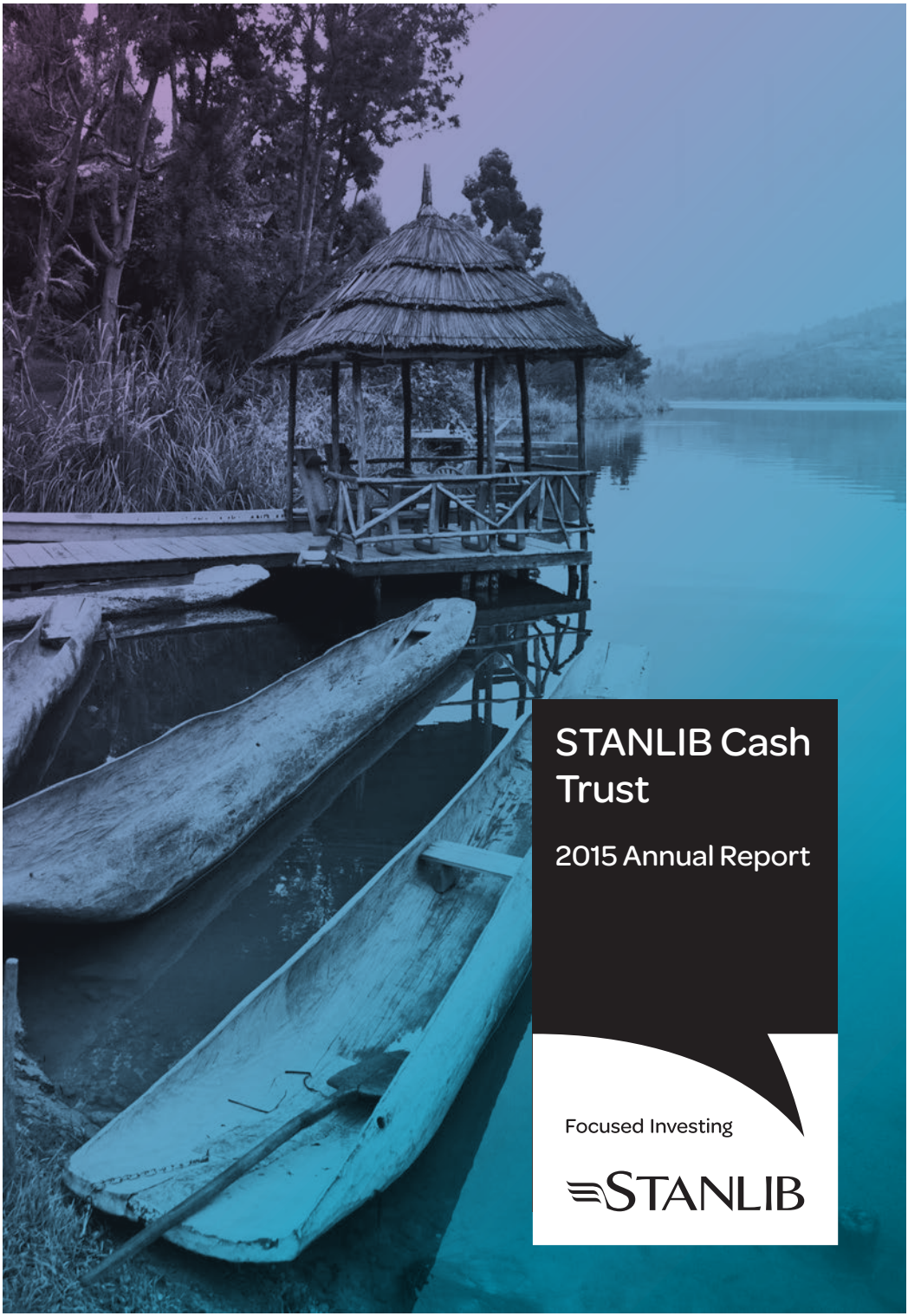


STANLIB Cash Trust

2015 Annual Report

Focused Investing

STANLIB


YOU SAY
FUTURE
POTENTIAL.
WE SAY
STANLIB.

STANLIB Cash Trust

Trustees and Officials, etc.

Trustees

Universal Merchant Bank (Ghana) Ltd.

57 Examination Loop
North Ridge, P. O. Box 401,
Accra – Ghana.

Legal Advisors

Doreen Illiasu

Stanbic Bank Ghana Limited
Stanbic Heights,
Plot 215 South Liberation Link,
Airport City, Accra.

Independent Auditors

KWGH

(Chartered Accountants)
2nd Floor, The Glorious Majesty House
Okpoi Gonno, Spintex – Road
P. O. Box SK1016,
Tema – Ghana.

Manager

STANLIB Ghana Ltd

Stanbic Heights,
Plot 215 South Liberation Link,
Airport City, Accra.

Bankers

Stanbic Bank Ghana Limited

Stanbic Heights,
Plot 215 South Liberation Link,
Airport City, Accra.

Report of the Manager to the Unitholders of STANLIB Cash Trust

The Manager and the Trustees present the audited financial statements and report on the performance of the STANLIB Cash Trust for the period ended 31st December 2015.

Nature of Fund

The STANLIB Cash Trust is an authorised unit trust as defined in the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The Fund offers and redeems units to subscribers and from unit holders respectively on an ongoing basis. Units are sold and redeemed at a price computed in accordance with the terms of the scheme particulars.

Investment Objectives

The primary objective of the Cash Fund is to optimize investors' interest income in the short term, provide liquidity and preserve capital.

Investment Policy

Under normal market conditions, at least 70% of The Fund's total assets will be invested in money market instruments. A maximum of 20% of the fund will be invested in both government and corporate debt securities (bonds). The Manager may employ short-term tactical deviations from this policy asset mix of up to 10% of the Fund's total assets.

Manager's Responsibility for the Financial Statement

The Manager is responsible for the preparation and fair presentation of the financial statements, comprising the statement of assets and liabilities as of 31 December 2015, income and distribution account, portfolio statement and capital account for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

The Manager's responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The Manager and the Trustees have made an assessment of the Fund's ability to continue as a going concern and have no reason to believe the Fund will not operate into the foreseeable future. The results for the year are as set out in the attached financial statements. The Manager and the Trustees consider the state of affairs of the Fund to be satisfactory.

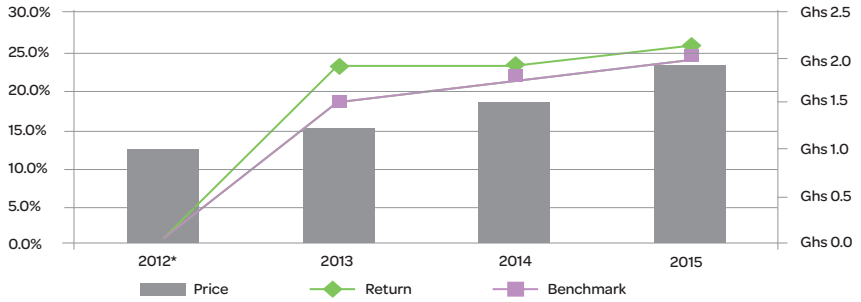
Report of the Manager to the Unitholders of STANLIB Cash Trust (continued)

PERFORMANCE SUMMARY AS AT 31ST DECEMBER, 2015

Historical Performance

Year/Period	2012*	2013	2014	2015	CAGR	Since Inception
Return	0.7%	22.7%	22.8%	25.8%	23.8%	91.0%
Benchmark	0.7%	18.6%	21.9%	24.0%	21.5%	80.6%

*Fund started on 20 Dec 2012



Share Price Information

Description	31-Dec-13	31-Dec-14	31-Dec-15
Share price (ghc)	1.23	1.52	1.92
No. of Shares	3,212,287	3,466,767	5,536,635
Value (ghc)	3,950,306	5,263,243	10,603,062

Description	2013	2014	2015
Net Assets	3,950,306	5,263,243	10,603,062
Interest	3,212,287	3,466,767	5,536,635
Net Asset/Interest	1.23	1.52	1.92

Signed on behalf of **STANLIB Ghana Ltd** by:

Director _____ **Director** _____

28 April 2016

STANLIB Cash Trust

Report of the Fund Manager to the Unitholders of STANLIB Cash Trust

Introduction

It is an honour to welcome you once again to the Annual General Meeting of the STANLIB Cash Trust. 2015 was another difficult year for the Ghanaian economy. The STANLIB Cash Trust was however able to weather the storms and returned 26%, 1 percentage point above the benchmark of 25%.

Economic Outturn and Markets Review

Macroeconomic outcomes may not have been stellar but they were a shade better than in 2014. The factors fuelling the relatively weak indicators remained the same; declining global output and by extension, falling commodity prices, a debilitating energy crisis and a still large fiscal deficit.

There were countervailing influences in 2015. The implementation of the USD 1 billion IMF bail-out programme injected confidence and provided a fillip for fiscal reform and discipline. The currency's sharp fall in 2014 also translated into an overall lower import bill in 2015 and a narrower current account deficit. Nominal depreciation of the cedi was 16% compared to 30% in 2014 and the fiscal deficit narrowed to 7% of GDP from 10% the previous year. GDP growth for 2015 was 4.5%, up from 3.9% a year earlier.

Poor stock market returns and high inflation bucked the marginally positive trend. The stock market lost 11.8% in the year under review, the energy crisis and poor investor confidence in emerging economies being key factors in the decline. Returns for the local bourse for the same period in 2014 were 5.4%. Inflation also ticked upwards, averaging 17.7% in 2015. Interest rates duly increased with the band moving from the range of 21.4% - 24% in 2014 to 22.5% -25.9% for 2015.

Investments and Performance

Portfolio Asset Mix

Net assets of STANLIB Cash Trust (SCT) grew by 101% from GHS5.3m in 2014 to GHS10.6m as cash flows improved significantly from less than GHS0.3m to GHS3.7m. The asset allocation mix as at year end was 16% in corporate notes and 79% in money market securities other than treasury bills. Investment in government treasuries were introduced within the year constituting 5% of assets under management as at year end. This was to diversify the portfolio and to mitigate investment risk.

Returns

Full year returns in 2015 increased from 23% to 26%, 1 percentage point above the benchmark return of 25%. Outperformance of the benchmark was driven by the high yields on the shorter duration segment of the market. Net investment income distributed in the year also grew by 64% to GHS1.72m in 2015 from GHS1m the previous year.

Report of the Fund Manager to the Unitholders of STANLIB Cash Trust (continued)

Performance over a 3 year period

Description/ Period	2012*	2013	2014	2015	CAGR	Inception to Date
Return	0.7%	22.7%	22.8%	25.8%	23.8%	91.0%
Benchmark	0.7%	18.6%	21.9%	24.0%	21.5%	80.6%

*Fund started on 20 Dec 2012

Outlook

While the on-going IMF programme has served to act as a brake on fiscal profligacy, the urge to please the electorate with expensive infrastructural projects may put pressure on public finances, the overall debt burden and the currency. We do not expect economic outcomes to dissimilar from the 2015 dynamic. Our objective in the year ahead will be to stay neutral on the yield curve with the view to balancing returns and liquidity.

Thank you

Kwabena Boamah

Fund Manager

Report of the Trustees to the Unitholders of STANLIB Cash Trust

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the Manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 16th November, 2011 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Signed on behalf of **Universal Merchant Bank (Ghana) Ltd** by:

Director _____

28 April 2016

Report of the Independent Auditors to the Unitholders of STANLIB Cash Trust

Report on the Financial Statements

We have audited the financial statements of STANLIB Cash Trust, which comprise the statement of assets and liabilities as of 31 December 2015, income and distribution account, portfolio statement and capital account for the period then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 16.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 on 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 auditor's judgment, 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 auditor considers 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 made by the Manager, 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.

Report of the Independent Auditors to the Unitholders of STANLIB Cash Trust (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of STANLIB Cash Trust as of 31st December 2015, and of its financial performance for the period then ended in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Part 9 of schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statement of assets and liabilities at 31 December 2015, income and distribution account, portfolio statement and capital account for the period then ended are in agreement with the books of account

Patrick K. Dzakpasu

Practising Certificate Licence No: ICAG/P/1176

For and on behalf of KWGH

Firm Licence Number: ICAG/F/2015/093

Chartered Accountants

Accra, Ghana.

29/04/2016

STANLIB Cash Trust

Statement of Net Assets as at 31 December 2015

Description	Note	2015 GH¢	% of Net Assets
Short Term Funds			
Cash at Bank		38,808	0.36
Corporate Debt Securities		1,590,000	15.00
Fixed Deposits		8,015,516	75.60
Treasury Bills & Notes		467,299	4.41
Total		**10,111,623**	**95.37**
Total Investments		**10,111,623**	**95.37**
Other Assets in Excess of Liabilities		491,439	4.63
Total Net Assets		**10,603,062**	**100.00**

The notes on pages 15 and 16 are an integral part of these financial statements.

Statement of Assets and Liabilities as at 31 December 2015

	Note	2015 GH¢	2014 GH¢
Assets			
Total Investments		10,111,623	4,807,913
Interest Receivable			
Fixed Deposits		462,754	435,830
Corporate Debt		113,078	70,995
Government Bonds		641	1,071
Treasury Bills		23,391	6,599
Total Receivables		**599,864**	**514,495**
Liabilities			
Payables			
Accrued Fund Management Fee		63,579	31,649
Accrued Trustee Fees		28,721	21,519
Accrued Audit Fees		7,500	5,500
Others		8,625	497
Total Payables		**108,425**	**59,165**
Net Current Assets		**491,439**	**455,330**
Net Assets		**10,603,062**	**5,263,243**

The financial statements on pages 10 to 14 were approved by STANLIB Ghana Ltd. and signed on its behalf by:

Director _____ **Director** _____

28 April 2016

The notes on pages 15 and 16 are an integral part of these financial statements.

STANLIB Cash Trust

Income and Distribution Accounts for the Year Ended 31 December 2015

		2015 GH¢	2014 GH¢
Income			
Interest Income	4	1,895,826	1,173,323
Other Income	5	6,042	-
Total Income		**1,901,868**	**1,173,323**
Expenses			
Fund Management Fees		179,507	126,244
Trustees Fees		28,721	20,199
Audit Fees		7,500	5,500
Bank Charges		3,010	-
Other Expenses	6	15,596	7,042
Total Expenses		**234,334**	**158,985**
Net Investment Income		**1,667,534**	**1,014,338**

Accumulated Net Investment Income for the Year Ended 31 December 2015

	2015 GH¢	2014 GH¢
Beginning of period	1,559,512	545,174
Net Investment Income for the period	1,667,534	1,014,338
End of period	**3,227,046**	**1,559,512**

The notes on pages 15 and 16 are an integral part of these financial statements.

Statement of Movement in Net Assets for the Year Ended 31 December 2015

	2015 GH¢	2014 GH¢
Operations:		
Net Investment Income	1,667,534	1,014,338
Change in net assets from operations	**1,667,534**	**1,014,338**
Capital Transactions:		
Proceeds from units issued	9,369,415	4,017,718
Units Redeemed	(5,697,130)	(3,719,119)
Net proceeds from capital transactions	**3,672,285**	**298,599**
Total Increase in Net Assets	**5,339,819**	**1,312,937**
Net Assets:		
Net Assets at 1 January	5,263,243	3,950,306
Total Increase in Net Assets	5,339,819	1,312,937
	10,603,062	**5,263,243**

The notes on pages 15 and 16 are an integral part of these financial statements.

Statement of Movement in Issued Units for the Year Ended 31 December 2015

	2015	2014
Number of Units in issue at 1st January	3,466,767	3,212,288
Number of Units issued during the period	5,463,424	2,993,464
	8,930,191	**6,205,752**
Number of Units redeemed during the period	(3,393,433)	(2,738,985)
Number of units in issue at 31 December	**5,536,758**	**3,466,767**

The notes on pages 15 and 16 are an integral part of these financial statements.

Capital Account for the Year Ended 31 December 2015

	2015 GH¢	2014 GH¢
Value of Units in issue at 1 January	3,703,731	3,405,132
Value of Units issued during the period	9,369,416	4,017,718
	9,369,415	**7,422,850**
Value of Units redeemed during the period	(5,697,130)	(3,719,119)
Value of Units in issue at 31 December	**7,376,016**	**3,703,731**

The notes on pages 15 and 16 are an integral part of these financial statements.

Notes Forming Part of the Financial Statements for the Year Ended 31 December 2015

1. *Reporting Entity*

STANLIB Cash Trust (SCT) is authorised to operate a Unit Trust under the Securities Industry Act, 1993, PNDCL 333, and duly licensed by the Securities and Exchange Commission (SEC) with Licence No. SEC/CIS/UT17/13 .The address and scheme particulars of SCT can be found on page 2 of the annual report.

2. *Basis of Accounting*

These financial statements have been prepared under the historical cost convention as modified by the revaluation of quoted investments and in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

3. *Accounting Policies*

The following accounting policies have been consistently applied in dealing with items that are considered material in relation to the financial statements of the unit trust:

a. Investments

Medium and Short-term investments are stated at cost.

b. Income

Interest income is accounted for on the accrual basis.

c. Comparative Figures

There are no comparative figures for the prior years since this is the first set of financial statements of the fund.

d. Events after the reporting period

Events after the reporting period are reflected only to the extent that they relate directly to the accounts and the effect is material.

4. *Interest Income*

	2015 GH¢	2014 GH¢
Interest on Fixed Deposits	1,518,486	907,381
Interest on Bonds	4,063	80,932
Interest on Treasury Bills & Notes	58,818	-
Interest on Corporate Debt	314,459	185,010
	1,895,826	**1,173,323**

Notes Forming Part of the Financial Statements for the Year Ended 31 December 2015 (continued)

5. Other Income

	2015 GH¢	2014 GH¢
Interest on Bank Account	6,042	-
	6,042	**-**

6. Other Expenses

	2015 GH¢	2014 GH¢
Bank Charges	3,010	1475
Other	15,596	5,568
	18,606	**7,043**

7. Bid Price of Units

The bid price of units on the reporting date GH¢ 1.91 (2014: GH¢1.52) .

8. Number of Unitholders

The number of unit-holders as of 31 December, 2015 was 697 (2014: 509)

9. Contingent Liabilities

There were no contingent liabilities as of the reporting date, and as of 31 December 2014.

STANLIB Cash Trust

Proxy Form

Annual General Meeting to be held at Holiday Inn Accra Airport, Airport City, on Friday, June 17th, 2016 at 11:00am

I/we _____ being a Unitholder(s) hereby appoint

_____ or failing him/her the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 17th June 2016 and at any adjournment thereof

Dated this _____ day of _____ 2015

Unitholder(s) Signature

Resolution	For	Against
1. To receive the Report of the Manager of the Fund for the year December 31,2015.		
2. To consider the Trustees Report and the Report of Auditors for the year ended December 31, 2015.		
3. To receive and adopt the Audited Financial Statements for the year ended December 31, 2015.		
4. To authorise the Manager to fix the remuneration of the Auditor		
5. To make SCT a pure Money Market fund.		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

(Do not complete this form if you will attend the meeting)

Signature _____ Date _____

Statutory Disclosure and General Terms and Conditions

Stanbic Cash Trust is licenced by the Securities and Exchange Commission (SEC), Ghana. The SEC does not take responsibility for the financial soundness of the scheme or for the correctness of any statements made or opinions expressed in this regard. The terms and conditions of investment with respect to Stanbic Cash Trust is governed by duly registered Prospectus and Trust Deeds.

STANLIB Ghana
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