



**STANLIB Offshore Unit Trusts**  
Annual Report and Audited Financial Statements  
31 December 2017

**STANLIB**

**Copies of Annual and Interim Reports are available on <http://www.stanlib.com/AnnualReports/Pages/AnnualReports.aspx> and may be obtained at the Registered Office of the Trust at Standard Bank House, 47 - 49 La Motte Street, St Helier, Jersey JE2 4SZ, Channel Islands. The financial statements must be read in conjunction with the detailed information contained in the prospectus.**

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# Management and Administration

## Manager

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STANLIB Fund Managers Jersey Limited, Standard Bank House, 47-49 La Motte Street, St. Helier, Jersey, JE2 4SZ

## Trustee and Custodian

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Link Corporate Services (Jersey) Limited<sup>1</sup>, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands

## Investment Manager, Promoter and Distributor

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STANLIB Asset Management (Pty) Ltd, 17 Melrose Boulevard, Melrose Arch 2196, Johannesburg, South Africa

## Sub-Custodian and Bankers

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The Bank of New York Mellon SA/NV London Branch, The Bank of New York Mellon Centre, 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom

## Administrator to the Manager

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BNY Mellon Fund Services (Ireland) Designated Activity Company<sup>1</sup>, One Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland

<sup>1</sup> Please see Note 11.

## Distributor and only representatives in South Africa

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STANLIB Collective Investments (RF) Limited, 17 Melrose Boulevard, Melrose Arch 2196, Johannesburg, South Africa

*Postal Address*

PO Box 202, Melrose Arch 2076, Johannesburg, South Africa

## Independent Auditors

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PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland

## Legal Advisers

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Carey Olsen, 47 Esplanade, St Helier, Jersey JE1 0BD, Channel Islands

# Manager's Report

## General

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STANLIB Offshore Unit Trusts (the 'Trust') is constituted in accordance with the Collective Investment Funds (Jersey) Law 1988, as amended, and was established with different class funds (the "Class Funds"), each with their own investment portfolio and specific investment objectives.

## Investment objectives and policy

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Investors have the opportunity to invest in the major world markets and currencies. The Trust provides investment in professionally managed pools of securities in different geographical areas, industrial sectors and currencies, with an opportunity to achieve capital growth. The Class Funds invest either in the markets of a single country or a selection of countries.

The 14 Class Funds active at the end of the year are detailed below.

## Equity Funds

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The aim is to provide investors with long-term capital growth from a diverse and actively managed range of portfolios of securities selected from global stock markets. The equity funds provide the opportunity to invest in equities in the markets reflected in the title of each individual class fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets.

STANLIB European Equity Fund invests as a feeder fund into the STANLIB European Equity Fund, a class fund of STANLIB Funds Limited, whose investment policy is to invest the assets of the Fund primarily in the equity of large companies domiciled in Continental Europe or the UK or with significant Continental European or UK activities.

STANLIB Global Equity Fund invests as a feeder fund into STANLIB High Alpha Global Equity Fund, a Class Fund of STANLIB Funds Limited, which invests in a diversified portfolio of global equities in markets throughout the world including major markets and smaller emerging markets.

STANLIB Offshore America Fund invests as a feeder fund into Fidelity America Fund, a Fund that draws extensively on analytical resources in the USA to achieve a diversified portfolio of US securities. STANLIB Offshore America Fund is closed to new investors at the year end and remained only open to existing investors.

STANLIB Global Emerging Markets Fund invests as a feeder fund into the STANLIB Global Emerging Markets Fund, a Class Fund of STANLIB Funds Limited, which invests in a number of emerging market territories which may include (among others) the Pacific Basin regions, Brazil and Russia and other regions characterised as developing or emerging by the World Bank, the United Nations or the MSCI Emerging Markets Index.

## Bond Fund

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The aim of the bond fund is to provide investors with the possibility of capital gains.

STANLIB Global Bond Fund invests as a feeder fund into the STANLIB Global Bond Fund, a Class Fund of STANLIB Funds Limited, which invests in worldwide bond markets to maximise performance, measured in US dollars.

## Currency Funds

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The overall objective of the currency funds is to provide a wholesale rate of return for a currency chosen by the investor with the opportunity to switch at any time between the various currency funds, without any switching charge and at wholesale rates of foreign exchange. The underlying investments are primarily in cash deposits denominated in the currency of the relevant currency fund. There are 3 active currency funds at the Statement of Financial Position date: STANLIB Euro Cash Fund, STANLIB Sterling Cash Fund and STANLIB US Dollar Cash Fund. Each of these currency funds invest as feeder funds into Fidelity Institutional Liquidity Euro, US Dollar and Sterling funds.

## Managed Fund

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The aim of the managed fund is to provide investors with a simpler way to achieve a well-diversified portfolio. The managed fund invests directly in Class Funds of Fidelity Funds SICAV (the "Fidelity funds").

STANLIB Global Aggressive Fund's objective is to provide long term capital growth through investment in a selection of equity oriented Fidelity funds. STANLIB Global Aggressive Fund is closed to new investors at the year end and remained only open to existing investors.

## Balanced Funds

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STANLIB Global Balanced Fund invests as a feeder fund into the STANLIB Global Balanced Fund, a Class Fund of STANLIB Funds Limited, 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 units in global property companies and property related securities listed on exchanges in major markets to provide further diversification. It will also seek to limit downside risk, through a prudent asset allocation strategy.

STANLIB Global Balanced Cautious Fund invests as a feeder fund into the STANLIB Global Balanced Cautious Fund, a class fund of STANLIB Funds Limited, which seeks to achieve its investment objective by investing in a conservatively 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 units in global property companies and property related securities listed on exchanges in major markets to provide further diversification. It also seeks to limit downside risk, through a prudent and cautious asset allocation strategy.

## Property Fund

The aim of the property fund is to provide investors with both capital and income growth.

STANLIB Global Property Fund invests as a feeder fund into STANLIB Global Property Fund, a Class Fund of STANLIB Funds Limited, which aims to maximise investor's returns by investing in units in global property companies and property related securities listed on exchanges in major markets (and, to a lesser degree, smaller emerging markets), and real estate investment trusts.

## Multi Manager Funds

STANLIB Multi-Manager Global Equity Fund invests as a feeder fund into STANLIB Multi Manager Global Equity Fund, a Class Fund of STANLIB Funds Limited and aims to maximise the long term total return achieved by investing in global equities, by generating annualised investment returns in excess of the benchmark index.

STANLIB Multi-Manager Global Bond Fund invests as a feeder fund into STANLIB Multi Manager Global Bond Fund, a Class Fund of STANLIB Funds Limited and aims to provide attractive returns from investment in major international bond markets with a focus on capital preservation.

## Investment structure

The Class Funds, which include the STANLIB European Equity Fund, STANLIB Global Equity Fund, STANLIB Global Emerging Markets Fund, STANLIB Global Bond Fund, STANLIB Euro Cash Fund, STANLIB Sterling Cash Fund, STANLIB US Dollar Cash Fund, STANLIB Global Balanced Fund, STANLIB Global Balanced Cautious Fund, STANLIB Global Property Fund, STANLIB Multi-Manager Global Equity Fund and STANLIB Multi-Manager Global Bond Fund were open to all investors as at year end.

Each Class Fund is regarded as being separate from the others. Investors subscribe to a Class Fund on the basis of the price calculated from the net asset value per unit for that Class Fund. On redemption they are entitled to proceeds based upon the net asset value per unit of the Class Fund from which they redeem.

Each Class Fund covered by this report is a feeder fund or a fund of funds, wholly invested in underlying Class Funds as described below:

Class Fund	Underlying Class Fund
STANLIB European Equity Fund	STANLIB Funds Limited – STANLIB European Equity Fund
STANLIB Global Equity Fund	STANLIB Funds Limited – STANLIB High Alpha Global Equity Fund
STANLIB Offshore America Fund	Fidelity Funds - America Fund
STANLIB Global Emerging Markets Fund	STANLIB Funds Limited – STANLIB Global Emerging Markets Fund
STANLIB Global Bond Fund	STANLIB Funds Limited – STANLIB Global Bond Fund
STANLIB Euro Cash Fund	Fidelity Institutional Liquidity Fund Plc – The Euro Fund
STANLIB Sterling Cash Fund	Fidelity Institutional Liquidity Fund Plc – The Sterling Fund
STANLIB US Dollar Cash Fund	Fidelity Institutional Liquidity Fund Plc – The United States Dollar Fund
STANLIB Global Balanced Fund	STANLIB Funds Limited – STANLIB Global Balanced Fund
STANLIB Global Balanced Cautious Fund	STANLIB Funds Limited – STANLIB Global Balanced Cautious Fund
STANLIB Global Property Fund	STANLIB Funds Limited – STANLIB Global Property Fund
STANLIB Multi-Manager Global Equity Fund	STANLIB Funds Limited – STANLIB Multi-Manager Global Equity Fund
STANLIB Multi-Manager Global Bond Fund	STANLIB Funds Limited – STANLIB Multi-Manager Global Bond Fund

STANLIB Global Aggressive Fund is a “fund of funds” that invests in a selection of investment funds based in Luxembourg and Ireland whose investment manager is Fidelity International Limited. This investment arrangement provides access to Fidelity's global network of investment management and research expertise. Details of the holdings of this Class Fund can be found in the Portfolio Statements section on page 45.

## Results and distribution policy

As a result of the fact that most of the Class Funds invest in the Fidelity Funds and STANLIB Funds, the activities of these Funds have a direct impact on the results of the Class Funds.

The results of the Class Funds for the year are set out on pages 22 to 25. It is the policy of the Trust not to distribute income. The net income of each Class Fund is retained within the net asset value of that class.

## Management and administration

### Manager

STANLIB Fund Managers Jersey Limited is the Manager of the Trust. Its ultimate holding company is Liberty Holdings Limited, a company registered in South Africa.

The Manager is responsible for the periodic calculation of the net asset value of units in each Class Fund, administering the issue and redemption of units and the general administration of the Class Funds.

The Manager carries out the function of registrar.

### Investment Manager

STANLIB Asset Management (Pty) Ltd has been appointed as the Investment Manager of all the Class Funds set up in terms of the Trust. The Investment Manager is responsible for managing, on a discretionary basis, the investment and re-investment of the relevant Class Funds.

## Disclosure of interest

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The interests of the director of the Manager, the Manager, the Trustee and the Investment Manager in the units of the Trust as of 31 December 2017 were as follows:

<b>Director of the Manager</b>	<b>Number of Units</b>	<b>Class fund</b>
A. Katakuzinos	503.271	STANLIB European Equity Fund
	426.910	STANLIB Global Equity Fund
	408.620	STANLIB Offshore America Fund
	354.460	STANLIB Global Emerging Markets Fund
	377.090	STANLIB US Dollar Cash Fund
	363.804	STANLIB Global Balanced Cautious Fund
	632.241	STANLIB Global Property Fund
<b>Portfolio Manager of the Investment Manager</b>	<b>Number of Units</b>	<b>Class fund</b>
Paul Hansen	10 170.012	STANLIB Euro Cash Fund
	6 721.145	STANLIB US Dollar Cash Fund

## Review of Business Risks and Uncertainties

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Refer to note 8 Financial Risk Management, for details of the risks and uncertainties.

## Future Developments

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Please see Investment Manager's reports on pages 10 to 15 for each Class Funds outlook

# Statement of Manager's Responsibilities

The Trust Instrument requires the Manager to prepare financial statements for each year and interim period which gives a true and fair view of the state of affairs of the Trust and the Trust's total return for the year. In preparing those financial statements the Manager is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business

The Manager is responsible for the management of the Trust in accordance with the Trust Instrument. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities as appropriate to its duties as set out in the Trust Instrument.

The financial statements have been prepared for each Class Fund and no aggregated financial statements for the Trust as a whole have been prepared as in the Manager's opinion it would not be for the benefit of Unitholders to do so.

The Manager confirms that it has complied with the above requirements in preparing the financial statements.

**STANLIB Fund Managers Jersey Limited**

**1 May 2018**



# Statement of Trustee's Responsibilities

Under the principles of the Guide to open-ended unclassified Collective Investment Funds offered to the general public, issued by Jersey Financial Services Commission, Link Corporate Services (Jersey) Limited (the "Trustee") has a duty to:

- Take reasonable care to ensure that the methods adopted by STANLIB Fund Managers Jersey Limited (the "Manager") in respect to the pricing of, and dealing in, units in the Class Funds are compliant with the Trust's principal documents; and
- Take into its custody or under its control all the property of the Trust which is entrusted to it.

## **Trustee's Report**

It is the opinion of the Trustee in respect of the year ended 31 December 2017 that, to the best of our information, knowledge and belief, in all material respects the Manager managed the Trust in that year:

- In accordance with the limitations imposed on the investment and borrowing powers of the Trust by the trust instrument between the Manager the Trustee constituting the Trust, as amended from time to time (the "Trust Instrument"), Prospectus and Class Fund Rules; and
- Otherwise in accordance with the provisions of the Trust Instrument.

**Link Corporate Services (Jersey) Limited**

**1 May 2018**

# Investment Manager's Report

## STANLIB European Equity Fund (the "Class Fund")

### Market Background

During the fourth quarter of 2017, the portfolio's benchmark index rose by 0.7% in euros, bringing the gain for 2017 to 10.9%. Austria and the UK delivered the strongest gains, while Sweden and Finland were weaker. The eurozone's economy has now strengthened sufficiently for the ECB to start scaling back bond purchases, although the duration of the financial stimulus plan has been extended until at least September 2018. The Bank of England raised UK interest rates, the first rate hike in a decade. UK growth forecasts have been revised downwards; sterling weakness has benefited exporters but Brexit-related issues are delaying corporate investment, and rising inflation has dampened consumer spending. Angela Merkel's party secured a victory in Germany's federal election but negotiations to form a coalition government have been protracted. Regional elections were held in Catalonia, but the Spanish government remains opposed to demands for independence. In the US, President Trump's administration succeeded in passing tax reforms, which could further boost the US economy, benefiting some European exporters and companies with operations there.

### Activity

New holdings included UniCredit, Intrum Justitia and ConvaTec. Sales included Deutsche Telekom, Schneider Electric and Vestas Wind Systems.

### Performance

The portfolio lagged its benchmark index over the quarter, returning -0.3% (A share) versus +0.67% for the benchmark. The underweighting in healthcare and zero weighting in utilities were advantageous but the underweighting in the UK detracted. Stock selection was mixed. Positive relative contributors included RELX and Amadeus. Detractors included Vestas Wind Systems and building-materials firm CRH. Over the 2017 calendar year, the Class Fund returned +8.96% (A share) in euros, behind the +10.88% of the benchmark.

### Outlook

Our main focus in managing this portfolio is on stock selection, informed by macro-economic and thematic views. We favour companies which have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions. European equities are benefiting from improving corporate profitability and encouraging GDP growth, and are cheap relative to US equities. It will take time before the full effects of Brexit and Catalonia's bid for independence become clear and Germany's political outlook is uncertain. Other risks include heightened geopolitical tensions, especially in North Korea.

## STANLIB Global Equity Fund (the "Class Fund")

### Market Background

The fourth quarter (Q4) proved another strong period for global equities. The MSCI All Country World index returned 5.5% in local terms over the quarter, rising in each of the three months and ending 2017 at an all-time high. In the US, the S&P 500 also performed well, returning 6.6% in dollar terms. Strong Q3 earnings and anticipation that Congress would approve a flagship tax-cutting bill also benefited equities. European equities performed more modestly. Political uncertainty and the burden of the strong euro on exporters offset impressive economic indicators in recent months. UK stocks fared better, with the FTSE All-Share up 5.0%, benefiting from its comparatively large weighting to oil companies and miners. Japanese shares rallied following Prime Minister Abe's election victory.

### Activity

We initiated a new position in Rio Tinto, which we believe can benefit from its competitive cost advantage and attractive cash flow valuation. We also started a holding in Ingersoll-Rand which has the potential to deliver mid-teen earnings-per-share growth. Further, we bought into global biopharmaceutical company Celgene. We closed our position in Micron Technology on a valuation basis. Costco was also sold.

### Performance

The Class Fund returned an impressive +7.2% (A share) in the last quarter of 2017, beating the benchmark's +5.8% return. Stock selection drove returns, led by picks in financials and industrials. Top contributors included manufacturer Yaskawa Electric, insurance firm Ping An and equipment rental company United Rentals. Detractors included Tesaro. In the 2017 calendar year the Class Fund returned a highly creditable +30.5% (A share) in dollars, easily beating the benchmark's +24.6% return in the best year to-date for the Class Fund.

### Outlook

Markets remain largely buoyant on the back of the Trump administration's progress in enacting market-friendly reforms and broader synchronised accelerations in economic growth. Ongoing uncertainties including Brexit, US mid-term elections in 2018 and a slowdown in Chinese growth momentum remain very much in the spotlight. Improving economic data from Europe continues to provide grounds for optimism. Against this backdrop, we continue our focus on quality growth, seeking companies with enduring competitive advantages and above-average returns. While sharp cyclical rallies may present short-term headwinds, we believe that companies possessing these characteristics will continue to prosper, and generate additional value for shareholders.

## STANLIB Offshore America Fund (the "Class Fund")

### Fund Review

The Offshore America Fund returned +4.4% in dollars in the final quarter of 2017, well behind the +6.5% of the S&P 500 Index. In the 2017 calendar year the Class Fund returned +8.5%, again way behind the +21.1% of the benchmark S&P 500 Index.

This Class Fund has a strong value bias and therefore is underweight, the high growth information technology shares like Apple, Amazon, Facebook and Google/Alphabet, which are the biggest portion of the index and which did so well in 2017, after a poor performance late in 2016. The top ten shares includes one older IT Company in Oracle, also Berkshire Hathaway, Abbott Laboratories, plus six financial shares, including Bank of New York Mellon, Wells Fargo and Citigroup. So the Class Fund is actually high in IT shares at 23.4% of fund (benchmark 23.8%), but they tend to be the older IT companies. The Class Fund is very overweight in Financials at 27.9% versus 14.8% for the benchmark and very underweight in overpriced Consumer Discretionary shares (1.4% versus 12.2%). The fund manager prefers undervalued shares and many fund managers regard the US stock market as overpriced, trading at 22 times earnings. Value managers underperformed badly in 2017.

### Outlook

A value fund like your fund is bound to outperform in a market correction and hopefully the fund manager's bets will come off as the bull market progresses. The track record of the manager is very good and he has been at Fidelity for 13 years. Certainly financial shares have strengthened markedly in the past month or so and are big beneficiaries of the tax cuts.

## STANLIB Global Emerging Markets Fund (the "Class Fund")

### Market Background

Over the fourth quarter (Q4) emerging markets (EMs) continued to outperform, buoyed by a weaker dollar and the strong global economy. The MSCI Emerging Markets index gained 7.5% in US-dollar terms. Asia was the strongest EM region, with China and India among the top-performing markets. In Brazil worries about the progress of pension reforms weighed on performance, while Mexican stocks were hit by nervousness surrounding the NAFTA negotiations. Elsewhere South African stocks and the rand strengthened in anticipation of (and reaction to) the election of pro-business candidate Cyril Ramaphosa as leader of the African National Congress.

### Activity

During the quarter, the Class Fund established new holdings in, among others, Reliance Industries and Techtronic. The Class Fund also purchased Grupo Aeroportuario del Pacifico (GAP). The Class Fund sold out of several positions, including Norilsk Nickel and PZU.

### Performance

In the fourth quarter, the Class Fund rose by +4.9% (A share) but underperformed its index's +7.5% return. Selection detracted from relative performance, mainly due to picks in Brazil and Russia. By country allocation, the overweight exposure to Mexico and Brazil hurt performance, outweighing positive allocation decisions in South Africa. Cemex and Gruma were among the main detractors. In the 2017 calendar year the Class Fund returned +31.1% (A share) in dollars, still behind the benchmark return of +37.8%.

### Outlook

Corporate earnings growth in EMs continues to rise and is broad based, and is now outpacing companies' developed-market counterparts. Growth is driven by resilient domestic demand and a recovery in global trade. In addition, we expect accommodative fiscal and monetary policy to remain supportive. Overall, EMs are in better shape to deal with market volatility.

We have concerns over the high level of corporate debt in China. We are focusing on those companies that are successfully moving up the value chain. Along with geopolitical risks, we will continue to monitor risks to the region in relation to capital flows, such as the strength of the US dollar and trajectory of rate hikes. EMs are

trading at undemanding valuations; this creates a strong case for investment into the asset class using our active approach.

## STANLIB Global Bond Fund (the "Class Fund")

### Fund Review

The Class Fund returned -0.96% in dollars in the fourth quarter of 2017, behind the benchmark's +1.08% return. For the year to end December, the Class Fund returned an impressive +9.65%, well ahead of the benchmark's +7.39%.

Performance for 2017 was strong with almost two-thirds of the year's gains attributed to currency allocations that reflect a significant underweight in the dollar and an overweight in emerging markets.

The single biggest source of positive currency attribution for the year was the Mexican peso; it also generated some significant volatility, another reminder that risk and volatility is not the same thing. However, in the fourth quarter, there was quite a bit of performance giveback in both the Mexican peso and bonds. Both were aggressively sold by the market as worries about the restructuring of the NAFTA resurfaced.

Exposure to the Canadian dollar detracted from quarterly performance. Brazilian assets underperformed for the quarter, erasing any modest gains made throughout the year. Unhedged exposure to Brazilian government bonds detracted from fourth quarter performance. While Turkish economic growth surprised positively, rampant loan growth and rising inflation complicated the prospects for inflows of foreign capital. Valuations on Turkish bonds and the lira priced in these factors and exposure to these assets detracted from quarterly performance. Exposure to the South African rand was accretive to performance as the currency staged a comeback during the quarter. Exposure to select Asian bonds and currencies was generally a positive factor for relative performance.

Although Europe faced its own series of political events, improving economic news and sentiment indicators eclipsed these factors. European bonds detracted from performance; however, a position in Portuguese bonds contributed to relative performance. The lack of exposure to the euro detracted from performance. The Bank of England (BoE) raised its policy rate for the first time, helping longer-dated gilts rally. The absence of JGBs and long-dated U.K. Gilts detracted from relative performance.

Exposure to the short end of the US Treasury curve and investment grade floating rate notes contributed to performance as the Fed raised the fed funds rate at its December meeting and expressed its commitment to the 2018 dot plots. Heading into 2018, the composition of the portfolio reflects some broad structural characteristics.

### Outlook

Developed market bond yields have risen in January 2018, with some claiming that the 37 year old bond bull market is over. The US 10-year yield is up at 2.63% from 2.35% a few months ago. At this stage, it is hard to tell whether inflation will rise much in the US and cause bond yields to rise much further. However, emerging market currencies are doing very well against the dollar and emerging market bond yields are still attractive.

## STANLIB Euro Cash Fund (the "Class Fund")

### Fund Review

The Euro Cash Class Fund returned -0.28% for the fourth quarter of 2017 and -1.08% for the 2017 year, both in euro terms as the costs of managing the Class Fund outweighed the income, thanks to very low interest rates.

Our Class Fund is invested in a 3.7 billion Euro fund, managed by Fidelity Worldwide Investment, a triple A rated stable net asset value liquidity fund, with a focus on security and diversification of risk, whilst delivering a return in line with money market rates. The rating is the highest possible money market rating for a money market fund by Moody's and Standard & Poor's.

During the third quarter Eurozone GDP grew by 0.6%, beating the UK's 0.4% growth, supported by solid investment and strong

exports. Inflation inched higher, to 1.5% in Nov from 1.4% in Oct, but remained below the European Central Bank's (ECB) target rate of 2%. The preliminary Composite Purchasing Managers' Index (PMI) for the region, came in at a nearly seven-year high of 58.0 in December, up from November's 57.5. The composite PMI lies far above the 50-threshold, signalling expanding business activity in the Eurozone. Meanwhile, on the monetary policy front, the ECB announced a further nine-month extension of its asset purchase programme.

The Class Fund continues to focus on high quality issuers, with about 38% invested in entities rated Aa3 or higher. The Class Fund's weighted average maturity was reduced to 29 days and continues to mainly invest in commercial paper and certificates of deposit with investment companies and banks.

#### **Outlook**

The euro has recovered from a low of \$1.035 in January 2017 to \$1.24 early in 2018. So the euro has renewed its powerful uptrend against the dollar, which could certainly go further, possibly even to \$1.30. The trend is very strong at this stage.

### **STANLIB Sterling Cash Fund (the "Class Fund")**

#### **Fund Review**

The Sterling Cash Fund returned -0.12% in pounds in the fourth quarter of 2017 and -0.48% in the 2017 year as the costs of managing the Class Fund outweighed the income, thanks to very low interest rates.

Our Class Fund is invested in a 3.4 billion Sterling fund, managed by Fidelity Worldwide Investment, a triple A rated stable net asset value liquidity Class Fund, with a focus on security and diversification of risk, whilst delivering a return in line with money market rates. The rating is the highest possible money market rating for a money market fund by Moody's and Standard & Poor's.

In the UK, the Bank of England (BoE), raised interest rates in November, for the first time since 2007, by a quarter of a percentage point to 0.5%.

On the economic front, the Organisation for Economic Co-operation and Development (OECD) said it expected UK growth to worsen over the next two years. It cited weak productivity, inflation due to the cheaper sterling, and ballooning consumer debt as the major causes for a slowdown in consumption. This is another blow for the UK, after sharp cuts to GDP forecasts were unveiled in the Budget in November.

Brexit negotiations also dominated headlines over the quarter and the completion of first phase negotiations cheered investors as the deal ruled out a hard border for Northern Ireland and protected the rights of three million European Union (EU) citizens in the UK. Inflation rose to 3.1% in November, the highest level in nearly six years but the average weekly wage growth remained below the inflation rate, rising by 2.3% in the three months to October.

Meanwhile, unemployment fell by 26 000 in the three months to October, leaving the jobless rate unchanged at 4.3% compared to the previous quarter.

The Class Fund continues to focus on high quality issuers, with about 37% invested in entities rated Aa3 or higher. The Class Fund's weighted average maturity was maintained at 35 days and is mainly invested in certificates of deposit and time deposits with banks and corporates.

#### **Outlook**

The pound has gained strongly against the dollar since its \$1.20 low and is trading at over \$1.42 in January 2018, in a strong uptrend, making one wonder whether the currency is anticipating that Brexit may be watered down or even cancelled.

### **STANLIB US Dollar Cash Fund (the "Class Fund")**

#### **Fund Review**

The US Dollar Cash Fund returned +0.15% in the fourth quarter of 2017 and 0.42% in the 2017 calendar year, showing a welcome return to positive numbers thanks to rising interest rates in the US.

Our Class Fund is invested in a \$6.7 billion Fund, managed by Fidelity Worldwide Investment, a triple A rated stable net asset value liquidity fund, with a focus on security and diversification of risk, whilst delivering a return in line with money market rates. The rating is the highest possible money market rating for a money market fund by Moody's and Standard & Poor's.

US economy expanded at an annualised rate of 3.2% over the third quarter of 2017, indicating a better than expected growth rate for the year. The improvement was boosted by a rebound in government consumption with upticks of 1.6%. The US unemployment rate was at 4.1%. However, ISM manufacturing index fell slightly over the quarter after reaching its highest level in more than 13 years. The US Federal Reserve (Fed) increased its benchmark rate for the third time in the year in December.

The Class Fund continues to focus on high quality issuers, with about 60% invested in entities rated Aa3 or higher. The Class Fund's weighted average maturity was reduced to 21 days, from 42 days previously. The Class Fund continues to invest mainly in commercial paper and certificates of deposit with investment companies and banks.

#### **Outlook**

The US dollar has weakened substantially since its peak in early January 2017 of \$1.03 to the euro. It hit a low of \$1.22 in late 2017, before recovering a bit, then weakened sharply once again to over \$1.24 by 25 January 2018. So far the downtrend against the euro and many other currencies including the pound and a number of emerging market currencies-remains firmly intact.

### **STANLIB Global Aggressive Fund (the "Class Fund")**

#### **Fund Review**

In the first three quarters of 2017 the Class Fund returned +6.9% in Q1, +6.1% in Q2 and +5.3% in Q3. In the final quarter of the year the return was +5.3%. 2017 was an excellent year for the Class Fund, one of the very best. In the year to December 2017 the Class Fund returned +25.7% (MSCI World Free Index returned +23.1%), despite holding almost 8% in global property that returned +3.7% in the 4th quarter and +12.2% for the year (less than half the equity return for the year).

We maintained the equity holding close to 90% of the Class Fund and also kept our global property weighting at close to 8%, despite property's underperformance, preferring property over bonds or cash. Our overweight in equities relative to bonds added value in the quarter and during the year as bonds returned +1.4%, in the quarter and +8.3% in the year.

We cut the overweight in Europe early in the last quarter, partly because the euro weakened a bit after a big run. However, the overweight in China and in Emerging Markets, albeit reduced, continued to add value, with excellent returns of +7% and +7.2% respectively in the quarter. Only the Japan Advantage Fund and Japan Fund beat this return with +8.7% and +9.1% respectively, meaning the overweight in Japan also added value. On the whole, the Fidelity funds we invested in performed very well. They have a tremendous selection of funds.

#### **Outlook**

Global equities had one of the best years in 2017. The S&P 500 Index in the US gained every month for the first time in its 90-year history. Equity markets have continued their amazing run in the first three weeks of January. Although a correction must surely occur, we believe the 2018 year could also be a good one as global growth picks up while inflation and interest rates stay low.

### **STANLIB Global Balanced Fund (the "Class Fund")**

#### **Market Background**

During the quarter, in dollar terms, global equities returned 5.8% (measured by the MSCI ACWI), outperforming global bonds, which returned 1.1% (Barclays Global Aggregate). Broad-based global growth and strong corporate results buoyed equities and helped credit spreads to tighten, as did the promise of US tax reform. Pipeline outages and OPEC-led production cuts lifted oil prices

while metals prices rose on signs of stronger Chinese demand. The quarter saw further moves towards policy normalisation at key central banks.

The S&P 500 returned 6.6% and hit a series of record highs during the quarter. The last of these was in mid-December in anticipation that Congress would approve President Trump's flagship tax-cutting bill. The final version was passed shortly before Christmas and features a permanent cut in corporate tax from 35% to 21%. Europe ex UK stocks lagged global averages. Renewed political uncertainty and concerns about the strong euro have outweighed impressive economic indicators in recent months. UK stocks fared better, thanks to a late rally, with the market benefiting from its comparatively large weighting to oil companies and miners. Japanese stocks rallied in anticipation that Prime Minister Abe's election victory would allow him to extend the current regime of loose fiscal and monetary conditions. Asian ex Japan and emerging-market equities continued to outperform, with sentiment bolstered by a weaker dollar and the strong global economy.

#### Activity

Over the quarter, we continued to take profits in equities, reducing the overweight. The proceeds were mostly put in to cash, and the overweight here widened. The underweighting to fixed income narrowed modestly over the quarter.

#### Performance

The portfolio returned 5.14% (A share) over the quarter, comfortably outperforming the composite benchmark, which returned 4.11%. In aggregate, selection decisions accounted for almost all of the outperformance. This was driven by a strong selection effect in the equity portfolio; selection was also positive in the property and cash portfolios. Asset allocation had a smaller positive effect on performance. For the 2017 year the Class Fund returned a very impressive +20.5% (A share) in dollars after costs, easily beating the +17.5% of the benchmark.

#### Outlook

The broad global macroeconomic environment can be characterised as 'Goldilocks like', with decent growth and only gentle rises in inflation in most regions. The global economic setting is not sufficiently hot to warrant aggressive monetary tightening, nor so cold as to create fears of economic recession. For now, we anticipate that these conditions will persist. Equity valuations are fairly full but supported by the growth outlook and a positive earnings cycle. In Europe and the UK, fixed-income markets have moved away from pricing in disinflation. We still regard equities as a more attractive proposition than bonds and expect to retain that positioning for now. Compared to their longer-term history, equities still offer better value than bonds.

## STANLIB Global Balanced Cautious Fund (the "Class Fund")

### Market Background

During the quarter, in dollar terms, global equities returned 5.8% (measured by the MSCI ACWI), outperforming global bonds, which returned 1.1% (Barclays Global Aggregate). Broad-based global growth and strong corporate results buoyed equities and helped credit spreads to tighten, as did the promise of US tax reform. Pipeline outages and OPEC-led production cuts lifted oil prices while metals prices rose on signs of stronger Chinese demand. The quarter saw further moves towards policy normalisation at key central banks.

The S&P 500 returned 6.6% and hit a series of record highs during the quarter. The last of these was in mid-December in anticipation that Congress would approve President Trump's flagship tax-cutting bill. The final version was passed shortly before Christmas and features a permanent cut in corporate tax from 35% to 21%. Europe ex UK stocks lagged global averages. Renewed political uncertainty and concerns about the strong euro have outweighed impressive economic indicators in recent months. UK stocks fared better, thanks to a late rally, with the market benefiting from its comparatively large weighting to oil companies and miners. Japanese stocks rallied in anticipation that Prime Minister Abe's election victory would allow him to extend the current regime of loose fiscal

and monetary conditions. Asian ex Japan and emerging-market equities continued to outperform, with sentiment bolstered by a weaker dollar and the strong global economy.

#### Activity

Over the quarter, we continued to take profits in equities, reducing the overweight. We also allowed both the underweight in fixed income and overweight in cash to narrow. The underweight to property also narrowed, albeit to a smaller degree.

#### Performance

The portfolio returned 3.1% (A share) over the quarter, comfortably outperforming the composite benchmark, which returned 2.65%. In aggregate, selection decisions accounted for a significant amount of the outperformance. This was driven by positive selection effects in property, cash and especially equities. Being underweight in fixed income and overweight in equities was a favourable combination over the period. Over the 2017 calendar year the Class Fund returned +12.84% (A share), ahead of the +12.2% of the benchmark.

#### Outlook

The broad global macroeconomic environment can be characterised as 'Goldilocks like', with decent growth and only gentle rises in inflation in most regions. The global economic setting is not sufficiently hot to warrant aggressive monetary tightening, nor so cold as to create fears of economic recession. For now, we anticipate that these conditions will persist. Equity valuations are fairly full but supported by the growth outlook and a positive earnings cycle. In Europe and the UK, fixed-income markets have moved away from pricing in disinflation. We still regard equities as a more attractive proposition than bonds and expect to retain that positioning for now. Compared to their longer-term history, equities still offer better value than bonds.

## STANLIB Global Property Fund (the "Class Fund")

### Fund overview

The Class Fund outperformed the benchmark by +1.5% in the fourth quarter, delivering a return of +4.4% (A share) versus the benchmark's 2.9%. For the 2017 full year, the Class Fund a +5.8% (A share) return versus the benchmark's +7.14%. The biggest contributors to outperformance in the quarter were our overweight positions in the UK stocks like British Land, Londonmetric and Capital & Counties as well as US mall REITs like Simon Property Group and Taubman Centers. Our holdings in German residential stocks, which are not part of the benchmark, also helped to deliver positive performance. There was a mixed bag of stocks that contributed negatively to performance.

### Market overview

There was a lot of corporate activity across major markets. This helped to boost portfolio returns. In the UK, Hammerson made an offer to take over Intu. Intu has been a perennial underperformer. Unibail Rodamco, the largest pan-European mall landlord announced its intention to take over Westfield Plc, an Australian based global mall REIT. If the transaction goes ahead, Unibail-Rodamco will become the largest listed mall REIT in the world. In the US, Brookfield Property Partners made an offer to acquire General Growth Properties. General Growth Properties owns some of the best malls and is one of the largest in the US. All of this corporate action has been driven by mall REITs trading at discounts to NAV of over 25% due to concerns that online shopping will continue to grow at the expense of physical retail. The negative sentiment around mall REIT had been worsened by a number of stores closures in the US, mainly department stores. This sentiment has unfortunately spread to other markets such as Europe. However, Europe has been barely impacted by this and has much lower exposure to department stores as well as retail space per capita compared to the US. The growth in online shopping continues to be a good driver for industrial and logistics focused REITs share price performance as well as earnings growth. Global Logistics Properties, a major Asian industrial and logistics player, will be privatized and delisted in early 2018. One trend that seems to be picking up is the growth in co-working and flexible office work space. The market is assessing its future impact on traditional office players.

## Outlook

Global listed property is trading at a discount to net asset value of about 5% and is offering a one-year forward yield of 4.2% assuming 5.2% earnings growth. Markets are forecasting a number of Fed interest rate hikes in 2018. This could lead to some short-term volatility in the listed property space. Property fundamentals remain good in general and are backed by positive economic growth prospects.

## STANLIB Multi-Manager Global Equity Fund (the "Class Fund")

### Market overview

Looking back at 2017, the year got off to a flying start, continuing the rally that began after President Trump's election, which investors felt would lead to a more expansionary fiscal policy. In the first two months, global equities gained 5.4% (as measured by the MSCI AC World index). Markets then became a little more tentative, raising questions about the validity of the reflation theme in light of Republicans failure to reform healthcare and unexpected developments within the President Trump administration. Having paused for breath, financial market strength resumed after the French election, cheering the victory of Emmanuel Macron, a candidate deemed pro-European. During the summer, the only real alert in equities came from the geopolitical front, when investors were spooked by the verbal escalation between Pyongyang and Washington after North Korea's latest nuclear missile tests. Markets soon found their bearings however, gathering momentum towards year end when it became clear the Trump administration's promised tax cuts would be passed.

Against the above backdrop, US equities rose over 21%. According to S&P Indices, 2017 was also the first calendar year (based on data going back to 1928) in which total returns for the S&P 500 were positive in every month of the year. In Japan, the wide margin of victory by Abe in snap general elections during October triggered a rally on the Tokyo market (+26% in dollars YTD). Europe weighed in with gains of 28% thanks to stronger than expected growth from the union. In truth, these solid performances reflect an environment that is favourable in many ways. First of all, global growth has accelerated and is synchronised. This growth has come with an upturn in global trade (something we didn't expect given the rise in populist politicians) which is good news for emerging economies. This helped EM outperform for a second consecutive year with a dollar return of 38% - led by gains in Hong Kong and China which rose 40% and 54% respectively.

### Fund overview

STANLIB Multi-Manager Global Equity Fund returned +4.28% (B1 share) for the quarter and 20.4% (B1 share) over the year. The Class Fund continued to receive large cash inflows over the quarter relative to the assets under management. The Class Fund started the quarter with \$762k in assets under management, and received inflows of over \$430k. As a result, performance was negatively impacted due to cash flow drag given that markets were once again up strongly over the period under review. However, the net impact on performance was 0.3% over the quarter, which is less than the impact in the third quarter. Unfortunately, the cash drag impact has been extensive over the year, where the Class Fund has underperformed the underlying fund by 3.9%. This is disappointing as the Class Fund has underperformed the benchmark only as a result of the cash drag.

The underlying Class Fund underperformed the benchmark by 91bp in the final quarter. For 2017 as a whole it outperformed the benchmark by 1.4% gross, and is ahead of peers' net of all fees as well. From a total portfolio perspective, not owning enough Facebook and Apple was a drag on performance as was an underweight in EM tech stocks like Alibaba and Tencent. On the plus side, being underweight in GE, the oldest member of the DJIA, who cut their dividend for only the third time in history (after the great depression and financial crisis) was positive.

At a manager level, the biggest detractor in the final quarter was Veritas who lagged the benchmark by over 400bps - driven mainly by Industrials and specifically airline stocks. Despite being cautiously positioned (10% in cash) they managed to outperform by 2.5% during

the year for the opposite reason i.e. what hurt in the final quarter actually contributed for the year. Hosking was marginally ahead in Q4 bringing YTD relative returns to +1.8%. This was particularly pleasing given the pronounced value bias of the portfolio and lack of FANG names, which dominated equity returns. Positions in semi-conductor stocks, a classic capital cycle investment (consistent with their philosophy) where consolidation has seen the number of competitors drop from over twenty to just three, were amongst the strongest contributors to performance in 2017. After being our best mandate last year, the AB value weighted portfolio detracted. We still believe patience from these levels will be rewarded - especially if cyclical stocks take their cue from the economic upturn and expensive bond proxies lag as interest rates normalise.

In terms of portfolio changes, there were two significant developments. We terminated the Aberdeen mandate on the back of the corporate action with Standard Life. We also replaced Capital with a more authentic growth manager. The incoming managers, Sands and Sanders, were funded in December.

### Outlook

The fundamentals that drove global equities in 2017 are set to reassert themselves next year. First of all, global growth is accelerating, and forecasts for 2018 are being revised upward by both international organisations and private sector economists. The OECD, for example, is forecasting 3.7% growth for 2018, which would be the fastest pace since 2011. Corporate results have also been good, beating analysts' forecasts on both the top and bottom lines, and we expect further positive earnings revisions.

While the outlook is bright, given solid macroeconomic fundamentals and a pro-business environment in the wake of corporate tax cuts, we worry much of the good news is priced into the market. For the first time since 2008, the S&P now yields less than 2 year rates while sentiment indicators are pointing to euphoria. Having said that we do seem to be in an operating environment characterized by a two tier market. Our managers have therefore rotated into some of the cheaper companies whose valuations haven't been buoyed by either their darling disrupter or quality compounder status. In certain instances, the beta of mandates has been reduced to below one and tracking errors have fallen. Following the aforementioned manager changes we are comfortable with the overall shape of the portfolio.

## STANLIB Multi-Manager Global Bond Fund (the "Class Fund")

### Market overview

After raising rates once in 2015 and 2016, the Fed undertook three 25bp hikes in 2017, in March, June and December. This faster pace compared to the two previous years reflects the Fed's conviction that the economy is in the process of meeting its dual objectives of full employment and price stability. The BOE also hiked rates by 25bp in early November to 0.5%. Unlike their US counterparts, authorities believe inflation (3.3% in December) is approaching its peak and GDP growth should be modest. They also believe future hikes would be gradual and limited over the next few years. Staying with rates, the BOJ left monetary policy unchanged, despite seven consecutive quarters of growth, the country's longest stretch of uninterrupted growth on record. The other highlight was the Fed beginning to shrink its balance sheet - yet another pillar of normalisation in US monetary policy. By contrast, the ECB announced it would continue QE but reduce monthly securities purchases from EUR 60 billion to EUR 30 billion and keep them at that level until late 2018. Similarly, Japan's ultra-accommodative monetary was given support by Prime Minister Abe following his victory in legislative elections in October.

Yields on US 10 year treasuries ended 2017 virtually unchanged from where they started at 2.4%. The no change over 12 months, after a steep rise in late 2016, masks some of the volatility experienced during the period under review. In this regard, yields touched a low of 2% in September following a flight to safety after North Korea's announcement of a new nuclear missile test. German 10-year bund yields ended the year at 0.43%, 22bp higher than at the end of 2016 but not before hitting a low of 0.16% in April as pre-election polls suggested that Eurosceptic parties were picking up votes. This soon

reversed as Mario Draghi reiterated his confidence in the European economy and said that the return of inflation to target was more likely than in previous years.

The big surprise for 2017 was the weak dollar. In early January, following the spike in the greenback after the election of Trump, the EUR/USD fell below 1.04. It then rallied from April to September before closing above 1.20 in December, up 14% year-on-year. The USD/JPY traded between 111 and 115, a range narrower than previous quarters. The weaker dollar helped EM post a 14.5% gain in hard currency making it the standout asset class within fixed income. Finally, the 18% rise in oil prices over the last quarter helped US HY post a gain of 6.3% as spreads narrowed.

#### **Fund overview**

STANLIB Multi-Manager Global Bond Fund returned +0.55% (B1 share) for the quarter, in line with the underlying Class Fund over the quarter. The Class Fund is 0.9% behind the underlying fund over twelve months, with an annual return of 8.16% (B1 share). The Class Fund size remained fairly stable over the quarter, with just over one thousand dollars net outflows. The Class Fund size remains small and performance may be impacted should we experience any large cash flows.

The underlying Class Fund lagged its benchmark by half a percentage point in the final quarter, however it outperformed by 1.4% gross for the calendar year. In absolute terms, the 8.4% return in 2017 exceeded our expectations, while the 50bp excess return versus peers' net of all fees was also pleasing.

Brandywine struggled in the last quarter, underperforming by 164bp, but this wasn't enough to undermine a stellar year where they beat the benchmark by over 4.5%. The main driver was Mexico where both the bonds and currency suffered amid tense negotiations concerning the fate of NAFTA and fresh allegations of political corruption ahead of 2018's presidential elections. They implemented two interesting changes in Q4 – an 8% allocation to the Yen and increased duration in South Africa. The latter is on the back of a positive outcome for the ANC election while the former is the largest allocation to Japan we can remember since inception of the mandate.

Capital's returns were similar i.e. lagged in the final quarter but outperformed for the calendar year. Reasons were the same, where an overweight position in Mexico coupled with an underweight in the euro detracted in the final three months of the year. A large overweight to emerging markets contributed the most to portfolio returns, however euro denominated corporate bonds also posted strong returns for their mandate as the ECB continued to buy most supply in the market. Based on their positive outlook for Europe, they have been increasing exposure to countries that are more likely to benefit from growth, such as Poland, as well as some of those with wider spreads, including Italy.

One final significant change was the appointment of Amundi at the expense of Columbia Threadneedle as a result of a number of factors. Their team has experienced a high degree of turnover, which has resulted in reduced conviction in their positions (lower tracking error). From a portfolio construction perspective, we want a higher conviction manager given we have a passive alternative beta mandate within our composite. On that note, BlackRock posted excess returns of 0.6%. Their GDP weighted benchmark essentially implies longer duration within emerging markets and that, coupled with spread tightening in the asset class, contributed to returns.

#### **Outlook**

Economic surveys are highly encouraging (with ISM indices at a high in this cycle and a surge in small business confidence), and hard data (job creations, retail sales, investment spending and home sales) are solid. Against this backdrop, and with the unemployment rate falling to 4.1% in October, wages are likely to start rising. FOMC members raised their GDP growth forecasts, from 2.1% to 2.5% in 2018 to reflect the impact of expansionary fiscal policy and the additional decline in the jobless rate they expect.

Any pickup in inflation would make investors wonder why central banks are being so cautious about phasing out non-conventional policies. The market is projecting three more hikes in 2018, however the odds of a fourth hike are on the rise as some participants expect wage growth to increase. We worry that with the rising US budget

deficit and the Fed running down their balance sheet, the supply of US treasuries will increase significantly over the next couple of years. Similarly, the amount of IG and HY bonds maturing is also rising. Add to this shrinking global demand as a result of ECB potentially exiting QE in October and you can see the potential risks to both equity and bond markets.

Having said that, Brandywine is the most bullish on the outlook for the year ahead. They are not worried about the flattening US yield curve (attributing it to the spill over from ECB and BoJ QE impacting global yields) and expect China to successfully move to a more consumption driven economy led by investments in IT, healthcare and green technology. In a nutshell, Capital are more sanguine and expect tax cuts coupled with infrastructure investment around the world to eventually filter through to inflation. We're happy that whatever scenario plays out, our portfolio is well diversified; stronger than expected global growth per Brandywines view would benefit their EM holdings while higher inflation in Capital's base case would help their inflation linked positions.

#### **STANLIB Asset Management (Pty) Limited Investment Manager**

**29 January 2018**

# Independent auditors' report

## Independent auditors' report to the unitholders of STANLIB Offshore Unit Trusts

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, STANLIB Offshore Unit Trust's financial statements:

- Give a true and fair view of the state of the Trust's affairs as at 31 December 2017 and of its results for the year then ended
- Have been properly prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- The statement of financial position as at 31 December 2017
- The statement of comprehensive income for the year then ended
- The statement of changes in net assets attributable to the holders of redeemable units for the year then ended
- The notes to the financial statements for, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- The manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.



## **Responsibilities for the financial statements and the audit**

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### Responsibilities of the manager for the financial statements

As explained more fully in the Statement of Manager's Responsibilities set out on page 8, the manager is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view. The manager is also responsible for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the manager intends to cease operations, or has no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinion, has been prepared for and only for the Unitholders of the Trust as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**PricewaterhouseCoopers**

**Chartered Accountants and Registered Auditors**

**Dublin**

**1 May 2018**

# Statement of Financial Position

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB European Equity Fund		STANLIB Global Equity Fund		STANLIB Offshore America Fund		STANLIB Global Emerging Markets Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		EUR	EUR	USD	USD	USD	USD	USD	USD
<b>Assets</b>									
Investments	2f	58,699,416	58,268,769	85,856,700	60,513,517	13,888,970	13,446,728	14,307,757	10,857,347
Cash and cash equivalents	2d	255,857	316,648	587,372	273,885	63,246	231,768	261,605	224,274
Receivable for units sold		181,305	23,912	652,704	89,969	–	–	106,166	11,089
Rebate receivable		–	–	–	–	22,782	23,601	–	–
Income receivable		–	–	–	–	–	–	–	132
<b>Total assets</b>		<b>59,136,578</b>	<b>58,609,329</b>	<b>87,096,776</b>	<b>60,877,371</b>	<b>13,974,998</b>	<b>13,702,097</b>	<b>14,675,528</b>	<b>11,092,842</b>
<b>Liabilities</b>									
Payable for units redeemed		11,782	–	673	3,098	3,386	4,406	–	9,302
Payable for investments purchased		126,000	–	524,696	–	–	–	230,700	–
Management fees payable	3	53,972	52,880	70,070	54,666	14,857	15,235	12,607	10,796
Custodian and trustee fees payable	3	2,415	2,453	3,237	2,779	579	636	590	550
Sub-Custodian fees payable	3	841	1,648	1,247	1,189	203	31	348	–
Audit fees payable		5,935	6,902	8,994	9,308	2,172	2,211	2,145	2,163
Other payables		5,630	3,696	7,804	3,954	1,305	889	1,333	733
<b>Total liabilities</b>		<b>206,575</b>	<b>67,579</b>	<b>616,721</b>	<b>74,994</b>	<b>22,502</b>	<b>23,408</b>	<b>247,723</b>	<b>23,544</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>58,930,003</b>	<b>58,541,750</b>	<b>86,480,055</b>	<b>60,802,377</b>	<b>13,952,496</b>	<b>13,678,689</b>	<b>14,427,805</b>	<b>11,069,298</b>
<b>Net asset value per unit*</b>		<b>20.79</b>	<b>18.09</b>	<b>25.48</b>	<b>20.66</b>	<b>31.82</b>	<b>29.33</b>	<b>23.28</b>	<b>19.00</b>

\*The unit class breakdown can be seen on the Fund Statistics Note.  
The notes on pages 28 to 38 form an integral part of these financial statements.

# Statement of Financial Position

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Global Bond Fund		STANLIB Euro Cash Fund		STANLIB Sterling Cash Fund		STANLIB US Dollar Cash Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	EUR	EUR	GBP	GBP	USD	USD
<b>Assets</b>									
Investments	2(f)	5,656,775	5,990,680	3,652,819	3,955,557	3,363,636	3,118,086	6,284,847	6,327,794
Cash and cash equivalents	2(d)	73,577	130,895	72,121	63,407	75,123	63,849	103,255	92,818
Receivable for units sold		8,472	18,110	–	–	–	–	5,445	16,591
Rebate receivable		2,110	2,294	–	–	–	–	–	–
Income receivable		–	–	–	–	–	–	–	–
<b>Total assets</b>		<b>5,740,934</b>	<b>6,141,979</b>	<b>3,724,940</b>	<b>4,018,964</b>	<b>3,438,759</b>	<b>3,181,935</b>	<b>6,393,547</b>	<b>6,437,203</b>
<b>Liabilities</b>									
Payable for units redeemed		5,656,775	5,990,680	3,652,819	3,955,557	3,363,636	3,118,086	6,284,847	6,327,794
Payable for investments purchased		73,577	130,895	72,121	63,407	75,123	63,849	103,255	92,818
Management fees payable	3	8,472	18,110	–	–	–	–	5,445	16,591
Custodian and trustee fees payable	3	2,110	2,294	–	–	–	–	–	–
Sub-Custodian fees payable	3	–	–	–	–	–	–	–	–
Audit fees payable		5,740,934	6,141,979	3,724,940	4,018,964	3,438,759	3,181,935	6,393,547	6,437,203
Other payables		5,630	3,696	7,804	3,954	1,305	889	1,333	733
<b>Total liabilities</b>		<b>206,575</b>	<b>67,579</b>	<b>616,721</b>	<b>74,994</b>	<b>22,502</b>	<b>23,408</b>	<b>247,723</b>	<b>23,544</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>5,733,437</b>	<b>6,079,046</b>	<b>3,721,364</b>	<b>4,015,270</b>	<b>3,435,342</b>	<b>3,178,650</b>	<b>6,388,117</b>	<b>6,431,880</b>
<b>Net asset value per unit*</b>		<b>20.51</b>	<b>19.01</b>	<b>5.96</b>	<b>6.02</b>	<b>14.90</b>	<b>14.97</b>	<b>12.98</b>	<b>12.92</b>

\*The unit class breakdown can be seen on the Fund Statistics Note.  
The notes on pages 28 to 38 form an integral part of these financial statement

# Statement of Financial Position

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Global Aggressive Fund		STANLIB Global Balanced Fund		STANLIB Global Balanced Cautious Fund		STANLIB Global Property Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	USD	USD	USD	USD	USD	USD
<b>Assets</b>									
Investments	2(f)	4,665,359	4,297,396	64,048,519	48,402,655	26,860,281	22,772,237	39,658,994	35,598,276
Cash and cash equivalents	2(d)	84,726	85,844	417,254	324,059	317,589	132,955	230,805	336,277
Receivable for units sold		–	–	266,579	42,362	13,606	60,764	200,670	99,907
Rebate receivable		7,503	8,213	–	–	–	–	–	–
Income receivable		–	–	–	–	–	–	–	–
<b>Total assets</b>		<b>4,757,588</b>	<b>4,391,453</b>	<b>64,732,352</b>	<b>48,769,076</b>	<b>27,191,476</b>	<b>22,965,956</b>	<b>40,090,469</b>	<b>36,034,460</b>
<b>Liabilities</b>									
Payable for units redeemed		–	4,842	–	91,875	48	–	4,517	19,072
Payable for investments purchased		–	–	360,000	–	204,500	–	202,000	–
Management fees payable	3	5,022	4,851	54,003	43,469	22,433	20,246	29,870	29,349
Custodian and trustee fees payable	3	197	210	2,542	2,288	1,118	1,099	1,655	1,604
Sub-Custodian fees payable	3	203	1,587	1,044	881	551	534	928	933
Audit fees payable		1,614	1,608	7,110	7,364	3,977	4,058	4,220	4,647
Other payables		443	291	5,907	3,166	2,510	1,506	3,706	2,224
<b>Total liabilities</b>		<b>7,479</b>	<b>13,389</b>	<b>430,606</b>	<b>149,043</b>	<b>235,137</b>	<b>27,443</b>	<b>246,896</b>	<b>57,829</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>4,750,109</b>	<b>4,378,064</b>	<b>64,301,746</b>	<b>48,620,033</b>	<b>26,956,339</b>	<b>22,938,513</b>	<b>39,843,573</b>	<b>35,976,631</b>
<b>Net asset value per unit*</b>		<b>22.72</b>	<b>18.08</b>	<b>21.52</b>	<b>18.30</b>	<b>15.65</b>	<b>14.09</b>	<b>14.92</b>	<b>14.60</b>

\*The unit class breakdown can be seen on the Fund Statistics Note.  
The notes on pages 28 to 38 form an integral part of these financial statement

# Statement of Financial Position

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Multi-Manager Global Equity Fund		STANLIB Multi-Manager Global Bond Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	USD	USD
<b>Assets</b>					
Investments	2(f)	1,198,135	14,693	12,437	941
Cash and cash equivalents	2(d)	140,198	22	18	11
Receivable for units sold		28,132	–	–	–
Rebate receivable		–	–	–	–
Income receivable		–	–	–	–
<b>Total assets</b>		<b>1,366,465</b>	<b>14,715</b>	<b>12,455</b>	<b>952</b>
<b>Liabilities</b>					
Payable for units redeemed		–	–	–	–
Payable for investments purchased		140,065	–	–	–
Management fees payable	3	–	–	–	–
Custodian and trustee fees payable	3	145	1	3	–
Sub-Custodian fees payable	3	–	–	–	–
Audit fees payable		–	–	–	–
Other payables		–	–	–	–
<b>Total liabilities</b>		<b>140,210</b>	<b>1</b>	<b>3</b>	<b>–</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>1,226,255</b>	<b>14,714</b>	<b>12,452</b>	<b>952</b>
<b>Net asset value per unit*</b>		<b>12.89</b>	<b>10.90</b>	<b>10.45</b>	<b>9.52</b>

The financial statements were approved by the Board of STANLIB Fund Managers Jersey Limited on 1 May 2018 and signed in its capacity as Manager of the Trust:

## DIRECTOR OF THE MANAGER

\*The unit class breakdown can be seen on the Fund Statistics Note.  
The notes on pages 28 to 38 form an integral part of these financial statements

# Statement of Comprehensive Income

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB European Equity Fund		STANLIB Global Equity Fund		STANLIB Offshore America Fund		STANLIB Global Emerging Markets Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		EUR	EUR	USD	USD	USD	USD	USD	USD
<b>Income</b>									
Deposit interest	2(b)	–	–	102	–	75	–	80	–
Investment fund fee rebate	3	–	–	–	–	90,992	86,541	–	–
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 4	5,725,425	(2,039,778)	20,078,448	1,190,406	1,217,262	1,158,463	3,580,289	730,293
Other income		–	17,909	–	–	–	4,318	–	–
<b>Total net gain/(loss)</b>		<b>5,725,425</b>	<b>(2,021,869)</b>	<b>20,078,550</b>	<b>1,190,406</b>	<b>1,308,329</b>	<b>1,249,322</b>	<b>3,580,369</b>	<b>730,293</b>
<b>Expenses</b>									
Management fees	3	662,010	716,707	780,688	708,945	184,328	173,742	150,590	154,440
Custodian and trustee fees	3	30,099	31,859	36,915	32,321	7,554	7,383	7,045	6,983
Sub-custodian fees	3	10,536	9,100	15,223	10,427	2,863	1,597	4,542	2,586
Audit fees		6,078	7,838	7,856	8,216	1,581	913	1,457	745
Sundry Expenses		22,902	17,854	28,587	17,671	5,407	3,893	5,075	3,642
<b>Total operating expenses</b>		<b>731,625</b>	<b>783,358</b>	<b>869,269</b>	<b>777,580</b>	<b>201,733</b>	<b>187,528</b>	<b>168,709</b>	<b>168,396</b>
<b>Net income/(expense) before finance costs</b>		<b>4,993,800</b>	<b>(2,805,227)</b>	<b>19,209,281</b>	<b>412,826</b>	<b>1,106,596</b>	<b>1,061,794</b>	<b>3,411,660</b>	<b>561,897</b>
<b>Finance costs</b>									
Bank interest		(1,657)	(2,838)	–	–	–	–	–	–
<b>Total finance costs</b>		<b>(1,657)</b>	<b>(2,838)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities</b>		<b>4,992,143</b>	<b>(2,808,065)</b>	<b>19,209,281</b>	<b>412,826</b>	<b>1,106,596</b>	<b>1,061,794</b>	<b>3,411,660</b>	<b>561,897</b>

All of the above are from continuing operations. There are no recognized gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost with the exception of the effect of the revaluation of investments. The notes on pages 28 to 38 form an integral part of these financial statements.

# Statement of Comprehensive Income

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Global Bond Fund		STANLIB Euro Cash Fund		STANLIB Sterling Cash Fund		STANLIB US Dollar Cash Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	EUR	EUR	GBP	GBP	USD	USD
<b>Income</b>									
Deposit interest	2(b)	38	–	–	–	–	–	585	1,155
Investment fund fee rebate	3	8,659	7,977	213	460	603	861	626	672
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 4	601,313	279,615	(17,841)	(13,909)	5,304	11,751	67,049	34,996
<b>Total net gain/(loss)</b>		<b>610,010</b>	<b>287,592</b>	<b>(17,628)</b>	<b>(13,449)</b>	<b>5,907</b>	<b>12,612</b>	<b>68,260</b>	<b>36,823</b>
<b>Expenses</b>									
Management fees	3	51,940	61,589	19,620	21,350	17,403	15,101	32,071	33,514
Custodian and trustee fees	3	3,263	3,748	2,170	2,486	1,916	1,750	3,555	3,884
Sub-custodian fees	3	2,537	1,552	1,159	530	1,870	1,272	2,367	1,849
Audit fees		693	419	463	295	393	206	749	436
Sundry Expenses		2,314	1,941	1,555	1,267	1,378	905	2,540	2,000
<b>Total operating expenses</b>		<b>60,747</b>	<b>69,249</b>	<b>24,967</b>	<b>25,928</b>	<b>22,960</b>	<b>19,234</b>	<b>41,282</b>	<b>41,683</b>
<b>Net income/(expense) before finance costs</b>		<b>549,263</b>	<b>218,343</b>	<b>(42,595)</b>	<b>(39,377)</b>	<b>(17,053)</b>	<b>(6,622)</b>	<b>26,978</b>	<b>(4,860)</b>
<b>Finance costs</b>									
Bank interest		–	(46)	(23)	(43)	–	–	–	–
<b>Total finance costs</b>		<b>–</b>	<b>(46)</b>	<b>(23)</b>	<b>(43)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities</b>		<b>549,263</b>	<b>218,297</b>	<b>(42,618)</b>	<b>(39,420)</b>	<b>(17,053)</b>	<b>(6,622)</b>	<b>26,978</b>	<b>(4,860)</b>

All of the above are from continuing operations. There are no recognized gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost with the exception of the effect of the revaluation of investments. The notes on pages 28 to 38 form an integral part of these financial statements.

# Statement of Comprehensive Income

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Global Aggressive Fund		STANLIB Global Balanced Fund		STANLIB Global Balanced Cautious Fund		STANLIB Global Property Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	USD	USD	USD	USD	USD	USD
<b>Income</b>									
Dividend income	2(b)	8,602	11,403	–	–	–	–	–	–
Deposit interest	2(b)	25	–	127	–	108	–	104	–
Investment fund fee rebate	3	27,832	31,803	–	–	–	–	–	–
Net gain/(loss) on financial assets at fair value through profit or loss	2(h), 4	1,034,886	2,888	11,186,038	317,772	3,308,539	(160,716)	2,658,924	(191,271)
<b>Total net gain/(loss)</b>		<b>1,071,345</b>	<b>46,094</b>	<b>11,186,165</b>	<b>317,772</b>	<b>3,308,647</b>	<b>(160,716)</b>	<b>2,659,028</b>	<b>(191,271)</b>
<b>Expenses</b>									
Management fees	3	59,503	62,954	607,798	586,310	264,956	283,313	371,722	310,641
Custodian and trustee fees	3	2,436	2,713	29,803	27,481	13,519	13,345	20,147	16,791
Sub-custodian fees	3	843	3,228	12,887	10,492	6,421	5,861	11,664	12,705
Audit fees		508	305	6,142	6,767	2,759	2,691	3,969	4,905
Sundry Expenses		1,744	1,395	22,218	14,530	9,815	7,010	14,918	9,132
<b>Total operating expenses</b>		<b>65,034</b>	<b>70,595</b>	<b>678,848</b>	<b>645,580</b>	<b>297,470</b>	<b>312,220</b>	<b>422,420</b>	<b>354,174</b>
<b>Net income/(expense) before finance costs</b>		<b>1,006,311</b>	<b>(24,501)</b>	<b>10,507,317</b>	<b>(327,808)</b>	<b>3,011,177</b>	<b>(472,936)</b>	<b>2,236,608</b>	<b>(545,445)</b>
<b>Finance costs</b>									
Bank interest		(72)	(12)	–	–	–	(67)	–	(1,791)
<b>Total finance costs</b>		<b>(72)</b>	<b>(12)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(67)</b>	<b>–</b>	<b>(1,791)</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities</b>		<b>1,006,239</b>	<b>(24,513)</b>	<b>10,507,317</b>	<b>(327,808)</b>	<b>3,011,177</b>	<b>(473,003)</b>	<b>2,236,608</b>	<b>(547,236)</b>

All of the above are from continuing operations. There are no recognized gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost with the exception of the effect of the revaluation of investments. The notes on pages 28 to 38 form an integral part of these financial statements.



# Statement of Comprehensive Income

As at 31 December 2017

(Comparatives as at 31 December 2016)

	Notes	STANLIB Multi-Manager Global Equity Fund		STANLIB Multi-Manager Global Bond Fund	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		USD	USD	USD	USD
<b>Income</b>					
Deposit interest	2(b)	1	–	–	–
Investment fund fee rebate	3	–	–	–	–
Net gains on financial assets at fair value through profit or loss	2(h), 4	68,994	253	633	63
<b>Total net gains</b>		<b>68,995</b>	<b>253</b>	<b>633</b>	<b>63</b>
<b>Expenses</b>					
Management fees	3	–	–	–	–
Custodian and trustee fees	3	144	1	2	–
Sub-custodian fees	3	–	–	–	–
Audit fees		–	–	–	–
Sundry Expenses		–	–	–	–
<b>Total operating expenses</b>		<b>144</b>	<b>1</b>	<b>2</b>	<b>–</b>
<b>Net income before finance costs</b>		<b>68,851</b>	<b>252</b>	<b>631</b>	<b>63</b>
<b>Finance costs</b>					
Bank interest		–	–	–	–
<b>Increase in net assets attributable to holders of redeemable units from investment activities</b>		<b>68,851</b>	<b>252</b>	<b>631</b>	<b>63</b>

All of the above are from continuing operations. There are no recognized gains or losses for the year other than those set out in the Statement of Comprehensive Income. There are no differences between the results above and those under historical cost with the exception of the effect of the revaluation of investments. The notes on pages 28 to 38 form an integral part of these financial statements.

# Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

As at 31 December 2017

(Comparatives as at 31 December 2016)

	STANLIB European Equity Fund		STANLIB Global Equity Fund		STANLIB Offshore America Fund		STANLIB Global Emerging Markets Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	EUR	EUR	USD	USD	USD	USD	USD	USD
<b>Notes</b>								
Net assets attributable to holders of redeemable units at the start of the year	58,541,750	61,454,616	60,802,377	55,413,992	13,678,689	12,964,886	11,069,298	11,741,447
Proceeds from the issue of units	4,384,936	22,644,843	13,350,997	8,480,235	463,739	271,742	1,645,910	494,329
Payments on the redemption of units	(8,988,826)	(22,749,644)	(6,882,600)	(3,504,676)	(1,296,528)	(619,733)	(1,699,063)	(1,728,375)
Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities	4,992,143	(2,808,065)	19,209,281	412,826	1,106,596	1,061,794	3,411,660	561,897
Net assets attributable to holders of redeemable units at the end of the year	58,930,003	58,541,750	86,480,055	60,802,377	13,952,496	13,678,689	14,427,805	11,069,298

	STANLIB Global Bond Fund		STANLIB Euro Cash Fund		STANLIB Sterling Cash Fund		STANLIB US Dollar Cash Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	EUR	EUR	GBP	GBP	USD	USD
<b>Notes</b>								
Net assets attributable to holders of redeemable units at the start of the year	6,079,046	6,372,875	4,015,270	4,700,272	3,178,650	3,163,626	6,431,880	6,835,445
Proceeds from the issue of units	364,534	498,325	288,973	144,227	1,293,227	879,152	1,422,663	1,394,872
Payments on the redemption of units	(1,259,406)	(1,010,451)	(540,261)	(789,809)	(1,019,482)	(857,506)	(1,493,404)	(1,793,577)
Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities	549,263	218,297	(42,618)	(39,420)	(17,053)	(6,622)	26,978	(4,860)
Net assets attributable to holders of redeemable units at the end of the year	5,733,437	6,079,046	3,721,364	4,015,270	3,435,342	3,178,650	6,388,117	6,431,880

# Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

As at 31 December 2017

(Comparatives as at 31 December 2016)

	STANLIB Global Aggressive Fund		STANLIB Global Balanced Fund		STANLIB Global Balanced Cautious Fund		STANLIB Global Property Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	USD	USD	USD	USD	USD	USD
<b>Notes</b>								
Net assets attributable to holders of redeemable units at the start of the year	5,017,472	5,929,003	46,500,829	45,086,542	22,275,193	22,416,645	21,045,514	12,078,922
Proceeds from the issue of units	–	18,571	6,369,879	5,691,723	3,800,615	2,456,432	30,716,581	10,484,219
Payments on the redemption of units	(614,895)	(930,047)	(3,922,867)	(4,023,389)	(2,664,292)	(1,908,657)	(15,238,228)	(1,658,977)
Increase/(Decrease) in net assets attributable to holders of redeemable units from investment activities	(24,513)	(55)	(327,808)	(254,047)	(473,003)	(689,227)	(547,236)	141,350
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<b>4,378,064</b>	<b>5,017,472</b>	<b>48,620,033</b>	<b>46,500,829</b>	<b>22,938,513</b>	<b>22,275,193</b>	<b>35,976,631</b>	<b>21,045,514</b>

  

	STANLIB Multi-Manager Global Equity Fund		STANLIB Multi-Manager Global Bond Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	USD	USD
<b>Notes</b>				
Net assets attributable to holders of redeemable units at the start of the year	14,714	–	952	–
Proceeds from the issue of units	1,149,876	16,605	14,337	3,000
Payments on the redemption of units	(7,186)	(2,143)	(3,468)	(2,111)
Increase in net assets attributable to holders of redeemable units from investment activities	68,851	252	631	63
<b>Net assets attributable to holders of redeemable units at the end of the year</b>	<b>1,226,255</b>	<b>14,714</b>	<b>12,452</b>	<b>952</b>

The notes on pages 28 to 38 form an integral part of these financial statements.

# Notes to the Financial Statements

## 1. Incorporation

STANLIB Offshore Unit Trusts (the "Trust") was constituted in Jersey on 2 May 1997.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. These financial statements have been prepared on a going concern basis under the historical cost convention as modified by the measurement at fair value of investments in accordance with applicable Jersey Law and United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The Company holds a fund certificate issued pursuant to the Collective Investment Funds (Jersey) Law 1988 and is regulated by the Jersey Financial Services Commission ("JFSC") as an unclassified fund. A summary of the more important accounting policies is set out below.

## 2. Accounting Policies

### a. Basis of Accounting

These audited annual financial statements for the year ended 31 December 2017 have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council ("FRC").

The Directors of the Manager have applied FRS 102 for its annual and FRS 104 "Interim Financial Reporting" for its unaudited interim financial statements effective 1 January 2015. The Trust has also applied "Amendments to FRS 102 - Fair value hierarchy disclosures" which were issued in June 2016 and are applicable for accounting periods beginning on or after 1 January 2017 with early application permitted. The Trust took the option to early adopt the amendments and initially implemented these amendments in the interim period ended 30 June 2016.

The information required by FRS 102, to be included in a single statement for the reporting period displaying all items of income and expenses recognised during the period including those items recognised in determining profit or loss and items of other comprehensive income and a Reconciliation of Movements in Shareholders' Funds is, in the opinion of the directors, contained in the Statements of Comprehensive Income and Statements of Changes in Net Assets Attributable to Holders of Redeemable Units on pages 22 to 28 relate to continuing activities.

The Trust has availed of the exemption available to open-ended investment funds under Section 7 "Statement of Cash Flows" of FRS 102 (Section 7.1a (c)), not to prepare a cash flow statement on the basis that substantially all of the Trust's investments are highly liquid and carried at fair value, and the Trust provides Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

### b. Income

Dividends on investments are credited to investment income on the ex-dividend date. Dividends are shown gross of withholding

tax deducted at source. Withholding tax is reported separately as taxation change in the Statement of Comprehensive Income. Bond interest income is accounted for on an effective yield basis. All other income is accounted for on an accruals basis.

### c. Expenses

The Trust is responsible for its own operating expenses, including audit and legal fees and charges incurred on the acquisition and realisation of investments. Such operating expenses will be borne by the Class Funds as the Managers shall determine, and usually pro rata in proportion to the net asset values of the funds if not clearly attributable to a specific Class Fund. The level of general costs and expenses to be borne by unit holders will be affected by the performance of investments held by the Trust.

The expenses of introducing new Unit Classes will be charged to the relevant unit class as provided for in the fund rules.

All expenses, including operating expenses, custodian fees and management fees are accounted for on an accruals basis.

### d. Cash and cash equivalents

Cash is valued at cost, which approximates fair value.

Cash is held in accounts at The Bank of New York Mellon SA/NV which allows the Class Funds instant access to their accounts.

### e. Foreign currency

The functional and reporting currency of all the Class Funds is USD except for; the STANLIB European Equity Fund and STANLIB Euro Cash Fund which have a functional and reporting currency of EUR; and the STANLIB Sterling Cash Fund which has a functional and reporting currency of GBP.

Foreign currency transactions are translated into the currency of the Class Fund at the rates of exchange ruling on the transaction date. Foreign currency balances are translated into the base currency of the Class Fund at the rate ruling on the Statements of Financial Position date. Gains and losses on translation are recognised in the Statements of Comprehensive Income.

### f. Investments

Investments are recognised on the Statement of Financial Position at the date on which the Trust becomes party to contractual provisions of the instruments. Investments are initially recognised at cost which is the fair value at date of recognition. Subsequently investments are re-measured at fair value being the mid-market price at the Statement of Financial Position date. Gains or losses arising from revaluation are recognised in the Statement of Comprehensive Income.

On disposal of investments, gains and losses on sale of investments are calculated on an average cost basis and are taken to the Statement of Comprehensive Income in the year in which they arise.

On initial application of FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Sections 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102,

(b) the recognition and measurement provisions of International Accounting Standards (“IAS”) 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards (“IFRS”) 9 “Financial Instruments” (“IFRS 9”) and the disclosure requirements of Sections 11 and 12. The Trust has elected to apply the full requirements of Sections 11 and Section 12 of FRS 102. The Trust has elected to continue to use mid prices on the portfolio statements for the financial statement purposes.

#### g. Issue and Redemption of units

Units may be issued at the issue price and redeemed at the redemption price on business days in the Island of Jersey at the prices calculated in accordance with the Trust Deed and based on the value of the underlying investments held.

#### h. Net gains/(losses) on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets held for trading and excludes interest and dividend income and expenses. Unrealised gains and losses comprise changes in the fair value of financial instruments for the year. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains or losses on financial assets through profit or loss in the Statements of Comprehensive Income.

#### i. Withholding taxes

In some jurisdictions investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Portfolio. Withholding tax is disclosed separately as a tax charge from the gross investment income in the Statements of Comprehensive Income.

#### j. Distribution policy

The Trust’s policy is to not distribute any income on its participating units.

### 3. Fees, expenses and rebate income

The fees of STANLIB Fund Managers Jersey Limited (the “Manager”) and Link Corporate Services (Jersey) Limited (the “Trustee and Custodian”) are calculated as a percentage of the daily net asset value of each Class Fund and paid monthly in arrears.

The Manager and Trustee currently charge rates for the different Class Funds that are less than the maximum permitted by the Prospectus. The specified maximum rate for the Trustee and Manager is 3%. Three months’ notice to Unitholders is required before the rates currently charged may be increased.

The Trustee has agreed to charge the following rates:

- 1) Trustee Fee: US\$ 60,000 per annum for the Trust
- 2) The fees of the Custodian shall be calculated as follows, subject to an overall minimum fee of US\$50,000 per annum (the “Minimum Fee”)
  - i) 0.035% per annum on any and all amounts up to US\$50 million of the Net Asset Value of that Class Fund
  - ii) 0.025% per annum on any and all amounts above US\$50 million of the Net Asset Value of that Class Fund but only up to US\$100 million
  - iii) 0.010% per annum on any and all amounts above US\$100 million of the Net Asset Value of that Class Fund but only up to US\$500 million; and
  - iv) 0.005% per annum on any and all amounts above US\$500 million of the Net Asset Value of each Class Fund.

Such fees shall accrue daily and shall be payable by monthly payments in arrears becoming due on the first business day of each month in respect of the preceding month. The Minimum Fee shall increase in accordance with the Jersey Retail Price Index applicable on each anniversary of the agreement by virtue of which such fees were agreed.

The Trustee shall be entitled to charge the Trust on a time-spent basis for any work undertaken by it (including extraordinary visits to service providers) deemed by the Trustee (acting reasonably) to be necessary as a result of any breaches of the constitutional documents or prospectus of the Trust.

The Custodian is also entitled to be reimbursed out of the Class Funds for charges and transaction fees levied on it by any sub-custodian (including The Bank of New York Mellon SA/NV) which shall be at rates which have been negotiated on an arm’s length basis or are otherwise on commercial terms. Sub-custodians may apply global transaction and safekeeping fees based on individual country fees together with non-resident alien and reporting fees in respect of, respectively, income paid by USA incorporated companies and certain US beneficial owner accounts held with the sub-custodian. The Custodian is entitled to be reimbursed out of the Class Funds for out-of-pocket expenses, and any sub-custodian fees (which will be at normal commercial rates).

The Management fee rates of the Class Funds as at 31 December 2017 are as follows:

Class Funds	Management fees %
STANLIB European Equity Fund A	1.20
STANLIB European Equity Fund B1	0.70
STANLIB European Equity Fund B2	0.40
STANLIB Global Equity Fund A	1.10
STANLIB Global Equity Fund B1	0.50
STANLIB Global Equity Fund B2	0.20
STANLIB Offshore America Fund	1.35
STANLIB Global Emerging Markets Fund A	1.20
STANLIB Global Emerging Markets Fund B1	0.60
STANLIB Global Emerging Markets Fund B2	0.40
STANLIB Global Bond Fund A	0.90
STANLIB Global Bond Fund B1	0.30
STANLIB Global Bond Fund B2	0.10
STANLIB Euro Cash Fund	0.50
STANLIB Sterling Cash Fund	0.50
STANLIB US Dollar Cash Fund	0.50
STANLIB Global Aggressive Fund	1.35
STANLIB Global Balanced Fund A	1.10
STANLIB Global Balanced Fund B1	0.50
STANLIB Global Balanced Cautious Fund A	1.10
STANLIB Global Balanced Cautious Fund B1	0.50
STANLIB Global Property Fund A	1.10
STANLIB Global Property Fund B1	0.40
STANLIB Global Property Fund B2	0.20
STANLIB Multi-Manager Global Equity Fund A	0.90
STANLIB Multi-Manager Global Equity Fund B1	0.40
STANLIB Multi-Manager Global Bond Fund A	0.65
STANLIB Multi-Manager Global Bond Fund B1	0.40

The Trust is also charged other notable expenses as described in the prospectus. These include, audit fees, safe custody and transaction charges, legal fees, registrar fees and publication printing fees.

The costs described above do not include the costs suffered by the underlying funds. Management fees on STANLIB Multi-Manager Global Bond Fund and STANLIB Multi-Manager Global Equity Fund were waived in 2017. STANLIB Multi-Manager Global Equity Fund began to accrue for Management fees in January 2018.

Some Class Funds are entitled to investment fund rebates which are received based on the value of investments in the Class Fund’s portfolio. For the reporting year rebates were received on the STANLIB Offshore America Fund, STANLIB Global Bond Fund, the Cash Funds and STANLIB Global Aggressive Fund as detailed in the Statement of Comprehensive Income.

#### 4. Net Gains or Losses on Financial Assets at Fair Value Through Profit or Loss

(Comparatives are for the year ended 31 December 2016)

	STANLIB European Equity Fund		STANLIB Global Equity Fund		STANLIB Offshore America Fund		STANLIB Global Emerging Markets Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	EUR	EUR	USD	USD	USD	USD	USD	USD
<b>Non-derivative securities</b>								
Net realised (loss)/gain on investments	(368,283)	(1,281,402)	505,239	447,794	580,534	299,322	24,351	(113,606)
Net movement in unrealised gain/(loss) on investments	6,093,708	(758,376)	19,573,209	742,612	636,728	859,141	3,555,938	843,899
Net capital gain/(loss)	5,725,425	(2,039,778)	20,078,448	1,190,406	1,217,262	1,158,463	3,580,289	730,293

  

	STANLIB Global Bond Fund		STANLIB Euro Cash Fund		STANLIB Sterling Cash Fund		STANLIB US Dollar Cash Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	EUR	EUR	GBP	GBP	USD	USD
<b>Non-derivative securities</b>								
Net realised gain/(loss) on investments	2,655	(13,943)	(2,607)	(254)	15,785	10,402	13,107	4,900
Net movement in unrealised gain/(loss) on investments	598,658	293,558	(15,234)	(13,655)	(10,481)	1,349	53,942	30,096
Net capital gain/(loss)	601,313	279,615	(17,841)	(13,909)	5,304	11,751	67,049	34,996

	STANLIB Global Aggressive Fund		STANLIB Global Balanced Fund		STANLIB Global Balanced Cautious Fund		STANLIB Global Property Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	USD	USD	USD	USD	USD	USD
<b>Non-derivative securities</b>								
Net realised gain/(loss) on investments	445,892	59,137	81,376	50,861	(4,370)	(30,848)	(3,105)	2,145,007
Net movement in unrealised gain/(loss) on investments	588,994	(56,249)	11,104,662	266,911	3,312,909	(129,868)	2,662,029	(2,336,278)
<b>Net capital gain/(loss)</b>	<b>1,034,886</b>	<b>2,888</b>	<b>11,186,038</b>	<b>317,772</b>	<b>3,308,539</b>	<b>(160,716)</b>	<b>2,658,924</b>	<b>(191,271)</b>

	STANLIB Multi-Manager Global Equity Fund		STANLIB Multi-Manager Global Bond Fund	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	USD	USD	USD	USD
<b>Non-derivative securities</b>				
Net realised gain on investments	3,310	165	32	105
Net movement in unrealised gain/(loss) on investments	65,684	88	601	(42)
<b>Net capital gain</b>	<b>68,994</b>	<b>253</b>	<b>633</b>	<b>63</b>

## 5. Taxation

For the purposes of Jersey taxation, the Trust will fall under Article 123C of the Income Tax (Jersey) Law 1961, as amended, as a Jersey resident trust which is neither a “utility trust” nor a “financial services trust” and as such will be charged Jersey income tax at a rate of 0% on its income (other than on any rental income or property development profits arising in respect of Jersey property or land). The Trust will not be subject to tax in Jersey on any capital arising to it.

Under applicable foreign tax laws, withholding taxes may be deducted from interest, dividends and capital gains attributable to the Trust, at various rates. The Trust pays withholding tax on dividends, which is deducted at source. This is shown separately as a taxation charge in the Statement of Comprehensive Income. There was no withholding tax charged during the year ended 31 December 2017 or 31 December 2016 on any of the Class Funds.

## 6. Units in Issue

	Number of units at 31 December 2016	Issued during the year	Redeemed during the year	Number of units at 31 December 2017
STANLIB European Equity Fund A	2,368,690	106,336	(137,077)	2,337,949
STANLIB European Equity Fund B1	855,575	151,619	(549,574)	457,620
STANLIB European Equity Fund B2	12,184	26,436	(50)	38,570
STANLIB Global Equity Fund A	2,921,858	354,633	(270,766)	3,005,725
STANLIB Global Equity Fund B1	15,912	53,536	(17,959)	51,489
STANLIB Global Equity Fund B2	5,552	331,518	(50)	337,020
STANLIB Offshore America Fund	466,423	15,092	(43,048)	438,467
STANLIB Global Emerging Markets Fund A	567,537	30,520	(72,013)	526,044
STANLIB Global Emerging Markets Fund B1	50	5,011	(50)	5,011
STANLIB Global Emerging Markets Fund B2	14,881	73,734	(51)	88,564
STANLIB Global Bond Fund A	314,615	13,746	(62,114)	266,247
STANLIB Global Bond Fund B1	3,106	2,900	(83)	5,923
STANLIB Global Bond Fund B2	2,096	5,286	(50)	7,332
STANLIB Euro Cash Fund	666,864	48,193	(90,270)	624,787
STANLIB Sterling Cash Fund	212,287	86,545	(68,282)	230,550
STANLIB US Dollar Cash Fund	497,753	109,916	(115,362)	492,307
STANLIB Global Aggressive Fund	242,124	–	(33,074)	209,050
STANLIB Global Balanced Fund A	2,598,253	338,225	(168,139)	2,768,339
STANLIB Global Balanced Fund B1	58,745	169,093	(8,371)	219,467
STANLIB Global Balanced Cautious Fund A	1,556,093	119,607	(113,662)	1,562,038
STANLIB Global Balanced Cautious Fund B1	71,662	121,218	(31,999)	160,881
STANLIB Global Property Fund A	2,121,701	304,267	(389,645)	2,036,323
STANLIB Global Property Fund B1	174,369	59,824	(10,561)	223,632
STANLIB Global Property Fund B2	168,580	245,661	(3,436)	410,805
STANLIB Multi-Manager Global Equity Fund A	1,300	72,456	(539)	73,217
STANLIB Multi Manager Global Equity Fund B1	50	21,911	(50)	21,911
STANLIB Multi-Manager Global Bond Fund A	50	1,331	(290)	1,091
STANLIB Multi Manager Global Bond Fund B1	50	100	(50)	100

	Number of units at 31 December 2015	Issued during the year	Redeemed during the year	Number of units at 31 December 2016
STANLIB European Equity Fund A	2,795,940	486,381	(913,631)	2,368,690
STANLIB European Equity Fund B1	–	1,296,301	(440,726)	855,575
STANLIB European Equity Fund B2	–	12,184	–	12,184
STANLIB Global Equity Fund A	2,685,885	407,066	(171,093)	2,921,858
STANLIB Global Equity Fund B1	–	15,912	–	15,912
STANLIB Global Equity Fund B2	–	5,552	–	5,552
STANLIB Offshore America Fund	479,359	10,275	(23,211)	466,423
STANLIB Global Emerging Markets Fund A	637,191	18,694	(88,348)	567,537
STANLIB Global Emerging Markets Fund B1	–	50	–	50
STANLIB Global Emerging Markets Fund B2	–	14,881	–	14,881
STANLIB Global Bond Fund A	343,198	22,635	(51,218)	314,615
STANLIB Global Bond Fund B1	–	3,311	(205)	3,106



	Number of units at 31 December 2015	Issued during the year	Redeemed during the year	Number of units at 31 December 2016
STANLIB Global Bond Fund B2	–	2,096	–	2,096
STANLIB Euro Cash Fund	773,441	23,840	(130,417)	666,864
STANLIB Sterling Cash Fund	210,825	58,644	(57,182)	212,287
STANLIB US Dollar Cash Fund	528,614	107,931	(138,792)	497,753
STANLIB Global Aggressive Fund	276,675	–	(34,551)	242,124
STANLIB Global Balanced Fund A	2,497,545	307,810	(207,102)	2,598,253
STANLIB Global Balanced Fund B1	–	68,810	(10,065)	58,745
STANLIB Global Balanced Cautious Fund A	1,527,560	206,550	(178,017)	1,556,093
STANLIB Global Balanced Cautious Fund B1	–	76,427	(4,765)	71,662
STANLIB Global Property Fund A	1,361,090	901,869	(141,258)	2,121,701
STANLIB Global Property Fund B1	–	174,609	(240)	174,369
STANLIB Global Property Fund B2	–	1,439,648	(1,271,068)	168,580
STANLIB Multi-Manager Global Equity Fund A	–	1,500	(200)	1,300
STANLIB Multi Manager Global Equity Fund B1	–	50	–	50
STANLIB Multi-Manager Global Bond Fund A	–	250	(200)	50
STANLIB Multi Manager Global Bond Fund B1	–	50	–	50

## 7. Related party transactions and other expenses

The following disclosures are made in accordance with the requirements of Section 33 “Related party disclosures” of FRS 102.

STANLIB Fund Managers Jersey Limited (the “Manager”) and STANLIB Asset Management (Pty) Ltd (the “Investment Manager”) are considered to be related parties to the Trust.

The Manager, Investment Manager and Trustee are considered related parties by virtue of their respective contractual arrangements. The fees of the Investment Manager and Administrator are paid by the Manager out of its fees. The amounts paid to the Manager and the Trustee are detailed in the Statements of Comprehensive Income. The amounts due to the Manager, Trustee and the Custodian are detailed in the Statement of Financial Position.

The Manager is also entitled to receive an initial commission fee of up to 3 % and a switch fee of up to 1% of the gross amount invested. The Manager then pays such fees on to recognised agents and does not retain any financial benefit of either initial commission or switch fees.

All transactions with related parties above are at an arm’s length.

The fees incurred during the year ended 31 December 2017 and 31 December 2016 are disclosed in the Statements of Comprehensive Income with the amounts outstanding at the year end disclosed in the Statements of Financial Position.

The Trust held investments in other STANLIB funds during the year. These funds are under the common management of STANLIB Asset Management (Pty) Ltd, the Investment Manager. The investments were made on an arm’s length basis in the ordinary course of business. Please refer to the portfolio statements on pages 45 to 50.

The interests of the directors of the Trustee, the Manager, and the Investment Manager in the units of the Trust as at year end were disclosed in the Manager’s report on page 5.

## 8. Financial risk management

The Class Funds are exposed to a number of financial risks arising from their investing activities. The financial risks vary for each Class Fund in line with each Class Fund’s investment objectives and its related financial instruments.

The following are the key financial risks to which the Class Funds are exposed:

### 8.1 Market risk

Market risk is the risk that the fair value of future cash flows from financial instruments will fluctuate as a result of changes in market

variables such as interest rates, foreign exchange rates and equity prices. The maximum exposure to market risk is limited to the carrying values of the financial instruments.

#### 8.1.1 Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments.

The bond and currency Class Funds are considered to have a significant exposure to interest rate risk as they invest in funds that predominantly invest in bonds and money market instruments respectively. It is not considered that the bond and currency Class Funds are directly exposed to interest rate risk as they do not invest directly in bonds or money market instruments.

However, changes in interest rates affect the returns and net asset value of the underlying funds in which the bond and currency funds invest. Accordingly, the impact of interest rate fluctuations is reflected in the net asset value of the underlying funds and therefore considered as part of equity price risk.

The remaining Class Funds do not have significant exposures to interest rate risk due to their investment strategies.

#### 8.1.2 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

STANLIB Global Aggressive Class Fund is exposed to foreign exchange risk as it invests in various underlying funds which may be traded in different currencies from the reporting currencies of the managed funds. However, movements in foreign exchange rates may affect the returns and net asset value of the underlying funds in which the managed funds invest. Accordingly, the impact of foreign exchange rate fluctuations is reflected in the net asset value of the underlying funds and therefore considered as part of the equity price risk.

The remaining Class Funds do not have significant exposure to foreign exchange risk due to their investment strategies.

#### 8.1.3 Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as a result of changes in the levels of equity indices and the value of individual units. The equity price risk exposure arises from the Class Funds’ investments in equity securities, which include investments in other collective investment funds.

For bond, currency and managed funds, equity price risk arises as a result of movements in the net asset value of the underlying funds in which the Class Funds invest. This is mainly driven by interest rate and foreign exchange rate fluctuations as noted in 8.1.1 and 8.1.2 above.

Equity Class Funds invest in underlying funds that predominantly invest in equity securities. The equity Class Funds are therefore considered to be significantly exposed to equity price risk as the movement in equity prices directly affect the returns and net asset value of the underlying funds.

Full details regarding the investment restrictions can be obtained from the prospectus.

## 8.2 Liquidity risk

Liquidity risk is the risk that the Class Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Class Funds' liquidity risk mainly arises because the Unitholders may redeem their units at any time. In accordance with the Trust's prospectus, units are redeemable at the holder's option based on the respective Class Fund's net asset value per unit at the time of redemption. The Class Funds are also exposed to the risk that other financial liabilities may become due before they realise readily liquid resources from their financial assets. This risk is, however, considered minimal. Therefore, the going concern basis is deemed appropriate by the Manager as a basis for preparing the financial statements.

Liquidity risk is managed primarily by requiring that the Class Funds invest in securities that are transferable and admitted to a recognised stock exchange.

Full details regarding the investment restrictions can be obtained from the prospectus.

## 8.3 Credit risk

Credit risk is the risk that counterparty to a financial asset will fail to honour an obligation under original terms of a contract, resulting in a loss to the Class Funds. The Class Funds' credit risk arises from cash at bank and debtors. Due to the values of these financial assets, credit risk is considered minimal.

Credit risk is generally managed by setting limits of the maximum amounts that may be placed on deposit with one counterparty and setting out minimum credit ratings for counterparties with which the Class Funds deal. Generally, 90% of the assets exposed to credit risk must be with institutions with a credit rating of at least BBB by Standard & Poor's or Baa3 by Moody's or BBB by Fitch.

The Class Funds are not exposed to credit risk from the Custodian and Banker as all assets of the Class Funds are maintained in a segregated account, which are designated as client assets and are not co-mingled with any proprietary assets of Link Corporate Services (Jersey) Limited or The Bank of New York Mellon SA/NV.

The Custodian, Link Corporate Services (Jersey) Limited is not rated with Standard & Poor's, Moody's and Fitch.

The Sub-Custodian and Banker, The Bank of New York Mellon SA/NV has a credit rating of AA- with Standard & Poor's, Aa1 with Moody's and AA- with Fitch. (31 December 2016: AA- with Standard & Poor's, Aa1 with Moody's and AA- with Fitch.)

## 8.4 Capital Risk Management

The capital of the Class Funds is represented by the equity attributable to the holder of redeemable units. The amount of equity attributable to the holder of redeemable units can change significantly on a monthly basis, as the Class Funds are subject to monthly subscriptions and redemptions at the discretion of the unitholder. The Class Funds' objectives when managing capital is to safeguard the Class Funds' ability to continue as a going concern in order to provide returns for the unitholder and maintain a strong capital base to support the development of the investment activities of the Class Funds.

In order to maintain or adjust the capital structure, the Class Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate within a month and adjust the amount of distributions the Fund pays to the redeemable unitholder.
- Redeem and issue new units in accordance with the constitutional documents of the Fund, which include the ability

to restrict redemptions and require certain minimum holdings and subscriptions.

The Investment Advisor monitors capital on the basis of the value of net assets attributable to the redeemable unitholder.

## 8.5 Fair Value Hierarchy

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

FRS 102 requires the Trust to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

The fair value hierarchy has the following levels:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than listed prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Trust. The Trust considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Trust has adopted "Amendments to FRS 102 - Fair value hierarchy disclosures", effective for accounting periods beginning on or after 1 January 2017, which were issued by the Financial Reporting Council ("FRC"). FRED 62 proposes to amend paragraphs 34.22 and 34.42 of FRS 102 to require disclosure of financial instruments held at fair value on the basis of a fair value hierarchy consistent with EU-adopted IFRS based on Level 1, 2 and 3 classifications. The financial statements have been prepared in accordance with these amendments and fair value measurement is categorised based on Level 1, 2 and 3.

The Trust's financial assets measured at fair value at 31 December 2017 and 31 December 2016 were all classified as Level 1 within the fair value hierarchy. There were no transfers between the levels during the reporting periods. There were no financial liabilities at 31 December 2017 and 31 December 2016.

## 9. Exchange Rates

The following closing exchange rates at 31 December 2017 and 31 December 2016 were used to translate foreign currency assets and liabilities:

USD Funds	31 December 2017	31 December 2016
USD/EUR	0.83275	0.94808
USD/GBP	0.73923	0.80929
USD/JPY	112.65001	116.63497
USD/ZAR	12.38000	13.67503

GBP Funds	31 December 2017	31 December 2016
GBP/USD	1.35275	1.23565
GBP/ZAR	16.74705	16.89755

EUR Funds	31 December 2017	31 December 2016
EUR/GBP	0.88771	0.85361
EUR/USD	1.20084	1.05476
EUR/ZAR	14.86644	14.42386

## 10. Portfolio Transaction Costs

STANLIB European Equity Fund	31 December 2017	31 December 2016
Analysis of total purchase costs	EUR	EUR
Purchases before transaction costs	1,300,000	7,350,000
Total purchase transaction costs	–	–
Gross purchases	1,300,000	7,350,000

Analysis of total sales costs		
Gross sales before transaction costs	6,720,000	7,130,000
Total sales transaction costs	–	–
Gross sales	6,720,000	7,130,000

STANLIB Global Equity Fund	31 December 2017	31 December 2016
Analysis of total purchase costs	USD	USD
Purchases before transaction costs	5,785,000	6,522,000
Total purchase transaction costs	–	–
Gross purchases	5,785,000	6,522,000

Analysis of total sales costs		
Gross sales before transaction costs	1,050,000	1,150,000
Total sales transaction costs	–	–
Gross sales	1,050,000	1,150,000

STANLIB Offshore America Fund	31 December 2017	31 December 2016
Analysis of total purchase costs	USD	USD
Purchases before transaction costs	325,000	315,000
Total purchase transaction costs	–	–
Gross purchases	325,000	315,000

Analysis of total sales costs		
Gross sales before transaction costs	1,100,000	620,000
Total sales transaction costs	–	–
Gross sales	1,100,000	620,000

<b>STANLIB Global Emerging Markets Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	290,000	105,000
Total purchase transaction costs	–	–
Gross purchases	290,000	105,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	650,000	1,445,000
Total sales transaction costs	–	–
Gross sales	650,000	1,445,000

<b>STANLIB Global Bond Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	90,000	145,000
Total purchase transaction costs	–	–
Gross purchases	90,000	145,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	1,025,000	650,000
Total sales transaction costs	–	–
Gross sales	1,025,000	650,000

<b>STANLIB Euro Cash Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>EUR</b>	<b>EUR</b>
Purchases before transaction costs	140,000	140,000
Total purchase transaction costs	–	–
Gross purchases	140,000	140,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	425,024	765,354
Total sales transaction costs	–	–
Gross sales	425,024	765,354

<b>STANLIB Sterling Cash Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>GBP</b>	<b>GBP</b>
Purchases before transaction costs	1,110,000	665,000
Total purchase transaction costs	–	–
Gross purchases	1,110,000	665,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	870,000	650,000
Total sales transaction costs	–	–
Gross sales	870,000	650,000

<b>STANLIB US Dollar Cash Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	815,000	420,000
Total purchase transaction costs	–	–
Gross purchases	815,000	420,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	925,000	802,016
Total sales transaction costs	–	–
Gross sales	925,000	802,016

<b>STANLIB Global Aggressive Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	1,549,270	308,070
Total purchase transaction costs	–	–
Gross purchases	1,549,270	308,070

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	2,216,353	932,936
Total sales transaction costs	–	–
Gross sales	2,216,353	932,936

<b>STANLIB Global Balanced Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	4,700,000	4,650,000
Total purchase transaction costs	–	–
Gross purchases	4,700,000	4,650,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	600,000	1,550,000
Total sales transaction costs	–	–
Gross sales	600,000	1,550,000

<b>STANLIB Global Balanced Cautious Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	1,455,000	2,610,000
Total purchase transaction costs	–	–
Gross purchases	1,455,000	2,610,000

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	880,000	1,255,000
Total sales transaction costs	–	–
Gross sales	880,000	1,255,000

<b>STANLIB Global Property Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	3,530,000	27,451,870
Total purchase transaction costs	–	–
Gross purchases	3,530,000	27,451,870

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	2,330,000	12,000,000
Total sales transaction costs	–	–
Gross sales	2,330,000	12,000,000

<b>STANLIB Multi-Manager Global Equity Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	980,379	16,500
Total purchase transaction costs	–	–
Gross purchases	980,379	16,500

<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	3,048	2,054
Total sales transaction costs	–	–
Gross sales	3,048	2,054

<b>STANLIB Multi-Manager Global Bond Fund</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Analysis of total purchase costs</b>	<b>USD</b>	<b>USD</b>
Purchases before transaction costs	11,890	2,900
Total purchase transaction costs	–	–
Gross purchases	11,890	2,900
<b>Analysis of total sales costs</b>		
Gross sales before transaction costs	1,020	2,022
Total sales transaction costs	–	–
Gross sales	1,020	2,022

## 11. Significant Events during the year

Effective 1 September 2017, the registered address of BNY Mellon Fund Services (Ireland) Designated Activity Company was changed to One Dockland Central, Guild Street, International Financial Services Centre, Dublin 1, Ireland.

Capita Trust Company (Jersey) Limited was acquired by Link Administration Holdings Limited on 6 November 2017 and has been renamed Link Corporate Services (Jersey) Limited.

There were no other significant events during the year ended 31 December 2017 that require disclosure in these financial statements.

## 12. Subsequent Events

There was no post Statement of Financial Position event up to the date of approval of the financial statements.

## 13. Approval of Financial Statements

The financial statements were approved by the Directors of the Manager on 1 May 2018.

# Total Expense Ratio (Unaudited)

The Total Expense Ratio (“TER”) is calculated and disclosed as per the guidelines issued by the Investment Management Association. The ratio expresses the sum of all costs charged on an ongoing basis to each Class Fund’s assets (operating expenses) taken retrospectively as a percentage of each Class Fund’s average net assets. For clarity, when the fund is investing in other funds, the ongoing costs of these funds are not incorporated in the calculation of the TER.

	31 December 2017	31 December 2016
STANLIB European Equity Fund A	1.32%	1.41%
STANLIB European Equity Fund B1	0.82%	0.57%
STANLIB European Equity Fund B2	0.52%	0.23%
STANLIB Global Equity Fund A	1.22%	1.35%
STANLIB Global Equity Fund B1	0.62%	0.54%
STANLIB Global Equity Fund B2	0.32%	0.13%
STANLIB Offshore America Fund	1.47%	1.45%
STANLIB Global Emerging Markets Fund A	1.34%	1.41%
STANLIB Global Emerging Markets Fund B1	0.72%	0.30%
STANLIB Global Emerging Markets Fund B2	0.53%	0.25%
STANLIB Global Bond Fund A	1.05%	1.08%
STANLIB Global Bond Fund B1	0.44%	0.20%
STANLIB Global Bond Fund B2	0.25%	0.09%
STANLIB Euro Cash Fund	0.63%	0.61%
STANLIB Sterling Cash Fund	0.66%	0.64%
STANLIB US Dollar Cash Fund	0.64%	0.62%
STANLIB Global Aggressive Fund	0.84%	0.83%
STANLIB Global Balanced Fund A	1.22%	1.36%
STANLIB Global Balanced Fund B1	0.62%	0.29%
STANLIB Global Balanced Cautious Fund A	1.23%	1.36%
STANLIB Global Balanced Cautious Fund B1	0.63%	0.30%
STANLIB Global Property Fund A	1.23%	1.28%
STANLIB Global Property Fund B1	0.53%	0.49%
STANLIB Global Property Fund B2	0.33%	0.26%
STANLIB Multi-Manager Global Equity Fund A	0.03%	0.02%
STANLIB Multi-Manager Global Equity Fund B1	0.03%	-
STANLIB Multi-Manager Global Bond Fund A	0.03%	-
STANLIB Multi-Manager Global Bond Fund B1	0.03%	-

# Fund Statistics (Unaudited)

	Net Asset Value	Net asset value per unit	% change in Period	Highest price*	Lowest price
<b>STANLIB European Equity Fund A</b>	<b>EUR</b>	<b>EUR</b>		<b>EUR</b>	<b>EUR</b>
31 December 2008	28,545,465	10.04	–	19.70	9.67
31 December 2009	33,645,315	12.84	27.89	12.95	8.28
31 December 2010	34,008,300	14.41	12.23	14.68	11.91
31 December 2011	32,805,407	12.85	(10.83)	15.12	11.12
31 December 2012	33,191,751	15.57	21.17	15.63	11.12
31 December 2013	35,262,560	18.46	18.56	18.46	15.57
31 December 2014	48,853,814	19.45	5.36	19.81	17.41
31 December 2015	61,454,616	21.98	13.01	24.15	19.05
31 December 2016	49,571,559	20.93	(4.78)	21.60	18.23
31 December 2017	53,311,033	22.80	8.93	23.58	20.85
<b>STANLIB European Equity Fund B1</b>	<b>EUR</b>	<b>EUR</b>		<b>EUR</b>	<b>EUR</b>
31 December 2016	8,843,896	10.34	–	10.34	9.03
31 December 2017	5,179,854	11.32	9.48	11.69	10.30
<b>STANLIB European Equity Fund B2</b>	<b>EUR</b>	<b>EUR</b>		<b>EUR</b>	<b>EUR</b>
31 December 2016	126,295	10.37	–	10.37	9.46
31 December 2017	439,116	11.38	9.74	11.76	10.33
<b>STANLIB Global Equity Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	27,542,367	10.56	–	20.27	8.81
31 December 2009	33,432,086	13.97	32.29	14.02	8.25
31 December 2010	34,853,781	15.85	13.46	15.86	12.46
31 December 2011	41,830,842	14.45	(8.83)	18.16	13.38
31 December 2012	40,148,505	15.92	10.17	16.19	14.30
31 December 2013	50,275,080	20.03	25.82	20.11	15.92
31 December 2014	52,467,624	20.17	0.70	20.90	18.62
31 December 2015	55,413,992	20.63	2.28	21.61	18.88
31 December 2016	60,565,979	20.73	0.48	21.54	17.98
31 December 2017	81,290,805	27.05	30.49	27.07	20.83
<b>STANLIB Global Equity Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	181,089	11.38	–	11.81	10.11
31 December 2017	769,132	14.94	31.28	14.95	11.44

\*Based on reported net asset value



	Net Asset Value	Net asset value per unit	% change in Period	Highest price*	Lowest price*
<b>STANLIB Global Equity Fund B2</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	55,309	9.96	–	10.32	9.69
31 December 2017	4,420,118	13.12	31.73	13.13	10.01
<b>STANLIB Offshore America Fund</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	4,112,082	10.48	–	18.87	8.58
31 December 2009	5,417,225	14.58	39.12	14.61	8.39
31 December 2010	5,774,035	16.21	11.18	16.24	12.83
31 December 2011	6,194,902	15.45	(4.69)	17.45	13.62
31 December 2012	7,107,689	17.70	14.56	18.19	15.55
31 December 2013	10,659,820	23.39	32.15	23.39	17.70
31 December 2014	14,446,345	27.04	15.60	27.13	22.51
31 December 2015	12,964,886	27.05	0.04	28.28	24.93
31 December 2016	13,678,689	29.33	8.43	29.72	23.90
31 December 2017	13,952,496	31.82	8.49	31.82	29.13
<b>STANLIB Global Emerging Markets Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	7,529,483	11.15	–	18.92	9.08
31 December 2009	13,748,098	18.82	68.79	22.75	9.31
31 December 2010	19,744,790	22.52	19.66	24.53	16.46
31 December 2011	16,713,842	18.50	(17.85)	14.23	16.50
31 December 2012	18,600,470	21.81	17.89	21.18	18.57
31 December 2013	16,585,140	22.54	3.35	22.75	19.32
31 December 2014	15,453,768	22.17	(1.64)	25.17	20.72
31 December 2015	11,741,447	18.43	(16.87)	24.28	17.96
31 December 2016	10,930,660	19.26	4.50	21.46	16.61
31 December 2017	13,279,911	25.24	31.05	25.32	19.35
<b>STANLIB Global Emerging Markets Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	464	9.28	–	10.33	9.03
31 December 2017	61,356	12.24	31.90	12.27	9.33
<b>STANLIB Global Emerging Markets Fund B2</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	138,174	9.29	–	10.33	9.03
31 December 2017	1,086,538	12.27	32.08	12.29	9.33
<b>STANLIB Global Bond Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	2,753,425	14.34	–	16.49	13.47
31 December 2009	2,371,282	16.70	16.46	17.01	13.17
31 December 2010	2,450,613	18.32	9.70	18.85	16.62
31 December 2011	9,514,254	19.84	8.30	20.04	18.08
31 December 2012	14,055,603	21.56	8.67	21.56	20.35
31 December 2013	12,695,524	20.47	(5.06)	21.62	20.32
31 December 2014	9,027,746	20.76	1.42	21.68	20.39
31 December 2015	6,372,875	18.57	(10.55)	21.28	18.49
31 December 2016	6,030,179	19.17	3.23	20.84	18.28
31 December 2017	5,595,785	21.02	9.65	21.62	19.00

\* Based on reported net asset value

	Net Asset Value	Net asset value per unit	% change in Period	Highest price*	Lowest price
<b>STANLIB Global Bond Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	29,103	9.37	–	10.17	9.27
31 December 2017	61,237	10.34	10.35	10.61	9.29
<b>STANLIB Global Bond Fund B2</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	19,764	9.43	–	10.22	9.33
31 December 2017	76,415	10.42	10.50	10.69	9.35
<b>STANLIB Euro Cash Fund</b>	<b>EUR</b>	<b>EUR</b>		<b>EUR</b>	<b>EUR</b>
31 December 2008	12,920,184	6.37	–	6.37	6.17
31 December 2009	12,323,798	6.37	–	6.38	6.37
31 December 2010	8,969,191	6.32	(0.78)	6.38	6.32
31 December 2011	7,397,676	6.27	(0.79)	6.32	6.27
31 December 2012	5,744,342	6.22	(0.80)	6.27	6.22
31 December 2013	4,624,026	6.16	(0.96)	6.22	6.16
31 December 2014	4,322,221	6.12	(0.65)	6.16	6.12
31 December 2015	4,700,272	6.08	(0.65)	6.12	6.08
31 December 2016	4,015,270	6.02	(0.99)	6.08	6.02
31 December 2017	3,721,364	5.96	(1.00)	6.02	5.96
<b>STANLIB Sterling Cash Fund</b>	<b>GBP</b>	<b>GBP</b>		<b>GBP</b>	<b>GBP</b>
31 December 2008	11,968,798	15.50	–	15.50	14.89
31 December 2009	10,651,255	15.50	–	15.52	15.50
31 December 2010	8,657,173	15.39	(0.71)	15.50	15.41
31 December 2011	7,058,743	15.28	(0.71)	15.41	15.28
31 December 2012	5,731,890	15.19	(0.59)	15.28	15.19
31 December 2013	4,164,667	15.10	(0.59)	15.19	15.10
31 December 2014	3,367,894	15.04	(0.40)	15.10	15.04
31 December 2015	3,163,626	15.01	(0.20)	15.04	15.01
31 December 2016	3,178,650	14.97	(0.27)	15.01	14.97
31 December 2017	3,435,342	14.90	(0.47)	14.97	14.90
<b>STANLIB US Dollar Cash Fund</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	14,945,130	13.55	–	13.55	13.32
31 December 2009	12,834,108	13.52	(0.22)	13.55	13.53
31 December 2010	11,280,194	13.42	(0.74)	13.53	13.42
31 December 2011	9,528,782	13.30	(0.89)	13.41	13.30
31 December 2012	7,855,391	13.20	(0.75)	13.30	13.30
31 December 2013	6,752,335	13.08	(0.91)	13.20	13.08
31 December 2014	5,939,905	12.99	(0.69)	13.08	12.99
31 December 2015	6,835,445	12.93	(0.46)	12.99	12.93
31 December 2016	6,431,880	12.92	(0.08)	12.93	12.92
31 December 2017	6,388,117	12.98	0.46	12.98	12.92
<b>STANLIB Global Aggressive Fund</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	4,592,187	10.79	–	19.33	9.11
31 December 2009	6,149,474	14.08	30.49	14.17	8.55
31 December 2010	6,976,739	15.55	10.44	15.60	12.71
31 December 2011	6,081,079	13.62	(12.41)	16.50	12.63
31 December 2012	6,107,836	15.59	14.46	15.71	13.75
31 December 2013	6,265,285	17.96	15.20	17.96	15.59
31 December 2014	5,929,003	18.21	1.39	18.90	17.15

\*Based on reported net asset value

	Net Asset Value	Net asset value per unit	% change in Period	Highest price*	Lowest price*
<b>STANLIB Global Aggressive Fund</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2015	5,017,472	18.13	(0.44)	19.74	17.04
31 December 2016	4,378,064	18.08	(0.28)	18.90	15.79
31 December 2017	4,750,109	22.72	25.66	22.72	18.08
<b>STANLIB Global Balanced Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	31,926,882	11.92	–	18.60	10.46
31 December 2009	38,799,195	15.07	26.43	15.22	10.02
31 December 2010	41,048,020	16.34	8.43	16.53	13.65
31 December 2011	36,154,339	15.01	(8.14)	17.42	14.00
31 December 2012	38,823,045	16.99	13.19	17.42	17.11
31 December 2013	41,382,377	18.74	10.30	18.74	16.84
31 December 2014	45,086,542	18.72	(0.11)	19.45	18.06
31 December 2015	46,500,829	18.62	(0.53)	19.26	17.62
31 December 2016	48,046,706	18.49	(0.70)	19.47	16.98
31 December 2017	61,704,516	22.29	20.55	22.29	18.51
<b>STANLIB Global Balanced Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	573,327	9.76	–	10.25	9.62
31 December 2017	2,597,230	11.83	21.21	11.83	9.77
<b>STANLIB Global Balanced Cautious Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2008	22,004,386	11.40	–	16.59	10.25
31 December 2009	28,443,416	13.99	22.72	14.38	9.66
31 December 2010	28,357,548	14.51	3.72	14.85	12.71
31 December 2011	24,913,542	13.61	(6.20)	15.19	13.11
31 December 2012	23,071,826	14.72	8.16	14.79	13.54
31 December 2013	23,235,393	15.46	5.03	15.47	14.43
31 December 2014	22,416,645	15.03	(2.78)	15.88	14.97
31 December 2015	22,275,193	14.58	(2.99)	15.13	14.27
31 December 2016	22,251,367	14.30	(1.92)	15.19	13.90
31 December 2017	25,205,143	16.14	12.87	16.14	14.26
<b>STANLIB Global Balanced Cautious Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	687,146	9.59	–	10.17	9.50
31 December 2017	1,751,196	10.89	13.56	10.89	9.56
<b>STANLIB Global Property Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2010	494,511	11.18	11.80	11.18	3.70
31 December 2011	1,001,318	11.03	(1.34)	12.35	4.18
31 December 2012	2,585,306	13.47	22.12	13.49	12.01
31 December 2013	9,077,301	13.00	(3.49)	14.84	12.76
31 December 2014	12,078,922	15.31	17.77	15.49	12.93
31 December 2015	21,045,514	15.46	0.98	16.48	14.23
31 December 2016	32,416,012	15.28	(1.16)	17.01	14.11
31 December 2017	32,920,875	16.17	5.82	16.25	14.83
<b>STANLIB Global Property Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	1,895,543	10.87	–	12.07	10.00
31 December 2017	2,590,484	11.58	6.53	11.64	10.57

\*Based on reported net asset value

	Net Asset Value	Net asset value per unit	% change in Period	Highest price*	Lowest price*
<b>STANLIB Global Property Fund B2</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	1,665,076	9.88	–	10.96	9.34
31 December 2017	4,332,214	10.55	6.78	10.59	9.61
<b>STANLIB Multi-Manager Global Equity Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	14,217	10.94	–	11.27	9.76
31 December 2017	963,936	13.17	20.38	13.18	10.99
<b>STANLIB Multi-Manager Global Equity Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	497	9.94	–	10.24	9.48
31 December 2017	262,319	11.97	20.42	11.98	9.99
<b>STANLIB Multi-Manager Global Bond Fund A</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	485	9.71	–	10.57	9.59
31 December 2017	11,443	10.48	7.93	10.64	9.64
<b>STANLIB Multi-Manager Global Bond Fund B1</b>	<b>USD</b>	<b>USD</b>		<b>USD</b>	<b>USD</b>
31 December 2016	467	9.35	–	10.11	9.23
31 December 2017	1,009	10.11	8.13	10.25	9.28

\*Based on reported net asset value

# Portfolio Statements (Unaudited)

## STANLIB European Equity Fund

As at 31 December 2017

	Nominal holding	Cost EUR	Fair value EUR	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB European Equity Fund	58,941	57,570,757	58,699,416	99.61
<b>Total Collective Investment Schemes</b>		<b>57,570,757</b>	<b>58,699,416</b>	<b>99.61</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>58,699,416</b>	<b>99.61</b>
Net current assets			230,587	0.39
<b>Total net assets</b>			<b>58,930,003</b>	<b>100.00</b>

## STANLIB Global Equity Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB High Alpha Global Equity Fund	55,321	46,125,705	85,856,700	99.28
<b>Total Collective Investment Schemes</b>		<b>46,125,705</b>	<b>85,856,700</b>	<b>99.28</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>85,856,700</b>	<b>99.28</b>
Net current assets			623,355	0.72
<b>Total net assets</b>			<b>86,480,055</b>	<b>100.00</b>

## STANLIB Offshore America Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Luxembourg				
Fidelity Funds - America Fund	1,289,598	7,025,794	13,888,970	99.54
<b>Total Collective Investment Schemes</b>		<b>7,025,794</b>	<b>13,888,970</b>	<b>99.54</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>13,888,970</b>	<b>99.54</b>
Net current assets			63,526	0.46
<b>Total net assets</b>			<b>13,952,496</b>	<b>100.00</b>

## STANLIB Global Emerging Markets Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB Global Emerging Markets Fund	11,626	11,884,691	14,307,757	99.17
<b>Total Collective Investment Schemes</b>		<b>11,884,691</b>	<b>14,307,757</b>	<b>99.17</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>14,307,757</b>	<b>99.17</b>
Net current assets			120,048	0.83
<b>Total net assets</b>			<b>14,427,805</b>	<b>100.00</b>

## STANLIB Global Bond Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB Global Bond Fund	3,809	5,394,239	5,656,775	98.66
<b>Total Collective Investment Schemes</b>		<b>5,394,239</b>	<b>5,656,775</b>	<b>98.66</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>5,656,775</b>	<b>98.66</b>
Net current assets			76,662	1.34
<b>Total net assets</b>			<b>5,733,437</b>	<b>100.00</b>

## STANLIB Euro Cash Fund

As at 31 December 2017

	Nominal holding	Cost EUR	Fair value EUR	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Ireland				
Fidelity Institutional Liquidity Fund Plc - The Euro Fund	262	3,679,369	3,652,819	98.16
<b>Total Collective Investment Schemes</b>		<b>3,679,369</b>	<b>3,652,819</b>	<b>98.16</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>3,652,819</b>	<b>98.16</b>
Net current assets			68,545	1.84
<b>Total net assets</b>			<b>3,721,364</b>	<b>100.00</b>

## STANLIB Sterling Cash Fund

As at 31 December 2017

	Nominal holding	Cost GBP	Fair value GBP	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Ireland				
Fidelity Institutional Liquidity Fund Plc - The Sterling Fund	162	3,334,111	3,363,636	97.91
<b>Total Collective Investment Schemes</b>		<b>3,334,111</b>	<b>3,363,636</b>	<b>97.91</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>3,363,636</b>	<b>97.91</b>
Net current assets			71,706	2.09
<b>Total net assets</b>			<b>3,435,342</b>	<b>100.00</b>

## STANLIB US Dollar Cash Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Ireland				
Fidelity Institutional Liquidity Fund Plc - The United States Dollar Fund	363	6,180,991	6,284,847	98.38
<b>Total Collective Investment Schemes</b>		<b>6,180,991</b>	<b>6,284,847</b>	<b>98.38</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>6,284,847</b>	<b>98.38</b>
Net current assets			103,270	1.62
<b>Total net assets</b>			<b>6,388,117</b>	<b>100.00</b>

## STANLIB Global Aggressive Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
<b>Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market</b>				
<b>Collective Investment Schemes</b>				
<b>Luxembourg</b>				
Fidelity Funds - America Fund	20,074	213,592	216,202	4.55
Fidelity Funds - China Focus Fund	4,343	213,075	318,850	6.71
Fidelity Funds - Emerging Markets Fund	10,640	253,846	323,237	6.81
Fidelity Funds - European Dynamic Growth Fund	3,504	200,573	227,631	4.79
Fidelity Funds - European Smaller Companies Fund	307	14,915	19,695	0.41
Fidelity Funds - Global Focus Fund	13,540	749,656	930,483	19.59
Fidelity Funds - Global Property Fund	150,081	350,347	363,207	7.65
Fidelity Funds - International Fund	14,929	581,689	864,085	18.19
Fidelity Funds - Japan Advantage Fund	907	213,801	303,383	6.39
Fidelity Funds - Japan Fund	97,714	134,872	182,503	3.84
Fidelity Funds - World Fund	65,155	855,000	916,083	19.29
<b>Total Collective Investment Schemes</b>		<b>3,781,366</b>	<b>4,665,359</b>	<b>98.22</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>4,665,359</b>	<b>98.22</b>
Net current assets			84,750	1.78
<b>Total net assets</b>			<b>4,750,109</b>	<b>100.00</b>

## STANLIB Global Balanced Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
<b>Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market</b>				
<b>Collective Investment Schemes</b>				
<b>Jersey</b>				
STANLIB Funds Limited - STANLIB Global Balanced Fund	47,485	51,934,985	64,048,519	99.61
<b>Total Collective Investment Schemes</b>		<b>51,934,985</b>	<b>64,048,519</b>	<b>99.61</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>64,048,519</b>	<b>99.61</b>
Net current assets			253,227	0.39
<b>Total net assets</b>			<b>64,301,746</b>	<b>100.00</b>



## STANLIB Global Balanced Cautious Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB Global Balanced Cautious Fund	23,672	24,546,084	26,860,281	99.64
Total Collective Investment Schemes		24,546,084	26,860,281	99.64
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			26,860,281	99.64
Net current assets			96,058	0.36
Total net assets			26,956,339	100.00

## STANLIB Global Property Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB Global Property Fund	16,118	37,531,617	39,658,994	99.54
Total Collective Investment Schemes		37,531,617	39,658,994	99.54
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			39,658,994	99.54
Net current assets			184,579	0.46
Total net assets			39,843,573	100.00

## STANLIB Multi-Manager Global Equity Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market				
Collective Investment Schemes				
Jersey				
STANLIB Funds Limited - STANLIB Multi-Manager Global Equity Fund	409	1,132,363	1,198,135	97.71
Total Collective Investment Schemes		1,132,363	1,198,135	97.71
Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market			1,198,135	97.71
Net current assets			28,120	2.29
Total net assets			1,226,255	100.00

## STANLIB Multi-Manager Global Bond Fund

As at 31 December 2017

	Nominal holding	Cost USD	Fair value USD	% of net assets
<b>Transferable Securities Admitted to an Official Exchange Listing or Dealt in on Another Regulated Market</b>				
<b>Collective Investment Schemes</b>				
<b>Jersey</b>				
STANLIB Funds Limited - STANLIB Multi-Manager Global Bond Fund	6	11,878	12,437	99.88
<b>Total Collective Investment Schemes</b>		<b>11,878</b>	<b>12,437</b>	<b>99.88</b>
<b>Total Transferable Securities Admitted to An Official Stock Exchange Listing or Dealt in on Another Regulated Market</b>			<b>12,437</b>	<b>99.88</b>
Net current assets			15	0.12
<b>Total net assets</b>			<b>12,452</b>	<b>100.00</b>



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