STANLIB

Standard Bank Global GoalConserver Fund of Funds (GBP)

a class fund of STANLIB Offshore Unit Trusts

Quarterly update at 31 March 2022

Market overview

With markets having to adjust to rising interest rates, withdrawal of stimulus measures and a broad repricing of risk, the start of 2022 was never destined to be entirely smooth sailing. The tightening measures (withdrawal of quantitative easing and rising interest rates) being employed at different rates and in different combinations by central banks around the world, had an immediate impact on bond markets with yields rising and credit spreads widening and a secondary effect on equity markets as the change in discount rate led to a repricing of equities, particularly of hyper-growth stocks where some companies had business models which were questionable with rising funding costs. All of this market uncertainty was exacerbated further by the Russian invasion of neighbouring Ukraine mid-quarter, where an escalation of the physical conflict outside Ukraine's borders has been avoided but almost unprecedented economic sanctions have been put in place, cutting off Russia from global financial markets and rendering Russian assets effectively worthless overnight.

Global bonds staged a significant sell-off over the first quarter with the US Treasury market suffering declines of over 5% and US Investment Grade (IG) lower by 7.5%. The Fed's view, held through much of last year, that inflation would be "transitory" has clearly fallen apart, with pressures from supply chain disruptions now magnified by a marked rise in energy and food costs following the Russian invasion of Ukraine. Headline inflation is currently running at 7.9%, compared to a through the cycle target of 2%, pushing the Fed to start their rate raising cycle almost as soon as their quantitative easing measures ended. The initial hike from 0.25% to 0.50% is likely to be the first of many this year, with markets currently pricing in 6 further rate moves over the year. In the UK, the Monetary Policy Committee (MPC) led the way in the global tightening cycle, raising interest rates for a third successive meeting in March, taking the Base Rate back to the pre-pandemic level of 0.75%. Similarly, to inflationary pressures with headline inflation currently at 6.2% and expected to rise to over 8% in the coming months, a level not seen since 1982, leading to a squeeze on household incomes.

Equity market equity indices were firmly negative with the MSCI AC World index falling 5.4%for the period. European markets were adversely impacted by both the events in Ukraine and by the downgrade in outlook for world trade, to end the quarter down 5.3%, while the US suffered a rerating to produce a negative return of 4.6% for the S&P 500, bringing it close to trading at its long-term average valuation. The outlier was the UK, where the FTSE 100 produced a positive return of 1.4% for the quarter as it benefitted from the high energy and resource weighting in the index.

Asset class performance (%)

Asset class	Q1 2022	1 year	3 years p.a.	5 years p.a.
MSCI ACWI Gross	-2.37	12.98	13.86	11.15
MSCI ACWI IMI	-2.58	11.47	13.07	10.33
MSCI Emerging Markets Index	-4.49	-9.05	2.19	2.60
MSCI World Index Gross	-2.15	15.98	15.11	11.95
BB Global Aggregate Bond Index	-3.30	-1.85	0.32	0.75
BB Global Multiverse Index	-3.19	-1.66	0.40	0.83
JPMorgan Global Bond Index	-3.38	-2.55	-0.32	0.35
FTSE EPRA/NAREIT Developed	-0.83	20.99	6.00	6.49
FTSE 100 Index	2.88	16.08	4.91	4.50
FTSE A UK Conventional Gilts AS	-7.17	-5.08	-0.48	0.53
BB Sterling T.Bill 0-3M TR Index	0.04	0.07	0.24	0.29

Class fund classes

Class	Type	Price (£)	Units	NAV (£)
B1	Retail	11.14	163,711.60	1,823,618.14

All data as at Reporting Date - 31 March 2022.

Units - amount of participatory interests (units) in issue in relevant class of class fund.

Change in allocation of the fund over the quarter

Asset type	Q1 2022	Q4 2021	Change
Global Cash & Mny Mkt	53.56	55.31	-1.76
Global Derivatives	0.04	0.02	0.02
Global Equity	25.35	23.48	1.87
Global Fixed Interest	21.05	21.18	-0.13

The portfolio adhered to its portfolio objective over the quarter.

Portfolio review

The Standard Bank Global GoalConserver Fund of Funds fell by 1.24% over the first quarter of the year, producing a negative return but slightly outperforming its benchmark which fell by 2.26%.

Over the quarter the fund's returns were led by the passive equity exposure to the FTSE 100, which was the only holding to produce a positive return amid falling global equity and fixed income markets, largely due to the structurally high exposure of the index to the energy sector. The actively managed STANLIB Multi Manager Global Bond fund was the next strongest performer, falling by 1.78% in sterling terms as currency movements proved beneficial for the portfolio's international (USD denominated) assets. The Global Bond Fund showed a solid measure of outperformance relative to its benchmark over the quarter, with yield curve positioning proving particularly beneficial as markets adjusted to increasingly hawkish central banks and the yield curve inverted. The Emerging Market debt positions held by our underlying manager Brandywine were also significant contributors to outperformance over the quarter.

The STANLIB Multi Manager Global Equity fund produced a performance closer to its benchmark over the quarter, having given back some of its earlier relative outperformance in the final month of the quarter. The fund's overweight to financials added value for the quarter as a whole, as did the overweight to Healthcare and underweight Consumer Discretionary positioning. Unusually stock selection, historically the biggest driver of returns, proved to be negative over the period. Finally, the passive exposure to the UK Gilt index fell by 7.2% over the quarter, in-line with the significant sell off UK government bonds.

Asset allocation for the Global GoalConserver fund was mildly positive for the quarter, in particular the tactical underweight allocation to fixed income markets.

Portfolio positioning and outlook

At a corporate level, companies generally remain in good health, with strong earnings and reasonable levels of leverage, while consumer demand appears to be remaining high, all of which should continue to support both equity markets and corporate fixed income. However, inflation continues to be higher than expected and risks becoming entrenched as supply chain bottlenecks persist in some areas and as annual wage negotiation rounds take place. In turn this is likely to force further central bank action in order for them to get back ahead of the curve and curb inflation despite any knock-on effects on markets.

In our updates with our underlying managers a number of them have discussed possible recessionary environments and although this was not their base case scenario it is something that would not have even been mentioned as a possibility six months ago. We view this as indicative of a wider range of potential outcomes from the current tightening cycle than was previously being priced in by markets and it is likely that we will see further periods of volatility while markets come to terms with the current regime change.

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

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Important information for investors

Information to be considered before investing

The Standard Bank Global GoalConserver Fund of Funds (GBP) is a class fund of the STANLIB Offshore Unit Trusts (the Trust). The Trust is regulated as a Collective Investment Fund by the Jersey Financial Services Commission. The manager of the Trust is STANLIB Fund Managers Jersey Limited (the Manager). The trustee of the Trust is Link Corporate Services (Jersey) Limited. The Manager and Trustee are approved by the Jersey Financial Services Commission to conduct Fund services business. The investments of this class fund are managed by the Manager.

Collective Investment Funds (CIF) are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIF are traded at ruling prices and can engage in borrowing and scrip lending. The manager has a right to close a class fund to new investors in order to manage the class fund more efficiently in accordance with its mandate. The Manager does not provide any guarantee either with respect to the capital or the return of a class fund. A schedule of fees and charges and maximum commissions is available on request from the Manager. This class fund invests in foreign securities, these could expose the portfolio to any of the following risks: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. This class fund is a Fund of Funds. A Fund of Funds invests in other funds, that levy their own charges, which could result in a higher fee structure for the Fund of Funds.

Unit price – how it works

Prices are calculated and published on each working day, these prices are available on the Manager's website (www.stanlib.com). This portfolio is valued at 23h59 (GMT). Forward pricing is used. Investments and repurchases will receive the price of the next day if received prior to 14h30 (GMT). Settlement must be made in the relevant class fund's base currency.

The payment of withdrawals may be delayed in extraordinary circumstances, when the Manager with the consent of the trustees deems this to be in the interest of all class fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the class fund. When the suspension of trading relates to only certain assets held by the class fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued but will delay liquidity on the affected portion of the class fund. If the class fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force the Manager to sell the underlying investments in a manner that may have a negative impact on remaining investors of the class fund.

Performance information

All performance returns figures quoted are shown in GBP and are based on data sourced from Morningstar or Statpro and are as at 31 March 2022. Annualised return figures are the compound annualised growth rate (CAGR) calculated from the cumulative return for the period being measured. These annualised returns provide an indication of the annual return achieved over the period had an investment been held for the entire period. Actual annual figures are available on request from the Manager. 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. Individual investor performance may differ due to initial fees, actual investment date, date of reinvestment of income and dividend withholding tax. Portfolio performance accounts for all costs that contribute to the calculation of the cost ratios quoted, all returns quoted are after these costs have been accounted for.

Risk statistics - Standard deviation: the volatility of a Fund's monthly returns; Sharpe Ratio: compares the Fund's excess return over the period (above the risk free rate - STeFI Call) to the standard deviation of its monthly returns; Max Gain: maximum gain in a trough-to-peak incline before a new trough is attained, quoted as the percentage between the trough and the peak. It is an indicator of upside risk; Max Drawdown: maximum loss in a peak-to-trough decline before a new peak is attained, quoted as the percentage between the peak and the trough. It is an indicator of downside risk (where blank no loss was experienced).

Cost ratios and fees

Cost ratios	1 Year TER	1 Year TC	1 Year TIC	3 Years TER	3 Years TC	3 Years TIC
Class B1	1.27%	0.02%	1.30%	1.27%	0.02%	1.29%

The cost ratios shown have been calculated for the period ending 31/03/2022, from 01/04/2021 for the 1 Year and from 01/04/2019 for the 3 Years.

Total Expense (TER): This ratio 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 the period shown 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 should not be regarded as an indication of future TERs.

Transaction Costs (TC): This ratio shows the percentage of the value of the fund incurred as costs relating to the buying and selling of the fund's underlying assets. TC 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): This ratio is simply the sum of the TER and TC, showing the percentage of the value of the fund incurred as costs relating to the investment of the fund. It should be noted that performance figures account for all costs included in the TIC ratio, so you should not deduct the TIC from performance figures, the performance is already net of the TIC.

Please note: the cost ratio figures in the table above are estimates, due to the short time that the class fund has been in existence, and they do not currently account for any underlying fund costs.

Annual management fee: The class fund charges a fixed annual management fee (i.e. fee class) as a percentage of the assets under management, to ensure a simple and understandable fee structure. The class fund invests primarily in other funds, the costs of which are included in the Total Expense Ratio (TER). The annual management fee is accrued daily and paid on a monthly basis.

Performance fees: The class fund and the funds in which it invests do not charge any performance fees.

Advice fees: If an investor appoints an adviser, advice fees are contracted directly between the investor and the adviser. The Manager will facilitate the collection of advice fees only upon receiving an investors instruction to do so. Initial advice fees up to a maximum of 3% are collected prior to units being purchased and ongoing advice fees up to a maximum of 1% are collected monthly through the redemption of units held by an investor in the class fund. An investor may cancel the instruction to facilitate the payment of advice fees at any time.

All fees are excluding VAT - there is no sales tax applicable in Jersey, however, depending on the jurisdiction an investor receives advice in, there may be other taxes applicable and investors should seek further guidance.

Additional information

STANLIB Collective Investments (RF) (Pty) Limited (the Distributor), pursuant to a distribution agreement made between it and the Manager, acts as distributor to all of the class funds in South Africa. The Distributor is authorised in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA) to administer Collective Investment Schemes (CIS) in Securities.

STANLIB Offshore Unit Trusts (the Trust) is an open-ended umbrella fund established in Jersey in accordance with the provisions of the Trusts (Jersey) Law 1984, as amended (the "TJL") and governed by the Trust Instrument. The Trust is constituted in accordance with the Collective Investment Funds (Jersey) Law, 1988 as amended (the "Law"). Please refer to the prospectus of the Trust for more details, a copy of which is available on request from the Distributor or Manager.

The Manager is 100% owned by STANLIB Limited, which is wholly owned by Liberty Holdings Limited. Liberty is a full member of the Association for Savings and Investments of South Africa (ASISA).

Additional information about this product including, but not limited to, brochures, application forms and annual or quarterly reports, can be obtained free of charge, from the Distributor or Manager and from the Distributor's website (www.stanlib.com).

This document does not constitute an offer of sale. Investors are requested to view the latest Minimum Disclosure Document (MDD) for information pertaining to the product, as well as seeking professional advice, should they be considering an investment in the product. The Manager provides no guarantee or warranty as to the accuracy of the content of this document. Every effort has been made to ensure that the content is accurate at time of issue. This document is not advice, as defined under FAIS. Please be advised that there may be representatives acting under supervision.

Advice fees are paid exclusive of VAT meaning, where a South African adviser is registered for VAT, the VAT levied will be deducted from the clients investment in addition to the fees agreed between the adviser and the client.

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