

Melville Douglas STANLIB Global Equity Feeder Fund

Fund information update at 31 August 2022

What is the fund's objective?

The objective of the fund is to provide long-term capital growth by investing in quoted global equities and maximising investment returns in USD.

What does the fund invest in?

The fund is a feeder fund which, apart from assets in liquid form, consists solely of participatory interests of the Melville Douglas Select Global Equity Fund – a high conviction, actively managed global securities fund. The fund consists of 25-35 high quality multi-national companies from around the world. Each company must comply with our stringent requirements for quality, growth and attractive valuation.

What possible risks are associated with this fund?

General market risks include a rise or volatility in bond yields, rising interest rates, economic and political risk, inflation uncertainty and duration risk. 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
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What is the suggested investment period for this fund?

Minimum period

1 Month	6 Months	1 Year	3 Years	5 Years	7 Years
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Who should consider investing in this fund?

The investment strategy is suitable for investors looking for long term capital appreciation. The fund objective is to deliver strong risk adjusted returns over time. Risk is mitigated through holding a range of highly profitable and proven franchises diversified across multiple sectors and geographies.

Income

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

Due to the nature of this portfolio it is unlikely that any net income will be available for distribution.

Declaration 30 June, 31 December

General fund information

Manager(s) Justin Maloney and Derinia Mathura

Size (NAV) R 771.51 million

Classification Global - Equity - General

Benchmark MSCI AC World Net

Regulation 28 Does not apply

Class B3

Launch 02 January 2018

ISIN number ZAE000252953

JSE code MSGB3

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 B3
Initial fee (manager)	0.000%
Initial fee (adviser)	3.450%
Annual fee (manager)	1.150%
Annual fee (adviser)	0.000%
Performance fee	N/A

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.

Cost ratios (annual) including VAT as at 30 June 2022

	Class B3
Based on period from:	01/07/2019
Total Expense	1.17%
Transaction Costs	0.08%
Total Investment Charge	1.25%
1 Year Total Expense	1.16%

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 Global Equity Feeder Fund

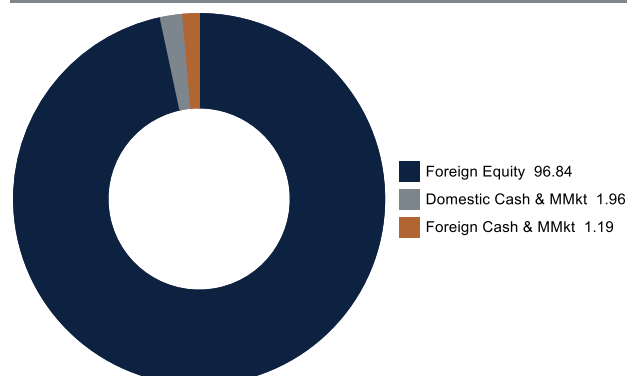
Monthly update at 31 August 2022

Holdings

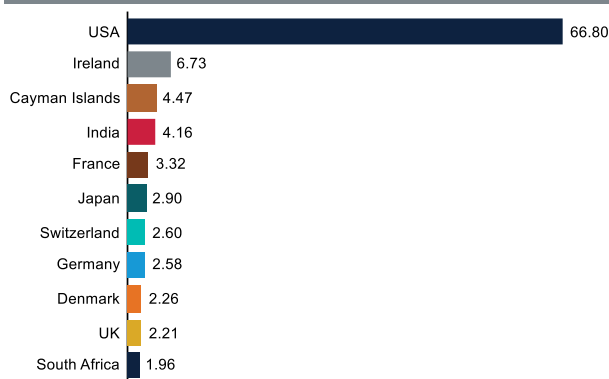
Holdings (%)

Melville Douglas SFL Global Equity X	98.23
Domestic Cash	1.96
Foreign Cash	-0.20

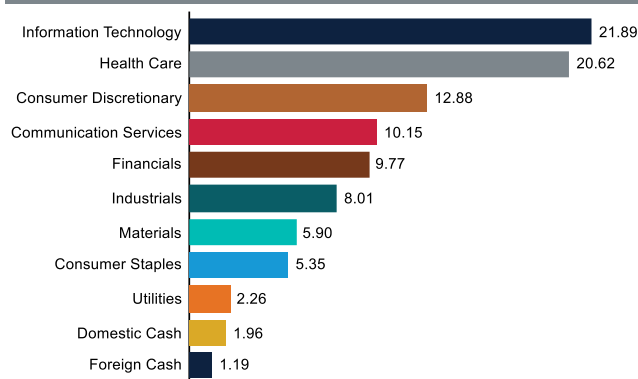
Asset class (look through) (%)



Country (look through) (%)



Sector (look through) (%)



Performance and Income

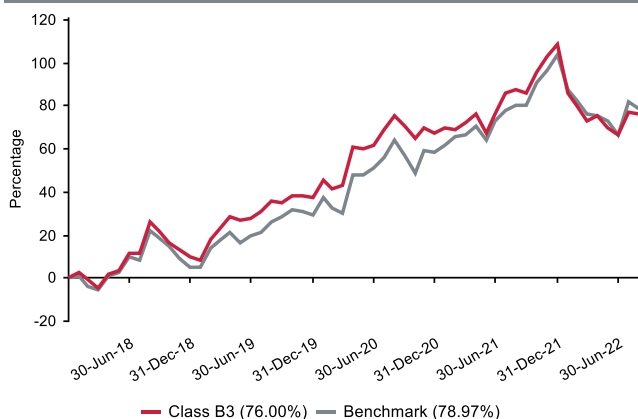
Class B3 Launch: 02 January 2018

Benchmark: MSCI AC World Net from 23/01/2017, previously MSCI AC World TR from launch.

Returns (%)	1yr	2yrs	3yrs	4yrs	Launch
Class B3					
Class	-6.31	0.15	9.09	8.61	12.89
Rank/Out of	44/68	33/56	28/45	10/36	6/34
Sector Average	-5.22	1.08	9.34	6.94	9.81
Benchmark	-0.89	4.34	12.28	9.97	13.30

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	2yrs	3yrs	4yrs	Launch
Class B3					
Positive Months	5	12	20	26	31
Max Gain	12.06	26.46	54.60	92.44	-
Max Drawdown	-20.08	-20.08	-20.08	-20.08	-
Highest	24.87	26.39	34.43	34.43	34.43
Lowest	-6.31	-6.31	-6.31	-6.31	-6.31

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 B3
31 December 21	0.00
30 June 22	0.00
In last 12 months	0.00
In 2021	0.00

Melville Douglas STANLIB Global Equity Feeder Fund

Quarterly update at 30 June 2022

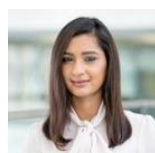
Who are the investment managers?

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.



Justin Maloney
BSc (Hons), CFA®, Chartered FCSI
Fund Manager

Justin joined Melville Douglas in 2014 and has over 26 years' experience of managing global equity funds. He co-manages the Melville Douglas Select Global Equity Fund and covers a range of sub-sectors for the team. Prior to joining the company, he was a global equity fund manager in London for Sanlam and F&C Asset Management. He holds a BSc (Hons) degree in Business from Cass Business School, University of London. He is also a CFA® Charterholder and a Chartered Wealth Manager. Justin is based in Jersey.



Derinia Mathura
BBusSci (Hons) Finance, CFA®
Fund Manager

Derinia joined Melville Douglas in 2013 as an equity analyst covering the global consumer discretionary sector. Prior to joining, Derinia worked for RMB Morgan Stanley as a sell-side equity research analyst.

Fund review

It was a tough quarter for the global equity asset class, resulting in a sharply lower fund net asset value. None of the major industry sectors were spared the rod with technology, consumer discretionary and materials leading losses. Even the more recession-proof consumer staples and health care sectors were marked down mid-single digits.

The fund outperformed the MSCI All Country index as a result of stock selection, despite the continuing underperformance of quality-growth stocks. Notable contributors to the fund's outperformance included a rebound in Chinese Big Tech (particularly Alibaba) and resilient performance by the healthcare holdings (including Johnson & Johnson and US health insurers Elevance and UnitedHealth).

The sell-off provided an opportunity to add JPMorgan Chase to the fund holdings. As one of the world's largest and best managed financial institutions, it has a competitive edge through economies of scale and scope, including a sizeable technology budget to counter disruption. There is also a near term kicker resulting from sharply higher US rates, which will boost its net interest margin.

Market overview

The rally in everything came to an abrupt halt this year as an increasingly hawkish Federal Reserve drained the monetary punchbowl. Apart from President Putin-plays, such as commodities and arms manufacturers, there were few hiding places.

Earlier in the year, stock markets slid as price-to-earnings valuation ratios de-rated amidst a significant ratchet up in the interest rate outlook. Today, the focus has shifted towards the earnings side of equation: share price = price-to-earnings ratio x earnings. Although corporate earnings have held up amidst all the geopolitical and economic turmoil (and have even been upgraded year-to-date), stock markets are forward-looking in nature. The fear is that that a behind-the-curve Federal Reserve, on a mission to put the inflation genie back in its bottle, will drive the US economy and corporate earnings over the precipice. A hard landing is not our core scenario, but a higher probability of it happening was incorporated in share prices in the second quarter.

Looking ahead

Our investment philosophy is designed to maintain objectivity amidst all the hullabaloo. Rather than seeking to catch every wind-shift in the macro environment we have constructed a diversified portfolio of quality compounders that seeks to deliver competitive inflation-plus returns without undue risk. Our mantra is to identify great business models operating in better than average growth markets, monitor their economic moat, avoid excessive valuations and hold one's nerve through periodic bouts of investor nervousness.

Benjamin Graham (Warren Buffett's mentor) noted the market is a voting machine in the short run but a weighing machine long term. This is also our view. We maintain a steady course through the ebbs and flows.

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	Q2 2022	Q1 2022	Change
Domestic Cash & MMkt	2.30	4.28	-1.98
Foreign Cash & MMkt	2.64	1.16	1.47
Foreign Equity	95.06	94.55	0.51

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
B3	Retail	196.65	185,168,393.22	364,130,107.30

All data as at 30 June 2022.

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

Melville Douglas STANLIB Global Equity Feeder Fund

Important information update at 31 August 2022



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 Global Equity Feeder 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 Feeder Fund portfolio. A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme, that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

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 31 August 2022.

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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