

1Invest Top 40 ETF



Fund information update at 31 January 2020

What is the fund's objective?

The objective of the 1Invest Top 40 ETF is to track the FTSE/JSE Top40 Index (Top40) as closely as possible.

What does the fund invest in?

The fund invests in the constituents of the Top40 Index and aims to replicate the Index by holding the same weightings of these constituents. The Top40 is an equity Index of the 40 largest companies by market capitalisation, listed on the JSE. The fund is rebalanced quarterly and therefore has minimal trading costs. The fund may also hold a small portion in cash instruments and listed derivatives to effect efficient portfolio management.

What possible risks are associated with this fund?

Risks include general market conditions and market volatility, company specific risk, economic and political risk.

Risk rating

| | | | | |
|--------------|-------------------------|----------|-----------------------|------------|
| Conservative | Moderately conservative | Moderate | Moderately aggressive | Aggressive |
|--------------|-------------------------|----------|-----------------------|------------|

What is the suggested investment period for this fund?

Minimum period

| | | | | | |
|---------|----------|--------|---------|---------|---------|
| 1 Month | 6 Months | 1 Year | 3 Years | 5 Years | 7 Years |
|---------|----------|--------|---------|---------|---------|

Who should consider investing in this fund?

- Investors who seek exposure to the South African equity market;
- Investors who seek a low cost fund;
- Investors who seek a simple and transparent investment process that invests in liquid, listed securities;
- Investors who seek equity market exposure that blends well with other investment strategies to reduce total costs and diversify risk;
- Investors who are willing to take a longer term view as this fund is aggressively risk profiled and investors should expect some volatility in the shorter term.

Income

Distribution Net income is calculated and accrued daily and is declared and distributed quarterly.

Declaration Quarterly, in accordance with the JSE corporate actions timetable.

General fund information

| | |
|---|--|
| Manager(s) | Ryan Basdeo and Ann Sebastian |
| Size (NAV) | R 1.25 billion |
| Classification | South African - Equity - Large Cap |
| Regulation 28 | Does not apply |
| Index | FTSE/JSE Top 40 Index (J200T) |
| Index info | www.ftse.com/analytics/factsheets |
| Methodology | Replication |
| Rebalancing | Quarterly |
| Securities Lending Ratio | 0.00% |
| Securities lending can increase returns in a low risk manner. Risks associated with such transactions are borrower default risk. This risk is minimised through all securities lending being fully collateralised and only using reputable counterparties. Exposure of the fund to counterparties is continuously monitored. Manufactured (taxable) dividends could arise from such transactions. | |
| Class A | |
| Launch | 18 October 2010 |
| ISIN number | ZAE000279212 |
| JSE code | ETFT40 |

What are the costs to invest in this fund?

Maximum charges including VAT

| | Class A |
|------------------------|---------|
| Annual fee | 0.288% |
| Performance fee | N/A |

Annual fee – this is a service charge (% based) applicable to each class of a fund, that is levied on the value of your portfolio and includes the fund management fee and administration fee. The fee also includes other charges such as audit, custody and index provider fees that are normally additional permissible deductions. Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

This portfolio is an exchange traded fund (ETF). The charges detailed above relate to the portfolio, they do not include the fees for trading on an exchange. Brokerage fees, which are payable when buying or selling an ETF on an exchange, are levied by a broker and may vary depending on the broker used.

Cost ratios (annual) including VAT as at 30 June 2019

| | Class A |
|--------------------------------|------------|
| Based on period from: | 01/07/2016 |
| Total Expense | 0.27% |
| Transaction Costs | 0.00% |
| Total Investment Charge | 0.27% |
| 1 Year Total Expense | 0.29% |

Total Expense (TER): This ratio shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over the period shown and annualised to the most recently completed quarter. A higher 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 TERs.

Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER.

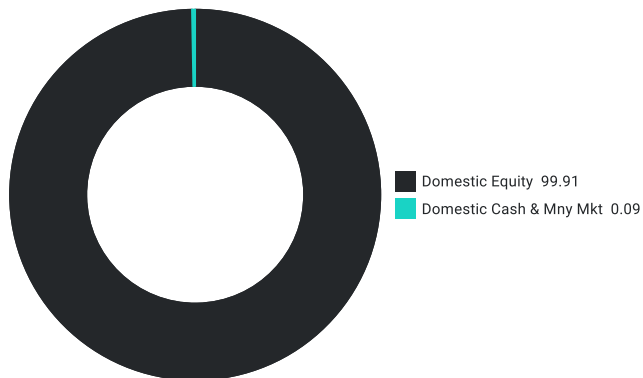
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

1invest Top 40 ETF

Monthly update at 31 January 2020

Holdings

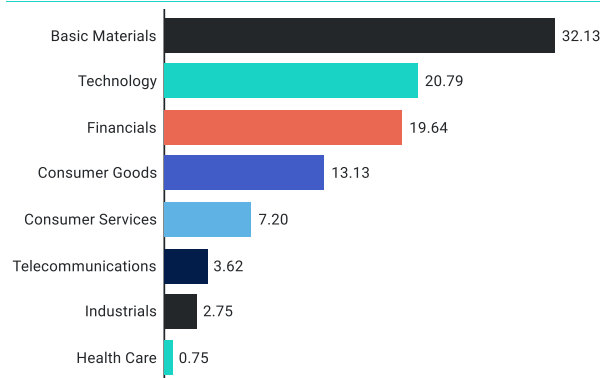
Asset allocation (%)



Top equity holdings (%)

| | |
|------------------------------|-------|
| Naspers Ltd | 17.84 |
| BHP Group Plc | 11.43 |
| Richemont Securities | 9.40 |
| Anglo American Plc | 8.14 |
| Standard Bank Group Ltd | 3.39 |
| British American Tobacco Plc | 3.18 |
| FirstRand Ltd | 3.08 |
| Prosus NV N (ZAR) | 2.92 |
| Mondi Plc | 2.48 |
| MTN Group Ltd | 2.44 |

Equity allocation (Industry) (%)



Performance and Income

Class A Launch: 18 October 2010

Benchmark: FTSE/JSE Top 40 Index (J200T)

| Returns (%) | 1yr | 3yrs | 5yrs | 7yrs | Launch |
|----------------|------|------|------|------|--------|
| Class A | | | | | |
| Class | 7.66 | 5.91 | 5.00 | 7.82 | 9.83 |
| Benchmark | 7.87 | 6.10 | 5.21 | 7.95 | 10.11 |

Returns (%) shown are cumulative for all periods shorter than or equal to 1 year and annualised for all periods greater than 1 year.

Cumulative performance (%) over 5 Years



| Statistics (%) | 1yr | 3yrs | 5yrs | 7yrs | Launch |
|-----------------|-------|--------|--------|--------|--------|
| Tracking Error | 0.12 | | | | |
| Class A | | | | | |
| Positive Months | 6 | 19 | 31 | 47 | 64 |
| Max Gain | 10.30 | 26.71 | 30.77 | 80.66 | 162.20 |
| Max Drawdown | -5.27 | -13.77 | -13.77 | -13.77 | -16.84 |
| Highest | 13.32 | 25.05 | 25.05 | 35.38 | 35.38 |
| Lowest | -3.10 | -13.68 | -13.68 | -13.68 | -13.68 |

Highest - this reflects the highest 12 month return during the period.

Lowest - this reflects the lowest 12 month return during the period.

Tracking Error - calculated at portfolio level.

Amount declared (cents per unit)

| | Class A |
|--------------------------|---------------|
| 01 February 2019 | 0.00 |
| 09 April 2019 | 61.79 |
| 09 July 2019 | 35.00 |
| 29 October 2019 | 62.83 |
| 14 January 2020 | 16.83 |
| In last 12 months | 176.45 |
| In 2019 | 175.87 |

1invest Top 40 ETF



Quarterly update at 31 December 2019

Who are the investment managers?

1INVEST Fund Managers (Pty) Ltd, FSP 49955, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, manage the investments of the fund.

The fund is run by the 1invest Index Investments team which specialises in the manufacture of index and factor products for individual and institutional investors. Investors who seek a simple, transparent and low-cost investment solution can invest in index products that meet their financial goals.



Ryan Basdeo

MBA (Wits), BCom (Taxation), Registered Securities Trader
Portfolio manager



Ann Sebastian

BSc (Hons)(Advanced Mathematics of Finance)
Portfolio manager

Commentary

Fund review

The fund performed in-line with the index over the quarter. The last quarterly review of the index saw the inclusion of Aspen and the deletion of Exxaro. The fund was repositioned for this change, with Naspers remaining the largest holding in the fund. The fund benefited from its exposure to Sibanye Gold, Impala Platinum, and Anglo-American Platinum, which were the three top performers, with Sibanye Gold returning 71.1% over the quarter. However, its exposure to MTN, Woolworths and Foschini Group Ltd detracted from performance in the second quarter, as these were the three worst performers in the fund. MTN returned -14.3% over the quarter.

Market overview

Global equity markets continued to rally in the fourth quarter of 2019 ending the year up 23% fuelled by global growth and progress on the trade wars. Europe and USA economic data remains firm as these economies continue with monetary easing to offset potential economic slowdown. Returns for the fourth quarter for MSCI World and MSCI EM, were 0.4% and 3.0% respectively. Locally, manufacturing and mining data showed signs of improvement, while Eskom continues to struggle announcing an unprecedented stage 6 load shedding, these electricity shortages could hamper the fourth quarter GDP. The SARB kept rates constant in the November meeting citing anaemic economic growth, weak demand and low inflation. The national treasury published a white paper on structural reform including SOE reform, marking one of the first signs of structural reforms in the new Presidency. Locally, domestic asset classes such as equities (SWIX ALSI), bonds (ALBI), and cash (STeFi) recorded all returns of 4.8%, 1.7% and 1.7% respectively.

Looking ahead

Against the backdrop of slowing global economic growth, the Phase One trade deal has provided some relief to the financial markets. Economics fundamentals in the United States remain firmer than that of globally. If trade uncertainty continues post the Phase One deal, we could expect a significant drag on business and consumer confidence. We expect risk aversion will rise as the ability of developed markets and vulnerable emerging economies to weather the impact of any further trade wars and the lack of business confidence. Additionally, emerging economies with sizeable dollar debts and fiscal deficits may struggle. Locally, uncertainty will remain high until the government provides evidence that SA's economic policy and reforms are heading in the right direction for future growth. We believe investors should focus on liquid markets segments with risk dialled down compared with market benchmarks.

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.

Change in allocation of the fund over the quarter

| Asset type | Q4 2019 | Q3 2019 | Change |
|-------------------------|---------|---------|--------|
| Domestic Cash & Mny Mkt | 0.38 | 1.25 | -0.87 |
| Domestic Equity | 99.62 | 98.75 | 0.87 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Rand) |
|-------|--------|-------------|---------------|------------------|
| A | Retail | 5,078.20 | 24,992,849.45 | 1,269,187,552.09 |

All data as at 31 December 2019.

Units – amount of participatory interests (units) in issue in relevant class.

Disclosures

Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending.

The 1invest Top 40 ETF is a portfolio of the STANLIB ETF Collective Investment Scheme (the Scheme).

The manager of the Scheme is STANLIB Collective Investments (RF) (Pty) Limited (the Manager). The Manager is authorised in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA). The Manager is a member of the Liberty Group of Companies. The manager has a right to close a portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a CIS portfolio. A schedule of fees and charges and maximum commissions is available on request from the Manager.

The trustee of the Scheme is Société Générale Johannesburg Branch.

The investments of this portfolio are managed, on behalf of the Manager, by 1INVEST Fund Managers (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 49955, under the Financial Advisory and Intermediary Services Act (FAIS), Act No. 37 of 2002.

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com) and in South African printed news media. This portfolio is valued at 17h00. Forward pricing is used.

This portfolio is an Exchange Traded Fund registered as a CIS (CIS-ETF), it is listed on an exchange and may therefore incur additional costs. Participatory interests in a CIS-ETF cannot be purchased directly from the Manager. A CIS-ETF is subject to exchange listing requirements and settlement cycles for equities and all trading in a CIS-ETF is through an exchange. It may take a few days longer to receive the proceeds of a sale of a CIS-ETF than would be the case for a CIS.

This portfolio is a third party named, incubator portfolio. The Manager retains full legal responsibility for this portfolio. A third party named, incubator portfolio is a portfolio bearing the name of the financial services provider (FSP), who intends to apply to the Registrar to be approved as a manager within three years after the Registrar has approved the portfolio, and where the FSP, under an agreement with the Manager, undertakes financial services of a discretionary nature, as contemplated in the Financial Advisory and Intermediary Services Act, Act No. 37 of 2002 (FAIS), in relation to the assets of the portfolio. 1INVEST Fund Managers (Pty) Ltd, an authorised FSP, FSP No. 49955, FAIS, is the third party manager of this portfolio.

The FSP is a related party to the Manager, the FSP may earn additional fees other than those charged by the Manager. It is the responsibility of the FSP to disclose additional fees to the investor. This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

All performance returns and ranking figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 31 January 2020.

Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager.

Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Statistics - Positive Months: the number of individual 1 month periods during the specified time period where the return was not negative; Max Gain: the maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk over a specified time period (quoted for all periods of 1 year or longer); Max Drawdown: the maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk over a specified time period (quoted for periods of 1 year or longer, where no value is shown no loss was experienced); Highest and Lowest: the highest and the lowest 1 year return (%) that occurred during the specified time period (quoted for all relevant classes launched 1 year or more prior to current month end date).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Manager and from the Manager's website (www.stanlib.com).

Contact details

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