STANLIB Multi-Manager High Equity Fund of Funds

Minimum Disclosure Document

As at 31.01.2019

STANLIB

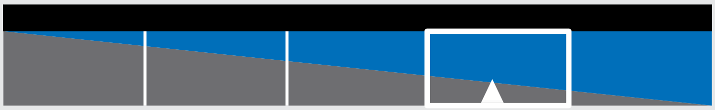
STANLIB Multi-Manager (Pty) Ltd

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 long-term growth of capital and modest income, with a low probability of capital loss over the long-term. It aims to outperform CPI (South African Inflation) plus 6% p.a. (i.e. to provide a real return of 6% p.a.) over rolling 6-year periods.

Risk profile



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 75% 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) – 5%, SA Bonds (JSEASSA TR All Bond) – 10%, SA Property (FTSE/JSE SAPY) – 5%, SA Equity (FTSE/ JSE Capped SWIX) – 58%, Global Equities (MSCI AC World IMI (ZAR)) – 15%, Global Bonds (Barclays Global Multiverse (ZAR)) – 5%, Global Cash (1-month USD LIBOR (ZAR)) – 1% and (1-month EUR LIBOR (ZAR)) – 1%.

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
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	Bridge	Foord	Hosking Partners	Brandywine
Investec	STANLIB		Sesfikile	Prudential	Sanders	Capital Group
	Coronation			Visio	Arrowstreet Capital	
				Truffle	Alliance Bernstein	

Fund Information

STANLIB

Information to be considered before investing

The STANLIB Multi-Manager High 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 averagenet asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 36-month period to the previous quarter end (December, March, June and September). 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 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).

Management fee

The Fund charges a fixed annual management fee (i.e. fee class) as a percentage of the assets under management, to ensure a simple and understandable fee structure.

Underlying performance fees

STANLIB Multi-Manager (Pty) Ltd does not earn any performance fees. In addition to earning fixed fees, the underlying manager(s)/fund(s) may also earn performance- based fees if they outperform a specific benchmark. The performance-fee methodology of the underlying manager(s) / fund(s) is incorporated in their respective mandates. You can obtain more information on the underlying performance fee methodologies on the website www.stanlibmultimanager.com.

The annual management fee is accrued daily and performance fees are accrued monthly – both paid on a monthly basis (with the exception of some performance fees which are paid annually).

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 High Equity Fund of Funds

As at 31.01.2019

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 long-term growth of capital and modest income, with a low probability of capital loss over the long term. The Fund aims to achieve CPI+6% p.a over 6-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 65% and 75%.

The Fund is Regulation 28 compliant.

Suitable Investors

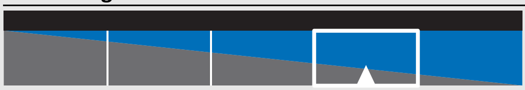
· Who wish to diversify single manager risk
· Who want a multi-asset class solution
· Who seek inflation beating returns with moderately aggressive levels of risk
· Who typically have an investment horizon of at least six years

Annualised Performance (%)

	1 Year	3 Years	5 Years	10 Years
Class A	-4.98	3.23	4.47	0.00
Class B1	-4.32	3.94	5.18	0.00
Benchmark	-2.17	4.59	7.46	11.28
Sector Average	-2.17	3.77	5.27	9.61

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

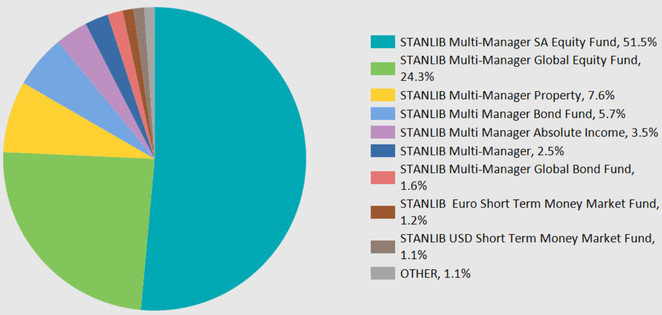
Risk Rating



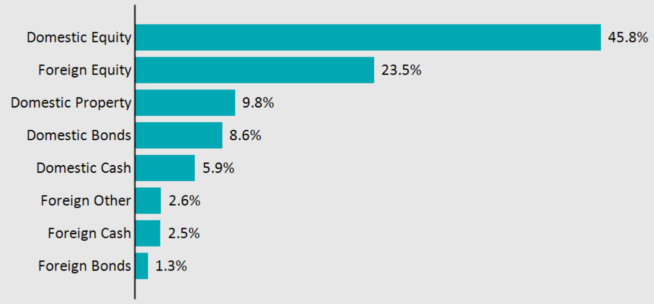
■ Income assets ■ Growth assets

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	8.29 cpu	0.00 cpu
Class B1	10.98 cpu	0.00 cpu

Portfolio Facts

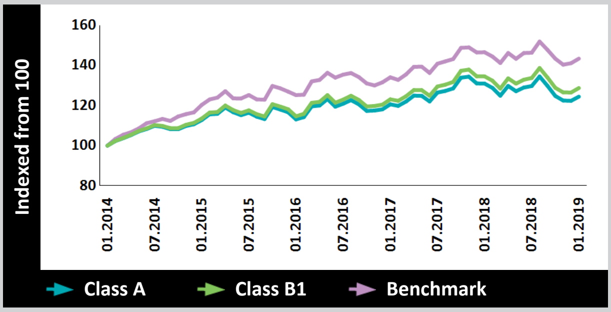
Portfolio Manager(s)	Jennifer Henry and Lubabalo Khenyane
Portfolio Size (NAV)	R 82 million
Sector	South African Multi-Asset High Equity Average
Income Distribution	Net revenue is calculated on a daily basis and distributed bi-annually.
Income Declaration	30 June & 31 December
Benchmark	South African Multi-Asset High Equity Average

	Class A
Launch Date	01 Aug 2013
Minimum Investment	
Lump Sum	R5,000
Debit Order Per Month	R500
ISIN No.	ZAE000134318
JSE Code	SMMFA

	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	0.59	0.63	0.59	0.63
Underlying Performance Fees	0.06	0.06	0.06	0.06
Other[2]	0.03	0.04	0.04	0.05
VAT	0.24	0.25	0.16	0.16
Total Expense Ratio (TER)[3]	**1.87**	**1.93**	**1.19**	**1.26**
Transactional Costs (inc. VAT)[4]	**0.08**	**0.16**	**0.08**	**0.16**
Total Investment Charges	**1.95**	**2.09**	**1.27**	**1.42**

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 30 September 2018
4 Transaction Costs include: brokerage, Securities Transfer Tax [STT], STRATE, Levies and VAT.

Cumulative Returns - Last 5 Years



Top 10 Equity Holdings

Naspers Ltd	5.57%
Standard Bank Group Ltd	2.98%
Sasol Ltd	2.61%
Anglo American Plc	2.60%
British American Tobacco Plc	2.55%
Growthpoint Properties Ltd	1.57%
Old Mutual Ltd	1.55%
Barclays Africa Group Ltd	1.38%
BHP Billiton Plc	1.33%
MTN Group Ltd	1.27%

FUND INFORMATION TO BE CONSIDERED BEFORE INVESTING

The STANLIB Multi-Manager High Equity Fund of Funds (FoF) should be considered a medium to long term investment. A FoF invests in other collective investment schemes (CISs), which levy their own charges and which could result in a higher fee structure for the FoF . The value of units (participatory interests) may go down as well as up and past performance is not necessarily a guide to future performance. Where foreign securities are included in the FoF itmay as a result be exposed to macroeconomic, political, tax, settlement and illiquidity risks factors that may be different to similar investments in the South African market. 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 redemptions and may engage in scrip lending. A schedule of fees, charges and maximum commissions is available on request from STANLIB Collective Investments (RF) Pty Limited (the Manco). Commission and incentives may be paid and if so, would be included in the overall costs of the Fund. 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 South Africa (ASISA). The Manco is a member of the Liberty Group of Companies.

Contact Details - STANLIB COLLECTIVE INVESTMENTS (RF) PTY LIMITED Reg. No. 1969/003468/07 17 Melrose Boulevard, Melrose Arch, 2196, PO Box 203, Melrose Arch, 2076

T 0860 123 003 **W** stanlib.com and/or stanlibmultimanager.com

Published on: 6 March 2019

STANLIB Multi-Manager High Equity Fund of Funds
Commentary: 31 December 2018

STANLIB

Market overview

The global stock market declined 9.4% during 2018, in stark contrast to the positive 12.4% return in 2017. The rally in 2017 was driven by US tax cuts and spending increases, which boosted the US economy. However, there are expectations of slowing growth in the US and China, which has caused markets to decline. In addition, central banks have gone from buying to selling bonds. This reduced liquidity in markets. Overall this impacted emerging markets, which lost 17%, including SA with the JSE All Share declining 8.5%. Financials (-8.8%), industrials (-17.6%) and property (-25.0%) stocks all contributed to these losses. Resources, however, returned 15.7% and this proved supportive of value managers.

Despite foreign selling of $4.7 billion worth of SA bonds and 16% depreciation in the rand against the US dollar, the fixed interest market returned 7.7% in 2018. Most of the bond market's inflation-beating returns came from the short end of the curve. Following years of uninterrupted growth, the SA listed property market suffered a spectacular de-rating in 2018, falling 25.0%. This return was worse than the 22% fall during the 2008 global financial crisis.

Asset class performance and risk statistics

Asset class	Q4 2018	1 year	3 years p.a.	5 years p.a.
FTSE/JSE ALSI	-4.9%	-8.5%	4.3%	5.8%
Financials	*-2.1%*	*-8.8%*	*5.1%*	*8.9%*
Resources	*-4.5%*	*15.7%*	*22.3%*	*-0.3%*
Industrials	*-6.5%*	*-17.6%*	*-1.9%*	*4.9%*
FTSE/JSE Capped SWIX	-3.8%	-10.9%	3.0%	5.3%
Bonds ALBI	2.7%	7.7%	11.1%	7.7%
Cash STeFI Composite	1.8%	7.2%	7.4%	6.9%
All Property Index (ALPI)	-6.2%	-25.0%	-5.0%	4.2%

Risk statistics since launch		
Lowest rolling 12-month return	-8.2% (12 months ended November 2018)	
Highest rolling 12-month return	21.8% (12 months ended July 2014)	
	Fund*	Benchmark
Maximum drawdown	-8.8%	-18.3%
Portfolio volatility	7.4%	7.4%

Source: STANLIB Multi-Manager.

Portfolio review

The Fund returned -6% net of fees for the year, which is disappointing relative to peers. During the year our tactical asset allocation was to be overweight equities and underweight cash. This detracted from performance.

The Fund is constructed using underlying STANLIB Multi-Manager building blocks to gain exposure to various asset classes. The *local bond and cash building blocks* are ahead of peers and the ALBI Index benchmark for the year. While the *local equity building block* is marginally behind peers for the year, it outperformed its index benchmark comfortably.

The *absolute income building block* returned a steady 9.2% after fees for the year, which is 1.7% ahead of peers. Over three years the building block returned 9.1% per annum, with all underlying managers performing well. While the *property building block* outperformed its benchmark, it underperformed peers due to a change in benchmark from SAPY to ALPI during the year. The ALPI has a higher allocation to UK property shares.

The *global equity building block* was ahead of its index benchmark in 2018, with healthcare and technology exposure contributing. The *global bond building block* is 2% behind its index benchmark due to a higher allocation to emerging markets (EM) and an underweight allocation to developed markets.

Portfolio positioning and outlook

There are many events this year such as local general elections and the finalising of Brexit, that are likely to result in further volatility and uncertainty. It is difficult to say whether the recent fall in equity and property markets is just the start of more to come or whether it offers an attractive buying opportunity. As growth in the US and China slows, global investors could look to EM including SA as they hunt for yield. We therefore retain a slight overweight position in equities. Overall the Fund is slightly underweight global assets and we are looking to sell out of local equities and up weight global exposure as the opportunity arises.

Portfolio managers

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

Lubabalo Kenyane
Portfolio Manager
BBA, CIPM