

Investment Policy and Objectives

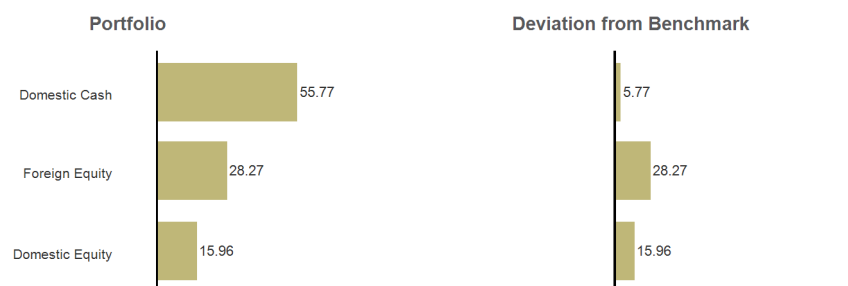
The Standard Bank Namibia Flexible Property Income Fund is a specialist fund which seeks to provide capital growth and an income source for investors through investment in Namibian and South African listed property shares, debentures, debenture stocks and debenture bonds. The Fund is required to hold a minimum of 30% and maximum of 60% in fixed interest securities. Furthermore the fund must have a minimum of 40% and maximum of 70% exposure to shares in listed property companies at the discretion of the portfolio manager. The portfolio aims to produce a reasonably high, sustainable and growing level of income for investors with the possibility of capital growth over the medium and longer term.

Performance (%)

	1 year	3 years	5 years
Class A	22.31	28.76	-
Benchmark	30.49	15.37	25.62

Figures quoted are from MoneyMate for the period ending 30 June 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

Portfolio Size	N\$ 79.74 million
Sector Classification	Domestic Real Estate General
Income Distribution	Net revenue is declared on a daily basis and distributed quarterly.
Income Declaration	31 March, 30 June, 30 September & 31 December
Benchmark	FTSE/JSE SA Listed Property Index (SAPY) 50%; STeFI Composite Index 50%

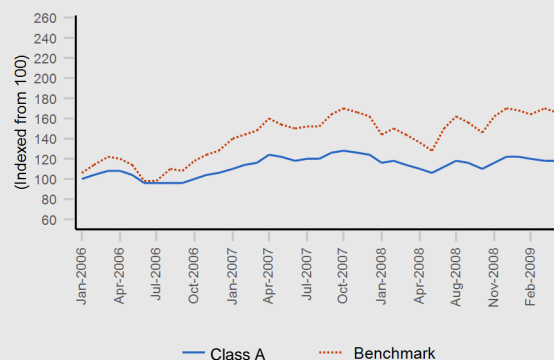
	Class A
Launch Date	30 Dec 2005
Minimum Investment	
Lump Sum	N\$2,000
Debit Order Per Month	N\$200
ISIN No.	ZAE000076469
Official Code	SNFA
Total Expense Ratio *	0.00%

Maximum Portfolio Charges **	
Total Upfront Charge	5.00%
Upfront Charge Intermediary Portion	0.00%
Total Service Charge	1.50%
Service Charge Intermediary Portion	0.00%

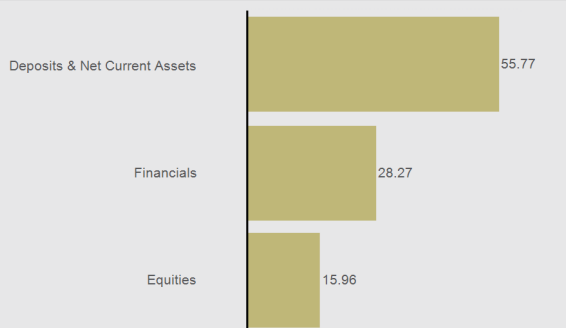
* Please refer to page 2 under "Statutory Disclosure and General Terms & Conditions"
 ** Additional Information can be obtained from Portfolio Charges Brochure on www.stanlib.com

Highlights

Cumulative Performance - Since Inception



Sector (%)



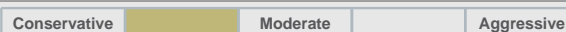
Income Distribution

	Paid in the last 12 months	Paid during 2008	2008 payments as a % of year end price
Class A	8.37 cpu	8.30 cpu	7.14 %

Top Holdings (%)

Std Nam Income Fund A Class	15.96
Fountainhead Property Trust	4.69
Redefine Income Fund Ltd	4.40
Apexhi - C	2.90
Apexhi Properties Limited A	2.55
Resilient Property Income Fund	2.54
Acucap Property Ltd	2.35
Vukile	2.17
Pangbourne Properties Ltd	1.64
Premium Properties	1.26

Risk Rating



Who should Invest

The Standard Bank Namibia Flexible Property Income Fund is suitable for investors seeking a sustainable high yield with good prospects for income and capital growth over the medium and longer-term. This fund effectively ensures that your capital and income keep pace with inflation. Furthermore, this fund is suitable for retired or retiring investors requiring a quarterly income stream without the need to access their capital at short notice. Investors of all ages and risk profiles can utilize this fund in varying proportions to diversify their portfolios.

Benefits

Professional Management:

Experienced experts in the investment arena manage our client's funds, ensuring their peace of mind.

Inflation Hedge:

Income and capital are hedge against inflation over time.

Accessibility:

You can sell your units at any time. It is however recommended that an investment in any unit trust be viewed as a medium to long-term investment, typically over a five year period.

Peace of Mind:

Professional stock trading and market analysis is our key strength, so why not entrust your valuable investment to managers who are experts in this field?

Switching Capabilities:

Investors may switch between other funds in the Standard Bank Namibia product range.

Internet Access:

Investors have access to their Fund statements, monitor the performance of the Fund & where it is invested through the www.stanlib.com website.

Statutory Disclosure and General terms & Conditions

Unit trusts 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. An investment in a unit trust fund is not the same as a deposit with a banking institution. Unit trusts are traded at ruling prices. Forward pricing is used. The price paid by an investor for units is based on the value of the underlying securities together with the accumulated income in the fund as determined on the day the investment is made PLUS certain charges. Provision for amortization of the funds' securities is made where applicable. A schedule of fees and charges and maximum commissions is available on request from the respective Management Company. Where different classes of units apply to certain funds, they would be subject to different charges and fees. Commission and incentives may be paid and if so, would be included in the overall costs. The Management Company reserves the right to close certain funds from time to time in order to manage them more efficiently. More details are available from the Management Company. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The Management Company undertakes to repurchase unit trusts at the price calculated according to the requirements of the Unit Trust Control Act, and on the terms and conditions of the relevant Trust Deeds. Payment will be made within 14 days of receipt of a valid repurchase form. Investments and Repurchases will receive the price of the same day if received prior to 15h30 (South African time). Finally, the Management Company is registered under the Unit Trust Control Act, 1981.

Trustees : First National Bank (Namibia), 207 Independence Avenue, Windhoek, Namibia

Portfolio Manager

Evan Jankelowitz

Evan joined STANLIB in 2003, spending time in the structured and alternative business unit before joining the property team. His honours degree is in investment management. He also co-manages the STANLIB Aggressive Income Fund.



Keillen Ndlovu

Keillen began his property fund management career at Standard Bank Properties in 2004 managing its leveraged listed property product. He became a listed property analyst at STANLIB in 2005 and now also co-manages the STANLIB Aggressive Income Fund.



Quarterly Comments

Market Review

The Property Index behaved like the bond market and delivered a paltry negative total return of 0.88% (capital -2.2%, income +1.3%), underperforming equities by close to 8% for Q2. Several property companies that reported during the quarter delivered strong income growth. These included Premium 13%, Acucap 10%, Sycom 11% and Vukile 12%. However, two disappointments, Redefine (-1%) and Octodec (+1%). Redefine attributed this to a delay in the transfer of trading properties whilst Octodec's portfolio suffered from deteriorating trading conditions in the retail market.

The mega-merger of Redefine, ApexHi and Madison is likely to happen mid in August due to the delays from the Competition Commission. On the other hand, there will be a new listing at the end of the 3rd quarter – a high yield Fortress Property Fund – a brainchild of the Resilient group.

The trend in vacancies is on the up but is not out of hand. The smaller tenants in the industrial space and the line shops/boutiques are struggling. Fundamentally, the industrial market is still stronger than the office and retail market. The high end of the office market is coming under pressure mainly due to a number of new buildings that have come on stream.

Fund Review

The fund continued with its record of outperformance delivering a return of +0.35% versus the sector's return of -0.88% for the quarter. There were three major activities in the portfolio. We increased our underweight position in Growthpoint Properties. Growthpoint is expensive – it's trading at a premium to the sector yet it has lower income growth prospects. We bought more ApexHi B units as an entry to the Redefine merger. The merged Redefine entity is trading at discount to the sector despite superior income growth prospects. The fund capitalised on Liberty International's attempt to repair its balance sheet by participating in an equity raising at a discount to the ruling price. We invested 2% of fund and subsequently sold them at a profit of over 25%. We remain aligned to higher income growth and defensive counters like Resilient and Capital and underweight weaker counters like SA Corporate and Octodec.

Looking Ahead

We are forecasting income to grow by 7.2% over the next 12 months. This is off the highs of 2007 and 2008 but we believe it's decent growth given the current environment. In fact, three property companies recently upgraded their distribution growth guidance – Resilient, Pangbourne and Capital.

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Compliance No :