

Alexander Forbes Investments Unit Trust Scheme

Minimum Disclosure Document

November 2023

AF Investments Stable Fund of Funds - Class A

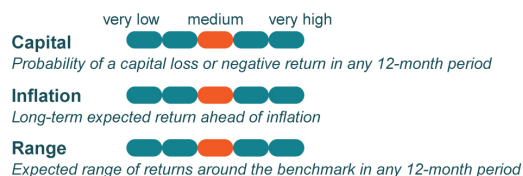
Fee class launch date*

29 February 2012

Fund size

R 1.8 billion

Risk profile



Denomination

South African Rand

ASISA portfolio category

South African - Multi Asset - Low Equity

Minimum investment

R30 000 single premium, R500 monthly by debit order

Income distribution

Declared on the last working day of March, June, September and December, paid within six weeks of declaration date

Benchmark

South African - Multi Asset - Low Equity - ASISA Category Average

Portfolio objective

The portfolio is a low-risk balanced portfolio aimed at adding value through buying participatory interests of other collective investment scheme portfolios.

Investment policy summary

The portfolio will, apart from assets in liquid form, invest solely in a range of participatory interests of portfolios of collective investment schemes that have exposure to domestic and offshore equities, listed property, non-equity securities, as well as listed and unlisted financial instruments, as permitted by the Collective Investment Schemes Control Act no. 45 of 2002 (CISCA) and subordinate legislation promulgated thereunder. Furthermore, the portfolio will be managed in accordance with the prudential requirements as required for retirement funds in South Africa, to the extent allowed by CISCA. The portfolio's strategy will focus on capital growth and capital preservation, and will include equity exposure applicable to a low-risk balanced portfolio, in accordance with the South African Multi Asset Low Equity Portfolios fund classification category. Where the aforementioned schemes are administered in territories other than South Africa, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio when such portfolios are invested within South Africa, subject to such territories having a regulatory environment, which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that of South Africa. There are no additional mandate investment limitations.

Expected number of asset manager/s

For optimal diversification one can expect two to four managers in this portfolio

Strategic asset allocation

Managers/Portfolios

Nedgroup Investments Stable Fund
Coronation Balanced Defensive Fund
Stable FOF/Abax Abs Prescient Class B1 - AM
Cash

SMA*

37.3%
34.3%
28.0%
0.4%



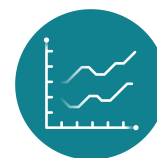
Equity Excluding Property
0% - 40%



Property
0% - 15%



Bonds
0% - 100%



Cash
0% - 100%

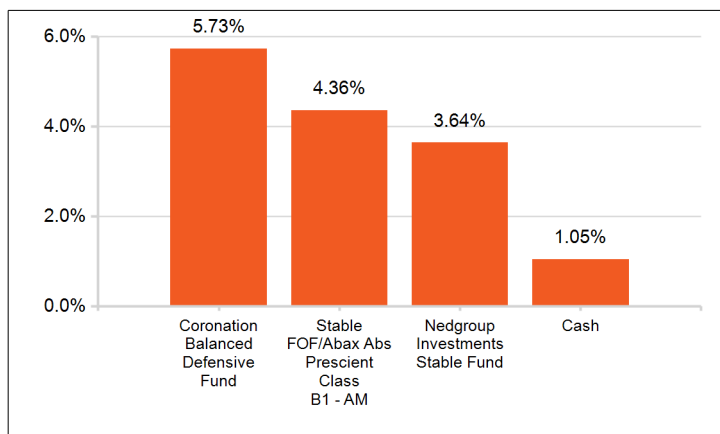
*Strategic manager allocation

Performance of Class A to November 2023

	Portfolio	Benchmark	Highest Annual (%)		Lowest Annual (%)	
			Portfolio	Benchmark	Portfolio	Benchmark
1 Month	4.51%	4.51%				
1 Year	10.42%	8.93%				
3 Years	8.16%	8.45%	18.23%	17.38%	1.81%	1.36%
5 Years	7.15%	7.60%	18.23%	17.38%	-5.55%	-3.10%
10 Years	6.73%	6.85%	18.23%	17.38%	-5.55%	-3.10%
Since Launch	7.78%	7.63%	18.23%	17.38%	-5.55%	-3.10%

Source: Alexander Forbes Investments

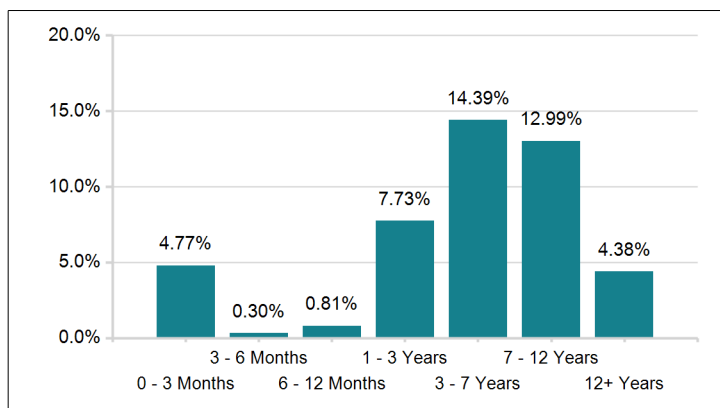
Underlying returns (1 month to November 2023)



Top 10 equity holdings (% of total portfolio)

CORONATION GLOBAL CAPITAL PLUS FUND S	1.5%
FIRSTRAND LIMITED	1.2%
PROSUS	1.1%
NASPERS	1.1%
ABAX GLOBAL EQUITY FUND CL C	1.1%
EGERTON CAPITAL CLASS C USD	0.8%
ANHEUSER-BUSCH INBEV	0.8%
STANDARD BANK GROUP	0.8%
BRITISH AMERICAN TOBACCO PLC	0.8%
CONTRARIUS GLOBAL EQ-INST B	0.7%
Total	9.9%

Maturity profile



Market summary

	1 Month	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share	8.55%	4.69%	14.33%	12.37%	8.89%
FTSE/JSE SWIX	8.59%	2.37%	11.10%	8.77%	7.40%
FTSE/JSE Capped SWIX ALSI	8.33%	1.89%	13.62%	8.91%	7.18%
FTSE/JSE SA Property	9.14%	1.35%	16.17%	-1.84%	2.07%
All Bond Index	4.73%	8.76%	7.76%	8.06%	7.94%
STeFI Composite index	0.68%	7.91%	5.54%	5.92%	6.40%
MSCI AC World	10.30%	24.56%	13.01%	16.16%	14.45%
FTSE WGBI	5.91%	12.06%	-1.66%	4.66%	5.50%

Source: Bloomberg and MorningStar

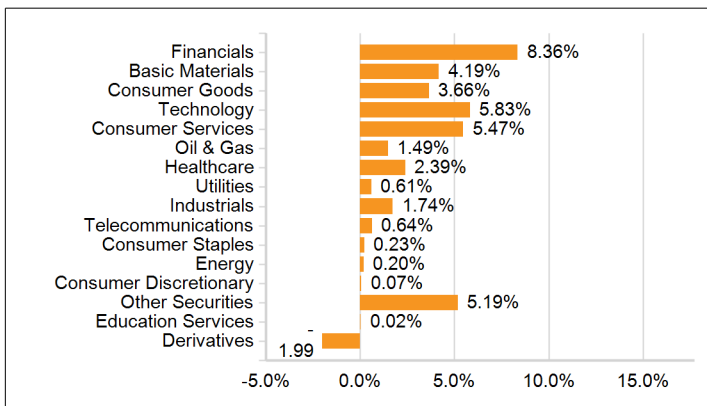
Manager/portfolio weightings

Nedgroup Investments Stable Fund	37.4%
Coronation Balanced Defensive Fund	34.4%
Stable FOF/Abax Abs Prescient Class B1 - AM	28.1%
Cash	0.0%
Total	100.0%

Asset allocation

	Local	Africa	Global	Combined
Equity Excluding Property	13.8%	0.0%	21.4%	35.2%
Property	2.3%	0.0%	0.5%	2.9%
Bonds	40.9%	0.1%	4.4%	45.4%
Cash	9.5%	0.0%	3.9%	13.4%
Commodities	2.7%	0.0%	0.5%	3.1%
Total	69.2%	0.1%	30.7%	100.0%

Industry sector breakdown (% of total portfolio)



Top 10 issuers (% of total portfolio)

SOUTH AFRICA (REPUBLIC OF)	23.5%
ABSA GROUP LIMITED	3.7%
FIRSTRAND BANK LIMITED	3.6%
SASOL LTD	3.0%
NEDBANK GROUP LTD	2.3%
STANDARD BANK GROUP LTD	2.1%
ABAX INVESTMENTS PTY (LTD)	1.1%
UNITED STATES OF AMERICA	1.0%
INVESTEC BANK LIMITED	0.5%
MTN GROUP LIMITED	0.5%
Total	41.2%

Total investment charge of Class A		Income distribution (cent per unit)		
Period (Annualised, rolling three-year period): to 31 Oct 2023		Date	Interest	Dividend
Average annual service charge (incl VAT)	0.57%	September 2023	1.1900	0.2000
Underlying fund expense	0.98%	June 2023	2.1100	0.4700
Other expenses	0.00%	March 2023	1.1500	0.2300
		December 2022	0.4000	0.1300
Total Expense Ratio (TER)¹	1.56%			
Transaction Costs (TC)²	0.00%			
Total Investment Charges (TER + TC)³	1.56%			

- Disclosures**
- 1. Total expense ratio (TER):** The percentage of the value of the portfolio that was incurred as expenses relating to the administration (charges, levies and fees) of the portfolio. TER is calculated over a rolling three-year period (or since inception, where applicable) and annualised to the most recent calendar quarter. A higher TER does not necessarily imply a good return. The current TER may not necessarily be an accurate indication of future TERs.
 - 2. Transaction costs (TC):** The percentage of the value of the portfolio that was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction costs are a necessary cost in administering the portfolio and impacts portfolio returns. It should not be considered in isolation, as returns maybe impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Calculations are based on actual data where possible and best estimates where actual data is not available.
 - 3. Total investment charge (TIC):** The percentage of the portfolio that was incurred as costs relating to the investment of the portfolio. It is the sum of the TER and TC.

Inception date note

*The portfolio inception date is 28 July 2011.

- Risks (portfolio specific)**
- Derivatives:** There is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management process, to oversee and manage derivative exposures within a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived.
- Exposure to foreign securities:** Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: 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. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.
- Fund of funds:** A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds.
- Drawdown:** The potential magnitude of loss - the largest peak-to-trough decline in returns over the period, also known as the maximum drawdown.
- Liquidity:** The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).
- Equities:** The value of equities may vary according to company profits and future prospects, as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.
- Bonds:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments and companies, will be more stable than those issued by emerging markets or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the capital invested. Any historical or current yields quoted should not be considered reliable indicators of future performance.

For a detailed description of these risks, and other risks that are relevant to the portfolio, please refer to the CIS Risk Disclosure Document, available on the website https://myapi.alexanderforbes.co.za/content/download/afinvestments/investmentsolutionspdf/files?path=CIS_RiskDisclosure.pdf

General

Collective Investment Schemes (unit trusts) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending of assets). The manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A schedule of all fees and charges, inclusive of VAT and maximum commissions, is available on request from us or from your financial adviser. Forward pricing is used. Any forecast and/or commentary in this document are not guaranteed to occur.

Redemptions

The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The ability of the portfolio to repurchase, is dependent upon the liquidity of the securities and cash of the portfolio. A manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity, and the manager must keep the investors informed about these circumstances.

Prices

The latest prices and TER are published daily in the Business Report (South Africa's National Financial Daily) and are made available on our website <https://investdata.alexforbes.com/for-you/daily-unit-prices>.

Performance fees

Performance fees are not levied on the portfolio.

Performance returns

Lump-sum performance returns are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the Manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. The performance is calculated for the fee class. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request.

Valuations and transaction cut-off times

The portfolio is valued daily, at the end of the day (18:00). The withdrawal instruction must be received before 13:00 on the pricing date, failing which, the next pricing date will apply.

Additional information

For additional information on the portfolio, refer to the following documents, available on our website www.alexforbes.com, from your financial adviser, or on request from the manager, free of charge.

- [Application forms-Legal Entity](#)
- [Application forms-Individual](#)
- [Annual report](#)
- [Fee schedule](#)
- [Quarterly General Investor Report](#)

Complaints and conflicts of interest

The complaints policy and procedure, as well as the conflicts of interest management policy, are available on our website Governance-alexforbes investor relations. Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager.

Closure of portfolio

The manager has the right to close the portfolio to new investors, in order to manage it more efficiently, in accordance with its mandate.

Contact details

CIS Manager

Alexander Forbes Investments Unit Trusts Limited. **Registration number:** 2001/015776/06. **Physical address:** 115 West Street, Sandown, 2196. **Postal address:** PO Box 786055, Sandton, 2146. **Telephone number:** + 27 (0)11 505 6000. **Email address:** afinvestments@alexforbes.com. **Website address:** www.alexforbes.com. **Director names:** <https://alexforbes.com/about-us/company-directors.html> The manager is registered as a manager of collective investment schemes, in terms of the *Collective Investment Schemes Control Act*. The manager, through Alexander Forbes Group Holdings Limited, is a member of the Association for Savings and Investment South Africa (ASISA).

Trustee

FirstRand Bank Limited, acting through RMB Trustee Services. **Registration number:** 1929/001225/06. **Physical address:** No. 3 First Place, Corner Jeppe and Simmonds Streets, Johannesburg, 2001. **Postal address:** PO Box 7713, Johannesburg, 2000. **Telephone number:** +27 (0) 87 736 1732. **Email address:** info@rmb.co.za. **Website address:** www.rmb.co.za. The trustee is registered as a trustee of collective investment schemes, in terms of the *Collective Investment Schemes Control Act*.

Investment Manager

Alexander Forbes Investments Limited. **Registration number:** 1997/000595/06. FSP number: 711. **Physical address:** 115 West Street, Sandown, 2196. **Postal address:** PO Box 786055, Sandton, 2146. **Telephone number:** + 27 (0)11 505 6000. **Email address:** afinvestments@alexforbes.com. **Website address:** www.alexforbes.com. The investment manager is an authorised Financial Services Provider (FSP), as discretionary FSP, in terms of Section 8 of the *Financial Advisory and Intermediary Services Act* (FAIS). This information is not advice, as defined in FAIS. Please be advised that there may be supervised representatives.

Notes:

Advice fees: An initial fee of up to 3.45% (including VAT) may be charged by your financial adviser, as well as an ongoing annual fee of up to 1.15% (including VAT). These fees may be negotiated between yourself and your adviser.

Class: The most expensive class for this portfolio is the A Class.

Rounding: Figures in this report may not add up to 100%, due to rounding of decimals.

Benchmarks: All benchmarks based on the ASISA standard series reflect proxy benchmark returns as the signed off Morningstar benchmarks are not available at the date of publication.