

# STANLIB Global Equity Fund

The fund is a class fund of STANLIB Offshore Unit Trusts which invests exclusively in the STANLIB Funds Limited - STANLIB High Alpha Global Equity 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	2 May 1997
Fund Size	US \$117.59 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%
Annual Management Charge (AMC): Class B2	0.20%
Class A Intermediary Trail Commission (Paid from AMC)	0.50%
ISIN code: Class A	GB00B0661199
ISIN code: Class B1	JE00BD8RJS41
ISIN code: Class B2	JE00BD8RK140
Benchmark Index	Benchmark: MSCI AC World NTR Index
Manager and Administrator	STANLIB Fund Managers Jersey Limited
Trustee	Apex Financial Services (Corporate) Limited

Class Funds are valued on a daily basis at 23h59 (UK Time). Transaction requests received before 14h30 (UK time) will receive the following days 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	1.83%	1.84%	0.06%	1.90%
Class B1	1.23%	1.23%	0.06%	1.29%
Class B2	0.93%	0.93%	0.06%	0.99%

### 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: Class A

	1 year	3 years	5 years	10 years
	01/08/19-31/07/20	01/08/17-31/07/20	01/08/15-31/07/20	01/08/10-31/07/20
Portfolio Annualised Growth: Class A	13.89%	10.93%	9.28%	9.55%
Portfolio Annualised Growth: Class B1	14.58%	11.59%	0.00%	0.00%
Portfolio Annualised Growth: Class B2	14.92%	11.93%	0.00%	0.00%
Index Annualised Growth	7.76%	7.56%	7.96%	8.86%
Highest Return over 12 rolling months				49.49%
Lowest Return over 12 rolling months				-43.92%

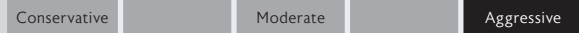
The reported performance of the fund is net of fees, while the performance of the benchmark is gross of fees.

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.

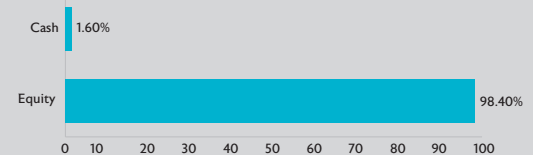
## Target Market

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

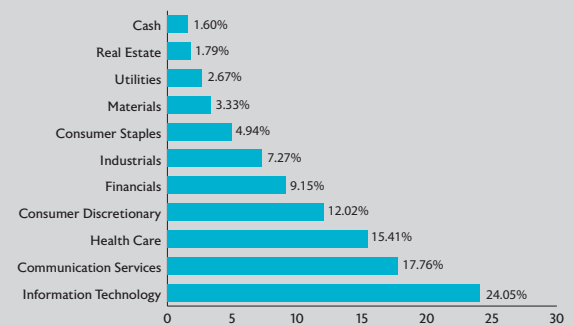
Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

The information below relates to the STANLIB High Alpha Global Equity Fund a Class Fund of STANLIB Funds Limited.

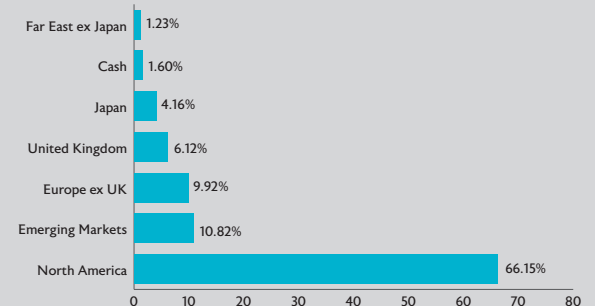
## ASSET ALLOCATION



## Industry Breakdown



## Geographic Breakdown



## Largest Holdings

Amazon.com, Inc.	5.34%
Microsoft Corporation	5.01%
Alphabet Inc.	4.92%
Facebook, Inc. Class A	2.60%
Mastercard Incorporated Class A	2.38%
Samsung Electronics Co., Ltd.	2.34%
Reckitt Benckiser Group plc	2.15%
Comcast Corporation Class A	2.09%
Visa Inc. Class A	2.08%
Centene Corporation	1.98%

### 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 aim is to provide investors with long term capital growth from a diverse and actively managed Class Fund of securities selected from global stock markets. STANLIB Global Equity Fund covers markets throughout the world including major markets and smaller emerging markets. The STANLIB Global Equity Fund invests as a feeder fund into a class fund of STANLIB Funds Limited – STANLIB High Alpha Global Equity Fund.

## 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 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 posted a positive return over the quarter, but slightly underperformed its benchmark. Stock selection weighed on returns, mainly due to the holdings in technology and consumer discretionary. However, the picks in communication services added value. Sector allocation was helpful, with the overweight in technology and underweight in consumer staples contributing most. At the stock level, the fund's zero weight in Apple detracted as the shares outperformed amid optimism about the shift towards remote services, e-commerce and cloud computing, which has been accelerated by the pandemic. The fund does not own the stock due to our belief that market saturation could limit future pricing increases and growth, and that Apple's substantial share in the high-end smartphone market may restrict incremental margins as the company is forced to grow into other areas. We believe that the stock's valuation fails to take these challenges into account. Coffee shop chain Luckin Coffee was also a notable detractor over the quarter, as questions around the company's sales data came to light. Our investment thesis was developed out of thorough research, from which we concluded that Luckin Coffee was well placed to outperform over the long term. This was based on the expansion of the company's retail network, the extension of its product categories and the sustainable growth in traffic deriving from its high product quality, affordability and convenience. However, April's unforeseen developments invalidated our conviction in the company. As a result, the fund sold the small position that it had.

### Market overview

Global equities rebounded in the second quarter, driven by optimism that the Covid-19 pandemic was past its peak in Europe. The MSCI All Country World index returned 18.5% over the quarter in dollar terms. Markets were also propelled higher by central-bank stimulus programmes, government support packages, and by optimism that vaccinations and treatments would be found for the virus. Added to this were hopes that the worst of the Covid-19 pandemic might be over, as a number of countries eased lockdown restrictions. Towards the end of the quarter, however, a spike in cases outside Europe triggered fears of a second wave of the virus. A resurgence in US-China tensions also caused bouts of market volatility. The US held up best of the major regions. The Federal Reserve unveiled a \$2.3 trillion loan programme for municipalities and small businesses, along with new measures to support corporate-bond markets. Later in the quarter, the central bank gave a downbeat view of the economy and indicated that interest rates would likely stay near zero through 2022. More encouragingly, however, there has been talk of a possible \$1 trillion infrastructure programme to boost the economy. European stocks underperformed. The European Central Bank expanded an emergency monetary stimulus programme by €600 billion, although EU member states remained divided over a proposed €750 billion pandemic recovery fund. UK stocks also struggled over the quarter, despite ongoing support for the economy from the Bank of England with a £100 billion expansion of its bond-buying programme. Brexit-related jitters presented a headwind; concern persisted that the UK and the EU might fail to agree on a trade deal before the transition period expires at the end of this year. Japanese stocks underperformed, having come under pressure early in the quarter amid a renewed spike in coronavirus cases, while weak economic data also weighed on the region. Shares recovered in May, however, as substantial fiscal and monetary-policy support packages were unveiled. Elsewhere, emerging markets rebounded over the period, but lagged their developed-market peers. All sectors in the index posted positive returns over the quarter. In a reversal of trends seen earlier in the year, cyclical stocks powered ahead; consumer discretionary, technology and materials led the gains, fuelled by expectations of a pickup in economic activity. Healthcare stocks also performed well, despite some late profit-taking; interest in the sector was strong as firms race to develop tests, treatments and vaccines for the coronavirus. However, other defensive sectors such as utilities and consumer staples underperformed amid the resurgence in risk appetite. Financials were also weaker, owing to underwhelming earnings and expectations that interest rates will remain 'lower for longer'

### Looking ahead

Investors have focused on the recovery from the pandemic over the quarter, as the gradual reopening of economies helped to boost sentiment. While unknowns remain, the indiscriminate market sell-offs have created opportunities to invest in companies with the ability to weather the current storm, and win out over the long-term, at attractive valuations. Our long-held belief is that there are structural factors driving a world which is 'lower for longer', including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, the fund remains firmly of the view that companies that can sustain above-average growth rates should remain attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to continue delivering high returns and earnings growth across a range of market conditions.

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