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An opportunity to invest differently.
You can earn attractive long-term returns by investing in assets like infrastructure, private equity, agri-business, private debt and real estate. But how do you access them?

Access to alternatives without the usual hurdles.
These are complex assets. Corporate governance has to be monitored. They need large minimum investments. On a small scale, they are costly. Only large professional managers, using an open-ended investment vehicle, can provide liquidity.

STANLIB Multi-Manager’s Diversified Alternatives capability provides qualified investors with a simplified, single-entry access point into a wide range of alternative assets.

Each individual proposition is also accessible to qualified investors, depending on jurisdiction.
We want to give investors easier access to quality, complementary private market investments that are managed professionally.

We believe the investments we have selected after careful research will complement a diversified investment portfolio.

**Investment philosophy**

The investments we make are:

**RELEVANT**
We identify long-term themes that should drive above-average investment returns. These themes focus on unmet needs that reward capital investment.

**REPEATABLE**
Where we invest, we intend to create mutually beneficial, repeatable relationships. That will allow us to make additional investments and build up our co-operation with all stakeholders which should result in long-term benefits.

**RESPONSIBLE**
Being a good global corporate citizen is not only the right thing to do, but it is also sustainable business and good investment.

Our investments create returns that are:

**Sustainable**
Our investments target the triple bottom line: we aim to achieve the highest social, environmental and financial standards.

All three are essential to generate long-term sustainable returns.

**Complementary**
Our investments are unconventional. These are opportunities that are hard to access.

For example, we can invest in large infrastructure projects. We can take a long-term view on new developments or relatively small projects, which are rarely found listed on stock exchanges.

**Reliable**
Individual investments of this nature can be risky but we manage risk at portfolio and underlying fund level to deliver reliable returns.

For example, we manage risk through robust contracting and governance. More information on mitigating risk can be found in the following pages.
Economic themes

We have identified global themes around unmet fundamental economic needs with the potential for superior long-term investment returns.

The following fundamental economic themes guide our investment choices:

- **Essentials**
  - Food, water, security.

- **Social needs**
  - Education and healthcare.

- **Connectivity**
  - Roads, transport and logistics, telecommunications, internet.

- **Societal shifts**
  - Urbanisation, rising middle class, demographic dividend.

- **Inclusivity**
  - Empowerment, localisation, financial inclusion.

These themes are accessed by investing in a diversified spread of underlying alternative investments such as:

- **REAL ESTATE**
  - Supporting urbanisation and social needs by building offices, apartments, hospitals, schools and retail centres.

- **SMALL AND MEDIUM ENTERPRISES**
  - Building and growing private entrepreneurial companies in manufacturing, logistics and services.

- **INFRASTRUCTURE ASSETS**
  - Meeting basic needs for renewable energy, roads and bridges, airports and fibre optic pipelines.

- **DIVERSIFIED LIQUID ASSETS**
  - Hedge funds, listed private equity and fixed interest will provide liquidity while keeping the portfolio fully invested.
Setting the portfolio mandate.
This is the first step. It includes the benchmark, fees, investment limits and other qualitative objectives.

We follow a thematic process to identify opportunities that will benefit from a tailwind over the next 10 to 20 years. We will set targets for sectors and asset classes.
To ensure we have a thorough understanding of the risk and correlation of different opportunities, we will assess the fundamental drivers of returns.

We have sought out managers that offer funds within our target universe.
The manager selection process also includes operational due diligence and legal contracting.

We intend to diversify our investments to mitigate concentration risk.
During the portfolio construction stage, the emphasis is on making the right size of investment and timing it according to the managers’ fund-raising cycle.

Our investment team engages with underlying managers on an ongoing basis.
Ongoing portfolio management also includes managing liquidity so we can meet drawdowns and distributions.
We have developed specialist skills to optimise portfolio returns through liquidity management because we are using open-ended structures.

On a quarterly basis we report to clients on key portfolio developments, portfolio performance, updated portfolio strategy for future allocations and adherence to mandate guidelines.
Key characteristics

- Low correlation to traditional investment strategies.
- Benefit from differing return behaviour in various market cycles.
- Asset type, geographies, managers and vintages.
- Strong focus on social, governance and environmental factors.

DIVERSIFICATION

LINK TO REAL ECONOMIC BEHAVIOUR

FUND FOCUS

SOCIAL RESPONSIBILITY

RETURN ENHANCEMENT

- Targeting fundamental economic needs.
- Low market price volatility.
- Unique nature of investment.
- Access to broader investment opportunities with higher return potential.

Key risks and how they are mitigated

The primary risks are concentration and liquidity. Indirectly the portfolio is exposed to a slowdown in global growth but it is less vulnerable to market sentiment than listed instruments.

Credit

Operational

Regulatory

Concentration

Generally there are few good alternative equity opportunities

Liquidity

Arising from exposures to counterparties

Some of the underlying instruments may be illiquid

Failure of systems and/or personnel may result in losses

Future regulatory changes (for example legal, tax) could occur and may adversely affect the fund

Market

General movements in financial markets

Interest rates

As a result of changes in the yield curve and other interest rate relationships

Currency

Some of the underlying positions may be exposed to exchange rate fluctuations

We manage risks in several ways. We diligently structure private investments to include protection clauses for investors. Our underlying assets and their offtake agreements offer security. Most important, we offset concentration by diversifying. Because underlying investments are large and require significant minimum investments, concentration risk can only be reduced through managing a portfolio of at least R1 billion.

For example, the minimum investment size of a private market fund can be as high as R100 million and that gives investors exposure to only a handful of investments. So we believe it is essential that the portfolio is diversified across multiple funds, managers, asset classes, sectors and vintages.

We are able to deliver this to investors from the outset because our portfolios are seeded with high quality assets accumulated over the past six years.
This proposition offers a complete alternatives solution that is easy to access, designed with the investor in mind. It is attractive to investors seeking strategies that are fundamentally different from traditional investment strategies. The proposition aims to diversify across managers and alternative asset classes by actively allocating to all four of the underlying building blocks.

**Asset classes**

- Diversified private assets (equity and debt) in real estate, small and medium enterprises, and infrastructure assets.
- Diversified liquidity strategies such as hedge funds or listed private equity.

**Risk profile**

<table>
<thead>
<tr>
<th>Conservative</th>
<th>Moderately conservative</th>
<th>Moderate</th>
<th>Moderately aggressive</th>
<th>Aggressive</th>
</tr>
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**Fund details**

<table>
<thead>
<tr>
<th>Return objective</th>
<th>Exceed SA CPI+5%, net of fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity</td>
<td>3 months</td>
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<tr>
<td>Minimum investment amount</td>
<td>R1 million</td>
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<tr>
<td>Minimum subsequent investment amounts</td>
<td>R100 000</td>
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<tr>
<td>Service fees p.a. (ex VAT)</td>
<td>1%</td>
</tr>
<tr>
<td>Access method</td>
<td>Directly from Novare CIS</td>
</tr>
</tbody>
</table>

Exit charges will apply on early withdrawals (i.e. the first three years) from the fund. For full fee disclosure, please see the fact sheet on www.stanlibmultimanager.com.

Please refer to the fund fact sheet or contact the team for information on current holdings, full fee disclosure and performance.
**STANLIB Multi-Manager Global (ex-Africa) Alternatives Proposition**

**Proposition**

This proposition is attractive for global investors that may already be invested in some of the mainstream opportunities, but who are looking for a supplemental allocation that behaves differently from their existing portfolios.

Non-traditional or ‘alternative’ investments are difficult to select, invest in and monitor.

**Asset classes**

- Diversified private assets (equity and debt) in real estate, small and medium enterprises, and infrastructure assets.
- Diversified liquidity strategies such as hedge funds or listed private equity.

**Risk profile**

<table>
<thead>
<tr>
<th>Conservative</th>
<th>Moderately conservative</th>
<th>Moderate</th>
<th>Moderately aggressive</th>
<th>Aggressive</th>
</tr>
</thead>
</table>

**Fund details**

- **Return objective**: Exceed US Libor +4%, net of fees
- **Liquidity**: 3 months
- **Minimum investment amount**: US$200,000
- **Minimum subsequent investment amounts**: US$10,000
- **Service fees p.a. (ex VAT)**: 1%
- **Access method**: Directly from State Street

**Exit charges** will apply on early withdrawals (i.e. the first three years) from the fund. For full fee disclosure, please see the fact sheet on www.stanlibmultimanager.com.

Please refer to the fund fact sheet or contact the team for information on current holdings, full fee disclosure and performance.
We have identified attractive growth opportunities for enhanced returns in Africa.

However, traditional markets in many African countries and sectors are not established enough to provide exposure to these opportunities, and are therefore more difficult to access.

Investing in these diverse and developing opportunities in Africa requires the skills and capabilities of a professional team. We are well placed to overcome these hurdles and provide you with dynamic access.

**Asset classes**

- Diversified private assets (equity and debt) in real estate, small and medium enterprises, and infrastructure assets.

**Risk profile**

```
Conservative  Moderately conservative  Moderate  Moderately aggressive  Aggressive
```

**Fund details**

- **Return objective**: Exceed US CPI+6%, net of fees
- **Liquidity**: 3 months
- **Minimum investment amount**: US$200 000
- **Minimum subsequent investment amounts**: US$10 000
- **Service fees p.a. (ex VAT)**: 1%
- **Access method**: Directly from State Street

Exit charges will apply on early withdrawals (i.e. the first three years) from the fund. For full fee disclosure, please see the fact sheet on www.stanlibmultimanager.com.

Please refer to the fund fact sheet or contact the team for information on current holdings, full fee disclosure and performance.
The South African economy is developing new pockets of excellence, but these emerging companies and sectors are underrepresented in mainstream investment markets as they are typically specialised, smaller or unlisted.

This growth is specific to the development needs of South Africa and can deliver rewarding returns.

The STANLIB Multi-Manager South Africa Private Assets Proposition provides investors with reach, expertise, a track record and a network.

**Asset classes**

- Diversified private assets (equity and debt) in real estate, small and medium enterprises, and infrastructure assets.

**Risk profile**

- Conservative
- Moderately conservative
- Moderate
- Moderately aggressive
- Aggressive

**Fund details**

- **Return objective**: Exceed SA CPI +6%, net of fees
- **Liquidity**: 3 months
- **Minimum investment amount**: R1 000 000
- **Minimum subsequent investment amounts**: R100 000
- **Service fees p.a. (ex VAT)**: 1%
- **Access method**: Directly from Novare CIS

**Exit charges** will apply on early withdrawals (i.e. the first three years) from the fund. For full fee disclosure, please see the fact sheet on www.stanlibmultimanager.com.

Please refer to the fund fact sheet or contact the team for information on current holdings, full fee disclosure and performance.
STANLIB Multi-Manager
Multi-Strategy Retail
Hedge Fund Proposition

Proposition

Including a hedge fund in an investment portfolio can be a good way to reduce the volatility of returns over various market cycles and create a more stable and consistent return over the long term.

This proposition aims to preserve capital over a 12-month rolling period, while targeting an annualised return of cash +3% over a 3-year rolling period.

Its volatility is expected to be less than the FTSE/JSE All Bond Index (ALBI).

Asset classes

- Hedge funds in multiple strategies.
- Participatory interest in other CIS’s and managers.

Risk profile

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<thead>
<tr>
<th>Conservative</th>
<th>Moderately conservative</th>
<th>Moderate</th>
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Fund details

<table>
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<tr>
<th>Return objective</th>
<th>Meet STEFI Call Index +3%</th>
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<tbody>
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<tr>
<td>Access method</td>
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</tbody>
</table>

No exit charges will apply under the fund.

Please refer to the fund fact sheet or contact the team for information on current holdings, full fee disclosure and performance.
**Investment team**

STANLIB Multi-Manager’s skilled investment team has extensive experience in selecting and combining a range of funds and asset classes. An important point to emphasise is how we have organised ourselves as a team for collective decision making. This is core to our business.

We believe in leveraging the collective intelligence from our diverse skills which allows us to debate and review managers from various points of view. This enables us to formulate our best and highest quality ideas.

The Diversified Alternatives Proposition manages over R8.5 billion (US$600 million) in assets. The Alternatives investment team is passionate about making it simple and affordable for investors to access a variety of alternative assets.

**For more information**

To learn more about STANLIB Multi-Manager Diversified Alternatives proposition and funds, and a list of countries available for distribution, please email SMMBusinessDevelopment@stanlib.com. Fact sheets are available on www.stanlibmultimanager.com.
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Additional Information
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