

STANLIB Lesotho

STANLIB



01

About STANLIB

About STANLIB Lesotho

03

STANLIB Lesotho Income Fund

04

STANLIB Lesotho Money Market Fund

05

STANLIB Lesotho Equity Fund

06

STANLIB Lesotho Multi-Asset capability

07

STANLIB Lesotho Direct Property capability

08

General information

09

Requirements and supporting documents



**Multi-specialist
investment backed
by 1 230* years of
collective investment
experience.**



STANLIB

stanlib.com/lesotho

*As at 07 February 2019

STANLIB Lesotho is registered as a Manager under the Central Bank of Lesotho (Collective Investment Schemes) Regulations 2018.

About STANLIB

We are a Pan-African multi-specialist investment company, active in eight African countries. We have business partners in North America, the United Kingdom, Europe, the Middle East, and Asia.

STANLIB manages and administers R600 billion (USD42 billion) (as at 31 December 2018) assets for more than 500,000 retail and institutional clients. We operate in eight African countries and in key developed markets globally.

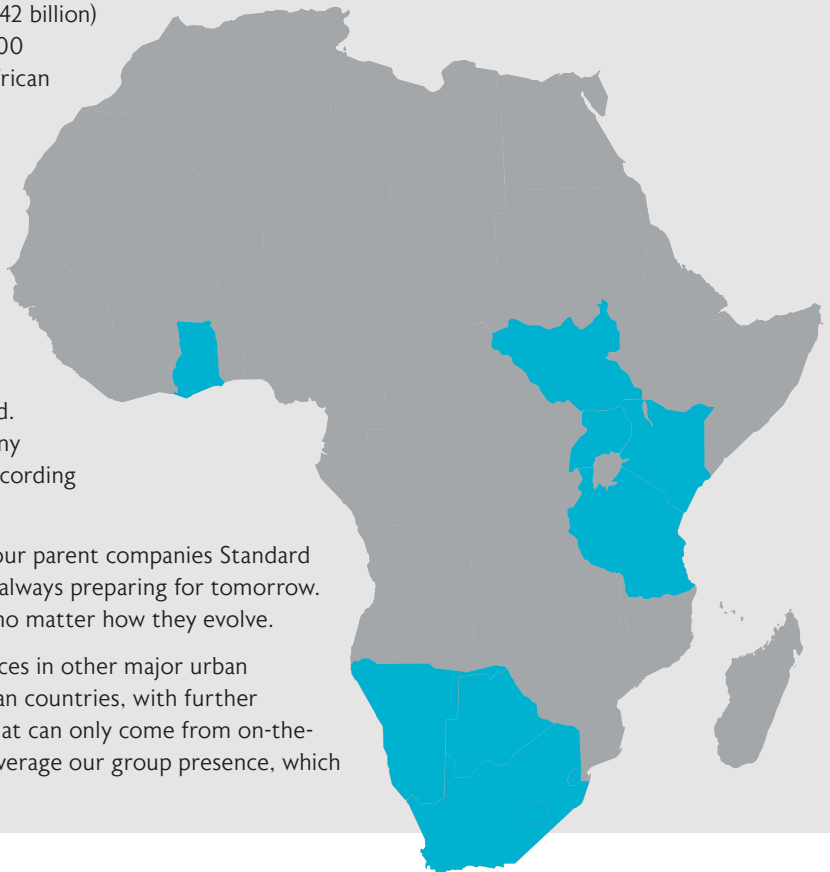
STANLIB was founded in 2002 when Standard Bank Asset Management and Liberty Asset Management joined forces.

STANLIB is fully owned by Liberty Holdings Limited and is a subsidiary of the Standard Bank Group.

Our largest client is our parent company, Liberty Holdings. Such large-scale, long-term investment ensures we are strongly supported and well resourced. At the same time, being a separate registered company gives us the freedom to manage our clients' assets according to our philosophy.

We've built our business on the same foundation as our parent companies Standard Bank and Liberty Holdings – focusing on today while always preparing for tomorrow. This allows us to continually meet our clients' needs no matter how they evolve.

Our head office is in Johannesburg, with regional offices in other major urban centres around South Africa and in seven other African countries, with further expansion plans afoot. This gives us the knowledge that can only come from on-the-ground presence on the continent. In addition, we leverage our group presence, which complements our own.



About STANLIB Lesotho

STANLIB Lesotho (Pty) Ltd, previously Standard Lesotho Bank Unit Trust (Pty) Ltd, is a licensed financial services provider regulated by the Central Bank of Lesotho under the Collective Investment Schemes Regulations, 2018. STANLIB Lesotho (Pty) Ltd was established in August 2001 as a joint venture between Standard Lesotho Bank and STANLIB South Africa, with management control residing with STANLIB South Africa.

The establishment of STANLIB Lesotho (Pty) Ltd brought to the market an asset manager with capabilities to manage collective investment schemes, with both a local and international investment focus to meet diverse client needs. The establishment of the company was initially pursuant to the government of Lesotho's Privatization and Private Sector Development Programme, with a view to facilitate the participation of Basotho (citizens) in the shares previously owned or held by parastatals in terms of indirect ownership.

Our clients

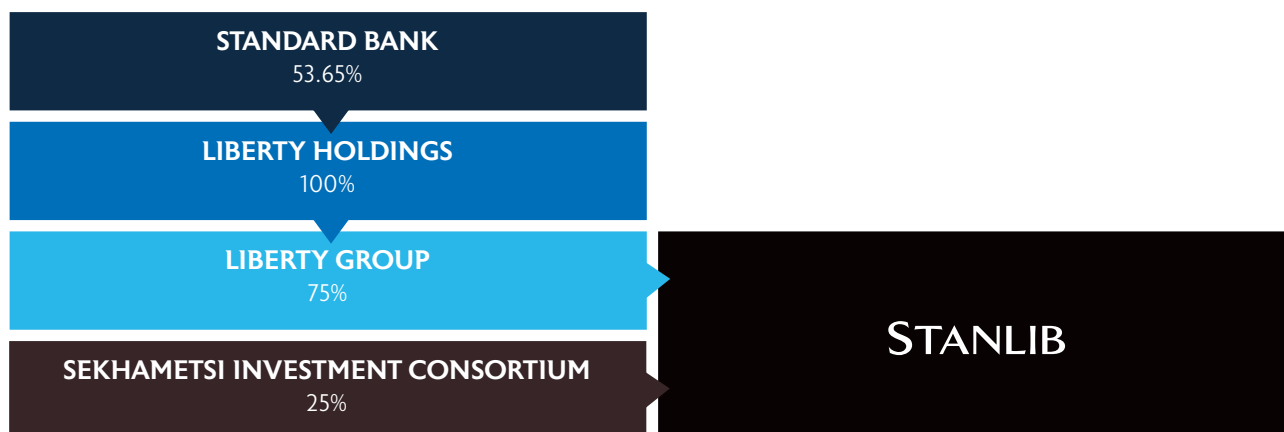
Our clients are mainly institutional and corporate investors with short-term cash management and medium-to-long term investment needs, including retirement funds asset management; and retail investors with surplus cash to invest at regular intervals or in once off lump sum investments. Our retail clients comprise of individual investors, high net-worth individuals, stokvels, clubs, small business associations and community cooperatives. We have representation in all 10 of the districts of Lesotho, predominantly in the principal towns through Standard Lesotho Bank's extensive branch network, Standard Lesotho Bank relationship managers, as well as our network of brokers and independent financial advisors. Standard Lesotho Bank's extensive branch network forms the core of our distribution and client service network.

Our heritage

Our parent company STANLIB, is one of Africa's leading asset managers with its headquarters in South Africa. STANLIB manages and administers R600 billion (USD42 billion) (as at 31 December 2018) assets for more than 500,000 retail and institutional clients. We operate in eight African countries and in key developed markets globally. We have a proud heritage and more than 1230 years of collective experience in our investment team. STANLIB was founded in 2002 when Liberty Asset Management and Standard Corporate and Merchant Bank Asset Management merged. Liberty Asset Management and SCMB Asset Management had managed investments for over 25 years prior to their merger.

STANLIB is fully owned by Liberty Holdings Limited and is a subsidiary of the Standard Bank Group.

Additional information can be accessed by contacting our head offices based in Maseru on +266 22326821 or by visiting your nearest Standard Lesotho Bank branch.



STANLIB Lesotho Income Fund



What is the STANLIB Lesotho Income Fund?

The STANLIB Lesotho Income Fund is a unit trust that aims to obtain a reasonable level of current income while maintaining maximum stability for capital invested. The Fund invests in fixed income securities (i.e. bonds) and other non-equity securities like financially sound preference shares, debenture stock, debenture bonds, and other securities in the Common Monetary Area (CMA).

The STANLIB Lesotho Income Fund has been specifically developed to meet the growing demand for conservative income solutions in Lesotho.

The STANLIB Lesotho Income Fund only invests in instruments issued by credible institutions and measures are in place to prevent over exposure to any one institution. This restriction presents the foundation for the diversification that this Fund offers. The STANLIB Lesotho Income Fund may invest in government issues of the Republic of South Africa, Kingdom of Lesotho, Republic of Namibia and Kingdom of Swaziland, as well as corporate issues of companies domiciled or registered in the CMA region.

The Fund is managed by a team of skilled and experienced fund managers whose industry experience provides synergistic benefits to investors by giving them direct access to the expertise and experience of one of Africa's leading fixed income teams. The weighted average maturity of this Fund may not exceed two years and the Fund may not have any direct/indirect foreign exposure.

Who should invest?

The STANLIB Lesotho Income Fund is suitable for those investors who are looking for a conservative investment solution that aims to maximise their income while maintaining capital stability. The Fund also appeals to those investors that require a relatively liquid investment with exposure to fixed interest instruments across the CMA region. The STANLIB Lesotho Income Fund may suffice as a stand-alone investment solution or form part of a diversified portfolio of investments.

The Fund is suitable for investors who:

- require a low risk income fund with regular income declarations
- seek reasonable levels of current income and maximum stability for capital invested
- require a potentially higher yield than money market over the medium term

Why invest in the STANLIB Lesotho Income Fund?

The economies of scale achieved through pooling of investments enables the Fund manager to purchase higher yielding instruments that individual clients and medium-sized corporates and institutions would not normally have access to.

The STANLIB Lesotho Income Fund provides a stable environment in which investments can be housed; and the quarterly distributions can supplement investors' income. Investing in the income class offers other distinctive advantages:

- Fixed income investments closely simulate cash, but often give a higher return than cash
- It is a highly liquid asset class with a low risk of capital loss
- A solid and consistent income stream

The Lesotho economy will also benefit from this Fund through investment in local securities and the subsequent capital market development. This comes at a time when it is imperative to develop a capital market to fund Lesotho's economic and infrastructure development plans.

Investment amounts

Minimum initial investment amount	: M 15'000.00
Minimum top-up and debit order	: M 1'000.00
Minimum Repurchase amount	: M 2'000.00
Minimum Account balance	: M 15'000.00

Fee structure

Initial fee	Nil (institutional investors) 1.50%
Annual management fee	1.00% per annum (institutional investors) 1.25% per annum (retail investors)

STANLIB Lesotho Money Market Fund



What is the STANLIB Lesotho Money Market Fund?

The STANLIB Lesotho Money Market Fund is a unit trust (collective investment scheme) that aims to maximise income while preserving capital over the medium-term; and to ensure liquidity of funds invested. It invests in a wide range of highly marketable short-term debt securities, which include short-term government securities like treasury bills, corporate financial instruments such as bankers' acceptances, negotiable certificates of deposit (NCDs), commercial paper and other debt securities issued by South African and Common Monetary Area governments and banks (Lesotho, Swaziland and Namibia). Interest is calculated daily and paid at the end of each month.

There is currently a great demand for alternative cash products in Lesotho; and this Fund is ideally positioned for investors looking for investment returns that are stronger than local bank deposits with the convenience of a call account.

Who should invest?

The Fund caters for corporates, institutions and private investors who have cash available to invest over the medium-term and require the flexibility to withdraw funds at relatively short notice.

This Fund is suitable for:

- Investors who require a wholesale interest rate on cash
- Short-term investors requiring a 'parking bay' for their cash
- Investors who require low-risk, secure investments with yields in excess of traditional banking products

Why invest in the STANLIB Lesotho Money Market Fund?

In the past, investors have relied on savings accounts as a savings vehicle for a home purchase, children's education, retirement or for emergencies. Investors now have the opportunity to utilise the STANLIB Lesotho Money Market Fund for all their savings needs, at higher yields on cash deposits than traditional savings accounts and term deposits.

The economies of scale achieved through pooling of investments enables the fund manager to purchase higher yielding instruments that individual clients and medium-sized corporates and institutions would not normally have access to through traditional savings and normal bank deposits. The Fund also provides investors direct access to the expertise and experience of one of Africa's leading money market investment teams.

Investment amounts

Minimum initial investment amount	: M 15'000.00
Minimum top-up and debit order	: M 1'000.00
Minimum Repurchase amount	: M 2'000.00
Minimum Account balance	: M 15'000.00

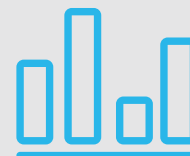
Fee structure

Initial fee	Nil
Annual management fee	0.50% per annum (institutional investors) 1.00% per annum (retail investments)

Income Fund and Money Market Fund compared

	STANLIB Lesotho Income Fund	STANLIB Lesotho Money Market Fund
Capital fluctuations	Yes	No
Distributions	Quarterly	Monthly
Investable universe	Money market, bond instruments and other interest-bearing instruments	Money market instruments
Mandate restrictions - maximum weighted average duration	2 years	90 days
Recommended minimum investment period	3 years	1 year (or less)

STANLIB Lesotho Equity Fund



What is the STANLIB Lesotho Equity Fund?

The Fund is a unit trust that aims to obtain steady growth of income and capital invested. The Fund invests in securities, non-equity securities and participatory interest of collective investment schemes.

Who should invest?

The Fund caters for corporates, institutions and private investors who have cash available to invest over the medium to long-term.

This Fund is suitable for investors:

- Seeking steady long-term capital growth
- Typically have an investment horizon of more than five years
- Investors who require returns commensurate with medium to high risk

Why invest in the STANLIB Lesotho Equity Fund?

The Fund is a general equity fund whose objective is steady growth of income and capital; and can be used primarily as the equity building block for a portfolio.

The Fund combines value and growth and is effectively style agnostic, meaning it has a mandate that is not restricted to any specific investment style. Using a bottom-up stock picking approach, the Fund can invest in both local and offshore equities (up to a maximum of 25% offshore and 5% in Africa excluding SA).

The Equity Team's primary objective is to grow and preserve capital over a long-term period. As such, the team:

- Is benchmark conscious with a tracking error of 3 to 5%
- Uses the STANLIB Research Team as its primary input for stock selection
- Invests in companies that are growing earnings above the market, generating economic profit, distributing cash and are attractively valued

The Lesotho economy will also benefit from this Fund through the Fund's investment in local securities and the subsequent capital market development, at a time when it is imperative to develop a capital market to fund Lesotho's economic and infrastructure development plans.

Investment amounts

Minimum initial investment amount	: M 15'000.00
Minimum top-up and debit order	: M 1'000.00
Minimum Repurchase amount	: M 2'000.00
Minimum Account balance	: M 15'000.00

Fee structure

Maximum initial fee::	5%
Annual management fee:	1.5%



STANLIB Lesotho Multi-Asset capability

The STANLIB Lesotho Multi-Asset capability is an offering suitable for institutional investors seeking a segregated portfolio to invest in a diversified spread of equities and fixed-income securities. The primary objective of the offering is to seek long-term capital growth and income consistent with moderate investment risk from a wide range of securities.

The STANLIB Lesotho Multi-Asset capability provides investors with exposure to a number of asset classes that are positively and negatively correlated. This diversification of assets provides investors with the comfort that their exposure to risk is contained without unduly compromising returns.

The Multi-Asset Team focuses only on the asset allocation of assets and on managing the domestic equity component, nothing else. All other asset classes – property, fixed interest and offshore – are allocated to specialist teams to manage, providing clear focus on every component of the capability. Each member of the Multi-Asset Team brings a different skill set and experience to the decision-making process. This provides varied perspectives and ideas. Tactical asset allocation (TAA) informs the asset allocation in the capability and relies on the input of investment professionals locally, across the continent and globally. This, results in well-informed asset allocation decisions.

The Multi-Asset capability targets investors:

- Aiming to achieve capital growth with lower risk than equity-only funds
- With a time horizon of five years or more to invest
- With a moderate risk profile



STANLIB Lesotho Direct Property capability

The STANLIB Lesotho Direct Property capability is an offering suitable for institutional investors seeking a segregated portfolio. Through the STANLIB Direct Property Investment Team based in South Africa, STANLIB Lesotho is able to offer long-term inflation beating returns to investors through a quality real estate portfolio. Our investment purpose is making real estate accessible and sustainable.

Our investment objective is delivering long-term performance characterised by strong income growth and capital appreciation through the following:

- Use of our specialist retail asset management skills to drive levers of retail growth and turnover
- Creation of a catalytic environment for other investment opportunities in specific investment node
- Sustaining investments in nodes which have good economic fundamentals and where the investor already has dominant investments
- Investing in quality and dominant sector classes poised for growth
- Evaluating good investment opportunities that meet our minimum investment size per asset and criteria to improve the overall quality of portfolio's and improve long term returns

Our retail property mandates rely on the ability to create strong trading platforms which in turn attract good tenants, warrant high rentals and maintains a consistent demand for space. This results in sound returns for investors while increasing asset diversification. Our funds remain resilient due to the quality and diversification of our assets and well-established relationships with good tenants.

All the factors intrinsic to a successful investment are evident in the STANLIB Direct Property Investment Team - the heritage and credibility of the investment provider, its historical performance, liquidity, diversification, stability and strong management.

General information

How to invest and disinvest

Our procedures are designed to be investor friendly. An application form (available from either STANLIB Lesotho head office, your nearest Standard Lesotho Bank branch or via our website) needs to be completed and submitted together with a certified copy of your identity document or passport and confirmation of your residential address. Once the application has been approved, your funds can be transferred.

Disinvesting is just as easy. By simply completing and having the authorised signatories sign the appropriate form, your funds will be readily available. Withdrawal of funds can be made either on a total or partial basis. Transfers will be made electronically into your account. For security reasons, payments will only be made to account holders and no payments will be made to a third party.

Benefits of investing in our unit trust funds

Affordability

Unit trusts are a convenient and low cost vehicle into the investment market. All our funds provide you with well diversified, efficiently managed portfolios.

From as little as a lump sum of M 15,000 or monthly debit order of M 1,000, affordability is guaranteed.

Flexibility

Investments in one fund can be switched between other funds in our product suite, and income from one fund can be invested in other funds.

Professional Management

Our unit trust funds are managed by the largest unit trust company in Southern Africa, with offices in South Africa, Lesotho, Swaziland, Botswana, Namibia, Kenya, Uganda, South Sudan and Tanzania. STANLIB is a member of the Standard Bank Group and is thus well placed to service your particular investment needs and through dedicated and experienced fund managers diligently manage your money, ensuring your peace of mind.

Safety

Our unit trust funds are strictly regulated by the Central Bank of Lesotho, acting as regulator for the unit trust industry in Lesotho. The funds are also overseen by a dedicated trustee/custodian, whose role is to ensure that the funds act in the investors' best interests and that investment best practice is adhered to. The funds' financials statements are audited annually by an independent audit firm.

Accessibility

All our unit trust funds are liquid and easily accessible, meaning you can withdraw funds at short notice. There are no withdrawal penalties or minimum "lock-in" investment periods, unlike other term deposits that charge high fees for early withdrawal. It is however recommended that an investment in unit trusts be viewed over the medium to long term, typically one year for money market funds and three years or longer for other funds.

Regular feedback

Depending on the fund, clients receive individual monthly or quarterly statements, providing feedback and transparency on the management and performance of the fund.

Defined risk profile

Our unit trust funds have clearly defined risk profiles, solution, whilst the STANLIB Lesotho Equity Fund is an aggressive investment solution. The STANLIB Lesotho Money Market Fund is a conservative cash investment solution. The STANLIB Lesotho Income Fund is a conservative-to-moderate fixed income investment solution, whilst the STANLIB Lesotho Equity Fund is an aggressive investment solution.

Diversification

Our unit trust funds are well diversified within their respective investment mandates, thus enhancing the stability of our respective funds.

Distribution periods

Our unit trust funds are priced daily, with income distributed at varying frequencies as per fund mandate - either monthly for the STANLIB Lesotho Money Market Fund, quarterly for the STANLIB Lesotho Income Fund. The STANLIB Lesotho Equity Fund fund does not regularly distribute dividends or interest because income is used to buy additional shares. This fund would therefore not usually pay a dividend to investors.

Transparent benchmark

The STANLIB Lesotho Money Market Fund and STANLIB Lesotho Income Fund are benchmarked against the STeFI Composite Index. The STANLIB Lesotho Equity Fund is benchmarked against the FTSE/JSE Shareholders Weighted All Share Index.



Requirements and supporting documents

Unless previously provided to STANLIB Lesotho, a client must send verified/certified copies of the documents set out below. These are used to verify the identity of the investor. Strictly, only clear, legible copies of identity and other documents will be accepted.

a) Individuals/sole proprietor

Lesotho

- Identity document, OR valid driver's licence; OR valid passport
- Proof of physical residential address
- Authority to act (if applicable): power of attorney/ letter of appointment from the court and authorised signatories' resolution (if more than one). If applicable, identity document, physical residential address and contact details of persons authorised to act
- Unabridged birth certificate for minors (under 18 years)
- Proof of bank account
- Proof of income

Foreign

- Valid passport
- Proof of physical residential address
- Authority to act (if applicable): power of attorney / letter of appointment from the court and authorised signatories' resolution (if more than one). If applicable, identity document, physical residential address and contact details of persons authorised to act
- Unabridged birth certificate for minors (under 18 years)
- Proof of bank account
- Proof of income

Proof of physical residential address

One of the following documents reflecting name and physical residential address (must be less than three months old, unless otherwise specified) is required for proof of address:

- Utility bill
- Current lease or rental agreement
- Bank statement
- Municipal rates and taxes invoice
- Mortgage statement
- Telephone account
- Tax return (less than 1 year old)
- Letter from bank manager, medical practitioner, accountant, or attorney, on a formal letterhead, stating that they know the client for three years, and confirming physical address
- Letter on letterhead signed by board of trustees, directors, etc confirming physical business address
- Correspondence from a body corporate or share block association

Any of above documents for spouse, together with marriage certificate or if not available:

- Affidavit from person co-habiting with client, providing:
 - Name, identity number and physical residential address of client and co-habitant
 - Relationship between client and co-habitant
- Confirmation that residential address is shared
- Visit to physical address by a STANLIB Lesotho employee, or as a last resort
- Affidavit from client, providing:
 - Name, identity number and physical residential address
 - Confirmation that client resides at physical residential address



b) Trusts

- Trust deed or other founding document (e.g. will for Will Trust),
- Authority to act: letter of authority from the Master of the High Court and trustees' resolution
- Identity document, physical residential address and contact details of each trustee, each beneficiary, the founder and the persons authorised to act
- Proof of registered address of Master of High Court (stamp on letter of authority)
- Proof of bank account

c) Partnerships

- Partnership agreement
- Authority to act: Partners' resolution
- Identity document, physical residential address and contact details of partners and persons authorised to act
- Proof of bank account

d) Deceased estates

- Letter of executorship/letter of authority
- Death certificate of the deceased person
- Letter from the Master of the High Court or DA
- Passport copy of the deceased
- Passport copy of the beneficiary with three specimen signatures (on the passport)
- Proof of residential address for the beneficiary
- Transfer letter written by the beneficiary
- Verification on the client file or workflow to check if the estate late account corresponds with the client name
- Authority to act: special power of attorney (if applicable)/executors'/authorised signatories' resolution
- Identity document, details of physical residential address and contact numbers of persons authorised to act
- Proof of bank account

e) Companies

Lesotho

- Certificate of Incorporation
- Notice of Registered Office and postal address
- Authority to act: Directors' resolution
- Identity document, physical residential address and contact details of principal executive officer of company, persons authorised to act and of persons holding more than 25% of voting rights in company
- Proof of physical business address
- Proof of bank account
- Tax Clearance and Trading License

Foreign

- Official document of Incorporation,
- If trading in Lesotho, documents for Lesotho unlisted companies
- Authority to act: Directors' resolution
- Identity document/passport, details of physical residential address and contact numbers of related parties and persons authorised to act
- Proof of physical business address
- Proof of bank account

Disclaimer

Collective investment schemes in securities are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. An investment in the participations of a collective investment scheme in securities is not the same as a deposit with a banking institution. Participatory interest prices are calculated on a net asset value basis, which is the total value of all assets in the Fund including any income accrual and less any permissible deductions from the Fund divided by the number of participatory interests in issue. Permissible deductions include brokerage, auditor's fees, bank charges, trustee/custodian fees and the service charge levied by STANLIB Investment Management Services (Proprietary) Limited ("the Manager"). Where exit fees are applicable, participatory interests are redeemed at the net asset value where after the exit fee is deducted and the balance is paid to the investor. Where different classes of participatory interests apply to certain Portfolios, they would be subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager. Commission and incentives may be paid and if so, would be included in the overall costs. The exposure limit to a single security in this Portfolio can be greater than is permitted for other Portfolios in terms of the (Collective Investment Schemes) Regulations 2018 ("the Act"). Details are available from the Manager. A Fund of Funds Portfolio only invests in other collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. A Feeder Fund Portfolio only invests in the participatory interests of a single Portfolio of a collective investment scheme apart from assets in liquid form. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. More details are available from the Manager. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The Manager undertakes to repurchase participatory interests at the price calculated according to the requirements of the (Collective Investment Schemes) Regulations 2018, and on the terms and conditions of the relevant Deeds. Payment will be made within 14 days of receipt of a valid repurchase form. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT). The Manager is obliged to report on the weighted average cost method for CGT purposes. All portfolios are valued on a daily basis at 15h30, except for some Fund of Funds Portfolios and Feeder Fund Portfolios, which are valued at 17h00. Investments and Repurchases will receive the price of the same day if received prior to 09h00. Liberty is a member of the Association of Savings and Investment of South Africa. The Manager is a member of the Liberty group of companies. Contact details of Trustees: Minet Lesotho (Ptd) Ltd, Minet House, No 4 Bowker Road, Maseru.

Compliance No:

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STANLIB Lesotho is registered as a Manager under the Central Bank of Lesotho
(Collective Investment Schemes) Regulations 2018.