticipate that, apart from a temporary re-acceleration in headline inflation in the first quarter of 2024, inflation will gradually move towards the midpoint of the target band. The assessment of near-term inflation risks has improved, driven by a substantial petrol price reduction in December, and a strengthened rand. Over the medium term, the SARB will keep a keen eye on inflation expectations and would like to see them drift closer to the 4.5% midpoint of the target before considering cutting the interest rate. We therefore expect the repo rate to remain unchanged until mid-2024, with the Central Bank of Eswatini trailing the SARB with interest rate cuts in the second half of the year.

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	Q4 2023	Q3 2023	Change
Eswatini Cash & Mny Mkt	26.26	32.58	-6.32
Eswatini Fixed Interest	29.05	22.88	6.18
South Africa Cash & Mny Mkt	43.98	35.33	8.65
South Africa Fixed Interest	0.71	9.21	-8.50

## Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Emalangeni)
R	Retail	0.52	100.00	2,265,214,511.63	2,265,214,511.63

All Price, Units and NAV data as at 31 December 2023.

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

TER - 1 Year Total Expense Ratio (%) including VAT as at 30/09/2023. The Total Expense ratio (TER) 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.

## 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 Standard Bank Swaziland Money Market Fund is a portfolio of the Standard Bank Swaziland Collective Investment Scheme (the Scheme).

The manager of the Scheme is STANLIB Eswatini Unit Trust Management Company (the Manager). The Manager is authorised in terms of the Securities Act No. 9 of 2010 to administer Collective Investment Schemes (CIS) in Securities. 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 Nedbank (Swaziland) Limited.

The investments of this portfolio are managed, on behalf of the Manager, by Investment Manager 1 Legal Name, an authorised financial services provider, registration number R7/16110, under the Securities Act of 2010 and the Financial Services Regulatory Authority Act of 2010.

Prices are calculated and published on each working day, these prices are available on the Manager's website ([www.stanlib.com/Eswatini](http://www.stanlib.com/Eswatini)) and in Eswatini printed news media. This portfolio is valued at 15h00. Forward pricing is used. Investments and repurchases will receive the price of the same day if received prior to 12h00.

This portfolio is a Money Market portfolio. A Money Market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, however, in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield (if shown) is a current 7-day average effective yield calculated daily. Excessive withdrawals from the portfolio could place the portfolio under liquidity pressures and, under such circumstances, a process of rein-fencing of withdrawal instructions and managed pay-outs over time may be followed.

All performance returns and ranking figures quoted are shown in SZL and are based on data sourced from Morningstar or Statpro and are as at 31 December 2023.

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 all periods of 1 year or longer, where blank 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/Eswatini](http://www.stanlib.com/Eswatini)).

## Contact details

### Manager

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### Trustee

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