

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.



Simon Ikua
MBA, CIFA, BA (Maths & Economics)
Portfolio Manager

Simon joined STANLIB Kenya in 2015. He has over 10 years' experience in the investment management industry. He is responsible for the day-to-day management of STANLIB Kenya Bond Fund, including security selection and rebalancing. Simon is also responsible for the management of two Ugandan domiciled funds and the Swaziland Money Market Fund.

Fund review

The fund remained stable throughout the quarter, closing at E2.220 billion. Treasury Bills in the domestic market continued to offer better yields than fixed deposits in the local market and assets in the South African market. The yield on 364-day Treasury Bills closed at 5.95%, 12-months fixed deposits it closed at 5.7%, while 12-month floating rate notes in SA closed at a spread of 75 bps over three-month JIBAR. The fund matrix contributed to its performance, with 50% of the holdings exposed to Swazi assets, and the remainder exposed to South African assets. Exposure to South African assets has helped to maintain overall liquidity in the portfolio. At the end of the quarter, the weighted average duration for the portfolio was 46 days.

Market overview

During the quarter under review, the Central Bank of Eswatini left the repo rate unchanged at 3.75%. The decision to keep rates unchanged was deemed appropriate to support price and financial stability in the local market. Excess liquidity remained and was demonstrated in oversubscribed Treasury Bill auctions. During the quarter under review, we witnessed a steady increase in money market rates across the curve. This resulted in the FRA curve moving higher, thus pricing in cumulative rate hikes of 125 bps between November 2021 and November 2022.

The latest GDP figures released showed that the economy grew by 3.8% q/q in the second quarter of 2021 compared with 0.8% q/q in the first quarter. One of the main contributors was a rebound in secondary sector performance. There are still concerns around the slow pace of vaccination roll-out in some emerging markets and some developed markets, which may pose downside risks to the growth outlook.

August's headline inflation number was 3.9% y/y, unchanged from the previous month. This was due to a decline in the indices for furniture and household equipment, miscellaneous goods and services, and clothing and footwear. However, the decline in these different sectors was counteracted by an increase in the index for recreation and culture, which rose from 9.1% in July to 11.1% in August. The headline inflation number for 2021 has been revised higher, from 3.9% projected in July to 3.94%. This mainly reflects expected depreciation in the currency and elevated oil prices.

Looking ahead

The MPCC expects that as the roll-out of COVID-19 vaccine gains momentum in the local economy, this will help boost consumer and business confidence thus fast-tracking economic recovery. The MPCC will continue to monitor global developments, especially FED's announcement on its move to start QE tapering and what this means for global markets, and for interest rates decision making going forward. The next MPCC meeting will take place in November 2021.

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	Q3 2021	Q2 2021	Change
South Africa Cash & Mny Mkt	49.51	48.97	0.54
Swaziland Cash & Mny Mkt	50.49	51.03	-0.54

Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Emalangeni)
R	Retail	0.51	100.00	2,210,438,467.67	2,210,438,467.67

All Price, Units and NAV data as at 30 September 2021.

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

TER - 1 Year Total Expense Ratio (%) including VAT as at 30/06/2021. 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) and in Swazi 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 30 September 2021.

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).

Contact details

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Investment Manager

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