**Total Expense Ratio, Transaction Costs & Total Investment Charge**

Total Expense Ratio (TER): This 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 a rolling three years (where applicable) 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 cannot be regarded as an indication of future TERs.

Transaction Costs (TC): The percentage of the value of the fund as costs relating to the buying and selling of the Fund’s underlying assets. Transaction costs 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): The percentage of the value of the Fund incurred as costs relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER & TC) should not be deducted from the fund returns. It is the sum of the TC & TER.

**TER and Transactional Cost Breakdown (12 and 36 months rolling)**

<table>
<thead>
<tr>
<th>FUND CLASS</th>
<th>TER (12 months rolling)</th>
<th>TER (36 months rolling)</th>
<th>TC (12 months rolling)</th>
<th>TC (36 months rolling)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>1.91%</td>
<td>1.92%</td>
<td>0.25%</td>
<td>2.37%</td>
</tr>
<tr>
<td>Class B1</td>
<td>1.41%</td>
<td>1.43%</td>
<td>0.25%</td>
<td>1.68%</td>
</tr>
<tr>
<td>Class B2</td>
<td>1.11%</td>
<td>1.12%</td>
<td>0.25%</td>
<td>1.37%</td>
</tr>
</tbody>
</table>

**TER + TC = TIC**

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market and FX Costs (where applicable).

**Performance**

<table>
<thead>
<tr>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/09/18-31/08/19</td>
<td>01/09/16-31/08/19</td>
<td>01/09/14-31/08/19</td>
<td>01/09/09-31/08/19</td>
</tr>
<tr>
<td>Portfolio Annualised Growth: Class A</td>
<td>-0.56%</td>
<td>4.16%</td>
<td>3.39%</td>
</tr>
<tr>
<td>Portfolio Annualised Growth: Class B1</td>
<td>-0.06%</td>
<td>4.69%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Portfolio Annualised Growth: Class B2</td>
<td>0.24%</td>
<td>4.99%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Index Annualised Growth</td>
<td>3.13%</td>
<td>6.46%</td>
<td>4.87%</td>
</tr>
</tbody>
</table>

Highest Return over 12 rolling months | 44.74% |
Lowest Return over 12 rolling months | -40.09% |

The performance of the fund is net of fees, while the performance of the benchmark is gross of fees. Fund Performance: Morningstar Benchmark: Bloomberg.

*Annualised Return: is the weighted average compound growth rate over the performance period measured. The performance is calculated for the portfolio. The individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax.
Fund Approach and Style

Objective

The aim is to provide investors with long term capital growth from a diverse and actively managed Class Fund of securities selected from European stock markets, the STANLIB European Equity Fund will invest as a feeder fund in the STANLIB European Equity Fund, a class fund of STANLIB Funds Limited whose investment policy is to invest the assets of the Fund primarily in the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities.

Collective investment schemes are generally medium to long-term investments. The value of participatory interests may go down as well as up and investors may get back less than originally invested. Past performance is not necessarily a guide to future performance. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Participatory interest prices are calculated on a net asset value basis, which is the total value of all assets less liabilities in the Class Funds including any provisions made for any purchase, fiscal or other charges that would have been incurred had all the assets of the relevant class fund been bought or sold at that time, divided by the number of participatory interests in issue. Please refer to the prospectus for more details on the charges and expenses that may be recovered from the Class Funds. Participatory interests are priced daily using the forward pricing method. The Class Funds may borrow up to 10% of the market value of the Class Funds to bridge insufficient liquidity as a result of the redemption of participatory interests. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip-lending.

Fund Management

The investment management of the underlying fund is managed by Columbia Threadneedle, a London based management firm wholly owned by Ameriprise Financial - a publically quoted company listed on the NYSE.

Founded in 1994, Threadneedle Investments is fully-owned by Ameriprise Financial (NYSE: AMP), a publically quoted investment company that is listed on the NYSE. With origins in the U.K. insurance industry, they have continued to innovate and now manage assets on behalf of clients across Europe, Asia and the US, including pension schemes, insurance companies, private investors, corporations, mutual funds and affiliate companies.

Risk

Where foreign securities are included in the portfolio there may be additional risks, such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, tax risks, settlement risks and potential limitations on the availability of market information.

Additional information

Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge and from the website www.stanlib.com.

The prices of unit trust funds are calculated and published on each working day. These prices are available on the Manager’s website (www.stanlib.com) and in the South African printed news media.

Fund Commentary: 2nd Quarter

Market Background

European equities delivered further gains in the second quarter, despite a sharp dip in May. Switzerland and Germany led the quarter’s gains, while cyclical sectors such as technology, industrials and consumer discretionary also performed well. European markets initially rose along with their US counterparts, buoyed by encouraging economic data and corporate results. GDP growth for the first quarter of 2019 was higher than expected in the US and the eurozone. Trade issues between the US and China heavily influenced sentiment during the quarter. However, stocks recovered in June as President Trump said he would meet with his Chinese counterpart Xi at the month-end, fueling optimism that a resolution of trade differences might be near. UK markets had to contend with political uncertainty following Prime Minister Theresa May’s resignation. The deadline for Brexit has now been postponed until 31 October 2019 following an impasse with the EU. The European Commission issued a 2019 growth forecast of 1.2% for the single-currency bloc as trade tensions dented confidence. Italy’s budget and high debt levels also remained a source of concern. The eurozone’s composite PMI indicated that the services sector expanded at a faster pace in June but manufacturing continued to contract. Inflationary pressures eased as price competition intensified. Towards the end of the quarter, markets were cheered as central banks in the US and Europe signaled that they may be prepared to loosen monetary policy to support their economies.

Performance

The portfolio outperformed its benchmark index on a gross basis over the quarter, boosted by favourable stock selection. Sector positioning was beneficial too, especially the weightings in technology, industrials and consumer discretionary. Positive relative contributors included 5ka (speciality chemicals), which benefited from investor interest in cyclical stocks. Adidas was another top contributor after the company’s quarterly earnings exceeded estimates. The sportswear firm has a world-class brand and a rapidly growing, high-margin online business. Quarterly growth in China accelerated while the channel mix also added value, given the faster growth of retail relative to wholesale. Ryanair was among the laggards, the airline has been affected by pricing pressure, industrial action and the use of more expensive airports.

Outlook

European equities are supported by encouraging profitability, by economic growth, which is slowing but still positive, and by attractive valuations relative to US equities. The market volatility seen in recent months presents us with investment opportunities. It will take time before the full effects of Brexit become clear; the same is true of Italian politics where there have been well-publicised tensions with Brussels over the budget. Other risks include tensions with Russia, the threat of a global trade war, and slower global growth as the Chinese economy decelerates and the US nears the end of the economic cycle. Our main focus in managing the portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

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Statutory Disclosure and General Terms & Conditions

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A schedule of fees and charges and maximum commissions is available on request from STANLIB Fund Managers Jersey Limited, (“the Manager”). The Class Funds of the STANLIB Offshore Unit Trusts scheme, with the exception of the Managed Fund Class Funds, are Fedder Funds which only invest in the participatory interests of a single Class Fund of a collective investment scheme. The Managed Fund Class Funds within the STANLIB Offshore Unit Trusts scheme are Fund of Funds Class Funds which only invest in other collective investment schemes, which levy their own charges, which could result in a higher fee structure for these funds. In addition to the annual management charge, other fees are incurred by the trust (trustee, custodian and general expense). There is no sales tax applicable in Jersey. Commission and incentives may be paid and if so, are included in the overall costs. The Class Funds of STANLIB Offshore Unit Trusts scheme are accumulated Class Funds and do not distribute income. Please refer to the prospectus of this scheme for more details, a copy of which is available on request from STANLIB Collective Investments (RF) Pty Limited, (“STANLIB”), the address of which is 17 Melrose Boulevard, Melrose Arch, 2196, South Africa. The registered office of the Manager is Standard Bank House, 47-49 La Motte Street, St Helier, Jersey, Channel Islands. The Trustee is Apex Financial Services (Corporate) Limited, 12 Castle Street, St. Helier, Jersey, Channel Islands.

The representative agreement exists between STANLIB Collective Investment (RF) Pty Limited and STANLIB Fund Managers Jersey Limited.

The Manager and trustee are regulated by the Jersey Financial Services Commission to conduct Fund services business. The Trust is regulated as a Collective Investment Fund by the Jersey Financial Services Commission.

Figures quoted are from Morningstar for the period ending 31/08/2019 for a lump sum investment using NAV-NAV prices.

Liberty is a member of the Association of Savings and Investment of South Africa.

The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager has a right to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate.

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