

**MULTI-ASSET INVESTING THROUGH A
DIFFERENT LENS**

STANLIB Multi-Strategy

- 1 Welcome and Introduction**
Alan Ehret
- 2 Multi-asset investing through a different lens**
Marius Oberholzer
- 3 Q&A**
Alan Ehret and Marius Oberholzer
- 4 Closing**
Alan Ehret

AGENDA

INTRODUCTION AND WELCOME

Alan Ehret



STANLIB

APPROACH TO MULTI-ASSET INVESTING

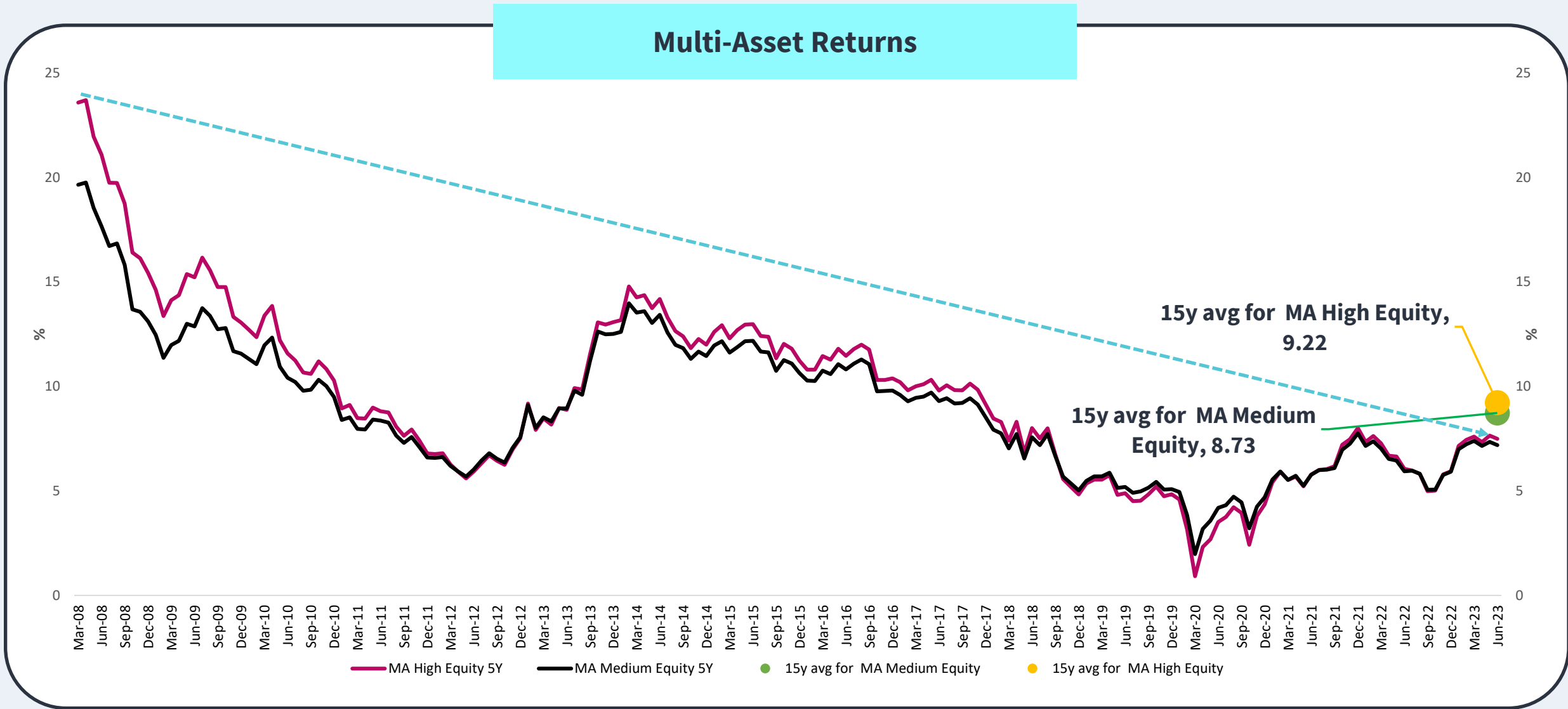
The Toughest Race in the World | Marius Oberholzer



STANLIB

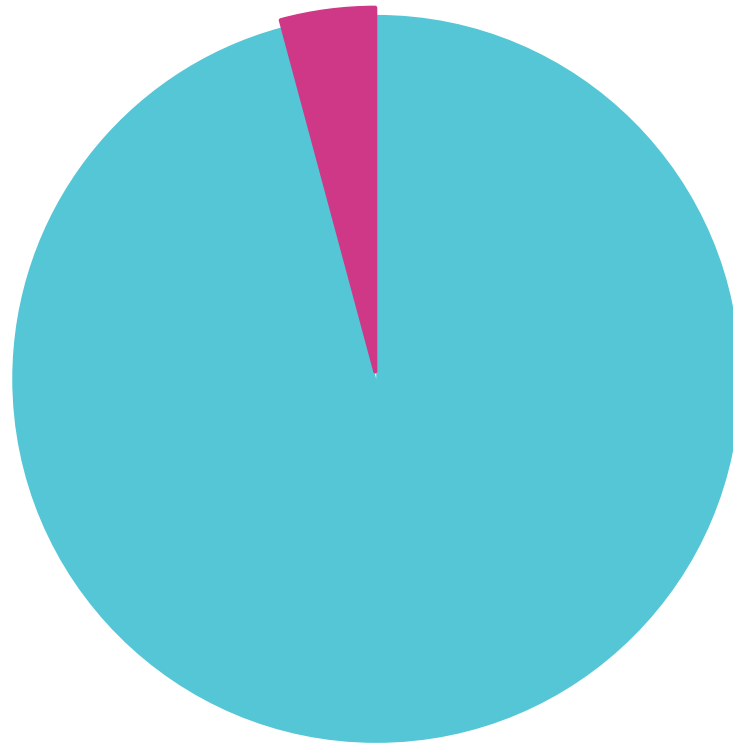


Returns structurally lower?



Asset class diversification isn't risk diversification

% Contribution of volatility in a typical balanced fund



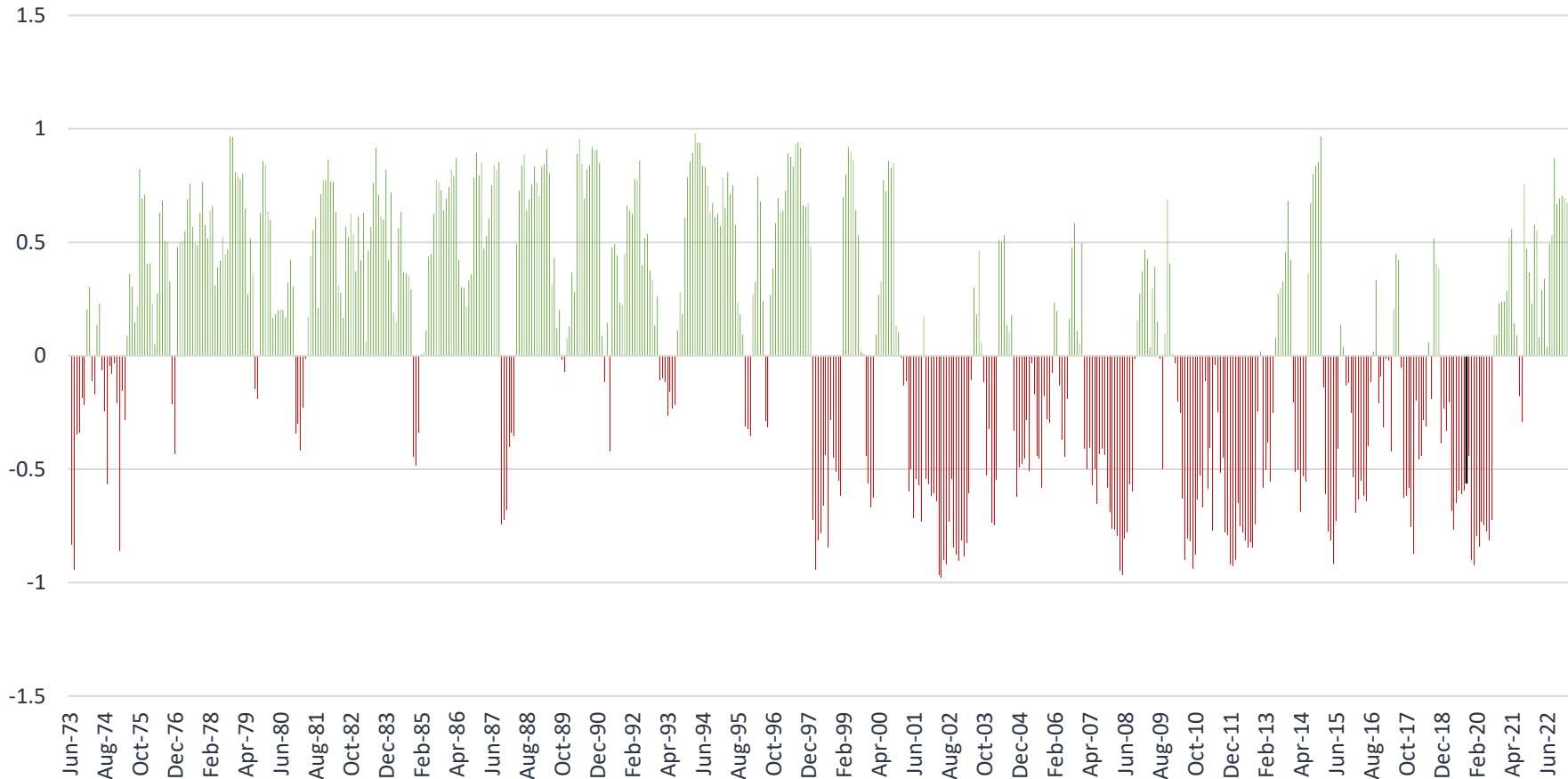
■ Equities

■ Bonds

■ Cash

Don't assume you are diversified when holding different asset classes

US Equities vs US Government Bond Correlations (6M)



What is the market risk regime doing now

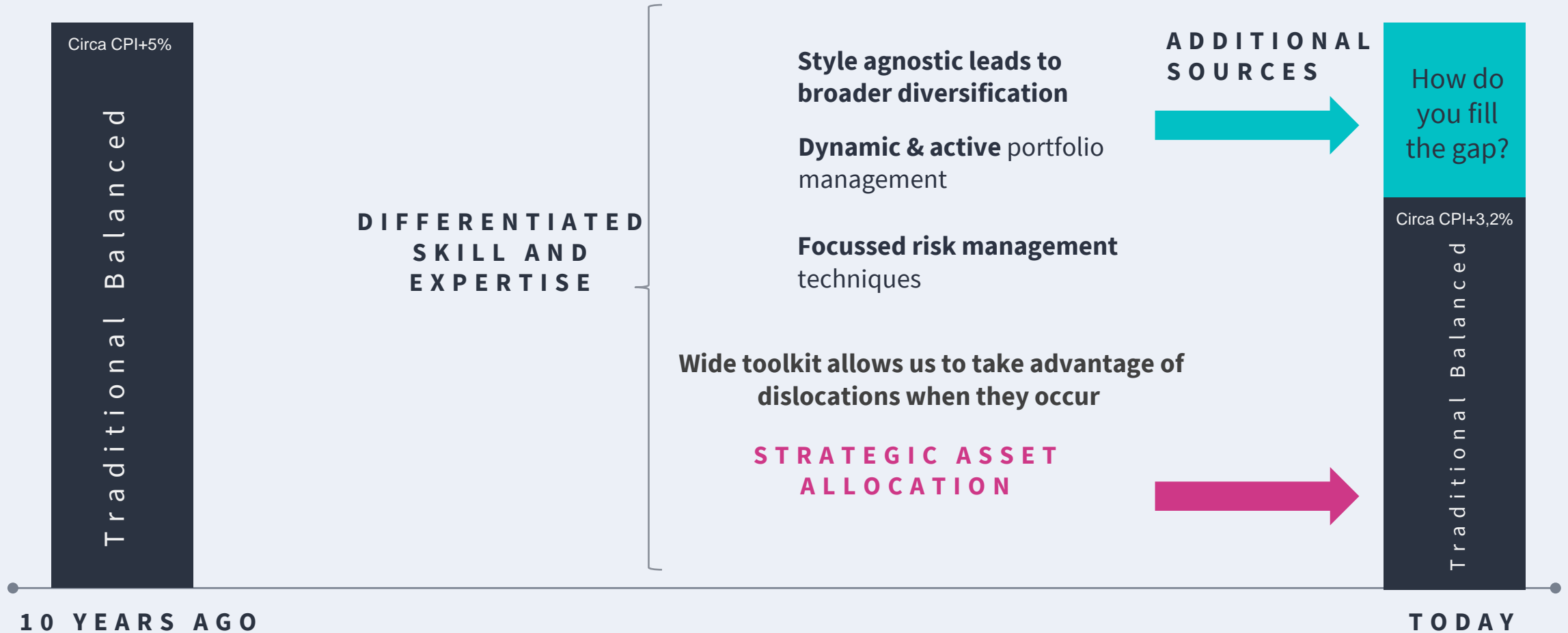
Shifting correlations

Shifting correlations is an example of taking a broader view of current risks drivers.

Monitoring shorter term shifts in correlations as opposed to long term historic trends in correlation means managers can adjust their views to incorporate broader degrees of diversification.

The same is not good enough anymore... the reality is that needs are different

HYPOTHETICAL ILLUSTRATION



STANLIB Multi-Strategy Team

TEAM



Head
Marius Oberholzer

TEAM MEMBERS' EXPERIENCE

Boipelo Moyo
David McNay
Emily Mofokeng
Kobus Nel
Dr Michael Streatfield
Muntu Mdwar
Nico Nchabeleng
Peter van der Ross
Warren Buhai
Wehmeyer Ferreira

190+

years of collective investment experience in the team

17+

Average Industry Experience

+

QUALIFICATIONS

BSc (Astrophysics), BSc (Hons) Risk Analysis, 2 BComm, 3 BBusSci, BCompt (Hons), BSc (Actuarial and Financial Mathematics), 2 BComm (Hons), BSc (Statistics and Economics), MSc (Global Finance), 2 CA(SA), 6 CFAs, IMC, DPhil, FFA, CAIA, FRM

DIVERSIFICATION

Global and domestic asset classes with low or negative correlations

CAPABILITIES

- Absolute Return strategies
- Multi-Asset
- TAA overlay
- Currency management
- Targeted Return and Target Date strategies
- Hedge Funds
- Regulation 28/30/13
- Bespoke mandates

AUM

R119

 bn

1 July 2023

WEALTH CREATION

Consistently growing and protecting capital using diverse set of asset classes and strategies to bring about consistent returns

CONSISTENT PERFORMANCE THROUGH ALL BUSINESS CYCLES

Examples of bespoke solutions

Customised Multi-Asset institutional risk range

- 1 Designed and built with a high degree of **low-cost passive building blocks** but are **highly diversified** and **actively managed**

Customised Multi-Asset adviser risk range

- 2
 - **Stable risk characteristics** consistent with the ASISA categories
 - **Direct invested, actively managed** portfolios
 - High degree of **customisation** in this range which also captures **alpha streams** coming from our wide-ranging capabilities including our offshore strategic partner JPM Asset Management, illiquid alternative assets and our overlay programmes

Downside constrained inflation protection (targeting upside capture comparable to SA equities)

- 3 Leaned on our established **LDI strategy** and combined with a directly managed **equity options-based** portfolio

Downside constrained inflation protection (targeting upside capture comparable to SA equities)

- 4 Designed a **FX overlay strategy** for a client given higher Regulation 28 limits leaning heavily on our current FX programme



Multi-Strategy and our team – Like a Tour de France Team

Our team: Differentiated by collaborative thinking



Marius Oberholzer
Head of Multi-Strategy
24 years

BCom(Economics and Commercial Law),
MSc(Global Finance)



Boipelo Moyo
Analyst
9 years

BCom(Finance and Investment Management)



David McNay
Portfolio Manager
15 years

BSc Hons (Astrophysics),
CFA



Emily Mofokeng
Analyst
4 years

B.Sc. Ecos (Stats),
B.Sc. Hon Stats, BSc.
Hon Risk Analysis



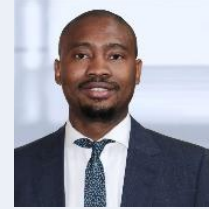
Dr Michael Streatfield
Quantitative Strategist
28 years

BBusSci(Hons),
DPhil(Oxon),
FFA, CFA



Kobus Nell
Portfolio Manager
20 years

BCom Hons, CA (SA),
CFA



Muntu Mdwara
Quantitative Analyst
15 years

BSc (Actuarial and Financial Mathematics), PGDiP (Financial Markets)



Nico Nchabeleng
Investment Analyst
14 years

BSc AcSci, BSc
HonsAdv
Maths, CFA



Peter van der Ross
Portfolio Manager
22 years

BBus Sci, CFA



Warren Buhai
Portfolio Manager
23 years

CA(SA) CFA



Wehmeyer Ferreira
COO
15 years

BCom Hons, CFA

STANLIB
J.P.Morgan
Asset Management

**DIVERSE
COMPLEMENTARY
SKILL**

EXPERIENCE
17 YEARS
Average investment experience

AUM SIZE
R119bn
1 July 2023

Our investment philosophy



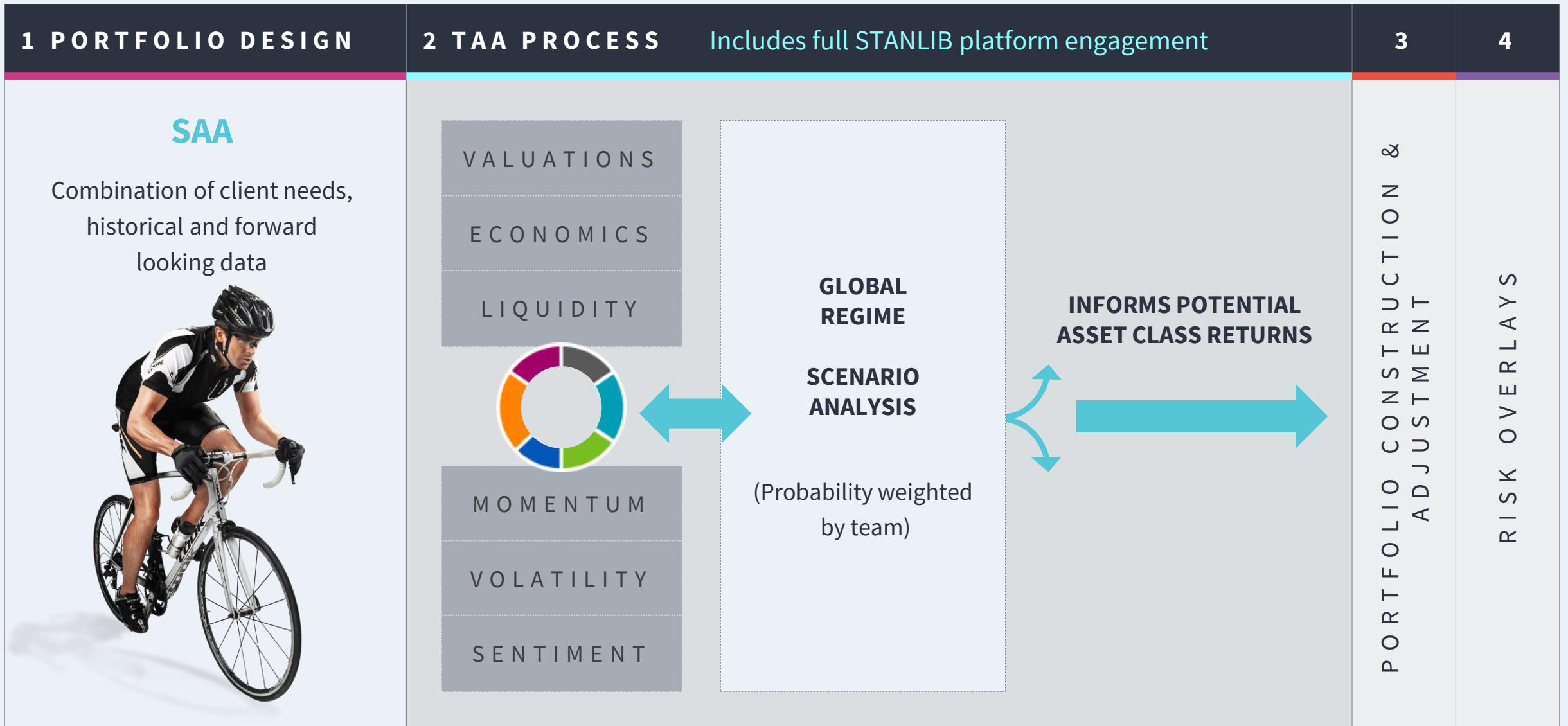
We believe **that investment management has evolved** beyond traditional principles. To deliver consistent risk-adjusted returns, it is key to **combine a wider toolkit of assets and strategies** within a **stringent risk management framework**.



Our approach is premised on:



Multi-strategy process overview

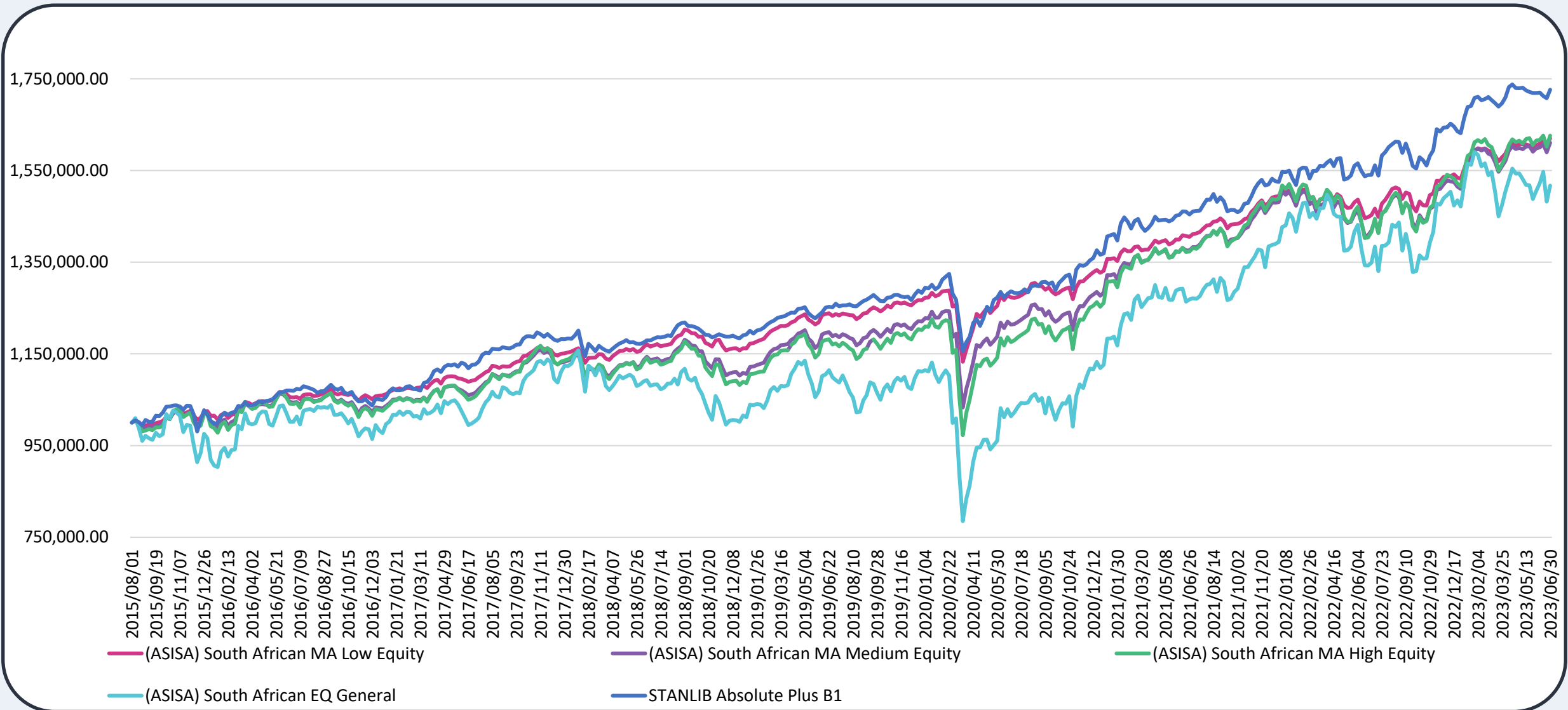


What sets us apart?

PERSPECTIVE	UNCONSTRAINED	SPECIALISTS	COMPETITIVE & ACCOUNTABLE	QUALITY
<p>Team as differentiated individual skills and backgrounds.</p> <p>Deliberately built.</p>	<p>We are willing to be meaningfully different.</p>	<p>The cross-asset specialists.</p> <p>How you take risk can make a big difference.</p>	<p>Highly competitive.</p> <p>Holistic portfolio thinking, managers of assets not 'blenders'.</p>	<p>Path dependency of returns matters and reflects in quality of our terms.</p>

MAILLOT JAUNE OR LANterne ROUGE?

Value of R1 million invested on 1 Aug 2015 (Marius assumed sole head of Franchise)



Source: Morningstar. Correct end June 2023. Returns Cumulative (net of fees). Absolute Plus B1 class used

STANLIB Balanced Propositions already adapting to terrain

STANLIB Balanced Funds as at 30 June 2023

	Q2 '23	YTD	1 YR	3 YR	5 YR	7 YR
STANLIB Balanced Cautious Fund*	3,3	8,4	14,9	9,0	8,7	7,6
Quartile Ranking**	1	1	1	3	2	3
STANLIB Balanced Fund*	3,9	8,9	16,4	9,8	8,1	7,1
Quartile Ranking**	2	2	3	4	4	4

* Gross Returns

** Net of Fees Ranking

“Please note that full performance details of the funds including highest and lowest annual performance figures, are available on the Minimum Disclosure Document/ Factsheet.”

DIRECTEUR SPORTIF

STANLIB

STANLIB Multi – Strategy Team | 12 Month view at 30 June 2023

1

Market resilience has been impressive.

2

Growth holding up better than expected.

3

Earnings better than expected and real wages expanding as inflation cools.

4

“Fed-in-a-Box” theme remains in play.

5

CB’s reaction function from here is key to upside scenarios.

6

Expect next leg to come from QT.

7

China is having an impact
NE Asia, SA, Yuan, Commodities.

8

Global bonds look much better value now than March 2023.

9

Neutral(ish) for BM Relative Funds and two-sided risk in Absolute Return Funds.

A less conservative stance now than March 2023

1 Hard landing – 33%

Our highest probability scenario is for a “hard landing” (but less hard than 3-12 months ago)

2 Slowflation – 31%

Under “Slowflation” we envisage rangebound markets; potentially uninspiring returns but with considerable volatility in the path.

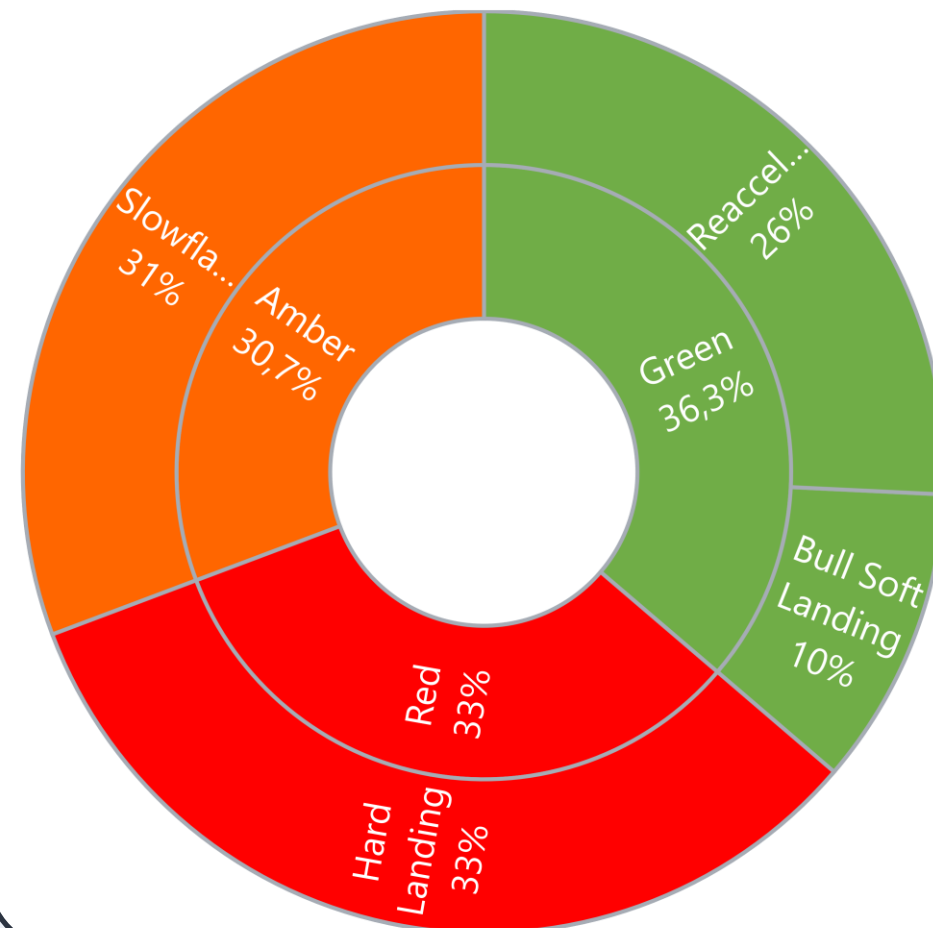
3 Soft landing – 10%

A growing probability is the more bullish “Soft Landing” and “reacceleration” which we included into our mix in March . There is nuance here and outcomes are different.

4 Reacceleration – 26%

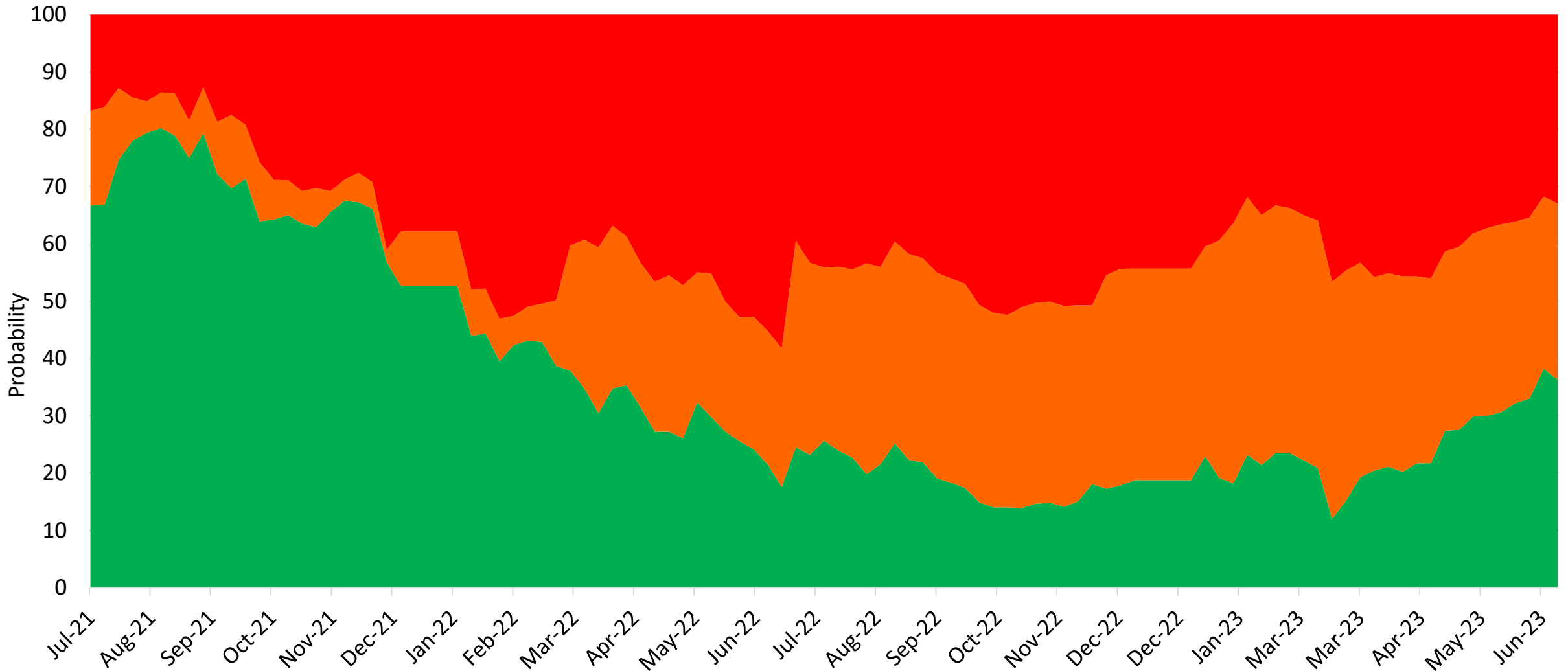
- **Good markets are broadly driven by lower rates, liquidity dynamics and acceptance of higher inflation being the lessor evil.**
- **Risks are much more two way now.** Fed in a Box thesis is playing out better than we expected but still headwinds.

Scenario Probabilities 30 June 2023



Our tactical scenarios Traffic Lights - End June 2023

Multi-Strategy Team - Scenario Evolution of "Traffic lights"



Source: STANLIB Multi-Strategy. Scenarios correct as at 1 July 2023

STANLIB Multi-Strategy team – 12 Month view at 30 June 2023

Team Weighted							
STANLIB MULTI-STRATEGY TAA ASSET PREFERENCE: End Jun-2023							
Assets	Max UW	UW	N	OW	Max OW	View Chg	
MAIN ASSET CLASSES	SA Cash					●	
	SA Credit		●				▼
	SA Bonds				●		▼
	SA Listed Property		●				▲
	SA Equity			●			
	Global Cash					●	
	Global Bonds					●	
	DM Equities			●			
	EM Equities			●			
	Offshore Assets				●		
SECONDARY ASSETS	SA Duration			●			▼
	Global Duration				●		
	Global IG			●			▲
	Global HY		●				▲
	SA Resi		●				▼
	SA Fini				●		▲
	SA Industrials				●		▲
	ZAR Hedges				●		
	Oil				●		
	Copper			●			
	Platinum			●			▲
	Gold			●			▼
	USD				●		▲
	EUR			●			
	JPY				●		
	ZAR			●			
	Bitcoin			●			▲
	Growth				●		
Value		●				▼	
Volatility					●		

- Max Overweight
- Overweight
- Neutral
- Underweight
- Max Underweight



Disclaimer: Multi-Strategy Team tactical asset allocation view is informed by numerous factors including liquidity, volatility, sentiment, valuations, momentum and economics. Additionally, we build scenarios to help inform our thinking around what multiple futures environments could look like in addition to ascribing probabilities and risks to each of those potential future paths. Our quarterly tactical asset allocation stance represents our current 12-month view at the end of quarter on a range of asset classes and geographies within our universe. Importantly, these views do not consider risk budgeting for portfolio construction but rather represent our relative preferences, and hence might not reflect our actual portfolio positioning. This output should not be considered advice.

MARKETS REMAIN TRICKY AS REGIMES SHIFT

- We may be in a regime shift?
- Short run help and seasonality now behind us. The wall of worry has been climbed.
- Some headwinds here, but markets re-priced in 2022, and Fed in a Box has pushed risks back (for now).
- How do they tackle inflation with “peak rates”.

BETTER ENVIRONMENT FOR US VS “SMOOTH” BULL MARKETS

- The investment team is working to find sources of alpha whilst carefully managing risk. This remains a time to concentrate!
- We continue to expect volatility to rise. More volatility plays to many of our strengths.

PERFORMANCE CONTINUES TO DEMONSTRATE “WHAT IS SAID ON THE TIN”

- Consistent returns with lower volatility – smoother path to growth.
- The approach continues to prove its merit against aims.
- Should be no surprises in what we deliver.

STRONG EXPERIENCED TEAM

- Continue to operate as normal as a high quality, well resourced team.
- Team is made up to compete for the podium contender in a multi-stage race.



Why STANLIB Multi-Strategy

1

Returns have been challenged – is it cyclical or structural – why would you not embrace the philosophy of marginal gains?

2

Like the Tour De France – One style of ride doesn't get you to be a podium contender

- Different strengths allows for adaptability to changing race dynamics or conditions
- The different strengths combine to deliver in Paris (the outcome)

3

The team has already proven itself

4

Set-up to contend

Follow some of our thinking. <https://stanlib.com/multistrategy>

January 28th 2020	Absolute Returns: South African Equities, Value or value trap?
February 21st 2020	Absolute Returns: SA Bonds-lending to the SA Government.
March 12 th 2020	Covid 19 Perspective
April 14 th 2020	TAA - Opposing Forces
May 28 th 2020	Absolute Returns: Equities, What lies beneath?
July 15 th 2020	TAA - Dead Cat bounce or V for victory
November 20 th 2020	A year of change
December 15 th 2020	Diversifications Failure
December 15 th 2020	SA Banks: Idea and Process
December 15 th 2020	Gold in the age of financial repression
December 15 th 2020	Health Care Risks - Time for a check up.
December 20 th 2020	Updating views on SA Bonds
December 23 rd 2020	TAA - Going into 2021
January 15 th 2021	Vaccine Modelling
April 22 nd 2021	Not your Grandfathers Fed
June 9th 2021	Commodity super cycle?
June 25th 2021	Investing perspectives in a recovering world
June 28th 2021	Equities & the SA economy
Sept 23rd 2021	Policy GIGO
Dec 13th 2021	Clouds loom over Emerging Markets
June 14th 2022	Market behavior in recessions
July 26th 2022	Volatility - Friend or Foe
July 28th 2022	Equity Margin Risk
September 14th 2022	Optimal Offshore Allocations
October 26th 2022	FOMO Investing
February 10th 2023	New Year, Many Futures
February 20th 2023	What to expect in 2023
May 11th 2023	"Rare balance of growth and risk"
June 5th 2023	Unicorns Revisited



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