STANLIB Global Property Fund

The fund is a class fund of STANLIB Offshore Unit Trusts which invests exclusively in the corresponding STANLIB Funds Limited Global Property 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
Launch Date	04 January 2010
Benchmark	FTSE EPRA/NAREIT Developed Rental Index Net Total Return
Fund Size	$ 33.43 million
Minimum Investment Amount	US$ 2,500
Minimum Subsequent Investment	US$1,000
Manager and Administrator	STANLIB Fund Managers Jersey Limited
Currency Denomination	US Dollars
Upfront Charge (Maximum)	3.00%
Annual Management Charge (AMC): Class A	1.10%
Annual Management Charge (AMC): Class B1	0.40%
Annual Management Charge (AMC): Class B2	0.20%
Class A Intermediary Trail Commission (Paid from AMC)	0.30%
ISIN code: Class A	JE00B51KKN60
ISIN code: Class B1	JE00BD8RKB47
ISIN code: Class B2	JE00BD8RKM51
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	1.86%	1.87%	0.08%	1.95%
Class B1	1.16%	1.17%	0.08%	1.25%
Class B2	0.96%	0.97%	0.08%	1.05%

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 01/08/19-31/07/20	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 Growth: Class A	-10.00%	-0.34%	0.18%	4.00%
Portfolio Annualised Growth: Class B1	-9.37%	0.36%	0.00%	0.00%
Portfolio Annualised Growth: Class B2	-9.18%	0.56%	0.00%	0.00%
Index Annualised Growth	-12.41%	-0.56%	1.91%	6.94%
Highest Return over 12 rolling months				28.31%
Lowest Return over 12 rolling months				-7.86%

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.

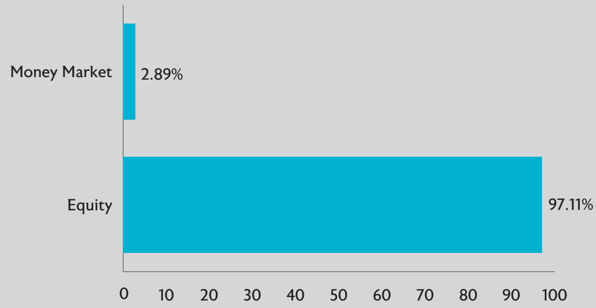
Target Market

The fund is ideal for investors who seek a diversified Class Funds of global property stocks that aims to diversify exposure away from the South African listed property market, adding diversity to currency exposure. It is also ideal for investors who need to add diversity to their offshore cash, equities and/or bond exposure.

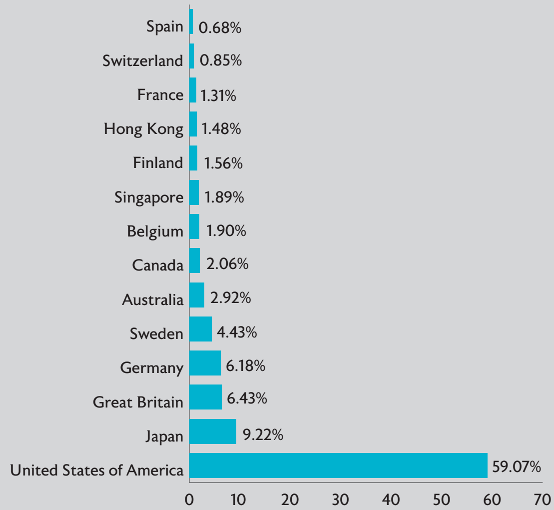
Please contact either your accredited Financial Adviser or our Contact Centre on 011 448 6000 if you have any questions about this product.

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

Asset Allocation



Geographic Allocation



Largest Holdings

Prologis	**7.80%**
Digital Realty Trust Inc	**4.89%**
Vonovia Se	**4.18%**
Public Storage	**3.36%**
Alexandria Real Estate Equitie	**2.86%**
Invitation Homes Inc	**2.82%**
NIPPON PROLOGIS REIT INC	**2.80%**
GLP J-REIT	**2.53%**
Bank Of New York Account	**2.50%**
Segro Plc	**2.27%**

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

Objective

The aim of the property fund is to provide investors with both capital and income growth. The Global Property Fund aims to maximize investor's returns by investing in shares in global property companies and property related securities listed on exchange in major markets (and to a lesser degree, smaller emerging markets), and real estate investment trusts. The STANLIB Global Property Fund invests as a Feeder fund into a class fund of STANLIB Funds Limited - STANLIB Global Property Fund.

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 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

Fidelity Fund Commentary: 2nd Quarter

Fund review

The fund delivered a positive total return of 9% compared with a benchmark return of positive 10.5% (in US dollar terms) during the quarter. Year-to-date the fund has outperformed the benchmark by 3.8%.

Allocation effects accounted for most of the variance in performance in the quarter, with a relatively high allocation to cash accounting for half of the variance. Fund underweights to Japan, Hong Kong and Singapore (together 15% of the index) eroded performance as the Bank of Japan's commitment to buying J-REIT bonds helped the region's equities to rally (with the exception of Hong Kong, due to the negative impact of China passing the National Security Law).

From a stock selection perspective, strong contributions from the fund's overweight positions in industrial REITs in Japan, Singapore and Australia were largely offset by profit taking by the US self-storage and US data centre names, where the fund is also overweight. A risk rally in higher-beta REITs (shopping centres, lodging (hotels) and diversified healthcare names, Ventas in particular) also eroded returns, as the fund is underweight these subsectors.

Market overview

After the sharpest monthly (and quarterly) correction in global REIT prices over the last decade occurred in the first quarter, they rebounded in the second quarter, as investors digested the news of record levels of both monetary (quantitative easing) and fiscal support. The world's central banks pledged three times as much monetary support as in the aftermath of the Global Financial Crisis (GFC), within weeks of stock market collapses due to the coronavirus being declared a pandemic. The ensuing risk asset rally also led to the rand strengthening by almost 3% against the US dollar, absorbing part of the 10.5% dollar rebound. REITs underperformed broader equity indices by 8-10%, reflecting anticipated lower property earnings from legislated closure of all types of property across the developed world. As a result, while Q1 2020 results largely met expectations, in April the focus of earnings calls was on rent collections.

Below we highlight some of the key movements in the fund's most important property markets:

North American property markets were rocked by the impact of the pandemic, with 85% of US and Canadian REITs choosing to withdraw previous guidance and some (retail- and lodging-focused REITs) warning of likely reductions in the dividend. With the exceptions of tech REITs (towers & data centres), industrial, self-storage and some niche residential REITs, most had drawn down fully on their debt facilities in anticipation of a cash crunch fuelled by the anticipation of soaring vacancies, missed rent collections and a spike in rental arrears.

We highlight that, in aggregate, balance sheets are significantly stronger than at the time of the GFC, with virtually every listed REIT in the index likely to be able to continue to service debt payments. As expected, sectors where the fund is overweight continued to report healthy rental collection rates, with several companies maintaining or even lifting guidance for 2020. High-quality companies were able to raise over $2 billion of equity during the quarter. As a result of the temporary seizing up of credit markets, many significant previously announced transactions were re-negotiated to lower levels or simply fell through. Liquidity remains high, however, with over $300 billion of private equity capital available for investment, but this is likely to remain uninvested for a while as investors seek the most opportune time to invest.

European property markets were also set back by the pandemic. While Q1 results were robust in all sectors except retail, the divergence between subsectors continues to widen in Q2. Industrial REITs have issued more positive guidance on the impact of the pandemic than retail and office REITs, while UK healthcare continues to report strong results and growth prospects. The demand/supply imbalance driving rental growth is also marked in various residential markets such as Germany, Sweden, Finland and the Netherlands, where the impact of the pandemic on fund holdings has been and continues to be minimal.

UK and European retail property continue to see a structural reduction in the demand for space and the pandemic is accelerating this trend. Retail landlords are reporting rent collections are 20-30% of the total due (vs over 80% for industrial). Continental office markets (particularly Paris, Madrid, Berlin and Stockholm) have proved more resilient due to tight supply, but those shares have been marked down significantly. This is in anticipation of large increases in vacancies and dividend reductions from negative rent reversions as sentiment regarding "work from home" weighs on the sector. The increased focus on online learning by more universities is expected to have a material impact on 2020 earnings for UK and European student housing providers but a sharp recovery is expected in 2021 as a vaccine is made available or herd immunity is achieved.

In Japan, performance was more varied. Industrial and oversold hotel REITs significantly outperformed locally and globally. Developers remained broadly flat, while office-focused REITs significantly underperformed as the outlook for Japan's key office markets (Tokyo and Osaka) began to deteriorate materially for the first time in a decade. Singaporean and Australian REIT indices also outperformed other western regions due to a more rapid response and containment of the virus and regional central bank actions.

Looking ahead

Since the rebound in the second quarter was limited, the FTSE EPRA NAREIT Developed Rental Index is still trading in line with 2016 levels and now offers an aggregate implied property yield of approximately 5-5.5%. Over the last 20 years, the implied property yield premium over sovereign bonds has averaged 2-3%, therefore the current risk premium of around 5% is large on a historic basis. This implies that most stocks in the index are not only trading at significant discounts to reported NAVs (20-30% on average) but also that many are trading at prices below replacement cost for the first time since 2008. We highlight that, globally, REITs have far less leverage and far more liquidity going into this recession than was the case in 2008. We therefore expect fewer equity recapitalisations. However, it is clear that real estate demand is starting to fall in many sectors as the effects of online shopping and increased remote working start to bite. A few inappropriately-leveraged companies with secondary quality portfolios will feel the greatest impact. Private market prices have fallen by 10-12% in aggregate in the US and Europe but the unprecedented speed and extent of monetary easing is causing some investors to expect a reversal and prices to gradually rise again from the third quarter.

We believe that the economic impacts of Covid-19 have largely been factored into many more vulnerable listed property subsectors (for example, retail and lodging) with dividend cuts announced by even the strongest in these subsectors. However, the full extent and eventual cost of shifting patterns of work, living and leisure has certainly not been priced in correctly across the sector. This merits a continued defensive outlook for 2020 but we will take advantage of opportunities where we believe risk is mispriced.

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