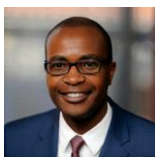


## Who are the investment managers?

STANLIB Namibia (Pty) Ltd, a registered Investment Manager in terms of the Stock Exchanges Control Act, No. 1 of 1985, manage the investments of the fund.



### Keillen Ndlovu

BCom (Hons), CAIB (SA), Property Development Programme  
Head of Listed Property

Keillen manages the largest listed property fund in South Africa, the STANLIB Property Income Fund. After beginning his property career with Standard Bank Properties in 2004, Keillen transferred to STANLIB in 2005 as a listed property analyst. After becoming a full-time fund manager in 2008, he successfully assumed increased responsibilities and fund management exposure, and was appointed head of STANLIB's Listed Property team in 2010. The Listed Property team has won numerous awards over the years and under his tenure has expanded its listed property offering to global property markets. Keillen is a regular commentator in the media on listed and commercial property issues.



### Nesi Chetty

BCom (Hons) Finance Cum Laude, CFA  
Senior Portfolio Manager

Nesi started his investments career with RMB in 2002 where he was a member of the consumer industrial team and also assumed non-consumer research responsibilities. Nesi was previous head of Financials at RMB Asset Managers, responsible for banks and life assurance. He also managed the award winning RMB Financials Fund. In 2010, He was appointed as a fund manager and Head of property for Momentum. He managed the flagship Momentum Property Fund for over a decade and was responsible for asset allocation, research, strategy, and fund management within the property investments business. Nesi is a regular commentator on property, equities and the broader financial market. Nesi Joined STANLIB in June 2019 to co manage local and global listed property.

## Fund review

The fund delivered -4.6% relative performance versus the benchmark for the second quarter of 2020, generating a return of 6.1% against the benchmark return of 10.7%. Positive stock contributors to fund performance were overweight positions in Fairvest and EPP and underweight positions in Lighthouse and Emira Property Fund. Detractors from performance were underweight position in Redefine, Growthpoint, Resilient, NEPI Rockcastle, Fortress B and MAS.

## Market overview

Having fallen -48% in the first quarter of 2020, the sector rebounded strongly in the second quarter of 2020. The JSE All Property Index delivered a total return of 18.7% in the second quarter, outperforming cash (STeFI Composite Index at 1.5%), bonds (ALBI 9.9%) and underperforming equities (FTSE/JSE All Share index returned 23.2%). Intu (UK), a stock we zero-weight in the Fund, continued its poor performance and entered administration, with the share suspended from trading. Amongst the best index performers were those either with material offshore exposure or stocks that had materially sold off the prior quarter. These include stocks such as Fortress-B, EPP, Lighthouse, Investec Property and MAS.

With SA entering COVID-19 level 5 lockdown on 27 March, the quarter saw the start of a stringent lockdown that evolved into a continued, but less stringent, level 3 lockdown in early June. Increasing investor certainty about the impact of COVID-19 on the property sector resulted in the sector rallying 12.9% in the month of June 2020. Companies continued to withdraw their forward-looking guidance and, in some instances, defer or suspend dividend payments. Trading statements and operational updates provided increasing clarity on how the companies were faring, are they enter a "new normal" environment in which Covid-19 becomes an increasingly understood operational factor.

## Looking ahead

The All Property Index (ALPI) is trading at 50% of last stated book value. The dividend yield attributed to the sector continues to evolve, as companies defer and suspend dividends to prudently conserve cash in a difficult operating environment. We anticipate flat (0%) dividend growth from the ALPI over the next 12 months. The ramifications and impact of COVID-19 have, and continue to be, factored into our dividend growth outlook. We caution that as events continue to unfold, there is an increasing risk that this growth rate turns negative for 2020. In part, the current anticipated dividend growth rate is bolstered by material currency weakness positively impacting companies that earn rental income offshore. In the short term, dividend growth will remain under pressure from continued weak property fundamentals, the continued COVID-19 impact and anaemic South African GDP growth.

We encourage investors to take a long-term view in this (cyclical) sector, as we expect more normalised distribution growth to return from 2021. As regards fund positioning, we retain a bias for stocks that have robust balance sheets, operationally sound portfolios and the capacity to pay dividends, depending on board and management intent.

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 2020	Q1 2020	Change
Namibia Cash & Mny Mkt	0.87	1.64	-0.77
Namibia Fixed Interest	52.03	56.75	-4.72
South Africa Cash & Mny Mkt	0.01	0.40	-0.38
South Africa Equity	47.09	41.22	5.87

## Fund classes

Class	Type	TER	Price (cpu)	Units	NAV (N\$)
A	Retail	2.11	122.75	51,711,134.78	63,477,545.57

All Price, Units and NAV data as at 30 June 2020.

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

TER - 1 Year Total Expense Ratio (%) including VAT as at 31/03/2020. The Total Expense ratio (TER) 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.

## Disclosures

Unit Trusts 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. Unit Trusts are traded at ruling prices and can engage in borrowing and scrip lending.

The Standard Bank Namibia Flexible Property Income Fund is a unit portfolio (portfolio) of the STANLIB Namibia Unit Trust Scheme (the Scheme).

The manager of the Scheme is STANLIB Namibia Unit Trust Management Company Limited (the Manager). The Manager is an approved Management Company in terms of the Unit Trusts Control Act, No. 54 of 1981. 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 portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager.

The trustee of the Scheme is First National Bank Nominees (Namibia) (Pty) Ltd.

The investments of this portfolio are managed, on behalf of the Manager, by Investment Manager 1 Legal Name, a registered Investment Manager in terms of the Stock Exchanges Control Act, No. 1 of 1985.

Prices are calculated and published on each working day, these prices are available on the Manager's website (<http://ww2.stanlib.com/Namibia>) and in Namibian 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.

All performance returns/figures quoted are shown in NAD and are based on data sourced from Morningstar or Statpro and are as at 30 June 2020.

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 all periods of 1 year or longer, where blank 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 (<http://ww2.stanlib.com/Namibia>).

## Contact details

### Manager

STANLIB Namibia Unit Trust Management Company Limited  
 Reg. No. 98/043  
 4th Floor, Maerua Office Park, Maerua Mall, Corner of Jan Jonker and Centaurus Road, Windhoek  
 Telephone: +264 (0)61 294 2252  
 Email: [info@stanlib.com.na](mailto:info@stanlib.com.na)  
 Website: <http://ww2.stanlib.com/Namibia>

### Investment Manager

STANLIB Namibia (Pty) Ltd  
 Reg. No.  
 4th Floor, Maerua Office Park, Maerua Mall, Corner of Jan Jonker and Centaurus Road, Windhoek  
 Telephone: +264 (0)61 294 2702  
 Website: <http://ww2.stanlib.com/Namibia>

### Trustee

First National Bank Nominees (Namibia) (Pty) Ltd  
 Reg. No. 2002/0180  
 FNB Building, Park Side, 1st Floor, 130 Independence Avenue, Windhoek  
 Telephone: +264 (0)61 299 2106