STANLIB Multi-Manager Low Equity Fund of Funds

Minimum Disclosure Document

As at 30.06.2019

STANLIB

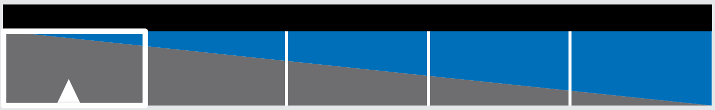
STANLIB Multi-Manager (Pty) Ltd

STANLIB Multi-Manager (Pty) Ltd was established in 1999 and is the centre of excellence for multi-managed solutions within STANLIB. The investment team, led by Chief Investment Officer Joao Frasco, consists of an experienced team with a diverse set of investment skills. We have offices in Johannesburg and London, and currently have mandates in excess of R150 billion under stewardship.

What is the Fund's objective?

The Fund's objective is to provide modest long-term growth of capital and good income, with a low probability of capital loss over the short term. It aims to outperform CPI (South African Inflation) plus 3% p.a. (i.e. to provide a real return of 3% p.a.) over rolling 3-year periods.

Risk profile



Income assets   Growth assets

What are the investment guidelines?

The Fund adopts a specialist approach whereby exposure to each asset class is gained via a multi-managed building block.

The tactical exposure to each asset class is actively managed around a strategic asset allocation that has been designed to meet the long-term return and shorter term risk objectives of the Fund. The Fund's maximum equity exposure (including international equity) is 40% of the portfolio – as per the ASISA South African Multi-Asset Low Equity category as amended from time to time.

Fund's Composite Benchmark/Strategic Asset Allocation (SAA): SA Cash (STeFI Composite) – 27.5%, SA Bonds (JSEASSA All Bond) – 25%, SA Property (FTSE/JSE ALPI/SAPY) – 7.5%, SA Equity (FTSE/JSE Capped SWIX) – 15%, Global Equities (MSCI AC World IMI (ZAR)) – 12%, Global Bonds (Barclays Global Multiverse (ZAR)) – 5%, Global Cash (1-month USD LIBOR (ZAR)) – 1.5% and (1-month EUR LIBOR (ZAR)) – 1.5%.

The Fund complies with provisions of the Collective Investment Schemes Control Act, No. 45 of 2002 and the Regulations thereto, as amended from time to time, and complies with Regulation 28 of the Pension Funds Act.

How is the Fund managed?

The Fund is designed to deliver superior investment returns more consistently than through a single asset manager or mandate. Our approach allows investors' to outsource the fund / manager selection decision, which includes the ongoing due diligence of managers and construction of portfolios, to meet pre-defined objectives over time.

The Fund forms part of our goals-based range

The Fund forms part of a comprehensive goals-based range.

	Growth assets vs defensive assets*	Indicative volatility range	Investment objective
STANLIB Multi-Manager Enhanced Yield Fund	0% 100%	0.3% - 0.6% p.a.	To outperform the STeFI Composite Index
STANLIB Multi-Manager Low Equity FoF	30% 70%	3% - 6% p.a.	CPI + 3% p.a. over 3-year rolling periods
STANLIB Multi-Manager Medium Equity FoF	55% 45%	5% - 10% p.a.	CPI + 4% p.a. over 4-year rolling periods
STANLIB Multi-Manager Medium-High Equity FoF	68% 32%	6% - 12% p.a.	CPI + 5% p.a. over 5-year rolling periods
STANLIB Multi-Manager High Equity FoF	78% 22%	7% - 14% p.a.	CPI + 6% p.a. over 6-year rolling periods
STANLIB Multi-Manager Diversified Equity FoF	100% 0%	10% - 20% p.a.	CPI + 7% p.a. over 7-year rolling periods

*Growth assets are defined as equities and listed property

How do we approach risk management in the Fund?

Risk management is a fundamental component of our investment philosophy and process and is therefore approached holistically. It permeates every part of our investment process, requiring participation and accountability from all individuals involved in the process.

As a multi-manager, our risk management process begins at the time of portfolio specification and design, because by the time securities are included in the portfolio by the underlying managers, one has already accepted the risks and has limited ability to mitigate them. Our process then moves to manager research and portfolio construction, where we seek to know the managers intimately and construct a portfolio to behave in line with our broader investment objectives.

"Risks Inherent in our Funds" is a document that classifies the sources of risk associated with the management of our Funds. It can be obtained from the website www.stanlibmultimanager.com.

The Portfolio Managers dedicated to the Fund

Jennifer Henry
Head of Portfolio Management: Retail Clients
BCom(Hons), CFA, FRM

Lubabalo Kenyane
Portfolio Manager
BBA, CIPM

Underlying manger/fund framework

The manager framework currently constitutes the following managers within the respective specialist building blocks:

Cash	Bonds	Income	Property	Equity	Offshore	
STANLIB	Futuregrowth	Investec	Catalyst	Coronation	Sands	Amundi
Aluwani Capital Partners	Aluwani Capital Partners	Prescient	STANLIB	STANLIB	Veritas	BlackRock (Alternative Beta)
Prescient	Prescient	Aluwani Capital Partners	Sesfikile	Foord	Hosking Partners	Brandywine
Investec	STANLIB			Prudential	Sanders	PIMCO
	Coronation			Visio	Arrowstreet Capital	
				Truffle	Alliance Bernstein	

Fund Information

STANLIB

Information to be considered before investing

The STANLIB Multi-Manager Low Equity Fund of Funds (FoF) should be considered a medium to long-term investment. A FoF invests in other collective investment schemes, which levies its own charges and which could result in a higher fee structure for the FoF. The value of units (participatory interest) may go down as well as up and past performance is not necessarily a guide to the future. Where exposure to foreign investments is included in the portfolio, there may be additional risks, such as possible constraints on liquidity and the return of funds to South Africa, macroeconomic risks, political risks, tax risks, settlement risks and possible limitations on the availability of market information. The FoF is traded at ruling prices using forward pricing and can engage in borrowing up to 10% of the market value of the portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests and may engage in scrip lending. A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments (RF) Pty Ltd (the Manco). Commission and incentives may be paid and if so, would be included in the overall costs. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Liberty is a full member of the Association for Savings and Investments of South Africa. The Manco is a member of the Liberty Group of Companies.

Unit price – how it works

Collective Investment Schemes (i.e. "Unit Trusts") are traded at ruling prices set on every trading day. Forward pricing is used which means Fund valuations take place at approximately 15h00 each business day, and your instructions are therefore processed at prices that are not yet determined when your instructions are received. Instructions must reach the Management Company before 13h00 to ensure same day value. The 13h00 cut-off time only applies to investments and switches. Repurchases will receive the price of the same day if received prior to 15h00. The money market funds are valued at 12h00. The funds of funds and feeder funds are valued at 24h00 and 17h00.

The payment of withdrawals may be delayed in extraordinary circumstances, when the Manco 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 Manco to sell the underlying investments in a manner that may have a negative impact on remaining investors of the Fund.

Performance information on the monthly factsheet

Performance is calculated by STANLIB Multi-Manager (Pty) Ltd as at month end for a lump sum investment using net asset value (NAV) prices with income reinvestments done on the ex-dividend date. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs including manager fees, and trading costs incurred within the Fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the weighted average compound growth rate over the performance period measured. Past investment returns are not indicative of future returns and no guarantee is provided with respect to capital or return of the Fund.

Total Expense Ratio (TER) and Transaction Costs (TC) = Total Investment Charge (TIC)

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 – expenses vary and the performance fee component can fluctuate over time.

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).

The annual management fee is accrued daily and paid on a monthly basis.

STANLIB Multi-Manager (Pty) Ltd does not provide financial advice

STANLIB Multi-Manager (Pty) Ltd is an authorised Financial Services Provider licenced under the Financial Advisory and Intermediary Services Act, 37 of 2002. FSP licence No.26/10/763. This information does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Independent financial advice should always be sought before making an investment decision.

If you appoint an adviser, advice fees are contracted directly between you and the adviser. We will facilitate the collection of advice fees (including initial advice fees up to a maximum of 3.00%) only upon receiving your instruction. You may cancel the instruction to facilitate the payment of advice fees at any time.

Where can I find additional information?

Additional information such as brochures, application forms and annual or quarterly reports, can be obtained from the websites: www.stanlib.com / www.stanlibmultimanager.com.

The prices of Funds are calculated and published on each working day. These prices are also available on the websites and in South African printed news media.

STANLIB Multi-Manager Low Equity Fund of Funds

As at 30.06.2019

STANLIB

Investment Description

The Fund adopts the specialist approach whereby exposure to each asset class is gained via a multi-managed building block. It is well diversified across domestic and foreign asset classes. Its main objective is to provide modest long-term growth of capital and income, with a low probability of capital loss over the short term.
The Fund aims to achieve CPI+3% p.a over 3-year rolling periods.
The Fund is exposed to multiple best-of-breed managers, investment styles, asset classes and strategies providing investors with additional diversification benefits. The tactical exposure to each asset class is actively managed – expected total equity content of between 20% and 30%.
The Fund is regulation 28 compliant.

Suitable Investors

- Who wish to diversify single manager risk
- Who want a multi-asset class solution
- Who seek inflation beating returns with conservative levels of risk
- Who typically have an investment horizon of at least three years

Annualised Performance (%)

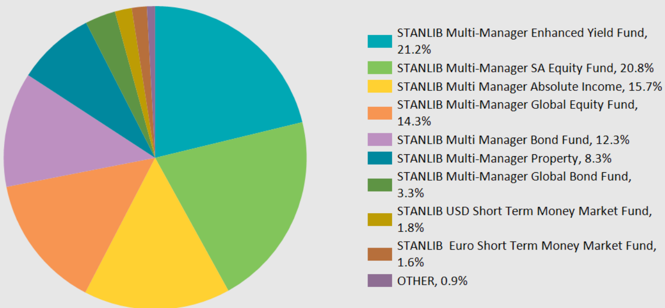
	1 Year	3 Years	5 Years	10 Years
Class A	5.03	5.19	5.86	8.39
Class B1	5.74	5.90	6.57	9.05
Benchmark	5.51	5.29	6.78	9.09
Sector Average	5.51	5.29	5.98	8.45

Please note that with effect from 8 June 2017, the benchmark for this fund changed from a composite benchmark to the SA Multi Asset Low Equity category average. Benchmark data prior to 8 June 2017 is the composite benchmark and thereafter is the SA Multi Asset Low Equity category average.

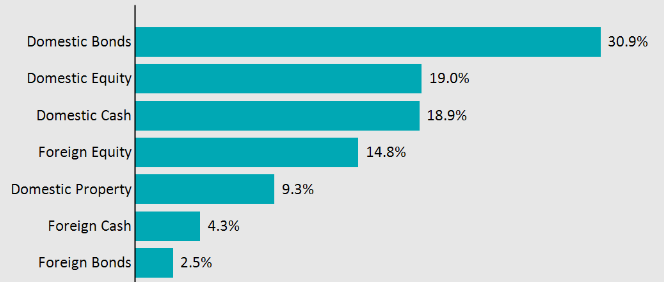
Risk Rating

Please refer to the "Information to consider before investing" section on page 2 for further risk information.

Underlying Building Blocks



Physical See Through Asset Allocation %



Income Distribution

	Declared in last 12 months	Declared during 2019
Class A	9.37 cpu	4.75 cpu
Class B1	10.90 cpu	5.67 cpu

Portfolio Facts

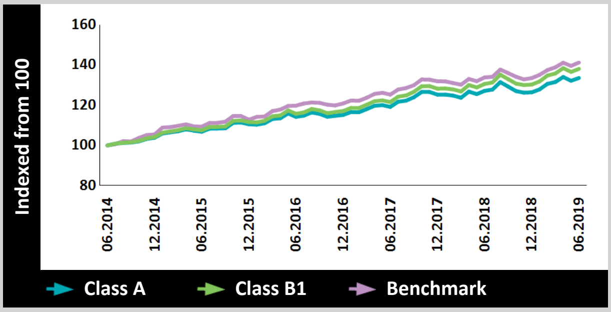
Portfolio Manager(s)	Jennifer Henry and Lubabalo Khenyane
Portfolio Size (NAV)	R 1394 million
Sector	South African Multi-Asset Low Equity Average
Income Distribution	Net revenue is calculated on a daily basis and distributed bi-annually.
Income Declaration	30 June & 31 December
Benchmark	South African Multi-Asset Low Equity Average

	Class A
Launch Date	01 Jan 2002
Minimum Investment	
Lump Sum	R5,000
Debit Order Per Month	R500
ISIN No.	ZAE000035408
JSE Code	STLE

	Class A		Class B1	
	1 Year	3 Year	1 Year	3 Year
Advisor Fee[1]	0.50	0.50	0.00	0.00
Management Fee	0.45	0.45	0.35	0.35
Underlying Fund Fees	0.60	0.61	0.60	0.61
Underlying Performance Fees	0.00	0.00	0.00	0.00
Other[2]	-0.02	-0.02	0.00	-0.01
VAT	0.23	0.23	0.14	0.14
Total Expense Ratio (TER)[3]	**1.76**	**1.77**	**1.09**	**1.10**
Transactional Costs (inc. VAT)[4]	**0.08**	**0.07**	**0.08**	**0.07**
Total Investment Charges	**1.84**	**1.84**	**1.17**	**1.17**

1 The A Class includes an ongoing adviser fee, which will be charged in addition to a maximum 3% upfront fee
2 Other includes: bank charges, custody fees, sundry income, audit & trustee fees
3 The TER is a measure of the actual expenses incurred by the Fund over a 1 and 3-year period (annualised) ending 31 March 2019
4 Transaction Costs include: brokerage, Securities Transfer Tax [STT], STRATE, Levies and VAT.

Cumulative Returns - Last 5 Years



Top 10 Equity Holdings

Naspers Ltd	2.35%
Growthpoint Properties Ltd	1.64%
Anglo American Plc	1.26%
Nepi Rockcastle Plc	1.15%
Standard Bank Group Ltd	1.11%
British American Tobacco Plc	1.03%
Sasol Ltd	0.96%
Redefine Properties Ltd	0.95%
MTN Group Ltd	0.72%
BHP Billiton Plc	0.61%

FUND INFORMATION TO BE CONSIDERED BEFORE INVESTING

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PERFORMANCE DISCLOSURE

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Published on: 23 July 2019

STANLIB Multi-Manager Low Equity Fund of Funds

Commentary: 30 June 2019

STANLIB

Market overview

Global equity markets were slightly up for the quarter, gaining 1.4% despite the trade war continuing between the world's largest economies, US and China. South African markets returned 2.9%, driven by industrials and financials, which rose 4.5% and 4% respectively. The resources overall return of 2.9% was softened during the quarter as Sasol dropped significantly, while precious metals provided strong returns

The trade war between the US and China negatively impacted, while the Fed abandoning plans to continue raising rates this year, proved positive. Brexit continues to drive uncertainty in the markets. SA recorded the lowest quarterly GDP numbers in 10 years. Inflation, however, remains benign and in control – this is also positive for bond markets. Overall the ALBI gained 3.7% for the quarter, driven by the middle of the curve.

Thus far, 2019 shows a mixed picture for the property sector. Following a promising start in January, the listed property market subsequently lost some momentum, returning only 2.8% YTD.

Asset class performance and risk statistics

Asset class	Q2 2019	1 year	3 years p.a.	5 years p.a.
FTSE/JSE ALSI	3.9%	4.4%	6.9%	5.9%
Financials	*5.4%*	*5.7%*	*6.2%*	*7.1%*
Resources	*2.4%*	*21.2%*	*20.7%*	*0.9%*
Industrials	*4.0%*	*-3.7%*	*1.8%*	*5.3%*
FTSE/JSE Capped SWIX	2.9%	1.1%	2.8%	4.3%
Bonds ALBI	3.7%	11.5%	9.9%	8.6%
Cash STeFI Composite	1.8%	7.3%	7.4%	7.1%
All Property Index (ALPI)	1.5%	-5.1%	-4.7%	3.3%

Risk statistics since launch		
Lowest rolling 12-month return	-2.7% (12 months ended October 2008)	
Highest rolling 12-month return	22.0% (12 months ended April 2006)	
	Fund*	Benchmark
Maximum drawdown	-3.9%	-3.5%
Portfolio volatility	4.4%	3.6%

Source: STANLIB Multi-Manager.

Portfolio review

The Fund returned 1.7% for the quarter and 6% for the year to date. This was favourable relative to the peer group returning 1.7% and 5.5% respectively.

The Fund is constructed using underlying STANLIB Multi-Manager building blocks to gain exposure to various asset classes. The *SA equity building block* underperformed the Capped SWIX benchmark due to overweight positions in British American Tobacco and Quilter; as well as underweight holdings in financials and precious metals that performed well in the quarter.

Going into the quarter, the *local bond building block* was overweight the short and middle area of the yield curve. The overall fund, however, had an underweight duration position and a few of the underlying managers bought inflation-linked bonds, which underperformed the ALBI. Thus, although the bond building block returned 3.1% for the quarter, it underperformed the ALBI by 0.6%. The *absolute income building block* returned 2.1% for the quarter, with a robust three-year (+8.5%), peer relative, and inflation beating returns. The property building block returned 1.9% for the quarter, 0.4% ahead of the ALPI. The *enhanced yield building block* delivered 2.2% for quarter and 8.9% for the 12 months on a gross basis. All the underlying managers beat the STeFI composite.

The STANLIB Multi-Manager Global Equity Fund marginally outperformed the MSCI ACWI Investable Markets Index benchmark in dollar terms, while performing in line with peers. This performance is pleasing given the underperformance of emerging markets (EM), where the Fund is overweight. The STANLIB Multi-Manager Global Bond Fund performed in line with the benchmark over the quarter, while marginally outperforming peers. The overweights to EMs and corporate bonds contributed, as did the long duration position, given that yields contracted.

Portfolio positioning and outlook

The Fund's positioning remains conservative with a tactical asset allocation of 59.2% in cash and income asset classes. The underlying managers continue to see value in the stock market; however, the trade wars pose a risk to global growth. Slowing global growth points to global yields dropping – is generally supportive of a rate cut by the SARB, which would support the bond market. The property sector is trading at around a 10% forward yield and the sector appears attractive relative to its history and current bonds yields. With global yields dropping and the potential interest rate cut, we could see a boost into the economy and the sector. However, economic growth needs to accelerate before we could see a meaningful recovery.

Portfolio managers

Jennifer Henry
Head of Portfolio Management: Retail Clients
BCom(Hons), CFA, FRM

Lubabalo Kenyane
Portfolio Manager
BBA, CIPM