STANLIB Offshore America Fund

Minimum Disclosure Document as of 31 March 2024

Risk profile: ●●●●● **Aggressive**

The fund is a class fund of STANLIB Offshore Unit Trusts which invests exclusively in the corresponding Fidelity Funds America Fund.

Objectives

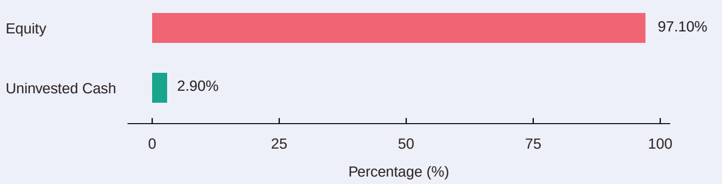
The aim is to provide investors with long term capital growth from a diverse and actively managed range of Class Funds of securities selected from global stock markets. The equity funds provide the opportunity to invest in equities in the markets reflected in the title of each individual class fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets. The fund aims to achieve capital appreciation through investment in a diversified portfolio of US securities.

Performance

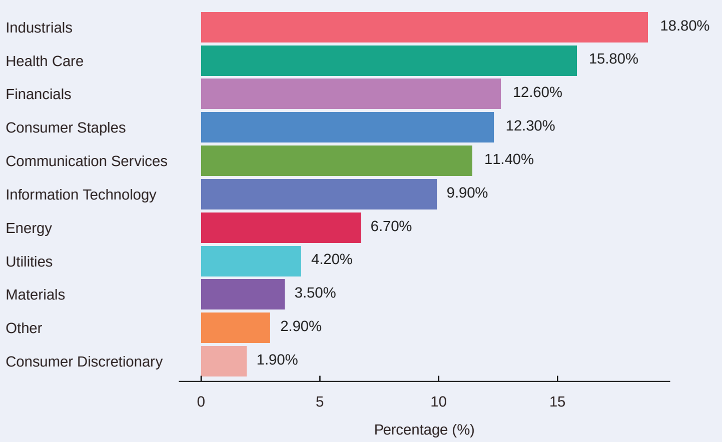
Statistics	1 Year	3 Years	5 Years	10 Years
Fund Annualised Return	21.01%	7.40%	7.59%	6.80%
Index Annualised Return	29.27%	10.96%	14.46%	12.32%
Highest Return over 12 rolling months				54.06%
Lowest Return over 12 rolling months				-37.25%

No performance is currently included as performance data may not be shown for portfolios/classes that have less than a 6 month track record.

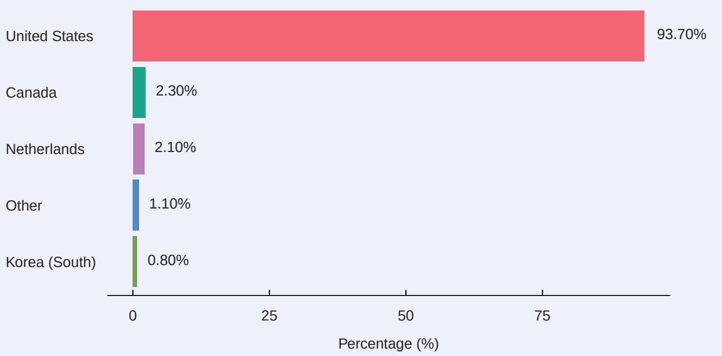
Asset allocation



Sector allocation



Geographic allocation



Portfolio facts

Investment manager	STANLIB Asset Management Pty Limited
Underlying investment manager	Fidelity International
Launch date	02 May 1997
Denominated in	US Dollar
Fund size	US $ 14.91 million
Min. investment amount	US$2,500
Min. subsequent investment	US$1,000
Upfront charge (maximum)	3.00%
Annual management charge (AMC)	1.35%
Class A intermediary trail commission (Paid from AMC)	0.50%
ISIN code	GB00B0660126
Benchmark index	S&P 500 Index
Manager and administrator	STANLIB Fund Managers Jersey Limited
Trustee	Apex Financial Services (Corporate) Limited

Portfolio costs (TER, TC and TIC)

Fund Class	TER (12 m)	TER (36 m)	TC (36 m)	TIC (36 m)
Class A	2.66%	2.66%	0.00%	2.66%

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. 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).
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 expense , these costs (the TER & TC) should not be deducted from the fund returns. It is the sum of the TC & TER.

Top holdings

Alphabet Inc	4.40%
Wells Fargo & Co New	4.30%
Fedex Corp	4.00%
Berkshire Hathaway Inc Del	3.80%
Baker Hughes Co	3.80%
Elevance Health Inc	3.70%
Salesforce Inc	3.60%
Norfolk Southern Corp	3.50%
Union Pacific Corp	3.50%
Mckesson Corp	3.40%

Market and portfolio performance

US equities rallied continued their strong performance and rallied during the first quarter of 2024. The quarter started on a weak note after higher than expected Consumer Price Index (CPI) and a pause from the tech based Magnificent Seven stocks following strong performance during the fourth quarter led to a decline in equities. However, continued resilience in the economy, hopes for interest rate cuts and strong start to earnings season drove the equity markets to record highs in January.

In February investors reset their outlook on rate cuts after Federal Reserve (Fed) Chairman Jerome Powell signalled an interest rate cut in March was unlikely. Markets weakened in early March as inflation remained higher-than-expected for the second consecutive month. However, market sentiment shifted positively in mid-March and equities rebounded after the US Federal Reserve (Fed) guided towards three rate cuts in 2024, with market commentators expecting the first rate cut in June.

Across the US equity indices, the S&P 500, Dow Jones Industrial Average and NASDAQ closed the quarter at records highs. Against this backdrop, all sectors except real estate rose, with communication services, energy and information technology delivering the highest returns. We are starting to see the market broaden outside of the high growth technology companies that have led market performance. From a style perspective, momentum and growth stocks outpaced value names. Large-cap and mid-caps surpassed small-cap names.

The fund underperformed during the quarter. Stock picking in energy, communication services and information technology detracted from returns, while the underweight to consumer discretionary and holdings in financials and industrials added value.

Within the ‘Energy Resiliency’ tailwind, the position in liquefied natural gas company Cheniere Energy weakened over the quarter. Its shares declined after the release of its fourth quarter results. While quarterly earnings before interest, tax, depreciation and amortisation (EBITDA) were in-line with consensus estimates and full-year EBITDA of $8.8 billion came in ahead of the initial guidance of $8–8.5 billion, guidance for 2024 EBITDA disappointed. The company’s more conservative guide of 2024 EBITDA of $5.5–6.0 billion lagged consensus expectations. The holding in oil field services company Baker Hughes fell after it released full-year 2024 revenue and earnings guidance that was below consensus estimates. This was driven by a more cautious revenue guidance for oil field services (OFS), as a greater focus on improving margins and exiting some low margin businesses may result in a fall in market share. In addition, news that the Joe Biden administration is considering slowing approvals for new liquefied natural gas (LNG) export facilities is likely to act as a headwind due to its dominant position in the production of LNG export terminal equipment.

Within the ‘Onshoring’ tailwind, railroad company Union Pacific declined. Network operating metrics have taken a modest step back with Union Pacific struggling to regain momentum following weather disruptions in late January and early February, which are expected to be a headwind to quarterly earnings in April. The company’s position as a strong operator with a superior rail network should support performance.

The lack of exposure to Nvidia, Meta Platforms and Amazon were the top detractors from relative performance as the three companies reported stronger than expected first quarter results. Meanwhile, not holding Apple and Tesla contributed to relative returns. Shares in Apple fell after the US Department of Justice filed an antitrust case against the company alleging a monopoly in the "premium smartphone market". Tesla’s share price fell after analysts expect the company’s first quarter deliveries and earnings to miss consensus estimates. The portfolio managers’ valuation focus prevents them from investing in these richly valued names.

The holding in American transportation company XPO rose after it released robust quarterly results beating consensus estimates, driven by better pricing and margins. The company delivered EPS ahead of analyst estimates, stronger core pricing and better margins in less than truckload (LTL). This was a strong operational result as LTL EBIT increased by 50% year on year, volumes of freight increased by 2% and pricing accelerated quarter on quarter.

The position in utility Constellation Energy surged following its results announcement. The company reported full year 2023 adjusted EBITDA that was above guidance and raised its forward-looking adjusted EPS 17% above consensus estimates. The company guided the market towards improving earnings following the introduction of production tax credits (PTC) and the potential to sign large contracts with hyperscalers building large artificial intelligence (AI) datacentres, both of which are positive for the company’s outlook.

Transportation and logistics company FedEx rose after revealing robust third quarter results. The company reported adjusted EPS, approximately 10% ahead of analyst estimates. The company also announced margin improvement on weaker revenue as cost management initiatives are delivering results.

Positioning

The emphasis is on investing in great companies that are mispriced, either because they are out of favour or their intrinsic asset value is misunderstood, or their journey to sustainability is underappreciated. Stock-picking is at the core of our approach and is the main driver of risk and return, alongside our value biased investment style.

Portfolio holdings are differentiated from the index with a high active share. At a sector level, the largest position is held within health care, where we own core positions in health care providers and services. These are defensive, quality businesses that are backed by demographic tailwinds. We own companies that can help the US government manage health care costs in the long term, primarily through the ownership of managed care names such as Elevance Health (formerly Anthem). We also own drug distributor McKesson; this company has an asset light business model, but the valuation is adequately backed by the assets owned. In addition, the business has an under-appreciated free cash flow accretion rate.

The portfolio’s financials holdings are characterised as higher quality assets trading below their intrinsic value, such as countercyclical investment business Berkshire Hathaway. Within banks, Wells Fargo offers the most restructuring potential and trading at a substantial discount to book value. The bank’s handle on costs amidst a backdrop of rising wages seems to be working well for the stock.

The strategy has a well-defined exposure to the ‘Energy Resilience’ theme within the portfolio where we own positions within both, the energy, and utilities sectors. Our focus is on companies that are the best-in-class operators and enablers of solutions. For example, the portfolio has exposure to LNG producer Cheniere Energy and transmission and distribution utility business Sempra Energy. CMS Energy is a best-in-class utility with a strong track record of management execution.

Underbuilding of residential property since the Global Financial Crisis and an increasing share of new homes listed are supporting the US housing market. New housing is accelerating as builders manage the affordability of the consumer by deploying incentives such as base price cuts and rate buydowns (builders subsidising mortgages for new home buyers). Within the fund, building products supplier Carlisle Cos is a clear winner from the strength in the new housing market. Its products help reduce carbon emissions from buildings and benefits from a structural decarbonisation tailwind. Home improvements supplier Lowe's Cos is also well positioned to benefit from the supportive housing conditions.

Rising geopolitical challenges and supply chain disruptions have presented a challenge, the effort to overcome these by the US government has delivered some meaningful pieces of legislation, including the Inflation Reduction Act and the CHIPS Act. These will stimulate Fixed Asset Investments by industries in the US. We have introduced a new tailwind 'Onshoring' to provide exposure to companies that will benefit from this. Within the fund we have exposure to this tailwind through Jacobs Solutions, an engineering and construction specialist and railroad and freight services companies Norfolk Southern. For Norfolk Southern the outlook in terms of cost efficiencies, margin improvement and disciplined capital remains intact, with growth optionality from an increase in fixed asset infrastructure builds and sustainability trends.

Key transactions in Q1: The managers bought a new position in investment bank and investment management firm Goldman Sachs. The company has a strong platform in investment banking and generates strong growth and returns, equities and investment banking remain core competencies. Recent changes to business model include funding structure, expenses and new initiatives should be supportive going forward. The managers also bought a position in mass media and entertainment conglomerate The Walt Disney Company. The company's direct to consumer streaming business is expected to be profitable by the end of 2024. Disney's margins have improved for each of last three quarters. Recent strikes have reduced content spend; and allowed Disney to re-prioritise content spend. The company's merger of streaming service Hulu & Disney+ is expected to create a better ecosystem. The managers sold positions in DXC Technology and Schlumberger.

Outlook

Central banks have continued to their fight to normalise inflation with restrictive monetary policies. Whilst policy tightening will have an impact, on a relative basis, the US market should be well positioned to withstand that pressure. Corporates are well capitalised and consumers benefit from elevated-savings accumulated during the pandemic and a strong labour market. In a higher interest rate environment, the focus on balance sheet strength and strong free cash flow generation should be supportive.

The US Dollar strengthened as a result of aggressive interest rate hikes. This has not translated into a headwind for the strategy's more domestically oriented companies. The US equity market is highly diverse with both domestically and internationally orientated businesses and we believe there will be investment opportunities during both stronger and weaker US dollar environments.

The dominance of the Magnificent Seven has led to a concentration in performance for a narrow group of companies. Investors enthusiasm for growth fuelled by artificial intelligence (AI) has been the main driver behind performance for these companies. But with no clear 'killer app' emerging in AI just yet, it is difficult to extrapolate which other companies could grow exponentially. It may become harder for many companies to justify their rich valuations with a relatively modest top line. We are starting to see many of the double-digit growth drivers of the magnificent seven cool down.

There are some uncertain factors in the markets right now, but many of these are 'known unknowns' such as the upcoming election which the market is continuously pricing in. Instead of fixating on the broader macroeconomic picture, which is fundamentally unpredictable, investors are better off focusing on diversification and valuation. Good companies will continue to be resilient and reward investors over the long run.

We are confident that the US remains one of the most dynamic markets in the world to invest in, led by the highest quality, innovative companies in the world. In the current economic environment where central banks have raised rates to reign in high inflation, advanced economies with deep capital markets, strong currencies, and a stable government - like the US - offer an attractive investment environment. However, it is important that we as investors ensure company valuations discount all associated risks.

We will continue to look for businesses with credible structural growth tailwinds, wide economic moats, and attractive cashflow generation; but are trading at an attractive level relative to their intrinsic value. We continue to assess the portfolio from a risk perspective. We expect the strategy's focus on the underlying quality and long-term durability of businesses to limit downside risk. It is worth re-emphasising that stock-picking is at the core of our approach. We firmly believe that this is where we can add the most value to our clients. Bottom-up stock selection, backed by detailed fundamental research on companies that can produce resilient long-term growth, should benefit long-term investors.

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Statutory disclosure and general terms & conditions

Collective investment schemes in securities 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 cash 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.

A schedule of fees and charges and maximum commissions is a vailable on request from STANLIB Fund Managers Jersey Limited, ('the Manager'). The Class Funds of the STANLIB Offshore Unit Trusts scheme, are Feeder Funds which only invest in the participatory interests of a single Class Fund of a collective investment scheme. In addition to the annual management charge, other fees are incurred by the trust (trustee, custodian and general expenses). 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 accumulation 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.

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

Class Funds are valued on a daily basis using 23:59 (UK Time) prices. Transaction requests received before 14h30 (UK Time) will receive the following day unit price. This is an accumulation portfolio and does not distribute income.

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 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.

Additional information

Additional information about this product, including brochures and application forms 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.

Target market

STANLIB promotes using the services of an accredited Financial Adviser when making investment decisions.

Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

Risk rating explanation

The risk rating seen above is designed to give an indication of the level of risk, measured by volatility, associated with this specific portfolio.

In order to arrive at the specific risk rating of the portfolio in question, STANLIB measures the volatility of the fund, in the form of standard deviation, over a three year rolling period, and compares the result to internal risk parameters. Please note that these risk ratings are designed as guide only.

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 publicly quoted company listed on the NYSE. Founded in 1994, Threadneedle Investments is fully-owned by Ameriprise Financial (NYSE: AMP), a publicly quoted investment company that is listed on the NYSE. With origins in the UK insurance industry, they h ve continued to innovate and now manage assets on behalf of clients across Europe, A sia 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.

Contact details

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