

Melville Douglas STANLIB Balanced Fund

Fund information update at 30 September 2021

What is the fund's objective?

The objective of the fund is to deliver high growth of capital and income, a reasonable level of current income and relative stability for capital invested to obtain long term wealth accumulation.

What does the fund invest in?

The fund is an actively managed multi-asset class mandate designed to reflect Melville Douglas's optimal long-term capital growth strategy. The fund focuses on delivering balance between investment returns and the risk associated with those returns, between capital growth and cash generation and balance between compound and cyclical price performers. The maximum equity effective exposure (including international equity) will not exceed 75% of the market value of the portfolio.

What possible risks are associated with this fund?

General market risks: include a decline in property values, share price volatility, a change in interest rates and economic conditions. Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macro-economic risks, political risks, tax risks, settlement risks, and potential 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?

As this is a well-managed balanced portfolio, with the objective of delivering strong risk adjusted returns over time, this fund will suit investors that are looking for stable income and reasonable 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 Susan Gawith
Size (NAV) R 395.96 million
Classification South African - Multi Asset - High Equity
Benchmark ASISA SA MA High Equity-Sector Mean

Regulation 28

Complies
 Regulation 28 of the Pension Funds Act sets the limits in terms of the maximum exposure the retirement fund and the individual retirement fund member's savings (i.e. your savings) may have to various asset classes. For more information please refer to the Regulation 28 Guidelines available on our website (www.stanlib.com). This Fund complies with this Regulation.

Class B1
Launch 02 January 2008
ISIN number ZAE000112678
JSE code MDDB1
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 30 June 2021

	Class B1
Based on period from:	01/07/2018
Total Expense	1.22%
Transaction Costs	0.07%
Total Investment Charge	1.29%
1 Year Total Expense	1.22%

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.

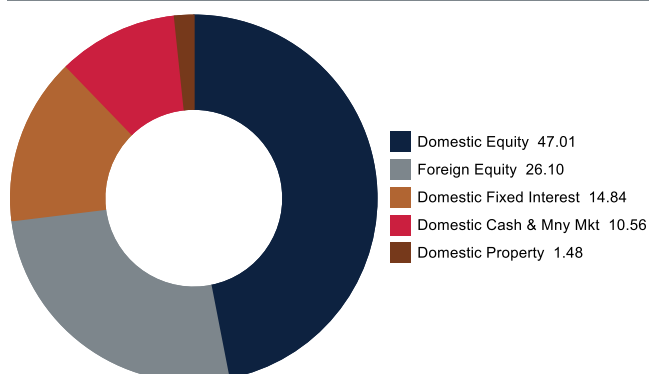
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct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

Melville Douglas STANLIB Balanced Fund

Monthly update at 30 September 2021

Holdings

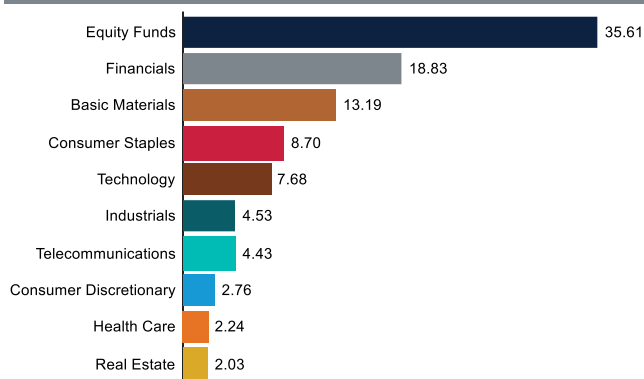
Asset allocation (%)



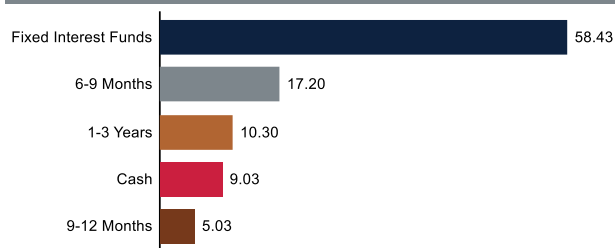
Top Equity holdings (%)

Prosus NV N (ZAR)	4.26
Anglo American plc	4.19
FirstRand Ltd	3.03
BHP Group Plc	2.51
Bid Corp Ltd	2.37
Standard Bank Group Ltd	2.29
MTN Group Ltd	2.15
Sanlam Ltd	1.94
Mondi Plc	1.88
Santam Ltd	1.86

Equity allocation (Industry) (%)



Fixed Interest allocation (%)



Performance and Income

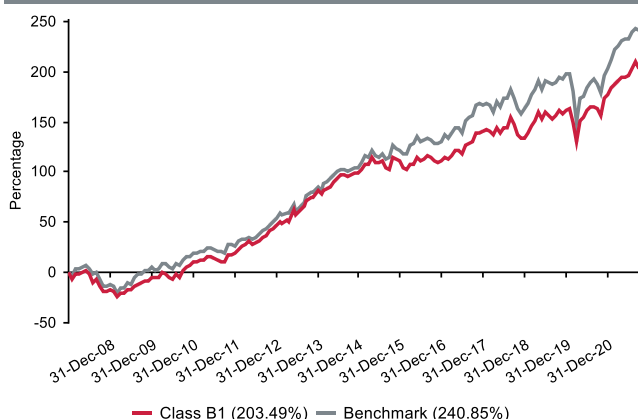
Class B1 Launch: 02 January 2008

Benchmark: ASISA SA MA High Equity-Sector Mean from 01/04/2020, previously FTSE/JSE Capped SWIX ALSI (FTSE/JSE ALSI from launch to 31/12/2019) (55%); JSE ALBI (15%); MSCI World (15%); STeFi Call (15%) from launch.

Returns (%)	1yr	3yrs	5yrs	7yrs	10yrs
Class B1					
Class	15.54	7.09	7.16	6.46	10.65
Rank/Out of	151/203	93/179	41/149	50/96	7/63
Sector Average	18.81	7.20	6.25	6.39	9.03
Benchmark	18.72	7.52	7.98	7.86	11.10

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	3yrs	5yrs	7yrs	10yrs
Class B1					
Positive Months	10	25	41	54	82
Max Gain	20.88	34.56	47.44	58.20	180.69
Max Drawdown	-2.45	-12.78	-12.78	-12.78	-12.78
Highest	26.08	26.08	26.08	26.08	27.54
Lowest	-1.90	-8.63	-8.63	-8.63	-8.63

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
31 December 20	4.84
30 June 21	6.05
In last 12 months	10.89
In 2020	11.41

Melville Douglas STANLIB Balanced Fund

Quarterly update at 30 September 2021

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

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).



Susan Gawith
BSc, MBA
Portfolio Manager

Before joining Melville Douglas in 2006, Susan was a rated sell-side analyst covering consumer stocks, and is now Melville Douglas's lead analyst on the retail, hotel and leisure sectors. She is also the co-manager of our key long-term capital growth fund – the Melville Douglas STANLIB Dynamic Strategy Fund (ZAR). Susan holds a BSc degree and an MBA.

Fund review

The quarter has been a tale of two halves, with the strong performance of July and August snuffed out by a significant risk off trade in September.

In SA, the slowdown in China combined with supply bottlenecks resulted in a significant sell off in mining stocks and luxury goods (CFR) during September. Our domestic equity fell 3.6% in September but was up 2.7% for the quarter. SA bonds sold off 2% in September in sympathy with global bonds and a shift in inflation expectations and provide an attractive entry point at current levels. Our bond fund has performed in line with its benchmark. The local currency was not spared and lost -3.6% against the USD as the risk-off trade took hold in September, for the quarter the local currency fell 5.2% against the USD.

Commodity prices have also been volatile, with oil, coal and LNG prices spiking as supply constraints and higher demand cause widespread shortages. Conversely chip supply shortages have caused a slowdown in global vehicle production and rising stocks of PGM metals have resulted in a sharp selloff in this commodity basket. As a result our platinum counters fell 21% (AMS) and 17.5% (IMP) in September. Sasol on the other hand was up 27% for the month, and MTN continued its strong run with a 6% rise, taking its annual performance to 103%. MTN's exposure to the oil dependant Nigerian economy does make it something of an oil hedge.

Market overview

September was a stormy month in the markets. Investors have become increasingly concerned about the slowdown in growth momentum given elevated valuations and more hawkish rhetoric from central banks. Persistent inflation, supply bottlenecks, the risk of a fiscal "cliff" and developments in China pose near term headwinds to the growth outlook. COVID-19 with its variants continue to impact consumer's behaviour and spending plans, while debt ceiling concerns in the US have escalated. Although the world economy is going through a soft patch, investors will do well to look through the current mountain of concerns, many of which we believe are temporary in nature and rather focus on the cyclical economic recovery that remains firmly in place, fuelled by pent up demand, robust employment and an inventory rebuild that will continue to provide an underpin to corporate earnings and returns from risk assets. As we enter the next phase of the recovery cycle, security selection and a focus on fundamentals will become increasingly important to safeguard against any missteps from policy makers as support measures are slowly reined in.

Global equity markets sold off during the month, with Japan the only major developed market ending in positive territory. At the end of the quarter global equity markets returned -1.1% with EM underperforming DM's given China's woes. Discretionary and Materials were under pressure during the quarter while Energy and Financials outperformed. Global bonds were not spared and lost more than their starting yields during the month as central banks have become more hawkish. From a FX perspective, the greenback has benefited from a more uncertain environment and widening interest rate differentials.

Looking ahead

The September sell off reminds us that there will be bumps along the road (e.g. inflation, COVID and trade war scares) but the path of least resistance is for equity markets to grind higher off conservative earnings expectations. Nonetheless we think that the current environment contains risks that that are best handles by a well diversified portfolio.

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
Domestic Cash & Mny Mkt	10.56	11.35	-0.79
Domestic Equity	47.01	45.44	1.57
Domestic Fixed Interest	14.84	15.37	-0.53
Domestic Property	1.48	1.80	-0.31
Foreign Equity	26.10	26.04	0.06

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
B1	Retail	591.25	63,122,211.06	373,211,749.10

All data as at 30 September 2021.

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

Melville Douglas STANLIB Balanced Fund

Important information update at 30 September 2021

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 Balanced 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 permitted to invest in foreign securities. Should the portfolio include any foreign securities these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

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 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 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

Manager

STANLIB Collective Investments (RF) (Pty) Limited
Reg. No. 1969/003468/07
17 Melrose Boulevard, Melrose Arch, 2196
Telephone: 0860 123 003
Email: contact@stanlib.com
Website: www.stanlib.com

Trustee

Standard Chartered Bank
Reg. No. 2003/020177/10
2nd Floor, 115 West Street, Sandton, 2196
Telephone: +27 (0)11 217 6600

Third Party Manager

Melville Douglas Investment Management (Pty) Ltd
An authorised financial services provider, FSP No. 595
Reg. No. 1987/005041/07
8th Floor West Wing, 30 Baker Street, Rosebank, 2196
Telephone: +27 (0)11 721 7964
Website: www.melvilledouglas.co.za