

STANLIB
Lesotho
Equity Fund

(Previously Inflation Plus
Fund)

for the year ended
31 December 2015

Focused Investing

 **STANLIB**

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You say future
potential.

We say
STANLIB.

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Registered address

MGC Office Park
Ground Floor
Cnr Pope John Paul II and Mpilo Boulevard
Maseru

Postal address

PO Box 115
Maseru, 100
Lesotho

Trustees

AON Lesotho

Auditors

Sheeran & Associates

Bankers

Standard Lesotho Bank

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Independent Auditors' Report to the Members of STANLIB Lesotho Equity Fund

SHEERAN & ASSOCIATES

Chartered accountants (Lesotho)

No 1 Link House
Opposite American
Embassy
Kingsway Road
Maseru Lesotho

Postal Address
Private Bag 1420
Maseru 100
Lesotho

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We have audited the financial statements of STANLIB Lesotho Equity Fund, which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, the trustees' report, as set out on pages 5 to eight.

Trustees' responsibility for the financial statements

The fund's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in Note 1 of the financial statements, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from materials misstatements, whether due to fraud or error. The responsibility includes determining that the basis of accounting described in Note 1 to the financial statement is an acceptable basis for preparing and presenting financial statements in the circumstances.

Auditors' responsibility

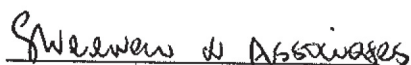
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of STANLIB Lesotho Equity Fund as at 31 December 2015 and its financial performance for the year then ended in accordance with the basis of accounting as described in Note 1 of the financial statements.



SHEERAN & ASSOCIATES

Chartered Accountants (Lesotho)

Date: 24 March 2016

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Report of the Trustee of the STANLIB Lesotho Equity Fund to the Registrar of the
Collective Investment Scheme



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29 February 2016

The Registrar of the Collective Investment Scheme
The Central Bank of Lesotho
P O Box 1184
Maseru
Lesotho

Dear Sir/Madam

REPORT OF THE TRUSTEE OF THE STANLIB LESOTHO EQUITY FUND TO THE REGISTRAR OF THE COLLECTIVE INVESTMENT SCHEME

We have reviewed the books and records of the STANLIB Lesotho Equity Fund for the twelve months ended 31st December 2015 with the objective of reporting on the compliance by the Management of the Trust with Section 38(1) of the Collective Investment Scheme Regulations of 2001.

In terms of Section 38(1) (f) of the same regulations, we have enquired into the administration of the scheme by the management of the Trust in terms of observing the limitations imposed on the investment and borrowing powers.

It is therefore our opinion that based on the information received STANLIB Lesotho Management Company conducted the investment scheme in accordance with the requirement of the section 38(1) of the Collective Investment Scheme Regulations of 2001.

Aon Lesotho (Pty) Ltd
Trustees of STANLIB Lesotho Equity Fund

A handwritten signature in black ink, appearing to read 'Retseilsitsoe Leboela', is written over a horizontal line.

Retseilsitsoe Leboela
Chief Operating Officer & Chief Financial Officer

Cc The General Manager - STANLIB Lesotho

Aon Lesotho (Pty) Ltd (Registration Number 69191)
Directors: J. Onsando (Chairperson)*, J. Mawere (CEO)**, L.I. Mohapeloa (Mrs), R. Leboela, M. Rupapa, R. Kooijman
*Kenya, **Zimbabwe

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Income Statement

Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
INCOME	-3 851 324	8 248
Interest Received	37 594	6 439
Dividend Received	158 402	-
Income adjustments on creations and cancellations of units	-4 047 320	1 809
EXPENDITURE	474 215	30 954
Auditor's Remuneration	9 833.63	7 412
Service Charges	431 954.49	5 503
Bank Charges	7 144.09	5 503
Sundry Expenses	-	-
Trustee/Custody Fees	7 080.36	823
Withholding Tax	18 201.18	-
NET LOSS FOR THE YEAR	(4 325 539)	(22 707)

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Balance Statement

Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
ASSETS		
NON CURRENT ASSETS	32 826 964	893 671
Investments at market value	32 826 964	893 671
CURRENT ASSETS	2 310 185	2 393
Accrued income and accounts receivable	1 833	75
Cash and cash equivalents	2 308 352	2 317
TOTAL ASSETS	35 137 149	896 063
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	35 072 002	887 674
Capital value of unit portfolio	39 504 714	994 847
2015: 38,360,831		
Undistributed Income (current year)	(4 432 712)	(107 173)
CURRENT LIABILITIES	65 147	8 389
Accounts payable	65 147	8 389
TOTAL EQUITY AND LIABILITIES	35 137 149	896 063

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Statement of Changes in Funds

Non Statutory Financial Statements for the year ended 31 December 2015

	2015 M	2014 M
DISTRIBUTABLE INCOME		
Balance at the beginning of the year	(107 173)	(84 467)
Net loss for the year	(4 325 539)	(22 701)
Income available for distribution	(4 432 712)	(107 173)
Income Distributions: Class A	-	-
June 2015: n/a (2014: 0.00 per unit)	-	-
December 2015: n/a (2014: 0.00 per unit)	-	-
Income Distributions: Class B3	-	-
June 2015: n/a (2014: 0.00 per unit)	-	-
December 2015: n/a (2014: 0.00 per unit)	-	-
Balance at the end of year	(4 432 712)	(107 173)
Capital value of unit portfolio - Investors		
Balance at the beginning of the year	994 847	1 017 642
Creation of Units	44 933 855	-
Cancellation of Units	(7 492 074)	(18 558)
Capital (loss)/profit reinvested in the fund	1 068 086	(4 237)
Balance at the end of the year	39 504 714	994 847
Total capital value & reserves at the beginning of the year	887 674	933 176
Total capital value & reserves at the end of the year	35 072 002	887 674

STANLIB Lesotho Equity Fund (Previously Inflation Plus Fund)

Notes to the Financial Statements

Non Statutory Financial Statements for the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation

The annual financial statements have been compiled on the historical cost basis, except for investments comprising the unit portfolio, which are reflected at fair value.

1.2 Revenue recognition

Revenue is recognised on the accrual basis, when the right to such revenue is established.

Dividends are recognised when the right to receive payment is established.

Interest is recognised on the accrual basis on a time proportionate basis.

1.3 Service charges

Service charges represent the fee paid to the manager for the management and administration of the portfolios and unit holder transactions.

1.4 Financial instruments

Financial instruments are initially measured at cost and subsequently at fair value. Fair value is determined as follows:

- Listed instruments are valued at the closing price as published by the relevant exchanger;
- Unlisted instruments are valued by discounting of nominal cash flows using current interest rates;
- Money market instruments are valued at accrued value.
- Realised and unrealised profits or losses on investments are accounted for in the capital value of the portfolio.

1.5 Foreign currencies

Foreign currency income and expenses are converted at the rate of exchange on the transaction date. Foreign investments are converted at the year-end closing rate of exchange.

1.6 Accounts receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, balances with banks and funds at call or short notice.

1.8 Accounts payable

Liabilities are recognised when the fund has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Accounting policies

	REPURCHASE PRICE (LISENTE)					
	2015 Minimum	2015 Maximum	2015 Last price	2014 Minimum	2014 Maximum	2014 Last price
Class - A	84.23	93.05	91.43	89.55	92.64	89.55

Class B3 was rationalized.

3. Creation and Cancellation of units

	MALOTI MOVEMENT		UNIT MOVEMENT		UNITS IN ISSUE	
	2015 M 000's	2014 M 000's	2015 000's	2014 000's	2015 000's	2014 000's
Class - A	37 442	-19	37 338	-19	38 361	1 023