

Objectives

STANLIB has partnered with J.P. Morgan Asset Management (JPMAM) to create an offshore equity fund that offers investors a best ideas, diversified “all weather” equity portfolio managed by JPMAM’s world-class equity team. The STANLIB Global Select Fund invests in the high conviction ideas globally from JPMAM’s world-class team of career research analysts following an investment discipline that has been in place for more than three decades. Their focus on proprietary long-term earnings and cash flow forecasts makes this process better placed to capture the opportunities arising from structural as well as cyclical changes taking place across industries today.

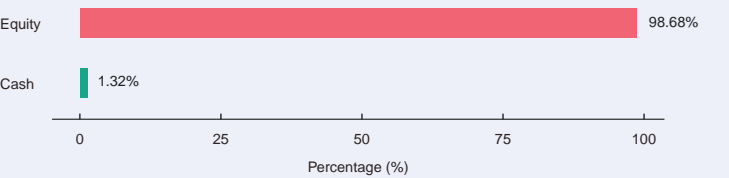
The objective is to achieve a return in excess of the benchmark (over a three- to five year time horizon) by actively investing in a bottom-up, research-driven equity portfolio, operating within a structured and risk-controlled framework.

Performance

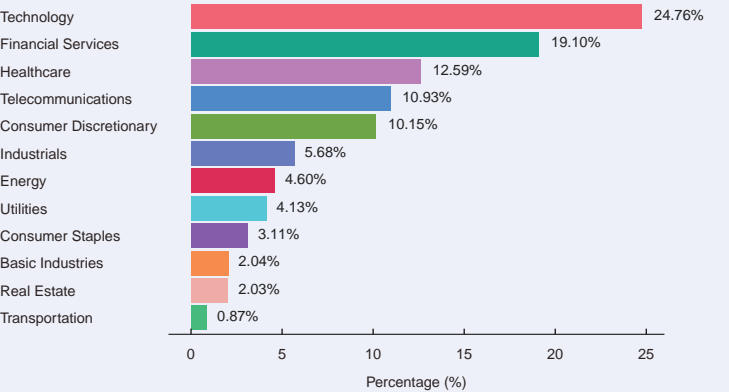
Statistics	6 Months	1 Year	3 Years	5 Year
Fund Annualised Return: Class A	-	-	-	-
Fund Annualised Return: Class B1	-	-	-	-
Benchmark Annualised Return	-	-	-	-
Highest Return over 12 rolling months	-			
Lowest Return over 12 rolling months	-			

No performance is currently included as performance data may not be shown for portfolios/classes that have less than a 6 month track record.

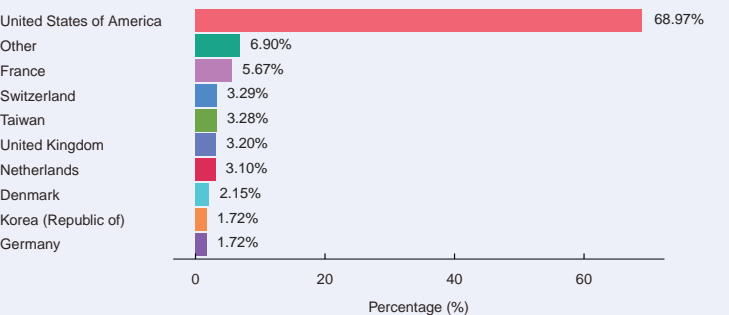
Asset allocation



Sector allocation



Geographic allocation



Portfolio facts

Investment manager	STANLIB Asset Management Pty Limited
Underlying investment manager	J.P. Morgan Asset Management
Launch date	29 September 2023
Denominated in	US Dollar
Fund size	US \$ 8.02 million
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)	JE00BNQNBR77
ISIN code (Class B1)	JE00BNQNDS25
Bloomberg code	STGLOSA JY
Benchmark index	MSCI All Country World Index
Manager and administrator	STANLIB Fund Managers Jersey Limited
Trustee	Apex Financial Services (Corporate) Limited

Portfolio costs (TER, TC and TIC)

Fund Class	TER (12 m)	TER (36 m)	TC (36 m)	TIC (36 m)
Class A	1.93%	1.93%	0.06%	1.99%
Class B1	1.33%	1.33%	0.06%	1.39%

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. 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).

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 expense, these costs (the TER & TC) should not be deducted from the fund returns. It is the sum of the TC & TER.

Top holdings

Nvidia Corp	3.59%
Taiwan Semiconductor-Sp Adr	3.23%
Mastercard Inc - A	3.04%
ASML	2.61%
Progressive Corp	2.39%
LMVH	2.38%
Meta Platforms	2.34%
Uber Technologies	2.20%
Novo Nordisk	2.05%
Apple	1.80%

Minimum Disclosure Document as of 31 January 2024

Risk profile:  Aggressive

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

Fund review

Positive contributors to relative returns included stock selection in media and stock selection (seems to be an omission here) and an underweight position in automobiles & auto part sectors. Detractors included stock selection in the financial services and industrial cyclical sectors.

An overweight position in Uber Technologies, the US-based ride-hailing service provider, contributed to returns over the quarter. The company reported strong third quarter results driven by a rise in gross bookings, trips, and monthly active platform users. The company also benefited with its inclusion in the S&P 500 Index in November 2023.

An overweight position in Shin-Etsu, the Japanese diversified industrial chemical manufacturer, contributed to performance over the quarter. The stock rose after the company posted quarterly results in-line with consensus estimates as it showed strong execution in a tough environment. Investor confidence grew further as the company raised forecasts for the (replace the with "its") wafer shipments for next quarter.

An overweight position in CME Group, the US-based derivatives exchange, detracted from returns over the quarter. After a strong rally, investors are cautious as interest rates become more predictable, reducing volatility and anticipate an increase in competition in (add "the") exchange space.

Our overweight position in Mastercard, the US-based payments processor, detected (correct as "detracted") from performance over the period. Shares fell after the company reported results which were below consensus and the company guided to weaker net revenue guidance for 4Q23 driven by a stronger USD.

Market Overview

Global equities rallied in the final quarter, ending the year on a positive note. A series of softer inflation prints in the US and Europe led to growing excitement that central banks may cut interest rates sooner than previously expected, with the market now forecasting over 150 basis points (bps) of interest rate cuts by the US Federal Reserve (Fed) in 2024.

The catalyst came from the US November Consumer Price Index (CPI) report which saw the annual headline CPI ease to 3.1%, helped by a sharp decline in energy prices. While the Fed held rates steady at the December meeting, their latest projections suggested three cuts over 2024. Importantly, Fed Chair Jerome Powell, in a significant shift from prior messaging, did not push back on the market pricing for cuts early in 2024. The bond market responded sharply with US 10-year treasury yields moving below 4% (from almost 5% in mid-October), and 2-year treasury yields falling below 4.4%. This caused extreme factor moves in equity markets and saw strong outperformance from 'high risk' (not sure if can be replaced with high beta) stocks. The S&P 500, with its growth tilt, delivered its best quarterly performance in three years. Although returns for the full year were dominated by the 'magnificent seven' tech and AI stocks, over the quarter, the rally broadened with 33% of the index reaching new 52-week highs in December. Europe and the UK witnessed a further downtrend in inflation. Annual inflation in the Eurozone fell to 2.4% in November, from 2.9% in October and the UK headline CPI declined to 3.9% in November, the lowest annual reading since September 2021. The European Central Bank (ECB) and the Bank of England (BOE) both kept rates on hold in December but were more nuanced in their outlook, expressing more caution over inflation. While European stocks delivered strong returns over the quarter, the UK equity market trailed due to a combination of higher exposure to underperforming energy stocks and the strength of the sterling.

Hamstrung by weak Chinese performance, emerging market equities lagged their developed market counterparts over the quarter. While mounting growth concerns continued to be a drag on Chinese equities, this was offset by strong returns elsewhere, particularly in Latin America, which helped the emerging market equities deliver positive returns.

The end of 'higher for longer' rates fears boosted growth stocks which outperformed their value counterparts in the final quarter. Additionally, real estate investment trusts and small caps, which had struggled in the face of higher rates, bounced back as the market priced in rate cuts for the Fed in 2024. Oil prices retreated sharply during the quarter from their 2023 peak seen in September to close out a very volatile year for the commodity.

Looking Ahead

As we head into 2024, a combination of solid activity and falling inflation has seen the market narrative increasingly shift towards the prospects of a soft landing and earlier than expected rate cuts. The market has moved to price 150bps of rate cuts by the Fed in 2024 with the first cut now expected by March 2024. However, it should be noted that only once in the past 50 years (the mid-1980s) has this pace of rate cuts been observed without a recession.

Indeed, the risks to the global economy have certainly not disappeared and a quick look at the various macroeconomic indicators point to diminishing economic momentum. On top of these macro uncertainties, there are numerous political and geopolitical uncertainties. Wars are still ongoing on multiple frontiers that have the potential to deliver further commodity price shocks through the global economy and 2024 is a big year for national elections, with 40 nations scheduled to go to the polls, which includes four of the world's five most populous countries. Hard fought elections will take place in the US and the UK, while elections elsewhere, such as in Taiwan, may also be in focus given Chinese tensions.

Against this backdrop, economic growth looks set to moderate in 2024 after surprising positively in 2023. Cooling labor markets and tighter lending standards could limit growth in consumption, while the lagged effects of monetary tightening may challenge business spending. Yet with this backdrop, we are still forecasting 10% earnings growth globally in 2024. While this may feel high in the context of weaker GDP, there are a number of robust bottom-up drivers of this growth and cause for excitement for fundamental stock pickers. In addition, valuations look reasonable on our long-term forecasts and are in line with historic averages suggesting good long-term returns for equities from here.

In the US, mega cap tech will need to continue to beat an ever-higher bar when it comes to high earnings expectations. A softer landing for the economy is likely to benefit more cyclical regions such as Europe and emerging markets, while in the event of a deeper downturn, the more defensive characteristics of the UK market may come to the fore. Additionally, expectations of corporate reform in Japan and a less conservative approach to balance sheet management and shareholder returns have revived enthusiasm for Japanese stocks, further supporting the case for international diversification.

After a broad market sell-off in 2022, markets have seen solid gains in 2023, but this rebound has not been evenly distributed. Therefore, it is important to assess both risks and opportunities as investors assess positioning for 2024. Our highest conviction view across equity markets is a focus on higher quality stocks – those with robust balance sheets, proven management teams and a stronger ability to defend margins. Naturally some of these will be found in the technology sector, but there are also good examples in more cyclical sectors such as industrials and financials, as well as more traditionally defensive sectors such as healthcare.

Minimum Disclosure Document as of 31 January 2024

Risk profile: ●●●●● Aggressive

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

Statutory disclosure and general terms & conditions

Collective Investment Schemes in securities are generally medium to long-term investments. The value of participatory shares 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 share prices are calculated on a net asset value basis, which is the total value of all assets less liabilities in the Class Fund 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 shares in issue. Please refer to the prospectus for more details on the fees and charges that may be recovered from the Class Funds. The participatory shares of STANLIB Funds Limited are priced daily using the forward pricing method, these prices are available on the Manager's website (www.stanlib.com).

The Class Funds of STANLIB Funds Limited may borrow up to 5% of the market value of the Class Fund to bridge insufficient liquidity as a result of the redemption of participatory shares or to defray operating expenses. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. Portfolio performance figures are calculated for the relevant class of the portfolio, for a lump sum investment, on a NAV-NAV basis, with income reinvested on the ex-dividend date. Performance is calculated for the portfolio, and the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax.

Class Fund valuations are released at 12h30 (UK time) each business day using the prior day close of market 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.

A schedule of fees and charges and maximum commissions is available on request from STANLIB Collective Investments (RF) (Pty) Limited, ("STANLIB"). The Class Funds of STANLIB Funds Limited may declare dividends if there is sufficient net income available in the relevant Class Fund. Performance is quoted in US Dollar terms. 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, the address of which is 17 Melrose Boulevard, Melrose Arch, 2196, South Africa. STANLIB Funds Limited is regulated as a Collective Investment Fund by the Jersey Financial Services Commission. The Custodian and the Manager are both regulated by the Jersey Financial Services Commission to conduct Fund Services Business. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio.

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 representative for the fund in South Africa is STANLIB Collective Investments (RF) (Pty) Ltd.

Liberty is a member of the Association of Savings.

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

Additional information

Additional information about this product, including brochures and application forms 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.

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.

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.

Fund management

J.P.Morgan Asset Management (JPMAM) were appointed by STANLIB as the sub-portfolio manager. JPMAM is a leading global asset management group that provides a broad range of actively managed investment strategies and solutions for individual, institutional and corporate clients around the world.

Contact details

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