STANLIB Multi-Manager Shari'ah Balanced Fund of Funds

Minimum Disclosure Document

As at 30.11.2018

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 objective of the Fund is to outperform the average return of investable peers i.e. the Shari'ah balanced peer average, at risk levels consistent with those of these peers.

Risk profile

■ Defensive assets ■ Growth assets

What are the investment guidelines?

The Fund is a multi-asset class (including foreign) Shari'ah compliant portfolio that is diversified across asset classes, sectors and asset managers.

The Fund aims to provide long-term growth of capital and income with volatility at levels consistent with Shari'ah balanced (± 60% equity) portfolios.

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 Portfolio/Product Managers dedicated to the Fund

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

Richo Venter
Portfolio Manager
BCom(Hons) (cum laude), CFA

How do we select managers?

STANLIB Multi-Manager (Pty) Ltd follows a rigorous and disciplined manager research and selection process that starts by analysing the sector for which the portfolio is being built, and determining the key drivers of outperformance.

The manager research team conducts thorough quantitative and qualitative analyses, culminating in an extensive investment due diligence to identify those managers that have the skill and ability to outperform. This results in the production of high conviction buy/hold/sell lists, as well as mandate performance expectations under different environments, defining events and sell triggers/disciplines.

The portfolio management team then constructs a framework for blending managers into the portfolio that targets the key areas of outperformance and promotes diversification. We only entrust our client's assets to the highest quality managers, who are then selected into this framework to provide the portfolio with exposure to these sources of market outperformance over the long term.

Passive alternative are considered in the process and where used, these help to lower portfolio costs.

On a regular basis the portfolio is reviewed to ensure it is delivering on its long term objectives. From time to time changes are made to improve the structure and or risk return profile of the portfolio.

Which are the underlying funds?

The portfolio construction currently includes the following funds:

Underlying funds	Portfolio managers	Strategic allocation
Kagiso Islamic Balanced Fund	Abdul Davids	50%
Old Mutual Albaraka Balanced Fund	Saliegh Salaam	40%
BCI Shariah Equity	Naeem Budat	10%

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.

Fund Information

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Information to be considered before investing

The STANLIB Multi-Manager Shari'ah Balanced 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. General market risks include a change in interest rates and economic conditions, share price volatility and a decline in property values. 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 it may 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. Manager does not guarantee either with respect to the capital or return of the portfolio.

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.

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 Shari'ah Balanced Fund of Funds

As at 30.11.2018

STANLIB

Investment Description

The Fund is a multi-asset class (including foreign) Shari'ah compliant portfolio that is diversified across asset classes, sectors and asset managers.

The Fund aims to provide long-term growth of capital and income with volatility at levels consistent with Shari'ah balanced (± 60% equity) portfolios.

The objective of the Fund is to outperform the average of investable peers' returns i.e. the Shari'ah balanced peer average, at risk levels consistent with that of these peers.

Suitable Investors

· Who wish to diversify single manager risk
· Who want a Shari'ah compliant multi-asset class solution
· Who wish to outsource asset allocation decisions
· Who seek to enhance long-term capital growth
· Who are comfortable with taking on some risk of market fluctuation and possible drawdowns, but less than that of the equity market
· Who typically have an investment horizon of at least five years

Risk Rating

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

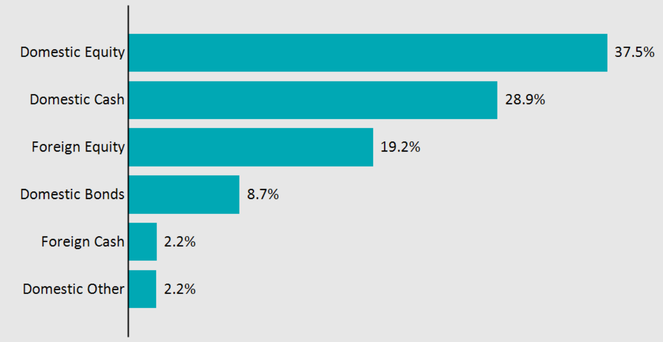
Annualised Performance (%)

	1 Year	3 Years	5 Years	10 Years
Class A	-3.09	4.16	0.00	0.00
Class B1	-2.52	4.74	0.00	0.00
Benchmark	-1.59	5.59	4.54	7.88
Sector Average	-5.78	2.16	5.17	9.46

Underlying Funds

Kagiso Islamic Balanced Fund
Old Mutual Albaraka Balanced Fund
Visio Capital Management

Physical See Through Asset Allocation %



Income Distribution

	Declared in last 12 months	Declared during 2018
Class A	0.69 cpu	0.49 cpu
Class B1	1.45 cpu	0.73 cpu

Portfolio Facts

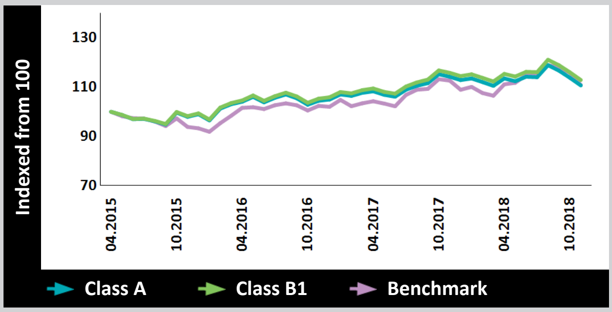
Portfolio Manager(s)	Jennifer Henry and Richo Venter
Portfolio Size (NAV)	R 1136 million
Sector	South African Multi-Asset High Equity Average
Income Distribution	Net revenue is calculated on a daily basis and distributed bi-annually.
Income Declaration	30 June & 31 December
Benchmark	Shari'ah ALSI 45%; STeFI (less 0.5%) 35%; Dow Jones Islamic World Index (ZAR) 15%; 3 Month USD LIBOR 5%

	Class A
Launch Date	25 Mar 2015
Minimum Investment	
Lump Sum	R5,000
Debit Order Per Month	R500
ISIN No.	ZAE000202537
JSE Code	STMSA

	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	0.65	0.65	0.65	0.65
Underlying Fund Fees	1.16	1.19	1.16	1.19
Underlying Performance Fees	0.00	0.00	0.00	0.00
Other[2]	-0.44	-0.46	-0.44	-0.43
VAT	0.28	0.28	0.21	0.21
Total Expense Ratio (TER)[3]	**2.15**	**2.17**	**1.58**	**1.62**
Transactional Costs (inc. VAT)[4]	**0.09**	**0.10**	**0.09**	**0.10**
Total Investment Charges	**2.24**	**2.27**	**1.67**	**1.72**

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

Cumulative Returns - Since Inception



Top 10 Equity Holdings

Sasol Ltd	1.95%
Mondi Plc	1.60%
Anglo American Plc	1.59%
BHP 4 3/4 04/04/12	1.57%
Advtech Ltd	1.42%
Aeci Ltd	1.31%
MICROSOFT CORP	1.25%
Vodacom Group (Pty) Ltd	1.21%
African Rainbow Minerals Ltd	1.18%
Telkom SA Ltd	1.12%

FUND INFORMATION TO BE CONSIDERED BEFORE INVESTING

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STANLIB Multi-Manager Shari'ah Balanced Fund of Funds
Commentary: 30 September 2018

STANLIB

Market overview

The global trade war between the United States and China continued to dominate headlines during the quarter. The US intensified tariffs on Chinese goods and China retaliated. Despite the tussle between the two economic giants, the US economy remains strong. This is visible in the rally of the US dollar and their robust labour market. These positive developments gave the Fed room to hike interest rates in September from 2.0% to 2.3%.

Unfortunately, the higher developed market (DM) interest rates and stronger US dollar do not bode well for emerging market (EM) assets such as South Africa, and most EM countries saw their currencies weaken. SA fared worse than its EM peers as signs of poor economic growth surfaced during the quarter, resulting in SA moving into a technical recession.

SA equities lost 1.6% over the quarter, driven largely by poor returns from industrials. SA property lost 1.0%, while SA bonds returned 0.8%. The weaker rand supported offshore returns, leading to a 7.4% total return from global equities.

Asset class performance and risk statistics

Asset class	Q3 2018	1 year	3 years p.a.	5 years p.a.
FTSE/JSE ALSI	-2.2%	3.4%	6.7%	8.0%
Financials	*2.8%*	*8.1%*	*4.6%*	*10.9%*
Resources	*5.2%*	*27.1%*	*15.7%*	*1.0%*
Industrials	*-7.8%*	*-7.7%*	*2.5%*	*7.7%*
FTSE/JSE Capped SWIX	-1.7%	0.4%	4.5%	7.4%
Bonds ALBI	0.8%	7.1%	7.8%	7.2%
Cash STeFI Composite	1.8%	7.3%	7.3%	6.8%
All Property Index (ALPI)	-1.5%	-14.0%	-3.5%	6.1%

Risk statistics since launch		
Lowest rolling 12-month return	1.4% (12 months ended May 2017)	
Highest rolling 12-month return	12.7% (12 months ended October 2017)	
	Fund	**Benchmark (ASISA SA MA High Equity Average)**
Maximum drawdown	-5.0%	-8.1%
Portfolio volatility	6.8%	7.6%

Source: STANLIB Multi-Manager.

Portfolio review

The Fund returned 2.3% for the quarter, well ahead of the 1.2% average of ASISA MA High Equity peers. Since inception three and a half years ago, the Fund has returned 5.6% after fees, relative to general industry peers that have returned 4.2%. Relative to Shariah industry peers, the Fund continues to perform well. During this period of difficult local economic conditions, performance has been supported by the overweight position to resources and the high global equity exposure.

Last quarter we discussed our investment into the BCI Shariah Equity Fund, managed by Visio Capital. This concentrated equity portfolio has a balanced exposure to rand hedge shares such as Mondi Plc and Sasol, but also provides exposure to locally based shares such as AdvTech and Cashbuild. Visio believes many of these local shares are heavily undervalued given poor sentiment around the current economic conditions in SA and provide great bargain buys.

Kagiso's Islamic Balanced Fund remains defensively positioned with an underweight allocation to domestic equities, in particular cyclical stocks. Their sukuk allocation is the largest single asset class exposure with a current yield of around 8%. They reduced their foreign exposure to less than 25% following significant currency depreciation. Kagiso remains convinced that their exposure to unique mid-cap stocks at very attractive valuations will deliver substantial outperformance over time.

The allocation of the Old Mutual Albaraka Balanced Fund to equities is approximately 60%, with the residual invested in Shari'ah-compliant short-term cash investments. Around 40% is invested in domestic equities and around 20% in offshore equities. Global exposure is around 25%, allowing the fund to achieve greater diversification and consequently a reduction in volatility, a primary objective of the fund.

Portfolio positioning and outlook

The largest themes in the Fund are overweight resources and rand hedge shares, which has benefited performance over the past year. Global positioning remains critical for diversification, while the underlying managers are well positioned in good quality local mid and small cap shares.

In addition to further rate hikes in the US, we expect trade wars to continue dominating headlines and this could weigh heavily on EM sentiment. Local asset prices have retreated to levels that may provide a good entry points for investors. However, the global and SA environment remains highly uncertain and we continue to emphasize the importance of having a long-term focus when making investment decisions.

Portfolio/Product managers

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

Richo Venter
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