STANLIB Global Balanced Fund

STANLIB

Minimum Disclosure Document as of 29 February 2024

Risk profile: ●●●●○ **Moderate-Aggressive**

The fund is a class fund of STANLIB Offshore Unit Trusts which invests exclusively in the STANLIB Funds Limited - STANLIB Global Balanced Fund.

Objectives

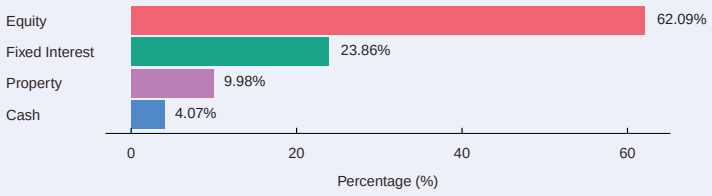
The STANLIB Global Balanced Fund invests as a feeder fund into a class fund of STANLIB Funds Limited – STANLIB Global Balanced Fund, which seeks to achieve its investment objective by investing in a balanced and well-diversified portfolio of international equities, fixed interest securities including government and corporate bonds. Investments may also be made in regulated collective investment schemes, money market instruments, cash deposits and real property to provide further diversification. It will also seek to limit downside risk, through a prudent asset allocation strategy.

Performance

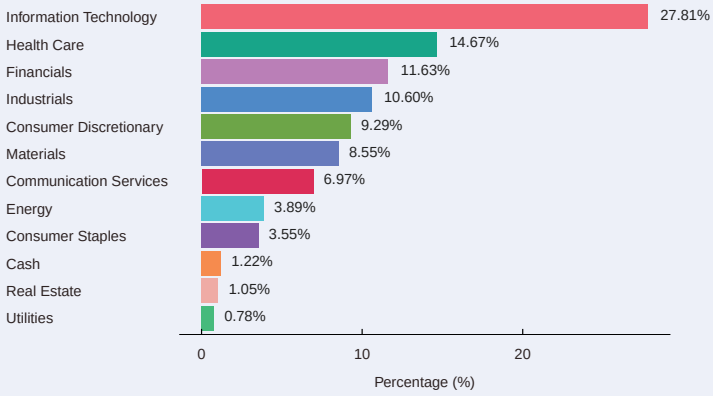
Statistics	1 Year	3 Years	5 Years	10 Years
Fund Annualised Return: Class A	17.23%	0.61%	5.48%	4.30%
Fund Annualised Return: Class B1	17.93%	1.22%	6.12%	-
Index Annualised Return	15.24%	3.49%	6.85%	5.71%
Highest Return over 12 rolling months				33.05%
Lowest Return over 12 rolling months				-31.32%

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

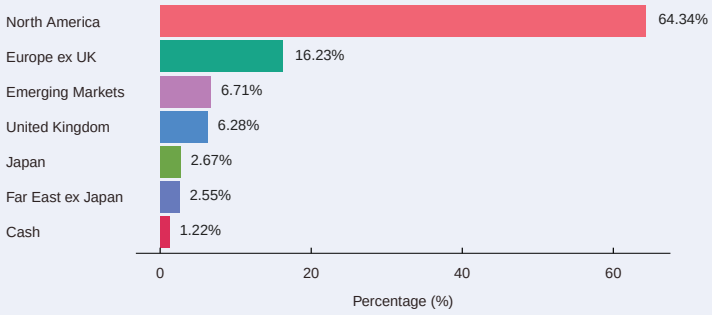
Asset allocation



Sector allocation



Geographic allocation



Portfolio facts

Investment manager	STANLIB Asset Management Pty Limited
Underlying investment manager	Columbia-Threadneedle Investment Manager
Launch date	01 October 1999
Denominated in	US Dollar
Fund size	US $ 132.28 million
Min. investment amount	US$2,500
Min. subsequent investment	US$1,000
Upfront charge (maximum)	3.00%
Annual management charge (AMC): Class A	1.10%
Annual management charge (AMC): Class B1	0.50%
Class A intermediary trail commission (Paid from AMC)	0.50%
ISIN code (Class A)	GB00B0663245
ISIN code (Class B1)	JE00BD8RJH36
Benchmark index	60% MSCI AC World NTR Index; 20% Barclays Capital Aggregate Bond Index; 10% FTSE EPRA/NAREIT Developed Rental NTR Index; 5% SOFR 1 month; 2.5% SONIA 1 month; 2.5% ESTR 1 month;
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	1.86%	1.85%	0.07%	1.91%
Class B1	1.26%	1.25%	0.07%	1.32%

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

Microsoft Corporation	6.62%
NVIDIA Corporation	4.41%
Amazon.com, Inc.	4.25%
Mastercard Incorporated Class A	3.46%
Alphabet Inc.	3.06%
T-Mobile US, Inc.	2.60%
Taiwan Semiconductor Manufacturing Co., Ltd.	2.33%
CRH public limited company	2.27%
Eli Lilly and Company	2.04%
Union Pacific Corporation	2.01%

Fund Review

Gross of fees, the portfolio outperformed its benchmark. As calculated using 'look-through' attribution, asset allocation effects were positive, largely due to being underweight in cash in such a strong month for the other asset classes. Selection effects were a much bigger performance driver. A small negative effect from the property portfolio, which rose very strongly but trailed its benchmark, was more than offset by a strong positive selection contribution from the equity portfolio, which benefited from its quality/growth tilt in the conditions described above

Market Overview

With commodities a notable exception, the fourth quarter (Q4) of 2023 proved to be a strong period for most asset classes. Nevertheless, it was far from plain sailing. October, for example, was a generally weak and volatile month for safe havens and risk assets alike. Surprisingly robust US economic data pushed Treasury yields to 16-year highs, dampening the relative appeal of equities, which were further pressured by concerns about the terrible events in Israel and Gaza.

Thereafter, however, equities rallied, core government bond yields plunged, and credit spreads tightened. The main drivers of these moves were slower-than-expected inflation in the US and Europe, signs of cooling in the US labour market, and a growing belief that the major central banks would start to cut interest rates sooner than previously thought. Equities and corporate bonds were further supported by Q3 corporate results that beat estimates in aggregate and easing fears of widening conflict in the Middle East.

The Federal Reserve continued to keep rates on hold throughout the quarter, but its commentary and forecasts became increasingly dovish. In November, Fed Chair Jerome Powell noted the tightening effect on the economy of higher Treasury yields and mortgage payments. December's policy meeting was seen as even more of a departure. Powell acknowledged slowing growth and progress on inflation, and the Federal Open Market Committee reduced its median rate projection for the end of 2024 from 5.1% to 4.6% – entailing 75 basis points (bps) of cuts over 2024. Markets were more optimistic still; by the end of Q4 they were pricing in more than twice that level of cuts before 2025.

The European Central Bank and Bank of England also held rates steady, but both maintained their 'higher for longer' rhetoric, even after the Fed's dovish pivot. After their December meetings, ECB President Christine Lagarde insisted that cuts had not been discussed at all, while the BoE reported that three members of its nine-strong Monetary Policy Committee had again voted for a hike. Nevertheless, markets appeared sceptical. Gilt and Bund yields continued to fall and traders priced in more aggressive ECB and BoE rate cuts in 2024. This perhaps reflected the relative weakness of the eurozone and UK economies; both contracted mildly in Q3 versus robust growth in the US.

Over Q4, the 10-year Treasury yield fell 69 bps to 3.88%, while the German and UK equivalents respectively fell 82 bps to 2.02% and 90 bps to 3.54%. Meanwhile, credit spreads tightened significantly across the three main regional investment-grade (IG) markets: US dollar, sterling and euro IG spreads narrowed by about 16.8%, 12.9% and 9.9% respectively (per ICE BofAML indices). The Bloomberg Global Aggregate index of world bonds returned 8.1% in US dollar terms.

The MSCI All Country World index (ACWI) of equities returned 11.1% in dollars, with gains inflated by the weakness of the US dollar. Growth stocks outperformed value. By sector, technology and real estate fared best, while energy fell along with oil prices. By region, Europe ex UK and the US were strongest, though Europe's outperformance in dollars was driven by currency moves. Developed Asia ex Japan was next, as Australia benefited from rising iron ore prices. Japan, emerging markets (EMs) and the UK trailed the ACWI. A stronger yen weighed on Japan's export-heavy market though also inflated returns in dollars. Most EMs enjoyed strong gains as the dollar weakened and risk appetite improved, but EM heavyweight China fell amid concerns about its property crisis, new regulations on video gaming, and ongoing geopolitical tensions with the West. The UK brought up the rear, held back by its relatively heavy exposure to overseas earners and energy-related companies as sterling rose against the dollar and oil prices fell.

Looking Ahead

The US economy looks likely to achieve the 'soft landing' predicted by the Fed. The eurozone and the UK may slip into technical recession, but we think any such downturn should be mild. In any case, large, listed companies are well insulated from any strains on the economy. Companies still have pricing power – as seen in the recent example of streaming giants ramping up subscription fees – and their debt profiles have generally locked in the low rates of 2021 and earlier. Smaller, unlisted firms – to which the fund's equity allocation is not typically exposed – may be more vulnerable.

Nevertheless, we maintain a slight degree of caution about the outlook for equities. For the reasons outlined above, this is not due to risks around earnings; rather, it is because global equity valuations (on a price-to-earnings basis) look historically high, both in absolute terms and relative to other asset classes.

We continue to be more constructive on the outlook for fixed income, even after the stellar performance seen in recent months. We remain positive on both duration and credit, which we expect to benefit from rate cuts this year and beyond. Our IG analysts expect credit quality to remain strong, and the anticipated combination of falling interest rates and low but positive economic growth would be a reasonable environment for spreads to tighten.

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

STANLIB Asset Management (Pty) Limited

Registration No.	1969/002753/07
Compliance No.	HX3102
Website	www.stanlib.com
Email	contact@stanlib.com
Address	17 Melrose Boulevard Melrose Arch Johannesburg South Africa
Post box	PO Box 202 Melrose Arch 2076