

STANLIB Multi-Manager Global Equity Fund

Underlying Manager Insights

STANLIB Multi-Manager Global Equity Fund

More insight...knowledge...and the power of collective thinking

The STANLIB Multi-Manager Global Equity Fund adopts a multi-managed approach to investing, blending different skilled and experienced equity managers and strategies. The Fund is designed to deliver superior investment returns more consistently than through a single asset manager. The proposition allows advisers – and their clients – to partner with us. The research, screening, selection and ongoing due diligence of asset managers, day-to-day monitoring and risk management, are all key value-added services that we bring to the partnership.

The STANLIB Multi-Manager Global Equity Fund includes six underlying managers with unconstrained global mandates. The Fund's construction framework allows for a combination of underlying managers that have the skill and ability to outperform. It also promotes diversification.

This document provides insight on each of the Fund's underlying managers.

| Underlying manager | Mandate | AUM |
|--------------------------|--|---------------|
| Arrowstreet Capital | Global multi-factor quantitative manager | \$102 billion |
| Hosking Partners | Aggressive manager | \$10 billion |
| Sands Capital Management | Growth manager | \$42 billion |
| Sanders Capital | New-age pragmatic value manager | \$25 billion |
| Veritas Asset Management | Defensive quality manager | \$20 billion |
| AB | Value-weighted beta | \$479 billion |

*AUM as at 31 March 2019

STANLIB
MULTI-MANAGER



Arrowstreet Capital

Investment style

Global multi-factor quantitative manager.

Investment philosophy and role within the Fund

Arrowstreet Capital manages a multi-factor quantitative portfolio, benchmarked to the MSCI ACWI IMI. As a quantitative house, the statement that they are research-led could not be truer. All investment ideas are thoroughly researched and tested extensively prior to inclusion. Some are tested for more than 18 months before being included in the portfolio. Arrowstreet processes extensive data in order to understand the links between companies, currency markets and how changes in the industry and regulation can provide (or close out) alpha opportunities. They are very conscious of the risk they take and are therefore focused on the risk-adjusted outcome for us as their client.

About Arrowstreet Capital

Founded in 1999, Arrowstreet Capital is a private partnership that serves as a discretionary global asset manager for institutional clients around the world. Headquartered in Boston, with an additional office in London, they are a stable, research-led organization.

As at 31 March 2019 they had approximately \$102 billion assets under management for 194 client relationships in North America, the United Kingdom, Europe and the Asia-Pacific regions. Peter Rathjens is the lead Portfolio Manager for the STANLIB Multi-Manager mandate.

Key characteristics

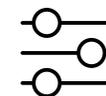
- Excellence in producing sustainable risk-adjusted alpha
- Focused set of broad-based strategies that leverage their comparative advantage to meet the needs of clients
- Globally diverse and sophisticated institutional client base
- Philosophy and business practices focused on investment excellence and protection of client interests
- An entrepreneurial and collaborative culture formed by professionals committed to the long-term success of clients and the firm

At a glance



Specialist global equities manager

Multi-dimensional forecasting approach



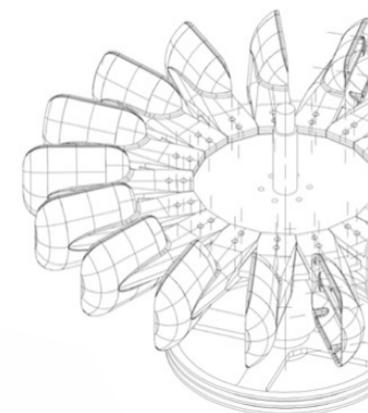
Commitment to ongoing research



Owned and controlled by senior management



Included since 2016



Team based. Lead Portfolio Manager and CIO:
Peter Rathjens





Hosking Partners

Investment style

Aggressive manager.

Investment philosophy and role within the Fund

STANLIB Multi-Manager has contracted with Hosking Partners to manage an aggressive global equity portfolio. Hosking is an aggressive capital cycle manager that employs a behavioural approach to seek latent alpha. This results in a long-term investment horizon and a portfolio that is highly diversified by stock, yet powerfully concentrated in ideas. They consequently hold a large number of securities but this does not imply they are benchmark huggers. In fact, their regional, sector and sub industry exposures are often materially different to the index. Hosking benchmarks their solution to the MSCI ACWI, however, they invest extensively in small caps and as such, are a good diversifier in our Fund, where we require small cap exposure. The portfolio is run on a multi-counsellor basis, with five portfolio managers all managing their own sleeve of our mandate.

About Hosking Partners

The lead portfolio manager and company founder is Jeremy Hosking, who broke away from Marathon. To this end, we had a mandate with Marathon since 2003 before being one of the seed clients in Hosking Partners. Hosking do not believe in specialisation or product proliferation – rather, all of their best ideas are fed into one strategy, managed by a team of generalist portfolio managers.

Key characteristics

Autonomous decision-making

- Generalist multi-counsellors are allocated a portion of the overall portfolio by the senior partner
- Each multi-counsellor is measured against his own customised benchmark
- Individual benchmarks aggregate to the MSCI ACWI for the portfolio

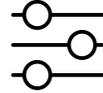
Why Hosking believes in generalists

- Generalist multi-counsellors are able to select the best ideas from the broadest universe
- Generalists are able to capture inefficiencies created by silo approaches
- Specialists are often caught in the detail – unintentional blindness – failing to notice gradual evolutionary change

At a glance



Specialist institutional equities manager
An aggressive capital cycle manager



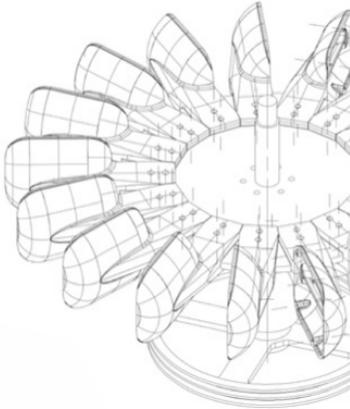
Long-term investment horizon – with concentrated ideas



Owned and controlled by founding and senior partners



Included since 2014



Multi-counsellor.
Mandate manager:
Jeremy Hosking

Hosking Partners



Sands Capital Management

Investment style

Concentrated growth manager.

Investment philosophy and role within the Fund

STANLIB Multi-Manager has contracted with Sands Capital to manage a Global Leaders portfolio, benchmarked against the MSCI ACWI. Sands Capital is a distinguished growth manager whom we have kept an eye on for many years. As a result of them launching the Global Leaders strategy, which is better suited to our requirements, we were able to include them from December 2017. Sands is a boutique growth manager, managing a high conviction concentrated portfolio.

“As long-term investors, we buy leading growth businesses... we do not trade stocks.”
- Frank M. Sands, Sr., Founder

Sands Capital maintains a single growth-oriented philosophy that is applied across all strategies. This philosophy is rooted in the belief that, over time, common stock prices will reflect the earnings power and growth of the underlying businesses.

About Sands Capital Management

The business was founded in 1992 and is 100% staff owned. “We are staff-owned, committed to our independence; and we do only one thing – growth investing.” The investment team consists of 41 team members, of which Sunil Thakor is the lead Portfolio Manager for the STANLIB Multi-Manager mandate.

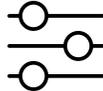
Key characteristics

- Striving to identify high quality, wealth-creating growth businesses using a fundamental, business-focused approach
- Constructing concentrated and conviction-weighted portfolios
- Maintaining a long-term investment horizon

At a glance



Specialist concentrated growth manager



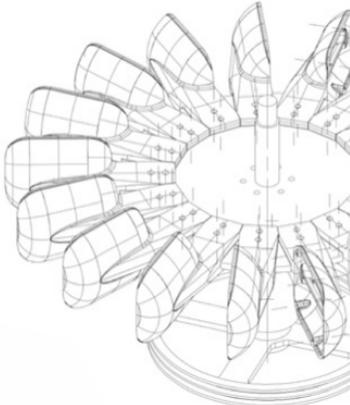
Independent, bottom-up, research-driven



Business-owner mindset allows them to think differently



Included since 2017



Team-based. Head:
Sunil Thakor



SANDS CAPITAL



Sanders Capital

Investment style

New age pragmatic value manager.

Investment philosophy and role within the Fund

STANLIB Multi-Manager has contracted with Sanders Capital to manage a Global Value Equities mandate. The mandate is benchmarked against the MSCI All Country World Index. The manager is not a typical value manager, but rather shows pragmatism in their approach to value. As a result, they do not invest only in low P/E stocks, but rather assess the value potential of a company in order to understand whether it is considered cheap relative to their target price. Sanders has a highly concentrated portfolio and a typical tracking error in the 3% to 6% band.

About Sanders Capital

Sanders Capital was founded in 2009, following Lew Sanders' departure from AllianceBernstein now AB. Lew himself, is also the lead Portfolio Manager for the STANLIB Multi-Manager mandate. The business is led by individuals with decades of experience in investment research and value-oriented portfolio management disciplines.

Key characteristics

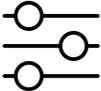
- Sustained success in the business is about character. As fiduciaries of clients assets, their clients' interests must precede all else. They believe that great, enduring firms are run by people who live this principle every day
- Sanders limited their number of clients to 50. They only run three products, thus avoiding product proliferation and achieving full focus
- Sanders recognise that exceptional operational staff are required to run a successful business (compliance, legal etc.)

At a glance



Global value manager

Add value through leveraging the fact that investors systematically overreact to adversity - known as loss aversion



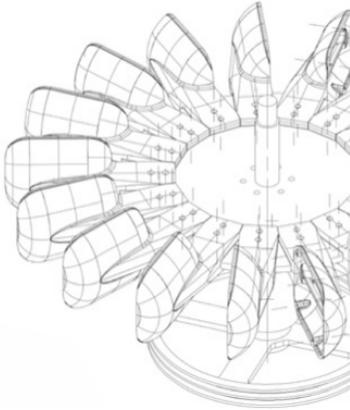
Disciplined valuation processes



Sanders Capital is 100% employee-owned, thereby aligning the interests of the asset manager to those of their clients



Included since 2017



Team-based. Head: Lewis A. Sanders





Veritas Asset Management

Investment style

Defensive quality manager.

Investment philosophy and role within the Fund

STANLIB Multi-Manager has contracted with Veritas Asset Management to manage a defensive quality portfolio. The mandate complements some of our higher beta mandates as they focus on downside protection. This often results in larger than usual cash allocations at times, as well as more defensive/less cyclical exposure. Their focus on real returns through full economic cycles requires a long-term time horizon and results in a significantly different portfolio relative to the benchmark.

About Veritas Asset Management

Veritas is a London-based investment boutique that is one of the Affiliated Managers Group's asset management companies. With offices in London and Hong Kong, Veritas is a leading global and Asian equities manager. While the company was established in 2003, we knew the lead manager, Andy Headley, from his days at Newton. Once he had run money in a co-mingled fund for five years, STANLIB Multi-Manager became their first segregated account while Veritas were still a relatively small boutique.

Like many of our partners, the portfolio manager has a significant portion of his personal wealth invested alongside us. Veritas is owner managed, which ensures further alignment of interests as they do not have shareholders placing pressure on the team to sell product i.e. they are investment led.

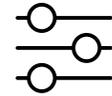
Key characteristics

- The manager focuses on absolute returns, rather than returns relative to any benchmark or index
- The firm's approach combines top-down (thematic) and bottom-up disciplines, seeking companies with strong and consistent cash-flow generation, solid balance sheets and reasonable valuations

At a glance



Specialist defensive global and Asian equities manager
High conviction portfolios



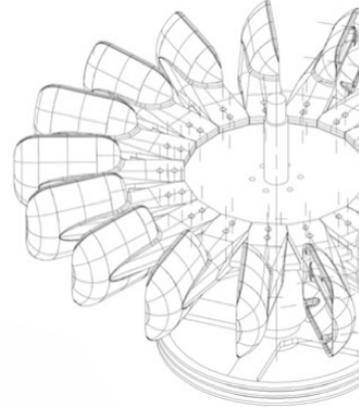
Real return approach, focus on protecting and growing the real value



Partnership structure and culture



Included since 2009



Lead Portfolio Manager:
Andy Headley

Veritas
— **Asset**
Management



AB (formerly Alliance Bernstein)

Investment style

Value weighted beta manager.

Investment philosophy and role within the Fund

STANLIB Multi-Manager has contracted with AB Index Strategies to manage an alternative beta equity portfolio. AB tracks the MSCI ACWI IMI Value Weighted Index. We have permitted the manager some tracking error around their index, which results in two benefits:

- The portfolio is able to track the index with fewer stocks, thus reducing trading costs
- AB can tactically trade around the rebalancing dates for the index, creating an opportunity for them to add alpha

About AB

AB traces its origins back more than 50 years. One of their predecessor firms, Sanford C. Bernstein & Co. Inc., was founded in 1967. The other, Alliance Capital Management Corporation, was registered as an investment adviser in 1971.

In October 2000, Alliance Capital acquired Sanford C. Bernstein to form AllianceBernstein. In 2015, AllianceBernstein became known as AB. Josh Lisser is the lead Portfolio Manager for the STANLIB Multi-Manager mandate.

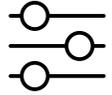
Key characteristics

- Expertise that spans all markets and asset classes
- Investment teams share research perspectives within and across asset classes
- Delivering for clients through a range of strategies
- Diverse client needs allow for customized solutions

At a glance



Investment strategies span all markets and asset classes



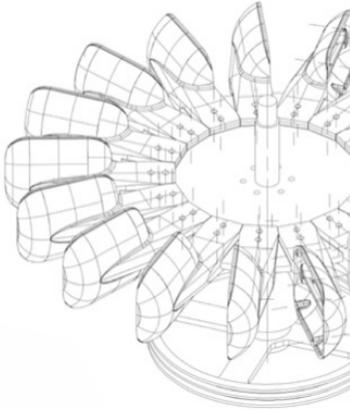
Expertise includes low cost alternative beta strategies



Solutions that make sense for clients' specific needs



Included since 2013



Lead Portfolio Manager:
Josh Lisser





STANLIB Multi-Manager Global Equity Fund

Portfolio Managers



Kent Grobbelaar
Portfolio Manager

BCom(Hons), ICMQ, FAUT, IMC
Industry experience: 20 years

- Extra layer of governance
- Daily monitoring and risk management
- Regularly reviewed to ensure delivery of long-term objectives



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