



Offering Circular

About the Product: Laurence Paul Unit Trust

The Laurence Paul Unit Trust is a Collective Investment Scheme that offers a simple and effective way of saving money for future needs. Our Unit Trusts are tailored to meet various investor objectives whether this is investing for higher short-term returns or for long term objectives such as retirement, building or buying property, saving for your children's education and for your other future needs.

The Unit Trust is a convenient and low-cost method of investing in markets which investors might otherwise have found difficult to access.

This is an investment product that is suitable for individuals, families, companies as well as clubs, societies, unions, NGO's, church groups and other organisations.

The Laurence Paul Unit Trust is an Open Ended Collective Investment Scheme that has no time limit and is constituted as an Umbrella Fund comprising of various Unit Portfolios.

What is a Unit Trust?

Unit Trusts offer a way for individuals to pool their money together and use a professional money manager to access investments such as Treasury bills, Government Bonds, shares and other income generating securities.

Unit Trusts have been used all over the world since 1849 and have become one of the most popular personal investments because they are as uncomplicated as an ordinary bank account with similar levels of flexibility but are designed to maximize returns. Historically, Unit Trusts have given the investor superior returns in the long term.

Who Participates in the Unit Trust?

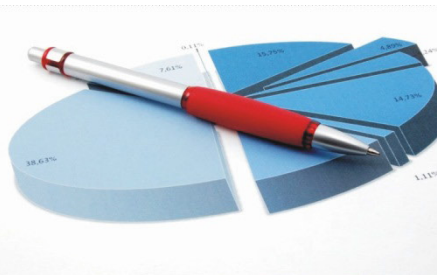
The Collective Investment Scheme has four main participants:

- **Unit Holders**- individual investors who invest into the Scheme.
- **Trustee** – Holds ownership of the assets on behalf of the Unit Holders.
- **Custodian** – keeps custody (safe-keeping) of all assets of the Trust.
- **Management Company** – the carrying out of the investment of the Unit Trusts is done by skilled and professional fund managers who are duly licensed by The Securities and Exchange Commission of Zambia. Backed by sound research capabilities, their full time occupation is to generate maximum returns on investors' money.

Benefits of Investing in Laurence Paul Unit Trusts

- **Diversification** - the Funds are diversified because investments are made in different securities. The rationale behind this is that negative performance of one security or sector may not have as much impact on the overall fund.
- **Liquidity** - investors can access their money in a relatively short time.
- **Regular Income** - Laurence Paul Unit Trusts give investors a chance to earn relatively high interest and live off it.

Laurence Paul Unit Trusts offer a convenient, affordable and flexible way to invest with relatively higher yielding returns.



How do Unit Trusts make money?

A Unit Trust makes money in two ways: Firstly, through an increase in value of the units held in the fund. As the value of the investments and securities held in the fund increases, so does the value of the units held by the individual Unit Holders. This known as unit appreciation.

Secondly, profits earned by the fund are passed on to the investor through periodic Distributions made from income received through interest accrued from bonds, treasury bills and other money market instruments as well as dividends from shares held by the fund.

How secure is the investment?

- The Laurence Paul Unit Trust is authorised, regulated and monitored by The Securities and Exchange Commission of Zambia, a financial market regulator established under the Securities Act [Cap 354] of the Laws of Zambia.
- All investments of the Laurence Paul Unit Trust are carried out with the involvement of the independent Custodian, who is part of a leading international bank. Their role is to provide safe custody of the assets.
- The Laurence Paul Unit Trust is overseen by an Independent Trustee.
- The Laurence Paul Unit Trust is audited at the end of each financial year according to the requirements of the Securities Act.
- The professional Investment Managers at Laurence Paul have undergone specialised training in areas such as Risk in Asset Management.

What is the minimum deposit?

There are 2 investment options:

	Lump Sum or one off investments	Monthly investments via DDAC or payroll deduction*
Retail Funds	K1,000	K250
Institutional Investor Funds	K100,000	N/A
Global Fund	US\$5,000 (or equiv)	US\$1,000 (or equiv)

**Please note that you are free to increase the amount invested from time to time depending on your liquidity. There is no maximum amount.*

What are the Fees and Charges?

An annual management fee is charged on each of the Fund portfolios. In this way, costs are spread over the entire pool of investors, which makes it less costly than if the individuals were to invest by themselves by hiring professional managers.

There are also some transactional charges applicable for individual investors for specific action and requests.

Full details of charges are listed on the Laurence Paul Unit Trust Schedule of Charges.

How To Invest

- Complete a Laurence Paul Unit Trust Application Form.
- Provide the following items:
 - Copy of ID (NRC/Passport) as proof of identity
 - 2 recent passport size photos (B/W or colour)
 - Proof of residence (water/electricity bill)
 - Reference letter from lawyer/banker/employer, etc
- Invest a lump sum through a bank transfer, cheque deposit or cash deposit directly into the Laurence Paul Unit Trust Fund account.
- Fill in a DDACC Mandate Form that will instruct your bank to deduct a fixed amount from your bank account every month.
- Sign up on a payroll deduction scheme through your employer.



What information and feedback do investors receive?

The investors receive annual statements giving details of their units, fund growth and income distributions. Interim statements can also be issued upon request.

An Annual Report is sent out to all Unit holders every year giving a summary of the Fund's investments and prospects by the Management Company, and accompanied by the Audited Financial Statements.

An Annual General Meeting of Unitholders is held to present and discuss the Annual Report, which includes the Audited Financial Statements and the Management Companies Report.

What are the Fund Portfolios available?

The Laurence Paul Unit Trust has several Fund Portfolios for investors to choose from depending on their individual risk profile and investment objectives, as well as the size of their investment:

Retail Investor

Laurence Paul Income Fund - This fund is invested in a range of fixed income and debt securities including Bonds and Treasury Bills, Certificates of Deposit, Fixed Deposits, etc. (formerly called the Laurence Paul Money Market Fund)

	Asset Allocation
Fixed Income Securities	70%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with moderate income. Investments are made primarily in debt securities with the aim of achieving guaranteed return with steady growth. Ideal for the most risk-averse investors.

Risk Tolerance - Conservative

Laurence Paul Equity Fund - Investments are made primarily in shares and other equity instruments. The fund aims to earn a higher rate of return than the average of the Zambian equity market without higher risk of loss.

	Asset Allocation
Equities	70%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with higher income without assuming greater risk.

Risk Tolerance - Moderate



Laurence Paul Balanced Fund - A very dynamic fund that aims to give investors the benefits of both fixed income securities and equities, by taking positions in both asset classes.

	Asset Allocation
Fixed Income Securities	20%
Equities	50%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with medium income.

Risk Tolerance - Conservative to moderate

Institutional Investors & High Net Worth Clients

Laurence Paul Prime Income Fund - Investments are made into similar securities as the Laurence Paul Income Fund, but requires higher amounts of deposits.

	Asset Allocation
Fixed Income Securities	70%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with moderate income. Investments are made primarily in debt securities with the aim of achieving guaranteed return with steady growth. Ideal for the most risk-averse investors.

Risk Tolerance - Conservative

Laurence Paul Prime Equity Fund - Investments are made into similar securities as the Laurence Paul Equity Fund, but requires higher amounts of deposits.

	Asset Allocation
Equities	70%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with higher income without assuming greater risk.

Risk Tolerance - Moderate

Laurence Paul Prime Balanced Fund - Investments are made into similar securities as the Laurence Paul Balanced Fund, but requires higher amounts of deposits.

	Asset Allocation
Fixed Income Securities	20%
Equities	50%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with medium income.

Risk Tolerance - Conservative to moderate

All Investors

Laurence Paul Global Fund - An ideal vehicle for both retail and institutional investors wishing to have the benefits of worldwide markets within easy reach. It is also an excellent way to hedge against local uncertainty and share market volatility.

It is designed as a 'Fund of Funds' that takes positions in selected Fixed Income Funds and Equity Funds based in several financial centres around the globe. It also makes direct use of instruments such as index trackers and invests in government debt securities.

	Asset Allocation
Fixed Income Securities	20%
Equities	50%
Cash and Cash Equivalents	30%

Objective & Investment Policy – Capital preservation with medium income. Aims to provide investors with the opportunity for offshore diversification through a global portfolio at no greater risk of loss. Investments are made in International fixed income securities and equities.

Risk Tolerance - Conservative to moderate

What are the conditions applicable?

- No withdrawals are allowed for the first 12 months of each investment or any other subsequent investments.
- Cheques and electronic deposits will only be credited to the account upon clearance.

When can withdrawals be made?

- Withdrawals up to **K20,000** will be paid by Cheque and require notice of ten working days.
- Withdrawals above **K20,000** can be paid by Cheque/transfer and require notice of twenty one working days.

Collateral for Bank Loans

Investments in the Laurence Paul Unit Trust can be used as collateral for borrowings from commercial banks.

Will income be taxed?

Taxes applicable to Collective Investment Schemes their underlying investments apply.

Constitutive Documents

The following can be inspected during office hours at all offices of Laurence Paul Investment Services Limited:

- Laurence Paul Unit Trust Deed
- Laurence Paul Unit Trust Investment Policy Statement

Can the Unit Trust be terminated?

The scheme may be closed by the Management Company, the Trustee as well as the Unit Holders. Terms and conditions apply in each case.

Directors Statement

The Directors of Laurence Paul Investment Services Collectively and individually accept responsibility for the accuracy of the information contained in this Offer Document, and certify that to the best of their knowledge and belief, there are no other facts, omission of which would make any statements in this Offer Document misleading, and that they have made reasonable enquiries to ascertain such facts.

Salient Features

Launch Date – 16 May 2008

Valuation Days – Mondays & Wednesdays (1600)

Withdrawal requests must be received by 1400 on each business day.

Income Distribution Dates – 30 Jun/31 Dec

Financial year end – 31 March

Unit prices published in the Times of Zambia.

Operators and Principals

Management Company

Laurence Paul Investment Services
5th Floor Design House, Dar es Salaam Place, Cairo Road
P.O. Box 35008, Lusaka, Zambia

Directors

Chisha L. Folotiya - Chairman
Aaron Y. Zulu - Executive Director
FNC Corporate Services - Company Secretary

Trustee - AMG Global Trust Company Limited

No. 6 Lagos Road, Rhodes Park
P.O. Box 37893, Lusaka, Zambia

Custodian - Standard Chartered Bank Zambia

Standard House, Cairo Road
P.O. Box 32238, Lusaka, Zambia

Auditor - HLB Reliance

2nd Floor, Saturnia House, Dundza Chisidza Road
Longacres, Lusaka, Zambia



Warning

Collective Investments Schemes in Securities (Unit Trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up subject to market conditions and cannot be guaranteed.

Important - If you are in any doubt about the contents of this Offer Document, you should consult your financial adviser.

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue.

Different portfolios may be subject to different fees and charges. Investors are reminded that in certain circumstances their right to redeem their units may be suspended.

No money should be paid to any intermediary who is not a Licensed Dealer or Investment Advisor.

This is a Collective Investment Scheme product offered by Laurence Paul Investment Services, Reg No. 66721. The Management Company is a Licensed Dealer under the Securities Act [Cap 354]. In so giving authorization, the Securities and Exchange Commission of Zambia shall not be held liable for the financial soundness of the fund and any statements or opinions expressed herein.

Unauthorised distribution of this product is prohibited.

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