



# **SANLAM QUALIFYING INVESTORS FUNDS PLC**

Annual audited financial statements  
for the year ended 31 December 2015



**ANNUAL AUDITED FINANCIAL STATEMENTS**

*for the year ended 31 December 2015*

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**COMPANY INFORMATION**

**Directors of Sanlam Qualifying Investor Funds Plc (the “Company”)**

Paul Dobbyn\* – Irish  
 Thomas Murray\* – Irish  
 Haydn Franckeiss (appointed 28 May 2015) – South African  
 Richard Aslett (appointed 14 August 2015) – British  
 Peter Murray\* (resigned 31 December 2015) – Irish

*All Directors are non-executive*

**Registered number**

475202

**Funds of the Company**

Sanlam Institutional Equity Flexible Fund  
 Sanlam Centre Multi-Asset Real Return Feeder Fund  
 Sanlam Institutional Balanced Fund  
 Sanlam Institutional Bond Fund  
 Sanlam European Growth Basket Fund  
 Sanlam Global Fund of Hedge Funds  
 Sanlam Africa Equity Fund

**Registered office of the Company**

Beech House  
 Beech Hill Road  
 Dublin 4  
 Ireland

**Manager & Alternative Investment Fund Manager & Secretary**

Sanlam Asset Management (Ireland) Limited  
 Beech House  
 Beech Hill Road  
 Dublin 4  
 Ireland

**Administrator**

Sanlam Asset Management (Ireland) Limited  
 Beech House  
 Beech Hill Road  
 Dublin 4  
 Ireland

**Registrar & Transfer Agent**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited  
 30 Herbert Street  
 Dublin 2  
 Ireland

*\*Paul Dobbyn and Thomas Murray are considered independent Directors by the Irish Stock Exchange only. Peter Murray was also considered an independent Director by the Irish Stock Exchange prior to his resignation effective 31 December 2015.*

**COMPANY INFORMATION (CONTINUED)**

<b>Investment Managers*</b>	Sanlam Investment Management (Pty) Limited 55 Willie van Schoor Avenue Bellville 7530 South Africa
	Sanlam FOUR Investments UK Limited** 1 Ely Place London EC1N 6RY United Kingdom
<b>Investment allocation manager</b>	Sanlam FOUR Investments UK Limited** 1 Ely Place London EC1N 6RY United Kingdom
<b>Depository</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited 30 Herbert Street Dublin 2 Ireland
<b>Listing broker</b>	Maples and Calder 75 St. Stephens Green Dublin 2 Ireland
<b>Auditor</b>	Ernst & Young Harcourt Centre Harcourt Street Dublin 2 Ireland
<b>Irish legal adviser</b>	Maples and Calder 75 St. Stephens Green Dublin 2 Ireland
<b>Distributors</b>	Sanlam Investment Management (Pty) Limited 55 Willie van Schoor Avenue Bellville 7530 South Africa
<b>Stock lending agent</b>	Brown Brothers Harriman & Co. 50 Post Office Square Boston MA 02109 United States

*\*Sanlam FOUR Investments UK Limited is the Investment Manager for Sanlam Centre Multi-Asset Real Return Feeder Fund and Sanlam Global Fund of Hedge Funds. All other Funds are managed by Sanlam Investment Management (Pty) Limited.*

*\*\* Effective 31 July 2015, Sanlam International Investments Limited and Sanlam FOUR Investments UK Limited entered into a deed of Novation upon which the rights, obligations and liabilities of Sanlam International Investments Limited transferred to Sanlam FOUR Investments UK Limited.*

## DIRECTORS' REPORT

The Directors of Sanlam Qualifying Investors Funds plc (the "Company") present herewith their Annual Report together with the audited financial statements for the year ended 31 December 2015.

## RESULTS AND BUSINESS ACTIVITIES

Detailed investment reviews are included in the Reports of the Investment Manager from pages 19 to 26. The results of operations are set out in the Statement of Comprehensive Income on pages 27 to 31.

The Directors also draw your attention to the significant events during the year explained in note 22 on page 125.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to the risks associated with the financial instruments and markets in which the Funds invest. The Directors draw your attention to note 18 on pages 96 to 117 which outlines the financial risks associated with meeting the Company's investment objectives. The Directors are not aware of any existing or contingent liability of the Funds that may expose the assets of the Company as a whole.

## DIVIDENDS

The Directors have no current intention to make distributions from any Fund. All such profits shall be retained in the relevant Fund.

## DIRECTORS

The Directors of the Company during the year were as follows:

- Paul Dobbyn (Irish)
- Thomas Murray (Irish)
- Haydn Franckeiss (South African)
- Richard Aslett (British)
- Peter Murray (Irish)

Paul Dobbyn is a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc. Paul Dobbyn is also a Director of Sanlam Global Fund of Hedge Funds Plc, which the Directors resolved to place into voluntary liquidation on 7 November 2014. Paul Dobbyn was also a Partner in Maples and Calder until his resignation on 23 March 2015.

Thomas Murray is a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc. Thomas Murray is also a Director of Sanlam Global Fund of Hedge Funds Plc, which the Directors resolved to place into voluntary liquidation on 7 November 2014. On 7 October 2015, Thomas Murray was also appointed as a Director of Sanlam Asset Management (Ireland) Ltd. ("SAMI").

Haydn Franckeiss was appointed as a Director of the Company on 28 May 2015. Haydn Franckeiss is also a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc.

Richard Aslett was appointed as a Director of the Company on 14 August 2015. Richard Aslett is the Chief Executive Officer of SAMI. Richard Aslett is also a Director of Sanlam Global Funds Plc, Sanlam Universal Funds Plc and SAMI.

Peter Murray (resigned 31 December 2015) was also a Director of SAMI, Sanlam Global Funds Plc, Sanlam Universal Funds Plc and Sanlam Global Fund of Hedge Funds Plc before his resignation effective 31 December 2015.

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' AND SECRETARY'S INTEREST IN SHARES AND CONTRACTS

The Directors, who held office on 31 December 2015, had no interest in the shares of the Company or Funds at that date or at any time during the financial year. None of the Directors has a service contract with the Company. The Manager holds non-participating shares of the Company as explained in the notes to the Financial Statements.

### RELATED PARTIES

Disclosures in respect of related parties are contained in note 12 to the Financial Statements.

### CONNECTED PARTIES

The Central Bank of Ireland AIF Rulebook section on "Dealings by management company, general partner, depositary, AIFM, investment manager or by delegates or group companies of these" states that any transaction carried out with the Company by a management company, general partner, depositary, AIFM, investment manager or by delegates or group companies of these ("Connected Parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Board of Directors is satisfied there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out above are applied to all transactions with Connected Parties entered into during the year and that all such transactions have complied with these obligations.

### ACCOUNTING RECORDS

The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper accounting records are the use of appropriate systems and procedures which are carefully implemented by the Administrator. The accounting records of the Company are kept at Beech House, Beech Hill Road, Dublin 4, Ireland.

### SUBSEQUENT EVENTS

Other than as disclosed in note 23, up to the date of the approval of these financial statements there were no events subsequent to the year end, which, in the opinion of the Directors of the Company, may have had an impact on the financial statements for the year ended 31 December 2015.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the results of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards or disclose or explain material departures from them in the financial statements;
- provide a fair review of the development and performance of the Company and its subsidiaries;
- give a description of principal risks and uncertainties that they face; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

**DIRECTORS' REPORT (CONTINUED)****STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and comply with the Irish Companies Act, 2014. They are also responsible for safeguarding the assets of the Company and in fulfilment of this responsibility, they have entrusted the assets of the Company to the Depository for safekeeping, in accordance with the Memorandum and Articles of Association of the Company. The Directors are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CORPORATE GOVERNANCE CODE**

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I.83 of 2010) (the "Regulations") requires the inclusion of a corporate governance statement in the Directors' Report.

Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Irish Stock Exchange (ISE), the Irish Funds Industry Association ("IFIA") has published a corporate governance code ("IFIA Code") that may be adopted on a voluntary basis by Irish authorised collective investments schemes. This code became effective from 1 January 2012, with a twelve month transitional period. It should be noted that the IFIA Code reflects existing corporate governance practises imposed on Irish authorised collective investment schemes, as noted above.

On 19 December 2012, the Board of Directors voluntarily adopted the IFIA Code as the Company's corporate governance code. The Board of Directors has assessed the measures included in the IFIA Code as being consistent with its corporate governance practises and procedures for the financial year. The code is available at [www.sanlam.ie](http://www.sanlam.ie).

In addition to the IFIA Code, the Company is subject to corporate governance practices imposed by:

- i) The Irish Companies Act 2014 which is available for inspection at the registered office of the Company. It may also be obtained at <http://www.irishstatutebook.ie/eli/2014/act/38/enacted/en/html>.
- ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company at Beech House, Beech Hill Road, Dublin 4, Ireland and the Companies Registration Office in Ireland.
- iii) The Central Bank of Ireland in their AIF Rulebook for Qualified Investor AIFs which can be obtained from the Central Bank of Ireland website at <http://www.centralbank.ie/regulation/industry-sectors/funds/aifmd/Pages/default.aspx> and are available for inspection at the registered office of the Company.
- iv) The ISE through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at <http://www.ise.ie/Products-Services/Investment%20Funds/List-a-Fund/Open%20ended%20rules.pdf?v=1032015>.
- v) SAMI's Programme of Activity, Business Plan and Code of Conduct, which is available for inspection at the registered office of SAMI at Beech House, Beech Hill Road, Dublin 4, Ireland.
- vi) SAMI is also subject to the Corporate Governance Code of the Sanlam Group.

The Board of Directors is responsible for establishing and maintaining internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement and loss. The Board of Directors has delegated this duty to SAMI.

**DIRECTORS' REPORT (CONTINUED)****CORPORATE GOVERNANCE CODE (CONTINUED)**

SAMI is appointed as administrator to maintain the books and records of the Company. SAMI is authorised and regulated by the Central Bank of Ireland and must comply with the rules imposed by the Central Bank of Ireland. SAMI also monitors and evaluates the external auditor's performance, qualifications and independence.

The Company has procedures in place to ensure all relevant books of accounts are properly maintained and are readily available, including production of annual financial statements. The annual financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Central Bank of Ireland and the ISE.

The statutory financial statements are required to be audited by the independent auditors who report annually to the Board on their findings. The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

**Shareholders' meetings**

The convening and conduct of shareholders meetings are governed by the Articles of Association of the Company and the Companies Act. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors of the Company are required to convene a general meeting within eighteen months of incorporation and fifteen months of the previous annual general meeting thereafter. Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request to convene a shareholders meeting. Not less than twenty one days' notice of every annual general meeting and any meeting for the passing of a special resolution must be given to shareholders and fourteen days' notice must be given in the case of any other general meeting unless the auditors of the Company and all the shareholders entitled to attend and vote agree to shorter notice.

Two members, present either in person or by proxy, constitute a quorum at a general meeting provided that the quorum for a general meeting convened to consider any alteration to the class rights of shares is two shareholders holding or representing by proxy at least one third of the issued shares of the relevant Funds or class.

Every holder of participating shares or non-participating shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him and every holder of non-participating shares is entitled to one vote in respect of all non-participating shares held by him. The chairman of a general meeting of the Company, or at least two members present in person or by proxy, or any holder or holders of participating shares present in person or by proxy representing at least one-tenth of the shares in issue having the right to vote at such meeting, may demand a poll.

Shareholders may decide to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company (or of the shareholder of a particular Funds or class) requires a simple majority vote cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company (or of the shareholders of a particular Fund or class) requires a majority vote of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.



**DIRECTORS' REPORT (CONTINUED)****CORPORATE GOVERNANCE CODE (CONTINUED)****Composition and Operation of the Board**

Unless otherwise determined by an ordinary resolution of the Company in a general meeting, the number of Directors may not be less than two. Currently the Board of Directors of the Company is composed of four Non-Executive Directors, being those listed on page 1 of these financial statements with Paul Dobbyn, Thomas Murray and Richard Aslett being Irish residents. None of the Company's Directors hold common directorships with the Depositary.

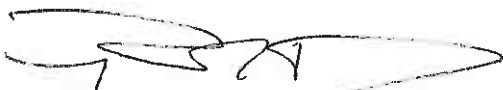
The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not required in accordance with the Companies Acts or the Articles of Association to be exercised by the Company in a general meeting.

A Director may, and the company secretary of the Company on the requisition of a Director will, at any time summon a meeting of Directors. Questions arising at any meeting of Directors are determined by a majority of votes. In the case of quality of votes, the chairman has a second or casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

SAMI has been appointed the Alternative Investment Fund Manager ("AIFM") to the Company and its Funds pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (the "AIFM Regulations"). The AIFM Regulations apply to SAMI and consequently to the management and operation of the Company. SAMI has been approved by the Central Bank of Ireland as the AIFM and is therefore required to comply with all duties, obligations and functions of an AIFM as are contained in the AIFM Regulations, the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, the Central Bank of Ireland's AIF Rulebook and SAMI's Programme of Activity as they apply to the services it provides to the Company and the Funds.

**AUDITORS**

The Auditors, Ernst & Young, have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

**On behalf of the Board of Directors**  
\_\_\_\_\_  
Director  
21 April 2016  
\_\_\_\_\_  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANLAM QUALIFYING INVESTORS FUNDS PLC**

We have audited the financial statements of Sanlam Qualifying Investors Funds plc for the year ended 31 December 2015 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditors***

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report, Depositary's Report, Manager's Report, Economic & Market Review, Investment Manager's Reports and Portfolio of Investments to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*Continued /...*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANLAM QUALIFYING INVESTORS FUNDS PLC**

### ***Opinion on financial statements***

In our opinion the financial statements:

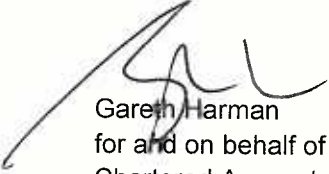
- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### ***Matters on which we are required to report by the Companies Act 2014***

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

### ***Matters on which we are required to report by exception***

We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Gareth Harman  
for and on behalf of Ernst & Young  
Chartered Accountants and Statutory Audit Firm

Dublin

28 April 2016

## REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Sanlam Qualifying Investors Funds plc (the "Company") for the period 1 January to 31 December 2015, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company in accordance with the Central Bank's AIF Rulebook Chapter 6 (as amended) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depositary

Our duties and responsibilities are outlined in the Central Bank's AIF Rulebook Chapter 6 (as amended). One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the European Communities Alternative Investment Fund Managers Directive 2011/61/EU as amended, and Commission Delegated Regulations (EU) No. 231/2013 as amended, (the "Regulations"). It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Depositary Opinion

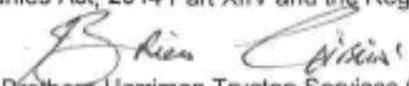
The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the AIF Rulebook Chapter 6 (as amended) and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the Regulations; and
- (ii) otherwise in accordance with the Company's constitutional documentation and the Regulations.

### Opinion

In our opinion the Company has been managed during the period in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the Central Bank under the powers granted to it by the Companies Act, 2014 Part XIIV and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Companies Act, 2014 Part XIIV and the Regulations.

  
Brown Brothers Harriman Trustee Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland  
21 April 2016

## MANAGER'S REPORT

Sanlam Asset Management (Ireland) Limited ("SAMI" or the "Manager") presents herewith the Manager's Report for the year ended 31 December 2015.

SAMI has been appointed to serve as the Company's administrator and Alternative Investment Fund Manager ("AIFM") and to manage the assets of each Fund in accordance with its investment objective and policies as determined by the AIFM and any subsequent changes thereto.

As the AIFM, SAMI has responsibility for the management and administration of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors of the Company. SAMI has delegated the performance of certain of its investment management functions in respect of the Company to the Investment Allocation Manager and the Investment Managers. In addition, SAMI has delegated the performance of certain of its distribution functions in respect of the Company to the Distributors. SAMI has also delegated certain of its administrative functions to the Depositary and to the Registrar & Transfer Agent of the Company. These delegation arrangements have been notified to the Central Bank and made in accordance with SAMI's outsourcing/delegation policy, its Programme of Activity, the AIFM Regulations and the AIF Rulebook. SAMI will notify the Central Bank before any further delegation becomes effective and will be able to justify its entire delegation structure with objective reasons.

### Performance and Investment Activities

An overall review of the economic environment is detailed in the Economic and Market Review on pages 12 to 18.

The performance and investment activities of the individual Funds of the Company are set out in the Investment Managers' reports on pages 19 to 26.

### Material Changes

The AIFMD requires certain information to be made available to investors in AIFs, including the Company, before they invest and requires that material changes to this information be disclosed in the annual report. The Company's Prospectus and the Supplement of each Fund of the Company, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the AIFM's website at [www.sanlam.ie](http://www.sanlam.ie). There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to shareholders as and when it arises.

### Portfolio Overview

The portfolios held by the individual Funds are disclosed on pages 47 to 55.

### Other risk disclosures

The financial risk disclosures relating to the Company's risk framework and liquidity risk are set out in note 18 of the notes to and forming part of the audited financial statements on pages 96 to 117.

### SAMI Remuneration Policy

The remuneration policy of the Manager for the year ended 31 December is disclosed on pages 127 to 130.

### Leverage

The leverage of each Fund of the Company, as determined using the methodologies prescribed under the AIFMD is disclosed on page 131.

**ECONOMIC & MARKET REVIEW***for the year ended 31 December 2015***Global Economic Review**

Amongst developed economies, the recovery in the US and UK continued in the latter half of 2015, while a mild upswing took hold in the Euro area. Generally, the recovery in real economic activity reflects firmer household consumption expenditure, partially due to the support lent to real disposable income growth by the collapse in oil prices. Unemployment rates have trended lower and the fall in commodity prices has boosted the terms of trade and purchasing power of commodity importers.

In the US, specifically, credit extension, while moderate, has recovered from the financial crisis slump. US households have deleveraged and their net wealth has bounced. In addition, jobs growth data has been especially buoyant. Further, the US housing market held up in 2015. Homebuilder sentiment has been elevated and house price growth remained moderate. Pending and existing home sales data weakened in the final months of the year, but housing starts and permits trended higher through last year. That said real GDP growth did slow appreciably in the world's largest economy in the final quarter of 2015.

Meanwhile, growth expectations for emerging market economies were revised substantially lower through the past year, reflecting the adverse impact of soft external demand, falling terms of trade amongst commodity producers, softer productivity growth, weaker corporate profitability, geopolitical tension and stubbornly high inflation in some cases.

Tighter global financial market conditions exposed the vulnerability of numerous emerging market economies, notably those running macroeconomic imbalances.

China was a focal point as industrial production growth slowed to its lowest level since the global financial crisis. Concern also mounted over the country's high debt level, including non-financial corporations' debt, amidst slowing income growth. Accordingly, China's policymakers eased policy, including cuts in the benchmark rates of the Peoples Bank of China and reductions in the Reserve Requirement Ratio of banks. In addition, the monetary authorities managed the Yuan weaker, which is not surprising considering the extent of real appreciation of China's currency since the financial crisis, the concomitant decline in the country's current account surplus in recent years and the exceptionally low level of inflation.

Also, partially reflecting softening production levels in China, global industrial production growth, which stalled in the first half of 2015, remained weak in the latter half of the year. In particular, the December 2015 global manufacturing purchasing managers' index (PMI) release disappointed with declines recorded in the US and China. Overall, the PMI output index remained consistent with low, single digit global industrial production growth at best. One consequence of this was continued downward pressure on commodity prices, including oil prices which declined to their lowest level since the global recession by the end of the year.

Given tepid growth and lower commodity prices, global headline inflation was well contained in 2015, although there were notable exceptions in developing countries including Brazil, Russia and Turkey. Core inflation in developed economies remained stable at a relatively low level.

The monetary policy stances of the European Central Bank (ECB) and the US Federal Reserve continued to diverge. In Europe, non-harmonised consumer price inflation advanced just 0.2 per cent in the year to December 2015. Concern over possible deflation in the Euro area, in addition to the lack of real GDP growth, encouraged the European Central Bank (ECB) to announce an extension of its sovereign quantitative easing programme (initially introduced on 22nd January 2015) at the conclusion of the ECB Governing Council meeting in early December 2015.

**ECONOMIC & MARKET REVIEW (CONTINUED)**

*for the year ended 31 December 2015*

**Global Economic Review (continued)**

In contrast, encouraged by the ongoing economic recovery and relative buoyancy of employment data, the US Federal Reserve Open Market Committee, which concluded its asset purchase programme in October 2014, shifted towards a less accommodative monetary policy stance, increasing the target range for the federal funds rate from  $\frac{1}{4}$  to  $\frac{1}{2}$  per cent at the conclusion of its monetary policy meeting on 16 December 2015 (from the previous range on 0 to  $\frac{1}{4}$  per cent). The marked divergence in monetary policy stances between the ECB and the US Federal Reserve contributed to sustained US\$ strength in 2015.

**Global Economic Outlook**

Available data suggests global real GDP growth slowed materially in the final quarter of 2015. There is also little to suggest a sustained robust upswing is likely anytime soon amidst constrained productivity, disappointing global trade activity and fixed investment levels, tighter financial sector regulation, geo-political tension and the credit overhang in a number of EM economies. Also, the collapse in oil prices is expected to continue placing severe downward pressure on income growth, purchasing power and government revenue streams amongst oil producers.

In large developed economies, quantitative easing may have stabilised economies, but has not managed to lift trend growth rates. Rather, economic growth has persistently been lower than expected in recent years. In essence, structural economic reform is required to lift trend growth, notably in Europe.

China, the world's largest commodity importer is likely to remain a focal point in the year ahead. Although expansionary monetary and fiscal policy may underpin real economic activity for some time, China's long-term real GDP growth prospects have weakened. The country has over-invested and productivity growth is slowing, given diminishing returns on investment as more and more capital stock has been added per worker. Ultimately, an adjustment appears likely through a decline in the ratio of fixed investment to GDP.

Core inflation rates in developed economies are low and stable, while inflation expectations are well contained. Given the collapse in oil prices and constrained real economic activity, inflation is expected to remain relatively low, given some notable exceptions mainly in EM economies.

Indeed, sustained low inflation prompted the ECB, in early January 2016, to signal its intention of easing monetary policy further. In the same month, the Bank of Japan, which remains determined to push inflation up to 2 per cent, shifted to negative interest rates, by applying a -0.1 per cent interest rate on the portion of reserves held in current accounts by financial institutions at the Bank over and above reserves held due to policy requirements or policy action. It also indicated further decreases in this interest rate would be implemented if necessary.

In contrast the Bank of England is expected to commence an interest rate hiking cycle in 2016, while the US Federal Reserve is also expected to continue increasing its policy rate. To date, the message from the US Federal Open Market Committee ("FOMC") has been relatively straightforward, arguing that a falling unemployment rate may lift wages and ultimately inflation. This is a debatable point. Admittedly, the non-farm payrolls data has remained firm and the unemployment rate has declined meaningfully. And, although inflation is expected to remain low in the near term, the FOMC does project an increase in inflation over the medium to long-term, which appears reasonable considering that the favourable impact of lower commodity prices is likely to fade at some point. However, the recent softening in real economic activity may give the US Federal Reserve pause for thought. In any event, the FOMC has indicated that further increases in the federal funds rate are likely to be implemented at a gradual rate, while also expecting the federal funds rate to remain below its expected long-term level "for some time". This suggests a mild US interest rate hiking cycle.

On balance, it appears as if we can expect "more of the same" in 2016 as global nominal growth remains modest (with risk seemingly skewed to the downside) and real interest rates remaining low.

**ECONOMIC & MARKET REVIEW (CONTINUED)***for the year ended 31 December 2015***Market Review**

The first quarter of 2015 continued with the oil theme from the end of 2014, which saw the oil price decline further, however this appeared to find a bottom around \$50 a barrel, and has subsequently seen a slight drift up in price. The consequence of this fall in the oil price has been that US onshore shale gas rigs have started to shut down, and this is a major factor in closing the global over supply of oil, which is now estimated to be less than 1% excess, hence equilibrium between supply and demand is now much closer to being achieved. January also saw markets focus on the Greek elections and, while there was initial concern about Syriza's victory and their rhetoric, in practice, the Greek situation has meant there is little room for them to negotiate with the Troika, and so Syriza's stance has been somewhat symbolic for the Greek electorate. That said the importance of Greece and their potential exit from the Eurozone has become increasingly less of an issue, as has the potential contagion effects from that for the rest of the Eurozone. Additionally issues during the first quarter, where the harshness of the US winter, which will impact US GDP, and consequently the timing of the US Federal Reserve's interest rate hike. There were also concerns about the slowdown of the Chinese economy, and currency movements were also a theme, most noticeably focused on the Swiss franc, which in turn was in advance of the European Central Bank announcing its own quantitative easing program.

The second quarter of 2015 really saw the market focus on four main things. Firstly, the oil price, which had been a theme from recent quarters, appears to have stabilised and moved north of \$60 a barrel, only to drift below that post quarter-end. Secondly, and perhaps most importantly, the market continues to anticipate when the US Federal Reserve will raise interest rates, and for the majority of the quarter it looked like the first rise would come in September 2015, the likelihood of this continues to be pushed back and so December 2015 could turn out to be the month when the first interest rate rise is implemented. However, the market continues to be uncertain as to when this first hike will come, and this remains a point of discussion and uncertainty. Thirdly, as the quarter progressed the issues around Greece gained increased attention, which has significantly dented current market confidence and was a material contributor to the market declines seen in June. The snap referendum in the first weekend of July, and subsequent "No" vote – a rejection of further austerity, at the time of writing, has failed to resolve the deadlock, though ultimately a resolution and agreement between both sides remains possible. Finally, and perhaps less obvious to many is that there have been significant gyrations in the domestic Chinese equity market. These events have led Chinese authorities to recently announce some measures to help support the market, to try and manage and contain any effects to the wider Chinese economy and domestic sentiment. It remains unclear whether these measures will be successful and what the impact on the Chinese economy will be.

The third quarter of 2015 has been a difficult period for most investors with volatility and uncertainty spreading throughout global markets. Identifying the exact trigger for this is difficult, but the longevity of the equity bull market was almost certain to suffer a setback at some point, and this last quarter has definitely witnessed that. Clearly the issues within the domestic Chinese equity market, which were a significant contributing factor to the Chinese managing a devaluation in their currency early in the quarter was a significant event, and subsequently investors' concerns have grown. China is a significant contributor to the global economy, but perhaps even more importantly to the global economic growth rate. With early signs of a slowdown in China the market became increasingly bearish and moved into a risk averse outlook. The other major event during the quarter was actually one that did not happen, and that was in September when the US Federal Reserve decided not to raise interest rates, which would have been the initiation of their formal interest rate tightening cycle. Even in advance of the announcement, the market was sure it was a close call, but many commentators now think that an opportunity has been missed by the Federal Reserve, and that with interest rates so low there are stored up risks building for the future. From the Federal Reserve's own perspective they continued to see risks to the downside and a lack of inflationary pressures to justify any move. The ongoing saga of when US interest rates will increase has now been extended once again. Another event during the period was the escalation of geopolitical events in the Middle East, which has also not helped investor confidence during the quarter.



**ECONOMIC & MARKET REVIEW (CONTINUED)***for the year ended 31 December 2015***Market Review (continued)**

The fourth quarter of 2015 would have appeared to be an easier quarter for investors, if one were to look at the direction of equity markets. However, the quarter was a challenging one. The global economic picture that started to soften during the third quarter continued to weaken into the fourth quarter. This has led certain investors to identify May 2015 as the beginning of a bear market. This has created a bearish sentiment in the market which has been a major factor influencing the market's view of where to invest. The apparent declining level of Chinese economic activity has remained an issue, and one that has attracted increasing concern. The quarter will probably be remembered though as being when the US Federal Reserve finally raised interest rates. In December the US Federal Reserve raised interest rates by 0.25% to 0.50%. This was the first US Federal Reserve interest rate rise since 2006. Another major factor during the quarter was the further decline in the oil price, which appeared to have very broadly stabilised around the \$50 a barrel level, decreased further in the period. This took the oil price well below \$40 and on its way towards \$30. The quarter saw some mild rises in volatility, all of which reflected the markets increased nervousness.

**Equity Market Review**

For the first quarter of 2015, global equity markets as measured by the MSCI World Index, rose 2.31%. The quarter proved challenging with intra-quarter movements once again providing some meaningful differences. January was a volatile month which saw markets continuing the fall from December with an aggressive fall in the first week of the quarter, this reversed somewhat during the rest of January and so the month ended with a return of -1.81%. The recapture of the initial losses in the quarter continued strongly in February with a very strong and consistent month, resulting in a return of 5.86%. March was in many regards a repeat of January where markets started off poorly dropping roughly -3.4%, followed by a strong recovery into the third week of the month recouping all the losses month to date. During the final week of March markets turned down once again and ended the month -1.57% behind.

Overall it was a strong first quarter for most regions with the only exception being North America which was up only 0.76%. Japan led the regions with a very strong quarterly return of 10.21%. This was at least partly due to tailwinds of the Japanese Government Pension Investment Fund's move into stocks, an expectation of wage increases and some improvement in corporate performance. Europe also experienced a strong quarter with new market optimism in the region which can largely be attributed to the start in quantitative easing, resulting in a rise of 3.45%. Emerging Markets underperformed Developed Markets for the quarter with a return of 2.24%, although the two effectively performed in line with each other.

While the oil price has recovered marginally, the Energy sector continued on its decline and returned -3.97% for the quarter after significant declines in the last six months of 2014. The only other sector to produce a negative return over a strong quarter in world markets was Utilities that returned -5.12%, which had been one of the best performing sectors in 2014. The strongest performing sector for the quarter was Health Care which returned 8.29%, followed by Consumer Discretionary which returned 5.83%. Consumer Staples, Industrials, Information Technology, Materials and Telecommunication Services all returned in the region of 2% over the quarter. Of the positive returning sectors Financials was the poorest performing sector with a return of only 0.75%.

For the second quarter, global equity markets as measured by the MSCI World Index, rose 0.31%. The market moved around quite a bit in April, but was on a general upward trend, ending up in a 2.35% gain for the month. May started more cautiously, but still resulted in the market drifting upwards by 0.34% for the month. June, even from the start saw the market mood become more pessimistic, and despite a bounce in the middle of the month, the concerns towards the end of the month overwhelmed everything leading to a decline of -2.35%, and thus resulting in the broadly flat quarter. To the end of June, global equity markets were then up by around 2.6%.

**ECONOMIC & MARKET REVIEW (CONTINUED)***for the year ended 31 December 2015***Equity Market Review (continued)**

Looking at the regional equity markets, Japan once again led the way rising by over 3% for the quarter. Meanwhile Europe slightly out-performed North America with returns of 0.36% and 0.11% respectively. The Pacific excluding Japan was the material laggard with a decline of -2.48% over the period. Emerging Markets out-performed this region and both Europe and North America, with a return of 0.69%, and consequently out-performed Developed Markets for the quarter. On a year-to-date basis Japan has risen almost 14%, while Europe is up nearly 4%, and North America and Pacific excluding Japan are up, but each by less than 1%; Emerging Markets are under-performing Developed Markets by about -1% to the end of June.

At a sector level only four of the ten sectors produced positive returns for the quarter. Telecommunication Services led the way with a rise of 3.40%, while Financials gained 1.63%, and Health Care and Consumer Discretionary rose 1.52% and 1.12% respectively. Of the declining sectors Information Technology was the least poor, with a fall of only -0.39%, while Materials and Consumer Staples declined by less than -1%. Industrials fell by -1.09%, and Energy by -1.15%, while Utilities were the weakest global sector falling by -2.92%. Year-to-date Health Care is the best performing sector rising almost 10%, while Utilities is the weakest sector declining nearly -8%. The Energy sector is the only other sector with a negative absolute decline in 2015, with a fall of -5.08%.

For the third quarter, global equity markets as measured by the MSCI World Index, fell -8.45%. The market moved moderately upwards in July, but as fears started to grow the market suffered a setback in the second-half of July, but one from which it recovered somewhat before month-end. However, in August with the negative backdrop and investor caution becoming increasingly prevalent the market moved sideways before selling off sharply mid-month, which saw the VIX index, a measure of volatility, spike above 40 for the first time since 2011 – it has barely exceeded 25 since such time. August saw markets decline over -6.6% and was the weakest month for global equities since May 2012. September continued in much the same vein as August, but not quite as aggressively, and so equity markets sold-off by almost -3.7%.

Looking at the regional equity markets, the MSCI Pacific excluding Japan was the weakest performer in the quarter declining by nearly -16%. This was directly related to the contagion effects from the Chinese domestic market. Japan was the next weakest region declining by -11.8%, while Europe decreased -8.7% and North America was the most resilient at -7.3%. With the risk-off environment the quarter also saw Emerging Markets sell-off materially with a decline of -17.9%. This meant that they under-performed Developed Markets materially for the period, however Emerging Markets actually out-performed marginally in the month of September.

At a sector level the defensive nature of the quarter was clearly evident. The Utilities sector was the best performing sector, and the only one to produce a positive absolute return of 0.1%. This was followed by Consumer Staples which declined -1.14%. Then there was a significant gap to Information Technology, which was the third best performing sector, with a return of -5.1%. Consumer Discretionary and Telecommunication Services were the other two sectors to out-perform the wider market. The weakest sector was Materials falling -19.6%, followed by Energy at -18.1%, both of which suffered from the sell-off in underlying commodities. Financials was the third weakest sector falling -9.5%, while Health Care with a decline of -9.4% was the clear exception to the defensive nature of the quarter.

For the fourth quarter, global equity markets as measured by the MSCI World Index, rebounded strongly after the weak, or rather dismal as some might put it, third quarter; the index rose 5.50%. The strong performance can be quite safely called a rebound in that the positive performance was only due to the month of October where the index rose 7.92%. The subsequent months of November and December saw markets capitulating again with returns of -0.50% and -1.76% respectively. 2015 proved to be a volatile year with global growth and a Chinese slowdown at the forefront of concerns. For the calendar year the index returned -0.87% - hence equities effectively delivered a flat return for 2015.

**ECONOMIC & MARKET REVIEW (CONTINUED)**

for the year ended 31 December 2015

**Equity Market Review (continued)**

Looking at the regional equity markets, further evidence of the rebound from the third quarter can be found, with the MSCI Pacific excluding Japan, which was the weakest market of the third quarter, being the second strongest market of the fourth quarter, with a rise of 8.29%. Japan was the leading market for the quarter with a return of 9.34%. North America out-performed the global equity market slightly, and Europe was the clear laggard producing a return just shy of 2.5%. However, Emerging Markets were weaker still, although they did manage to produce a positive return for the quarter, although this was not even 1%. For 2015 as a whole Japan was the best performing market rising over 9.5%, while the other regional markets posted negative returns. Emerging Markets declined almost -15% in 2015.

For the fourth quarter, at a sector level Information Technology led the way with a rise of 8.85%. This was followed by Health Care, Industrials and Telecommunication Services. Energy was the weakest sector for the quarter, and the only sector to produce an absolute decline, of not quite -1%. Utilities were the second weakest sector. Despite these sector performances, which appear to indicate a more positive bias, the underlying tone of the market was focused on the defensive areas and those were what drove the market higher. For 2015 as a whole Health Care was the best performing sector rising 6.60%, while Consumer Staples rose 6.35%. Most of the sectors produced positive returns for 2015, but Energy was the major faller with a decline of nearly -23%. Materials also declined substantially with a fall of over -15%, while Utilities fell nearly -7%. Financials and Industrials also both produced negative absolute returns, but significantly more moderate ones.

**Fixed Income Market Review**

Global bond markets continued with yet another difficult quarter in the first quarter of 2015. For the quarter global bond markets, as measured by the Barclays Capital Global Aggregate Index, declined by -1.92%. The market produced negative returns in all three months of the quarter. While January was fairly muted with a return of -0.16%, February and March was significantly worse with returns of -0.81% and -0.96% respectively. Non-sovereign markets, while still disappointing, performed somewhat better than the overall aggregate market, albeit with a more volatile return profile for the period, with the Barclays Capital Global Aggregate Corporate Index, producing a return of -1.18% for the quarter. Corporate bonds out-performed the wider bond market in January and February, but were slightly behind in March.

The primary issues facing bond investors over the quarter where the timing of the US Federal Reserve's rise in interest rates, which continues to appear to slip, with some investors continuing to doubt that there will be a rise in 2015. There remains a fine balancing act, and the strength of the US dollar has clearly helped apply some gentle braking to the US economy. The European Central Bank's quantitative easing announcement had been well flagged and hence anticipated in concept by investors, although the fine details of the program were unknown to the announcement. The European Central Bank continues to face a difficult environment and the threat of persistent deflation, which is one of the major reasons why it has embarked on this quantitative easing program. Whilst it is very early days, the raw initial signs are positive in that Eurozone economic activity looks like it is starting to materially improve.

It was a volatile second quarter for global bonds, and there were significant moves, most notably in the German 10-year bund, which saw yields back-up materially from extremely low levels: at their low these reached 7 basis points, but backed up to just shy of 100 basis points during the quarter, and ended the period at around 76 basis points. With this type of movement, it was unsurprising that global bond markets, as measured by the Barclays Capital Global Aggregate Index, declined by -1.18% for the quarter – the fourth consecutive quarterly decline. Global bond markets produced a positive return in April with a rise of just over 1%, but this was more than wiped out in May with a decline of -1.79%. In June markets once again declined, but by a more moderate -0.44%. As a result of these movements global bond markets have fallen by more than -3% in 2015 so far, and have declined by more than -7% in the last twelve months.

**ECONOMIC & MARKET REVIEW (CONTINUED)**

*for the year ended 31 December 2015*

**Fixed Income Market Review (continued)**

Turning to corporate bonds, the Barclays Capital Global Aggregate Corporate Index returned -1.55% for the second quarter, which like the wider market saw a positive return in April, followed by declines in May and June, although the extent of the fall in these two months was much more similar at around -1.15%. Bond investors remain focused upon the timing of the US Federal Reserve's first interest rate hike, and quantitative easing by the European Central Bank and Bank of Japan. The Chinese Central Bank has also continued to ease during the quarter with two 0.25% interest rate cuts, with one in May and one in late June. This leaves the Chinese deposit rate at 2% at the end of the period.

Given the risk-off nature of the third quarter, the period saw global bond markets produce a positive absolute return for the first time since the second quarter of 2014, and hence this was the best quarter for bonds since then. For the quarter global bond markets, as measured by the Barclays Capital Global Aggregate Index, rose by 0.85%. The quarter also saw bonds produce positive absolute returns in all three months, albeit moderate rises of 0.2% and 0.1% in July and August respectively, while September saw a 0.5% gain. The US 10-year Treasury started the period with a yield around 2.35%, although this fell relatively smoothly during the quarter to end the period at around 2.04%. This remains well above the 2015 lows of around 1.64% seen around the end of January.

In the corporate bond market, the Barclays Capital Global Aggregate Corporate Index returned -0.05% for the third quarter, which reflected the more risk-off environment. Corporate bonds produced a positive return in July and a flat return in September, but in August as concerns were rapidly escalating they sold-off and declined by -0.5% for the month. The sell-off was even more pronounced in the high yield segments of the bond market as investors took flight to move to more protected areas of the overall bond market.

During the fourth quarter global bond markets declined -0.92%, which suggested that the positive return in the third quarter was potentially an exception to the pattern of negative absolute returns. The global bond market rose very modestly during October, but then fell by nearly -1.7% in November, before regaining some of that loss in December, but not nearly enough to return to positive territory. For 2015 as a whole global bond markets declined by over -3%, thus indicating that despite global equity markets mild negative absolute return they still out-performed global bond markets. With the US Federal Reserve's interest rate tightening cycle underway investors are now increasingly cautious about the bond market.

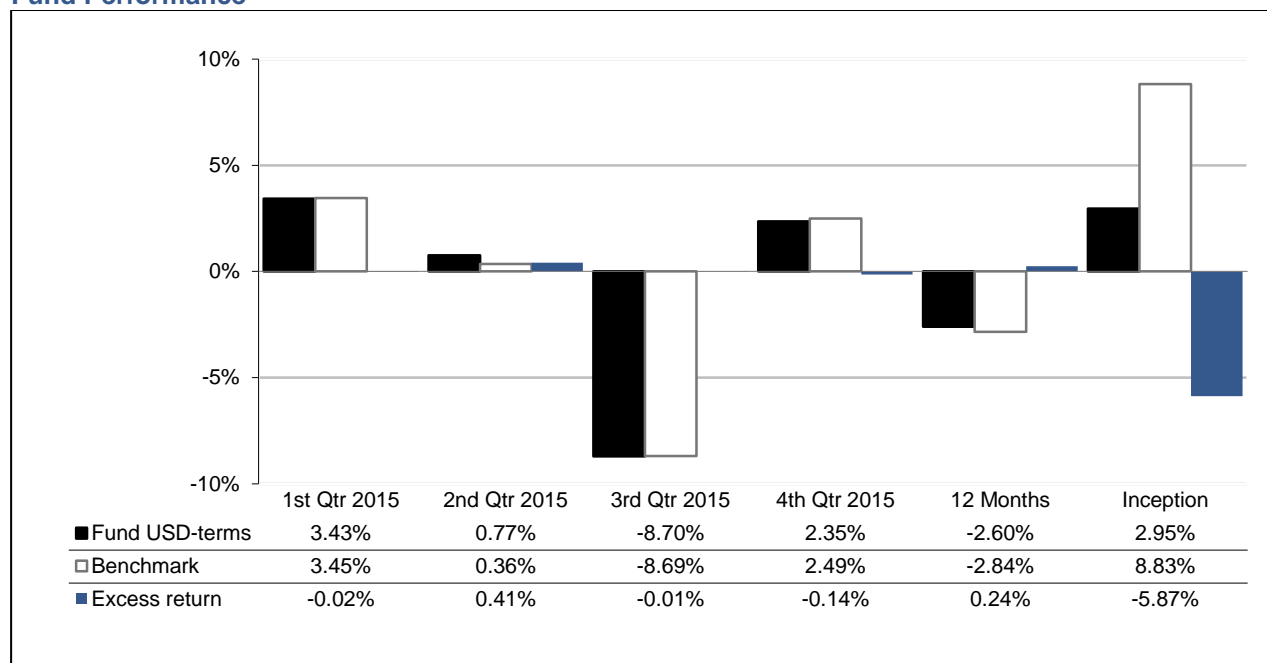
In the corporate bond market, the Barclays Capital Global Aggregate Corporate Index returned -0.82% for the fourth quarter. This meant that it marginally out-performed the wider global bond markets, but at that same time could not avoid the negative sentiment around the bond market in general. For 2015 corporate bonds declined by almost -3.6%, and therefore they under-performed the broader market.

**SANLAM INSTITUTIONAL EQUITY FLEXIBLE FUND**

**Investment Objective**

Sanlam Institutional Equity Flexible Fund (the “Fund”) aims to provide long-term capital growth by investing globally across all financial markets in a diverse range of instruments but primarily investing in equity and equity type instruments.

**Fund Performance**



Note: The Fund benchmark is the MSCI Europe Index. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.

The Fund marginally outperformed in 2015. However, given the absolute performance was negative, the results are disappointing. The Fund produced a negative return of -2.60% in absolute terms while the MSCI World Index declined by -2.84%, thus the Fund outperformed by +0.24%. Benchmark returns over the quarters were, in order, 3.45%, 0.36%, -8.69% and 2.49%. The Fund’s relative performance over the same periods was -0.02%, +0.41%, -0.01% and -0.14%. Since inception, the Fund has returned +2.95% to investors, while the benchmark has risen +8.83%, thus the Fund is now -5.87% behind its benchmark.

**Fund Outlook**

Going into 2016 there is a lot of negative sentiment in global markets, much of it due to Chinese slowdown concerns, a very low oil price compared to recent years and softer economic data such as the US and Chinese industrial production. Deflationary pressures also remain a concern. Weakness in economic growth is a common theme recently. This should perhaps not be seen as a surprise since the current economic expansion is one of the longest in history. If we are to see gains in risky assets, the business cycle will have to continue with increases in revenue. A headwind is, of course, China and its deceleration. The official GDP number out of China is 6.9% for 2015, whereas many market participants believe in reality the rate of growth is as low as around 4%. The slowdown is also coupled with an economy that is turning towards a consumer driven one with pressure, therefore, on industrials, commodities and emerging markets to name a few. The US is grinding ahead slowly while the Eurozone is in a weak recovery mode, although it is perhaps the region with the most tailwinds given the QE and weak euro of late. Monetary policy has dominated the investment world since the global financial crisis; we expect this to continue into 2016.

**Investment Manager**

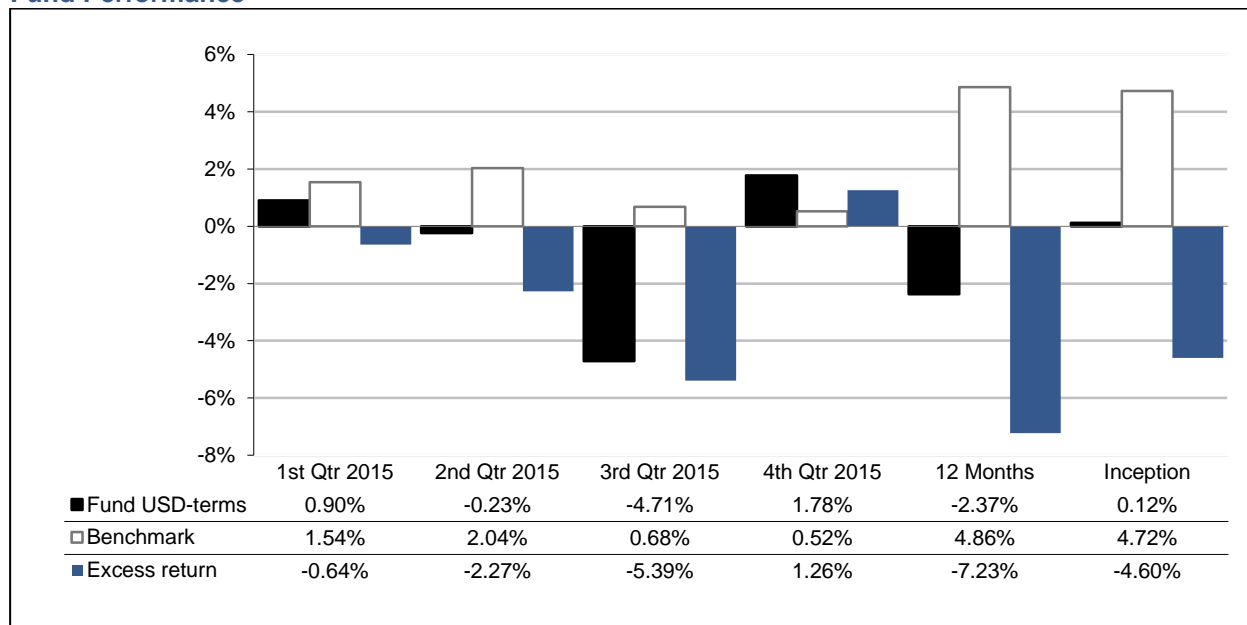
Sanlam Investment Management (Pty) Limited

**SANLAM CENTRE MULTI-ASSET REAL RETURN FEEDER FUND**

**Investment Objective**

The investment objective of Sanlam Centre Multi-Asset Real Return Feeder Fund (the “Fund”) is to seek real return. There is no guarantee that the Fund will meet its investment objective.

**Fund Performance**



*Note: The Fund benchmark is US CPI +4%. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.*

2015 was, to say the least, a poor year for the Fund from a performance viewpoint. For the year, the Fund lost -2.37%, while its benchmark, the US Consumer Price Index (CPI) +4%, rose 4.86%. Hence, the Fund underperformed by -7.23%. The Fund lost performance to the benchmark during the first three quarters of the year, producing -0.64%, -2.27% and -5.39% on a relative basis. The nail in the coffin, in absolute and relative terms, was the third quarter where global markets were in a risk off environment and sold off aggressively. During the third quarter, the Fund lost -4.71% while the benchmark returned 0.68%. In the fourth quarter, the Fund recouped some absolute losses with a positive return of 1.78% and also recouped relative losses with a relative return of +1.26%. While the Fund has delivered a positive absolute return since inception of 0.12%, it finds itself -4.60% behind its benchmark since inception.

**Fund Outlook**

Going into 2016 there is a lot of negative sentiment in global markets, much of it due to Chinese slowdown concerns, a very low oil price compared to recent years and softer economic data. Weakness in economic growth is a common theme recently. This should perhaps not be seen as a surprise since the current economic expansion is one of the longest in history. If we are to see gains in risky assets, the business cycle will have to continue showing increases in revenue. A headwind is, of course, China and its deceleration. The official GDP number out of China is 6.9% for 2015, whereas many market participants believe in reality the rate of growth is as low as around 4%. The slowdown is also coupled with an economy that is turning towards a consumer driven one with pressure, therefore, on industrials, commodities and emerging markets to name a few. The US is grinding ahead slowly while the Eurozone is in a weak recovery mode, although it is perhaps the region with the most tailwinds given QE and the weak Euro of late. Monetary policy has dominated the investment world since the global financial crisis and we expect this to continue into 2016. While the Fed started raising interest rates in December of 2015, we expect rates to remain at historical lows - as the ex-Fed Governor Ben Bernanke remarked in recent years that there will be no rate normalization during his lifetime. The market is currently pricing in about half of the proclaimed rate hikes by the Fed, which brings the level to 100bps. If anything is sure about 2016, we are most likely to see a continuation of volatile and uncertain markets.

**Investment Manager**

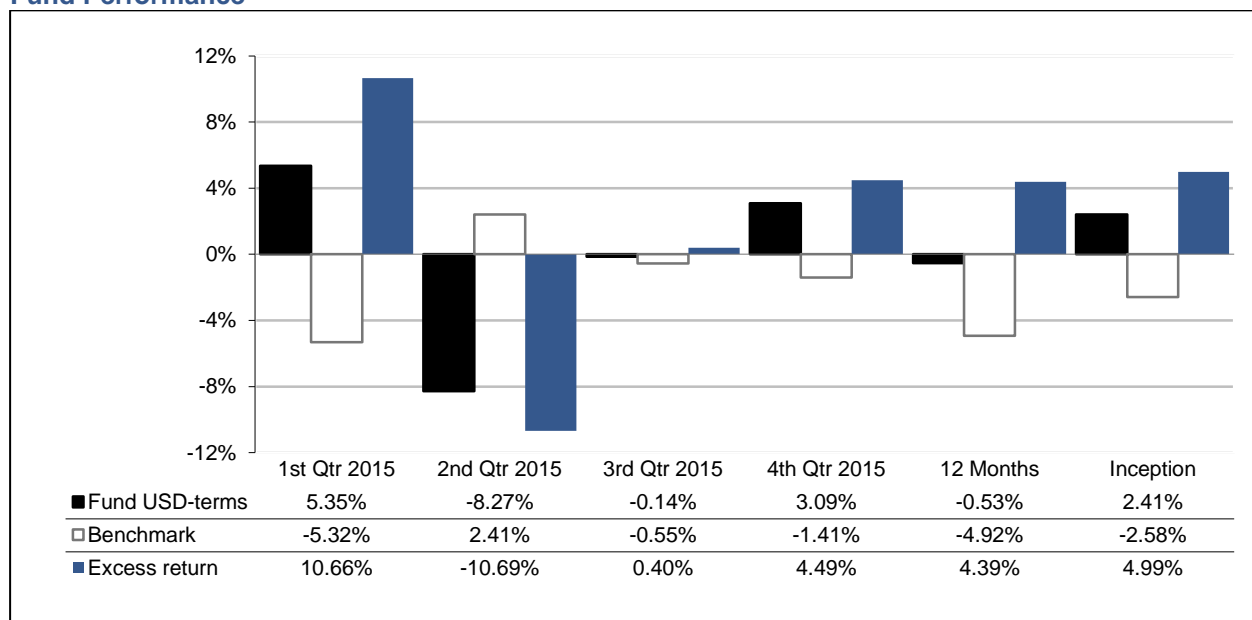
Sanlam FOUR Investments UK Limited

**SANLAM INSTITUTIONAL BALANCED FUND**

**Investment Objective**

Sanlam Institutional Balanced Fund (the “Fund”) aims to provide long-term capital growth by investing globally across all financial markets in a diverse range of instruments.

**Fund Performance**



Note: The Fund benchmark is a composite benchmark (45% US/ 40% EU/ 15% GB). Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.

In 2015, the Fund had another good year compared to its benchmark (45% 7 Day USD LIBID, 40% 7 Day EUR LIBID and 15% 7 Day GBP LIBID) on a relative basis; however not on an absolute basis. This is the second year that the Fund has performed well and, in the process, outperformed global equity and bond markets. This brought its two year relative performance to +12.00%. For 2015, the Fund produced a return of -0.53%, whilst its benchmark declined -4.92%, hence the Fund outperformed by +4.39%. Through the quarters, the Fund produced returns of 5.35%, -8.27%, -0.14% and 3.09%. On a relative basis, over the same periods, the Fund produced returns of +10.66%, -10.69%, +0.40% and +4.49%. The Fund is now ahead of its benchmark since inception with a relative outperformance of +4.99%.

**Fund Outlook**

Going into 2016 there is a lot of negative sentiment in global markets, much of it due to Chinese slowdown concerns, a very low oil price compared to recent years and softer economic data. Weakness in economic growth is a common theme recently. This should perhaps not be seen as a surprise since the current economic expansion is one of the longest in history. If we are to see gains in risky assets, the business cycle will have to continue showing increases in revenue. A headwind is, of course, China and its deceleration. The official GDP number out of China is 6.9% for 2015, whereas many market participants believe in reality the rate of growth is as low as around 4%. The slowdown is also coupled with an economy that is turning towards a consumer-driven one with pressure, therefore, on industrials, commodities and emerging markets to name a few. The US is grinding ahead slowly while the Eurozone is in a weak recovery mode, although it is perhaps the region with the most tailwinds given QE and the weak Euro of late. Monetary policy has dominated the investment world since the global financial crisis and we expect this to continue into 2016. While the Fed started raising interest rates in December of 2015, we expect rates to remain at historical lows - as the ex-Fed Governor Ben Bernanke remarked in recent years that there will be no rate normalization during his lifetime. The market is currently pricing in about half of the proclaimed rate hikes by the Fed, which brings the level to 100bps. If anything is sure about 2016, we are most likely to see a continuation of volatile and uncertain markets.

**Investment Manager**

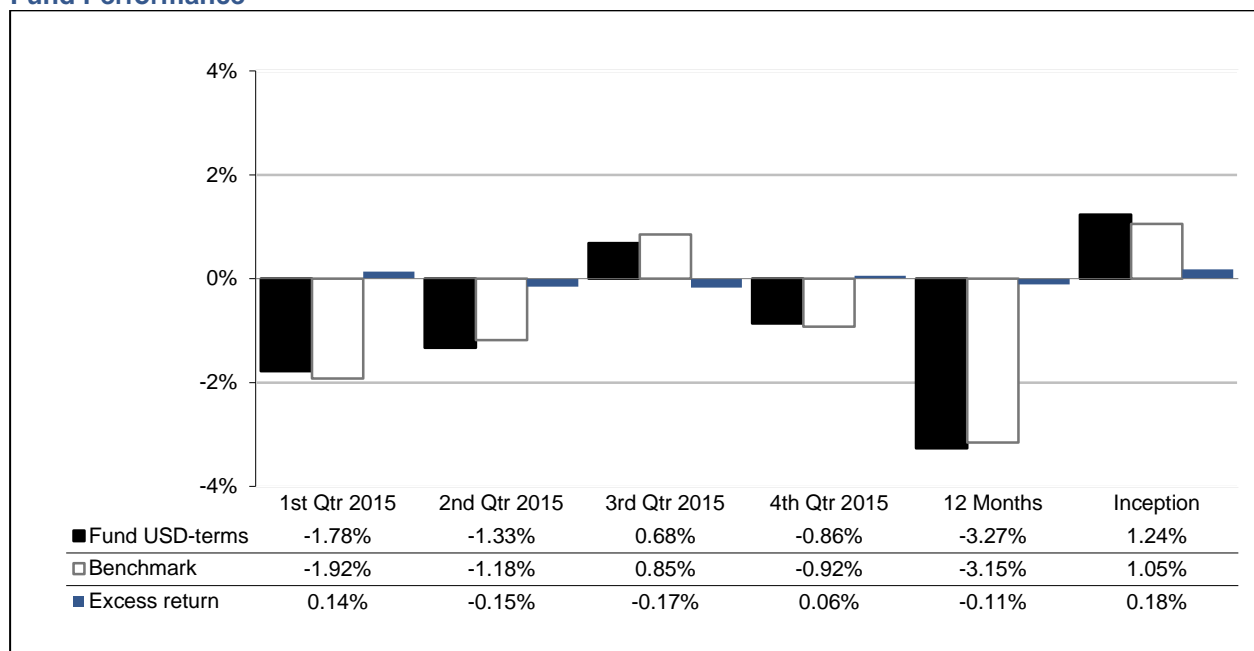
Sanlam Investment Management (Pty) Limited

**SANLAM INSTITUTIONAL BOND FUND**

**Investment Objective**

Sanlam Institutional Bond Fund (the “Fund”) aims to provide long-term capital growth by investing some or all of its assets in shares of the Sanlam Global Bond Fund, a sub fund of Sanlam Universal Funds Plc.

**Fund Performance**



Note: The Fund benchmark is the Barclays Capital Global Aggregate Index. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.

In another difficult year for global markets, the Fund disappointed somewhat. While the Fund only marginally underperformed the benchmark, the absolute negative returns indicate a general disappointment for investors when looking at performance. For 2015, the Fund returned -3.27%, while its benchmark, the Barclays Global Aggregate Index returned -3.15%, hence the Fund underperformed by -0.11%. Bond returns during the year, for the quarters were, in order; -1.92%, -1.18%, 0.85% and -0.92%. The Fund’s returns did not deviate much from the benchmark with relative returns over the same periods of +0.14%, -0.15%, -0.17% and +0.06%. Since inception the Fund has risen 1.24% and is outperforming its benchmark by +0.18%.

**Fund Outlook**

Going into 2015 the outlook for fixed income was concerning and this concern played out as is evident in the returns seen. The common theme throughout 2016, it seems, is that weak economic growth will continue in a “muddle through” economy. While the Fed started raising interest rates in December of 2015, we expect rates to remain at historical lows - as the ex-Fed Governor Ben Bernanke remarked in recent years that there will be no rate normalization during his lifetime. The market is currently pricing in about half of the proclaimed rate hikes by the Fed, which brings the level to 100bps. Little or no price appreciation is to be expected from bonds in 2016. The extreme drop in oil during 2015, and the low oil price at roughly \$30 a barrel has knock on effects, one of them being the demise of the petrodollar and an indirect tightening of financial conditions - this is one reason why the Fed might want to revise their hiking plans in 2016. The falling oil price has also dragged down inflation expectations. If we were to see a significant downturn in economic releases for the US economy in the first six months of 2016 (not that the numbers have been great to begin with), the Fed would most probably be revising their interest rate hiking plan. The outlook for 2016 is an uncertain one, especially for the fixed income space.

**Investment Manager**

Sanlam Investment Management (Pty) Limited



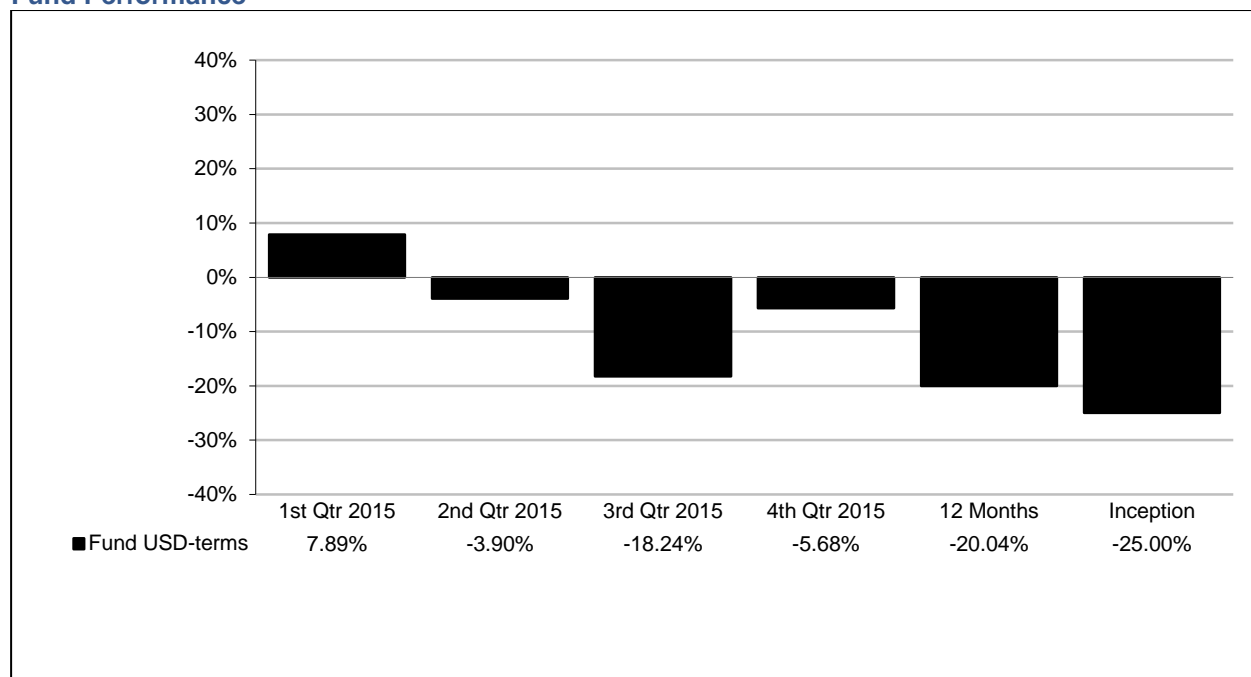
## SANLAM EUROPEAN GROWTH BASKET FUND

### Investment Objective

Sanlam European Growth Basket Fund (the “Fund”) aims to provide long-term capital growth. There are no guarantees that the Fund will meet its investment objective.

The Investment Manager intends to achieve the Fund's investment objective by investing primarily in equity derivative instruments. The Fund may trade derivatives such as options (OTC), forwards, swaps and related indices. The Fund may also invest in money market instruments, equities or bonds across European developed markets as required.

### Fund Performance



*Note: The Fund has no specified benchmark. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.*

The Fund houses a passive investment (i.e. a structured product) with a 3.5 year term. There are no further sales or inflows envisaged for the Fund during this investment term. The Fund's value is basically driven by the mark-to-market valuation of the capital guarantee (at maturity), as well as the equity options on the Eurostoxx50 and FTSE100 indices. The Fund is the subject of certain linked policies issued by Sanlam Life Insurance Ltd.

### Fund Outlook

The Investment Manager attempts to achieve the returns required to match the liabilities towards investors by investing in derivatives tracking specified indices. The underlying investments are linked to returns on these specified indices and the Fund is expected to perform according to these indices.

### Investment Manager

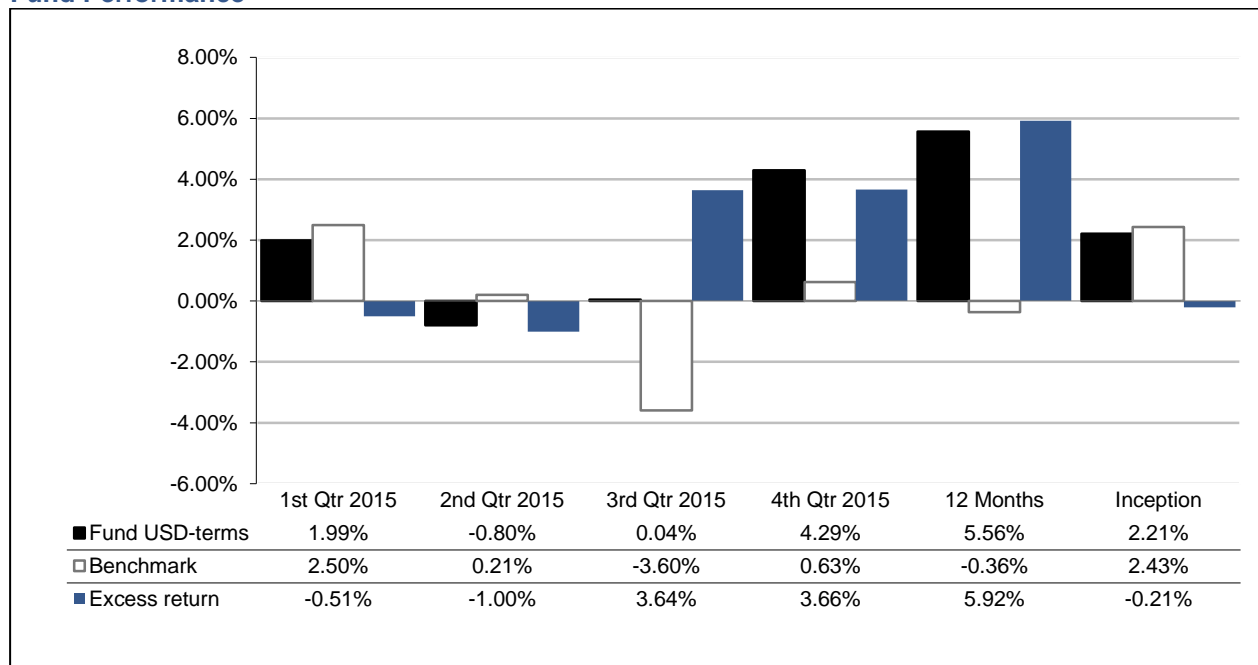
Sanlam Investment Management (Pty) Limited

**SANLAM GLOBAL FUND OF HEDGE FUNDS**

**Investment Objective**

Sanlam Global Fund of Hedge Funds (the “Fund”) aims to generate moderate absolute returns with low volatility and little correlation to general equity and bond markets.

**Fund Performance**



*Note: The Fund benchmark is a HFRI Fund of Funds Composite Index. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.*

After a disappointing 2014, the Fund outperformed its index in 2015 by a wide margin. The absolute and relative return generated during the year brings the Fund’s total return since inception almost in line with the index. The Fund was able to deliver on the return objective in 2015 while maintaining the uncorrelated nature of these returns. In fact, the volatile market environment during the third quarter of 2015 and the latter half of fourth quarter of 2015 was the period when the Fund generated most of its outperformance.

The return drivers were diversified across strategies and managers. Apart from our emerging market equity manager, no other manager had an exceptionally strong year. Instead, they were consistently positive as nine out of the ten managers that we held at the end of year generated positive returns during 2015.

**Fund Outlook**

The Fund’s investment objective remains the same: to generate absolute returns in an uncorrelated manner. We expect to continue doing this through a bottom up manager selection and portfolio construction process, where each position in the portfolio is a viable standalone investment as well as a portfolio diversifier.

Entering 2016, the Fund held six core positions across a range of strategies, asset classes and geographies. We do not expect to make material changes in the portfolio over the next quarter but remain alert of new investments that can offer the Fund a unique uncorrelated return stream in-line with our investment objective as well as being diversified to our existing investments.

**Investment Manager**

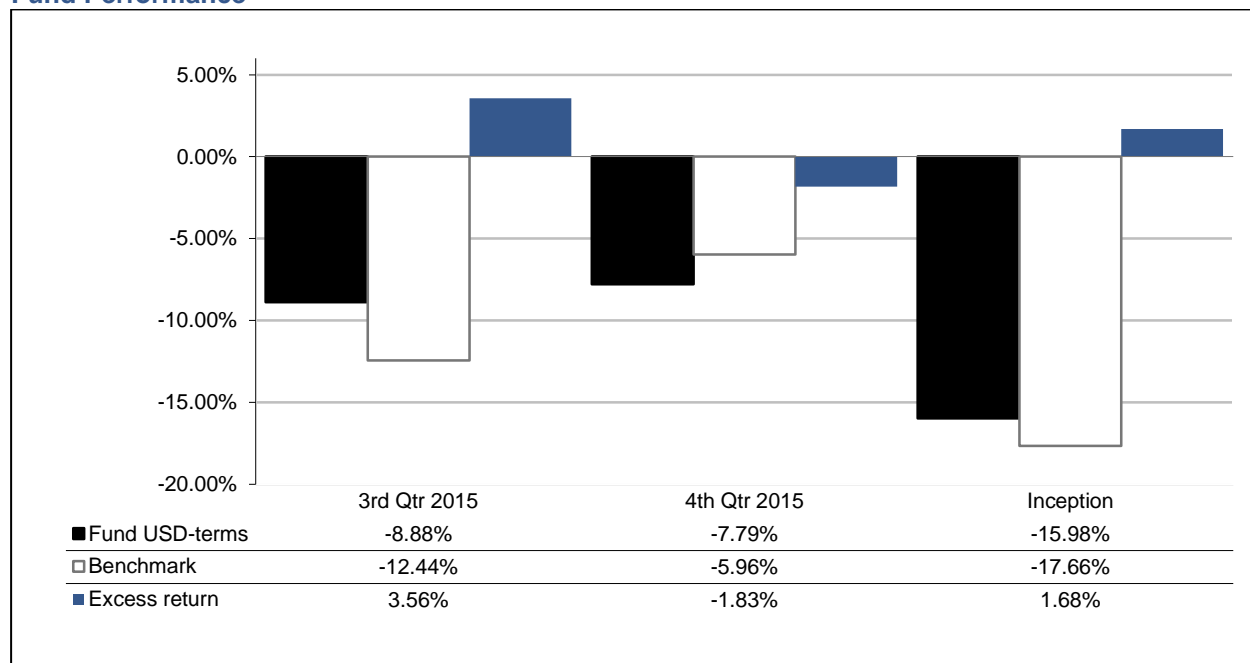
Sanlam FOUR Investments UK Limited

**SANLAM AFRICA EQUITY FUND**

**Investment Objective**

The investment objective of Sanlam Africa Equity Fund (the “Fund”) is to provide long-term capital growth. There is no guarantee that the Fund will meet its investment objective.

**Fund Performance**



*Note: The Fund benchmark is an equal weight (50:50) composite index based on the S&P All Africa ex-South Africa Capped Net Total Return Index and the MSCI Emerging Frontier Markets Africa ex-South Africa Net Total Return Index. Figures are quoted gross of Investment Manager and AIFM fees.*

The Fund was launched on 1 July 2015 and has outperformed the benchmark by 1.68% since launch, gross of fees. However, the fourth quarter of 2015 was challenging as the Fund underperformed the benchmark by 1.83% due to its exposure to Zimbabwe and South Africa. The Fund was down -7.79% in the fourth quarter of 2015 while the benchmark declined by 5.96% during the same period.

**African Markets Review**

African stock markets continued to decline in the fourth quarter of 2015 with Tunisia and Zimbabwe being the worst performers in this quarter. The Zimbabwean market lost 12.9% of its value in the fourth quarter, which pushed the 2015 return for the market to -29.4%. The Fund’s exposure to the Zimbabwean market was just over 10% hence the Fund’s performance was negatively affected. The Tunisian stock exchange was down by 7.5% in the fourth quarter mainly due to a 3.3% weakness of the Tunisian Dinar against the US dollar. The Fund had no exposure to the Tunisian market.

Africa’s two significant stock markets - Egypt and Nigeria - lost 28% and 24% respectively in 2015. Egypt’s market decline was largely attributable to Emerging Markets sell-off, while Nigeria fell out of favour as investors became nervous about the negative impact of lower oil prices on the Nigerian economy.

Overall, the Zambian stock market was the worst performer in 2015 as it lost 46% of its market value, mainly due to a 42% depreciation of the Zambia Kwacha against USD. The Fund had no exposure to the Zambian market

**SANLAM AFRICA EQUITY FUND (CONTINUED)****Fund Outlook****Nigeria**

The key issue in 2016 is whether the Nigerian Central Bank will devalue its currency, the Naira. The prolonged lower oil price has negatively affected the foreign currency reserves for Nigeria. At present businesses are experiencing difficulties in accessing foreign currency, while the Central Bank is frantically trying to protect the FX reserves by implementing administrative measures such as banning the importation of certain items. More recently the Central bank announced that it will no longer sell foreign currency to Bureau De Changes. Obviously the situation is unsustainable given that the official exchange rate is 199 per USD, while the parallel market exchange rate has reached close to 300 per USD. The currency devaluation will negatively affect companies that import raw materials, or have costs that are USD linked and we could see earnings pressure in these sectors.

**Egypt**

The Egyptian market sold off closer to the end of 2015 and that has continued into 2016, at a more aggressive pace. However, the sell-off is now presenting some opportunities in the market. We have seen some of the high quality companies now trading on attractive multiples which we feel could present an opportunity.

**Zimbabwe**

The Fund continues to hold its positions in Zimbabwe as we believe that the current negative macroeconomic environment is reflected in valuations. In our view, when change does eventually occur it will be sudden with a positive effect on our holdings.

The Fund's total assets under management are USD 13 million.

**Investment Manager**

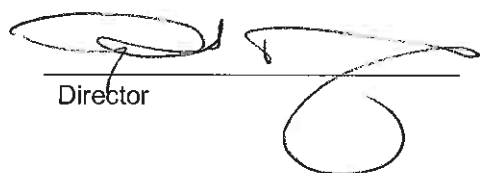
Sanlam Investment Management (Pty) Limited

**STATEMENT OF COMPREHENSIVE INCOME OF THE COMPANY**

for the year ended 31 December 2015

	Year ended 31 December 2015 USD	Year ended 31 December 2014 USD
<b>Investment income</b>		
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss – held for trading	(15,916,564)	28,191,286
Income from financial assets at fair value through profit or loss	16,125,371	19,769,367
Income from stock lending	41,024	505,187
Other income	33,749	11,194
Bank interest	3,919	11,792
<b>Net investment income</b>	<b>287,499</b>	<b>48,488,826</b>
<b>Operating expenses</b>		
AIFM fees	(6,339,859)	(5,839,422)
Other operating expenses	(418,086)	(304,800)
Administration fees	(362,719)	(383,271)
Custody fees	(158,703)	(76,126)
Performance fees	(102,601)	-
Directors' fees	(86,581)	(15,708)
<b>Total operating expenses</b>	<b>(7,468,549)</b>	<b>(6,619,327)</b>
<b>Operating (loss)/profit</b>	<b>(7,181,050)</b>	<b>41,869,499</b>
<b>Finance costs</b>		
Interest expense	(2,089)	(1,426)
Income equalisation	(8,217,545)	(5,517,843)
<b>(Loss)/profit before tax</b>	<b>(15,400,684)</b>	<b>36,350,230</b>
Withholding tax	(2,625,044)	(4,143,558)
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<b>(18,025,728)</b>	<b>32,206,672</b>

The annual audited financial statements were approved by the Board of Directors on 21 April 2016.

  
Director

  
Director

The attached notes form an integral part of these annual audited financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME OF THE FUNDS**

for the year ended 31 December 2015

	Note	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Investment income</b>						
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss – held for trading	6	(4,941,212)	(2,353,110)	(11,539,978)	(3,989,989)	(2,683,750)
Income from financial assets at fair value through profit or loss		-	1,114,497	14,906,925	-	-
Income from stock lending	17	-	-	41,024	-	-
Other income		341	655	686	431	525
Bank interest		509	-	49	-	-
<b>Net investment income/(deficit)</b>		<b>(4,940,362)</b>	<b>(1,237,958)</b>	<b>3,408,706</b>	<b>(3,989,558)</b>	<b>(2,683,225)</b>
<b>Operating expenses</b>						
AIFM fees	12	(1,670,173)	(86,578)	(2,108,451)	(919,803)	(23,698)
Other operating expenses		(77,169)	(66,412)	(104,613)	(49,802)	(31,909)
Administration fees	12	(69,683)	(20,252)	(73,713)	(39,397)	(6,941)
Custody fees		(14,648)	(3,350)	(39,743)	(11,118)	(1,950)
Performance fees		-	-	-	-	-
Directors' fees		(22,211)	(5,870)	(27,860)	(12,381)	(267)
<b>Total operating expenses</b>		<b>(1,853,884)</b>	<b>(182,462)</b>	<b>(2,354,380)</b>	<b>(1,032,501)</b>	<b>(64,765)</b>
<b>Operating profit/(loss)</b>		<b>(6,794,246)</b>	<b>(1,420,420)</b>	<b>1,054,326</b>	<b>(5,022,059)</b>	<b>(2,747,990)</b>
<b>Finance costs</b>						
Interest expense		-	(75)	-	(1,995)	(19)
Income equalisation		(527,094)	(49,599)	(7,601,991)	68,907	-
<b>Profit/(loss) before tax</b>		<b>(7,321,340)</b>	<b>(1,470,094)</b>	<b>(6,547,665)</b>	<b>(4,955,147)</b>	<b>(2,748,009)</b>
Withholding tax		-	(28,100)	(2,587,919)	-	-
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(7,321,340)</b>	<b>(1,498,194)</b>	<b>(9,135,584)</b>	<b>(4,955,147)</b>	<b>(2,748,009)</b>

**STATEMENTS OF COMPREHENSIVE INCOME OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2015

	<i>Note</i>	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Investment income</b>			
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss – held for trading	6	10,927,683	(1,336,208)
Income from financial assets at fair value through profit or loss		3,286	100,663
Income from stock lending	17	-	-
Other income		31,091	20
Bank interest		3,255	106
<b>Net investment income/(deficit)</b>		<b>10,965,315</b>	<b>(1,235,419)</b>
<b>Operating expenses</b>			
AIFM fees	12	(1,407,121)	(124,035)
Other operating expenses		(66,957)	(21,224)
Administration fees	12	(150,009)	(2,724)
Custody fees		(55,299)	(32,595)
Performance fees		(102,601)	-
Directors' fees		(17,220)	(772)
<b>Total operating expenses</b>		<b>(1,799,207)</b>	<b>(181,350)</b>
<b>Operating profit/(loss)</b>		<b>9,166,108</b>	<b>(1,416,769)</b>
<b>Finance costs</b>			
Interest expense		-	-
Income equalisation		-	(107,768)
<b>Profit/(loss) before tax</b>		<b>9,166,108</b>	<b>(1,524,537)</b>
Withholding tax		-	(9,025)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>9,166,108</b>	<b>(1,533,562)</b>

**STATEMENTS OF COMPREHENSIVE INCOME OF THE FUNDS (CONTINUED)**

for the year ended 31 December 2014

	Note	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Investment income</b>						
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss – held for trading	6	(3,789,036)	(1,432,518)	31,665,594	914,815	(919,633)
Income from financial assets at fair value through profit or loss		2,546,236	1,607,646	15,615,485	-	-
Income from stock lending	17	304,732	-	200,455	-	-
Other income		863	5,420	1,929	2,244	738
Bank interest		1,430	361	257	-	7,978
<b>Net investment income/(deficit)</b>		<b>(935,775)</b>	<b>180,909</b>	<b>47,483,720</b>	<b>917,059</b>	<b>(910,917)</b>
<b>Operating expenses</b>						
AIFM fees	12	(1,807,284)	(88,784)	(2,434,484)	(957,921)	(10,597)
Other operating expenses		(68,276)	(26,756)	(131,200)	(13,906)	(16,504)
Administration fees	12	(94,028)	(34,444)	(139,405)	(43,345)	(816)
Custody fees		(29,219)	(9,908)	(71,586)	43,444	7,981
Performance fees		-	-	-	-	-
Directors' fees		(2,242)	(2,598)	(6,344)	(2,723)	211
<b>Total operating expenses</b>		<b>(2,001,049)</b>	<b>(162,490)</b>	<b>(2,783,019)</b>	<b>(974,451)</b>	<b>(19,725)</b>
<b>Operating profit/(loss)</b>		<b>(2,936,824)</b>	<b>18,419</b>	<b>44,700,701</b>	<b>(57,392)</b>	<b>(930,642)</b>
<b>Finance costs</b>						
Interest expense		-	-	-	(793)	(633)
Income equalisation		(859,328)	-	(4,824,891)	166,376	-
<b>Profit/(loss) before tax</b>		<b>(3,796,152)</b>	<b>18,419</b>	<b>39,875,810</b>	<b>108,191</b>	<b>(931,275)</b>
Withholding tax		(581,010)	(482,294)	(3,080,254)	-	-
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(4,377,162)</b>	<b>(463,875)</b>	<b>36,795,556</b>	<b>108,191</b>	<b>(931,275)</b>



**STATEMENTS OF COMPREHENSIVE INCOME OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2014

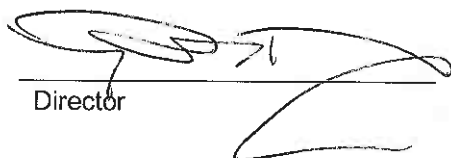
	<i>Note</i>	<b>Sanlam Global Fund of Hedge Funds USD</b>
<b>Investment income</b>		
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss – held for trading	6	1,752,064
Income from financial assets at fair value through profit or loss		-
Income from stock lending	17	-
Other income		-
Bank interest		1,766
<b>Net investment income/(deficit)</b>		<b>1,753,830</b>
<b>Operating expenses</b>		
AIFM fees	12	(540,352)
Other operating expenses		(48,158)
Administration fees	12	(71,233)
Custody fees		(16,838)
Performance fees		-
Directors' fees		(2,012)
<b>Total operating expenses</b>		<b>(678,593)</b>
<b>Operating profit/(loss)</b>		<b>1,075,237</b>
<b>Finance costs</b>		
Interest expense		-
Income equalisation		-
<b>Profit/(loss) before tax</b>		<b>1,075,237</b>
Withholding tax		-
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>1,075,237</b>

**STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

as at 31 December 2015

	31 December 2015 USD	31 December 2014 USD
<b>Assets</b>		
Cash and cash equivalents	20,427,643	22,378,114
Accrued income	1,819,816	499
Amounts receivable on sale of securities	1,400,871	1,110,330
Amounts receivable on issue of shares	1,342	-
Financial assets at fair value through profit or loss	789,506,509	894,175,414
Other debtors	27,709	153,234
<b>Total assets</b>	<b>813,183,890</b>	<b>917,817,591</b>
<b>Liabilities</b>		
Bank overdraft	-	(456,507)
Financial liabilities at fair value through profit or loss	-	(67,338)
Accrued expenses	(1,099,953)	(1,452,681)
Administration fees accrued	(97,848)	(141,613)
Amounts payable on repurchase of shares	(8,513,540)	(431,600)
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>(9,711,341)</b>	<b>(2,549,739)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>803,472,549</b>	<b>915,267,852</b>

The annual audited financial statements were approved by the Board of Directors on 21 April 2016.

  
Director

  
Director

The attached notes form an integral part of these annual audited financial statements.

STATEMENTS OF FINANCIAL POSITION OF THE FUNDS

as at 31 December 2015

	Note	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Assets</b>						
Cash and cash equivalents		4,256,009	568,557	4,620,763	3,163,284	17,966
Accrued income		-	1,086,397	729,185	-	5
Amounts receivable on sale of securities		-	-	1,114,686	-	-
Amounts receivable on issue of shares		-	-	-	-	-
Financial assets at fair value through profit or loss	7,8,18	197,578,837	54,320,647	230,059,988	114,083,338	10,965,929
Other debtors		2,668	-	-	1,721	3,518
<b>Total assets</b>		<b>201,837,514</b>	<b>55,975,601</b>	<b>236,524,622</b>	<b>117,248,343</b>	<b>10,987,418</b>
<b>Liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities at fair value through profit or loss	7,8,18	-	-	-	-	-
Accrued expenses		(178,237)	(28,376)	(214,809)	(100,545)	(22,099)
Administration fees accrued	12	(23,169)	(6,452)	(12,819)	(12,927)	(2,962)
Amounts payable on repurchase of shares		(3,245,300)	(386,040)	(4,882,200)	-	-
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(3,446,706)</b>	<b>(420,868)</b>	<b>(5,109,828)</b>	<b>(113,472)</b>	<b>(25,061)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>198,390,808</b>	<b>55,554,733</b>	<b>231,414,794</b>	<b>117,134,871</b>	<b>10,962,357</b>

**STATEMENTS OF FINANCIAL POSITION OF THE FUNDS (CONTINUED)**

as at 31 December 2015

	<i>Note</i>	<b>Sanlam Global Fund of Hedge Funds USD</b>	<b>Sanlam Africa Equity Fund USD</b>
<b>Assets</b>			
Cash and cash equivalents		6,214,991	1,586,073
Accrued income		-	4,229
Amounts receivable on sale of securities		286,185	-
Amounts receivable on issue of shares		1,342	-
Financial assets at fair value through profit or loss	7,8,18	171,058,740	11,439,030
Other debtors		344	19,458
<b>Total assets</b>		<b>177,561,602</b>	<b>13,048,790</b>
<b>Liabilities</b>			
Bank overdraft		-	-
Financial liabilities at fair value through profit or loss	7,8,18	-	-
Accrued expenses		(503,684)	(52,203)
Administration fees accrued	12	(38,120)	(1,399)
Amounts payable on repurchase of shares		-	-
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(541,804)</b>	<b>(53,602)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>177,019,798</b>	<b>12,995,188</b>

STATEMENTS OF FINANCIAL POSITION OF THE FUNDS (CONTINUED)

as at 31 December 2014

	Note	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Assets</b>						
Cash and cash equivalents		908,328	-	5,496,175	95,302	66,726
Accrued income		-	-	-	-	7
Amounts receivable on sale of securities		-	-	-	-	-
Amounts receivable on issue of shares		-	-	-	-	-
Financial assets at fair value through profit or loss	7,8,18	217,449,900	58,173,761	300,129,318	123,418,118	13,644,581
Other debtors		29,896	40,564	35,726	24,665	10,250
<b>Total assets</b>		<b>218,388,124</b>	<b>58,214,325</b>	<b>305,661,219</b>	<b>123,538,085</b>	<b>13,721,564</b>
<b>Liabilities</b>						
Bank overdraft		-	(456,507)	-	-	-
Financial liabilities at fair value through profit or loss	7,8,18	-	-	-	-	-
Accrued expenses		(157,424)	(16,402)	(238,819)	(86,754)	(8,955)
Administration fees accrued	12	(24,843)	(6,558)	(31,257)	(14,598)	(2,243)
Amounts payable on repurchase of shares		-	-	-	-	-
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(182,267)</b>	<b>(479,467)</b>	<b>(270,076)</b>	<b>(101,352)</b>	<b>(11,198)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>218,205,857</b>	<b>57,734,858</b>	<b>305,391,143</b>	<b>123,436,733</b>	<b>13,710,366</b>

**STATEMENTS OF FINANCIAL POSITION OF THE FUNDS (CONTINUED)**

as at 31 December 2014

	<i>Note</i>	<b>Sanlam Global Fund of Hedge Funds USD</b>
<b>Assets</b>		
Cash and cash equivalents		15,811,583
Accrued income		492
Amounts receivable on sale of securities		1,110,330
Amounts receivable on issue of shares		-
Financial assets at fair value through profit or loss	7,8,18	181,359,736
Other debtors		12,133
<b>Total assets</b>		<b>198,294,274</b>
<b>Liabilities</b>		
Bank overdraft		-
Financial liabilities at fair value through profit or loss	7,8,18	(67,338)
Accrued expenses		(944,327)
Administration fees accrued	12	(62,114)
Amounts payable on repurchase of shares		(431,600)
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(1,505,379)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>196,788,895</b>

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES OF THE COMPANY**

*for the year ended 31 December 2015*

	Year ended 31 December 2015 USD	Year ended 31 December 2014 USD
<b>Operating activities</b>		
Change in net assets attributable to participating shareholders from operations	<b>(18,025,728)</b>	32,206,672
<b>Capital transactions</b>		
Issue of shares during the year	<b>35,041,014</b>	253,694,453
Redemption of shares during the year	<b>(128,810,589)</b>	(128,672,067)
<b>Net (decrease)/increase in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(93,769,575)</b>	125,022,386
<b>Net (decrease)/increase in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(111,795,303)</b>	157,229,058
Net assets attributable to holders of redeemable participating shares at the beginning of the year	<b>915,267,852</b>	758,038,794
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>803,472,549</b>	915,267,852

*The attached notes form an integral part of these annual audited financial statements.*

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS OF THE FUNDS**

for the year ended 31 December 2015

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Operating activities</b>					
Change in net assets attributable to participating shareholders from operations	(7,321,340)	(1,498,194)	(9,135,584)	(4,955,147)	(2,748,009)
<b>Capital transactions</b>					
Issue of shares during the year	1,496,745	-	4,656,433	13,204,256	-
Redemption of shares during the year	(13,990,454)	(681,931)	(69,497,198)	(14,550,971)	-
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(12,493,709)</b>	<b>(681,931)</b>	<b>(64,840,765)</b>	<b>(1,346,715)</b>	<b>-</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(19,815,049)</b>	<b>(2,180,125)</b>	<b>(73,976,349)</b>	<b>(6,301,862)</b>	<b>(2,748,009)</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	218,205,857	57,734,858	305,391,143	123,436,733	13,710,366
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>198,390,808</b>	<b>55,554,733</b>	<b>231,414,794</b>	<b>117,134,871</b>	<b>10,962,357</b>



**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS OF THE FUNDS** *(CONTINUED)*  
*for the year ended 31 December 2015*

	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Operating activities</b>		
Change in net assets attributable to participating shareholders from operations	9,166,108	(1,533,562)
<b>Capital transactions</b>		
Issue of shares during the year	1,154,830	14,528,750
Redemption of shares during the year	(30,090,035)	-
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(28,935,205)</b>	<b>14,528,750</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(19,769,097)</b>	<b>12,995,188</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	196,788,895	-
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>177,019,798</b>	<b>12,995,188</b>

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS OF THE FUNDS (CONTINUED)**

for the year ended 31 December 2014

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Operating activities</b>					
Change in net assets attributable to participating shareholders from operations	(4,377,162)	(463,875)	36,795,556	108,191	(931,275)
<b>Capital transactions</b>					
Issue of shares during the year	5,910,253	-	1,140,846	5,454,824	14,549,149*
Redemption of shares during the year	(25,296,226)	-	(59,077,626)	(12,678,395)	(694,097)
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(19,385,973)</b>	<b>-</b>	<b>(57,936,780)</b>	<b>(7,223,571)</b>	<b>13,855,052</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(23,763,135)</b>	<b>(463,875)</b>	<b>(21,141,224)</b>	<b>(7,115,380)</b>	<b>12,923,777</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	241,968,992	58,198,733	326,532,367	130,552,113	786,589
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>218,205,857</b>	<b>57,734,858</b>	<b>305,391,143</b>	<b>123,436,733</b>	<b>13,710,366</b>

\*Subscriptions include in-specie transfers from Sanlam Life Insurance Limited on 27 August 2014 in exchange for assets with a fair value at date of transfer of USD 14,549,149.

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATING SHAREHOLDERS OF THE FUNDS** (CONTINUED)  
for the year ended 31 December 2014

	Sanlam Global Fund of Hedge Funds USD
<b>Operating activities</b>	
Change in net assets attributable to participating shareholders from operations	1,075,237
<b>Capital transactions</b>	
Issue of shares during the year	226,639,381*
Redemption of shares during the year	(30,925,723)
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>195,713,658</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>196,788,895</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	-
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>196,788,895</b>

\*The final net asset value calculation for Sanlam Global Fund of Hedge Funds, a sub-fund within Sanlam Global Fund of Hedge Funds Plc, was calculated at 29 August 2014. All investments were transferred to the Sanlam Global Fund of Hedge Funds, a sub-fund within Sanlam Qualifying Investors Funds Plc, on 1 September 2014 by way of an in-specie subscription.

**STATEMENT OF CASH FLOWS OF THE COMPANY**  
for the year ended 31 December 2015

	2015 USD	2014 USD
<b>Cash flows from operating activities</b>		
Purchases of financial assets and settlement of financial liabilities	(139,186,963)	(143,469,550)
Proceeds from sale of investments (including realised gains)	226,505,382	256,064,499
Dividends received	11,680,516	15,625,809
Bank interest received	2,324	10,507
Income from stock lending received	41,024	505,187
Other income received	33,749	11,194
Operating expenses paid	(7,682,176)	(5,942,765)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>91,393,856</b>	122,804,881
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable participating shares issued	36,092,660	31,058,508
Redemption of redeemable participating shares	(120,728,649)	(128,240,467)
Income equalisation	(8,217,545)	(5,517,843)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(92,853,534)</b>	(102,699,802)
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,459,678)</b>	20,105,079
	<hr/>	<hr/>
Cash and cash equivalents at the start of the year	21,921,607	1,967,984
Exchange losses on cash and cash equivalents	(34,286)	(151,456)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>20,427,643</b>	21,921,607
	<hr/> <hr/>	<hr/> <hr/>

*The attached notes form an integral part of these annual audited financial statements.*

**STATEMENTS OF CASH FLOWS OF THE FUNDS**

for the year ended 31 December 2015

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Cash flows from operating activities</b>					
Purchases of financial assets and settlement of financial liabilities	-	-	(56,201,353)	(9,666,659)	-
Proceeds from sale of investments (including realised gains)	14,929,900	1,500,001	113,821,570	15,011,450	-
Dividends received	-	-	11,589,821	-	-
Bank interest received	509	(75)	49	(1,995)	(17)
Income from stock lending received	-	-	41,024	-	-
Other income received	341	655	686	431	525
Operating expenses paid	(1,807,517)	(130,030)	(2,361,102)	(997,437)	(44,171)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>13,123,233</b>	<b>1,370,551</b>	<b>66,890,695</b>	<b>4,345,790</b>	<b>(43,663)</b>
<b>Cash flows from financing activities</b>					
Proceeds from redeemable participating shares issued	1,496,745	-	4,656,432	13,204,256	-
Redemption of redeemable participating shares	(10,745,154)	(295,891)	(64,614,998)	(14,550,971)	-
Income equalisation	(527,094)	(49,599)	(7,601,991)	68,907	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(9,775,503)</b>	<b>(345,490)</b>	<b>(67,560,557)</b>	<b>(1,277,808)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,347,730</b>	<b>1,025,061</b>	<b>(669,862)</b>	<b>3,067,982</b>	<b>(43,663)</b>
Cash and cash equivalents at the start of the year	908,328	(456,507)	5,496,175	95,302	66,726
Exchange gains/(losses) on cash and cash equivalents	(49)	3	(205,550)	-	(5,097)
<b>Cash and cash equivalents at the end of the year</b>	<b>4,256,009</b>	<b>568,557</b>	<b>4,620,763</b>	<b>3,163,284</b>	<b>17,966</b>

**STATEMENTS OF CASH FLOWS OF THE FUNDS (CONTINUED)**

for the year ended 31 December 2015

	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Cash flows from operating activities</b>		
Purchases of financial assets and settlement of financial liabilities	(59,842,832)	(13,476,119)
Proceeds from sale of investments (including realised gains)	80,500,730	741,731
Dividends received	3,286	87,409
Bank interest received	3,747	106
Income from stock lending received	-	-
Other income received	31,091	20
Operating expenses paid	(2,194,713)	(147,206)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>18,501,309</b>	<b>(12,794,059)</b>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable participating shares issued	2,206,477	14,528,750
Redemption of redeemable participating shares	(30,521,635)	-
Income equalisation	-	(107,768)
<b>Net cash provided by/(used in) financing activities</b>	<b>(28,315,158)</b>	<b>14,420,982</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,813,849)</b>	<b>1,626,923</b>
Cash and cash equivalents at the start of the year	15,811,583	-
Exchange gains/(losses) on cash and cash equivalents	217,257	(40,850)
<b>Cash and cash equivalents at the end of the year</b>	<b>6,214,991</b>	<b>1,586,073</b>

**STATEMENTS OF CASH FLOWS OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2014

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Centre Multi-Asset Real Return Feeder Fund USD	Sanlam Institutional Balanced Fund USD	Sanlam Institutional Bond Fund USD	Sanlam European Growth Basket Fund USD
<b>Cash flows from operating activities</b>					
Purchases of financial assets and settlement of financial liabilities	(111,702,945)	(1,607,646)	(24,982,054)	(4,522,201)	-*
Proceeds from sale of investments (including realised gains)	131,487,614	-	82,961,091	12,469,950	-
Dividends received	1,965,226	1,125,352	12,535,231	-	-
Bank interest received	1,430	361	257	(793)	7,978
Income from stock lending received	304,732	-	200,455	-	-
Other income received	863	5,420	1,929	2,244	738
Operating expenses paid	(2,048,034)	(208,905)	(2,772,703)	(1,067,010)	(65,843)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>20,008,886</b>	<b>(685,418)</b>	<b>67,944,206</b>	<b>6,882,190</b>	<b>(57,127)</b>
<b>Cash flows from financing activities</b>					
Proceeds from redeemable participating shares issued	5,910,253	-	2,138,498	5,454,824	-*
Redemption of redeemable participating shares	(25,296,226)	-	(59,077,626)	(12,678,395)	(694,097)
Income equalisation	(859,328)	-	(4,824,891)	166,376	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(20,245,301)</b>	<b>-</b>	<b>(61,764,019)</b>	<b>(7,057,195)</b>	<b>(694,097)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(236,415)</b>	<b>(685,418)</b>	<b>6,180,187</b>	<b>(175,005)</b>	<b>(751,224)</b>
Cash and cash equivalents at the start of the year	1,154,137	228,914	(557,028)	270,304	833,014
Exchange gains/(losses) on cash and cash equivalents	(9,394)	(3)	(126,984)	3	(15,064)
<b>Cash and cash equivalents at the end of the year</b>	<b>908,328</b>	<b>(456,507)</b>	<b>5,496,175</b>	<b>95,302</b>	<b>66,726</b>

\*Excludes a transfer of investments via in-specie subscription from Sanlam Life Insurance Limited on 27 August 2014 amounting to USD 14,549,149.

**STATEMENTS OF CASH FLOWS OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2014

	Sanlam Global Fund of Hedge Funds USD
<b>Cash flows from operating activities</b>	
Purchases of financial assets and settlement of financial liabilities	(654,704)*
Proceeds from sale of investments (including realised gains)	29,145,844
Dividends received	-
Bank interest received	1,274
Income from stock lending received	-
Other income received	-
Operating expenses paid	258,373
	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(28,750,787)</b>
	<hr/>
<b>Cash flows from financing activities</b>	
Proceeds from redeemable participating shares issued	17,554,933*
Redemption of redeemable participating shares	(30,494,123)
Income equalisation	-
	<hr/>
<b>Net cash provided by/(used in) financing activities</b>	<b>12,939,190</b>
	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,811,597</b>
Cash and cash equivalents at the start of the year	-
Exchange gains/(losses) on cash and cash equivalents	(14)
	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>15,811,583</b>
	<hr/> <hr/>

\*Excludes a transfer of investments via in-specie subscription from Sanlam Global Fund of Hedge Funds, a sub-fund within Sanlam Global Fund of Hedge Funds Plc, on 1 September 2014 amounting to USD 208,031,460.



**PORTFOLIO OF INVESTMENTS OF SANLAM INSTITUTIONAL EQUITY FLEXIBLE FUND**  
*as at 31 December 2015*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Collective Investment Schemes – 99.59%</b>			
95,276,930	Sanlam Equity Allocation Fund	98,297,208	49.55%
63,078,311	Sanlam Europe (ex UK) Equity Tracker Fund	67,588,411	34.07%
33,298,191	Sanlam UK EquityTracker Fund	31,693,218	15.97%
<b>Total Collective Investment Schemes</b>		<b>197,578,837</b>	<b>99.59%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>197,578,837</b>	<b>99.59%</b>
Cash and cash equivalents		4,256,009	2.15%
Other net assets and liabilities		(3,444,038)	(1.74)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>198,390,808</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM CENTRE MULTI-ASSET REAL RETURN FEEDER FUND**

as at 31 December 2015

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Collective Investment Schemes – 97.78%</b>			
5,962,749	Centre Multi-Asset Real Return Fund	54,320,647	97.78%
<b>Total Collective Investment Schemes</b>		<b>54,320,647</b>	<b>97.78%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>54,320,647</b>	<b>97.78%</b>
Cash and cash equivalents		568,557	1.02%
Other net assets and liabilities		665,529	1.20%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>55,554,733</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM INSTITUTIONAL BALANCED FUND**

as at 31 December 2015

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Equities - 99.41%</b>			
<b>Australia - 11.11%</b>			
8,419,239	Scentre Group	25,708,068	11.11%
<b>Total Australia</b>		<b>25,708,068</b>	<b>11.11%</b>
<b>Belgium - 11.09%</b>			
240,090	Cofinimmo	25,656,702	11.09%
<b>Total Belgium</b>		<b>25,656,702</b>	<b>11.09%</b>
<b>France - 21.86%</b>			
283,677	Fonciere Des Regions	25,413,566	10.98%
565,790	Klepierre	25,183,768	10.88%
<b>Total France</b>		<b>50,597,334</b>	<b>21.86%</b>
<b>Netherlands - 10.99%</b>			
453,060	Wereldhave NV	25,435,120	10.99%
<b>Total Netherlands</b>		<b>25,435,120</b>	<b>10.99%</b>
<b>Singapore - 10.99%</b>			
15,784,590	Ascendas Real Estate Inv Trust	25,397,929	10.98%
593,029	Ascendas Real Estate Investment Trust RTS	25,948	0.01%
<b>Total Singapore</b>		<b>25,423,877</b>	<b>10.99%</b>
<b>Switzerland - 10.97%</b>			
324,154	Swiss Prime Site AG	25,397,833	10.97%
<b>Total Switzerland</b>		<b>25,397,833</b>	<b>10.97%</b>
<b>Unites States - 22.40%</b>			
678,420	HCP Inc	25,942,782	11.21%
380,689	Welltower Inc	25,898,272	11.19%
<b>Total Unites States</b>		<b>51,841,054</b>	<b>22.40%</b>
<b>Total Equities</b>		<b>230,059,988</b>	<b>99.41%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>230,059,988</b>	<b>99.41%</b>
Cash and cash equivalents		4,620,763	2.00%
Other net assets and liabilities		(3,265,957)	(1.41)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>231,414,794</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM INSTITUTIONAL BOND FUND**

*as at 31 December 2015*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Collective Investment Schemes – 97.40%</b>			
82,567,372	Sanlam Global Bond Fund	114,083,338	97.40%
<b>Total Collective Investment Schemes</b>		<b>114,083,338</b>	<b>97.40%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>114,083,338</b>	<b>97.40%</b>
Cash and cash equivalents		3,163,284	2.70%
Other net assets and liabilities		(111,751)	(0.10)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>117,134,871</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM EUROPEAN GROWTH BASKET FUND**

as at 31 December 2015

Nominal	Security		Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>				
<b>Equity linked notes – 99.97%</b>				
165,668,056	Basket of Indices ELN		10,958,933	99.97%
<b>Total Equity linked notes</b>			<b>10,958,933</b>	<b>99.97%</b>
<b>Derivative financial instruments</b>				
Notional	Underlying	Maturity	Fair Value USD	% of Net Assets
<b>Option contracts – 0.06%</b>				
54,200,955	Basket of Indices Call 1836	03/01/2018	6,996	0.06% <sup>1</sup>
<b>Total Option contracts</b>			<b>6,996</b>	<b>0.06%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>10,965,929</b>	<b>100.03%</b>
Cash and cash equivalents			17,966	0.17%
Other net assets and liabilities			(21,538)	(0.20)%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>10,962,357</b>	<b>100.00%</b>

<sup>1</sup> Barclays Bank acts as counterparty to the open option position at 31 December 2015.

**PORTFOLIO OF INVESTMENTS OF SANLAM GLOBAL FUND OF HEDGE FUNDS**
*as at 31 December 2015*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Class A: Collective Investment Schemes – 96.50%</b>			
89,002	Capricon Gem Fund Inc	24,131,797	13.63%
2,160,722	City Financial Absolute Equity Fund	11,596,915	6.55%
95,587	Coatue Offshore Fund	18,724,708	10.58%
25,823	Cumulus Energy Fund Ltd	24,100,205	13.61%
47,310	Davidson Kempner International (BVI) Ltd.	7,443,695	4.21%
680,766	Henderson Gartmore Fund - UK Absolute Return	4,561,133	2.58%
8,603	Kepos Alpha Fund Ltd.	9,225,772	5.21%
10,878	Millennium International	20,839,983	11.77%
95,521	Third Point Offshore Fund	22,570,608	12.75%
24,289	Visium Global Offshore Fund Ltd.	27,632,264	15.61%
<b>Total Class A: Collective Investment Schemes</b>		<b>170,827,080</b>	<b>96.50%</b>
<b>Designated Class A: Collective Investment Schemes - 0.13%</b>			
751	Homeland Renewable Energy	-	0.00%
8,868	Laurus Master Fund	21,780	0.01%
15,226	Millennium Global Emerging Credit Fund	-	0.00%
578	MKM Longboat M/S Fund	-	0.00%
43	MLO Private Investment Ltd.	9,321	0.01%
1,640	Octavia 8.25% 31122011 Defaulted	-	0.00%
1	Raptor Global Portfolio Liquidating Trust	7,897	0.00%
3,019	Ritchie Energy Ltd.	-	0.00%
1,662	Valens Offshore Fund	37,900	0.02%
1,699	White Oak Strategic Fund Ltd.	153,753	0.09%
2	White Oak Strategic SRV Ltd.	1,009	0.00%
<b>Total Designated Class A: Collective Investment Schemes</b>		<b>231,660</b>	<b>0.13%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>171,058,740</b>	<b>96.63%</b>
Cash and cash equivalents		6,214,991	3.51%
Other net assets and liabilities		(253,933)	(0.14)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>177,019,798</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND**
*as at 31 December 2015*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Equities - 88.02%</b>			
<b>Cameroon - 0.32%</b>			
305	Societe Les Brasseries du Cameroun	41,069	0.32%
<b>Total Cameroon</b>		<b>41,069</b>	<b>0.32%</b>
<b>Canada - 0.58%</b>			
20,000	First Quantum Minerals Ltd	74,850	0.58%
<b>Total Canada</b>		<b>74,850</b>	<b>0.58%</b>
<b>Cayman Island - 0.74%</b>			
350,000	Lekoil Limited	96,119	0.74%
<b>Total Cayman Island</b>		<b>96,119</b>	<b>0.74%</b>
<b>Egypt - 18.96%</b>			
27,819	Eastern Tobacco	621,912	4.79%
42,000	Egyptian International Pharmaceutical Industries Co	383,408	2.95%
250,204	Global Telecom Holding	325,265	2.50%
157,153	National Societe Generale Bank	602,273	4.63%
366,185	Sidi Kerir Petrochemicals	531,408	4.09%
<b>Total Egypt</b>		<b>2,464,266</b>	<b>18.96%</b>
<b>Guernsey Channel Island - 1.02%</b>			
52,100	Zimplats Holdings Limited	132,889	1.02%
<b>Total Guernsey Channel Island</b>		<b>132,889</b>	<b>1.02%</b>
<b>Jersey Channel Islands - 3.65%</b>			
500,000	Centamin Plc	474,786	3.65%
<b>Total Jersey Channel Islands</b>		<b>474,786</b>	<b>3.65%</b>
<b>Kenya - 6.82%</b>			
85,771	British American Tobacco Plc Kenya Ltd	658,164	5.06%
283,372	CFC Stanbic Holdings	228,526	1.76%
<b>Total Kenya</b>		<b>886,690</b>	<b>6.82%</b>
<b>Morocco - 5.23%</b>			
3,369	Societe des Brasseries du Maroc	679,268	5.23%
<b>Total Morocco</b>		<b>679,268</b>	<b>5.23%</b>
<b>Namibia - 5.58%</b>			
500,000	Namibia Breweries Limited	725,068	5.58%
<b>Total Namibia</b>		<b>725,068</b>	<b>5.58%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND (CONTINUED)**  
 as at 31 December 2015

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss (continued)</b>			
<b>Nigeria - 21.87%</b>			
786,036	Ashaka Cem Plc	98,600	0.76%
3,817,661	Glaxo Smith Kline Consumer Nigeria Plc	655,113	5.04%
2,934,178	Guaranty Trust Bank	267,653	2.06%
8,300	Guaranty Trust Bank Plc	38,595	0.29%
569,788	Lafarge Africa Plc	276,746	2.13%
13,992	Nestle Foods Nigeria Plc	60,377	0.46%
652,857	Nigerian Breweries Plc	445,502	3.43%
239,000	Seplat Petroleum Development	259,897	2.00%
2,127,040	Stanbic IBTC Holding Co	176,417	1.36%
6,879,841	United Bank for Africa Plc	116,678	0.90%
6,342,246	Zenith Bank Ltd	447,108	3.44%
<b>Total Nigeria</b>		<b>2,842,686</b>	<b>21.87%</b>
<b>Senegal - 4.08%</b>			
12,951	Sonatel	530,866	4.08%
<b>Total Senegal</b>		<b>530,866</b>	<b>4.08%</b>
<b>South Africa - 3.51%</b>			
135,230	Impala Platinum Holdings Limited	228,522	1.76%
26,865	MTN Group Limited	227,546	1.75%
<b>Total South Africa</b>		<b>456,068</b>	<b>3.51%</b>
<b>Tanzania - 1.61%</b>			
30,489	Tanzania Breweries Limited	208,906	1.61%
<b>Total Tanzania</b>		<b>208,906</b>	<b>1.61%</b>
<b>Uganda - 4.48%</b>			
3,117,191	Umeme Ltd	582,393	4.48%
<b>Total Uganda</b>		<b>582,393</b>	<b>4.48%</b>
<b>Zimbabwe - 9.57%</b>			
64,041	African Distillers Ltd	35,703	0.28%
772,212	Delta Corporation Ltd	544,409	4.19%
2,601,556	Econet Wireless Zimbabwe Ltd	546,327	4.20%
2,333,333	OK Zimbabwe	116,667	0.90%
<b>Total Zimbabwe</b>		<b>1,243,106</b>	<b>9.57%</b>
<b>Total Equities</b>		<b>11,439,030</b>	<b>88.02%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>11,439,030</b>	<b>88.02%</b>



**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND (CONTINUED)**  
*as at 31 December 2015*

Nominal	Security	Fair Value USD	% of Net Assets
Cash and cash equivalents		1,586,073	12.21%
Other net assets and liabilities		(29,915)	(0.23)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>12,995,188</b>	<b>100.00%</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**

*for the year ended 31 December 2015*

**1. General – The Company**

Sanlam Qualifying Investors Funds Plc (the “Company”) is an investment company with variable capital and was incorporated on 11 September 2009 with registration number 475202 under the laws of Ireland and is authorised under Part 24 of the Companies Act, 2014 as a designated open-ended investment company pursuant to Section 1395 of that Act. The Company is domiciled in Ireland.

The Company is authorised by the Central Bank of Ireland as a Qualifying Investor Alternative Investment Fund (“QIAIF”) in accordance with the Alternative Investment Fund Managers Directive (“AIFMD”). In accordance with the requirements of AIFMD, the Manager is the appointed Alternative Investment Fund Manager (“AIFM”).

At 31 December 2015, the Company comprised seven separate investment sub-funds (“Fund(s)”). The Articles of Association of the Company provides segregated liability between the various Funds. A list of Funds active during the period and their status at the year end is set out below:

Name	Status at 31 December 2015
Sanlam Institutional Equity Flexible Fund	Active
Sanlam Centre Multi-Asset Real Return Feeder Fund	Active
Sanlam Institutional Balanced Fund	Active
Sanlam Institutional Bond Fund	Active
Sanlam European Growth Basket Fund	Active
Sanlam Global Fund of Hedge Funds	Active
Sanlam Africa Equity Fund	Active – launched 01 July 2015

**Prices**

There is a single price for buying, selling and switching Share classes in each Fund. This is represented by the Net Asset Value per Share class of the relevant Fund. In the case of subscriptions, a preliminary charge of up to 5% may be added to the Net Asset Value per Share class of all Funds. A conversion fee of up to 2% may be charged on applications to convert Shares of any class to Shares of another class. A repurchase fee of up to 3% may be deducted from the Net Asset Value per Share class of all Funds.

**Dealing**

The Dealing Day is, except where otherwise clarified in the Prospectus or Fund supplement (and with the exception of Sanlam Global Fund of Hedge Funds and Sanlam Africa Equity Fund), any day other than Saturday or Sunday on which banks are open for business in Dublin. The valuation point is, except where otherwise clarified in the Prospectus or Fund supplement, the close of business in each relevant market on the Business Day immediately preceding a Dealing Day.

For Sanlam Global Fund of Hedge Funds and Sanlam Africa Equity Fund, the Dealing Day is, except where otherwise clarified in the Prospectus or Fund supplement, the first business day of each month (a Business day being any day other than Saturday or Sunday on which banks are open for business in Dublin). The valuation point is, except where otherwise clarified in the Prospectus or Fund supplement, the close of business in each relevant market on the last Business Day of each month.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**1. General – The Company (continued)**

**Shares**

Applications for Shares (with the exception of Sanlam Global Fund of Hedge Funds and Sanlam Africa Equity Fund) must be sent so as to arrive at the Registrar and Transfer Agent's office no later than 4.00pm (Irish time) on the Business Day preceding the relevant Dealing Day or such later time as the Directors may from time to time permit. For Sanlam Global Fund of Hedge Funds, applications for shares must arrive at the Registrar and Transfer Agent's office no later than 4.00pm (Irish time) five Business Days prior to the relevant Dealing Day, or such later time as the Directors may from time to time permit. For Sanlam Africa Equity Fund, applications for shares must arrive at the Registrar and Transfer Agent's office no later than 4.00pm (Irish time) on the date one calendar month prior to the relevant Dealing Day, or such later time as the Directors may from time to time permit. Applications which are received late or funds which are not cleared by the relevant time will be held over and invested at the next Dealing Day.

Requests for repurchases of shares (with the exception of Sanlam Global Fund of Hedge Funds and Sanlam Africa Equity Fund) must be sent so as to arrive at the Registrar and Transfer Agent's office by post, by facsimile or telex by no later than 4.00pm (Irish time) on the Business Day preceding the relevant Dealing Day. For Sanlam Global Fund of Hedge Funds, requests for repurchases must arrive at the Registrar and Transfer Agent's office no later than 4.00pm (Irish time) on the date thirty calendar days prior to the relevant Dealing Day. For Sanlam Africa Equity Fund, requests for repurchases must arrive at the Registrar and Transfer Agent's office no later than 4.00pm (Irish time) on the date three calendar months prior to the relevant Dealing Day.

As at 31 December 2015, the following Share Classes were admitted to the official list of the Irish Stock Exchange:

Fund	Share Class	Launch Date
Sanlam Institutional Equity Flexible Fund	A	20 September 2011
	B	16 January 2012
Sanlam Centre Multi-Asset Real Return Feeder Fund	A	12 October 2012
Sanlam Institutional Balanced Fund	A	01 June 2011
	C	01 June 2011
Sanlam Institutional Bond Fund	A	12 April 2011
	C	12 April 2011
	E	17 January 2011
Sanlam European Basket Growth Fund	A (USD)	30 November 2011
Sanlam Global Fund of Hedge Funds	A	01 September 2014
Sanlam Africa Equity Fund	B (USD)	02 July 2015

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**1. General – The Company (continued)**

**Shares (continued)**

*Minimum Subscription*

The minimum initial subscription amounts for the active classes of each Fund are as follows:

	Sanlam Institutional Equity Flexible Fund	Sanlam Centre Multi-Asset Real Return Feeder Fund	Sanlam Institutional Balanced Fund	Sanlam Institutional Bond Fund
Class A Shares	EUR1,000,000	EUR1,000,000	EUR100,000	EUR100,000
Class B Shares	EUR1,000,000	N/A	N/A	N/A
Class C Shares	N/A	N/A	EUR100,000	EUR100,000
Class E	N/A	N/A	N/A	None

	Sanlam European Growth Basket Fund	Sanlam Global Fund of Hedge Funds <sup>1</sup>	Sanlam Africa Equity Fund
Class A Shares	N/A	USD1,000,000	N/A
Class A (USD) Shares	EUR100,000	N/A	N/A
Class B (USD) Shares	N/A	N/A	USD50,000,000

<sup>1</sup> Sanlam Global Fund of Hedge Funds Designated Class A Shares are operated as a side pocket class which holds Designated Investments. They are not available for subscription and were issued to the holders of the Class A shares.

There is no minimum additional investment amount required for the Share classes of the Funds. Only Qualifying Investors, as defined in the prospectus, may invest in the Funds.

**2. Significant accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Irish Statute comprising the Companies Act 2014 under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The financial statements are prepared in US Dollars (“USD”) and on a going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and interpretations adopted by the International Accounting Standard Board (“IASB”).

The principal accounting policies adopted in the preparation of the financial statements are set out overleaf.

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating shares, unless otherwise stated.

The Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**2. Significant accounting policies (continued)**

**(b) Significant accounting judgments and estimates**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Going Concern**

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company will have the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**Fair Value of Financial Instruments**

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be determined based on quoted prices in an active market, they are determined using an appropriate valuation technique. The valuation techniques employed by the Company and the judgements, estimates and assumptions associated with them are disclosed in note 2(d).

**Investment Entity Status**

The Company's management has determined that the Company has all of the typical characteristics of an investment entity as set out in paragraph 27 of IFRS 10.

**(c) Income recognition**

Interest income and expense are recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest rate method.

Dividends are recognised as income on the dates the securities are first quoted "ex dividend" to the extent that information thereon is reasonably available to the relevant Fund. Bank deposit interest and other income are accounted for on an accruals basis. Income which is subject to a deduction of tax at source is shown gross of such withholding tax. Withholding tax recoverable is accounted for on a receipts basis. Franked investment income (which comprises most of the UK source dividend income) is shown net of the notional tax credit.

**(d) Investment transactions and valuations**

**(i) Classification**

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), the Funds have classified all of their investments as financial assets and liabilities at fair value through profit or loss. The categories of financial assets and financial liabilities at fair value through profit or loss comprise:

- Financial assets or financial liabilities held for trading: these are instruments which are either acquired for generating a profit from short term fluctuations in price or dealer margins, or are included in a portfolio where a pattern of short term trading exists. Under IAS 39, derivatives and short positions are always classified as held for trading. All derivatives in a net receivable position (positive fair value) are reported as financial assets. All derivatives in a net payable position (negative fair value) are reported as financial liabilities.
- Financial assets or financial liabilities designated at fair value through profit or loss upon initial recognition: Financial assets are designated at fair value through profit or loss upon initial recognition if the investments are managed and purchase and sale decisions are made based on their fair value in accordance with the Funds' documented risk management or investment strategy.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015***2. Significant accounting policies (continued)****(d) Investment transactions and valuations (continued)****(i) Classification (continued)**

At 31 December 2015 and 31 December 2014, the Funds classified their investments as held for trading. All other financial assets are classified as loans and receivables and are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities that are not held for trading comprise balances due to brokers and all other liabilities. These are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

**(ii) Recognition**

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains or losses arising from changes in the fair value of the financial assets or financial liabilities are recorded in profit or loss in the Statement of Comprehensive Income.

Financial liabilities are not recognised unless one of the parties has performed or the contract is a derivative contract not exempted from the scope of IAS 39.

**(iii) Measurement and fair value measurement principles****Initial measurement**

Financial instruments are measured initially at fair value (transaction price) plus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

Transaction costs on financial assets or financial liabilities at fair value through profit or loss are expensed immediately while on other financial instruments they are amortised. Transaction costs are included within commission and other charges in the Statement of Comprehensive Income.

**Subsequent measurement**

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value, with changes in their fair value recognised as gains or losses in the statement of comprehensive income in the period in which they arise.

Loans and receivables are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities that are not at fair value through profit or loss are measured at amortised cost using the effective interest rate method.

Financial liabilities arising from the redeemable shares issued by the Funds are carried at the redemption amount representing the investor's right to a residual interest in the Funds' assets.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015***2. Significant accounting policies (continued)****(d) Investment transactions and valuations (continued)****(iii) Measurement and fair value measurement principles (continued)***Fair value measurement principles*

In accordance with IFRS 13, *Fair value measurement* ("IFRS 13"), the fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives, trading securities and exchange-traded funds) are based on the last reported sales price at the close of trading on the reporting date, if the last reported sales price falls within the bid-ask spread. However, if the last reported sales price falls outside the bid-ask spread, Management will determine the point within the bid-ask spread that is most representative of fair value.

Assets not listed, or traded on any stock exchange or over-the-counter (OTC) market, are valued at their fair value as determined with care and in good faith by the AIFM in consultation with the relevant Investment Manager.

*Collective investment schemes* – investments in open-ended collective investment schemes are valued at the latest available unaudited net asset value. Closed-ended schemes which are traded as liquid schemes are valued at bid price at the year-end or if unavailable, a mid-quotation from a broker or, if unavailable or unrepresentative, the latest available unaudited net asset value as deemed relevant to the collective investment scheme.

Certain investments within the portfolio of Sanlam Global Fund of Hedge Fund have been deemed by the AIFM to be illiquid and not currently capable of being traded at fair market value. Such investments have been allocated to a side pocket represented by the Designated Class A Shares of the Fund. The value of the investment funds allocated to side pockets is adjusted as appropriate by the AIFM. This determination reflects the lack of liquidity. The determination by the AIFM is based on the AIFM's best estimate of the fair value of such assets determined in good faith using information derived from the respective fund administrators.

*Derivative instruments* – exchange-traded derivative instruments are valued at the settlement price for such instruments as determined on the specific market. If such a price is not available the fair value shall be the probable realisation value estimated by the AIFM, consulting where appropriate with the Investment Manager.

OTC derivative instruments are valued at the settlement price as provided by the counterparty and verified by the AIFM on a monthly basis, or by a competent person appointed by the AIFM and approved for such a purpose by the Depositary. Such competent person may be the relevant Investment Manager provided that he is independent of the counterparty.

Forward foreign exchange contracts are valued with reference to the prevailing market maker quotations, namely the price at which a new forward contract of the same maturity could be undertaken or, if unavailable, at the settlement price provided by the counterparty.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**2. Significant accounting policies (continued)**

**(d) Investment transactions and valuations (continued)**

**(iv) Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The Company uses the first-in-first-out (FIFO) method to determine realised gains and losses on derecognition. Realised gains and losses on derecognition are included in the Statement of Comprehensive Income.

**(v) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and liability simultaneously.

**(e) Foreign currency translation**

**Functional and presentation currency**

Items included in each Fund's individual financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of each Fund is the US Dollar ("USD").

The Company has adopted USD as its presentation currency. Where necessary, each Fund's financial position is translated from its functional currency to the presentation currency, as follows:

- assets and liabilities, including net assets attributable to holders of redeemable participating shares, are translated at the closing rate at each statement of financial position date. Exchange differences arising between the rate of translation of subscriptions and the holders of redeemable participating shares; and
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Proceeds from subscriptions and amounts paid on redemption of redeemable participating shares are translated at monthly average rates, which approximate the rates prevailing at the dates of the transactions. Translation differences on non-monetary items, such as equities, held at fair value through profit and loss are reported as part of their fair value gain or loss.



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**2. Significant accounting policies (continued)**

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts, which are included within liabilities.

**(g) Margin accounts**

Margin accounts represent the exchange-traded futures contracts margin deposit amounts held with brokers.

**(h) Distribution Policy**

The Directors have no current intention to make distributions from any Fund. All such profits shall be retained in the relevant Fund.

**(i) Consolidation**

The Company has determined that it is an investment entity in accordance with IFRS 10, *Consolidated Financial Statements* and Investment Entities *Amendments to IFRS 10, IFRS 12 and IAS 27*. Information about the significant judgements and assumptions made in determining that the Company is an investment entity is disclosed in note 2(b). As an investment entity, the Company is required to account for its investment in subsidiaries, if any, at fair value through profit or loss. The Company does not present consolidated financial statements since it is required to measure all of its subsidiaries at fair value through profit or loss.

**(j) Changes in accounting policy and disclosures**

**Standards and amendments to existing standards effective 1 January 2015**

There were no standards and amendments to existing standards effective 1 January 2015, relevant to investment entities.

**(k) Standards, interpretations and amendments to published standards that are not yet effective**

The following new standards, amendments to standards and interpretations that may be relevant to investment funds have been issued to date and are not yet effective for these financial statements of the Company for the year ended 31 December 2015, and have not been applied nor early adopted in preparing these financial statements:

<b>Standard:</b>	<b>Narrative:</b>	<b>Effective date</b> <b>Annual periods beginning</b> <b>on or after</b>
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018

**[IFRS 9 Financial Instruments: Classification and Measurement \(“IFRS 9”\)](#)**

IFRS 9, issued on 24 July 2014 is the IASB’s replacement of IAS 39. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

The IASB completed its project to replace IAS 39 in phases, adding to the standard in each phase. The complete standard issued on 24 July 2014 includes requirements previously issued and additional amendments to incorporate a new expected loss impairment model and to introduce limited amendments to the classification and measurement requirements for financial assets.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**2. Significant accounting policies (continued)**

**(k) Standards, interpretations and amendments to published standards that are not yet effective (continued)**

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9") (continued)

This version of IFRS 9 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

IFRS 9 uses business models and contractual cash flow characteristics to determine whether a financial asset is measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income, replacing the four category classification in IAS 39. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

IFRS 9 introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity.

As part of IFRS 9, the IASB has introduced a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and it lowers the threshold for recognition of full lifetime expected losses.

Paragraph 31 of IAS 8 Accounting Policies, Change in Accounting Estimates and Errors states that financial statements disclose either:

- (i) a discussion of the impact that initial application of the IFRS is expected to have on the entity's financial statements; or
- (ii) if that impact is not known or reasonably estimable, a statement to that effect.

Based on an initial assessment, IFRS 9 is not expected to have a material impact on the financial statements of the Company as financial instruments that are currently measured at fair value through profit or loss will continue to be measured at fair value through profit or loss under IFRS 9. Similarly, those financial instruments currently measured at amortised cost will continue to be measured at amortised cost under IFRS 9.

**3. Taxation**

The Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or gains. Tax may arise on the happening of a chargeable event. A chargeable event includes any distribution payments to shareholders or any other encashment, redemption or transfer of shares. No tax will arise on the Company in respect of chargeable events in respect of:

- a shareholder who is not an Irish resident and not ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company; and
- certain exempted Irish resident investors who have provided the Company with the necessary signed statutory declarations.

Following legislative changes in the Finance Act 2006, the holding of shares at the end of a Relevant Period will, in respect of Irish Resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation of the relevant Shares.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**3. Taxation (continued)**

Relevant Period is defined as a period of 8 years, beginning with the acquisition of a Share by a shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

Dividend income, interest and capital gains received by the Company may be subject to non-recoverable withholding tax in the countries of origin.

**4. Share capital**

**Authorised Share Capital**

The authorised share capital of the Company is 1,000,000,000,000 shares of no par value.

**Subscriber Shares**

The equity share capital of the Company is EUR 5 represented by Subscriber Shares issued for the purposes of incorporation of the Company. These Subscriber Shares are beneficially owned by the Manager. The Manager is an ultimate subsidiary of Sanlam Limited. The holder or holders of Subscriber Shares are entitled to one vote only in respect of all Subscriber Shares. The Subscriber Shares do not form part of Shareholders' Funds. They are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

**Redeemable Participating Shares**

Each Fund may issue one or more classes of Shares, and each class of Shares in a Fund may have different charging structures and different minimum initial investment amounts, minimum additional investment amounts and minimum shareholding requirements. Each class of Shares has a distinct fee structure as outlined in note 12.

The following share classes were in issue at 31 December 2015:

Fund	Class A	Designated Class A <sup>1</sup>	Class A (USD)	Class B	Class B (USD)	Class C	Class E
Sanlam Institutional Equity Flexible Fund	✓	-	-	✓	-	-	-
Sanlam Centre Multi-Asset Real Return Feeder Fund	✓	-	-	-	-	-	-
Sanlam Institutional Balanced Fund	✓	-	-	-	-	✓	-
Sanlam Institutional Bond Fund	✓	-	-	-	-	✓	✓
Sanlam European Growth Basket Fund	-	-	✓	-	-	-	-
Sanlam Global Fund of Hedge Funds	✓	✓	-	-	-	-	-
Sanlam Africa Equity Fund	-	-	-	-	✓	-	-

<sup>1</sup> Sanlam Global Fund of Hedge Funds Designated Class A Shares are operated as a side pocket class which holds Designated Investments. The shares were issued to the holders of the Class A shares and have restricted redemption terms.

The redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities. They carry voting rights. The participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The participating share is carried at the redemption amount that is payable at the statement of financial position date if the shareholder exercises its right to put the share back to the Company.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**4. Share Capital (continued)**

*Redeemable Participating Shares (continued)*

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the Company and in its net assets upon liquidation. The Shares, which are of no par value, carry no preferential or pre-emptive rights and are entitled to one vote each at all meetings of the relevant class of Shareholders. All Shares rank pari-passu.

Participating share transactions for the year ended 31 December 2015:

<b>Sanlam Institutional Equity Flexible Fund</b>		
	<b>Class A Shares</b>	<b>Class B Shares</b>
Opening shares issued	181,188,490	10,746,816
Shares issued during the year	1,031,498	309,696
Shares redeemed during the year	(10,736,883)	(1,985,819)
<b>Closing shares issued</b>	<b>171,483,105</b>	<b>9,070,693</b>

	<b>Class A USD</b>	<b>Class B USD</b>
Subscriptions during the year	1,139,773	356,972
Redemptions during the year	(11,661,272)	(2,329,182)

<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>	
	<b>Class A Shares</b>
Opening shares issued	56,330,852
Shares issued during the year	-
Shares redeemed during the year	(729,082)
<b>Closing shares issued</b>	<b>55,601,770</b>

	<b>Class A USD</b>
Subscriptions during the year	-
Redemptions during the year	(681,931)

<b>Sanlam Institutional Balanced Fund</b>		
	<b>Class A Shares</b>	<b>Class C Shares</b>
Opening shares issued	264,873,450	14,781,105
Shares issued during the year	4,848,686	149,514
Shares redeemed during the year	(66,566,372)	(3,440,515)
<b>Closing shares issued</b>	<b>203,155,764</b>	<b>11,490,104</b>

	<b>Class A USD</b>	<b>Class C USD</b>
Subscriptions during the year	4,513,983	142,450
Redemptions during the year	(66,151,174)	(3,346,024)

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**4. Share Capital (continued)**

Redeemable Participating Shares (continued)

Participating share transactions for the year ended 31 December 2015 (continued):

<b>Sanlam Institutional Bond Fund</b>			
	<b>Class A Shares</b>	<b>Class C Shares</b>	<b>Class E Shares</b>
Opening shares issued	11,443,332	374,676	10
Shares issued during the year	809,680	440,322	-
Shares redeemed during the year	(960,592)	(427,626)	-
Closing shares issued	<b>11,292,420</b>	<b>387,372</b>	<b>10</b>
	<b>Class A USD</b>	<b>Class C USD</b>	<b>Class E USD</b>
Subscriptions during the year	8,577,537	4,626,719	-
Redemptions during the year	(10,086,865)	(4,464,106)	-

<b>Sanlam European Growth Basket Fund</b>	
	<b>Class A (USD) Shares</b>
Opening shares issued	2,769,213
Shares issued during the year	-
Shares redeemed during the year	-
Closing shares issued	<b>2,769,213</b>
	<b>Class A (USD) USD</b>
Subscriptions during the year	-
Redemptions during the year	-

<b>Sanlam Global Fund of Hedge Funds</b>		
	<b>Class A Shares<sup>1</sup></b>	<b>Designated Class A Shares</b>
Opening shares issued	930,524	590
Shares issued during the year	11,548	-
Shares redeemed during the year	(24,360)	(351)
Closing shares issued	<b>917,712</b>	<b>239</b>
	<b>Class A USD</b>	<b>Designated Class A USD</b>
Subscriptions during the year	1,154,830	-
Redemptions during the year	(28,985,247)	(1,104,788)

<sup>1</sup> Class A shares are represented by different series of shares. The above reconciliation represents the consolidation of those series of shares.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**4. Share Capital (continued)**

Redeemable Participating Shares (continued)

Participating share transactions for the year ended 31 December 2015 (continued):

<b>Sanlam Africa Equity Fund</b>	
	<b>Class B (USD) Shares</b>
Opening shares issued	-
Shares issued during the year	15,662,298
Shares redeemed during the year	-
<b>Closing shares issued</b>	<b>15,662,298</b>
	<b>Class B (USD) USD</b>
Subscriptions during the year	14,528,750
Redemptions during the year	-

Participating share transactions for the year ended 31 December 2014:

<b>Sanlam Institutional Equity Flexible Fund</b>		
	<b>Class A Shares</b>	<b>Class B Shares</b>
Opening shares issued	195,050,034	13,536,726
Shares issued during the year	4,446,723	602,702
Shares redeemed during the year	(18,308,267)	(3,392,612)
<b>Closing shares issued</b>	<b>181,188,490</b>	<b>10,746,816</b>
	<b>Class A USD</b>	<b>Class B USD</b>
Subscriptions during the year	5,168,250	742,003
Redemptions during the year	(21,163,722)	(4,132,504)

<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>	
	<b>Class A Shares</b>
Opening shares issued	56,330,852
Shares issued during the year	-
Shares redeemed during the year	-
<b>Closing shares issued</b>	<b>56,330,852</b>
	<b>Class A USD</b>
Subscriptions during the year	-
Redemptions during the year	-

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**4. Share Capital (continued)**

Redeemable Participating Shares (continued)

Participating share transactions for the year ended 31 December 2014 (continued):

**Sanlam Institutional Balanced Fund**

	<b>Class A Shares</b>	<b>Class C Shares</b>
Opening shares issued	323,503,326	15,851,573
Shares issued during the year	1,053,889	119,918
Shares redeemed during the year	(59,683,765)	(1,190,386)
<b>Closing shares issued</b>	<b>264,873,450</b>	<b>14,781,105</b>

	<b>Class A USD</b>	<b>Class C USD</b>
Subscriptions during the year	1,024,935	115,911
Redemptions during the year	(57,905,258)	(1,172,368)

**Sanlam Institutional Bond Fund**

	<b>Class A Shares</b>	<b>Class C Shares</b>	<b>Class E Shares</b>
Opening shares issued	11,807,780	683,485	10
Shares issued during the year	377,186	116,758	-
Shares redeemed during the year	(741,634)	(425,567)	-
<b>Closing shares issued</b>	<b>11,443,332</b>	<b>374,676</b>	<b>10</b>

	<b>Class A USD</b>	<b>Class C USD</b>	<b>Class E USD</b>
Subscriptions during the year	4,162,848	1,291,976	-
Redemptions during the year	(8,048,359)	(4,630,036)	-

**Sanlam European Growth Basket Fund**

	<b>Class A (USD) Shares</b>
Opening shares issued	141,196
Shares issued during the year	2,756,408
Shares redeemed during the year	(128,391)
<b>Closing shares issued</b>	<b>2,769,213</b>

	<b>Class A (USD) USD</b>
Subscriptions during the year	14,549,149
Redemptions during the year	(694,097)

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**4. Share Capital (continued)**

Redeemable Participating Shares (continued)

Participating share transactions for the year ended 31 December 2014 (continued):

Sanlam Global Fund of Hedge Funds		
	Class A Shares <sup>1</sup>	Designated Class A Shares
Opening shares issued	-	-
Shares issued during the period	956,878	590
Shares redeemed during the period	(26,354)	-
<b>Closing shares issued</b>	<b>930,524</b>	<b>590</b>

	Class A USD	Designated Class A USD
Subscriptions during the period	224,915,401	1,723,980
Redemptions during the period	(30,925,723)	-

<sup>1</sup> Class A shares are represented by different series of shares. The above reconciliation represents the consolidation of those series of shares.

**5. Investments in subsidiaries**

At 31 December 2015, the Funds had a majority holding in the following collective investment schemes:

Sanlam Institutional Equity Flexible Fund			
Name	Country of incorporation	Geographic focus	Proportion of ownership interest held
Sanlam Equity Allocation Fund	Ireland	Global	100.00%
Sanlam UK Equity Tracker Fund	Ireland	United Kingdom	58.14%
Sanlam Europe (ex UK) Equity Tracker Fund	Ireland	Europe (ex-UK)	57.36%

Sanlam Centre Multi-Asset Real Return Feeder Fund			
Name	Country of incorporation	Geographic focus	Proportion of ownership interest held
Centre Multi-Asset Real Return Fund	United States	Global	100.00%



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**5. Investments in subsidiaries (continued)**

At 31 December 2014, the Funds had a majority holding in the following collective investment schemes:

<b>Sanlam Institutional Equity Flexible Fund</b>			
<b>Name</b>	<b>Country of incorporation</b>	<b>Geographic focus</b>	<b>Proportion of ownership interest held</b>
Sanlam Equity Allocation Fund	Ireland	Global	95.39%
Sanlam Europe (ex UK) Equity Tracker Fund	Ireland	Europe (ex-UK)	63.23%
Sanlam UK Equity Tracker Fund	Ireland	United Kingdom	50.88%

<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>			
<b>Name</b>	<b>Country of incorporation</b>	<b>Geographic focus</b>	<b>Proportion of ownership interest held</b>
Centre Multi-Asset Real Return Fund	United States	Global	99.71%

**6. Net gains and losses on financial assets and liabilities at fair value through profit or loss**

Net gains and losses for the year ended 31 December 2015:

	<b>Sanlam Institutional Equity Flexible Fund 31/12/2015 USD</b>	<b>Sanlam Centre Multi-Asset Real Return Feeder Fund 31/12/2015 USD</b>	<b>Sanlam Institutional Balanced Fund 31/12/2015 USD</b>	<b>Sanlam Institutional Bond Fund 31/12/2015 USD</b>
Realised gains	280,742	-	14,260,934	229,522
Realised losses	(384,791)	(90,915)	(3,779,942)	-
Change in unrealised gains	-	-	15,099,226	-
Change in unrealised losses	(4,837,114)	(2,262,198)	(36,914,646)	(4,219,511)
Foreign currency gain/(loss)	(49)	3	(205,550)	-
<b>Total gains/(losses)</b>	<b>(4,941,212)</b>	<b>(2,353,110)</b>	<b>(11,539,978)</b>	<b>(3,989,989)</b>

	<b>Sanlam European Growth Basket Fund 31/12/2015 USD</b>	<b>Sanlam Global Fund of Hedge Funds 31/12/2015 USD</b>	<b>Sanlam Africa Equity Fund 31/12/2015 USD</b>
Realised gains	-	2,688,669	106,182
Realised losses	-	(1,923,911)	(6,670)
Change in unrealised gains	-	11,867,920	201,996
Change in unrealised losses	(2,678,653)	(1,996,892)	(1,596,866)
Foreign currency gain/(loss)	(5,097)	291,897	(40,850)
<b>Total gains/(losses)</b>	<b>(2,683,750)</b>	<b>10,927,683</b>	<b>(1,336,208)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**6. Net gains and losses on financial assets and liabilities at fair value through profit or loss**  
(continued)

Net gains and losses for the year ended 31 December 2014:

	Sanlam Institutional Equity Flexible Fund 31/12/2014 USD	Sanlam Centre Multi-Asset Real Return Feeder Fund 31/12/2014 USD	Sanlam Institutional Balanced Fund 31/12/2014 USD	Sanlam Institutional Bond Fund 31/12/2014 USD
Realised gains	10,654,248	-	8,208,299	698,852
Realised losses	(4,686,580)	-	(2,506,913)	-
Change in unrealised gains	13,537,188	-	32,320,652	215,960
Change in unrealised losses	(23,284,498)	(1,432,515)	(6,229,460)	-
Foreign currency gain/(loss)	(9,394)	(3)	(126,984)	3
<b>Total gains/(losses)</b>	<b>(3,789,036)</b>	<b>(1,432,518)</b>	<b>31,665,594</b>	<b>914,815</b>

	Sanlam European Growth Basket Fund 31/12/2014 USD	Sanlam Global Fund of Hedge Funds 31/12/2014 USD
Realised gains	-	533,555
Realised losses	-	(990,012)
Change in unrealised gains	-	4,966,749
Change in unrealised losses	(904,569)	(2,758,215)
Foreign currency gain/(loss)	(15,064)	(13)
<b>Total gains/(losses)</b>	<b>(919,633)</b>	<b>1,752,064</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**7. Financial assets and financial liabilities at fair value through profit or loss**

The following tables show financial assets measured at fair value through profit or loss at 31 December 2015:

	Sanlam Institutional Equity Flexible Fund 31/12/2015 USD	Sanlam Centre Multi-Asset Real Return Feeder Fund 31/12/2015 USD	Sanlam Institutional Balanced Fund 31/12/2015 USD	Sanlam Institutional Bond Fund 31/12/2015 USD
<b>Financial assets at fair value through profit or loss</b>				
Held for trading:				
Equity	-	-	230,059,988	-
Collective investment schemes	197,578,837	54,320,647	-	114,083,338
<b>Total financial assets at fair value through profit or loss</b>	<b>197,578,837</b>	<b>54,320,647</b>	<b>230,059,988</b>	<b>114,083,338</b>

	Sanlam European Growth Basket Fund 31/12/2015 USD	Sanlam Global Fund of Hedge Funds 31/12/2015 USD	Sanlam Africa Equity Fund 31/12/2015 USD
<b>Financial assets at fair value through profit or loss</b>			
Held for trading:			
Equity	-	-	11,439,030
Equity linked notes	10,958,933	-	-
Option contracts	6,996	-	-
Collective investment schemes	-	171,058,740	-
<b>Total financial assets at fair value through profit or loss</b>	<b>10,965,929</b>	<b>171,058,740</b>	<b>11,439,030</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**7. Financial assets and financial liabilities at fair value through profit or loss (continued)**

The following tables show financial assets measured at fair value through profit or loss at 31 December 2014:

	Sanlam Institutional Equity Flexible Fund 31/12/2014 USD	Sanlam Centre Multi-Asset Real Return Feeder Fund 31/12/2014 USD	Sanlam Institutional Balanced Fund 31/12/2014 USD	Sanlam Institutional Bond Fund 31/12/2014 USD
<b>Financial assets at fair value through profit or loss</b>				
Held for trading:				
Equity	-	-	300,129,318	-
Collective investment schemes	217,449,900	58,173,761	-	123,418,118
<b>Total financial assets at fair value through profit or loss</b>	<b>217,449,900</b>	<b>58,173,761</b>	<b>300,129,318</b>	<b>123,418,118</b>

	Sanlam European Growth Basket Fund 31/12/2014 USD	Sanlam Global Fund of Hedge Funds 31/12/2014 USD
<b>Financial assets at fair value through profit or loss</b>		
Held for trading:		
Equity linked notes	13,636,601	-
Equity swaps	-	215,516
Option contracts	7,980	-
Collective investment schemes	-	181,144,220
<b>Total financial assets at fair value through profit or loss</b>	<b>13,644,581</b>	<b>181,359,736</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**7. Financial assets and financial liabilities at fair value through profit or loss (continued)**

No Funds held financial liabilities measured at fair value through profit or loss at 31 December 2015.

The following table shows financial liabilities measured at fair value through profit or loss at 31 December 2014:

	Sanlam Global Fund of Hedge Funds 31/12/2014 USD
<b>Financial liabilities at fair value through profit or loss</b>	
Held for trading:	
Equity swaps	(67,338)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(67,338)</b>

**8. Fair value of financial instruments**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Company can be performed. The financial instruments held by each Fund are valued in accordance with the valuation policy of the AIFM.

The following table shows financial instruments recognised at fair value. The fair value hierarchy shall have the following levels:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
 for the year ended 31 December 2015

**8. Fair value of financial instruments (continued)**
**Assets measured at fair value**

The tables below and overleaf analyse, within the fair value hierarchy, the financial assets of the Funds' measured at fair value through profit or loss at 31 December 2015:

<b>Sanlam Institutional Equity Flexible Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Collective Investment Schemes	197,578,837	-	-	197,578,837
<b>Total financial assets at fair value through profit or loss</b>	<b>197,578,837</b>	<b>-</b>	<b>-</b>	<b>197,578,837</b>
<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Collective Investment Schemes	-	54,320,647	-	54,320,647
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>54,320,647</b>	<b>-</b>	<b>54,320,647</b>
<b>Sanlam Institutional Balanced Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Equity	230,034,040	25,948	-	230,059,988
<b>Total financial assets at fair value through profit or loss</b>	<b>230,034,040</b>	<b>25,948</b>	<b>-</b>	<b>230,059,988</b>
<b>Sanlam Institutional Bond Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Collective Investment Schemes	114,083,338	-	-	114,083,338
<b>Total financial assets at fair value through profit or loss</b>	<b>114,083,338</b>	<b>-</b>	<b>-</b>	<b>114,083,338</b>
<b>Sanlam European Growth Basket Fund</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Equity linked notes	-	10,958,933	-	10,958,933
Option contracts	-	6,996	-	6,996
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>10,965,929</b>	<b>-</b>	<b>10,965,929</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 8. Fair value of financial instruments (continued)

## Assets measured at fair value (continued)

Sanlam Global Fund of Hedge Funds				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Collective Investment Schemes	16,158,048	154,669,032	231,660	171,058,740
<b>Total financial assets at fair value through profit or loss</b>	<b>16,158,048</b>	<b>154,669,032</b>	<b>231,660</b>	<b>171,058,740</b>

Sanlam Africa Equity Fund				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Equity	11,439,030	-	-	11,439,030
<b>Total financial assets at fair value through profit or loss</b>	<b>11,439,030</b>	<b>-</b>	<b>-</b>	<b>11,439,030</b>

The tables below and overleaf analyse, within the fair value hierarchy, the financial assets of the Funds' measured at fair value through profit or loss at 31 December 2014:

Sanlam Institutional Equity Flexible Fund				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Collective Investment Schemes	217,449,900	-	-	217,449,900
<b>Total financial assets at fair value through profit or loss</b>	<b>217,449,900</b>	<b>-</b>	<b>-</b>	<b>217,449,900</b>

Sanlam Centre Multi-Asset Real Return Feeder Fund				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Collective Investment Schemes	-	58,173,761	-	58,173,761
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>58,173,761</b>	<b>-</b>	<b>58,173,761</b>

Sanlam Institutional Balanced Fund				
	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Equity	300,129,318	-	-	300,129,318
<b>Total financial assets at fair value through profit or loss</b>	<b>300,129,318</b>	<b>-</b>	<b>-</b>	<b>300,129,318</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**8. Fair value of financial instruments (continued)**

**Assets measured at fair value (continued)**

<b>Sanlam Institutional Bond Fund</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Collective Investment Schemes	123,418,118	-	-	123,418,118
<b>Total financial assets at fair value through profit or loss</b>	<b>123,418,118</b>	<b>-</b>	<b>-</b>	<b>123,418,118</b>

<b>Sanlam European Growth Basket Fund</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Equity linked notes	-	13,636,601	-	13,636,601
Option contracts	-	7,980	-	7,980
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>13,644,581</b>	<b>-</b>	<b>13,644,581</b>

<b>Sanlam Global Fund of Hedge Funds</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Collective Investment Schemes	-	180,451,905	692,316	181,144,221
Equity Swaps	-	215,515	-	215,515
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>180,667,420</b>	<b>692,316</b>	<b>181,359,736</b>

**Liabilities measured at fair value**

No Funds held financial liabilities measured at fair value through profit or loss at 31 December 2015.

The following table analyses, within the fair value hierarchy, the Funds' financial liabilities at fair value through profit or loss at 31 December 2014:

<b>Sanlam Global Fund of Hedge Funds</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Equity Swaps	-	(67,338)	-	(67,338)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(67,338)</b>	<b>-</b>	<b>(67,338)</b>



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015***8. Fair value of financial instruments (continued)**

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, exchange traded funds and collective investment schemes. The AIFM does not adjust the quoted price for these instruments nor does it apply a discount to securities where the volume traded in the market is low relative to the Fund's holding.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include, collective investment schemes, equity linked notes and over-the-counter derivatives such as options and equity swaps. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

**Level 3 investments***Valuation process*

The portfolio of Sanlam Global Fund of Hedge Funds includes investments in collective investment schemes which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. Transactions in the shares of such collective investment schemes do not occur on a regular basis. Investments in those collective investment schemes are valued based on the NAV per share published by the administrator of those collective investment schemes. Such a NAV is adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. Depending on the fair value level of an underlying fund's assets and liabilities and on the adjustments needed to the NAV per share published by that collective investment schemes, the AIFM classifies the fair value of that investment as either level 2 or level 3.

Where an adjustment has been made to the NAV as provided to account for liquidity concerns e.g. redemption restrictions, side pockets etc., the investments in these collective investment schemes are included in level 3 of the fair value hierarchy, since the adjustments are partly based on unobservable inputs. At 31 December 2015, adjustments were made to the NAVs provided for certain funds and such investments were categorised within level 3 of the fair value hierarchy.

The level 3 valuations of the Designated Class A collective investment schemes are reviewed on a quarterly basis by the AIFM, which reports to the Board of Directors and all other relevant parties on a regular basis. In selecting the most appropriate valuation model, the AIFM considers the most recent unaudited NAV per share obtained from the underlying administrator. The AIFM also considers liquidity and other factors such as distributions received and secondary market sales. Each investment is individually reviewed on a quarterly basis.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**8. Fair value of financial instruments (continued)**

**Level 3 investments (continued)**

*Reconciliation*

The following tables show a reconciliation of all movements in the fair value of financial instruments categorised within level 3 between 1 January and 31 December in 2015 and 2014.

Sanlam Global Fund of Hedge Funds	Investment in collective investment schemes	
	2015	2014
Balance as at 1 January	692,316	-
Realised gains	5,957	459,035
Change in unrealised gains/(losses)	(372,911)	(355,971)
Gross Purchases	-	1,119,997
Gross Sales	(93,702)	(530,745)
Transfers in and out of level 3	-	-
Balance as at 31 December	<b>231,660</b>	<b>692,316</b>
Total unrealised gains/(losses) for the year included in profit or loss for level 3 assets held at year end	997,611	(355,971)

*Quantitative information of significant unobservable inputs - level 3*

The following tables disclose the quantitative information regarding the significant unobservable inputs used in measuring the Fund's financial instruments, categorised as level 3 in the fair value hierarchy as at 31 December 2015:

Description	2015 USD	Valuation technique	Unobservable Input
Collective investment schemes	231,660	Adjusted NAV	0%-100% discount for lack of liquidity (see table overleaf)

The following tables disclose the quantitative information regarding the significant unobservable inputs used in measuring the Fund's financial instruments, categorised as level 3 in the fair value hierarchy as at 31 December 2014:

Description	2014 USD	Valuation technique	Unobservable Input
Collective investment schemes	59,924	Unadjusted NAV	N/A*
Collective investment schemes	632,392	Adjusted NAV	0%-100% discount for lack of liquidity (see table overleaf)

\*These collective investment schemes were included in level 3 of the fair value hierarchy as they were subject to lock-ups, gates or suspended redemptions. These investment funds were priced in line with the valuation policy for level 2 investments and were not adjusted using a valuation technique.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**8. Fair value of financial instruments (continued)**

**Level 3 investments (continued)**

*Sensitivity analysis to significant changes in unobservable inputs within level 3 hierarchy*

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2015 and 31 December 2014 are shown below:

**31 December 2015:**

Description	Input	Sensitivity used	Effect on fair value in USD
Collective investment schemes	Discount for lack of liquidity	5% increase	11,583
Collective investment schemes	Discount for lack of liquidity	5% decrease	(11,583)

**31 December 2014:**

Description	Input	Sensitivity used	Effect on fair value in USD
Collective investment schemes	Discount for lack of liquidity	5% increase	31,619
Collective investment schemes	Discount for lack of liquidity	5% decrease	(31,619)

Significant increases/(decreases) in the discount in isolation would result in a significantly (lower)/higher fair value measurement.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

**Significant transfers between levels**

There were no significant transfers between levels in the years ended 31 December 2015 or 31 December 2014.

**9. Assets and liabilities not carried at fair value but for which fair value is disclosed**

For all non-financial assets and liabilities at fair value through profit and loss, their carrying values are a reasonable approximation of fair value.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**10. Offsetting of financial assets and liabilities**

IFRS 7 requires an entity to disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position.

At 31 December 2015, no Fund held derivative financial instruments that were subject to an enforceable master netting arrangement or similar agreement.

At 31 December 2014, one Fund held derivative financial instruments that were subject to an enforceable master netting arrangement or similar agreement. The following tables provide information on the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement at 31 December 2014:

**Sanlam Global Fund of Hedge Funds – 31 December 2014**

	<b>Gross amount of recognised financial assets/ liabilities USD</b>	<b>Gross amount of recognised financial liabilities/ assets set off in the statement of financial position USD</b>	<b>Amounts of financial assets/ liabilities presented in the statement of financial position USD</b>
<b>Derivative financial assets</b>			
Equity swaps	215,515	-	215,515
Other financial assets at fair value through profit or loss	181,144,221	-	181,144,221
<b>Total financial assets at fair value through profit or loss</b>	<b>181,359,736</b>	<b>-</b>	<b>181,359,736</b>
<b>Derivative financial liabilities</b>			
Equity swaps	(67,338)	-	(67,338)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(67,338)</b>	<b>-</b>	<b>(67,338)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
 for the year ended 31 December 2015

**10. Offsetting of financial assets and liabilities (continued)**

<b>Sanlam Global Fund of Hedge Funds – 31 December 2014 (continued)</b>				
	Amounts of financial assets/liabilities presented in the statement of financial position USD	Related amounts not set off in the statement of financial position		
		Financial instruments	Cash collateral	Net amount
		USD	USD	USD
<b>Derivative financial assets</b>				
Equity swaps	215,515	(67,338)	-	148,177
Other financial assets at fair through profit or loss	181,144,221	-	-	181,144,221
<b>Total financial assets at fair value through profit or loss</b>	<b>181,359,736</b>	<b>(67,338)</b>	<b>-</b>	<b>181,292,398</b>
<b>Derivative financial liabilities</b>				
Equity swaps	(67,338)	67,338	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(67,338)</b>	<b>67,338</b>	<b>-</b>	<b>-</b>

**11. Exchange rates**

The following year end USD exchange rates have been used in this report:

1 USD =	31 December 2015	31 December 2014
AUD	1.3722	1.2238
CAD	1.3841	-
CHF	1.0019	0.9836
EGP	7.8280	-
EUR	0.9209	0.8264
GBP	0.6782	0.6417
KES	102.3000	-
MAD	9.9195	-
NGN	199.3000	-
SGD	1.4170	-
TZS	2,160.0000	-
UGX	3,372.0000	-
USD	1.0000	1.0000
XOF	609.9001	-
ZAR	15.4951	11.5462

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements**

**Directors' interests**

The Directors had no interest in the shares of the Company or Funds at 31 December 2015 or at any time during the financial year.

**Significant Agreements**

**Manager**

Pursuant to the Amended and Restated Management and Administration Agreement effective 29 August 2014, SAMI acts as both Manager and Administrator to the Company. SAMI is an ultimate subsidiary Company of Sanlam Limited.

The Manager is entitled to receive an AIFM fee (an annual fee of the percentages listed below per share class). These fees are payable monthly in arrears and accrued by reference to the net assets of the share class on a daily basis. The Manager will pay, out of the AIFM fee, the fees of the Investment Manager and, where applicable, the fees of the Investment Allocation Manager and Investment Advisors also.

	Sanlam Institutional Equity Flexible Fund	Sanlam Centre Multi-Asset Real Return Feeder Fund	Sanlam Institutional Balanced Fund	Sanlam Institutional Bond Fund
Class A Shares	0.75%	0.15%	0.75%	0.75%
Class B Shares	0.85%	N/A	0.60%	0.60%
Class C Shares	N/A	N/A	0.85%	0.85%
Class D Shares	1.00%	N/A	1.00%	N/A

	Sanlam European Growth Basket Fund	Sanlam Global Fund of Hedge Funds	Sanlam Africa Equity Fund
Class A Shares	N/A	0.78%	N/A
Class A (USD) Shares	0.15%	N/A	1.50%
Class B (USD) Shares	N/A	N/A	2.50%

AIFM fees earned by the Manager during the year and outstanding accrued fees as at 31 December 2015 and 31 December 2014 are disclosed on pages 87 to 88.

**Administrator**

SAMI, as the Administrator, is a related party of the Company. In its role as the Administrator SAMI is entitled to receive out of the assets of each Fund an annual fee ranging from 0.025% – 0.08% of the net assets of the Fund, plus an annual fee up to a maximum of USD 15,000 per annum. In addition, the Administrator is entitled to receive its reasonable costs and expenses incurred in the performance of its duties as Administrator of the Company. These fees shall accrue and be calculated on each dealing day and shall be payable monthly in arrears. The fees earned by the Administrator during the period and outstanding accrued fees as at 31 December 2015 are presented in the statement of comprehensive income and statement of financial position respectively.

**Investment Managers and Investment Allocation Manager**

The Investment Managers, Sanlam Investment Management (Pty) Limited and Sanlam FOUR Investments UK Limited, are appointed and paid by the Manager. Both Investment Managers are related parties to the Company and the Manager. Sanlam FOUR Investments UK Limited is also the appointed Investment Allocation Manager for the Funds.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**Significant Agreements (continued)**

**Performance Fee**

For certain share classes of Sanlam Global Fund of Hedge Funds and Sanlam Africa Equity Fund, the Investment Manager is entitled to receive out of the assets of the Funds a performance fee in respect of each performance period.

The performance period for Sanlam Global Fund of Hedge Funds comprises each successive six month period from 1 January to 30 June and from 1 July to 31 December. The performance period for Sanlam Africa Equity Fund comprises each successive twelve month period from 1 January to 31 December. Performance fees are calculated as follows:

- (a) The performance fee shall be equal to 10% to 15% (depending on the Fund) of the difference between the percentage movement in the Net Asset Value per Share (A) being the Initial Issue Price for the first performance period and the percentage movement in the relevant index as set out in the prospectus (the "Index") (B) during the performance period multiplied by the average of the Net Asset Value of the Fund as at each Valuation Point during the performance period prior to any accrual for performance fees but after accruing for all other fees and expenses.
- (b) Where the Fund has underperformed the Index during a performance period (where A-B is a negative number), the Investment Manager will not repay any amounts of performance fee paid by the Fund in respect of previous performance periods but no further performance fees will be charged until such time as any underperformance is recaptured by the Fund (until A-B measured since the end of the last performance period in respect of which a performance fee was paid becomes positive).
- (c) For the performance period in which any underperformance is first recaptured, the performance fee will be calculated in accordance with paragraph (b) above, except that the performance fee will only take into account any subsequent outperformance (A-B will be measured since the end of the last performance period in respect of which a performance fee was paid). Performance fee calculations in subsequent performance periods will revert to being based on the performance over the relevant performance period as calculated in accordance with paragraph (a) above.
- (d) The performance fee shall be calculated by the Administrator (subject to verification by the Depositary) and accrued in the Net Asset Value calculated in respect of each Dealing Day based on the performance to date of the Fund during that performance period.

Net realised and unrealised capital gains plus net realised and unrealised capital losses as of the relevant Valuation Point shall be taken into account in calculating the Net Asset Value per Share. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

Total performance fees of USD 102,601 (2014: USD Nil) were paid in relation to certain share classes of Sanlam Global Fund of Hedge Funds during 2015. No performance fees were paid in relation to the active share class of Sanlam Africa Equity Fund during 2015.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**Significant Agreements (continued)**

**Depositary**

Brown Brothers Harriman Trustee Services (Ireland) Limited is the appointed Depositary to the Funds. The Depositary is not a related party to the Company.

The Depositary is entitled to receive out of the assets of each Fund an annual fee ranging from 0.005% – 0.03% of the net assets of the Funds (plus VAT, if any) together with reasonable costs and expenses incurred by the Depositary in the performance of its duties as Depositary of the Fund. These fees are accrued and calculated on each dealing day and are payable monthly in arrears. The Depositary is also entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and transaction charges (which are charged at normal commercial rates).

**Stock lending**

Brown Brothers Harriman & Co. is the appointed Stock Lending Agent to the Company. The Stock Lending Agent receives remuneration for services provided as part of the Company's stock lending arrangements, the terms of which are set out in the Stock Lending Agreement between the Company and the Stock Lending Agent. The Stock Lending Agent is not a related party to the Company.

As a party to the stock lending arrangements, SAMI is also entitled to remuneration for services provided. For the year ended 31 December 2015, SAMI received USD Nil (2014: USD 187,413) with respect to the stock lending activity of Sanlam Institutional Equity Flexible Fund and USD 10,706 (2014: USD 207,477) with respect to the stock lending activity of Sanlam Institutional Balanced Fund.

Further details on the Company's stock lending activity are disclosed in note 17.

**Registrar and Transfer Agent**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited is the appointed Registrar and Transfer Agent to the Company. Transfer agency fees are charged at normal commercial rates. The Registrar and Transfer Agent is not a related party of the Company.

**Significant shareholders at year end**

Shareholders	Fund	% held at	% held at
		31 December 2015	31 December 2014
Sanlam Life Insurance Ltd	Sanlam Institutional Equity Flexible Fund	90.29%	90.26%
	Sanlam Centre Multi-Asset Real Return		
Sanlam Life Insurance Ltd	Feeder Fund	100.00%	100.00%
Sanlam Life Insurance Ltd	Sanlam Institutional Balanced Fund	89.55%	90.27%
Sanlam Life Insurance (Jersey) Ltd	Sanlam Institutional Bond Fund	24.55%	24.26%
Sanlam Life Insurance Ltd	Sanlam Institutional Bond Fund	71.48%	71.88%
Sanlam Life Insurance Ltd	Sanlam European Growth Basket Fund	100%	-
Sanlam Investment Management for Sanlam	Sanlam European Growth Basket Fund	-	99.54%
Sanlam Life Insurance Ltd	Sanlam Global Fund of Hedge Funds	99.90%	99.84%
Sanlam Life Insurance Ltd	Sanlam Africa Equity Fund	97.29%	-



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**AIFM Fees**

A summary of AIFM fees earned by the Manager during the year and outstanding accrued fees as at 31 December 2015 are presented below:

	Sanlam Institutional Equity Flexible Fund Year ended 31/12/2015	Sanlam Centre Multi- Asset Real Return Feeder Fund Year ended 31/12/2015	Sanlam Institutional Balanced Fund Year ended 31/12/2015	Sanlam Institutional Bond Fund Year ended 31/12/2015
	USD	USD	USD	USD
<b>Fees incurred during the year ended 31 December 2015</b>				
Class A Management Fees	(1,564,644)	(86,578)	(1,984,345)	(895,242)
Class B Management Fees	(105,529)	-	-	-
Class C Management Fees	-	-	(124,106)	(24,561)
	<b>(1,670,173)</b>	<b>(86,578)</b>	<b>(2,108,451)</b>	<b>(919,803)</b>
<b>Fees accrued at 31 December 2015</b>				
Class A Management Fees	(122,727)	(7,145)	(142,323)	(73,266)
Class B Management Fees	(7,540)	-	-	-
Class C Management Fees	-	-	(8,895)	(2,750)
	<b>(130,267)</b>	<b>(7,145)</b>	<b>(151,218)</b>	<b>(76,016)</b>

	Sanlam European Growth Basket Fund Year ended 31/12/2015	Sanlam Global Fund of Hedge Funds Year ended 31/12/2015	Sanlam Africa Equity Fund Year ended 31/12/2015
	USD	USD	USD
<b>Fees incurred during the year ended 31 December 2015</b>			
Class A Management Fees	-	(1,407,121)	-
Class A (USD) Management Fees	(23,698)	-	-
Class B (USD) Management Fees	-	-	(124,035)
	<b>(23,698)</b>	<b>(1,407,121)</b>	<b>(124,035)</b>
<b>Fees accrued at 31 December 2015</b>			
Class A Management Fees	-	(341,450)	-
Class A (USD) Management Fees	(9,136)	-	-
Class B (USD) Management Fees	-	-	(27,533)
	<b>(9,136)</b>	<b>(341,450)</b>	<b>(27,533)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**AIFM Fees (continued)**

A summary of AIFM fees earned by the Manager during the year and outstanding accrued fees as at 31 December 2014 are presented below:

	Sanlam Institutional Equity Flexible Fund Year ended 31/12/2014	Sanlam Centre Multi- Asset Real Return Feeder Fund Year ended 31/12/2014	Sanlam Institutional Balanced Fund Year ended 31/12/2014	Sanlam Institutional Bond Fund Year ended 31/12/2014
	USD	USD	USD	USD
<b>Fees incurred during the year ended 31 December 2014</b>				
Class A Management Fees	(1,685,229)	(88,784)	(2,294,776)	(924,147)
Class B Management Fees	(122,055)	-	-	-
Class C Management Fees	-	-	(139,708)	(33,774)
	<b>(1,807,284)</b>	<b>(88,784)</b>	<b>(2,434,484)</b>	<b>(957,921)</b>
<b>Fees accrued at 31 December 2014</b>				
Class A Management Fees	(132,724)	(7,403)	(185,533)	(76,392)
Class B Management Fees	(9,277)	-	-	-
Class C Management Fees	-	-	(11,689)	(2,878)
	<b>(142,001)</b>	<b>(7,403)</b>	<b>(197,222)</b>	<b>(79,270)</b>

	Sanlam European Growth Basket Fund Year ended 31/12/2014	Sanlam Global Fund of Hedge Funds Year ended 31/12/2014
	USD	USD
<b>Fees incurred during the year ended 31 December 2014</b>		
Class A Management Fees	-	(540,352)
Class A (USD) Management Fees	(10,597)	-
	<b>(10,597)</b>	<b>(540,352)</b>
<b>Fees accrued at 31 December 2014</b>		
Class A Management Fees	-	(838,776)
Class A (USD) Management Fees	(2,113)	-
	<b>(2,113)</b>	<b>(838,776)</b>

In 2015 and 2014, for all Funds of the Company, the fees of the Investment Manager and, where applicable, the fees of the Investment Allocation Manager and Investment Advisors also, were paid by the Manager out of the AIFM fees earned.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**Related Transactions**

The following transactions occurred within Sanlam Limited (the "Group") during the year ended 31 December 2015:

	Sanlam Institutional Bond Fund Year ended 31/12/2015
	USD
<b>Purchases in year ended 31 December 2015</b>	
Sanlam Global Bond Fund	9,666,660
<b>Total purchases</b>	<b>9,666,660</b>

	Sanlam Institutional Equity Flexible Fund Year ended 31/12/2015	Sanlam Institutional Bond Fund Year ended 31/12/2015	Sanlam Global Fund of Hedge Funds Year ended 31/12/2015
	USD	USD	USD
<b>Sales in year ended 31 December 2015</b>			
Sanlam Equity Allocation Fund	7,867,200	-	-
Sanlam Europe (ex UK) Equity Tracker Fund	6,412,600	-	-
Sanlam UK Equity Tracker Fund	650,100	-	-
Sanlam Global Bond Fund	-	15,011,450	-
Sanlam Fund of Alternative UCITS Fund	-	-	25,089,940
Sanlam FOUR European L/S Fund	-	-	8,091,908
Sanlam P2 Strategies Global Fund	-	-	390,449
<b>Total sales</b>	<b>14,929,900</b>	<b>15,011,450</b>	<b>33,572,297</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**12. Related party transactions and significant agreements (continued)**

**Related Transactions (continued)**

The following transactions occurred within Sanlam Limited (the "Group") during the year ended 31 December 2014:

	Sanlam Institutional Equity Flexible Fund Year ended 31/12/2014 USD	Sanlam Institutional Bond Fund Year ended 31/12/2014 USD	Sanlam Global Fund of Hedge Funds Year ended 31/12/2014 USD
<b>Purchases in year ended 31 December 2014</b>			
Sanlam Equity Allocation Fund	66,900,000	-	-
Sanlam Europe (ex UK) Equity Tracker Fund	29,700,000	-	-
Sanlam UK Equity Tracker Fund	12,200,000	-	-
Sanlam Global Bond Fund	-	4,522,200	-
Sanlam Fund of Alternative UCITS Fund	-	-	492,454
<b>Total purchases</b>	<b>108,800,000</b>	<b>4,522,200</b>	<b>492,454</b>

	Sanlam Institutional Equity Flexible Fund Year ended 31/12/2014 USD	Sanlam Institutional Bond Fund Year ended 31/12/2014 USD	Sanlam Global Fund of Hedge Funds Year ended 31/12/2014 USD
<b>Sales in year ended 31 December 2014</b>			
Sanlam Equity Allocation Fund	5,965,590	-	-
Sanlam Europe (ex UK) Equity Tracker Fund	6,529,120	-	-
Sanlam UK Equity Tracker Fund	3,433,520	-	-
Sanlam Global Bond Fund	-	12,469,950	-
Sanlam P2 Strategies Europe (ex UK) Fund	-	-	7,899,143
Sanlam P2 Strategies Global Fund	-	-	7,789,539
Sanlam P2 Strategies UK Fund	-	-	5,162,926
Sanlam Fund of Alternative UCITS	-	-	492,454
<b>Total sales</b>	<b>15,928,230</b>	<b>12,469,950</b>	<b>21,344,062</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015***12. Related party transactions and significant agreements (continued)****Related Transactions (continued)***In-specie transfers*

There were no in-specie transfers during the year ended 31 December 2015.

The following in specie transfers occurred during the year ended 31 December 2014:

The final net asset value calculation for Sanlam Global Fund of Hedge Funds, a sub-fund within Sanlam Global Fund of Hedge Funds Plc, was calculated at 29 August 2014. All investments were transferred to the Sanlam Global Fund of Hedge Funds, a sub-fund within Sanlam Qualifying Investors Funds Plc, on 1 September 2014 by way of an in-specie subscription.

Subscriptions in Sanlam European Growth Basket Fund in 2014 included in specie transfers from Sanlam Life Insurance Limited in exchange for assets with a fair value at date of transfer of USD 14,549,149.

*Cross Investments*

No Fund held any investments in other Funds within the Company at 31 December 2015 or 31 December 2014.

**13. Efficient portfolio management**

The Funds may enter into forward foreign currency contracts for efficient portfolio management. Forward foreign currency exchange contracts are used to hedge against anticipated future changes in exchange rates which otherwise might either adversely affect the value of the Funds' portfolio securities or adversely affect the price of securities which the Funds intend to purchase at a later date. The Funds may use forward currency contracts to alter the currency characteristics of the underlying assets of the Funds.

The Funds may also enter into other derivative contracts such as futures, options and swaps for efficient portfolio management. The primary purposes for which the Funds use these instruments are cash equalisation, hedging and return enhancement. The purpose of cash equalisation is to expose uninvested cash within the Funds to equity market-like returns and ensure that the Funds' liquid assets are utilised as though invested in the markets. Hedging is used by the Funds to limit or control risks, such as adverse movements in exchange rates and interest returns. Return enhancement can be accomplished through the use of derivatives in the Funds. By purchasing certain instruments, the Funds may more effectively achieve the desired portfolio characteristics that assist the Funds in meeting their investment objectives.

**14. Soft commissions**

The Funds did not enter into any soft commission arrangements during the year ended 31 December 2015 or the year ended 31 December 2014.

**15. Portfolio changes**

A list of portfolio changes during the year is available, free of charge, from the Administrator.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**16. Underlying collective investment schemes**

The table below and overleaf summarises the collective investment schemes in which the Funds of the Company hold investments at 31 December 2015 and details the investment management fees and incentive fees incurred relating to these collective investment schemes:

Year ended 31 December 2015		Collective Investment Scheme Type	Investment Management Fees (%) <sup>1</sup>	Incentive Fees (%) <sup>2</sup>
Fund Name	Collective Investment Scheme Name			
Sanlam Global Fund of Hedge Funds	Capricon Gem Fund Inc	Cayman OEIC	2.00%	20.00%
Sanlam Centre Multi-Asset Real Return Feeder Fund	Centre Multi-Asset Real Return Fund	Delaware Trust	0.55%	0.00%
Sanlam Global Fund of Hedge Funds	City Financial Absolute Equity Fund	UK UCITS	0.75%	20.00%
Sanlam Global Fund of Hedge Funds	Coatue Offshore Fund	Cayman OEIC	2.50%	22.50%
Sanlam Global Fund of Hedge Funds	Cumulus Energy Fund Ltd	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Davidson Kempner International (BVI) Ltd	BVI OEIC	1.50%	20.00%
Sanlam Global Fund of Hedge Funds	Harbinger Holdings Ltd	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Henderson Gartmore Fund - UK Absolute Return	Luxembourg UCITS	1.00%	20.00%
Sanlam Global Fund of Hedge Funds	Homeland Renewable Energy	Delaware Corp	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Kepos Alpha Fund Ltd.	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Laurus Master Fund	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Millennium Global Emerging Credit Fund	Bermudan OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Millennium International	Cayman OEIC	0.00%	20.00%
Sanlam Global Fund of Hedge Funds	MKM Longboat M/S Fund	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	MLO Private Investment Ltd.	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Raptor Global Portfolio Liquidating Trust	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Ritchie Energy Ltd.	Cayman OEIC	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam Equity Allocation Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam Europe (ex UK) Equity Tracker Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Bond Fund	Sanlam Global Bond Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam UK Equity Tracker Fund	Irish UCITS	0.00%	0.00%

<sup>1</sup> % of net assets

<sup>2</sup> % of the gains in net assets above the benchmark

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**16. Underlying collective investment schemes (continued)**

Year ended 31 December 2015 (continued)		Collective Investment Scheme Type	Investment Management Fees (%) <sup>1</sup>	Incentive Fees (%) <sup>2</sup>
Fund Name	Collective Investment Scheme Name			
Sanlam Global Fund of Hedge Funds	Third Point Offshore Fund	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Valens Offshore Fund	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Visium Global Offshore Fund Ltd.	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	White Oak Strategic Class Fund Ltd.	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	White Oak Strategic SRV Ltd.	Cayman OEIC	0.00%	0.00%

The table below and overleaf summarises the collective investment schemes in which the Funds of the Company hold investments at 31 December 2014 and details the investment management fees and incentive fees incurred relating to these collective investment schemes:

Year ended 31 December 2014		Collective Investment Scheme Type	Investment Management Fees (%) <sup>1</sup>	Incentive Fees (%) <sup>2</sup>
Fund Name	Collective Investment Scheme Name			
Sanlam Global Fund of Hedge Funds	Alphabridge Fixed Income Fund	Bermudan OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Capricorn Gem Fund Inc	Cayman OEIC	2.00%	20.00%
Sanlam Centre Multi-Asset Real Return Feeder Fund	Centre Multi-Asset Real Return Fund	Delaware Trust	0.55%	0.00%
Sanlam Global Fund of Hedge Funds	Coatue Offshore Fund	Cayman OEIC	2.50%	22.50%
Sanlam Global Fund of Hedge Funds	Cumulus Energy Fund Ltd	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Davidson Kempner International (BVI) Ltd	BVI OEIC	1.50%	20.00%
Sanlam Global Fund of Hedge Funds	Sanlam FOUR European L/S Fund	Irish UCITS	1.50%	0.00%
Sanlam Global Fund of Hedge Funds	GLG Investments VI PLC - GLG European Equity	Irish UCITS	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Harbinger Holdings Ltd	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Homeland Renewable Energy	Delaware Corp	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Kepos Alpha Fund Ltd	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Laurus Master Fund	Cayman OEIC	0.00%	0.00%

<sup>1</sup> % of net assets

<sup>2</sup> % of the gains in net assets above the benchmark

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**16. Underlying collective investment schemes (continued)**

Year ended 31 December 2014 (continued)		Collective Investment Scheme Type	Investment Management Fees (%) <sup>1</sup>	Incentive Fees (%) <sup>2</sup>
Fund Name	Collective Investment Scheme Name			
Sanlam Global Fund of Hedge Funds	Maga Smaller Companies Fund Ltd	Cayman OEIC	1.50%	20.00%
Sanlam Global Fund of Hedge Funds	Millennium Global Emerging Credit Fund	Bermudan OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Millennium International	Cayman OEIC	0.00%	20.00%
Sanlam Global Fund of Hedge Funds	MLO Private Investment Ltd	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	MKM Longboat M/S Fund	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Omni Macro Fund Ltd	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Raptor Global Portfolio Liquidating Trust	Cayman Trust	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Ritchie Energy Ltd.	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Sanlam P2strategies Global Fund	Irish UCITS	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Sanlam Fund of Alternative UCITS Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam Equity Allocation Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam UK Equity Tracker Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Bond Fund	Sanlam Global Bond Fund	Irish UCITS	0.00%	0.00%
Sanlam Institutional Equity Flexible Fund	Sanlam Europe (ex UK) Equity Tracker Fund	Irish UCITS	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Scoggin Overseas Fund	Cayman OEIC	NA <sup>3</sup>	NA <sup>3</sup>
Sanlam Global Fund of Hedge Funds	Third Point Offshore Fund	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	Valens Offshore Fund	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	Visium Global Offshore Fund	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	White Oak Strategic Fund Ltd.	Cayman OEIC	0.00%	0.00%
Sanlam Global Fund of Hedge Funds	White Oak Strategic SRV Ltd	Cayman OEIC	0.00%	0.00%

<sup>1</sup> % of net assets

<sup>2</sup> % of the gains in net assets above the benchmark

<sup>3</sup> This position was a Designated Investments of the Sanlam Global Fund of Hedge Funds. At 31 December 2014, information on the fee levels of this Designated Investment was not available.



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**17. Stock lending activities**

Stock lending activities are conducted through Brown Brothers Harriman & Co pursuant to the Securities Lending Agency Agreement dated 29 August 2014. In this arrangement, the Company transfers securities to a counterparty, in return for which it is agreed that securities of the same kind and amount should be transferred back to the Company at a later date. The arrangement has the substance of a loan of the Company's securities in return for collateral. The collateral held is in a form required by the Central Bank of Ireland.

Aggregate income arising from stock lending activities consists of fees charged to a counterparty, where the counterparty has provided collateral other than cash, plus net realised income derived from investments of cash collateral less any rebate payable to a counterparty on cash collateral less any commissions or similar transactions costs. Pursuant to the Securities Lending Agency Agreement, income from stock lending activities is split in the ratio of 70:30 in favour of the Company, with Brown Brothers Harriman & Co and SAMI receiving 30% as remuneration for their services.

The Funds received income as follows under the terms of those agreements for the year ended 31 December 2015:

<b>Sanlam Institutional Balanced Fund</b>	
	Year ended 31/12/2015 USD
Income	41,024

<b>Sanlam Institutional Balanced Fund</b>	
	Year ended 31/12/2015 USD
Aggregate value of securities on loan at the year end	-
Aggregate value of collateral held in respect of the loans	-
Collateral %	-

The Funds received income as follows under the terms of those agreements for the year ended 31 December 2014:

<b>Sanlam Institutional Equity Flexible Fund</b>	
	Year ended 31/12/2014 USD
Income	304,732

<b>Sanlam Institutional Equity Flexible Fund</b>	
	Year ended 31/12/2014 USD
Aggregate value of securities on loan at the year end	-
Aggregate value of collateral held in respect of the loans	-
Collateral %	-

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**17. Stock lending activities (continued)**

<b>Sanlam Institutional Balanced Fund</b>	
	Year ended 31/12/2014 USD
Income	200,455

<b>Sanlam Institutional Balanced Fund</b>	
	Year ended 31/12/2014 USD
Aggregate value of securities on loan at the year end	-
Aggregate value of collateral held in respect of the loans	-
Collateral %	-

**18. Risk arising from financial instruments**

The Funds' investment portfolios are comprised of quoted and non-quoted equity, derivative investments and investments in underlying funds.

The Company's investing activities expose it to various types of risks that are associated with the financial investments and markets in which it and its Funds invest. The AIFM has a documented risk management policy comprising such procedures as are necessary to enable the AIFM to assess for each Fund the exposure to relevant risks. The significant types of financial risks which the Company and its sub-funds are exposed to are market risk, liquidity risk and counterparty credit risk. Information on other additional risks, which would not be assessed as significant to the Funds, is also set out below.

The AIFM has delegated discretionary portfolio management functions to the Investment Allocation Manager or Investment Manager appointed to each Fund (as applicable). The Investment Allocation Manager or Investment Manager (as applicable) manages the asset allocations in order to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Allocation Manager/Investment Manager.

An Investment Manager is approved for each Fund subject to such Investment Manager meeting the delegation criteria as set out in the AIFM's Outsourcing Policy (which incorporates the requirements of Articles 75 - 82 of AIFMD Level 2). The AIFM will exercise due skill, care and diligence in the selection of and the entering into, managing or terminating of any delegation arrangement with an Investment Manager appointed to a Fund of the Company. The Investment Manager is provided with an Investment Management Agreement which includes a detailed set of guidelines (for single Investment Manager Funds) regarding the parameters within which a Fund must be managed. These guidelines will include items such as maximum exposure to a single issuer, tracking error limits and the relevant AIF Rulebook Requirements. Each Investment Manager is required to report to SAMI on a monthly basis that they have managed the portfolio in accordance with the Investment Management Agreement and Guidelines and that no breaches occurred during the month.

If, during the course of the month, the Investment Manager does detect an active breach, they must notify SAMI immediately with the details of the breach, its cause, the impact on the Fund/Portfolio and their proposed action to resolve the breach.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015**18. Risk arising from financial instruments (continued)**

SAMI will engage with the relevant Investment Manager and/or the Investment Allocation Manager, to determine what action should be taken (this can include putting the Fund back to the position it would have been in if the breach had not taken place). The Depositary will also be consulted to ensure they are in agreement with the proposed remedy.

Each Investment Manager appointed by SAMI will have its own risk management policies and procedures in place, which may differ from Investment Manager to Investment Manager, and these will be considered by SAMI at the time of assessing the Investment Manager and in regular periodic assessments of the Investment Manager. A variety of methods used to monitor market risk are described below.

Investment reports, detailing the performance of the Funds are considered by the Board of Directors of the AIFM and of the Company on a quarterly basis.

**(i) Market Risk**

The potential for changes in the fair value or cash flows of the Fund's investment is referred to as market risk. Categories of market risk include currency risk, interest rate risk and other price risk.

The Company's market risk strategy is driven by the Company's underlying Funds investment objectives. The AIFM has instructed each Investment Manager and the Investment Allocation Manager to manage each of the risks in accordance with policies and procedures in place.

**(a) Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks may result from exposures to changes in spot prices, forward prices and volatilities of currency rates.

The Funds may invest in financial investments and enter into transactions denominated in currencies other than their functional currency. The Funds are also exposed to the currency risk of the underlying funds in which they invest. Consequently, the Funds may be exposed to risks that the exchange rate of their functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of their assets or liabilities denominated in currencies other than the functional currency.

When considering the asset allocation of the portfolio or Fund, each appointed Investment Manager will consider the likely movement of foreign exchange rates in investment decisions. The Investment Manager may use financial derivative instruments, such as forward currency contracts, to hedge against adverse movements in foreign exchange rates as disclosed in the supplements of each Fund. Each Investment Manager must report on a monthly basis to SAMI that the portfolio or Fund is managed in accordance with the supplement, the Investment Management Agreement and guidelines, where applicable.

The tables overleaf set out the Funds' exposure to foreign currency risk arising from their investments, and include a sensitivity analysis.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(a) Currency Risk (continued)**

**Sanlam Institutional Equity Flexible Fund**

At 31 December 2015 and 31 December 2014, Sanlam Institutional Equity Flexible Fund did not have an exposure to foreign currency risk arising from its investments.

**Sanlam Centre Multi-Asset Real Return Feeder Fund**

At 31 December 2015 and 31 December 2014, Sanlam Centre Multi-Asset Real Return Feeder Fund did not have an exposure to foreign currency risk arising from its investments.

**Sanlam Institutional Balanced Fund**

	31 December 2015		Effect of movement against Net Assets and Profit* 31 December 2015		Concentration of foreign exchange exposure
	USD	% movement	USD		%
Australian Dollar	26,773,033	10.00	2,676,338		11.57
Euro	102,258,647	9.80	10,022,297		44.19
Pound Sterling	359	3.87	14		0.00
Singapore Dollar	25,812,610	4.25	1,097,433		11.15
Swiss Franc	25,397,833	2.57	652,295		10.98
<b>Total</b>	<b>180,242,482</b>		<b>14,448,377</b>		<b>77.89</b>

	31 December 2014		Effect of movement against Net Assets and Profit* 31 December 2014		Concentration of foreign exchange exposure
	USD	% movement	USD		%
Australian Dollar	31,679,716	3.49	1,105,622		10.37
Euro	134,744,471	0.02	26,949		44.12
Pound Sterling	35,864,846	(2.57)	(921,727)		11.74
Swiss Franc	32,159,006	(0.65)	(209,034)		10.53
<b>Total</b>	<b>234,448,039</b>		<b>1,810</b>		<b>76.76</b>

\*The estimated movement is based on the average of the last two years exchange rate movements which management consider is a reasonably possible change in foreign exchange rates, but actual results can differ significantly.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(a) Currency Risk (continued)**

**Sanlam Institutional Bond Fund**

At 31 December 2015 and 31 December 2014, Sanlam Institutional Bond Fund did not have an exposure to foreign currency risk arising from its investments.

**Sanlam European Growth Basket Fund**

	31 December 2015		Effect of movement against Net Assets and Profit* 31 December 2015		Concentration of foreign exchange exposure	
	USD	% movement	USD			%
Euro	24,381	9.80	2,390			0.22
South African Rand	10,965,929	8.88	973,606			100.03
<b>Total</b>	<b>10,990,310</b>		<b>975,996</b>			<b>100.25</b>

	31 December 2014		Effect of movement against Net Assets and Profit* 31 December 2014		Concentration of foreign exchange exposure	
	USD	% movement	USD			%
Euro	53,241	0.02	11			0.39
South African Rand	13,644,581	8.86	1,208,910			99.52
<b>Total</b>	<b>13,697,822</b>		<b>1,208,921</b>			<b>99.91</b>

\*The estimated movement is based on the average of the last two years exchange rate movements which management consider is a reasonably possible change in foreign exchange rates, but actual results can differ significantly.

**Sanlam Global Fund of Hedge Funds**

	31 December 2015		Effect of movement against Net Assets and Profit* 31 December 2015		Concentration of foreign exchange exposure	
	USD	% movement	USD			%
Pound Sterling	11,596,915	3.87	448,827			6.55
<b>Total</b>	<b>11,596,915</b>		<b>448,827</b>			<b>6.55</b>

\*The estimated movement is based on the average of the last two years exchange rate movements which management consider is a reasonably possible change in foreign exchange rates, but actual results can differ significantly.

At 31 December 2014, Sanlam Global Fund of Hedge Funds did not have an exposure to foreign currency risk arising from its investments.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(a) Currency Risk (continued)**

**Sanlam Africa Equity Fund**

	31 December 2015		Effect of movement against Net Assets and Profit*	Concentration of foreign exchange exposure
	USD	% movement	31 December 2015 USD	%
Australian Dollar	132,889	10.00	13,284	1.02
Canadian Dollar	74,850	7.89	5,905	0.58
CFA Franc	530,866	9.78	51,898	4.09
Egyptian Pound	2,658,177	4.47	118,769	20.46
Euro	41,069	9.80	4,025	0.32
Kenyan Shilling	886,690	5.84	51,804	6.82
Moroccan Dirham	679,322	8.10	55,002	5.23
Nigerian Naira	2,544,194	10.05	255,692	19.58
Pound Sterling	830,685	3.87	32,149	6.39
South African Rand	725,122	8.88	64,380	5.58
Tanzanian Shilling	217,037	11.31	24,536	1.67
Ugandan Shilling	582,393	12.39	72,165	4.47
<b>Total</b>	<b>9,903,294</b>		<b>749,609</b>	<b>76.21</b>

\*The estimated movement is based on the average of the last two years exchange rate movements which management consider is a reasonably possible change in foreign exchange rates, but actual results can differ significantly.

**(b) Interest Rate Risk**

Interest rate risks may result from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates, mortgage prepayment speeds and credit spreads.

Interest rates are determined by factors of supply and demand in the international money markets, which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Funds.

The Funds may invest in fixed income securities and CFD Buckets. Any change to relevant interest rates for particular securities may result in the Investment Manager being unable to secure similar returns upon the expiry of contracts or the sale of securities. In addition, changes to prevailing interest rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of fixed income securities will decline. A decline in interest rates will in general, have the opposite effect. Other assets and liabilities with the exception of cash and margin cash bear no interest rate risk.

For each Fund the appointed Investment Manager reviews the positions on a regular basis. SAMI will review the positions of the Fund or portfolio at least monthly with the appointed Investment Manager.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(b) Interest Rate Risk (continued)**

**Sanlam Institutional Equity Flexible Fund**

The interest rate profile of the financial assets of Sanlam Institutional Equity Flexible Fund as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	4,256,009	42,560	908,328	9,083
<b>Total</b>	<b>4,256,009</b>	<b>42,560</b>	<b>908,328</b>	<b>9,083</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**Sanlam Centre Multi-Asset Real Return Feeder Fund**

The interest rate profile of the financial assets of Sanlam Centre Multi-Asset Real Return Feeder Fund as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	568,557	5,686	(456,507)	(4,565)
<b>Total</b>	<b>568,557</b>	<b>5,686</b>	<b>(456,507)</b>	<b>(4,565)</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(b) Interest Rate Risk (continued)**

**Sanlam Institutional Balanced Fund**

The interest rate profile of the financial assets of Sanlam Institutional Balanced Fund as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	4,620,763	46,208	5,496,175	54,962
<b>Total</b>	<b>4,620,763</b>	<b>46,208</b>	<b>5,496,175</b>	<b>54,962</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**Sanlam Institutional Bond Fund**

The interest rate profile of the financial assets of Sanlam Institutional Bond Fund as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	3,163,284	31,633	95,302	953
<b>Total</b>	<b>3,163,284</b>	<b>31,633</b>	<b>95,302</b>	<b>953</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(b) Interest Rate Risk (continued)**

**Sanlam European Growth Basket Fund**

The interest rate profile of the financial assets of Sanlam European Growth Basket Fund as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	17,966	180	66,726	667
<b>Total</b>	<b>17,966</b>	<b>180</b>	<b>66,726</b>	<b>667</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**Sanlam Global Fund of Hedge Funds**

The interest rate profile of the financial assets of Sanlam Global Fund of Hedge Funds as at 31 December 2015 and 31 December 2014 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	6,214,991	62,150	15,811,583	158,115
<b>Total</b>	<b>6,214,991</b>	<b>62,150</b>	<b>15,811,583</b>	<b>158,115</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(i) Market Risk (continued)**

**(b) Interest Rate Risk (continued)**

**Sanlam Africa Equity Fund**

The interest rate profile of the financial assets of Sanlam Africa Equity Fund as at 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD	Total Exposure 2014 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	1,586,073	15,861	-	-
<b>Total</b>	<b>1,586,073</b>	<b>15,861</b>	<b>-</b>	<b>-</b>

\*The estimated movement is based on management's determination of a reasonably possible change in interest rates, taking into account current market conditions and expectations for future interest rate movements, but actual results can differ significantly.

**(c) Other Price Risk**

Price risk is the risk that (a) the value of a financial investment will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or any factor affecting financial investments traded in the market or (b) the risk that the valuations of the underlying Funds into which the Funds invest does not reflect the true value because the values are not verified by an independent third party, or the values of these underlying Funds are not available at the valuation points of the Funds.

Other price risks may result from exposures to changes in the prices and volatilities of individual equities, equity baskets, equity indices, and commodities.

Each Fund is required to be managed in accordance with the prospectus, the Fund supplement and the AIF Rulebook and other guidance of the Central Bank of Ireland. Each Investment Manager is required to report to the Manager each month that the respective Funds have been managed in accordance with the Investment Management Agreement agreed between them.

As the Funds' financial investments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net assets attributable to holders of redeemable participating shares.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
 for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**
**(i) Market Risk (continued)**
**(c) Other Price Risk (continued)**

The following table demonstrates management's best estimate of the sensitivity of net assets and profit to change in the relevant benchmark index 5 year annualised return:

Fund name	Benchmark index name	Benchmark index annualised return 2015 %	Benchmark index annualised return 2014 %	Total Effect* 31 December 2015 USD	Total Effect* 31 December 2014 USD
<b>Sanlam Institutional Equity Flexible Fund</b>	MSCI Europe Index**	8.83	16.77	17,446,211	36,466,348
<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>	US Consumer Price Index + 4%	4.72	4.68	2,563,935	2,722,532
<b>Sanlam Institutional Balanced Fund</b>	Composite benchmark (45% US/40% EU/15% GB)	(2.58)	(1.92)	(5,935,548)	(5,762,483)
<b>Sanlam Institutional Bond Fund</b>	Barclays Capital Global Aggregate Index	1.05	2.15	1,197,875	2,653,490
<b>Sanlam Global Fund of Hedge Funds</b>	HRFI Fund of Funds Composite Index	2.11	3.10	3,616,528	5,620,064
<b>Sanlam Africa Equity Fund</b>	50% MSCI EFM Africa ex SA/50% S&P All Africa ex-SA Capped NTR Index	(17.66)	N/A	(2,020,133)	N/A

\*Total effect is the impact on Net Assets and Profit, calculated as the total exposure (as detailed in Note 8) multiplied by the benchmark index, calculated from the date of inception for the relevant fund. However, actual results could differ significantly.

\*\*In 2015, the benchmark index of Sanlam Institutional Equity Flexible Fund was changed from the MSCI World Index to the MSCI Europe Index.

At 31 December 2015 and 31 December 2014, Sanlam European Growth Basket Fund does not have a benchmark index.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015*

**18. Risk arising from financial instruments (continued)**

**(ii) Liquidity Risk**

Liquidity risk is defined as the risk that a Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk increases because of the possibility that a Fund could be required to redeem its shares earlier than expected. The Funds are exposed to cash redemptions of their redeemable shares on a regular basis. Shares are redeemable at the holder's option based on each Fund's net asset value per share at the time of redemption calculated in accordance with that Fund's constitution. The Funds, therefore, are exposed to the liquidity risk of meeting shareholder redemptions at any time.

The majority of the Funds' financial investments are either listed securities or collective investment schemes trading on a regular basis which are readily realisable. All Investment Managers are required to keep appropriate levels of cash or near cash investments to meet normal day to day liquidity demands, for example from normal levels of investor redemptions and to meet expense payments as they fall due. In addition the Manager performs daily monitoring of cash balances and reports low or overdrawn cash balances to Investment Managers.

In the event of significant requests for redemption of shares resulting in the Funds having to liquidate investments more rapidly than otherwise desirable, in order to raise cash for the redemptions and achieve a market position appropriately reflecting a smaller asset base, the Board of Directors has the ability to levy a dilution charge so that the investors remaining in the Funds are not disadvantaged.

The Company manages its obligation to repurchase shares when required to do so and its overall liquidity risk as follows:

- The articles provide that the Company cannot affect the repurchase of Shares, if after payment of any account in connection with such repurchase, the Net Asset Value of the issued share capital would be equal or less than €38,500 or its foreign currency equivalent as specified in the supplement of each Fund.
- The Directors are entitled to limit the number of shares of any Fund repurchased on any dealing day to Shares representing 10% of the total Net Asset Value of Shares (or 25% in the case of a quarterly dealing) of that Fund in issue on that Dealing day. In this event, the limitation will apply pro-rata so that all shareholders wishing to have shares of the Fund repurchased on that dealing day realise the same proportion of such Shares and Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next dealing day and will be dealt with in priority (on a rateable basis) to repurchase requests received subsequently. If requests for repurchases are carried forward, the Registrar and Transfer Agent will inform the shareholders affected.
- The Articles contain special provisions where a repurchase request received from a Shareholder would result in more than 5 per cent of the Net Asset Value of Shares of any Fund being repurchased by the Company on any Dealing Day. In such a case the Company may satisfy all or part of the repurchase request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The Shareholder however may require the Company to sell such investments on his behalf and pay him the proceeds of sale less any costs incurred in connection with such sale.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(ii) Liquidity Risk (continued)**

- The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and conversion of Shares and the payment of repurchase proceeds during inter alia any period during which any transfer of Funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange or any period during which the Directors are unable to repatriate Funds required for the purpose of making payments due on repurchase of Shares in the relevant Fund, or any period when the Directors consider it to be in the best interest of the Company. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Funds' policy is to satisfy redemption requests by the following means:

1. Withdrawal of cash deposits;
2. The Funds may borrow within the limits laid down by the Central Bank and in each Fund's supplement;
3. Disposal of highly liquid assets (i.e., short-term, low-risk debt investments);
4. Disposal of other investments; and
5. Searching for new investors.

The Funds invest primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash.

Sanlam Global Fund of Hedge Funds invests primarily in unregulated underlying funds. These funds may have the ability to suspend redemptions from the fund. Investment funds may suspend redemption for a number of reasons, including, liquidity issues in the underlying portfolio and unsustainable redemptions requests from investors. Restrictions on redemptions through the use of pro-rata reductions to investors' redemption amounts due to a high level of overall investor redemption requests are commonly referred to as gates. Sanlam Global Fund of Hedge Funds' ability to withdraw monies from or invest monies in underlying funds with such restrictions will be limited and such restrictions will limit the Sanlam Global Fund of Hedge Funds' flexibility to reallocate such assets among underlying funds. Sanlam Global Fund of Hedge Funds may be affected by gates or redemption suspensions, applied by the managers of the underlying funds, which will affect its liquidity. To deal with such risks Sanlam Global Fund of Hedge Funds has allocated the affected underlying funds to a side pocket as represented by the Designated Class A shares.

The Funds' policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

The tables overleaf summarise the maturity profile of the Funds' financial liabilities. Balances due within 6 months equal their carrying amounts, as the impact of discounting is insignificant. The tables also analyse the maturity profile of the Funds' financial assets (undiscounted where appropriate) in order to provide a complete view of the Funds' contractual commitments and liquidity.

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 18. Risk arising from financial instruments (continued)

## (ii) Liquidity Risk (continued)

Sanlam Institutional Equity Flexible Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	4,256,009	-	-	-	4,256,009
Financial assets at fair value through profit and loss	197,578,837	-	-	-	197,578,837
Other assets	-	2,668	-	-	2,668
<b>Total Financial Assets</b>	<b>201,834,846</b>	<b>2,668</b>	-	-	<b>201,837,514</b>
Other liabilities	-	(201,406)	-	-	(201,406)
Amounts payable on repurchase of shares	(3,245,300)	-	-	-	(3,245,300)
Redeemable participating shares	(198,390,808)	-	-	-	(198,390,808)
<b>Total Financial Liabilities</b>	<b>(201,636,108)</b>	<b>(201,406)</b>	-	-	<b>(201,837,514)</b>

Sanlam Institutional Equity Flexible Fund 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	908,328	-	-	-	908,328
Accrued Income	-	-	-	-	-
Financial assets at fair value through profit and loss	217,449,900	-	-	-	217,449,900
Other assets	-	29,896	-	-	29,896
<b>Total Financial Assets</b>	<b>218,358,228</b>	<b>29,896</b>	-	-	<b>218,388,124</b>
Other liabilities	-	(182,267)	-	-	(182,267)
Redeemable participating shares	(218,205,857)	-	-	-	(218,205,857)
<b>Total Financial Liabilities</b>	<b>(218,205,857)</b>	<b>(182,267)</b>	-	-	<b>(218,388,124)</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 18. Risk arising from financial instruments (continued)

## (ii) Liquidity Risk (continued)

Sanlam Centre Multi-Asset Real Return Feeder Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	568,557	-	-	-	568,557
Financial assets at fair value through profit and loss	54,320,647	-	-	-	54,320,647
Accrued income	1,086,397	-	-	-	1,086,397
<b>Total Financial Assets</b>	<b>55,975,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,975,601</b>
Other liabilities	-	(34,828)	-	-	(34,828)
Amounts payable on repurchase of shares	(386,040)	-	-	-	(386,040)
Redeemable participating shares	(55,554,733)	-	-	-	(55,554,733)
<b>Total Financial Liabilities</b>	<b>(55,940,773)</b>	<b>(34,828)</b>	<b>-</b>	<b>-</b>	<b>(55,975,601)</b>

Sanlam Centre Multi-Asset Real Return Feeder Fund 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Financial assets at fair value through profit and loss	58,173,761	-	-	-	58,173,761
Other assets	-	40,564	-	-	40,564
<b>Total Financial Assets</b>	<b>58,173,761</b>	<b>40,564</b>	<b>-</b>	<b>-</b>	<b>58,214,325</b>
Bank overdraft	(456,507)	-	-	-	(456,507)
Other liabilities	-	(22,960)	-	-	(22,960)
Redeemable participating shares	(57,734,858)	-	-	-	(57,734,858)
<b>Total Financial Liabilities</b>	<b>(58,191,365)</b>	<b>(22,960)</b>	<b>-</b>	<b>-</b>	<b>(58,214,325)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
 for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**
**(ii) Liquidity Risk (continued)**

Sanlam Institutional Balanced Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	4,620,763	-	-	-	4,620,763
Financial assets at fair value through profit and loss	230,059,988	-	-	-	230,059,988
Accrued income	729,185	-	-	-	729,185
Amounts receivable on sale of securities	1,114,686	-	-	-	1,114,686
<b>Total Financial Assets</b>	<b>236,524,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,524,622</b>
Other liabilities	-	(227,628)	-	-	(227,628)
Amounts payable on repurchase of shares	(4,882,200)	-	-	-	(4,882,200)
Redeemable participating shares	(231,414,794)	-	-	-	(231,414,794)
<b>Total Financial Liabilities</b>	<b>(236,296,994)</b>	<b>(227,628)</b>	<b>-</b>	<b>-</b>	<b>(236,524,622)</b>

Sanlam Institutional Balanced Fund 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	5,496,175	-	-	-	5,496,175
Financial assets at fair value through profit and loss	300,129,318	-	-	-	300,129,318
Other assets	-	35,726	-	-	35,726
<b>Total Financial Assets</b>	<b>305,625,493</b>	<b>35,726</b>	<b>-</b>	<b>-</b>	<b>305,661,219</b>
Other liabilities	-	(270,076)	-	-	(270,076)
Redeemable participating shares	(305,391,143)	-	-	-	(305,391,143)
<b>Total Financial Liabilities</b>	<b>(305,391,143)</b>	<b>(270,076)</b>	<b>-</b>	<b>-</b>	<b>(305,661,219)</b>



NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 18. Risk arising from financial instruments (continued)

## (ii) Liquidity Risk (continued)

Sanlam Institutional Bond Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	3,163,284	-	-	-	3,163,284
Financial assets at fair value through profit and loss	114,083,338	-	-	-	114,083,338
Other assets	-	1,721	-	-	1,721
<b>Total Financial Assets</b>	<b>117,246,622</b>	<b>1,721</b>	<b>-</b>	<b>-</b>	<b>117,248,343</b>
Other liabilities	-	(113,472)	-	-	(113,472)
Redeemable participating shares	(117,134,871)	-	-	-	(117,134,871)
<b>Total Financial Liabilities</b>	<b>(117,134,871)</b>	<b>(113,472)</b>	<b>-</b>	<b>-</b>	<b>(117,248,343)</b>

Sanlam Institutional Bond Fund 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	95,302	-	-	-	95,302
Financial assets at fair value through profit and loss	123,418,118	-	-	-	123,418,118
Other assets	-	24,665	-	-	24,665
<b>Total Financial Assets</b>	<b>123,513,420</b>	<b>24,665</b>	<b>-</b>	<b>-</b>	<b>123,538,085</b>
Other liabilities	-	(101,352)	-	-	(101,352)
Redeemable participating shares	(123,436,733)	-	-	-	(123,436,733)
<b>Total Financial Liabilities</b>	<b>(123,436,733)</b>	<b>(101,352)</b>	<b>-</b>	<b>-</b>	<b>(123,538,085)</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 18. Risk arising from financial instruments (continued)

## (ii) Liquidity Risk (continued)

Sanlam European Growth Basket Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	17,966	-	-	-	17,966
Financial assets at fair value through profit and loss	-	-	-	10,965,929	10,965,929
Accrued income	5	-	-	-	5
Other assets	-	3,518	-	-	3,518
<b>Total Financial Assets</b>	<b>17,971</b>	<b>3,518</b>	<b>-</b>	<b>10,965,929</b>	<b>10,987,418</b>
Other liabilities	-	(25,061)	-	-	(25,061)
Redeemable participating shares	(10,962,357)	-	-	-	(10,962,357)
<b>Total Financial Liabilities</b>	<b>(10,962,357)</b>	<b>(25,061)</b>	<b>-</b>	<b>-</b>	<b>(10,987,418)</b>

Sanlam European Growth Basket Fund 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	66,726	-	-	-	66,726
Financial assets at fair value through profit and loss	-	-	-	13,644,581	13,644,581
Accrued income	7	-	-	-	7
Other assets	-	10,250	-	-	10,250
<b>Total Financial Assets</b>	<b>66,733</b>	<b>10,250</b>	<b>-</b>	<b>13,644,581</b>	<b>13,721,564</b>
Other liabilities	-	(11,198)	-	-	(11,198)
Redeemable participating shares	(13,710,366)	-	-	-	(13,710,366)
<b>Total Financial Liabilities</b>	<b>(13,710,366)</b>	<b>(11,198)</b>	<b>-</b>	<b>-</b>	<b>(13,721,564)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
 for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**
**(ii) Liquidity Risk (continued)**

Sanlam Global Fund of Hedge Funds 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	6,214,991	-	-	-	6,214,991
Financial assets at fair value through profit and loss	171,058,740	-	-	-	171,058,740
Amounts receivable sale of securities	286,185	-	-	-	286,185
Amounts receivable on issue of shares	1,342	-	-	-	1,342
Other assets	-	344	-	-	344
<b>Total Financial Assets</b>	<b>177,561,258</b>	<b>344</b>	<b>-</b>	<b>-</b>	<b>177,561,602</b>
Other liabilities	-	(541,804)	-	-	(541,804)
Redeemable participating shares	(177,019,798)	-	-	-	(177,019,798)
<b>Total Financial Liabilities</b>	<b>(177,019,798)</b>	<b>(541,804)</b>	<b>-</b>	<b>-</b>	<b>(177,561,602)</b>

Sanlam Global Fund of Hedge Funds 2014	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	15,811,583	-	-	-	15,811,583
Financial assets at fair value through profit and loss	181,144,221	-	49,585	165,930	181,359,736
Accrued income	492	-	-	-	492
Amounts receivable on sale of securities	1,110,330	-	-	-	1,110,330
Other assets	-	12,133	-	-	12,133
<b>Total Financial Assets</b>	<b>198,066,626</b>	<b>12,133</b>	<b>49,585</b>	<b>165,930</b>	<b>198,294,274</b>
Financial liabilities at fair value through profit and loss	-	-	(67,338)	-	(67,338)
Amounts payable on purchase of shares	(431,600)	-	-	-	(431,600)
Other liabilities	-	(1,006,441)	-	-	(1,006,441)
Redeemable participating shares	(196,788,895)	-	-	-	(196,788,895)
<b>Total Financial Liabilities</b>	<b>(197,220,495)</b>	<b>(1,006,441)</b>	<b>(67,338)</b>	<b>-</b>	<b>(198,294,274)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(ii) Liquidity Risk (continued)**

Sanlam Africa Equity Fund 2015	Due on demand USD	Due within 6 months USD	Due between 6 and 12 months USD	Due in more than a year USD	Total USD
Cash	1,586,073	-	-	-	1,586,073
Financial assets at fair value through profit and loss	11,439,030	-	-	-	11,439,030
Accrued income	4,229	-	-	-	4,229
Other assets	-	19,458	-	-	19,458
<b>Total Financial Assets</b>	<b>13,029,332</b>	<b>19,458</b>	-	-	<b>13,048,790</b>
Other liabilities	-	(53,602)	-	-	(53,602)
Redeemable participating shares	(12,995,188)	-	-	-	(12,995,188)
<b>Total Financial Liabilities</b>	<b>(12,995,188)</b>	<b>(53,602)</b>	-	-	<b>(13,048,790)</b>

**(iii) Credit Risk**

Credit risk is the risk that a counterparty to a financial asset will fail on a commitment that it has entered into with the Fund. A Fund is subject to the possibility of insolvency, bankruptcy or default of a counterparty with which the Fund, as appropriate, trades such instruments. This could result in substantial losses to the Fund.

Each Fund will be exposed to credit risk on the counterparties with which it trades in relation to OTC derivative contracts. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. Investment Managers who enter into transactions involving financial derivatives are required to abide by the Prospectus and the AIF Rulebook and any breaches must be reported to the Manager.

The various Investment Managers to the Funds have adopted procedures to reduce credit risk related to their dealings with counterparties in respect of Bonds and Collective investment schemes. Before transacting with any counterparty, the Investment Manager or its affiliates evaluate both creditworthiness and reputation by conducting a credit analysis of the party, their business and reputation. The reputational risk of approved counterparties is then monitored on an ongoing basis, including periodic reviews of financial statements and interim financial reports as needed.

In order to reduce exposure to credit losses, Master Netting Agreements (MNA's) are entered into with over-the-counter derivative counterparties, excluding those counterparties executing only spot foreign exchange contracts. While MNA's do not result in an offset of reported assets and liabilities because transactions are generally settled on a gross basis, MNA's do provide for the reduction of credit risk on favourable contracts to the extent of the value of unfavourable contracts in the event of default as all amounts with the counterparty are terminated and settled on a net basis.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**18. Risk arising from financial instruments (continued)**

**(iii) Credit Risk (continued)**

A Fund may enter into stock lending, reverse repurchase agreements and repurchase agreements provided that it is within the conditions and the limits laid down by the Central Bank or the purpose of generating income for the Company with an acceptable level of risk. Such arrangements are those where the Company or the Depositary delivers securities to a third party in return for which it is agreed those securities or securities of the same kind and amount should be redelivered to the Company or the Depositary at a later date.

Margin accounts and amounts due from sale/purchase of securities are with the Company's counterparties. The credit ratings of these counterparties are as follows:

Counterparty	2015 Rating	2014 Rating
Brown Brothers Harriman Trustee Services (Ireland) Limited	A+	A+
Standard Bank	Baa2	Baa1
Barclays Bank	A-	A
JP Morgan	A+	A+

The Company mitigates credit risk arising on debt instruments by investing primarily in credit instruments that have received an investment grade credit rating from recognised ratings agencies such as S&P, Moody's and Fitch.

No positions are either past due or impaired.

The tables below and overleaf outline the Funds' credit risk exposure arising from investments at 31 December 2015 and 31 December 2014:

	Collective Investment Schemes		Collective Investment Schemes	
	31 December 2015	Total 31 December 2015	31 December 2014	Total 31 December 2014
Sanlam Institutional Equity Flexible Fund	USD	USD	USD	USD
European Union	67,588,411	67,588,411	74,144,521	74,144,521
Great Britain	31,693,218	31,693,218	34,996,438	34,996,438
United States	98,297,208	98,297,208	108,308,941	108,308,941
<b>Total</b>	<b>197,578,837</b>	<b>197,578,837</b>	<b>217,449,900</b>	<b>217,449,900</b>

	Collective Investment Schemes		Collective Investment Schemes	
	31 December 2015	Total 31 December 2015	31 December 2014	Total 31 December 2014
Sanlam Centre Multi-Asset Real Return Feeder Fund	USD	USD	USD	USD
United States	54,320,647	54,320,647	58,173,761	58,173,761
<b>Total</b>	<b>54,320,647</b>	<b>54,320,647</b>	<b>58,173,761</b>	<b>58,173,761</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015

18. Risk arising from financial instruments (continued)

(iii) Credit Risk (continued)

Sanlam Institutional Bond Fund	Collective Investment Schemes		Collective Investment Schemes	
	31 December 2015 USD	Total 31 December 2015 USD	31 December 2014 USD	Total 31 December 2014 USD
United States	114,083,338	114,083,338	123,418,118	123,418,118
<b>Total</b>	<b>114,083,338</b>	<b>114,083,338</b>	<b>123,418,118</b>	<b>123,418,118</b>

Sanlam European Growth Basket Fund	Equity			Equity		
	linked note 31 December 2015 USD	Derivatives 31 December 2015 USD	Total 31 December 2015 USD	linked note 31 December 2014 USD	Derivatives 31 December 2014 USD	Total 31 December 2014 USD
South Africa	10,958,933	6,996	10,965,929	13,636,601	7,980	13,644,581
<b>Total</b>	<b>10,958,933</b>	<b>6,996</b>	<b>10,965,929</b>	<b>13,636,601</b>	<b>7,980</b>	<b>13,644,581</b>

Sanlam Global Fund of Hedge Funds	Collective Investment Schemes			Collective Investment Schemes		
	31 December 2015 USD	Derivatives 31 December 2015 USD	Total 31 December 2015 USD	31 December 2014 USD	Derivatives 31 December 2014 USD	Total 31 December 2014 USD
Australia	-	-	-	404,662	-	404,662
Bermuda	-	-	-	1,034,423	-	1,034,423
Cayman Islands	42,856,504	-	42,856,504	36,211,615	-	36,211,615
Great Britain	11,596,915	-	11,596,915	8,186,645	-	8,186,645
Ireland	-	-	-	8,115,329	-	8,115,329
Luxembourg	4,561,133	-	4,561,113	-	-	-
United States	112,044,188	-	112,044,188	127,191,547	215,515	127,407,062
<b>Total</b>	<b>171,058,740</b>	<b>-</b>	<b>171,058,740</b>	<b>181,144,221</b>	<b>215,515</b>	<b>181,359,736</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015***18. Risk arising from financial instruments (continued)****(iv) Additional Risks****(a) Concentration Risk**

The Funds invest in a limited number of investments and investment themes. A consequence of a limited number of investments is that performance may be more favourably or unfavourably affected by the performance of an individual investment.

**(b) Operational Risk**

Operational risk is the potential for loss caused by a deficiency in information, communications, transaction processing and settlement and accounting systems. The Funds' service providers maintain controls and procedures for the purpose of managing operational risk.

**(c) Legal, Tax and Regulatory Risks**

Legal, tax and regulatory changes could occur during the duration of a Fund which may adversely affect the Fund. The Manager and their appointed Investment Advisors monitor the international regulatory environment closely for any legislation or regulatory changes that may impact the Funds. Appropriate information on such matters is considered by senior management and referred to the Board of Directors, where required.

**(d) Non-Developed/Emerging Market Risk**

A Fund may invest a portion of its capital in securities and companies based in non-developed or emerging markets or issued by governments of such countries. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in securities of developed market companies or countries, including, without limitation, less liquidity, greater price and foreign currency volatility, and greater legal, tax and regulatory risks.

Sanlam Institutional Equity Flexible Fund, Sanlam Centre Multi-Asset Real Return Feeder Fund, Sanlam Institutional Balanced Fund and Sanlam Institutional Bond Fund have no significant exposure to non-developed markets.

**e) Small Capitalisation Companies Risk**

A Fund may invest a portion of its capital in securities of companies with smaller capitalisation. Smaller capitalisation companies are generally not as well known to the investing public and have less investor following than larger capitalisation companies. Investing in the securities of such companies may involve certain considerations, including, without limitation, less liquidity, greater price volatility, and risks associated with limited operating histories and/or the availability of information pertaining to the Fund and its operations.

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015

19. Net asset value per share

<b>Sanlam Institutional Equity Flexible Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A</b>			
Net Asset Value	USD188,058,782	USD205,531,112	USD225,668,804
Number of Shares in Issue	171,483,105	181,188,490	195,050,034
Net asset value per share for financial statement purposes	USD1.0967	USD1.1343	USD1.1570
Add: adjustment for withholding tax and dividend reinvestment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1.0967</b>	<b>USD1.1343</b>	<b>USD1.1570</b>
<b>Share Class B</b>			
Net Asset Value	USD10,332,026	USD12,674,745	USD16,300,188
Number of Shares in Issue	9,070,693	10,746,816	13,536,726
Net asset value per share for financial statement purposes	USD1.1391	USD1.1794	USD1.2041
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1.1391</b>	<b>USD1.1794</b>	<b>USD1.2041</b>
<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A</b>			
Net Asset Value	USD55,554,733	USD57,734,858	USD58,198,733
Number of Shares in Issue	55,601,770	56,330,852	56,330,852
Net asset value per share for financial statement purposes	USD0.9992	USD1.0249	USD1.0332
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD0.9992</b>	<b>USD1.0249</b>	<b>USD1.0332</b>



**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**19. Net asset value per share (continued)**

<b>Sanlam Institutional Balanced Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A</b>			
Net Asset Value	USD219,080,845	USD289,304,642	USD311,317,392
Number of Shares in Issue	203,155,764	264,873,450	323,503,326
Net asset value per share for financial statement purposes	USD1.0784	USD1.0922	USD 0.9623
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1.0784</b>	<b>USD1.0922</b>	<b>USD 0.9623</b>
<b>Share Class C</b>			
Net Asset Value	USD12,333,949	USD16,086,501	USD15,214,975
Number of Shares in Issue	11,490,104	14,781,105	15,851,573
Net asset value per share for financial statement purposes	USD1.0734	USD1.0883	USD0.9598
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1.0734</b>	<b>USD1.0883</b>	<b>USD0.9598</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015

19. Net asset value per share (continued)

<b>Sanlam Institutional Bond Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A</b>			
Net Asset Value	USD113,267,587	USD119,537,378	USD123,426,830
Number of Shares in Issue	11,292,420	11,443,332	11,807,780
Net asset value per share for financial statement purposes	USD10.0304	USD10.4460	USD10.4530
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD10.0304</b>	<b>USD10.4460</b>	<b>USD10.4530</b>
<b>Share Class C</b>			
Net Asset Value	USD3,867,178	USD3,899,245	USD7,125,174
Number of Shares in Issue	387,372	374,676	683,485
Net asset value per share for financial statement purposes	USD9.9831	USD10.4070	USD10.4248
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD9.9831</b>	<b>USD10.4070</b>	<b>USD10.4248</b>
<b>Share Class E</b>			
Net Asset Value	USD106	USD110	USD109
Number of Shares in Issue	10	10	10
Net asset value per share for financial statement purposes	USD10.6888	USD11.0383	USD10.9527
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD10.6888</b>	<b>USD11.0383</b>	<b>USD10.9527</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015

19. Net asset value per share (continued)

<b>Sanlam European Growth Basket Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A (USD)</b>			
Net Asset Value	USD10,962,357	USD13,710,366	USD786,589
Number of Shares in Issue	2,769,213	2,769,213	141,196
Net asset value per share for financial statement purposes	USD3.9587	USD4.951	USD5.5709
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD3.9587</b>	<b>USD 4.951</b>	<b>USD5.5709</b>
<b>Sanlam Global Fund of Hedge Funds</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A</b>			
Net Asset Value	USD84,299,055	USD108,347,498	-
Number of Shares in Issue	62,487	84,818	-
Net asset value per share for financial statement purposes	USD1,349.060	USD1,277.400	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1,349.060</b>	<b>USD1,277.400</b>	-
<b>Share Class A December 2011</b>			
Net Asset Value	USD10,634,767	USD10,201,136	-
Number of Shares in Issue	96,585	97,844	-
Net asset value per share for financial statement purposes	USD110.1081	USD104.259	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD110.1081</b>	<b>USD104.259</b>	-

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2015

19. Net asset value per share (continued)

<b>Sanlam Global Fund of Hedge Funds (continued)</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A August 2012</b>			
Net Asset Value	USD8,861	USD71,531	-
Number of Shares in Issue	82	700	-
Net asset value per share for financial statement purposes	USD107.9795	USD102.243	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD107.9795</b>	<b>USD102.243</b>	-
<b>Share Class A October 2012</b>			
Net Asset Value	USD1,244,334	USD1,193,823	-
Number of Shares in Issue	11,534	11,687	-
Net asset value per share for financial statement purposes	USD107.8796	USD102.149	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD107.8796</b>	<b>USD102.149</b>	-
<b>Share Class A November 2012</b>			
Net Asset Value	USD48,598,235	USD46,016,637	-
Number of Shares in Issue	446,653	446,653	-
Net asset value per share for financial statement purposes	USD108.8052	USD103.025	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD108.8052</b>	<b>USD103.025</b>	-

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)  
 for the year ended 31 December 2015

## 19. Net asset value per share (continued)

Sanlam Global Fund of Hedge Funds (continued)			
	31 December 2015	31 December 2014	31 December 2013
<b>Share Class A July 2013</b>			
Net Asset Value	USD407,588	USD385,936	-
Number of Shares in Issue	3,796	3,796	-
Net asset value per share for financial statement purposes	USD107.3862	USD101.682	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD107.3862</b>	<b>USD101.682</b>	-
<b>Share Class A April 2014</b>			
Net Asset Value	USD30,225,127	USD28,716,550	-
Number of Shares in Issue	285,026	285,026	-
Net asset value per share for financial statement purposes	USD106.0432	USD100.751	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD106.0432</b>	<b>USD100.751</b>	-
<b>Share Class A January 2015</b>			
Net Asset Value	USD1,166,767	-	-
Number of Shares in Issue	11,048	-	-
Net asset value per share for financial statement purposes	USD105.6100	-	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD105.6100</b>	-	-
<b>Share Class A December 2015</b>			
Net Asset Value	USD51,019	-	-
Number of Shares in Issue	501	-	-
Net asset value per share for financial statement purposes	USD101.9358	-	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD101.9358</b>	-	-

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**19. Net asset value per share (continued)**

<b>Sanlam Global Fund of Hedge Funds (continued)</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class A Designated</b>			
Net Asset Value	USD384,045	USD1,855,784	-
Number of Shares in Issue	239	590	-
Net asset value per share for financial statement purposes	USD1,607.6208	USD3,143.692	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD1,607.6208</b>	<b>USD3,143.692</b>	-

<b>Sanlam Africa Equity Fund</b>			
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Share Class B (USD)</b>			
Net Asset Value	USD12,995,188	-	-
Number of Shares in Issue	15,662,298	-	-
Net asset value per share for financial statement purposes	USD0.8297	-	-
Add: Valuation adjustment	-	-	-
Net asset value per share for shareholder dealing	<b>USD0.8297</b>	-	-

**20. Cross liability of funds**

The Directors are not aware of any such existing or contingent liability at 31 December 2015 or 31 December 2014. The Company's amended Articles provide for segregated liability between the various Funds.

**21. Contingent liabilities**

There were no contingent liabilities as at 31 December 2015 or 31 December 2014.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2015

**22. Significant events during the year**

During the year the following Fund launched:

Fund Name	Status
Sanlam Africa Equity Fund	Active – launched 01 July 2015

The following Fund issued a new offering supplement during the year:

Fund Name	Date of latest revised offering supplement
Sanlam European Growth Basket Fund*	25 May 2015

\* Effective 25 May 2015, the Fund changed its name from Sanlam Credit Income Fund to Sanlam European Growth Basket Fund.

Effective 28 May 2015, Haydn Franckeiss was appointed as a non-executive Director of the Company.

Effective 7 October 2015, Thomas Murray was appointed to the Board of Directors of SAMI. Following the appointment, Thomas Murray ceased to be considered an independent Director in the context of the Corporate Governance Code but continues to be considered an independent Director by the Irish Stock Exchange.

Effective 14 August 2015, Richard Aslett was appointed as a non-executive Director of the Company. Richard Aslett is the Chief Executive Officer of SAMI.

Effective 31 December 2015, Peter Murray resigned from his position as a non-executive Director of the Company. Peter Murray also resigned from his position as a non-executive Director of SAMI.

There were no other significant events during the year.

**23. Significant events since the end of the year**

Up to the date of approval of the financial statements, there were no other material subsequent events affecting the Company which necessitate disclosure or revision of the figures included in the financial statements.

**24. Auditors fee**

Auditor remuneration for the period was EUR 45,523 excluding VAT (2014: EUR 32,423 excluding VAT). Auditor remuneration related solely to the audit of the financial statements for the year ended 31 December 2015. There were no other assurance services, tax advisory services or other non-audit services provided by the auditor of the Company.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS (CONTINUED)**  
*for the year ended 31 December 2015*

**25. Off balance sheet arrangements**

The Company was not party to off balance sheet arrangements for twelve months from 1 January 2015 to 31 December 2015 or from 1 January 2014 to 31 December 2014.

**26. Approval of the financial statements**

The financial statements were approved by the Board of Directors on 21 April 2016.



## SAMI REMUNERATION POLICY (UNAUDITED)

### Purpose and objective

Sanlam Asset Management Ireland Limited (“SAMI”) has implemented a remuneration policy (the “SAMI Remuneration Policy”) in line with the provisions of Article 13 of the Directive 2011/61/EC on Alternative Investment Fund Managers (the “AIFMD”), in particular Annex II, and of the European Securities and Markets Authority’s (“ESMA’s”) “Guidelines on sound remuneration policies under the AIFMD” (the “ESMA Guidelines”).

The purpose of the SAMI Remuneration Policy is to provide clear direction and policy regarding SAMI’s remuneration policies and practices consistent with the principles set out in the European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”). The SAMI Remuneration Policy also complies with the overarching remuneration philosophy of the Sanlam Investments Cluster (the “Cluster Policy”) with local adjustments to adhere to regulations applicable in Ireland.

The objective of the SAMI Remuneration Policy and the Cluster Policy is to support SAMI’s and the Sanlam Investments Cluster’s business objectives, and the Sanlam Group corporate values, including prudent risk management, by attracting, retaining and motivating the key talent to achieve these outcomes. The SAMI Remuneration Policy has been designed to be consistent with and promote sound and effective risk management, not encourage excessive or inappropriate risk-taking, eliminate conflicts of interest and be cognisant of SAMI’s Treating Customers Fairly policy.

### Design

In the design of its Remuneration Policy, SAMI has also taken into account the nature, scale and complexity of its business. In determining the range of activities undertaken, SAMI has given due consideration to the number of funds under management, the type of investments, the investment strategies, the investment location, the distribution models and the investor base. Due consideration has also been given to the resources available to SAMI and the resources and expertise of the various third parties engaged to support SAMI and carry out certain functions on its behalf.

The SAMI Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of SAMI or of the Alternative Investment Funds (“AIFs”), including the Sanlam Qualifying Investors Funds Plc (the “Company”), to which SAMI has been appointed as AIFM. The disclosures in this report are made in respect of the SAMI Remuneration Policy and how it applies to the Company and to the persons to whom portfolio and risk management activities have been delegated by SAMI. SAMI has the facility to appoint delegates to carry out discretionary portfolio management activity on its behalf in accordance with its outsourcing policy (the “Investment Managers”). Disclosures are made in accordance with the AIFMD, the European Commission Delegated Regulation supplementing the AIFMD and the ESMA Guidelines.

### Risk management

SAMI recognises the important role played by sound risk management in protecting stakeholders. Moreover, SAMI acknowledges that inappropriate remuneration structures could in certain circumstances result in situations whereby individuals assume more risk on the relevant institution’s behalf than they would have done had they not been remunerated that way. The SAMI Remuneration Policy aligns the risk taking behaviour of employees and officers with SAMI’s risk appetite and the risk appetite in respect of each of the funds.

**SAMI REMUNERATION POLICY (UNAUDITED) (CONTINUED)****Identified Staff**

The SAMI Remuneration Policy applies to “Identified Staff”. Under the ESMA Guidelines, Identified Staff are defined as follows:

- Categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM’s risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity/entities to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages.
- Any other employee/persons whose total remuneration is within the same remuneration bracket as senior managers (e.g. other high earning staff) and who can exert a material impact on the risk profile of the AIFM or the AIFs under management.

The list of Identified Staff maintained by SAMI is subject to regular review (at least annually by the Board of Directors of SAMI) and is formally reviewed in the event of, but not limited to:

- Organisational changes;
- New business initiatives;
- Changes in role responsibilities; and
- Revised regulatory direction.

**Fixed and variable remuneration**

In deciding the mix between fixed and variable remuneration, SAMI is mindful of the need to ensure that the basic pay of staff is adequate to remunerate the professional services rendered taking into account, inter alia, the level of education, the degree of seniority and the level of expertise and skills required.

SAMI recognises that variable remuneration is an important tool to incentivise staff. It also gives SAMI or the Investment Managers (and therefore the Company) flexibility such that, in years in which SAMI or the Investment Managers perform poorly, variable remuneration may be reduced or eliminated. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as employees may be incentivised to keep taking risk to maintain or increase their variable remuneration. Accordingly, there is a clear and well defined pay-for-performance philosophy that seeks to attract, retain and motivate employees who are accountable and whose behaviours are aligned with the SAMI’s strategic goals and Treating Customers Fairly principles.

As an AIFM and UCITS Management Company, SAMI’s revenues are based on a percentage of the NAVs of the Funds, including that of the Company. As a result, its revenues may be more volatile than other types of businesses. SAMI may also be paid expenses and other revenue from the Funds to which it provides services. Variable remuneration allows SAMI to reduce the risk that its capital base is eroded due to the need to pay fixed remuneration costs should trading revenues decline. Owing to the nature of the contracts SAMI enters into with its Directors and their Designated Persons, the ratio of variable pay to fixed pay is considered appropriate but is kept under review.

**Decision-making process**

The level of variable remuneration within SAMI is dependent on the achievement of individual goals, overall individual performance, the financial results of SAMI, the Sanlam Investments Cluster, the Sanlam Group and the achievement of Treating Customers Fairly outcomes.

Individual goals, consistent with shareholder goals, are set at the beginning of the year and performance is measured through Sanlam’s performance management process. Goals set shall be financial and non-financial in nature. Mistakes resulting in unforced and avoidable losses may be penalised.

**SAMI REMUNERATION POLICY (UNAUDITED) (CONTINUED)****Decision-making process** *(continued)*

Variable remuneration paid is based on the previous year's financial results and individual performance outcomes as determined as a result of a formal review of performance carried out in January following the end of the performance year. This timing allows full year financial results to be considered along with other non-financial goals and objectives. Individuals are not involved in setting their own remuneration. Pro-rata payments apply to new appointments based on time in the job over the financial year.

Ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year end compensation process. Compensation practices do not provide undue incentives for short term planning or short term financial rewards, do not reward unreasonable risk. Short and long-term strategic objectives are measured and rewarded to mitigate unreasonable or excessive risk-taking and provide balance.

**Oversight of the Investment Managers' Remuneration Framework**

As AIFM, SAMI ensures that the persons to whom portfolio and/or risk management activities have been delegated are subject to remuneration arrangements that are equally as effective as those provisions of the AIFMD. As the discretionary portfolio management activity has been delegated to the Investment Managers, SAMI shall ensure those staff of Investment Managers who engage in discretionary portfolio management activity are subject to a remuneration framework consistent with the provisions of AIFMD. SAMI will assess on a regular basis the appropriateness of the Investment Managers' remuneration framework, the applicable policies and procedures in this regard for continuing compliance with AIFMD, and ensure that updates are made as necessary in line with the applicable regulations. SAMI shall determine, on a case by case basis, whether or not the scope of the mandate granted to a particular delegate is such that the relevant staff of the Investment Manager constitute "Identified Staff" for the purposes of SAMI's Remuneration Policy.

**Proportionality**

SAMI, as AIFM, may take a proportionate approach, both in respect of how the SAMI Remuneration Policy shall apply to itself and to any relevant delegates (e.g. Investment Managers), in order to ensure compliance in a manner and to the extent that is appropriate to the size and internal organisation of the relevant entity and the nature, scope and complexity of its activities. In assessing what is proportionate, SAMI shall have regard to the provisions contained in the ESMA Guidelines and will focus on the combination of all the criteria mentioned therein.

**Quantitative Remuneration Disclosure**

SAMI is required under the AIFMD to make quantitative disclosures of remuneration. The AIFMD requirements on quantitative remuneration disclosures apply only to full performance periods and are first applicable to the first full performance period following the authorisation of the AIFM. The financial year and performance period of SAMI ends on 31 December which coincides with the financial year of the Company. Accordingly the quantitative remuneration disclosures provided in respect to SAMI as AIFM relate to the year ended 31 December 2015.

The disclosures set out below are made in line with SAMI's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops, SAMI may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated.

**SAMI REMUNERATION POLICY (UNAUDITED) (CONTINUED)**

**Quantitative Remuneration Disclosure (continued)**

The table below provides an overview of the following:

- Aggregate total remuneration paid by SAMI to all employees;
- Aggregate total remuneration paid by SAMI to senior management and other Identified Staff who have a material impact on the risk profile of the Company\*; and
- The allocation of aggregate total remuneration paid by SAMI to senior management and other Identified Staff which is attributable to the Company\*\*.

	2015	2015	2015	2015
	Number of beneficiaries	Fixed remuneration paid US\$	Variable remuneration paid US\$	Carried interest paid by the AIF US\$
Total remuneration paid by SAMI during financial year	15	1,463,922	744,188	Nil
<i>Total remuneration paid to employees who have a material impact on the risk profile of the Company:</i>				
Senior management (including executives)	6	886,212	595,742	Nil
Other Identified Staff*	N/A	N/A	N/A	Nil
<i>Allocation of total remuneration paid to the employees attributable to the Company**:</i>				
Senior management (including executives)	6	105,184	70,708	Nil
Other risk takers/other identified staff	N/A	N/A	N/A	Nil

\*There are no Other Identified Staff of the AIFM, in addition to Senior Management of the AIFM, who would have a material impact on the risk profile of the Company.

\*\*As Identified Staff of the AIFM typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the AIFM and across the wider Sanlam Group, the allocation of aggregate total remuneration paid which is attributable to the Company is calculated based on total assets of the Company which are managed by SAMI as a proportion of the total assets under the management of SAMI at 31 December 2015.

**Remuneration Disclosures in respect to Identified Staff of Delegates**

Many of the Investment Managers to which discretionary portfolio management activity has been delegated by SAMI have financial year ends and performance periods that do not coincide with the financial year and performance period end of SAMI. As a result, remuneration disclosures in respect to Identified Staff of Delegates have not been provided in these financial statements as, for many of those Investment Managers, the first full performance periods, following the authorisation of SAMI as the AIFM, have not yet ended. Accordingly, information currently available to SAMI as AIFM in respect to remuneration of Identified Staff of Delegates would not be relevant to the AIFs for this financial year under review or provide a meaningful basis for comparison.

Notwithstanding the foregoing, the total remuneration for services rendered paid to the AIFM and each Delegate out of the assets of the relevant Fund in respect of this financial year is disclosed in the financial statements.

## LEVERAGE (UNAUDITED)

Each Fund may employ leverage and borrow cash strictly in accordance with its stated investment policy or investment strategy. Consistent with its investment objectives and policy, a Fund may utilise a variety of exchange traded and over-the-counter (OTC) derivative instruments such as swaps, options, futures and forward currency transactions as part of its investment policy as more fully set out in each Fund's Supplement. The use of derivatives may expose a Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase a Fund's volatility.

The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which a Fund's investment portfolio may be subject. For the purposes of this disclosure, leverage is any method by which a Fund's exposure is increased, whether through borrowing cash or securities, or leverage embedded in derivative contracts or by any other means. The AIFMD prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure. These methodologies are briefly summarised below.

The commitment methodology takes account of the hedging and netting arrangements employed by a Fund at any given time (purchased and sold derivative positions will be netted where both relate to the same underlying asset). This calculation of exposure includes all Incremental Exposure as well as the Fund's own physical holdings and cash.

By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a Fund. This calculation of exposure includes all Incremental Exposure as well as the Fund's own physical holdings; cash is, however, excluded from the calculation under the gross methodology.

The AIFMD requires that each leverage ratio be expressed as the ratio between a Fund's total exposure (including any Incremental Exposure) and its net asset value. Using the methodologies prescribed under the AIFMD and implementing legislation, the Company has set a maximum level of leverage, taking into account atypical and volatile market conditions. This maximum level and the actual leverage in respect to each Fund of the Company are disclosed in the table below:

Fund Name	Commitment leverage		Gross Leverage	
	Maximum permitted	Actual as at 31 December 2015	Maximum permitted	Actual as at 31 December 2015
Sanlam Institutional Equity Flexible Fund	1:1	1:1	1:1	1:1
Sanlam Centre Multi-Asset Real Return Feeder Fund	1:1	1:1	2.5:1	0.98:1
Sanlam Institutional Balanced Fund	1:1	1:1	2.5:1	0.99:1
Sanlam Institutional Bond Fund	1:1	1:1	2.5:1	0.97:1
Sanlam European Growth Basket Fund	1:1	1:1	2:1	2:1
Sanlam Global Fund of Hedge Funds	1.25:1	1:1	3:1	0.96:1
Sanlam Africa Equity Fund	1:1	1:1	1:1	0.88:1

**NOTICE OF GENERAL MEETING  
OF  
SANLAM QUALIFYING INVESTORS FUNDS PLC**

Notice is hereby given that the annual general meeting of Sanlam Qualifying Investors Funds plc will be held at the offices of Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4 on 24 June 2016 at 11.30 a.m.:

- To receive and consider the financial statements for the year ended 31 December 2015 and the reports of the Directors and auditors thereon;
- To appoint Ernst & Young as auditors of the Company; and
- To authorise the Directors to fix the remuneration of the auditors.

And to transact any other business which may properly be brought before the meeting.

By Order of the Board  
Sanlam Asset Management (Ireland) Limited

Dated 21 April 2016  
Registered Office:  
Beech House, Beech Hill Road, Dublin 4.

A member entitled to attend and vote may appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.

PROXY FORM

SANLAM QUALIFYING INVESTORS FUNDS PLC

I/We.....

*Please insert your name in block capitals*

.....  
*Please insert your name in block capitals*

being a Shareholder in Sanlam Qualifying Investors Funds Plc hereby appoint

.....  
*Please insert the name of someone who can attend on your behalf or else leave this space blank – see notes below*

or failing him/her the Chairman of the Meeting or failing him/her Gerardine Kelly.

to vote on my/our behalf at the Meeting of the shareholders of the Company to be held on 24 June 2016 at 11.30 a.m. and at any adjournment thereof. I/We instruct my/our proxy to vote in the manner indicated below in respect of each of the Resolutions. Failing any specific instruction, the proxy will vote at his/her complete discretion.

**IN FAVOUR OF / AGAINST**  
**Please tick appropriate box**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 1. To receive and consider the financial statements for the year ended 31 December 2015 and the reports of the Directors and auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To appoint Ernst & Young as auditors of the Company.  | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To authorise the Directors to fix the remuneration of the auditors.   | <input type="checkbox"/> | <input type="checkbox"/> |

Signature .....

Date .....

**Notes:**

A Shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. If you wish to appoint as your proxy some person other than the Chairman of the meeting or Gerardine Kelly, insert in block capitals the full name of the person of your choice in the space provided. A proxy need not be a Shareholder of the Company.

The proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on the resolutions referred to above if no instruction is given of the resolutions, and on any business or resolution considered at the Meeting other than the resolutions to above.

This proxy form (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the registered office of the Company, Beech House, Beech Hill Road, Dublin 4, Ireland attention Gerardine Kelly (or fax to: 353 1 205 3521) no later than the time appointed for the meeting. If the appointer is a corporation, this proxy form must be executed under the seal or under the hand of some officer or attorney duly authorised on its behalf. In the case of joint holders, any one holder may sign. The completion and return of the proxy form will not preclude Shareholders from attending and voting at the Meeting should they decide to do so.

Issued by  
**Sanlam Asset Management (Ireland) Limited**  
Beech Hill House  
Beech Hill Road  
Dublin 4