

## Investment Policy and Objectives

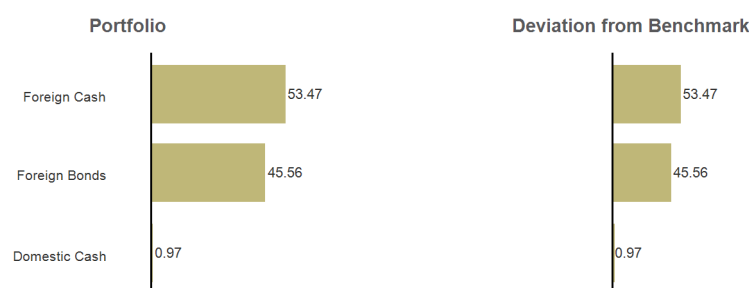
Investors' funds are pooled and used to purchase various fixed interest instruments within the CMA region. The Standard Lesotho Bank Income Fund will only invest in instruments issued by credible institutions and measures are in place to prevent over exposure to any one institution. This restriction presents the foundations for the diversification that this fund offers – The Standard Lesotho Bank Income Fund will be allowed to invest in Government issues of the Republic of South Africa, Republic of Namibia, Kingdom of Swaziland and Kingdom of Lesotho as well as corporate issues of companies domiciled or registered in the CMA region.

## Performance (%)

	1 year	3 years	5 years
Class A	6.77	25.61	-
Benchmark	9.13	10.04	8.93

Figures quoted are from MoneyMate for the period ending 31 December 2009 for a lump sum, using NAV-NAV prices and do not take any upfront managers charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the upfront managers charge applicable, the actual investment date and the date of reinvestment of income.

## Asset Allocation (%)



## Portfolio Facts

<b>Portfolio Size</b>	M 111.63 million
<b>Sector Classification</b>	Fixed Interest - Income
<b>Income Distribution</b>	Net revenue is declared on a daily basis and distributed quarterly.
<b>Income Declaration</b>	31 March, 30 June, 30 September & 31 December
<b>Benchmark</b>	STeFI Composite Index

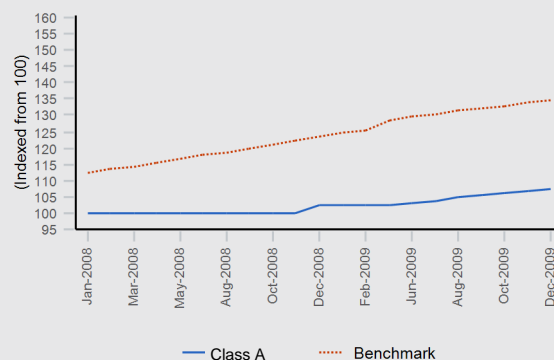
	Class A
<b>Launch Date</b>	01 Sep 2006
<b>Minimum Investment</b>	
Lump Sum	M2,000
Debit Order Per Month	M200
<b>ISIN No.</b>	ZAE000084612
<b>Official Code</b>	LESI
<b>Total Expense Ratio *</b>	N/A

Maximum Portfolio Charges **	
Total Upfront Charge	1.50%
Upfront Charge Intermediary Portion	0.00%
Total Service Charge	0.75%
Service Charge Intermediary Portion	0.00%

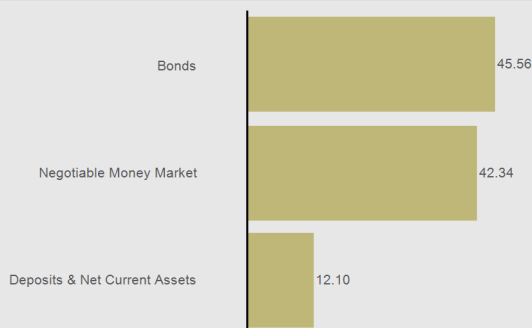
\* Please refer to page 2 under "Statutory Disclosure and General Terms & Conditions"  
 \*\* Additional Information can be obtained from Portfolio Charges Brochure on [www.stanlib.com](http://www.stanlib.com)

## Highlights

### Cumulative Performance - Since Inception



### Sector (%)



### Income Distribution

	Paid in the last 12 months	Paid during 2008	2008 payments as a % of year end price
Class A	8.12 cpu	9.55 cpu	9.28 %

### Top Holdings (%)

STANLIB Income Fund Class B1	32.64
Standard Bank Inst. Money Market Fund Class B4	7.89
STD BANK NAMIBIA CASH PLUS R	7.56
RSA R157 13.50% 15/09/2015	7.26
RSA R201 8.75% 21/12/2014	5.23
Fnb Namibia 9.15% 29/03/2012 - Callable Final Maturi	5.07
BARLOWORLD 11.67% 02/10/2015	2.73
FIRST RAND BANK JIBAR+220 BPS 20/07/2014	2.69
AFRICA BANK JIBAR+5.00% 13/10/2014	2.69
TELECOM NAMIBIA LIMITED 10.70% - 17/04/2015	2.68

### Risk Rating

Conservative	Moderate	Aggressive
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## Who should Invest

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

## Benefits

### Affordability:

Unit trusts are a convenient and low cost vehicle into the investment market. The fund provides you with a well diversified, efficiently managed investment portfolio.

### Accessibility:

The Standard Lesotho Bank Income Fund is easily accessible i.e. you can purchase or sell units at any time. There are no withdrawal penalties or minimum "lock-in" investment periods. It is however recommended that an investment in this fund be viewed as medium to long-term, typically 3 years.

### Flexibility:

Investments can be switched between other funds in our product suite.

### Safety:

The Standard Lesotho Bank Income Fund is strictly regulated by the Central Bank of Lesotho, acting as regulator for the unit trust industry in Lesotho and the Standard Lesotho Bank Income Fund's trustee/custodian.

### Distribution Periods:

The Standard Lesotho Bank Income Fund will distribute quarterly. Income distributions will take place on the 1st working day of January, April, July and October.

### Regular Feedback:

Clients will receive quarterly statements, providing feedback and transparency on the management and performance of The Standard Lesotho Bank Income Fund.

### Professional Management:

The Standard Lesotho Bank Income Fund will be managed by the largest Unit Trust company in Southern Africa, with offices in Swaziland, Botswana, Namibia, Kenya and Uganda. The Standard Bank Group is well placed to service your particular investment needs and through dedicated and experienced fund managers diligently manage your money, ensuring your peace of mind.

### Transparent Benchmark:

The Standard Lesotho Bank Income Fund will be benchmarked against the STeFI Composite Index

### Defined Risk Profile:

The Standard Lesotho Bank Income Fund is a conservative income investment solution.

## Statutory Disclosure and General terms & Conditions

Unit Trust investments are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Valuations of the assets of the Standard Lesotho Bank Income Fund are conducted in accordance with the provisions of the Trust Deed and the applicable laws, rules and regulations. Neither Standard Lesotho Bank Group Limited nor SBL Unit Trust (Pty) Ltd, nor any of their officers, employees, agents, consultants, associates or assigns accept any liability howsoever arising from or in connection with valuations so conducted. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. It is possible that certain assets within a unit trust fund can only be priced on a monthly basis. Forward pricing is used. An investment in the units of a unit trust is not the same as a deposit with a banking institution. A schedule of fees and charges and maximum commissions is available on request from Standard Lesotho Bank Unit Trust (Pty) Ltd ("the Manager"). Commission and incentives may be paid and if so, would be included in the overall costs. 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. The Manager undertakes to repurchase units at the price calculated in accordance with the terms and conditions of the relevant deed. All portfolios are valued on a daily basis at 15h30 with the exception of some of the Fund of Funds and Feeder Funds, which are valued at 17h00. Investments and Repurchases will receive the price of the same day if received prior to 15h30. Participatory interest prices are calculated on a net asset value basis, which is the total value of all assets in the Portfolio including any income accrual and less any permissible deductions from the Portfolio divided by the number of participatory interests in issue. Permissible deductions include brokerage, MST / UST, auditor's fees, bank charges, trustee / custodian fees, RSC levies and the service charge levied by Standard Lesotho Bank Unit Trust (Pty) Ltd ("the Manager").

## Portfolio Manager

### Ian Scott

Ian joined Sasol in 1996 as a forex trader. In 1999 he joined SCMB as a money market dealer and in 2003, joined the STANLIB capital markets desk. He specialises in portfolio management and the trading of capital market instruments, structured products, derivatives and forex.



## Quarterly Comments

### Fund Review

The STANLIB Income Fund returned 2.30% vs. the benchmark BEASSA 1 to 3 Year Index of 1.98% for the quarter. Trades for the fourth quarter included the sale of shorter dated money market instruments to purchase short dated bonds. The Fund's modified duration position was increased to benefit from higher yielding bonds. The modified duration position in government bonds was increased through the purchase of RSA 2015 R157 paper and the purchase of RSA 2014 R206 and R201 bonds, increasing the exposure in the 3-7 year sector of the yield curve. Short dated corporate bonds were switched for longer dated corporate bonds to benefit from the spread enhancement. Purchases of corporate bonds consisted of Standard Bank, Absa, FirstRand, Nedbank, African Bank, Barloworld, Imperial Holdings, Bidvest, MTN and Toyota Financial Services at attractive spread levels. The exposure to floating rate notes was also increased due to the attractive levels being offered in the market and expectations of interest rates bottoming out. The exposure to securitisation paper was also increased due to the attractive current yield offered in the market.

### Looking Ahead

There were a number of bond friendly fundamentals that were able to outweigh the supply concerns during the fourth quarter, namely: positive comments from the Reserve Bank about the inflation outlook given weaker real economic growth and the widening output gap, with most forecasts now indicating that inflation should fall within the 3% to 6% target band in the second quarter of 2010. The continued strength in the Rand will have a beneficial effect on inflation and inflation expectations. The market is pricing for short interest rates to remain on hold for most of 2010. Shorter dated bond yields remained fairly unchanged during the quarter as the market priced for the SARB to leave the repo rate unchanged for the remainder of 2009. The RSA 2015 R157 started the quarter at 8.29%, touched its worst level of 8.70%, before ending the quarter at 8.39%. The 12 month NCD rate traded from 8.08% to a high of 8.25%, before ending the quarter back at 8.08%. Domestic corporate bond spreads have continued to narrow against the government curve as the appetite for risk continues. The SARB forecasts a more normalised environment in 2010 and have subsequently reverted back to bi-monthly MPC meetings. Interest rate markets are not pricing any further rate cuts at the moment, but the headline fundamental numbers as well as the level of the Rand will be the key drivers for any further action by the SARB.

## Contact Details

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Compliance No :