STANLIB Global Bond Fund

STANLIB

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

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	Brandywine Global Investment Management
Launch Date	2 May 1997
Fund Size	US$6.50 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) Class A	0.90%
Annual Management Charge (AMC) Class B1	0.30%
Annual Management Charge (AMC) Class B2	0.10%
Class A Intermediary Trail Commission (Paid from AMC)	0.25%
ISIN code: Class A	GB00B0662F08
ISIN code: Class B1	JE00BD8RKR07
ISIN code: Class B2	JE00BD8RKV43
Benchmark Index	Barclays Capital Aggregate Bond 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	1.72%	1.67%	0.00%	1.67%
Class B1	1.12%	1.10%	0.00%	1.10%
Class B2	0.92%	0.91%	0.00%	0.91%

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: Class A	1.69%	1.48%	-0.21%	2.11%
Portfolio Annualised Growth: Class B1	2.30%	2.10%	0.00%	0.00%
Portfolio Annualised Growth: Class B2	2.50%	2.30%	0.00%	0.00%
Index Annualised Growth	7.92%	4.39%	2.90%	2.62%
Highest Return over 12 rolling months				26.59%
Lowest Return over 12 rolling months				-16.23%

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

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.

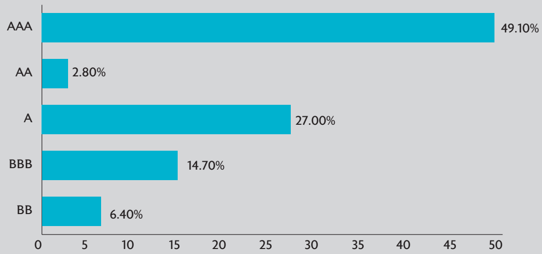
Target Market

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

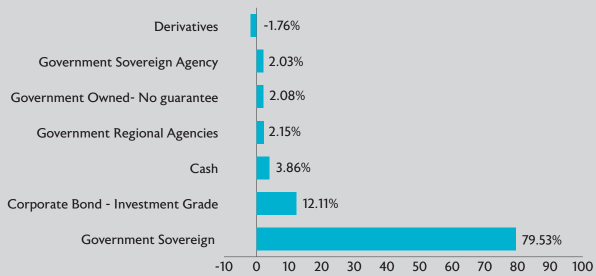
Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

The information below relates to the STANLIB Global Bond Fund a Class Fund of STANLIB Funds Limited.

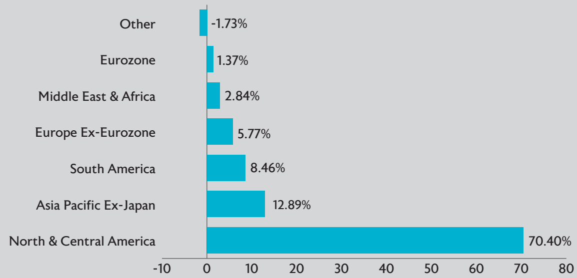
Blended Weighted Average Credit Ratings



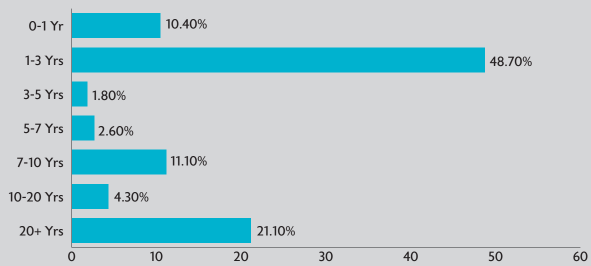
Asset Allocation



Geographic Allocation



Maturity/Duration



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

STANLIB Global Bond Fund

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

STANLIB

Minimum Disclosure Document as at 29 February 2020

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

Fund Approach and Style

Objective

The aim of the bond fund is to provide investors with the possibilities of capital gains. The STANLIB Global Bond Fund is invested in worldwide bond markets to maximise performance, measured in US dollars and invests as a feeder fund into a class fund of STANLIB Funds Limited – STANLIB Global Bond Fund.

Fund Management

STANLIB Global Bond Fund is managed by Brandywine Global, a Philadelphia, USA investment manager with offices in San Francisco, Singapore and London.

Brandywine Global Investment Management is a mid-sized boutique investment firm with USD 68 billion (31.12.2015) under management. The company is an independent subsidiary of Legg Mason and operates as a fully autonomous entity with complete control over investments. The company's mission is to seek value not yet recognized by others.

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

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 available 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.

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 29/02/2020 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.

Fund Commentary: 4th Quarter

Fund review

The Stanlib Global bond fund returned 4.09% for the fourth quarter compared to the benchmark return of 0.49%. The fund also outperformed the benchmark for 2019 with a return of 9.52% vs 6.84% from the benchmark. The portfolio's strong performance was mainly due to the currency contribution. Signs of tentatively improving global growth curbed U.S. dollar appreciation in the fourth quarter, allowing many other currencies to gain during the period.

Market overview

Trade- and commodity-centric currencies responded in kind as macro uncertainties abated, a theme that resonated across Asia-Pacific, Latin America, and Europe. Exposure to these currencies aided relative performance during the quarter. More specifically, the combination of firmer commodity prices and deescalating U.S.-China trade tensions benefited a broad range of trade- and commodity-linked currencies like the Norwegian krone, Polish zloty, Colombian peso, Malaysian ringgit, South Korean won, and Indonesian rupiah. In addition to positive signs on trade and commodities, the related bounce in retail spending and overall consumer confidence drove currencies like the Australian and New Zealand dollars higher. Relative performance also benefitted from avoiding certain currencies, like the Japanese yen—which was one of the few to underperform the U.S. dollar—and fell as the Bank of Japan declined to implement new stimulus measures even as economic growth plateaued. The British pound significantly rallied after economic data improved and the election results mandated the prime minister to deliver Brexit. The Swedish krona gained after the Riksbank finally raised its policy rate after prolonged anticipation. The Brazilian real staged a comeback as central bank easing registered in the economy, reigniting investor interest in the currency. As the prospects for the USMCA trade deal passing in U.S. Congress improved, along with a rate cut from the Banco de México helped the Mexican peso reach a nearly six-month high.

The bond positions in some of these emerging market countries also contributed to relative returns. Avoiding expensive core and peripheral European government bonds and Japanese Government Bonds was accretive to relative performance, as these bonds constituted a large portion of the index. However, exposure to U.S. Treasuries did detract from the strategy's returns as bond yields also rose during the period.

In terms of other detractors to relative performance, the lack of euro positioning offset the otherwise generally positive returns as the currency rallied on signs of a regional economic recovery and dissipating U.S.-China trade tensions. A position in the Chilean peso also detracted from otherwise strong currency returns as it weakened from the ongoing civil protests and the expected pressure government concessions could have on the country's fiscal position.

Looking ahead

The reductions to portfolio duration made at the end of September and early October have been sustained going into the new year. The price profile in the global bond market has improved somewhat but remains very expensive particularly in the developed country sovereign bond markets. The duration exposure that exist in the portfolio is concentrated in emerging markets.

Our assessment is that macro information risks are clearly tilted in the direction of the global outlook improving relative to the fairly pessimistic view embedded in the current risk profile. The lack of U.S. dollars in the portfolios is the other major feature of current portfolio positioning. This positioning supports the view of a moderately overvalued dollar.

17 Melrose Boulevard, Melrose Arch, 2196
PO Box 203, Melrose Arch, 2076

Tel 0860 123 003
www stanlib.com

Compliance number: M718O9

Publish date: 25 March 2020