

Melville Douglas STANLIB Bond Fund

Fund information update at 31 October 2025

What is the fund's objective?

The objective of the fund is to achieve capital preservation and income generation by investing in long-term fixed interest securities. This fund is an actively managed, unconstrained, South African fixed-income strategy that aims to generate consistent and predictable long term returns through investments in high quality income-yielding debt securities.

What does the fund invest in?

Securities will normally consist of a spread of gilts, semi-gilts, loan stock, debentures, debenture bonds, approved securities, notes and liquid assets and any other securities which are consistent with the fund's investment policy.

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 |
|--------------|-------------------------|----------|-----------------------|------------|

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 stable income and reasonable capital growth over the longer term.

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

| | |
|-------------------|--|
| Manager(s) | Mzimasi Mabece, Paolo Senatore and Bernard Drotschie |
| Size (NAV) | R 2.95 billion |
| Peer group | South African - Interest Bearing - Variable Term |
| Benchmark | FTSE/JSE All Bond Index |

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 A

| | |
|--|--------------|
| Launch | 01 July 2014 |
| ISIN number | ZAE000191763 |
| JSE code | MDBFA |
| Minimum investment requirements - | |
| Lump sum | R 50,000 |
| Monthly | R 1,000 |

What are the costs to invest in this fund?

Maximum charges including VAT

| | Class A |
|------------------------------|---------|
| Initial fee (manager) | 0.000% |
| Initial fee (adviser) | 3.450% |
| Annual fee (manager) | 0.863% |
| 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 September 2025

| | Class A |
|--------------------------------|------------|
| Based on period from: | 01/10/2022 |
| Total Expense | 0.87% |
| Performance Fee | 0.00% |
| Transaction Costs | 0.00% |
| Total Investment Charge | 0.87% |
| 1 Year Total Expense | 0.87% |

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.

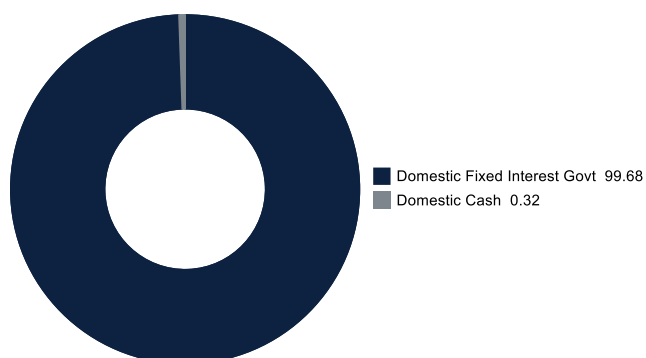
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct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

Melville Douglas STANLIB Bond Fund

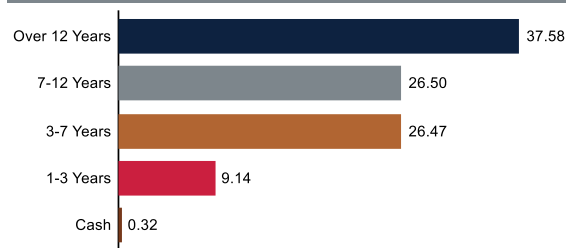
Monthly update at 31 October 2025

Holdings

Asset allocation (%)



Fixed Interest allocation (%)



Fixed Interest Top 10 Issuer exposure (%)



Performance and Income

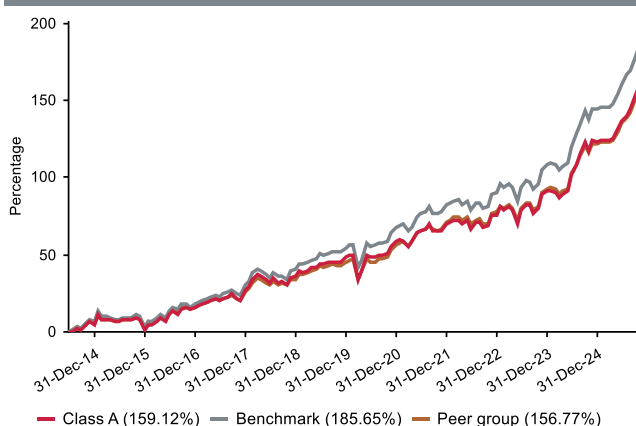
Class A Launch: 01 July 2014

Benchmark: FTSE/JSE All Bond Index

| Returns (%) | 1yr | 3yrs | 5yrs | 7yrs | 10yrs |
|----------------|-------|-------|-------|-------|-------|
| Class A | | | | | |
| Class | 19.02 | 15.29 | 11.47 | 10.33 | 9.06 |
| Rank/Out of | 34/49 | 32/45 | 26/32 | 21/25 | 18/20 |
| Benchmark | 20.09 | 16.27 | 12.44 | 11.40 | 9.93 |
| Peer group | 18.40 | 14.63 | 11.55 | 10.20 | 8.90 |

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 A | | | | | |
| Positive Months | 11 | 27 | 43 | 60 | 82 |
| Max Gain | 19.02 | 53.24 | 72.14 | 99.00 | 156.18 |
| Max Drawdown | -0.42 | -5.81 | -5.81 | -10.44 | -10.44 |
| Highest | 21.36 | 25.95 | 25.95 | 25.95 | 25.95 |
| Lowest | 13.60 | -0.74 | -0.74 | -4.09 | -5.81 |

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 A |
|--------------------------|----------------|
| 31 December 24 | 2.16 |
| 31 March 25 | 2.10 |
| 30 June 25 | 2.14 |
| 30 September 25 | 2.16 |
| In last 12 months | 8.57 |
| In 2024 | 8.54 |

Melville Douglas STANLIB Bond Fund

Quarterly update at 30 September 2025

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.



Mzimasi Mabece

BSc

Head of Fixed Income: South Africa

Mzimasi has more than 14 years financial market experience spanning both quantitative analysis as well as portfolio management and has managed both fixed income and equity funds. Prior to joining Melville Douglas, he was Head of Fixed Income at Mvunonala Asset Managers. He previously held Portfolio Manager roles at Prowess Investment Managers and Old Mutual Investment Group (OMIGSA) and also worked at Sanlam Investments as a fixed income Quantitative Analyst. Mzimasi holds a BSc degree.



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. From 1995 he was with the FirstRand Group, gaining over 20 years' financial market experience. In 2000, he became CIO of RMB Private Bank Portfolio Management with the responsibility of growing the specialised institutional business. He was CIO for Ashburton Investments, FirstRand's asset management initiative, from its inception, and was instrumental in consolidating asset management businesses and investment processes. He holds an MSc (Mechanical Engineering).



Bernard Drotschie

BCom (Hons), CFA®, CFPTM

Chief Investment Officer

Bernard joined Melville Douglas in 2002 as a portfolio manager and analyst, prior to which he worked for Absa Asset Management. He is the lead manager on the Melville Douglas Global Growth Fund (USD) and co-manages the Melville Douglas Balanced Fund (USD) and the Melville Douglas Income Funds. He holds a BCom (Hons) degree in Econometrics, is a CFA® Charterholder and a Certified Financial Planner™ professional.

Fund review

The fund performed inline with its peers and the benchmark during the period and on a year-to-date basis ahead of its peers and slightly behind the benchmark. On a rolling 12 months basis our strategy outperformed the peers and were slightly behind the benchmark but still gave handsome returns, above 15% per annum.

These returns are due to our prudent management of the fund where we did not take excessive bets against the benchmark, given the volatility prevalent in 2025.

Market overview

Compared to the first two quarters of 2025, the third quarter of the year was uneventful. The local currency continued to strengthen (R17,85/\$ to R17,27/\$) at the back of US dollar weakness (eur1,14/\$ to eur1,17/\$). Domestic bond yields also benefitted from the stronger currency and prospects of further interest rate cuts, with bond yields compressing from 10,19% to 9,16% during the period. In its July meeting, the monetary policy committee (MPC) of the central bank cut policy rates by a further 25 basis points to 7,0%. Whilst the interest rate market had priced the possibility of an interest rate cut, what came as a surprise was the announcement following the decision. The Governor of the central bank, Mr Lesetja Kganyago, announced that going forward the MPC will anchor its long-term inflation expectations at 3,0%, the floor of the current inflation target band (3,0% - 6,0%). This is a 150-basis point downward revision to, up until then, the existing 4,5% anchor. This was the clearest signal that the South African Reserve Bank (SARB) favours a low inflation target.

Mr Godongwana, the minister of finance, was not particularly pleased by this announcement by the Governor, as it is the prerogative of the National Treasury to announce monetary policy shifts and the responsibility of the central bank to implement. To the SARB's defence, the Governor, did not announce a policy shift but rather expressed the central bank's preference on where to anchor long term inflation expectations within the current inflation target band. National Treasury is, in principle, not averse to lowering the inflation target but the minister is of the view that wide consultation and buy in from all stake holders is required before a policy shift announcement is made. It is therefore not a question of if but when inflation target will be lowered in South Africa and given SARB's preference that target will be 3,0%. Whether that target will be a point or range is not of particular significance.

The current benign and low inflation environment offers the central bank a perfect opportunity to lower its inflation target. Whilst inflation has rerated from the low of 2,8% y/y it printed in October 2024, at current levels, 3,3% y/y, it is still low and the outlook very much benign. In its September meeting, despite this benign inflation outlook and the US Fed having cut rates by 25 basis points for the first time this year, the MPC decided to keep rates on hold. After a cumulative 125 basis points cut, the SARB can afford to pause and allow the effects of these cuts to filter through the economy. Secondly and most importantly, with the intended lowering of the inflation target and to anchor inflation at the new target, interest rates will have to remain elevated for a little longer.

Looking ahead

We see inflation drifting higher from current levels towards 4,0% by end of 2025. Whilst resurgence of higher trending food inflation, since the beginning of the year, is now subdued, the effect of some of the administer prices that came into effect at the beginning of the third quarter must still filter through the economy. Benign inflation and lower interest rate expectations are supportive of both domestic currency and bond yields, and we believe this will anchor bond yields around 9,20% and the rand in a R17,10/\$ to R17,50/\$ trading range. The interest rate cutting cycle in South Africa is very near the bottom, however we believe a further 50 bps cut in this cycle is possible. The first of these further cuts, we believe, will occur in the first quarter of 2026 and the last in the second half of the year. This will take the repo rate to 6,50%.

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 2025 | Q2 2025 | Change |
|------------------------------|---------|---------|--------|
| Domestic Cash | 0.97 | 0.92 | 0.05 |
| Domestic Fixed Interest Govt | 99.03 | 99.08 | -0.05 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Rand) |
|-------|--------|-------------|--------------|--------------|
| A | Retail | 101.41 | 5,634,999.76 | 5,714,341.41 |

All data as at 30 September 2025.

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

Melville Douglas STANLIB Bond Fund

Important information update at 31 October 2025

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 Bond 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 is a portfolio that derives its income primarily from interest-bearing instruments. The yield (if shown) is a current effective yield calculated daily.

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 October 2025.

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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