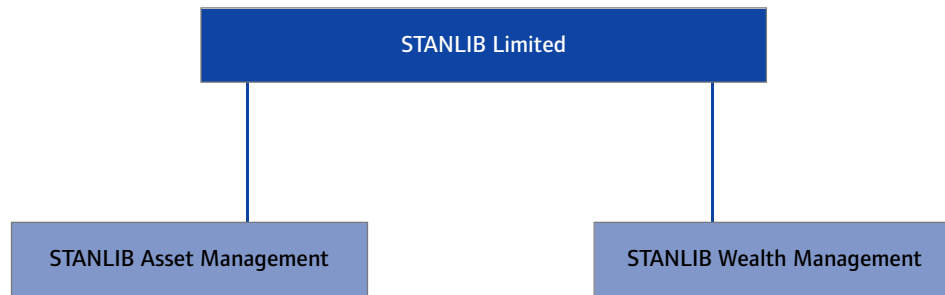


## STANLIB Limited



### Recognition

#### STANLIB Raging Bull Winners 2005

ACI/Personal Finance Raging Bull Award for the Best Performing Fund on the basis of risk-adjusted returns for the period ended 31 December 2005:

STANLIB Bond Fund (A).

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ACI/Personal Finance Awards for Top Performance for the three year period ended 31 December 2005:

STANLIB Bond Fund (A) (Domestic – Fixed Interest Bond Funds).

STANLIB Income Fund (R) (Domestic – Fixed Interest Income Funds).

STANLIB Property Income Fund (A) (Domestic Real Estate – General Funds).

STANLIB European Fund of Funds (A) (Foreign Equity – General Funds).

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ACI/Personal Finance Award for Top Performance by a Foreign Collective Investment Scheme Fund for the three year period ended 31 December 2005:

STANLIB Offshore Australia Fund (Far East Equity – General Funds).

### Overview

STANLIB Limited (Stanlib) brings together the wealth, asset management and wealth product marketing of Liberty Life and Standard Bank. Stanlib has two main operating divisions, Wealth Management (Single and Multi-Manager Unit Trusts, Linked Investment and Structured Products) and Asset Management (Asset Management and associated research functions).

Stanlib operates in South African, African and international markets with a product mix of both local and global brands. It is a substantial player in the South African financial services industry. Funds under management and administration at 31 December 2005 were R276 billion.

STANLIB International represents the collective product offering of rand-denominated and offshore investment portfolios for the South African investor. The single manager funds invest mostly into Fidelity funds internationally, while the multi-manager fund is managed by the STANLIB International team, who are advised by Investment Manager Selection of London.

## STANLIB Limited continued

### Corporate governance

- Stanlib operates according to its own governance structure, which aligns to the governance principles of the Standard Bank Group.

#### Board of directors

Of the 12 board directors, one is an executive director and 11 are non-executive directors. However, the latter directors are not completely independent as they are directors of, or representatives of, the shareholders of STANLIB Limited, namely, Standard Bank Group, Liberty Group Limited and Quantum Leap Investments 740 (Pty) Limited (the company holding the interests of Stanlib's BEE partners) respectively.

#### Code of ethics

Stanlib subscribes to the highest levels of professionalism and integrity in conducting its business and dealings with stakeholders. All employees and representatives are expected to act in a manner that inspires trust and confidence from the general public. Stanlib has formalised a code of ethics, which prescribes its approach to business ethics and its obligations to all stakeholders.

#### Financial crime

Employees are encouraged through fraud prevention initiatives to prevent and detect fraud. Stanlib provides an anonymous fraud hotline (0800 204 557) to encourage employees to report fraud and suspicions of fraud. Liberty forensic services also provides fraud awareness training at Stanlib and posters are used to raise awareness. Stanlib has a zero tolerance policy towards financial crime and all fraud and suspected fraud incidents are reported to and investigated by Liberty forensic services, with criminal conduct reported to the authorities.

### Customers

- Stanlib's product range is currently sold in seven countries across the African continent (Botswana, Kenya, Lesotho, Namibia, South Africa, Swaziland and Uganda).
- Market share as at 31 December 2005 was 11%.

### Products

#### Single Manager Unit Trusts

These are investment products that are managed by Stanlib or STANLIB Asset Management only. International funds managed by a single manager, for example Fidelity, sold through Stanlib will also fall in this category.

#### Alternative and Structured Investment Products

Structured products are valuable in a bear market when some investors may be inclined to take funds outside the equity market. Structured products give pain-free equity exposure. Capital is protected and the underlying investment is usually in equities or an equity index.

#### Linked Retirement Products (Linked Products)

Linked products are packaged retirement and investment products that include collective investment funds and offshore funds from all sectors of the collective investments industry. Linked investments provide diversification with a wide choice of local and international funds.

#### Multi-Manager Unit Trusts

The multi-manager investment approach attempts to reduce investment risk by diversifying across asset managers and investment styles in each asset class and to increase returns by selecting the best managers per asset class.

#### Retirement Annuities

An investment solution to help build up retirement capital and at the same time take advantage of the tax benefits available on retirement funds. It allows for total flexibility to tailor an investment portfolio in line with personal needs and risk profile, switching funds as and when needed.

#### Matured Endowments

A matured endowment is an endowment policy that is at least five years old and has passed its original maturity date. This means they are past their restrictions regarding the number of loans or part surrenders one can exercise on this policy.

### Customer engagement and satisfaction

Stanlib has a customer care department of 39 people, including an executive director. This area consists of a Call Centre, Query Support division, for complaints and complex queries, and an e-mail team which deals with all queries sent by customers through its website facility (www.stanlib.com) or directly via e-mail. The team is highly skilled in addressing all general investment questions for both Collective Investment customers and those invested through the Linked platform.

The Customer Care team currently supports 300 000 Unit Trust (Collective Investment) customers and more than 20 000 brokers. A customer-centric approach is incorporated in all processes. A specific customer service campaign was implemented in June 2004 and has been very successful over the last year. As such, Stanlib continues to develop the campaign with various themes and speakers being introduced throughout the business with the overall focus on "changing our attitude to customer service".

### Suppliers

- To ensure effectiveness, Stanlib shares Liberty Life's procurement infrastructure.

Stanlib encourages all orders to be placed through Liberty Life's e-procurement system, ARIBA. Liberty Life performs assessments of suppliers' BEE credentials prior to their inclusion on the ARIBA system. Stanlib's existing vendors are being reviewed internally and where possible are being replaced with alternative BEE compliant vendors that can provide the same quality of goods and services required.

### Employees

- At the end of December 2005 Stanlib had a complement of 551 permanent employees.

### Employee well being

Stanlib currently has the following employee well being initiatives in place:

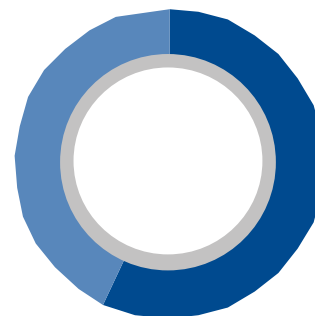
- **ICAS** – offers free confidential advice on personal issues ranging from work-related crises to the effects of traumatic experiences.
- **Blue4U** – a 24-hour personal telephonic assistance centre that offers employees and their families a variety of services aimed at easing some of the hassle and stress of their day-to-day lives.

### Occupational Health and Safety (OHS)

Stanlib's OHS measures include:

- A health and safety committee that monitors risks and conducts monthly reviews in the workplace.
- A health and safety policy for managers and employees (available on the Intranet).
- Emergency and evacuation procedures (available on the Intranet).
- Health and safety handbooks distributed to various departmental managers, as prescribed in the Occupational Health and Safety Act.
- Trained and appointed health and safety officials, taking responsibility for designated areas in the building, as per the Occupational Health and Safety Act.
- Annual evacuation exercises.
- Emergency standby generators ensuring continuous power supply to the building, together with an upgraded UPS system.
- An early fire detection system notifying OHS employees by SMS.

### Gender distribution (%)



- Female 57%
- Male 43%

**STANLIB Limited** continued

