STANLIB Multi-Manager Global Equity Feeder Fund

Quarterly Report 31 March 2024

STANLIB
MULTI-MANAGER

Commentary and analysis

Market overview

The defining feature of the first quarter of 2024 was the markets near abandonment of the probability of a US Recession in 2024. This has been a significant worry for market participants over the past 2 years, which has since failed to materialise. As a result, the market finally came to the realisation during the quarter that potentially it was overexuberant in its expectation for interest rate cuts, and perhaps the US Fed was indeed right. From having expected six cuts in 2024 totalling 1.5% at the start of the year, the market is now only pricing in one or two cuts in 0.25% increments. The market may have swung the pendulum to far as the US Fed is still expecting to deliver 3 cuts, but recent commentary from Fed officials argues against the need for rate cuts when the US economy is humming along quite nicely, as evidenced by the strong economic and labour data recently. This fact has been hard to escape, and global equity markets stood up and took notice, rallying 7.7% in dollars for the quarter, with the S&P 500 up 10.0% in one of its fastest starts to a year on record.

Global equities (MSCI ACWI) continued their upward trajectory in the 1st quarter of 2024. There was a broad rise in sectors over the quarter, but the semiconductors & semiconductor equipment sectors accounted for nearly a third of the index's return. Returns were driven by company fundamentals as opposed to macro events.

Fourth-quarter 2023 earnings exceeded consensus expectations, with key themes including AI adoption, infrastructure growth. From a regional perspective, the U.S./Canada contributed most to the MSCI ACWI's rise, while Latin America was the top detractor. Key outperformers were Japan (up 13.1%) and the US (up 10.6%). Emerging markets were also positive in the period (up 2.4%), with outperformance from Turkey (up 14.6%), India (up 6.1%) and South Korea (up 0.7%), while South Africa (down 6.7%) and Brazil (down 7.5%) underperformed. From a sector perspective, information technology and financials were the top index contributors, and real estate was the sole detractor.

Asset class performance (%)

Local	Q1 2024	1 year	3 years	5 years
FTSE/JSE All Share Index	-2.25	1.55	8.10	9.67
Financials	-7.55	11.82	15.02	5.11
Resources	-1.63	-8.98	1.64	10.49
Industrials	0.64	3.30	8.15	10.15
FTSE/JSE Capped SWIX	-2.30	2.87	7.48	7.64
Bonds ALBI	-1.80	4.19	7.40	7.04
Cash STeFI Composite	2.06	8.39	6.08	6.00
FTSE/JSE All Property Index	3.47	20.33	12.95	-0.24

International	Q1 2024	1 year	3 years	5 years
MSCI ACWI IMI (ZAR)	11.76	30.84	15.49	16.75
MSCI ACWI Net (ZAR)	12.26	31.65	16.19	17.12
MSCI Emerging Market Index (ZAR)	5.72	12.56	0.54	5.31
BB Global Aggregate Bond Index (ZAR)	1.59	7.37	3.50	4.38
BB Global Multiverse Index (ZAR)	1.74	7.85	3.79	4.56

Portfolio review

The fund posted a return of 12.1% for the quarter outperforming the peer average of 10.7%.

The SMM Global Equity fund had another strong quarter. At the total portfolio level, security selection was responsible for the lion's share of excess returns. Stock picking was particularly strong in the Financials, Industrials and Consumer Discretionary sectors. A marginal underweight to IT detracted, however this was more than offset by very strong security selection which had a pronounced positive effect.

The fund continued to benefit from semiconductors outperformance. To this end TSMC and ASML were in the top 10 contributors, however the portfolio also has a cluster of other names that are benefitting from chip demand such as Micron and Entegris. Conversely an underweight to Nvidia detracted, but a consensus overweight to the AI theme has had a positive effect on performance for the last few years. An underweight to Apple and Tesla, which fell 10.8% and 29.3% respectively, helped during the period under review as did an overweight to Meta that climbed 37.3%. Within Industrials, holding positions in Airbus and Safran at the expense of Boeing was also beneficial. On the downside not owning enough weight loss drug companies like Eli Lilly and Novo Nordisk was a drag on performance.

Looking at the underlying managers, Hosking was the top performer over the last month to help them end the quarter in positive territory on a relative basis. Year to date Arrowstreet and Sanders have generated the strongest alpha. Conversely AB has lagged, but overall, the managers delivered strong results. The key takeaway however is they've delivered good results in different ways. As an example, Sanders had significant exposure to the Magnificent Seven names, Veritas has more defensive Healthcare stocks while Sands has a hyper growth orientation with Hosking having a small cap bias with and overweight to Energy.

Portfolio positioning and outlook

The US market has proven to be robust and as a result recessionary fears remain subdued. Furthermore, the buoyant labour market does pose some risk to the upside for inflation and the expectation of rate cuts has been pushed out since the peak of the cycle. Rate cuts will be good for both equity and fixed income markets, however the valuations of some US equities to seem optically high and our managers are cautious.

The portfolio has a basket of best of breed managers with various strategies that should provide competitive performance over time.

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 2024	Q4 2023	Change
Domestic Cash & Mny Mkt	2.24	1.19	1.06
Domestic Equity	1.04	1.05	-0.01
Foreign Equity	94.32	95.34	-1.02
Foreign Fixed Interest	0.02	0.02	0.00
Foreign Funds	0.08	0.08	0.00
Foreign Other	0.06	0.06	0.00
Foreign Property	2.23	2.25	-0.02

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (Rand)
B1	Retail	1.32	699.90	198,903,466.00	1,392,115,686.00

All Price, Units and NAV data as at 31 March 2024.
Units - amount of participatory interests (units) in issue in relevant class.
TER - 1 Year Total Expense Ratio (%) including VAT as at 31/12/2023.

This is a General Investor Report (GIR). Please refer to the Minimum Disclosure Document (MDD) for additional information relating to this portfolio and to Disclosures for information relating to the content of this document.

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 Global Equity Feeder 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.

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 Feeder Fund portfolio. A Feeder Fund portfolio is a portfolio that invests in a single portfolio of a collective investment scheme, that levies its own charges, which could result in a higher fee structure for the Feeder Fund.

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) and in South African printed news media. This portfolio is valued at 17h00. 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 31 March 2024. 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).

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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