

Quarterly Report 30 June 2023

## Commentary and analysis

### Market overview

Despite the local market chaos in May, global market sentiment has generally improved in 2023 as global economic growth has been stronger than expected and inflationary fears have cooled. The two dominant themes driving markets this quarter were the outperformance of US Tech and China's reopening which has been more muted than hoped. Technological gains, in particular generative artificial intelligence (AI), has fascinated the market this year. NVIDIA, a primary supplier of AI chips, has surged 189% YTD and on average the top 7 US-listed tech stocks have risen over 70% YTD while the remaining 493 stocks in the S&P 500 have essentially done nothing.

For the quarter, local equity was 1.2% higher, and listed property increased 1.0%. Global assets in rands outpaced local returns, helped by the 5.9% weakness of the rand relative to the US dollar. Global equity was up (in rand) 12.3%. Within local equity, the financials sector (+5.3%) provided some relief, but resources (-6.1%) came under pressure due to concerns around China's growth prospects.

### Asset class performance (%)

Local	Q2 2023	1 year	3 years	5 years	International	Q2 2023	1 year	3 years	5 years
FTSE/JSE All Share Index	0.66	19.58	16.12	9.59	MSCI ACWI IMI (ZAR)	12.27	34.10	13.95	14.58
Financials	5.93	14.08	20.76	4.03	MSCI ACWI Net (ZAR)	12.58	34.54	13.98	15.07
Resources	-6.09	2.97	13.88	15.00	MSCI Emerging Market Index (ZAR)	5.94	14.17	2.50	4.81
Industrials	3.40	34.16	14.49	8.50	BB Global Aggregate Bond Index (ZAR)	4.40	13.94	-2.40	5.29
FTSE/JSE Capped SWIX	1.16	13.48	15.69	6.91	BB Global Multiverse Index (ZAR)	4.56	14.52	-2.10	5.44
Bonds ALBI	-1.53	8.23	7.60	7.39					
Cash STeFI Composite	1.92	6.76	4.98	5.81					
FTSE/JSE All Property Index	0.96	8.94	10.98	-4.96					

### Portfolio review

For the quarter the fund returned 2.6% which was 10bp ahead of the peer group. Old Mutual and Visio contributed significantly to the performance while Camissa lagged.

Driving performance for the Old Mutual Albaraka Balanced Fund was their overweight global and underweight local equities. From a sector perspective the largest contributor was an underweight materials and overweight consumer staples. An overweight to consumer discretionary and real estate detracted. On a security level, the Fund's overweight positions in Afrimat and Goldfields contributed to performance, whilst the overweight in Metair, underweight Prosus, and overweight in Equites Property detracted from performance. Given the potential risk-off environment the manager is positioned with a preference for high quality defensive stocks.

Visio BCI Shari'ah Equity Fund's performance was driven by their sizeable holdings in offshore equities. The technology sector within offshore equity was the main contributor to performance. Detracting from performance was their local equity holdings. The manager has been increasing its offshore exposure and continues to look for new opportunities. However, despite the challenges in the local market they are seeing some selected opportunities that should provide material upside over the long term.

Despite global equities contributing to Camissa Islamic Balanced Fund's performance their meaningful exposure to PGM stocks and some industrials detracted. The key negative contributors included Northam Platinum, Metair, Anglo Platinum, Anglo American and Libstar. Positive contributors in the second quarter were MTN, Omnia, Curro and Adcorp. The manager has a diverse range of mispriced stocks in their portfolio that they believe will deliver performance over the longer term.

### Portfolio positioning and outlook

Growth data released during the quarter looks promising showing a recovery in the local economy despite a meaningful constraint on electricity supply. However, the forward-looking indicators are not as positive. The SA Reserve Bank's leading indication recorded its largest decline since the Global Financial Crisis in 2008. The uncertainty of electricity supply coupled with already 475bp of rate hikes are straining the economy demonstrated by the drop in business confidence which is at its second lowest level since 1994; and household savings rate moving into negative territory for the first time since Covid.

With this backdrop our managers are cautious and are looking for opportunities both locally and globally that will deliver returns over the long term. The fund provides investors with a blend of various portfolio management strategies that should provide stable returns over the long term.

*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 2023	Q1 2023	Change
Domestic Cash & Mny Mkt	6.00	8.09	-2.10
Domestic Equity	37.75	37.95	-0.20
Domestic Fixed Interest	23.93	26.00	-2.07
Domestic Other	6.41	4.84	1.57
Domestic Property	1.38	1.39	-0.02
Foreign Cash & Mny Mkt	0.98	0.24	0.75
Foreign Equity	23.32	20.65	2.67
Foreign Fixed Interest	0.06	0.05	0.00
Foreign Other	0.16	0.78	-0.61

*The portfolio adhered to its portfolio objective over the quarter.*

### Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Rand)
B1	Retail	1.54	156.51	441,755,824.54	691,403,416.03

*All Price, Units and NAV data as at 30 June 2023.*

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

*TER - 1 Year Total Expense Ratio (%) including VAT as at 31/03/2023.*

## Disclosures

### Information to be considered before investing

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 STANLIB Multi-Manager Shari'ah Balanced 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.

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.

### Unit price – how it works

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.

The payment of withdrawals may be delayed in extraordinary circumstances, when the Manager with the consent of the Fund trustees deems this to be in the interest of all Fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the Fund. When the suspension of trading relates to only certain assets held by the Fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued but, will delay liquidity on the affected portion of the Fund. If the Fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force the Manager to sell the underlying investments in a manner that may have a negative impact on remaining investors of the Fund.

### Performance information

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 June 2023. 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.

### Total Expense Ratio (TER) and Transaction Costs (TC) = Total Investment Charge (TIC) and other fees

The TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER is a measure of the actual expenses incurred by the fund over a one and three-year period (annualised). This includes the TER charged by any underlying fund(s) held as part of this Fund. A high 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 TER's.

Transaction costs are disclosed separately. Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The sum of the TER and Transaction Costs is shown as the Total Investment Charge (TIC).

Annual management fee: The Fund charges a fixed annual management fee (i.e. fee class) as a percentage of the assets under management, to ensure a simple and understandable fee structure. The Fund invests primarily in segregated mandates but may also invest in other unit trusts i.e. "Underlying Fund Fees", which are included in the Total Expense Ratio (TER). The annual management fee is accrued daily and paid on a monthly basis.

Advice fees: If an investor appoints an adviser, advice fees are contracted directly between the investor and the adviser. The Manager will facilitate the collection of advice fees only upon receiving an investors instruction to do so. Initial advice fees up to a maximum of 3.45% are collected prior to units being purchased and ongoing advice fees up to a maximum of 1.15% are collected monthly through the redemption of units held by an investor in the Fund. An investor may cancel the instruction to facilitate the payment of advice fees at any time.

### STANLIB Multi-Manager does not provide financial advice

The investments of this portfolio are managed, on behalf of the Manager, by STANLIB Multi-Manager a division of STANLIB Asset Management (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 719, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002.

This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

### Where can I find additional information?

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)).

This document does not constitute an offer of sale. Investors are requested to view the latest Minimum Disclosure Document (MDD), for the provision of additional information pertaining to the product, as well as seeking professional advice, should they be considering an investment in the product. The Manager provides no guarantee or warranty as to the accuracy of the content of this document. Every effort has been made to ensure that the content is accurate at time of issue.

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