

Melville Douglas STANLIB SA Equity Fund

Fund information update at 30 April 2023

What is the fund's objective?

The investment objective of the fund is to generate capital growth over the medium to long term through investing in listed South African equity securities. Income generation is a secondary objective of the fund.

What does the fund invest in?

The fund will primarily consist of high quality and superior South African equities securities listed on the Johannesburg Stock Exchange (JSE). The fund will adopt a more aggressive approach over the medium to long term, attempting to achieve a high alpha relative to the benchmark. The Fund may invest in non-equity securities such as, but not limited to, equity linked notes and money market instruments as permitted by legislation from time to time. The fund may also utilise listed and unlisted financial instruments, in accordance with the provisions of the Act.

What possible risks are associated with this fund?

General market risks include unfavourable market movements, volatility, economic and political risk, and company-specific risk. There may be additional risks, such as possible constraints on liquidity and the return of funds to South Africa, macroeconomic risks, political risks, tax risks, settlement risks, and possible limitations on the availability of market information.

Risk rating

| | | | | |
|--------------|-------------------------|----------|-----------------------|------------|
| Conservative | Moderately conservative | Moderate | Moderately aggressive | Aggressive |
|--------------|-------------------------|----------|-----------------------|------------|

What is the suggested investment period for this fund?

Minimum period

| | | | | | |
|---------|----------|--------|---------|---------|---------|
| 1 Month | 6 Months | 1 Year | 3 Years | 5 Years | 7 Years |
|---------|----------|--------|---------|---------|---------|

Who should consider investing in this fund?

This fund suits investors that are looking for strong capital growth over the longer term.

Income

Distribution Net income is calculated and accrued daily and is declared and distributed semi-annually.

Declaration 30 June, 31 December

General fund information

Manager(s) Paolo Senatore and Greg Wood
Size (NAV) R 18.47 million
Classification South African - Equity - General
Benchmark FTSE/JSE Capped SWIX All Share Index
Regulation 28 Does not apply

Class B1

Launch 01 March 2022
ISIN number ZAE000308201
JSE code STMFB1
Minimum investment requirements -
Lump sum R 10,000
Monthly R 500

What are the costs to invest in this fund?

Maximum charges including VAT

| | Class B1 |
|------------------------------|----------|
| Initial fee (manager) | 0.000% |
| Initial fee (adviser) | 3.450% |
| Annual fee (manager) | 1.150% |
| Annual fee (adviser) | 0.000% |
| Performance fee | N/A |
| Adviser fee | 1.150% |

Annual fee (manager) – this is a service charge (% based) applicable to each class of a fund, that is levied on the value of your portfolio and includes the **Annual fee (adviser)** fee (where applicable). Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

Adviser fee - this is the maximum annual service fee (% based) an adviser can charge on the value of your portfolio. It is calculated and accrued daily and recovered monthly by means of a redemption of your units. It is not included in the **Annual fee**.

Cost ratios (annual) including VAT as at 31 March 2023

| | Class B1 |
|--------------------------------|------------|
| Based on period from: | 01/03/2022 |
| Total Expense | 1.17% |
| Transaction Costs | 1.09% |
| Total Investment Charge | 2.26% |
| 1 Year Total Expense | 1.17% |

Total Expense (TER): This ratio 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.

Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER.

Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

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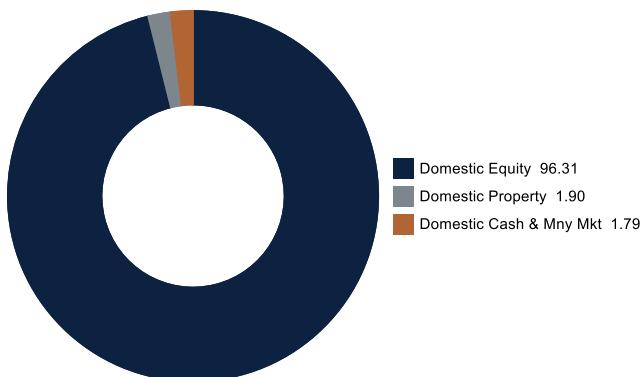
Melville Douglas STANLIB SA Equity Fund

Monthly update at 30 April 2023



Holdings

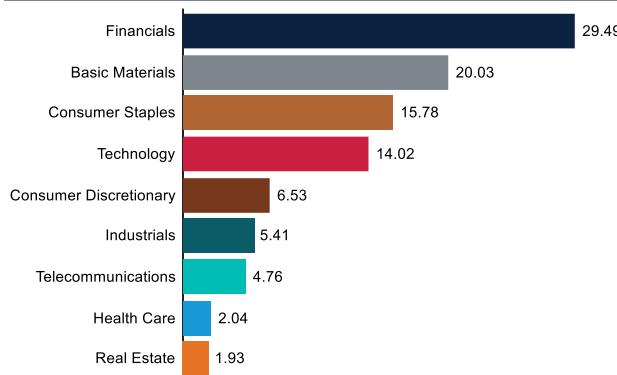
Asset allocation (%)



Top Equity holdings (%)

| | |
|-----------------------------------|------|
| Naspers Ltd | 8.85 |
| FirstRand Ltd | 5.88 |
| Bid Corp Ltd | 5.23 |
| British American Tobacco plc | 5.09 |
| Anglo American plc | 5.09 |
| Prosus NV N (ZAR) | 4.92 |
| Standard Bank Group Ltd | 4.88 |
| Compagnie Financière Richemont SA | 4.80 |
| AngloGold Ashanti Ltd | 3.90 |
| Absa Group Ltd | 3.84 |

Equity allocation (Industry) (%)



Performance and Income

Class B1 Launch: 01 March 2022

Benchmark: FTSE/JSE Capped SWIX All Share Index

| Returns (%) | 3m | 6m | 9m | 1yr | Launch |
|-----------------|---------|---------|---------|---------|---------|
| Class B1 | | | | | |
| Class | -3.82 | 10.19 | 8.91 | 1.79 | -2.29 |
| Rank/Out of | 148/174 | 100/172 | 139/169 | 145/169 | 154/167 |
| Sector Average | -1.60 | 10.72 | 11.47 | 6.68 | 4.35 |
| Benchmark | -0.94 | 12.90 | 12.83 | 7.93 | 4.46 |

Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Cumulative performance (%) from Launch



| Statistics (%) | 1yr | Launch |
|-----------------|--------|--------|
| Class B1 | | |
| Positive Months | 6 | 6 |
| Max Gain | 20.81 | 20.81 |
| Max Drawdown | -13.46 | -16.23 |
| Highest | 1.79 | 1.79 |
| Lowest | -2.90 | -2.90 |

Highest – this reflects the highest 12 month return during the period.

Lowest - this reflects the lowest 12 month return during the period.

Amount declared (cents per unit)

| | Class B1 |
|-------------------|----------|
| 30 June 22 | 2.17 |
| 30 December 22 | 1.67 |
| In last 12 months | 3.84 |
| In 2022 | 3.84 |

Melville Douglas STANLIB SA Equity Fund

Quarterly update at 31 March 2023



Who are the investment managers?

Since 1983 Melville Douglas has been delivering superior investment returns across a number of asset classes. As a global boutique investment management company within the Standard Bank Group, we are uniquely positioned to offer domestic and offshore investment solutions. What truly sets Melville Douglas apart is our experienced investment team and our approach to investing – driven by balance, a long-term view and a commitment to fundamental research – which informs our investment decisions across the board.



Paolo Senatore
MSc (Mechanical Engineering)
Strategist



Greg Wood
BBusSc, CFA®
Portfolio manager

Paolo joined Melville Douglas in 2018 as a strategist and co-manages the Melville Douglas STANLIB High Alpha Fund. Prior to this he was with the FirstRand Group since 1995, gaining over 20 years' financial market experience. During 2000, he became chief investment officer of RMB Private Bank Portfolio Management and held the responsibility of growing the specialised institutional business. He was chief investment officer for Ashburton Investments, FirstRand's asset management initiative, since its inception and was instrumental in consolidating the group's various asset-management businesses and investment processes. He holds an MSc (Mechanical Engineering).

Greg has been a research analyst and portfolio manager at Melville Douglas since 2006. Greg holds a Business Science Degree from Rhodes University and is a Chartered Financial Analyst.

Fund review

The SA equity Fund returned 2.2% for the quarter, underperforming both the FTSE/JSE Capped SWIX and Peer Group which returned 2.44% and 2.40% respectively. The best performing sector was Consumer Discretionary (+21.1%) followed by Health Care (+17.7%) and Technology (16.9%). The Fund's best performing stocks were Anglogold, Richemont, Bidcorp, Bidvest and Prosus.

Market overview

Financial markets started 2023 on an upbeat tone on the back of some positive developments, but lost momentum as the quarter progressed. China's reopening, lower energy prices in Europe after an unusually warm winter and evidence that inflation has turned the corner all contributed to a belief that a soft landing in the global economy was achievable. Given the volatility in the Banking sector, the Fed considered a pause in rate hikes but unanimously approved a decision to raise rates by 25bps, a consequence of a robust labour market, low unemployment, and a strong consumer (excess savings), demonstrated in the data on inflation.

We believe the path for interest rates will primarily be determined by the outlook for inflation, and with core inflation looking set to remain stubbornly high in the short term, central banks are unlikely to be in a hurry to ease tight monetary conditions by lowering interest rates early.

Looking ahead

Although favourable developments in Europe and China are welcome and should be viewed as very supportive to the economic 'soft landing' rhetoric, we still feel that it is too early to call such an outcome. The lagging effect of higher interest rates has yet to play out, whilst better than expected demand from Europe and China will likely lead to inflation being elevated for longer, thereby requiring central banks to keep interest rates higher for a lengthier period than currently predicted.

Inflation in South Africa continues to hover at levels above its upper target band of 6%. We are of the belief that the interest rate tightening cycle is very near its peak if it hasn't peaked already with the recent 50 bps tightening. A further 25bps interest rate hike is expected in May, thereafter, we anticipate rates will be held level throughout the remainder of the year. The South African GDP is expected to grow by c.0.5% during 2023 in an environment marred by unrelenting loadshedding, unprecedented levels of unemployment, and infrastructure under significant strain but alongside the Global economy we do expect a recovery in 2024.

With diversification and risk management at our core, we focus on stock selection and long-term value creation, and we believe the Fund is well positioned to benefit from undemanding valuations within the South African equity market. We are the mindful of the risks inherit in investing in SA and have taken steps to manage the risk by continuously performing sensitivity analysis to our model portfolio as well as stress testing our assumptions to ensure we capture opportunities that will benefit our clients over the long term and manage risks.

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 | Q1 2023 | Q4 2022 | Change |
|-------------------------|---------|---------|--------|
| Domestic Cash & Mny Mkt | 1.44 | 2.17 | -0.73 |
| Domestic Equity | 96.90 | 96.01 | 0.90 |
| Domestic Property | 1.66 | 1.83 | -0.17 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Rand) |
|-------|--------|-------------|--------------|------------|
| B1 | Retail | 91.46 | 1,044,070.41 | 954,864.08 |

All data as at 31 March 2023.

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

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Melville Douglas STANLIB SA Equity Fund

Important information update at 30 April 2023



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 Melville Douglas STANLIB SA Equity Fund is a portfolio of the STANLIB Collective Investment Scheme (the Scheme).

The manager of the Scheme is STANLIB Collective Investments (RF) (Pty) Limited (the Manager). The Manager is authorised in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA). The Manager is a member of the Liberty Group of Companies. 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 Standard Chartered Bank.

The investments of this portfolio are managed, on behalf of the Manager, by Melville Douglas Investment Management (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 595, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002.

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com) and in South African 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 15h00.

This portfolio is a third party named, co-named portfolio. The Manager retains full legal responsibility for this portfolio. A third party named, co-named portfolio is a portfolio bearing the name of both the Manager and the financial services provider (FSP) where the FSP, under an agreement with the Manager, undertakes financial services of a discretionary nature, as contemplated in the Financial Advisory and Intermediary Services Act, Act No. 37 of 2002 (FAIS), in relation to the assets of the portfolio. Melville Douglas Investment Management (Pty) Ltd, an authorised FSP, FSP No. 595, FAIS, is the third party manager of this portfolio.

The FSP is a related party to the Manager, the FSP may earn additional fees other than those charged by the Manager. It is the responsibility of the FSP to disclose additional fees to the investor. This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

All performance returns and ranking figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 30 April 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 periods of 1 year or longer, where no value is shown 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).

Contact details

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