

Melville Douglas STANLIB Balanced Fund

Fund information update at 31 March 2022

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 422.95 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 31 December 2021

	Class B1
Based on period from:	01/01/2019
Total Expense	1.22%
Transaction Costs	0.08%
Total Investment Charge	1.30%
1 Year Total Expense	1.24%

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.

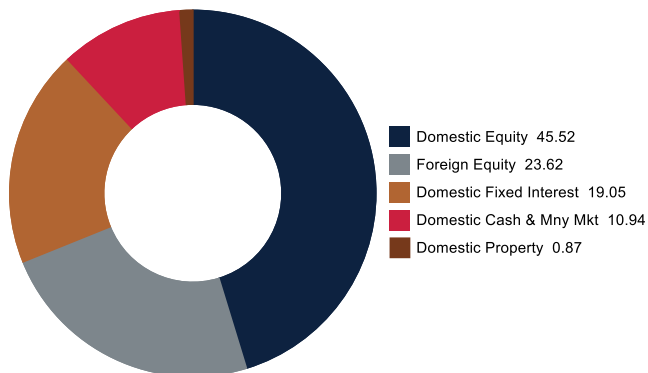
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct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

Melville Douglas STANLIB Balanced Fund

Monthly update at 31 March 2022

Holdings

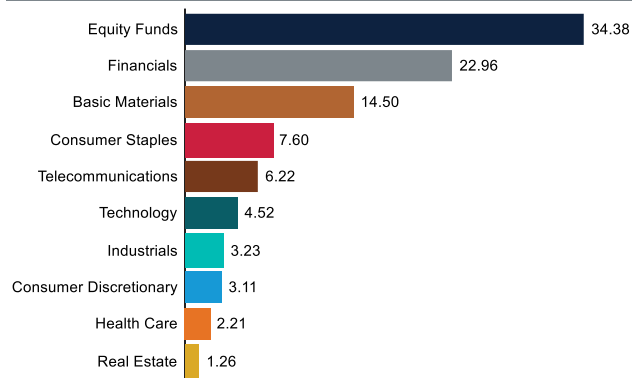
Asset allocation (%)



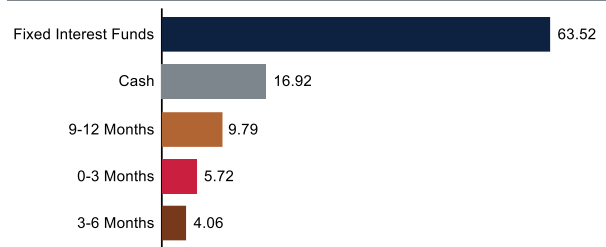
Top Equity holdings (%)

FirstRand Ltd	3.84
Anglo American plc	3.63
MTN Group Ltd	3.14
Bhg Group Limited	2.26
Standard Bank Group Ltd	2.26
Capitec Bank Holdings Ltd	2.21
Sanlam Ltd	2.05
Prosus NV N (ZAR)	1.94
Bid Corp Ltd	1.75
Santam Ltd	1.71

Equity allocation (Industry) (%)



Fixed Interest allocation (%)



Performance and Income

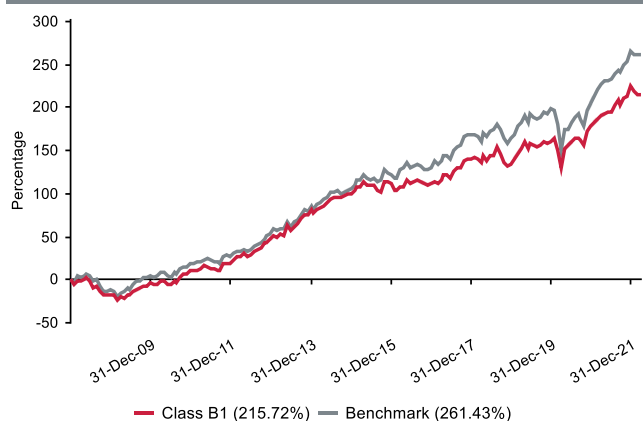
Class B1 Launch: 02 January 2008

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	8.79	7.81	7.86	6.13	9.50
Rank/Out of	164/207	144/186	56/155	56/109	21/68
Sector Average	10.84	8.89	7.15	6.06	8.49
Benchmark	10.70	8.55	8.66	7.67	10.53

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	8	24	41	51	80
Max Gain	12.06	41.29	50.34	61.20	155.58
Max Drawdown	-2.92	-12.78	-12.78	-12.78	-12.78
Highest	21.12	26.08	26.08	26.08	27.54
Lowest	8.79	-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
30 June 21	6.05
31 December 21	8.91
In last 12 months	14.96
In 2021	14.96

Melville Douglas STANLIB Balanced Fund

Quarterly update at 31 March 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.



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 Balanced Fund (ZAR). Susan holds a BSc degree and an MBA.

Fund review

The fund is slightly up in March, but down 2.25% for the quarter. In SA, the FTSE/JSE ALSI and Capped SWIX indices returned +0.0% and +3.8% over the month, and 3.8% and 6.7% for the quarter. Financials were again the main driver over the quarter (+22.3%), and the sector has finally pushed resources out of the top performing position for the rolling 12-month period with a 50.2% return for financials and resources up 32.7%. For the quarter Prosus fell 38.6% and Naspers 32.7%. Other laggards were Mondi down 25% (18% of group EBITDA relates to its Russian plant) and Richemont down 21.6%. The strong oil price performance saw Sasol up 37.1% for the quarter. The domestic financials also helped, with both Standard Bank and FirstRand up 30% and Sanlam up 21.6%. Basic materials were up 20%, with Anglo a touch better than BHP.

Market overview

After two years of strong returns from equity markets volatility set in during the first quarter of 2022 as the outlook for inflation, interest rates and global economic environment have deteriorated. The war in Ukraine coupled with the sanctions imposed on Russia have fuelled inflationary and growth fears as many commodities and most notably the price of natural gas and crude oil soared on renewed supply disruption concerns. As expected, global bond yields adjusted higher as investors started pricing in the reality of higher for longer inflation and a more rapid interest rate tightening cycle. At the same time credit and emerging market sovereign spreads have widened to more 'realistic' levels on growth concerns, leaving yield hungry investors with significant losses. Global bonds have experienced their worst drawdown of -12% (from peak to trough) since 2002. That is significant given how low the starting income yields have been over the same period. In SA, the FTSE/JSE Capped SWIX Index ended the month 1.5% higher. The strong returns relative to Global equity markets (in USD) can be explained by the strengthening ZAR, which benefited from inflows into our capital market as well as a positive Terms of Trade and Current account. Attractive valuations combined with evidence that some of the growth reform initiatives are slowly implemented have lured foreign investors back to SA's investment markets. Russia's exclusion from the MSCI EM Equity index also resulted in a reallocation of funds towards other EM countries which included SA, but this impact was relatively contained. Foreigners' ownership of SA equities has increased from 29% in January to 36%. For the month, domestic focused stocks performed strongly across the board with Financials outperforming. Industrials were dragged down by the poor share price performances from Naspers and Prosus (-15%). Chinese IT names were particularly hard hit as tensions between the US Financials regulator and Chinese reporting authorities intensified. China's so called 'support' for Russia did not assist either, as foreigners exited Chinese stocks. Resources lost some ground as Russian tensions seemingly eased, with Gold and PGM shares under pressure - it is perhaps noteworthy to mention that after the strong outperformance from the local board over the past year, the FTSE/JSE ALSI's performance over three years (supported by Resources) is now in line with the MSCI ACWI.

Looking ahead

Valuations in SA are attractive and any improvement in sentiment towards SA or an improved growth outlook on the back of growth reforms could result in a re-rating. The war in Ukraine has resulted in higher commodity prices which will provide an underpin to profits of basic materials companies for longer than what was previously expected. Many domestic orientated shares will benefit from a depressed earnings base and should provide support to share prices from current levels. Expected returns (including dividends) remain attractive. Offshore the growth outlook has changed on the back of higher-than-expected inflation, in part fuelled by the war in Ukraine that has resulted in much higher energy and food prices which will have an impact on consumers real disposable income. Supply disruption of commodities such as PGM's, oil, natural gas and manufactured goods pose additional risk to Europe's recovery. Fiscal support in Europe is however expected to offset some of the risks. Central banks have signalled their willingness to use interest rates and quantitative tightening as tools in their arsenal to rein in inflation by reducing excess demand. Although the outlook for economic activity has moderated, it is expected that growth will continue to trend above long-term potential driven by pent up demand, healthy consumer and corporate balance sheets and low levels of unemployment. While monetary policy is expected to tighten, interest rates at current levels remain accommodative.

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 2022	Q4 2021	Change
Domestic Cash & Mny Mkt	10.94	7.69	3.26
Domestic Equity	45.52	46.19	-0.67
Domestic Fixed Interest	19.05	17.10	1.95
Domestic Property	0.87	1.38	-0.52
Foreign Equity	23.62	27.64	-4.02

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	Price (cpu)	Units	NAV (Rand)
B1	Retail	606.46	63,920,294.34	387,649,046.41

All data as at 31 March 2022.

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

Melville Douglas STANLIB Balanced Fund

Important information update at 31 March 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 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 31 March 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

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

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

Trustee

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

STANLIB