

STANLIB Global Absolute (CPI + 5%) Proposition

As at 31 December 2011

the art and science of investing

Proposition details

GIPS Inception Date: 31 Dec 2003
 Asset size: R 3'967.93 million
 Benchmark: CPI Index + 5%
 Available as: Pooled, Unit Trust, Segregated
 Brief description:
 This composite aims to achieve a return of CPI + 5% in a 36-month period, while simultaneously aiming to avoid negative performance in a 12 month period. It is managed in accordance with prudential investment guidelines making it suitable for retirement portfolios.

Risk statistics (3 years, annualised)

Beta	0.39
Benchmark Standard Deviation	1.21
Standard Deviation	4.54
Sharpe Ratio	0.11
Sortino Ratio	0.01

Performance table (annualized, gross of fees in Rands) (%)

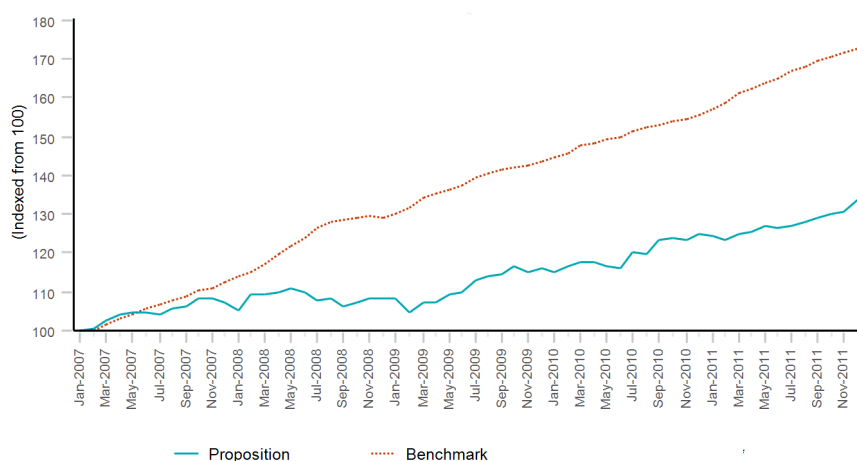
	1 year	3 years	5 years	Since GIPS inception
Proposition	7.02	7.34	6.33	11.44
Benchmark	11.11	10.30	11.85	10.87

Top Equity Holdings (%)

Based on last month's averages

1. P P C	6.67
2. OM PLC	6.46
3. JHB STOCK EX	6.21
4. M & R	6.09
5. LIFE HEALTHCARE GRP	6.05
6. MTN GROUP	6.05
7. FRSTRND	6.03
8. BRITISH AMERICAN TOB	5.98
9. ABIL	5.84
10. BIDVEST	5.82
TOTAL	61.21

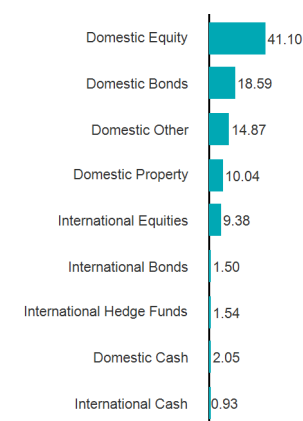
Cumulative 5 year gross performance vs. benchmark



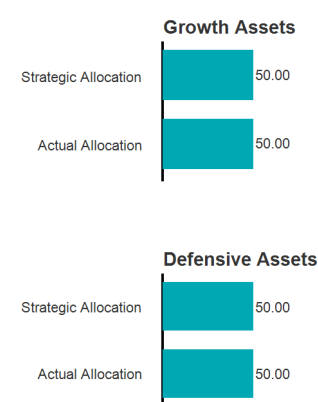
12 Month Asset Class Attribution (%)

Asset Class	Composite Average Weight	Composite Return	Contribution to total Return
Other	0.86	0.00	0.00
International	0.09	0.00	0.02
Property			
International Hedge Funds	3.70	5.66	0.52
International Cash	0.58	0.00	0.10
International Bonds	0.57	0.00	0.15
International Equities	8.00	17.93	1.38
Domestic Other	11.42	24.43	3.05
Domestic Property	14.60	10.11	1.24
Domestic Cash	2.94	0.00	-0.04
Domestic Bonds	20.35	10.28	2.12
Domestic Equity	36.89	-3.85	-1.52
Total Fund	100.00		7.02

Asset Allocation (%)



Growth and Defensive Assets (%)



Based on latest month averages

Risk profile

Negligible	Low	Moderate	High	Very High
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GIPS® Disclosure

STANLIB Asset Management is a 100% owned operating entity within STANLIB Ltd. The company comprises all portfolios managed by STANLIB Asset Management. STANLIB Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of STANLIB Asset Management and/or a presentation that complies with the GIPS® standards, contact STANLIB Performance at 0860 123 003, write to STANLIB Asset Management, PO Box 202, Melrose Arch, 2076 or email stanlib.performance@stanlib.com

Investment thesis

Our approach is simple; we believe that if we avoid/ limit losses then we allow ourselves the opportunity to compound returns on an increasingly higher capital base. Over time, this compounding then allows us to deliver fund returns ahead of inflation. To deliver on this objective, we rely on asset class diversification, consider both risk (losses) and return in security selection as well as incorporate use of derivatives for risk management. The result is a portfolio that exhibits low frequency of loss, steady incremental returns through different market cycles and inflation beating returns over time. We care little about peer or relative performance and are paranoid about losing money and delivering positive returns.

Quarterly Comments - Q4 2011

Fund Review

2011 was a year that witnessed muted real returns across different asset classes, inflation rising to the upper end of the Reserve bank band and extreme volatility as financial markets swung from optimism to pessimism, largely driven by macroeconomic factors. For funds with CPI + targets such as ours, performance at asset class level largely came down to how much exposure one had to inflation linked bonds and offshore (currency) as these were the only assets to deliver meaningful returns ahead of CPI. Though we had exposure to both, the low returns from other asset classes were a drag and at fund level, we only managed to deliver CPI for the year. However more comforting to note is that even during the many periods that financial markets turned down sharply, we did not lose money and stayed true to the proposition's objective of preserving capital during difficult market periods. Over 3 yrs the proposition managed to deliver CPI +3%.

Looking Ahead

2012 started off no different to the preceding year with the same macro economic factors at play- what will be the impact of the European crisis on global growth, is the Chinese property market a bubble about to burst and will the US manage to continue on its path of recovery. We believe that news flow around these events will keep financial markets volatile and again we look to continue to preserve capital during the likely market downturns. However, the other side of financial market volatility is that it creates valuation anomalies across and within asset classes especially for those willing to look through the noise and take a medium to long-term view. As a result, though our current positioning is well balanced between growth (equity and property) and defensive assets (fixed income), our bias is toward upping our exposure to growth assets as valuations present themselves, which will also increase the probability of delivering returns ahead of CPI over the medium term.

Statutory Disclosure and General Terms & Conditions

Where Collective investment Schemes in Securities (unit trusts) is included in the proposition, refer to www.stanlib.com for the relevant Collective Investment Scheme Portfolio fact sheet. As neither STANLIB Asset Management Limited nor its representatives did a full needs analysis in respect of particular investor, the investor understands that there may be limitations on the appropriateness of any product mentioned in this brochure with regard to the investor's unique objectives, financial situation and particular needs. The contents of this brochure are intended for information purposes only and STANLIB does not guarantee the suitability or potential value of any information contained herein. The details and basis of the awards referred to in the document are available from the Manager upon request. Past performances are not necessarily indicative of future performances. STANLIB Asset Management Limited is an authorised Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (Licence No. 26/10/719).

This proposition is managed by:

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BA (Hons) in Economics

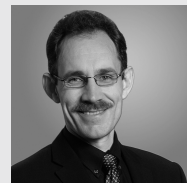
Joined the investment industry in 1996
Joined Stanlib in 2007.



Eben Mare

Ph.D., M.Sc., B.Sc.(Hons)

Joined the investment industry in 1990
Joined Stanlib in 2009.



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