

# STANLIB Global Balanced Fund

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

# STANLIB

Minimum Disclosure Document as at 31 July 2020

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

## Portfolio Facts

Investment Manager	STANLIB Asset Management Pty Limited
Underlying Investment Manager	Columbia-Threadneedle Asset Management
Launch Date	1 October 1999
Fund Size	US\$ 91.32 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	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 Index Net Total Return (5.0%) 1m EUR LIBID (2.5) 1m US LIBID (2.5%) 1m GBP LIBID
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	1.89%	1.89%	0.05%	1.94%
Class B1	1.29%	1.28%	0.05%	1.33%

### 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

### Performance in Class Funds Currency

	1 year 01/08/19-31/07/20	3 years 01/08/17-31/07/20	5 years 01/08/15-31/07/20	10 years 01/08/10-31/07/20
Portfolio Annualised Performance: Class A	9.82%	7.60%	6.31%	5.76%
Portfolio Annualised Performance: Class B1	10.48%	8.25%	0.00%	0.00%
Index Annualised Performance	5.76%	5.79%	6.12%	6.29%
Highest Return over 12 rolling months				39.44%
Lowest Return over 12 rolling months				-35.65%

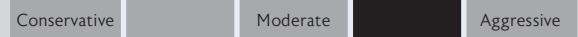
The reported performance of the fund is net of fees, while the performance of the benchmark is gross of fees.

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



### 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.

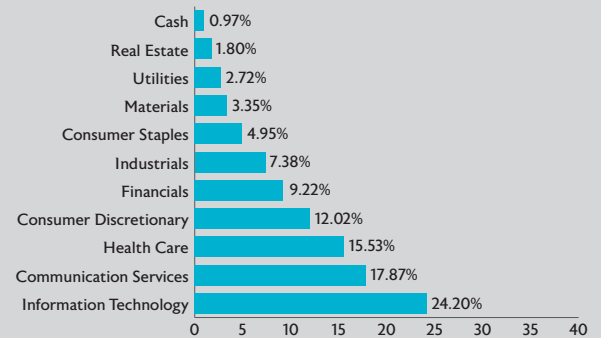
## Target Market

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

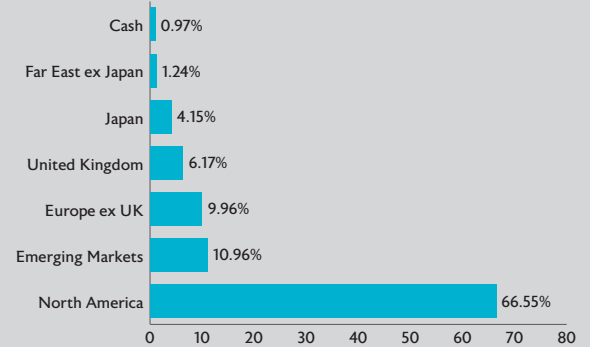
Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

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

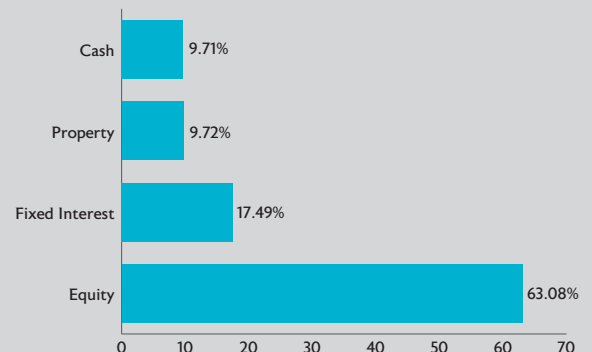
## Industry Breakdown



## Geographic Allocation



## Asset Allocation



### 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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# STANLIB

## Fund Approach and Style

### Objective

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.

## Fund Management

STANLIB Global Balanced Fund is managed by Columbia-Threadneedle Asset Management, 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 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](http://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](http://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 31/07/2020 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.

The commentary gives the view of the manager at the time of writing. Any forecasts or commentary included in this document are not guarantee to occur

## Fund Commentary: 2nd Quarter

### Fund review

Gross of fees, the fund outperformed its benchmark over the quarter. As calculated using 'look-through' attribution, asset-allocation effects were favourable. Being underweight in fixed income added value in relative terms, as did the overweight position in equities. The overweight in cash detracted; however, this 'look-through' overweight was exaggerated by selection within the fixed-income portfolios, rather than by an asset-allocation call. Selection effects detracted. Positive contributions within fixed income and (to a lesser extent) cash were outweighed by negative contributions within equities and property.

### Market overview

Equities and corporate bonds staged a powerful rebound during the quarter, recouping most of their recent losses. As the Covid-19 pandemic appeared to be slowing across much of the developed world, the consequent easing of lockdown restrictions, together with unprecedented stimulus from governments and central banks, fostered hopes of a swift 'V-shaped' economic recovery. Economic data tended to reinforce this sentiment, being generally dire in absolute terms but significantly better than expected. In June, the risk-on rally slowed and volatility increased. A resurgence of the virus in several countries prompted fears that a second wave of the pandemic could derail the recovery. Rising caseloads saw reopening plans halted in the three most populous US states, for example, and curbs were re-imposed in Beijing following a serious outbreak there. On the stimulus front, the ECB and Bank of England expanded their bond-buying programmes, while the Federal Reserve and Bank of Japan respectively announced and increased loan schemes. The Fed also included high-yield bond ETFs in its purchase programme. In June, investors welcomed reports that the White House was weighing up a \$1tn US infrastructure package. Germany announced new fiscal measures worth €130bn, though EU states remained divided over a proposed €750bn recovery fund. Meanwhile, the Trump administration stepped up efforts to blame China for the pandemic. Adding to the tensions, China imposed a harsh new security law on Hong Kong, to which the US responded by threatening to withdraw the city's special trade status. However, President Trump stopped short of scrapping the phase-one US-China trade deal. The MSCI AC World index of equities returned 19.4% in dollar terms. North America fared best, up 21.6% in dollar terms. The region has a large exposure to the IT sector, which benefited greatly from the lockdown-driven shift to online services. Asia ex Japan was next with 20.3%, followed by emerging markets (EM) and Europe ex UK with 18.5% and 18.2% respectively. A weaker US dollar bolstered sentiment towards EMs and also inflated returns from most overseas markets. The two outliers were Japan (11.6%), which had held up best in the sell-off, and the UK (7.8%), which underperformed as Brexit fears resurfaced. Sterling was also down slightly against the dollar. Global bonds trailed equities but still delivered strong gains. The Bloomberg Barclays Global Aggregate index returned 11.5%, driven by tightening credit spreads. The 10-year US and German government yields were little changed, though the UK equivalent fell 18 basis points (bps). Credit spreads in the US dollar, euro and sterling investment-grade markets narrowed by 145 bps, 90 bps and 65 bps respectively.

### Looking ahead

How to reconcile a 'sudden stop' in global economic activity with buoyant financial asset markets has been a key area of focus for us. Certainly, the shock to economic activity and corporate balance sheets in the near term will be huge. But of course, what matters for forward-looking markets is how the world emerges in 2021 and 2022. Our base case leaves us comfortable owning quality risk assets, even as the recent rebound in credit and equities has dented the valuation case. An important element of this has been the response from policymakers to Covid-19. In both speed and size, their actions have eclipsed anything we have seen before, including during the global financial crisis. We have had fiscal easing this year of between 20–30% of GDP, depending on where you look, accompanied by a similarly enormous monetary response, including the purchase of high-yield credit in the US and the removal of issuer limits in Europe. Balancing the cost of shutdowns with the benefits of that stimulus, our forecasts suggest that economic activity in the US will return to the levels seen in Q4 2019 by the end of 2022, in something of a 'U-shaped' recovery. Europe is likely to experience a slower path back. But all in, we would judge this as a very large – but ultimately temporary – shock, and are keen to be invested in those assets most affected by the monetary response, where valuations remain reasonable. However, with companies likely to emerge from this crisis with weaker balance sheets than before, the focus since the March sell-off has been on higher-quality companies in both credit and equities.

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