STANLIB Offshore America Fund

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

STANLIB

Minimum Disclosure Document as at 29 February 2020

STANLIB Collective Investments (RF) Pty. Limited. Registration number 1969/003468/07

Portfolio Facts

Investment Manager	STANLIB Asset Management Pty Limited
Underlying Investment Manager	Fidelity International
Launch Date	2 May 1997
Fund Size	US$ 10.47 million
Denominated in	US Dollars
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

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. Please refer to Statutory Disclosure and General Terms and Conditions.

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)

FUND CLASS	TER (12 months rolling)	TER (36 months rolling)	TC (36 months rolling)	TIC (36 months rolling)
Class A	2.66%	2.67%	0.00%	2.67%

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

	1 year 01/03/19-29/02/20	3 years 01/03/17-29/02/20	5 years 01/03/15-29/02/20	10 years 01/03/10-29/02/20
Portfolio Annualised Growth	-11.85%	-2.10%	0.73%	7.22%
Benchmark Annualised Growth	7.60%	9.20%	8.60%	12.00%
Highest Return over 12 rolling months				54.06%
Lowest Return over 12 rolling months				-37.25%

The reported performance of the fund is net of fees, while the performance of the benchmark is gross of fees.

Fund Performance: Morningstar
Benchmark: Bloomberg

*Annualized 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.

Risk Profile

Conservative		Moderate		Aggressive

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.

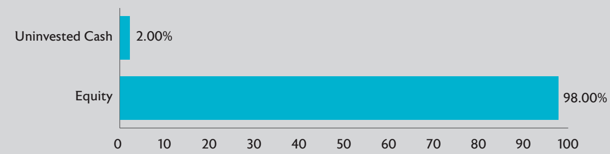
Target Market

Targeted at Investors as part of an international diversified Class Funds.

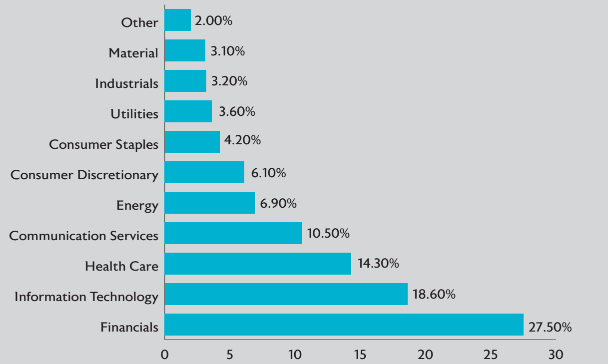
Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

The information below relates to the Fidelity Funds International America Fund.

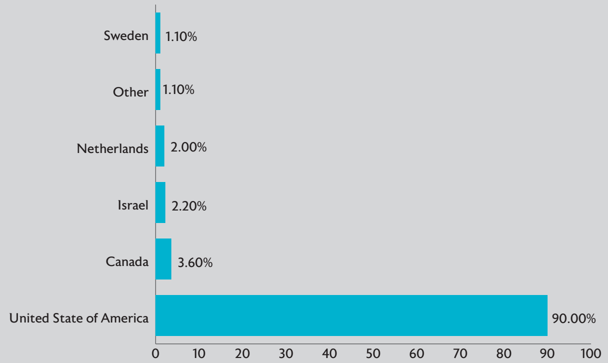
Asset Allocation



Industry Breakdown



Geographic Breakdown



Largest Holdings

Berkshire Hathaway Inc Del	**7.00%**
Willis Towers Watson Plc	**5.20%**
Oracle Corp	**5.10%**
T-Mobile Us Inc	**4.10%**
Fairfax Financial Hldgs Ltd	**3.60%**
Wells Fargo & Co New	**3.60%**
Exelon Corp	**3.60%**
General Dynamics Corp	**3.20%**
Chevron Corp New	**3.00%**
Pfizer	**2.60%**

NOTE:

Please refer to page 2 for more details regarding this Class Funds as well as other important information for consideration.

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Fund Approach and Style

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.

Fund Management

The investment management of the underlying fund is managed by Fidelity International

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.

Statutory Disclosure and General Terms & Conditions

Fund Commentary: 4th Quarter

Fund Review

The underlying fund is managed by Angel Agudo of Fidelity and looks to invest in companies that are undervalued, either because they are out of favour or little value is given to their recovery potential. When investing, the potential downside risk of a company is taken into account, with a strong balance sheet or resilient business model resulting in stronger conviction and a higher weighting. It is a relatively concentrated portfolio with a low level of turnover and some value characteristics.

The America Fund returned 2.8% in dollars in rolling 12-months of 2019, underperforming the 8.9% return of the S&P 500 Index.

Fund Performance

The fund recorded positive returns but underperformed the index over the quarter. Stock selection was detrimental to relative performance, particularly within the information technology sector, where the lack of exposure to higher growth stocks detracted from returns.

Key detractors

Among individual names, not holding Apple was the largest detractor from returns. Shares in the smartphone manufacturer have been on an uptrend post the launch of its iPhone 11 models and renewed expectations for further gains from an upcoming 5G product cycle. The position in Oracle declined after dismal quarterly results as the software and services company failed to meet revenue growth expectations due to weak performance from its cloud and licensing businesses. Nevertheless, the company's consistent share buyback programme meant that earnings per share continued to grow on a double-digit basis. Elsewhere, the position in discount store operator Dollar Tree declined after weak third quarter results and a downward revision in 4Q earnings in anticipation of tariff costs of a non-mitigating nature.

Stock-specific contributors

On a positive note, managed care operator Anthem, Inc. advanced after reporting strong Q3 results, driven by broad-based revenue growth. The business faces modest pressure from the 'Medicare for All' rhetoric in the US, but for now consistent cash flows, an encouraging annual enrolment period and

reassuring earnings guidance from the management are supportive of the stock's outlook. Lack of exposure to Boeing also added value as shares in the company declined after the company officially froze the production of its MAX 737 plane.

Fund positioning

The US continues to grind forward as a healthy labour market and easy financial conditions continue to support the consumer, although there has been some moderation in spending following the strong run from earlier this year. While bouts of volatility held back sentiment intermittently, the markets came out positive, outperformed the rest of the world and went on to set new record highs in 2019. Going into 2020, the mood is cautiously positive. We maintain a disciplined, valuation-conscious investing approach and continue to find ideas across sectors. There are many firms trading at low valuation multiples despite having strong fundamentals.

Retained overweight in financials

Berkshire Hathaway is the largest absolute and relative position in the fund and looks very attractive in counter cyclical terms, given the strength of its balance sheet. Insurance broker Willis Towers Watson is another top position, benefitting from synergies following the Willis and Towers Watson merger, with margins and free cash flow likely to improve significantly over the next 1-2 years.

Key transactions

We added to the position in Marathon Petroleum. Valuations are attractive and the merger with Andeavor is likely to generate strong cost synergies. We also increased the holding in American Campus Communities, the largest student housing REIT in the US, owning c.80,000 beds on and off university campuses. The stock offers a cross-cyclical growth opportunity - demand for student housing is consistent regardless of the prevailing business environment.

Market environment

US equities ended the year on a strong note with record-breaking advances in major indices, largely driven by a brighter economic outlook as a trade truce between the US and China seemed increasingly likely. More recently, President Donald Trump announced he would sign a phase-one trade deal with China on January 15, effectively compelling both sides to stop adding to the economic damage they have sustained from the imposition of tariffs. An accommodative monetary policy stance by the US Federal Reserve (Fed) was also favourable to market performance. The US Federal Reserve (Fed) cut its benchmark interest rate for the third time this year in October. Interest rates now range between 1.50-1.75% after the Fed unanimously agreed to keep rates unchanged in its December meeting. The central bank also indicated that it would hold interest rates for the duration of 2020 as it monitors trade issues and economic data. Overall, the US consumer remains a resilient anchor for growth in the region and is becoming increasingly correlated to the state of the economy. Black Friday and Cyber Monday are expected to be the centre of online sales for the holidays, with an estimated growth rate of c.4% this year. Meanwhile, US politics (impeachment) was in the limelight during December but there has been limited impact to markets at this point, as the vast consensus is that Trump will not be impeached by the Senate. In general, most sectors generated positive returns over the quarter, with sizeable outperformance from information technology and health care stocks. Real Estate was the only sector that failed to generate positive returns. All major style indices benefitted during the period, albeit with sizeable outperformance from growth and quality.

Looking Ahead

US equities have by and large weathered the slowdown in economic growth and trade dialogue with China. While bouts of volatility held back sentiment intermittently, the markets came out positive, outperformed the rest of the world and went on to set new record highs. Going into 2020, the mood is cautiously positive. Risk appetite has definitely increased, as some of the uncertainties that prevailed in 2019 - particularly relating to trade, fade away amid rekindled hopes for further progress in US-China trade talks, although that is not to say there will be no consequences in the event that constructive dialogues are unsuccessful or stalled - this could result in continued weakness in capital spending, which will keep productivity growth low. This in turn could slow real output growth and potentially push up unit labour costs, which would squeeze profit margins and if passed on to consumers, push up inflation. In this case, the Fed would have to stop easing and could even tighten. But for now, inflation expectations are not rising. Interestingly, for the first time in over a decade all the world's major economic regions are easing monetary policy, with neutral to positive fiscal policy settings across the board. Improving liquidity conditions points to a constructive outlook for risk assets. Earnings are expected to accelerate in the 2020 election year. However, there are caveats in the form of other moving parts - consumer strength has been vital to economic health. Any signs for possible contamination through moderation in other business cycle indicators will have to be closely monitored. Meanwhile, liquidity is under threat from the decline of globalisation. The frictionless flow of capital around the world is subject to increasing barriers, such as those resulting from the recent US/China trade dispute. Threats from possible geopolitical risks will also need to be watched closely.

Needless to say, the maturity of this long bull market (which hasn't been a typical one) will potentially be tested as the year unfolds. US markets should continue to rise if economic data remains supportive. In a global context, the US is favoured by investors for being less exposed to cyclical sectors relative to many other (particularly emerging) markets.

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