

STANLIB Top 40 ETF

Fund information update at 30 September 2018

What is the fund's objective?

The objective of the STANLIB Top40 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
Size (NAV) R 693.64 million
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 ZAE000148425
JSE code STAN40

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 2018

| | Class A |
|--------------------------------|------------|
| Based on period from: | 01/07/2015 |
| Total Expense | 0.27% |
| Transaction Costs | 0.04% |
| Total Investment Charge | 0.31% |
| 1 Year Total Expense | 0.27% |

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.

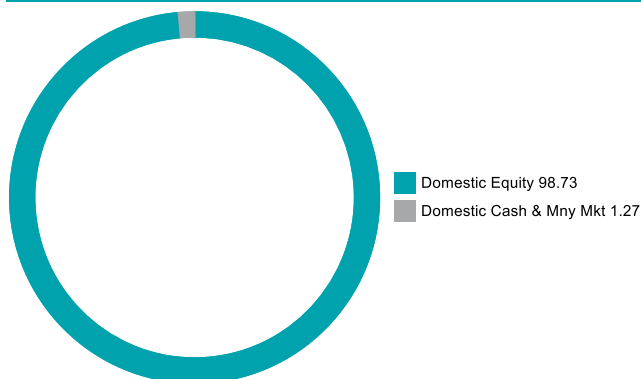
Total Investment Charges (TIC): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct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

STANLIB Top 40 ETF

Monthly update at 30 September 2018

Holdings

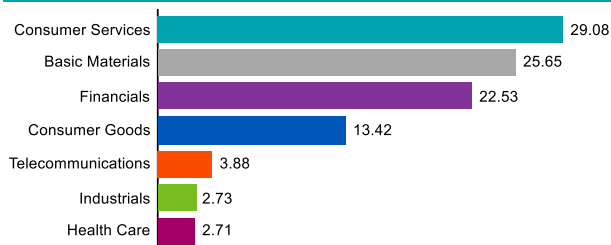
Asset allocation (%)



Top Equity holdings (%)

| | |
|------------------------------|-------|
| Naspers Ltd | 21.44 |
| Billiton Plc | 10.61 |
| Richemont Securities | 9.77 |
| Anglo American Plc | 5.21 |
| Sasol Ltd | 4.77 |
| Standard Bank Group Ltd | 3.68 |
| First Rand Ltd | 3.56 |
| British American Tobacco Plc | 2.78 |
| MTN Group Ltd | 2.60 |
| Old Mutual Ltd | 2.41 |

Equity allocation (Industry) (%)



Performance and Income

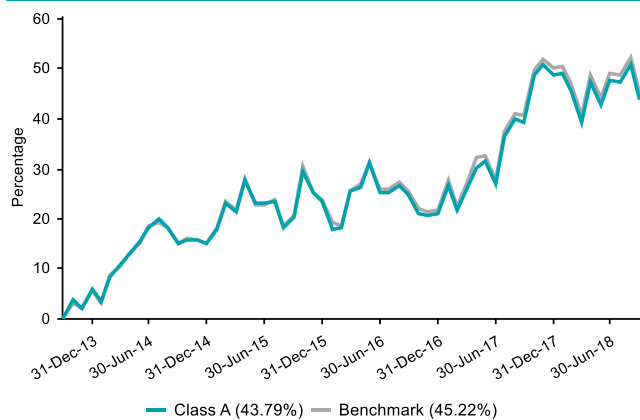
Class A Launch: 18 October 2010

Benchmark: FTSE/JSE Top 40 Index (J200T)

| Returns (%) | 1yr | 3yrs | 5yrs | 7yrs | Launch |
|----------------|------|------|------|-------|--------|
| Class A | | | | | |
| Class | 3.12 | 6.12 | 7.53 | 12.57 | 10.93 |
| Benchmark | 3.27 | 6.31 | 7.75 | 12.70 | 11.23 |

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 | 0.11 | 0.11 | 0.11 | 0.12 | 0.19 |
| Class A | | | | | |
| Positive Months | 6 | 19 | 34 | 51 | 56 |
| Max Gain | 8.30 | 27.88 | 50.87 | 140.39 | 157.42 |
| Max Drawdown | -7.58 | -8.97 | -8.97 | -8.97 | -15.55 |
| Highest | 25.05 | 25.05 | 35.38 | 35.38 | 35.38 |
| Lowest | 3.12 | -6.51 | -6.51 | -6.51 | -6.51 |

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 |
|--------------------------|---------|
| 03 October 2017 | 55.09 |
| 22 December 2017 | 9.60 |
| 10 April 2018 | 41.29 |
| 10 July 2018 | 26.45 |
| In last 12 months | 132.43 |
| In 2017 | 121.31 |

Who are the investment managers?

STANLIB Asset Management (Pty) Ltd, FSP 719, 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 STANLIB 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

BCom (Taxation), Registered Securities Trader
Portfolio manager

After beginning his career as a financial accountant in the employee benefits industry, Ryan joined STANLIB Asset Management in their Institutional Pricing team in 2008. He got experience in the Offshore Trades Processing team from 2010, before moving on to Alternative Investments as market maker for the ETFs and executing trades for the index-tracking funds, as well as assistance with portfolio management. He was appointed a Portfolio Manager in 2017. Ryan has a BCom in Taxation degree, is a JSE Registered Securities Trader, as well as a Registered Bond Trader and is currently awaiting finalisation of a MBA from Wits Business School.

Fund review

The fund performed in line with the index in the quarter. The last quarterly review of the index saw the deletion of Gold Fields Ltd from the index. This holdings was replaced by Reinet Investments S.C.A. The fund was repositioned for this change. Naspers remained the largest holding in the fund. Capitec Bank Holdings Ltd was the best performing stock in the fund for the third quarter returning 21.3% followed by Discovery Ltd with a return of 17.3%.

Market overview

Over the third quarter US equities led, driven by the strong growth environment and confidence in the US economy. In contrast to the attractive returns of US equities, fixed income returns have been uninspiring. Strong US data has kept the Fed on track to hike rates. Global growth has however not been as synchronised as last year. UK markets have been sensitive to suspicions of a no-deal on Brexit, and there has been a slowdown in manufacturing in the Eurozone, led by fewer exports into China. The rebound in the US dollar has made emerging markets especially vulnerable to negative sentiment and fear. Dollar denominated assets took the lead over local assets as the Rand lost 3.03% to the Dollar over the third quarter. In Rand terms foreign equity delivered the highest returns (MSCI World +8.17%) and outperformed foreign bonds (Barclays Global Treasury Bond Index +1.26%). In South Africa the second quarter saw a decline in consumer confidence and an increase in consumer spending. Cash (STEFI +1.74%), bonds (ALBI +0.81%) and inflation-linked bonds (ILBI +0.44%) outperformed both property (PCAP -2.22%) and equities (SWIX -3.34%). Seasonally adjusted GDP shrunk for a second consecutive period, driven by falling output from agriculture, transport and trade.

Looking ahead

Against the backdrop of strong US economic growth, there is potential for the trade conflict directed from the US to deepen, resulting in higher prices and a significant drag on business and consumer growth, and ultimately global growth. While growth appears healthy currently, we expect risk aversion to rise as the ability of developed markets and vulnerable emerging economies to weather the impact of trade wars remains uncertain. Additionally, emerging economies with sizeable dollar debts and sizable fiscal deficits may struggle. We believe investors should focus on liquid markets segments with risk dialled down versus 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 | Q3 2018 | Q2 2018 | Change |
|-------------------------|---------|---------|--------|
| Domestic Cash & Mny Mkt | 1.27 | 0.65 | 0.62 |
| Domestic Equity | 98.73 | 99.35 | -0.62 |

The portfolio adhered to its portfolio objective over the quarter.

Fund classes

| Class | Type | Price (cpu) | Units | NAV (Rand) |
|-------|--------|-------------|---------------|----------------|
| A | Retail | 5,007.38 | 13,852,438.00 | 693,643,784.18 |

All data as at 30 September 2018.

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 STANLIB 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 STANLIB Asset Management (Pty) Ltd, an authorised financial services provider (FSP), FSP No. 719, 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.

All performance returns figures quoted are shown in ZAR and are based on data sourced from Morningstar or Statpro and are as at 30 September 2018.

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 all periods of 1 year or longer, where blank 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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