

## What is the fund's objective?

The primary objective of the portfolio is to produce a total return comprising capital growth and income generation.

## What does the fund invest in?

The fund invests in a range of best in breed collective investment schemes, across a number of asset classes and investment styles. The funds are strategically blended to ensure diversification, a balance between capital returns and income and attractive risk adjusted returns.

## What possible risks are associated with this fund?

General risks include market fluctuations and share price volatility, changes in interest rates, changes in economic conditions, currency risk and credit 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 portfolio is ideal for medium- and long-term investors who do not want to manage their own asset allocation and believe in the benefit of investing with more than one manager.

## Income

**Distribution** Net income is calculated and accrued daily and is declared and distributed quarterly.

**Declaration** 31 March, 30 June, 30 September, 31 December

## General fund information

<b>Manager(s)</b>	Natalie van Rooyen
<b>Size (NAV)</b>	R 184.29 million
<b>Classification</b>	South African - Multi Asset - Medium Equity
<b>Benchmark</b>	FTSE/JSE All Share Index 50% STeFI Composite Index 20% BESA All Bond Index 15% MSCI World Index (USD) 7.5% CITI US 3 Months Treasury Bills Index (USD) 7.5%

### 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](http://www.stanlib.com)). This Fund complies with this Regulation.

### Class A

<b>Launch</b>	02 May 2014
<b>ISIN number</b>	ZAE000190161
<b>JSE code</b>	MDSFA
<b>Minimum investment requirements -</b>	
Lump sum	R 50,000
Monthly	R 500

## What are the costs to invest in this fund?

### Maximum charges including VAT

	Class A
<b>Initial fee (manager)</b>	0.000%
<b>Initial fee (adviser)</b>	0.000%
<b>Annual fee (manager)</b>	1.035%
<b>Annual fee (adviser)</b>	0.000%
<b>Performance fee</b>	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 September 2019

	Class A
<b>Based on period from:</b>	01/10/2016
<b>Total Expense</b>	1.91%
<b>Transaction Costs</b>	0.19%
<b>Total Investment Charge</b>	2.10%
<b>1 Year Total Expense</b>	1.92%

**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.

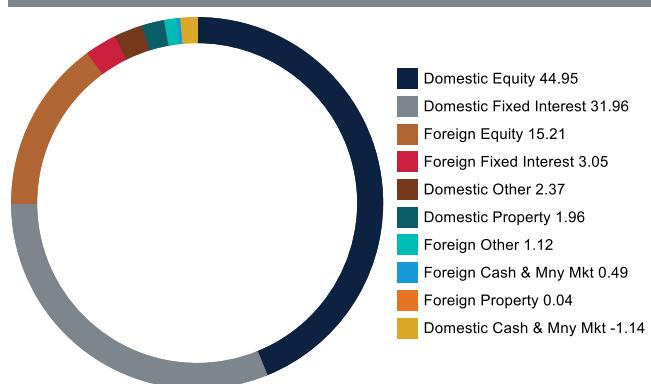
# Melville Douglas STANLIB Medium Equity Fund of Funds

Monthly update at 30 November 2019

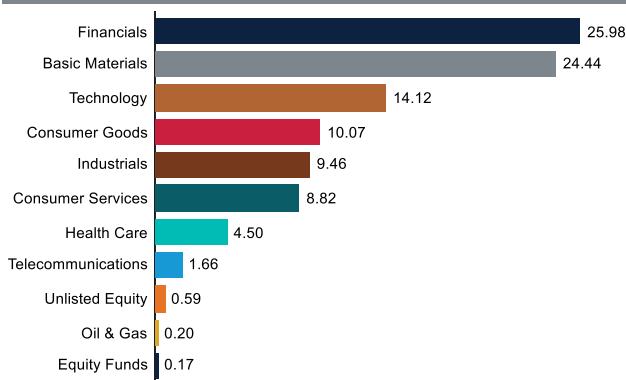
## Holdings

Holdings (%)	
ABSA Bond Fund C	14.71
Nedgroup Investments Rainmaker Fund R	13.83
Fairtree Equity Prescient Fund A2	12.45
Prudential Core Value Fund F	12.10
Nedgroup Investments Global Equity Feeder Fund B2	9.90
Truffle SCI General Equity Fund C	9.88
Prescient Income Provider B6	7.98
Nedgroup Investments Global Flexible Feeder B2	7.67
Coronation Strategic Income Fund P	5.35
Coronation Bond P	4.89
STANLIB Corporate Money Market Fund B3	0.54
Domestic Cash	0.70

## Asset allocation (look through) (%)



## Equity allocation (Industry) (look through) (%)



## Top Equity holdings (look through) (%)

Top Equity Holdings	Allocation (%)
Naspers Ltd	6.18
Anglo American Plc	3.09
Sasol Ltd	2.92
Standard Bank Group Ltd	2.05
FirstRand Ltd	2.04
British American Tobacco Plc	1.80
BHP Group Plc	1.80
Richemont Securities	1.58
Sappi Ltd	1.31
ABSA Group Ltd	1.16

## Performance and Income

Class A Launch: 02 May 2014

Benchmark: FTSE/JSE ALSI (50%); STeFI (20%); BESA ALBI (15%); MSCI World (7.5%); CITI US 3M T-Bills (7.5%)

Returns (%)	1yr	2yrs	3yrs	5yrs	Launch
<b>Class A</b>					
Class	10.11	2.70	5.85	4.75	4.82
Rank/Out of	26/89	40/85	31/77	36/56	40/53
Sector Average	9.03	2.46	5.39	5.03	5.39
Benchmark	11.52	4.14	7.57	6.90	7.13

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

Statistics (%)	1yr	2yrs	3yrs	5yrs	Launch
<b>Class A</b>					
Positive Months	9	14	24	37	42
Max Gain	10.52	11.62	19.04	26.56	34.18
Max Drawdown	-3.29	-6.41	-6.41	-6.41	-7.43
Highest	10.11	10.11	12.45	12.45	12.45
Lowest	-0.71	-4.22	-4.22	-4.22	-4.22

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

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

## Cumulative performance (%) from Launch



## Amount declared (cents per unit)

	Class A
31 December 2018	0.51
29 March 2019	1.06
28 June 2019	1.01
30 September 2019	0.68
In last 12 months	3.26
In 2018	2.90

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## 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.



**Natalie van Rooyen**  
BSc (Hons)(Economics & Finance), CFA

Natalie has over 10 years of investment experience. She holds a BSc (Hons) Economics & Finance degree from the University of Bristol and is a CFA® Charterholder. Natalie previously worked as a Multi-Asset Fund Manager at F&C Asset Management in the UK and joined Fund Solutions in May 2015.

## Fund review

The Melville Douglas STANLIB Medium Equity Fund of Funds returned -0.46% for the quarter, outperforming its benchmark, but underperforming peers and ranking in the fourth quartile in the ASISA South African Medium Equity category. The fund's outperformance relative to the benchmark this quarter was due to the aggregate outperformance of the domestic equity funds held. Truffle was the best performing domestic equity fund, outperforming the All Share index by 3.5% and ranking in the first quartile. The fund has benefitted from its overweight holdings in some platinum stocks which did very well in July and August but lagged the other sectors when they lost ground in September. The Medium Equity Fund of Funds did badly relative to peers over the period given the lower weight in offshore assets which significantly outperformed domestic assets over the period due to the depreciation in the Rand, falling 7% against the USD. The fund has an overweight position in offshore equity relative to its benchmark, but most peers have a structurally higher allocation closer to 30%.

## Market overview

The All Share Index ended the quarter down 4.6%, following two prior quarters of positive performance. Domestically Eskom woes continued to plague the economy and SA Inc companies battled with poor year-end results. The poor domestic backdrop resulted in the SARB cutting the repo-rate by 25bps in July. Positive sentiment improved in the last month of the quarter with a slightly higher than expected GDP print number of 3.1% (reversing the prior quarter's loss) and Moody's rating agency announcing they are unlikely to change their sovereign rating at the next upcoming review in November. This contributed to the boost in financial stocks, finally picking up in the last month of the quarter (+3.5%), after a very bad year to date, significantly trailing industrials and resources stocks. The All Bond Index ended the quarter relatively flat, returning 0.8%, even though domestic bond yields are looking very attractive. Global equity markets were flat over the period in USD, amidst the continued trade wars between the US and China. The Fed has remained dovish in its rhetoric cutting interest rates twice over the quarter.

## Looking ahead

The challenge for South Africa is to achieve some catchup before global growth wanes. Global manufacturing and trade are in decline which doesn't fare well for the South African export market. Uncertainty continues, with geopolitical risks increasing in the Middle East, protectionism escalating in the ongoing trade wars and political concerns remaining with no clear resolution on Brexit. Domestically we wait in anticipation for the Medium-Term Policy Speech the Finance minister is due to deliver at the end of October, as well as the announcement on the Eskom recovery plan and other reforms for State Owned Entities.

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 2019	Q2 2019	Change
Domestic Cash & Mny Mkt	-1.91	-1.25	-0.66
Domestic Equity	45.96	46.21	-0.25
Domestic Fixed Interest	32.53	32.35	0.18
Domestic Other	3.30	3.33	-0.03
Domestic Property	1.88	2.21	-0.33
Foreign Cash & Mny Mkt	0.43	0.76	-0.33
Foreign Equity	13.48	12.21	1.27
Foreign Fixed Interest	3.02	2.93	0.09
Foreign Other	1.27	1.15	0.13
Foreign Property	0.03	0.11	-0.07

The portfolio adhered to its portfolio objective over the quarter.

### Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
A	Retail	111.40	144,372,111.76	160,823,476.55

All data as at 30 September 2019.

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

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### 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 Medium Equity Fund of Funds 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](http://www.stanlib.com)) and in South African printed news media. This portfolio is valued at 24h00. 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 Fund of Funds portfolio. A Fund of Funds portfolio is a portfolio that invests in other portfolios of collective investment schemes, that levy their own charges, which could result in a higher fee structure for the Fund of Funds portfolio.

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 November 2019.

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](http://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](mailto:contact@stanlib.com)

Website: [www.stanlib.com](http://www.stanlib.com)

#### 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](http://www.melvilledouglas.co.za)

#### Trustee

Standard Chartered Bank

Reg. No. 2003/020177/10

5th Floor, 4 Sandown Valley Crescent, Sandton, 2196

Telephone: +27 (0)11 217 6600

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This is a Minimum Disclosure Document (MDD) and General Investor Report (GIR).