



# **SANLAM QUALIFYING INVESTORS FUNDS PLC**

Annual audited financial statements  
for the year ended 31 December 2016



**ANNUAL AUDITED FINANCIAL STATEMENTS**

*for the year ended 31 December 2016*

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**COMPANY INFORMATION**

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

Paul Dobbyn<sup>1</sup> – Irish  
 Thomas Murray<sup>1</sup> – Irish  
 Haydn Franckeiss – South African  
 Richard Aslett – British

*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<sup>2</sup>  
 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

<sup>1</sup> Paul Dobbyn is considered an independent Director by the Central Bank of Ireland and the Irish Stock Exchange. Thomas Murray is considered an independent Director by the Irish Stock Exchange only.

<sup>2</sup> Sanlam Centre Multi-Asset Real Return Feeder Fund closed during the year ended 31 December 2016 with a final redemption on 21 December 2016.

**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>Securities lending agent</b>	Sanlam Asset Management (Ireland) Limited Beech House Beech Hill Road Dublin 4 Ireland

*\*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.*

## 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 2016.

## RESULTS AND BUSINESS ACTIVITIES

Detailed investment reviews are included in the Reports of the Investment Manager from pages 17 to 24. The results of operations are set out in the Statement of Comprehensive Income on pages 25 to 29.

The Directors also draw your attention to the significant events during the year explained in note 22 on page 118.

## 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 93 to 114 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)

Paul Dobbyn is a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc.

Thomas Murray is a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc. Thomas Murray is also a Director of Sanlam Asset Management (Ireland) Ltd. ("SAMI").

Haydn Franckeiss is also a Director of Sanlam Global Funds Plc and Sanlam Universal Funds Plc.

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.

## DIRECTORS' REPORT (CONTINUED)

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

The Directors, who held office on 31 December 2016, 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.

### DIRECTORS' STATEMENT ON RELEVANT AUDIT INFORMATION

Each of the Directors at the date of approval of the Directors' Report confirms that:

- a) So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditor is unaware; and
- b) The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

### 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 2016.

## DIRECTORS' REPORT (CONTINUED)

### 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;
- 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.

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 Depositary 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), Irish Funds ("IF") has published a corporate governance code ("IF 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 IF 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 IF Code as the Company's corporate governance code. The Board of Directors has assessed the measures included in the IF 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).

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

In addition to the IF 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.

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.

**DIRECTORS' REPORT (CONTINUED)****CORPORATE GOVERNANCE CODE (CONTINUED)****Shareholders' meetings (continued)**

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.

**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 Dobbryn, 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 equality 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**



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Director  
24 April 2017




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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 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows, Portfolio of Investments 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 Statement of Directors' Responsibilities set out on page 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 and Investment Manager's Reports 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:

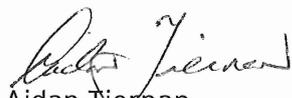
- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the 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.



Aidan Tiernan  
for and on behalf of Ernst & Young  
Chartered Accountants and Statutory Audit Firm

Dublin

26 April 2017

## **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<sup>st</sup> January to 31<sup>st</sup> December 2016, 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

24<sup>th</sup> April, 2017

BROWN BROTHERS HARRIMAN  
TRUSTEE SERVICES (IRELAND) LIMITED  
30 HERBERT STREET, DUBLIN D02 W329, IRELAND  
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BROWN BROTHERS HARRIMAN TRUSTEE SERVICES (IRELAND) LIMITED IS REGULATED BY THE CENTRAL BANK OF IRELAND  
REGISTERED IN IRELAND AT THE ABOVE ADDRESS. REG. No. 231235

DIRECTORS:  
HBOLTON (USA)  
TACARROLL  
JMCREPIN (BEL)  
EFITZGERALD  
MJMcDONALD (USA)  
SPAIRCÉIR  
KWSTONE (USA)  
VAT No: 8231235 M

## MANAGER'S REPORT

Sanlam Asset Management (Ireland) Limited ("SAMI" or the "Manager") presents herewith the Manager's Report for the year ended 31 December 2016.

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 14 to 16.

The performance and investment activities of the individual Funds of the Company are set out in the Investment Managers' reports on pages 17 to 24.

### Risk Profiles and Limits

As AIFM, SAMI has established and implemented quantitative and qualitative risk limits for each of the Funds of the Company, taking into account all relevant risks.

For each Fund, SAMI has in place a set of agreed investment restrictions which are designed to ensure each Fund is managed in accordance with its investment objective. Full details of investment restrictions applicable to each Fund are set out in the relevant Fund supplement. These investment restrictions are also designed to manage market, liquidity, credit and counterparty risks. The investment restrictions are agreed by the Board of the Company in advance of a Fund launch and are notified to the delegate investment manager(s) of the relevant Fund. Investment restrictions are monitored daily by the delegate Investment Manager(s) and the AIFM and any issues are notified to the Board of the Company on an ad-hoc basis as required.

SAMI employs risk management systems to measure and monitor relevant risks for each Fund under management. The risk management systems include:

- monitoring of compliance and quantitative limits;
- monitoring of absolute and relative investment performance;
- monitoring of Fund liquidity to ensure the liquidity or illiquidity of a Fund is consistent with that Fund's underlying obligations and stated liquidity requirements;
- monitoring global exposure and leverage;
- assessing appropriateness and on-going monitoring of delegates and counter-parties; and
- monitoring and assessing control weaknesses, breaches and errors.

The financial risk disclosures relating to the Company's risk framework and the market risk, liquidity risk, credit and counterparty risk for each Fund are set out in note 18 of the notes to and forming part of the audited financial statements on pages 93 to 114.

**MANAGER'S REPORT (CONTINUED)****Other Risks**

In addition to market risk, liquidity risk, credit and counterparty risk, the following other risks have been identified by the AIFM as being relevant to the Funds of the Company.

**Concentration Risk**

The Funds may 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.

**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, including SAMI, maintain controls and procedures for the purpose of managing operational risk.

**Legal, Tax and Regulatory Risks**

Legal, tax and regulatory changes could occur during the duration of a Fund which may adversely affect the Fund. SAMI and the appointed delegate Investment Managers 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 the AIFM and referred to the Board of Directors of the Company, where required.

**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 Institutional Balanced Fund and Sanlam Institutional Bond Fund have no significant exposure to non-developed markets.

**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.

**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 45 to 54.

**MANAGER'S REPORT** *(CONTINUED)*

**Assets Subject to Special Arrangements**

With the exception of the side pocket noted in Note 18 (ii) in respect to Sanlam Global Fund of Hedge Funds, there have been no assets, in any of the Funds, subject to special arrangements, as per Article 108(2) of the AIFMD Level II Delegated Regulations, during the reporting period or at the year end.

**SAMI Remuneration Policy**

The remuneration policy of the Manager for the year ended 31 December 2016 is disclosed on pages 124 to 128.

**Leverage**

The risk limits in respect to leverage and global exposure are set by the AIFM. The leverage ratios of each Fund of the Company, as determined using the methodologies prescribed under the AIFMD, are disclosed on pages 129 to 130.

**ECONOMIC & MARKET REVIEW***for the year ended 31 December 2016***Global Economics Review**

The advance in global real economic activity remained moderate in 2016 with real GDP growth estimated at close to 3% for the year, little changed from the 3.1% recorded in 2015.

In the US, growth recovered in the final three quarters of 2016, following a slump in the first quarter. Even so, the advance in US real GDP slowed to 1.6% last year from 2.6% in 2015 – a similar outcome to the Euro area, where real GDP increased 1.7%.

Elsewhere, amongst emerging market (“EM”) economies, growth outcomes were mixed. Activity levels were firm in EM Asia, but growth disappointed in Latin America (notably in Brazil and Argentina) and elsewhere, including Russia and Turkey.

In EM, China remained a focal point for investors in 2016. Expectations that growth would slow further through the year, given excess capacity in some sectors and the constraints imposed by a debt overhang, were not realized as looser monetary and fiscal policy stabilized economic activity. Still, material capital outflows (in large part from domestic sources) and a persistent decline in the level of China’s foreign exchange reserves, prompted policymakers to implement capital controls late in the year to stem the outflow of funds.

Throughout 2016, the potential impact of political referendums and elections on the global economy featured prominently in news headlines, including the UK referendum on European Union (“EU”) membership and the US Presidential election.

In the UK, the June 2016 referendum vote in favour of leaving the EU prompted a sharp depreciation of pound sterling. In response, the Bank of England implemented additional monetary policy easing in the form of a 0.25% cut in the Bank rate in August 2016 and expansion of its asset purchase programme, given concerns over possible tightening of liquidity conditions and the outlook for UK economic growth. Ultimately, though, real GDP growth held up better than expected in the latter half of 2016.

In the US, Republican Donald Trump’s victory in the November 2016 Presidential election was followed by a material sell-off in the US Treasury market as investors contemplated the potential impact of expected fiscal policy loosening under the new administration, including the risk of a more aggressive approach to monetary policy from the US Federal Reserve. Accordingly, the USD appreciated significantly in the final quarter of 2016. Amongst EM currencies, the Mexican peso was especially hard hit as the incoming president signalled his intention to review the North American Free Trade Agreement, in addition to ending pursuit of the potential Trans-Pacific Partnership trade agreement.

The monetary policy stances of the US Federal Reserve and other major developed market (“DM”) central banks continued to diverge as the Federal Reserve Open Market Committee (“FOMC”) hiked the federal funds target rate from 0.25-0.50% to 0.50-0.75% in December 2016, its first hike since December 2015. In part, the shift towards a less accommodative monetary policy stance by the Federal Reserve was motivated by the potential for upward pressure on wages and inflation due to the firmness of the labour market as the unemployment rate fell to 4.7% by December 2016 – not too far from historically low levels.

In contrast, the extraordinarily loose and “unconventional” monetary policy stances of the European Central Bank (“ECB”) and the Bank of Japan (“BOJ”) were reflected in negative nominal policy interest rates and the Bank of Japan’s announcement, in September 2016, that it intended guiding 10 year government bond yields towards 0%.

**ECONOMIC & MARKET REVIEW (CONTINUED)**

for the year ended 31 December 2016

**Global Economics Review (continued)**

Deflation concerns featured prominently when the ECB introduced a bundle of policy measures in March 2016 in active pursuit of its price stability objective (that is an inflation rate of close to, but below 2%). First, the Bank cut its main policy interest rates, including a 0.10% cut to -0.40% in the interest rate on its deposit facility. Further, the ECB expanded its monthly asset purchases, while signaling its intention to continue with the purchase programme until at least the end of March 2017, or, indeed, until such time as it is clear inflation is on a course consistent with the Bank's inflation objective. Also, in an effort to promote credit extension by commercial banks the ECB announced the launch of a new series of targeted longer-term refinancing operations, commencing in June 2016.

For the most part, global inflation remained well contained in 2016. EM economies recorded moderate inflation, while inflation remained low in DM economies in aggregate, although DM inflation did lift relative to 2015. Specifically, the annual advance in Euro area HICP overall inflation, which had remained low or negative for most of the year, lifted to 1.1% in December 2016 from -0.2% in April 2016. This helped ease the deflation concerns of the ECB. At the conclusion of its monetary policy meeting in December 2016 the Bank left its policy rates unchanged, but indicated that it would continue with its asset purchase programme. Also, although signalling monthly net asset purchases would be reduced to EUR60 billion from EUR80 billion as from April 2017, purchases are set to continue until end December 2017 or, if necessary, beyond that point.

Encouragingly, global economic conditions lifted towards the end of 2016 and remained relatively buoyant in the opening months of 2017. Income growth firmed amidst improving momentum in global industrial production. These developments have been complemented by a lift in global capital goods expenditure while global employment growth is also being sustained.

Also, EM commodity producers benefited from an improvement in their terms of trade as commodity prices, in general, increased in keeping with firmer global industrial production.

**Global Economic Outlook**

The durability and strength of the increase in real economic activity is yet to be tested, including in EM economies where some countries must deal with debt overhangs amidst limited room to ease economic policy. But, on balance, current information, including consumer and business surveys, suggests real GDP growth should be firmer in 2017 relative to last year.

US real GDP growth may moderate in 1Q17, but the country's labour market remains robust. Elsewhere, in the Euro area, purchasing manager surveys have been especially buoyant, while industrial production growth in EM Asia has been particularly strong in the opening months of the year, notably in EM Asia excluding China and India.

Global inflation is also increasing, mainly in DM, while inflation outcomes in EM have been more mixed. To date, higher inflation primarily reflects an increase in energy prices. Given currently available information, the inflation outlook for the year ahead still appears to be relatively benign, although firmer global producer price inflation suggests further increases should be expected in prices at retail level. Long-term inflation risks include potential shifts towards inward looking economic policies and the loss of momentum in (or even reversal of) global trade liberalization.

Meanwhile, against the backdrop of higher, albeit still contained, inflation central banks in DM are likely to gradually shift towards less accommodative monetary policy stances. In the Euro area, HICP overall inflation increased 2.0% in the year to February 2017 – in line with the inflation objective of the ECB. Even so, at the conclusion of its Governing Council meeting on 9 March 2017, the ECB left its key policy rates unchanged, while indicating that it “continues to expect the key ECB interest rates to remain at present or lower levels for an extended period of time, and well past the horizon of the net asset purchases”. However, assuming an absence of renewed disinflation the ECB may, at some point this year, signal its intention to shift towards a less accommodative stance.

**ECONOMIC & MARKET REVIEW (CONTINUED)***for the year ended 31 December 2016***Global Economic Outlook (continued)**

In the US, the FOMC increased the target range for the federal funds rate by  $\frac{1}{4}\%$  to a range of  $\frac{3}{4}\%$  to 1.0% in March 2017. It is clear from the accompanying FOMC statement that the hike reflected the satisfaction of the Committee with the progress of the economy, notably the firmness of jobs growth. At 4.7% in February 2017, the US unemployment rate is, arguably, below the level consistent with the Federal Reserve's inflation target, as suggested by the upward drift in average hourly earnings since last year.

Further, the FOMC continued to signal a gradual interest rate hiking path. The median projection for the federal funds rate of FOMC participants shows an increase to 1.4% at end 2017, effectively signaling three interest rate hikes of 25bp this year should the projection prove accurate, followed by 2.1% and 3% respectively at end 2018 and 2019. The latter is in line with the long-run estimate for the federal funds rate and is relatively low compared with history.

Nonetheless, the FOMC is careful to signal the "projected" future course of its policy rate could be influenced by factors such as changes to fiscal policy. At present, there is a high degree of uncertainty around the exact timing, magnitude and form US trade and fiscal policy changes are likely to take.

There are binding constraints to potential expansionary fiscal policy. The country's current fiscal position is not sufficiently robust to allow for a large fiscal expansion programme, at least not in the absence of a meaningful lift in the potential GDP growth rate. Still, a degree of fiscal loosening seems likely. Given an already low unemployment rate the US Federal Reserve will be cognisant of the possible inflation risk posed by this, especially if also accompanied by an increase in trade protectionist measures.

Should the Federal Reserve hike its policy rate more aggressively than expected it would be of particular concern to indebted EM economies with significant macroeconomic imbalances – although real risk free interest rates are expected to remain low, which should help dampen the impact.

In addition to the potential risk of more aggressive policy action in the US, risks to the global economic outlook include any disorderly adjustment in China, or any shift towards euro-sceptic governments in Europe, which would cast doubt on the long-term stability of the Euro area. As regards the latter, France's presidential and legislative elections are a focal point this year.

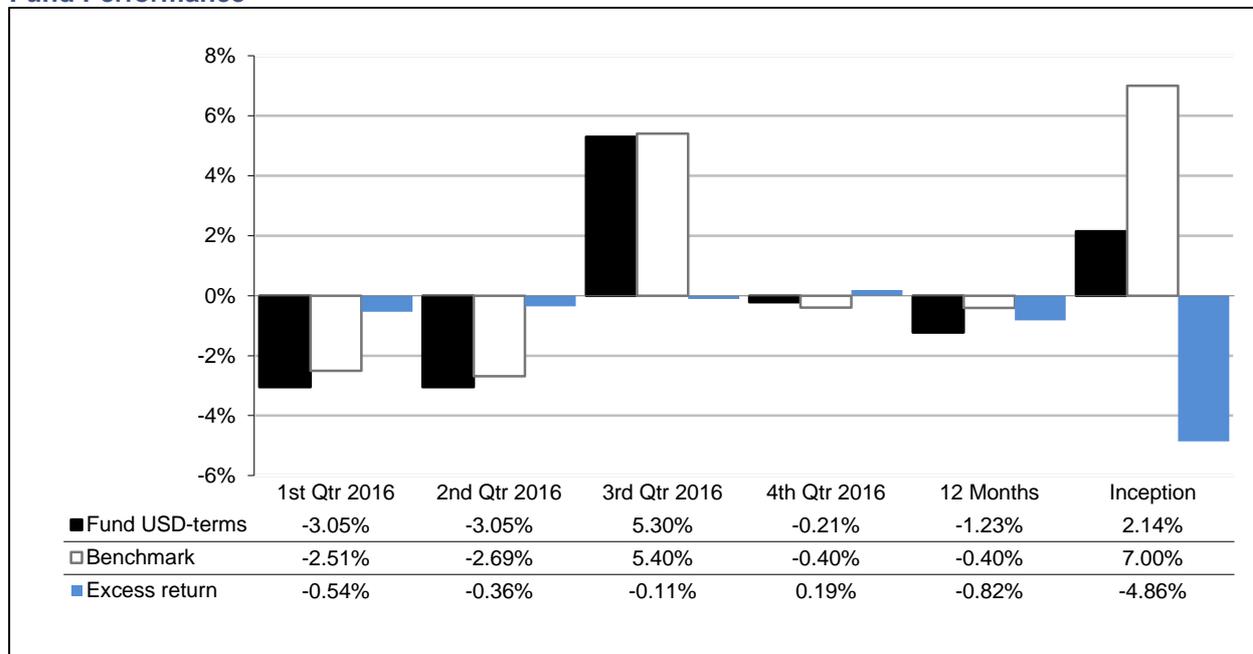
Elsewhere, in Europe, the UK remains a member of the European Economic Area for, possibly, a further two years from the time it invoked "Article 50", during which time it will need to re-negotiate its existing agreements with the EU. Further down the line it is not clear to what extent the UK would retain preferential access to the EU single market, including the free movement of goods. To the degree the UK loses access to the Economic Area it would need to negotiate new trade agreements – a time consuming process. In the interim, the sharp depreciation of pound sterling in 2016 against the backdrop of a wide current account deficit risks a marked slowdown in UK domestic demand growth in 2017.

**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 underperformed its benchmark (MSCI Europe Index) by -0.82% over the course of 2016 with the Fund and benchmark falling -1.23% and -0.40% respectively over this period. The Fund lagged its benchmark in all quarters except the fourth. In chronological order, the Fund returned -3.05%, -3.05%, 5.30% and -0.21% during the respective quarters. Over the same discrete time periods, the Fund returned -0.54%, -0.36%, -0.11% and +0.19% relative to its benchmark. The Fund lags its benchmark by -4.86% on an annualized basis since inception.

**Fund Outlook**

Political events are set to continue to drive investor sentiment in Europe in 2017, with upcoming elections in France and Germany; all of which could potentially decide the fate of the European Union. In the UK, Theresa May triggered Article 50 as expected at the end of Q1 2017, with many fearing a ‘hard Brexit’ the likely path. Sterling is set to decline even further which should stand UK large cap, foreign-earning stocks in good stead. The news flow streaming from the Brexit negotiations and the health of the broader UK economy may well provide renewed volatility in the UK equity market. At the conclusion of the year, the ECB decided to extend its QE program by nine months, to the end of 2017. The ECB did however decide to reduce the amount of monthly purchases from €80bn to €60bn. This simultaneous dovish and hawkish stance is to avoid another “taper tantrum” debacle. The removal of the lifeline that has buoyed asset prices in Europe could potentially provide renewed volatility when the market comes to terms with the impacts of the end of QE. Furthermore, cyclically exposed stocks had taken over market leadership towards the latter part of 2016 and this is set to continue into 2017. This is indicative of the hopes that a meaningful cyclical expansion has gained traction. Yet it is often these cyclical stocks that lead into a market peak, as excessive exuberance about the outlook takes hold. Furthermore, the already elevated valuation levels mean that meaningful earnings growth needs to come through to maintain the positive market sentiment. In brief, we can see a scenario in which global risk assets continue to rally throughout the course of 2017, but we remain cautious in the face of continued political events and elevated global equity levels.

**Investment Manager**

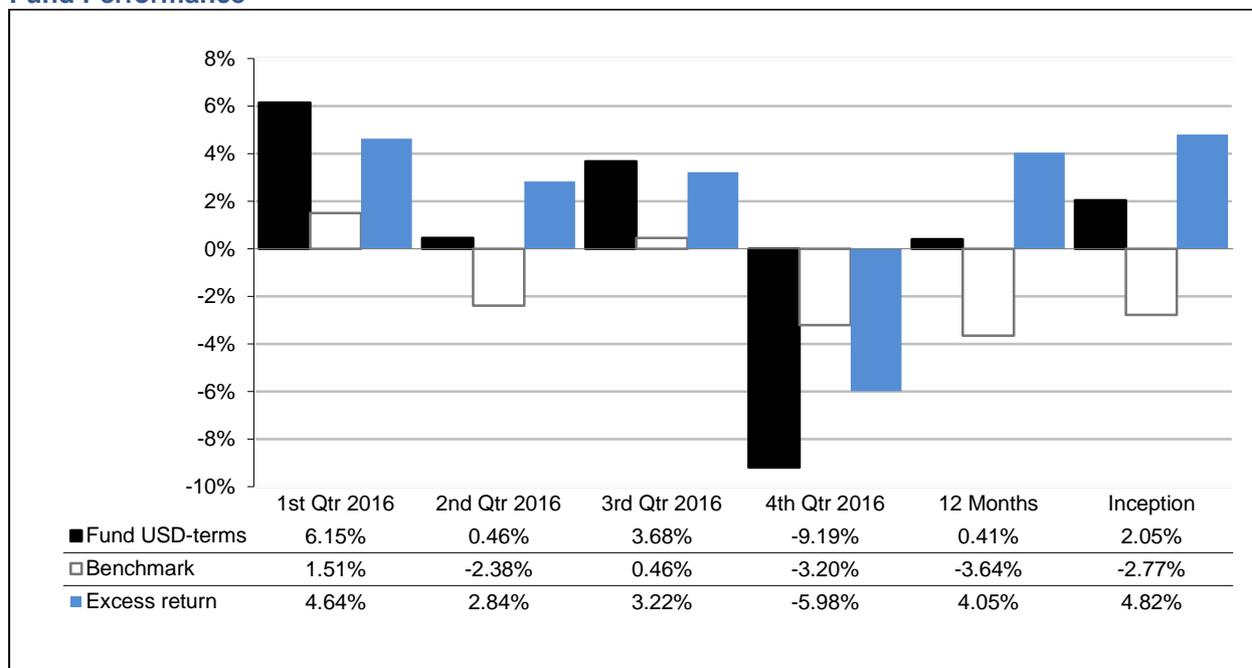
Sanlam Investment Management (Pty) Limited

**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.*

The Fund had a particularly good year in relative terms and a modest year in absolute terms. The Funds advanced 41 bps over the course of 2016 whilst its composite benchmark (45% 7 Day USD LIBID, 40% 7 Day EUR LIBID and 15% 7 Day GBP LIBID) fell -3.64% and hence the fund outperformed by +4.05%. The Fund outperformed strongly by +4.64%, +2.84% and +3.22% during the first three quarters respectively, but endured a very challenging fourth quarter, falling -9.19% in absolute terms, underperforming the benchmark by -5.98%. The absolute performance for the Fund during the first three quarters was 6.15%, 0.46% and 3.68%. The Fund has outperformed its benchmark on an annualized basis since inception by +4.82%, having gained 2.05% in annualized absolute terms.

**Fund Outlook**

Political events are set to continue to drive investor sentiment in 2017, with upcoming elections in France and Germany. A spotlight will also continue to be cast on the US; market participants will be eagerly watching to see how US economic and foreign policy changes under the Trump administration. In the UK, Theresa May triggered Article 50 as expected at the end of Q1 2017, with many fearing a ‘hard Brexit’ the likely path. Sterling is set to decline even further which should stand UK large cap, foreign-earning stocks in good stead. The news flow streaming from the Brexit negotiations and the health of the broader UK economy may well provide renewed volatility in the UK equity market. In the US, the election focus diverted attention away from an economy that is already heating up without the assistance of the Trump administration.

**SANLAM INSTITUTIONAL BALANCED FUND (CONTINUED)****Fund Outlook** *(continued)*

The likelihood of three interest rate hikes in 2017 and the promise of fiscal spending with unemployment already at target levels, paves the way for an inflationary environment. Interest rates, in all likelihood, have only just started to rise. The difficulty is in assessing at what level the next peak in interest rates will come. If the next peak is near 4% or 5% rates, we obviously have some way to go from the current 0.5%-0.75%, and would likely mark a period of weak performance for bonds and see cyclically exposed stocks that took over market leadership towards the end of 2017 continue their strong performance. However, if the next rate peak is much lower, perhaps at say 2%, then bonds are not such bad value and equities may find their peak much sooner; it is often these cyclical stocks that lead into a market peak, as excessive exuberance about the outlook takes hold. Furthermore, the already elevated valuation levels mean that meaningful earnings growth needs to come through to maintain the positive market sentiment. In brief, we can see a scenario in which global risk assets continue to rally throughout the course of 2017, but we remain cautious in the face of continued political events and elevated global equity levels.

**Investment Manager**

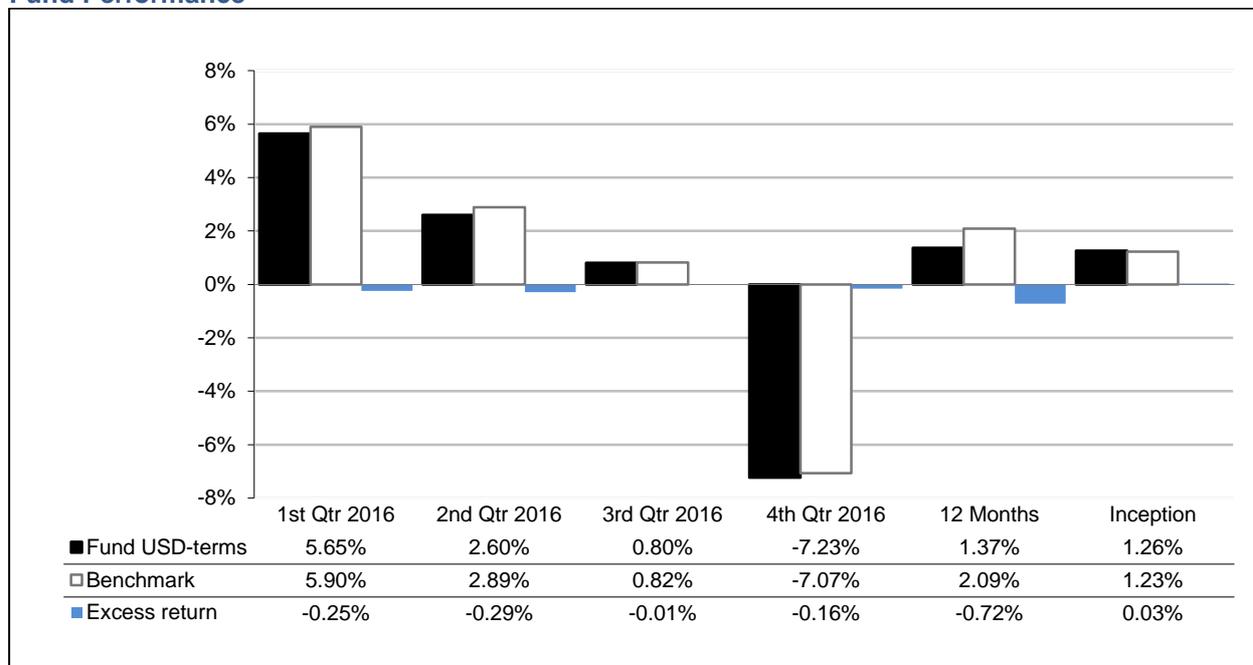
Sanlam Investment Management (Pty) Limited

**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.

2016 saw the Fund underperformed during a volatile period for the global bond market. The Fund gained 1.37% over the course of the year whilst its benchmark, the Barclays Global Aggregate Index advanced 2.09% and hence a relative underperformance of -0.72%. The Fund underperformed in all four quarters by -0.25%, -0.29%, -0.01% and -0.16% in chronological order. In absolute terms, the fund returned 5.65%, 2.60%, 0.80% and -7.23% respectively over the four respective quarters. Since inception, the Fund and the benchmark have gained 1.26% and 1.23% respectively on an annualized basis.

**Fund Outlook**

Political events are set to continue to drive investor sentiment in 2017, with upcoming elections in France and Germany. A spotlight will also continue to be cast on the US; market participants will be eagerly watching to see how US economic and foreign policy changes under the Trump administration. In the UK, Theresa May triggered Article 50 as expected at the end of Q1 2017, with many fearing a ‘hard Brexit’ the likely path. Sterling is set to decline even further which should stand UK large cap, foreign-earning stocks in good stead. The news flow streaming from the Brexit negotiations and the health of the broader UK economy may well provide renewed volatility in the UK equity market. In the US, the election focus diverted attention away from an economy that is already heating up without the assistance of the Trump administration. The likelihood of three interest rate hikes in 2017 and the promise of fiscal spending with unemployment already at target levels, paves the way for an inflationary environment. Interest rates, likely, have only just started to rise. The difficulty is in assessing at what level the next peak in interest rates will come. If the next peak is near 4% or 5% rates, we obviously have some way to go from the current 0.5%-0.75%, and would likely mark a period of weak performance for bonds. However, if the next rate peak is much lower, perhaps at say 2%, then bonds are not such bad value and equities may find their peak much sooner.

**Investment Manager**

Sanlam Investment Management (Pty) Limited

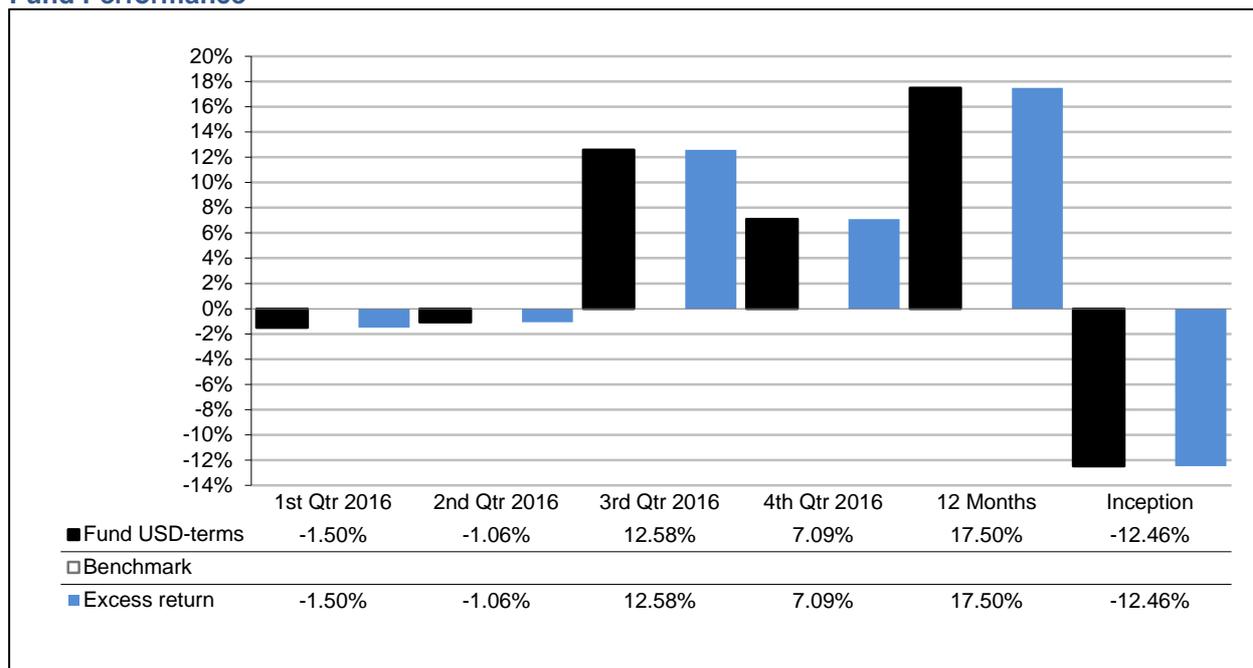
**SANLAM EUROPEAN GROWTH BASKET FUND**

**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.

Political events are set to continue to drive investor sentiment in Europe in 2017 which may pose risks for the Fund given the exposure to equity options on the Eurostoxx 50 and FTSE 100 Indices. Although we can see a scenario in which global risk assets continue to rally throughout 2017, we remain cautious in the face of continued political uncertainty in 2017.

**Investment Manager**

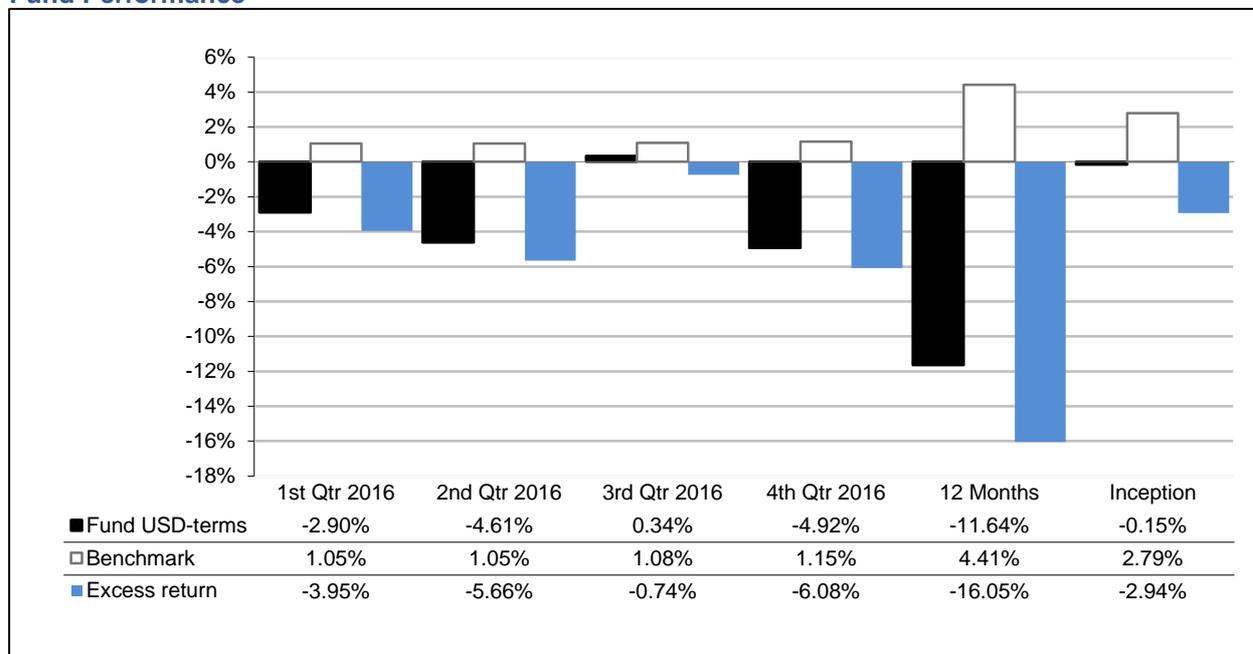
Sanlam Investment Management (Pty) Limited

**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 the strong performance of 2015, 2016 proved to be very challenging with the Fund down -11.64% for the year to 31 December 2016 versus the benchmark which was up +4.41%. As a result, the Fund has underperformed its benchmark by -16.05%. This poor outcome takes the Fund’s trailing one, two, three and five year numbers below that of the benchmark with the Fund now underperforming its benchmark by -2.94% since inception.

The negative performance of the Fund for the year is entirely attributable to two underlying fund holdings with Capricorn GEM and Cumulus Energy Fund each losing 30% for the year ended 31 December 2016. Coming into 2016, both funds were performing strongly with the underlying investment managers demonstrating superior skill in the respective markets, emerging market equities and energy/power markets. Combined, Capricorn GEM and Cumulus Energy detracted -11.4% on the year from the Fund’s portfolio performance.

**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 2017, the Fund’s portfolio comprised of seven 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.

In a similar manner to 2016 intra-year market cycles that were driven by events such as Brexit and the US election, 2017 financial performance is likely to be driven by similar intra-year cycles with continued political uncertainty on the horizon. In addition to the potential risk of more aggressive policy action in the US, risks to the global economic outlook from such political uncertainty may negate the potential for positive gains. As a result, we remain cautious for the year ahead.

**Investment Manager**

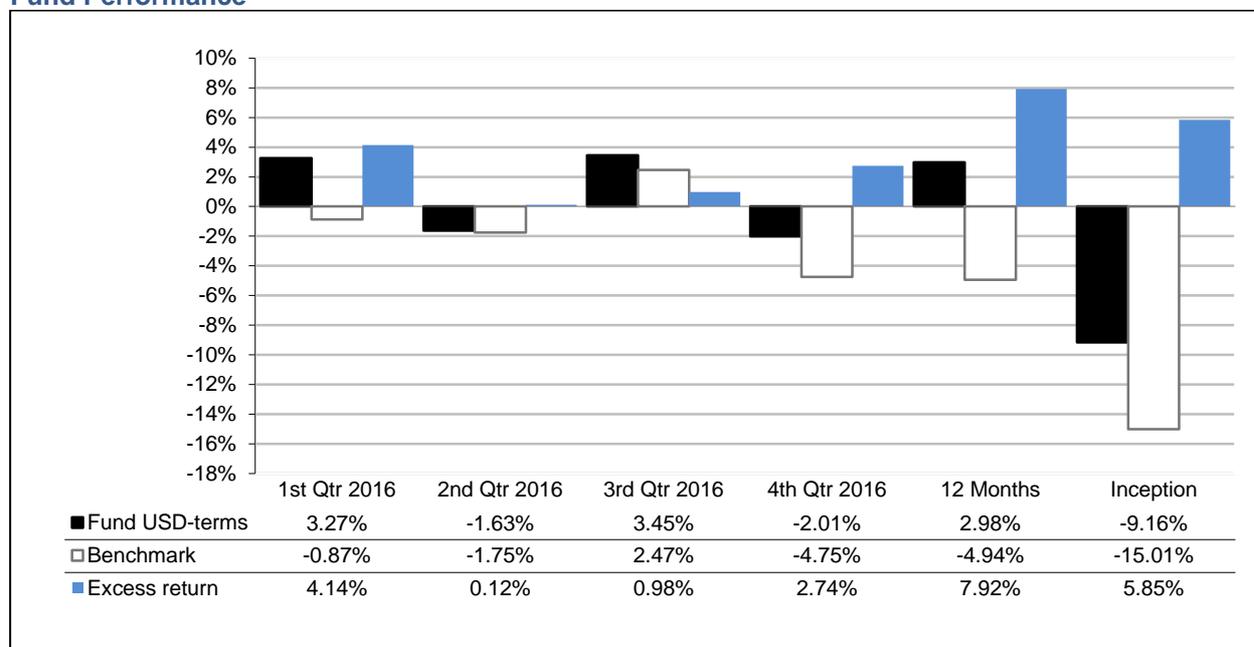
Sanlam FOUR Investments UK Limited

**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’s benchmark is 50/50 blend of the MSCI EFM Africa ex-SA Index and the S&P All Africa ex-SA Capped Index. Performance figures longer than 12 months are annualised. Figures are quoted gross of Investment Manager and AIFM fees.

The Fund aims to outperform African markets as represented by the MSCI and S&P Africa ex-SA indices over the medium to longer term. The fund has limited capacity and a 90-day lock-up in order to allow the investment manager to pursue the widest spectrum of opportunities in what are relatively illiquid markets. For 2016, the Fund was up 2.98% which compares favourably to the performance of the benchmark which returned -4.94%. Therefore the Fund delivered 792bps of alpha. The Fund specifically benefited from its holdings in the resources sector and some of its positions in Zimbabwe. The best share price performance came from a Platinum miner that went up 86% in USD terms over one year, followed by a gold miner that rallied 80%. The Fund had a sizeable exposure to these two resources stocks. Zimbabwe also contributed significantly to the Fund’s performance, mainly driven by two stocks that went up by more than 45% in 2016.

**Fund Outlook**

**Morocco**

Morocco was the best performing market with a +27% return in USD for the year. The Fund has a small exposure (7.3%) to this market as we do not see many interesting investment opportunities. The Moroccan stock market is trading north of 23x price-to-earnings, while corporate earnings are growing at less than 10% per year on average. In our view these elevated multiples are not justified and we have been looking for opportunities elsewhere.

**Nigeria**

Nigeria was the worst performer of the year posting a negative 40% return in dollars for the year 2016. The decline in the equity market was largely attributable to a 36% depreciation of the NGN against the USD. However, the long-overdue devaluation of the Nigerian currency which occurred in June has turned out to be a disappointment to both investors and Nigerian corporates. Since the devaluation, the FX rate has not been free-floating and liquidity has not improved, which once again has led to a huge gap between the official rate and the parallel market. Clearly the Nigerian Central Bank needs to review the mechanics of the NGN and the most likely scenario is a further devaluation with less Central Bank intervention.

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

The Fund's portfolio holdings in Nigeria remain largely unchanged at 10.7% of the Fund. We still believe that some Nigerian banks are not sufficiently capitalised, and some banks have questionable accounting practices, imprudent loan provisioning and poor corporate governance. Over the past 2 years we have not invested in these low quality banks and we are still comfortable with our positioning.

**Egypt**

After many years of managing the EGP exchange rate against the USD, the Egyptian government was left with little option but to give up its rigid FX regime. In November the Egyptian Central Bank moved the currency to a floating regime and the EGP lost about 50% of its value. The devaluation did not have a full impact on the Fund's portfolio holdings as we held some of our Egyptian exposure in GDRs. Egypt is the largest holding in the Fund at year end accounting for 22%.

**Zimbabwe**

The situation in Zimbabwe is a difficult one as USD liquidity has significantly worsened over the last twelve months making it difficult for foreign investors to repatriate their investment proceeds. The Fund has a 14.5% exposure to the Zimbabwean market and we continue holding these positions. At the moment there is nothing that indicates to us that US Dollar liquidity could improve in the short term. However, in our view is that when political change does eventually occur in Zimbabwe it will be sudden with possibly a positive impact on the Fund's holdings.

Given the Fund's objective, the potential for sustained local political risk and policy uncertainty in target African markets mean we remain cautious for the year ahead.

**Investment Manager**

Sanlam Investment Management (Pty) Limited

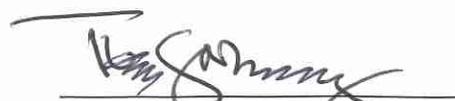
**STATEMENT OF COMPREHENSIVE INCOME OF THE COMPANY**

for the year ended 31 December 2016

	Year ended 31 December 2016 USD	Year ended 31 December 2015 USD
<b>Investment income</b>		
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss – held for trading	(21,722,247)	(15,916,564)
Income from financial assets at fair value through profit or loss	10,030,092	16,125,371
Income from securities lending	50,030	41,024
Other income	237,952	33,749
Bank interest	19,675	3,919
<b>Net investment income</b>	<u>(11,384,498)</u>	<u>287,499</u>
<b>Operating expenses</b>		
AIFM fees	(5,445,739)	(6,339,859)
Other operating expenses	(240,050)	(418,086)
Administration fees	(318,060)	(362,719)
Custody fees	(228,687)	(158,703)
Performance fees	-	(102,601)
Directors' fees	(36,998)	(86,581)
<b>Total operating expenses</b>	<u>(6,269,534)</u>	<u>(7,468,549)</u>
<b>Operating (loss)/profit</b>	<u>(17,654,032)</u>	<u>(7,181,050)</u>
<b>Finance costs</b>		
Interest expense	(30)	(2,089)
Income equalization	(7,587,359)	(8,217,545)
<b>(Loss)/profit before tax</b>	<u>(25,241,421)</u>	<u>(15,400,684)</u>
Withholding tax	(2,285,731)	(2,625,044)
<b>Change in net assets attributable to holders of redeemable participating shares</b>	<u>(27,527,152)</u>	<u>(18,025,728)</u>

The annual audited financial statements were approved by the Board of Directors on 24 April 2017.

  
\_\_\_\_\_  
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 2016

	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	(2,181,023)	12,440	(7,620,965)	1,249,567	1,815,411
Income from financial assets at fair value through profit or loss		-	-	9,415,335	-	-
Income from securities lending	17	-	-	49,169	-	-
Other income		2,310	2,435	3,212	1,601	1,557
Bank interest		2,296	3,021	4,971	-	2,821
<b>Net investment income/(deficit)</b>		<b>(2,176,417)</b>	<b>17,896</b>	<b>1,851,722</b>	<b>1,251,168</b>	<b>1,819,789</b>
<b>Operating expenses</b>						
AIFM fees	12	(1,436,670)	(77,634)	(1,555,151)	(937,711)	(16,735)
Other operating expenses		(39,257)	(30,726)	(34,775)	(21,406)	(20,336)
Administration fees	12	(61,571)	(21,396)	(62,055)	(41,804)	(6,347)
Custody fees		(16,000)	(8,687)	(50,000)	(10,000)	(2,000)
Performance fees		-	-	-	-	-
Directors' fees		(9,002)	(3,782)	(10,848)	(5,115)	(530)
<b>Total operating expenses</b>		<b>(1,562,500)</b>	<b>(142,225)</b>	<b>(1,712,829)</b>	<b>(1,016,036)</b>	<b>(45,948)</b>
<b>Operating profit/(loss)</b>		<b>(3,738,917)</b>	<b>(124,329)</b>	<b>138,893</b>	<b>235,132</b>	<b>1,773,841</b>
<b>Finance costs</b>						
Interest expense		-	-	-	(30)	-
Income equalization		(13,789)	(4,711,118)	(2,633,015)	(165,730)	-
<b>Profit/(loss) before tax</b>		<b>(3,752,706)</b>	<b>(4,835,447)</b>	<b>(2,494,122)</b>	<b>69,372</b>	<b>1,773,841</b>
Withholding tax		-	-	(2,225,510)	-	-
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(3,752,706)</b>	<b>(4,835,447)</b>	<b>(4,719,632)</b>	<b>69,372</b>	<b>1,773,841</b>

**STATEMENTS OF COMPREHENSIVE INCOME OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2016

	<i>Note</i>	<b>Sanlam Global Fund of Hedge Funds USD</b>	<b>Sanlam Africa Equity Fund 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	(15,002,292)	4,715
Income from financial assets at fair value through profit or loss		-	614,757
Income from securities lending	17	-	861
Other income		203,957	22,880
Bank interest		4,708	1,858
<b>Net investment income/(deficit)</b>		<b>(14,793,727)</b>	<b>645,071</b>
<b>Operating expenses</b>			
AIFM fees	12	(1,008,207)	(413,631)
Other operating expenses		(63,494)	(30,056)
Administration fees	12	(113,796)	(11,091)
Custody fees		(52,000)	(90,000)
Performance fees		-	-
Directors' fees		(7,149)	(572)
<b>Total operating expenses</b>		<b>(1,244,646)</b>	<b>(545,350)</b>
<b>Operating profit/(loss)</b>		<b>(16,038,373)</b>	<b>99,721</b>
<b>Finance costs</b>			
Interest expense		-	-
Income equalization		-	(63,707)
<b>Profit/(loss) before tax</b>		<b>(16,038,373)</b>	<b>36,014</b>
Withholding tax		-	(60,221)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(16,038,373)</b>	<b>(24,207)</b>

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

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 securities 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 equalization		(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

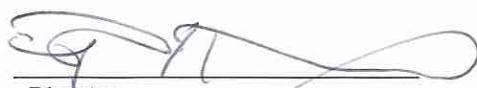
	<i>Note</i>	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Investment income</b>			
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss – held for trading	6	10,927,683	(1,336,208)
Income from financial assets at fair value through profit or loss		3,286	100,663
Income from securities 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 equalization		-	(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>

**STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

as at 31 December 2016

	31 December 2016 USD	31 December 2015 USD
<b>Assets</b>		
Cash and cash equivalents	8,116,071	20,427,643
Accrued income	-	1,819,816
Amounts receivable on sale of securities	88,545	1,400,871
Amounts receivable on issue of shares	1,342	1,342
Financial assets at fair value through profit or loss	661,537,528	789,506,509
Other debtors	20,528	27,709
	<hr/>	<hr/>
<b>Total assets</b>	<b>669,764,014</b>	<b>813,183,890</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Accrued expenses	(973,311)	(1,099,953)
Administration fees accrued	(86,396)	(97,848)
Amounts payable on repurchase of shares	(1,457,587)	(8,513,540)
	<hr/>	<hr/>
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>	<b>(2,517,294)</b>	<b>(9,711,341)</b>
	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>667,246,720</b>	<b>803,472,549</b>
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The annual audited financial statements were approved by the Board of Directors on 24 April 2017.

  
\_\_\_\_\_  
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 2016

	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		883,395	52,905	4,656,039	308,716	120,548
Accrued income		-	-	-	-	-
Amounts receivable on sale of securities		-	-	-	-	-
Amounts receivable on issue of shares		-	-	-	-	-
Financial assets at fair value through profit or loss	7,8,18	193,597,856	-	205,055,839	121,304,999	9,685,106
Other debtors		-	-	159	68	-
<b>Total assets</b>		<b>194,481,251</b>	<b>52,905</b>	<b>209,712,037</b>	<b>121,613,783</b>	<b>9,805,654</b>
<b>Liabilities</b>						
Accrued expenses		(184,349)	(41,681)	(200,163)	(103,187)	(42,460)
Administration fees accrued	12	(21,442)	(8,643)	(3,691)	(12,206)	(6,974)
Amounts payable on repurchase of shares		-	(2,581)	-	-	-
Amounts payable on purchase of securities		-	-	(1,455,006)	-	-
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(205,791)</b>	<b>(50,324)</b>	<b>(1,658,860)</b>	<b>(115,393)</b>	<b>(49,434)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>194,275,460</b>	<b>-</b>	<b>208,053,177</b>	<b>121,498,390</b>	<b>9,756,220</b>

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

as at 31 December 2016

	<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		680,529	1,413,939
Accrued income		-	-
Amounts receivable on sale of securities		88,257	288
Amounts receivable on issue of shares		1,342	-
Financial assets at fair value through profit or loss	7,8,18	111,324,422	20,569,306
Other debtors		4,885	15,416
<b>Total assets</b>		<b>112,099,435</b>	<b>21,998,949</b>
<b>Liabilities</b>			
Accrued expenses		(284,363)	(117,108)
Administration fees accrued	12	(28,975)	(4,465)
Amounts payable on repurchase of shares		-	-
		-	-
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(313,338)</b>	<b>(121,573)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	19	<b>111,786,097</b>	<b>21,877,376</b>

STATEMENTS OF FINANCIAL POSITION OF THE FUNDS (CONTINUED)

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>						
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>	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<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>			
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>

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

*for the year ended 31 December 2016*

	Year ended 31 December 2016 USD	Year ended 31 December 2015 USD
<b>Operating activities</b>		
Change in net assets attributable to participating shareholders from operations	(27,527,152)	(18,025,728)
<b>Capital transactions</b>		
Issue of shares during the year	71,824,511	35,041,014
Redemption of shares during the year	(180,523,188)	(128,810,589)
<b>Net (decrease)/increase in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(108,698,677)</b>	<b>(93,769,575)</b>
<b>Net (decrease)/increase in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(136,225,829)</b>	<b>(111,795,303)</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	803,472,549	915,267,852
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>667,246,720</b>	<b>803,472,549</b>

*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 2016

	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	(3,752,706)	(4,835,447)	(4,719,632)	69,372	1,773,841
<b>Capital transactions</b>					
Issue of shares during the year	7,606,017	-	16,044,291	37,299,167	43,000
Redemption of shares during the year	(7,968,659)	(50,719,286)	(34,686,276)	(33,005,020)	(3,022,978)
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(362,642)</b>	<b>(50,719,286)</b>	<b>(18,641,985)</b>	<b>4,294,147</b>	<b>(2,979,978)</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(4,115,348)</b>	<b>(55,554,733)</b>	<b>(23,361,617)</b>	<b>4,363,519</b>	<b>(1,206,137)</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	198,390,808	55,554,733	231,414,794	117,134,871	10,962,357
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>194,275,460</b>	<b>-</b>	<b>208,053,177</b>	<b>121,498,390</b>	<b>9,756,220</b>

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

for the year ended 31 December 2016

	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	(16,038,373)	(24,207)
<b>Capital transactions</b>		
Issue of shares during the year	495,921	10,336,115
Redemption of shares during the year	(49,691,250)	(1,429,720)
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares from capital transactions</b>	<b>(49,195,328)</b>	<b>8,906,395</b>
<b>Net increase/(decrease) in net assets attributable to holders of redeemable participating shares in the year</b>	<b>(65,265,857)</b>	<b>8,882,188</b>
Net assets attributable to holders of redeemable participating shares at the beginning of the year	177,019,798	12,995,188
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b>111,786,097</b>	<b>21,877,376</b>

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

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>

**STATEMENT OF CASH FLOWS OF THE COMPANY**  
for the year ended 31 December 2016

	2016 USD	2015 USD
<b>Cash flows from operating activities</b>		
Purchases of financial assets and settlement of financial liabilities	(161,490,458)	(139,186,963)
Proceeds from sale of investments (including realized gains)	269,064,095	226,505,382
Dividends received	9,564,171	11,680,516
Bank interest received	19,650	2,324
Income from securities lending received	50,030	41,024
Other income received	237,952	33,749
Operating expenses paid	(6,400,448)	(7,682,176)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>111,044,992</b>	<b>91,393,856</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable participating shares issued	71,824,511	36,092,660
Redemption of redeemable participating shares	(189,034,148)	(120,728,649)
Income equalization	(7,587,359)	(8,217,545)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(124,796,996)</b>	<b>(92,853,534)</b>
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,752,004)</b>	<b>(1,459,678)</b>
	<hr/>	<hr/>
Cash and cash equivalents at the start of the year	20,427,643	21,921,607
Exchange losses on cash and cash equivalents	1,440,432	(34,286)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>8,116,071</b>	<b>20,427,643</b>
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*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 2016

	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	(1,900,000)	(1,114,497)	(84,224,777)	(32,273,750)	-
Proceeds from sale of investments (including realized gains)	3,700,000	55,447,582	104,279,809	26,301,656	3,139,302
Dividends received	-	1,086,397	7,919,010	-	-
Bank interest received	2,296	3,021	4,971	(30)	2,826
Income from securities lending received	-	-	49,169	-	-
Other income received	2,310	2,435	3,212	1,601	1,557
Operating expenses paid	(1,555,447)	(126,726)	(1,736,762)	(1,012,462)	(18,058)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>249,159</b>	<b>55,298,212</b>	<b>26,294,632</b>	<b>(6,982,985)</b>	<b>3,125,627</b>
<b>Cash flows from financing activities</b>					
Proceeds from redeemable participating shares issued	7,606,017	-	16,044,291	37,299,167	43,000
Redemption of redeemable participating shares	(11,213,959)	(51,102,748)	(39,568,476)	(33,005,020)	(3,022,978)
Income equalization	(13,789)	(4,711,118)	(2,633,015)	(165,730)	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(3,621,731)</b>	<b>(55,813,866)</b>	<b>(26,157,200)</b>	<b>4,128,417</b>	<b>(2,979,978)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,372,572)</b>	<b>(515,654)</b>	<b>137,432</b>	<b>(2,854,568)</b>	<b>145,649</b>
Cash and cash equivalents at the start of the year	4,256,009	568,557	4,620,763	3,163,284	17,966
Exchange gains/(losses) on cash and cash equivalents	(42)	2	(102,156)	-	(43,067)
<b>Cash and cash equivalents at the end of the year</b>	<b>883,395</b>	<b>52,905</b>	<b>4,656,039</b>	<b>308,716</b>	<b>120,548</b>

**STATEMENTS OF CASH FLOWS OF THE FUNDS (CONTINUED)**  
for the year ended 31 December 2016

	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	(29,565,475)	(12,411,960)
Proceeds from sale of investments (including realized gains)	72,848,080	3,347,665
Dividends received	-	558,765
Bank interest received	4,708	1,858
Income from securities lending received	-	861
Other income received	203,957	22,880
Operating expenses paid	(1,477,653)	(473,337)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>42,013,617</b>	<b>(8,953,268)</b>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable participating shares issued	495,921	10,336,115
Redemption of redeemable participating shares	(49,691,250)	(1,429,720)
Income equalization		(63,707)
<b>Net cash provided by/(used in) financing activities</b>	<b>(49,195,329)</b>	<b>8,842,688</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,181,711)</b>	<b>(110,580)</b>
Cash and cash equivalents at the start of the year	6,214,991	1,586,073
Exchange gains/(losses) on cash and cash equivalents	1,647,249	(61,554)
<b>Cash and cash equivalents at the end of the year</b>	<b>680,529</b>	<b>1,413,939</b>

**STATEMENTS OF CASH FLOWS OF THE FUNDS (CONTINUED)**  
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 realized 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 securities 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 equalization	(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 realized gains)	80,500,730	741,731
Dividends received	3,286	87,409
Bank interest received	3,747	106
Income from securities 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 equalization	-	(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>

**PORTFOLIO OF INVESTMENTS OF SANLAM INSTITUTIONAL EQUITY FLEXIBLE FUND**  
*as at 31 December 2016*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Collective Investment Schemes – 99.65% (2015: 99.59%)</b>			
95,573,116	Sanlam Equity Allocation Fund	96,653,092	49.75%
61,562,016	Satrix Europe (ex UK) Equity Tracker Fund	65,895,982	33.92%
32,793,390	Satrix UK Equity Tracker Fund	31,048,782	15.98%
<b>Total Collective Investment Schemes (2015: USD 197,578,837)</b>		<b>193,597,856</b>	<b>99.65%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>193,597,856</b>	<b>99.65%</b>
Cash and cash equivalents		883,395	0.45%
Other net assets and liabilities		(205,791)	(0.10)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>194,275,460</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM CENTRE MULTI ASSET REAL RETURN FUND***as at 31 December 2016*

Sanlam Centre Multi Asset Real Return Fund closed on 21 December 2016 and therefore there is no portfolio of investments for the year ended 31 December 2016. A summary of the portfolio of investments as at 31 December 2015 is set out below:

<b>Nominal</b>	<b>Security</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Collective Investment Schemes</b>		<b>54,320,647</b>	<b>97.78%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM INSTITUTIONAL BALANCED FUND**  
as at 31 December 2016

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Equities - 98.56% (2015: 99.41%)</b>			
<b>Australia - 11.24% (2015: 11.11%)</b>			
6,971,909	Scentre Group	23,385,571	11.24%
<b>Total Australia (2015: USD 25,708,068)</b>		<b>23,385,571</b>	<b>11.24%</b>
<b>Belgium - 10.92% (2015: 11.09%)</b>			
198,090	Cofinimmo	22,712,668	10.92%
<b>Total Belgium (2015: USD 25,656,702)</b>		<b>22,712,668</b>	<b>10.92%</b>
<b>France - 11.58% (2015: 21.86%)</b>			
275,297	Fonciere Des Regions	24,095,801	11.58%
<b>Total France (2015: USD 50,597,334)</b>		<b>24,095,801</b>	<b>11.58%</b>
<b>Great Britain - 10.91% (2015: 0.00%)</b>			
6,535,368	Intu Properties Plc	22,693,202	10.91%
<b>Total Great Britain (2015: USD Nil)</b>		<b>22,693,202</b>	<b>10.91%</b>
<b>Netherlands - 21.68% (2015: 10.99%)</b>			
564,740	Eurocommercial Properties NV	21,803,563	10.48%
516,490	Wereldhave NV	23,306,415	11.20%
<b>Total Netherlands (2015: USD 25,435,120)</b>		<b>45,109,978</b>	<b>21.68%</b>
<b>Singapore - 10.34% (2015: 10.99%)</b>			
13,709,280	Ascendas Real Estate Inv Trust	21,511,071	10.34%
<b>Total Singapore (2015: USD 25,423,877)</b>		<b>21,511,071</b>	<b>10.34%</b>
<b>Switzerland - 0.00% (2015: 10.97%)</b>			
<b>Total Switzerland: USD Nil (2015: USD 25,397,833)</b>			
<b>United States - 21.89% (2015: 22.40%)</b>			
751,490	HCP INC	22,334,283	10.73%
346,829	Welltower Inc	23,213,265	11.16%
<b>Total United States (2015: USD 51,841,054)</b>		<b>45,547,548</b>	<b>21.89%</b>
<b>Total Equities (2015: USD 230,059,988)</b>		<b>205,055,839</b>	<b>98.56%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>205,055,839</b>	<b>98.56%</b>
Cash and cash equivalents		4,656,039	2.24%
Other net assets and liabilities		(1,658,701)	(0.80)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>208,053,177</b>	<b>100.00%</b>

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

*as at 31 December 2016*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
<b>Collective Investment Schemes – 99.84% (2015: 97.40%)</b>			
86,473,481	Sanlam Global Bond Fund	121,304,999	99.84%
<b>Total Collective Investment Schemes (2015: USD 114,083,338)</b>		<b>121,304,999</b>	<b>99.84%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>121,304,999</b>	<b>99.84%</b>
Cash and cash equivalents		308,716	0.25%
Other net assets and liabilities		(115,325)	(0.09)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>121,498,390</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM EUROPEAN GROWTH BASKET FUND**  
*as at 31 December 2016*

Nominal	Security		Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>				
<b>Equity Linked Notes – 99.20% (2015: 99.97%)</b>				
123,694,397	Basket of Indices ELN		9,678,394	99.20%
<b>Total Equity Linked Notes (2015: USD 10,958,933)</b>			<b>9,678,394</b>	<b>99.20%</b>
<b>Derivative financial instruments*</b>				
Notional	Underlying	Maturity	Fair Value USD	% of Net Assets
<b>Option Contracts – 0.07% (2015: 0.06%)</b>				
54,200,955	Basket of Indices Call (Strike 1836)	03/01/2018	6,712	0.07% <sup>†</sup>
<b>Total Option Contracts (2015: USD 6,996)</b>			<b>6,712</b>	<b>0.07%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>9,685,106</b>	<b>99.27%</b>
Cash and cash equivalents			120,548	1.24%
Other net assets and liabilities			(49,434)	(0.51)%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>9,756,220</b>	<b>100.00%</b>

<sup>†</sup>Barclays Bank acts as counterparty to the open option position at 31 December 2016.

**PORTFOLIO OF INVESTMENTS OF SANLAM GLOBAL FUND OF HEDGE FUNDS**  
*as at 31 December 2016*

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- 99.16% (2015: 96.50%)</b>			
96,061	Capricorn Gem Fund Inc CI A	16,929,763	15.14%
2,157,889	City Financial Absolute Equity Fund	8,661,814	7.75%
25,707	Cumulus Energy Fund Ltd Class A USD	16,942,152	15.16%
85,000	Davison Kempner Int Bvi T4 CI C Jan 13	8,613,832	7.71%
2,065,290	Henderson Gartmore Fund United Kingdom Absolute	14,105,932	12.62%
3,253	Millennium Intl CI DD Sub I Ser 01A	6,776,627	6.06%
7,625	Millennium Intl CI FF Sub III Ser 01A	14,769,819	13.21%
6,954	Third Point Offshore Fund CI D Ser 1	4,299,762	3.85%
43,067	Third Point Offshore Fund CI F Ser 1	14,870,717	13.30%
45,500	Third Point Offshore Fund CI F Ser 20	4,771,363	4.27%
117	Visium Global Offshore Reserve Fund	108,614	0.10%
<b>Total Class A: Collective Investment Schemes (2015: USD 170,827,080)</b>		<b>110,850,395</b>	<b>99.16%</b>
<b>Designated Class A: Collective Investment Schemes- 0.22% (2015: 0.13%)</b>			
751	Homeland Renewable Energy IN	-	0.00%
33	Laurus Master Fund A Series 5	82	0.00%
30	Laurus Master Fund Class A - Benchmark 1	74	0.00%
3,842	Laurus Master Fund Class A -Benchmark 2	9,435	0.01%
87	Laurus Master Fund Class B - Benchmark 1	213	0.00%
4,669	Laurus Master Fund Class B - Benchmark 2	11,467	0.01%
133	Laurus Master Fund Class B - Series 1	326	0.00%
74	Laurus Master Fund A - Series 2	182	0.00%
15,226	Millennium Global Emerging Credit Fund	-	0.00%
43	MLO Private Invest Class USD Ser 12/10	10,374	0.01%
1,640	Octavia 8.25% 31122011 Defaulted	-	0.00%
1	Raptor Global Portfolio Liquidating Trust	7,887	0.01%
607	Ritchie Energy Class B Series 5	-	0.00%
2,413	Ritchie Energy Class B Series Mar-05	-	0.00%
725	Valens Offshore Fund Class A Ser 0708	40,553	0.04%
142	Valens Offshore Fund Class A Ser 0807	9,141	0.01%
583	Valens Offshore Fund Class S Ser 0708	-	0.00%
140	Valens Offshore Fund Class S Ser 0807	-	0.00%
1,699	White Oak Strategic Class B Ser Initial	153,753	0.14%
2	White Oak Strategic SRV Ser Initial	438	0.00%
<b>Total Designated Class A: Collective Investment Schemes (2015: USD 231,660)</b>		<b>243,926</b>	<b>0.22%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM GLOBAL FUND OF HEDGE FUNDS**

*(CONTINUED)*

as at 31 December 2016

Buy Currency	Buy Amount	Sell currency	Sell Amount	Maturity	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b> <i>(continued)</i>						
<b>Derivative Financial Instruments</b>						
<b>Forward Contracts - 0.21% (2015: 0.00%)</b>						
USD	8,575,000	GBP	(6,757,289)	17/01/2017	230,101	0.21%
<b>Total Forward Contracts (2015: USD Nil)</b>					<b>230,101</b>	<b>0.21%</b>
<b>Total financial assets at fair value through profit or loss</b>					<b>11,324,422</b>	<b>99.59%</b>
Cash and cash equivalents					680,529	0.61%
Other net assets and liabilities					(218,854)	(0.20)%
<b>Net assets attributable to holders of redeemable participating shares</b>					<b>111,786,097</b>	<b>100.00%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND**

as at 31 December 2016

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>			
Equities - 94.02% (2015: 88.02%)			
Cameroon - 0.00% (2015: 0.32%)			
<b>Total Cameroon: USD Nil (2015: USD 41,069)</b>			
Canada -0.00% (2015: 0.58%)			
<b>Total Canada: USD Nil (2015: USD 74,850)</b>			
Cayman Islands - 1.92% (2015: 0.74%)			
1,300,000	Lekoil Limited	421,239	1.92%
<b>Total Cayman Islands (2015: USD 96,119)</b>		<b>421,239</b>	<b>1.92%</b>
Egypt - 20.71% (2015: 18.96%)			
217,000	Commercial International Bank Egypt SAE (CIB)	792,050	3.62%
87,730	Eastern Tobacco	1,344,912	6.14%
178,000	Egyptian International Pharmaceutical Industries Co	859,244	3.93%
2,630,000	Ghabbour Auto	470,099	2.15%
293,000	Global Telecom Holding	544,980	2.49%
253,175	National Societe Generale Bank	520,418	2.38%
<b>Total Egypt (2015: USD 2,464,266)</b>		<b>4,531,703</b>	<b>20.71%</b>
Guernsey Channel Islands - 2.48% (2015: 1.02%)			
125,000	Zimplats Holdings Limited	542,175	2.48%
<b>Total Guernsey Channel Islands (2015: USD 132,889)</b>		<b>542,175</b>	<b>2.48%</b>
Ivory Coast - 0.49% (2015: 0.00%)			
3,266,666	Ecobank Transnational Inc	106,614	0.49%
<b>Total Ivory Coast (2015: USD Nil)</b>		<b>106,614</b>	<b>0.49%</b>
Jersey Channel Islands - 3.45% (2015: 3.65%)			
441,000	Centamin Plc	753,953	3.45%
<b>Total Jersey Channel Islands (2015: USD 474,786)</b>		<b>753,953</b>	<b>3.45%</b>
Kenya - 12.51% (2015: 6.82%)			
1,422,000	Barclays Bank Ltd	126,283	0.58%
119,775	British American Tobacco Plc Kenya Ltd	1,062,511	4.85%
321,372	CFC Stanbic Holdings	221,106	1.01%
2,630,000	Equity Bank Ltd	769,981	3.52%
3,839,000	KenolKobil Limited Group	558,223	2.55%
<b>Total Kenya (2015: USD 886,690)</b>		<b>2,738,104</b>	<b>12.51%</b>
Morocco - 7.32% (2015: 5.23%)			
7,035	Societe des Brasseries du Maroc	1,600,983	7.32%
<b>Total Morocco (2015: USD 679,268)</b>		<b>1,600,983</b>	<b>7.32%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND (CONTINUED)**  
as at 31 December 2016

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss (continued)</b>			
<b>Equities - 94.02% (2015: 88.02%) (continued)</b>			
<b>Namibia - 6.50% (2015:5.58%)</b>			
700,000	Namibia Breweries Limited	1,422,182	6.50%
<b>Total Namibia (2015: USD 725,068)</b>		<b>1,422,182</b>	<b>6.50%</b>
<b>Netherlands - 2.77% (2015: 0.00%)</b>			
34,650	OCI NV	606,267	2.77%
<b>Total Netherlands (2015: USD Nil)</b>		<b>606,267</b>	<b>2.77%</b>
<b>Nigeria - 8.18% (2015: 21.78%)</b>			
3,817,661	Glaxo Smith Kline Consumer Nigeria Plc	190,895	0.87%
4,745,000	Guaranty Trust Bank	372,092	1.70%
605,000	Lafarge Africa Plc	78,655	0.36%
652,857	Nigerian Breweries Plc	306,738	1.40%
495,000	Seplat Petroleum Development	443,759	2.03%
2,127,040	Stanbic IBTC Holding Co	101,294	0.46%
6,342,246	Zenith Bank Ltd	296,997	1.36%
<b>Total Nigeria (2015: USD 2,842,686)</b>		<b>1,790,430</b>	<b>8.18%</b>
<b>Senegal - 4.19% (2015: 4.08%)</b>			
23,000	Sonatel	915,851	4.19%
<b>Total Senegal (2015: USD 530,866)</b>		<b>915,851</b>	<b>4.19%</b>
<b>South Africa - 6.10% (2015: 3.51%)</b>			
225,480	Impala Platinum Holdings Limited	712,066	3.26%
68,750	MTN Group Limited	622,187	2.84%
<b>Total South Africa (2015: USD 456,068)</b>		<b>1,334,253</b>	<b>6.10%</b>
<b>Tanzania - 1.46% (2015: 1.61%)</b>			
58,000	Tanzania Breweries Limited	319,120	1.46%
<b>Total Tanzania (2015: USD 208,906)</b>		<b>319,120</b>	<b>1.46%</b>
<b>Uganda - 3.81% (2015: 4.48%)</b>			
6,139,400	Umeme Ltd	833,326	3.81%
<b>Total Uganda (2015: USD 582,393)</b>		<b>833,326</b>	<b>3.81%</b>

**PORTFOLIO OF INVESTMENTS OF SANLAM AFRICA EQUITY FUND (CONTINUED)**  
*as at 31 December 2016*

Nominal	Security	Fair Value USD	% of Net Assets
<b>Financial assets at fair value through profit or loss (continued)</b>			
<i>Equities - 94.02% (2015: 88.02%) (continued)</i>			
<i>Zimbabwe - 12.13% (2015: 9.57%)</i>			
64,041	African Distillers Ltd	38,424	0.17%
1,386,450	Delta Corporation Ltd	1,227,008	5.61%
4,073,356	Econet Wireless Zimbabwe Ltd	1,222,007	5.59%
2,333,333	OK Zimbabwe	165,667	0.76%
<b>Total Zimbabwe (2015: USD 1,243,103)</b>		<b>2,653,106</b>	<b>12.13%</b>
<b>Total Equities (2015: USD 11,439,030)</b>		<b>20,569,306</b>	<b>94.02%</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>20,569,306</b>	<b>94.02%</b>
Cash and cash equivalents		1,413,939	6.46%
Other net assets and liabilities		(105,869)	(0.48)%
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>21,877,376</b>	<b>100.00%</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***for the year ended 31 December 2016***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 “an existing investment company” within the meaning of Section 1394 of the Companies Act 2014 and is an investment company to which Part 24 applies. 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 2016, the Company comprised six 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 2016
Sanlam Institutional Equity Flexible Fund	Active
Sanlam Centre Multi-Asset Real Return Feeder Fund	Closed 21 December 2016
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

**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 5% 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.

**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.

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

*(CONTINUED)*

for the year ended 31 December 2016

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

**Shares** *(continued)*

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 2016, the following Share Classes were admitted to the official list of the Irish Stock Exchange:

Fund	Share Class	Listing Date
Sanlam Institutional Equity Flexible Fund	A	22 September 2011
	B	17 January 2012
Sanlam Centre Multi-Asset Real Return Feeder Fund <sup>1</sup>	A	15 October 2012
Sanlam Institutional Balanced Fund	A	14 October 2011
	B	8 September 2016
	C	14 October 2011
Sanlam Institutional Bond Fund	A	13 April 2011
	C	13 April 2011
	E	19 January 2011
Sanlam European Basket Growth Fund	A (USD)	29 November 2011
Sanlam Global Fund of Hedge Funds	A	1 September 2014
Sanlam Africa Equity Fund	B (USD)	2 July 2015

<sup>1</sup> At 31 December 2016 the shares of the Fund have been fully redeemed

**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 <sup>1</sup>	EUR1,000,000 <sup>1</sup>	EUR100,000 <sup>1</sup>	EUR100,000 <sup>1</sup>
Class B Shares	EUR1,000,000 <sup>1</sup>	N/A	EUR150,000 <sup>1</sup>	EUR150,000 <sup>1</sup>
Class C Shares	N/A	N/A	EUR100,000 <sup>1</sup>	EUR100,000 <sup>1</sup>
Class D Shares	EUR100,000 <sup>1</sup>	N/A	EUR100,000 <sup>1</sup>	N/A
Class E	N/A	N/A	N/A	None

<sup>1</sup> The minimum subscription is the USD equivalent of EUR amount disclosed

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

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

**Shares (continued)**

*Minimum Subscription (continued)*

	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 <sup>2</sup>	N/A	USD1,000,000
Class B (USD) Shares	N/A	N/A	USD50,000,000
Class C (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.

<sup>2</sup> The minimum subscription is the USD equivalent of EUR amount disclosed.

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.

**(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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(b) Significant accounting judgments and estimates** *(continued)***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 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 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.

At 31 December 2016 and 31 December 2015, the Funds classified their investments as held for trading. All other financial assets are classified as loans and receivables and are carried at amortized 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 amortized 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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(d) Investment transactions and valuations** *(continued)***(ii) Recognition** *(continued)*

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 its obligations 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.

***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.

***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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(d) Investment transactions and valuations** *(continued)***(iii) Measurement and fair value measurement principles** *(continued)***Fair value measurement principles** *(continued)*

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 collective investment schemes 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.

**(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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(e) Foreign currency translation** *(continued)***Functional and presentation currency** *(continued)*

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.

**(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.

The Company has adopted the Fund Asset Model in compliance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers ("the Investor Money Regulations"). Accordingly, the Company has established subscription, redemption and dividend cash accounts, at umbrella level, which are held in the name of the Company (the "Umbrella Cash Accounts"). All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts operate at the level of each individual Fund. However the Company ensures that the amounts within an Umbrella Cash Account, whether positive or negative, can be attributed to the relevant Fund in order to comply with the requirement that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

**(g) Distribution policy**

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

**(h) 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. 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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(i) Changes in accounting policy and disclosures****Standards and amendments to existing standards effective 1 January 2016**

There were no new standards and/or amendments to existing standards effective 1 January 2016, that were of significance to the Company.

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

The following new standards, amendments to standards and interpretations have been issued to date and are not yet effective for these financial statements of the Company for the year ended 31 December 2016, and have not been applied nor early adopted in preparing these financial statements:

<b>Standard:</b>	<b>Narrative:</b>	<b>Effective date:</b>
IAS 12	Recognition of Deferred Tax Assets for Unrealised losses (Amendments to IAS 12)	1 January 2017
IAS 7	Disclosure Initiative (Amendments to IAS 7)	1 January 2017
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendment)	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 10/IAS 28	Sale or contribution of asset between an investor and its Associate or Joint Venture (Amendment)	Not specified

*\*Annual periods beginning on or after.*

IAS 8, *Accounting Policies, Change in Accounting Estimates and Errors* ("IAS 8") 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.

Other than as set out below, the Directors anticipate that the adoption of new standards, interpretations and amendments that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements in the year of initial application.

**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.

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).

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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***2. Significant accounting policies** *(continued)***(j) Standards, interpretations and amendments to published standards that are not yet effective** *(continued)***IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")** *(continued)*

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.

Based on an initial assessment, IFRS 9 is not expected to have a significant 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. Application of the new standard may result in additional disclosure in the financial statements.

**Disclosure Initiative (Amendments to IAS 7)**

The amendment requires that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. To achieve this, the amendment requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. Liabilities arising from financing activities are defined as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities".

The Directors are currently assessing the impact of the Disclosure Initiative (Amendments to IAS 7) on the financial statements of the Company. Application of the amendments may result in additional disclosure in the financial statements.

**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 2016

**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 2016:

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 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 2016

**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 2016:

**Sanlam Institutional Equity Flexible Fund**

	<b>Class A Shares</b>	<b>Class B Shares</b>
Opening shares issued	171,483,105	9,070,693
Shares issued during the year	6,504,976	962,170
Shares redeemed during the year	(7,399,296)	(322,835)
<b>Closing shares issued</b>	<b>170,588,785</b>	<b>9,710,028</b>

	<b>Class A USD</b>	<b>Class B USD</b>
Subscriptions during the year	6,578,280	1,027,737
Redemptions during the year	(7,622,115)	(346,544)

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

	<b>Class A Shares</b>
Opening shares issued	55,601,770
Shares issued during the year	-
Shares redeemed during the year	(55,601,770)
<b>Closing shares issued</b>	<b>-</b>

	<b>Class A USD</b>
Subscriptions during the year	-
Redemptions during the year	50,719,286

**Sanlam Institutional Balanced Fund**

	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>Class C Shares</b>
Opening shares issued	203,155,764	-	11,490,104
Shares issued during the year	13,051,317	1,505,170	2,393,770
Shares redeemed during the year	(37,335,618)	(31,754)	(339,551)
<b>Closing shares issued</b>	<b>178,871,463</b>	<b>1,473,416</b>	<b>13,544,323</b>

	<b>Class A USD</b>	<b>Class B USD</b>	<b>Class C USD</b>
Subscriptions during the year	12,182,469	1,453,769	2,408,053
Redemptions during the year	(34,331,996)	(30,510)	(323,770)

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

**4. Share Capital (continued)**

**Redeemable Participating Shares (continued)**

Participating share transactions for the year ended 31 December 2016 (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	11,292,420	387,372	10
Shares issued during the year	2,749,910	644,922	-
Shares redeemed during the year	(2,458,962)	(576,428)	-
Closing shares issued	<b>11,583,368</b>	<b>455,866</b>	<b>10</b>

	<b>Class A USD</b>	<b>Class C USD</b>	<b>Class E USD</b>
Subscriptions during the year	30,220,026	7,079,141	-
Redemptions during the year	(26,697,953)	(6,307,067)	-

<b>Sanlam European Growth Basket Fund</b>	
	<b>Class A (USD) Shares</b>
Opening shares issued	2,769,213
Shares issued during the year	11,028
Shares redeemed during the year	(670,760)
Closing shares issued	<b>2,109,481</b>

	<b>Class A (USD) USD</b>
Subscriptions during the year	43,000
Redemptions during the year	(3,022,978)

<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	917,712	239
Shares issued during the year	68,335	-
Shares redeemed during the year	(892,688)	-
Closing shares issued	<b>93,359</b>	<b>239</b>

	<b>Class A USD</b>	<b>Designated Class A USD</b>
Subscriptions during the year	495,921	-
Redemptions during the year	(49,691,250)	-

<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**  
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for the year ended 31 December 2016

**4. Share Capital (continued)**

**Redeemable Participating Shares (continued)**

Participating share transactions for the year ended 31 December 2016 (continued):

<b>Sanlam Africa Equity Fund</b>	
	<b>Class B (USD)</b>
	<b>Shares</b>
Opening shares issued	15,662,298
Shares issued during the year	12,270,243
Shares redeemed during the year	(1,708,332)
<b>Closing shares issued</b>	<b>26,224,209</b>
	<b>Class B (USD)</b>
	<b>USD</b>
Subscriptions during the year	10,336,115
Redemptions during the year	(1,429,720)

Participating share transactions for the year ended 31 December 2015:

<b>Sanlam Institutional Equity Flexible Fund</b>		
	<b>Class A</b>	<b>Class B</b>
	<b>Shares</b>	<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</b>	<b>Class B</b>
	<b>USD</b>	<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</b>
	<b>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</b>
	<b>USD</b>
Subscriptions during the year	-
Redemptions during the year	(681,931)

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

**4. Share Capital (continued)**

**Redeemable Participating Shares (continued)**

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

<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)
Closing shares issued	<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)

<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	-

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

**4. Share Capital** (continued)

**Redeemable Participating Shares** (continued)

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

<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)
<b>Closing shares issued</b>	<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)

**Sanlam Africa Equity Fund**

	<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	-

<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 2016, the Funds had a majority holding in the following collective investment schemes:

**Sanlam Institutional Equity Flexible Fund**

<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	100.00%
Satrix UK Equity Tracker Fund	Ireland	United Kingdom	69.51%
Satrix Europe (ex UK) Equity Tracker Fund	Ireland	Europe (ex-UK)	52.30%

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

5. Investments in subsidiaries (continued)

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%
Satrix UK Equity Tracker Fund	Ireland	United Kingdom	58.14%
Satrix 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%

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 2016:

	Sanlam Institutional Equity Flexible Fund 31/12/2016 USD	Sanlam Centre Multi-Asset Real Return Feeder Fund 31/12/2016 USD	Sanlam Institutional Balanced Fund 31/12/2016 USD	Sanlam Institutional Bond Fund 31/12/2016 USD
Realised gains	-	-	5,787,995	1,097,012
Realised losses	(201,257)	(4,658,782)	(7,549,224)	-
Change in unrealised gains	-	4,671,220	7,977,573	128,699
Change in unrealised losses	(1,979,724)	-	(13,735,153)	-
Foreign currency gain/(loss)	(42)	2	(102,156)	23,856
<b>Total gains/(losses)</b>	<b>(2,181,023)</b>	<b>12,440</b>	<b>(7,620,965)</b>	<b>1,249,567</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

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

	Sanlam European Growth Basket Fund 31/12/2016 USD	Sanlam Global Fund of Hedge Funds 31/12/2016 USD	Sanlam Africa Equity Fund 31/12/2016 USD
Realised gains	-	6,044,565	471,341
Realised losses	(544,534)	(1,514,336)	(211,855)
Change in unrealised gains	2,403,295	2,224,010	2,741,556
Change in unrealised losses	(283)	(23,633,981)	(2,934,773)
Foreign currency gain/(loss)	(43,067)	1,877,350	(61,554)
<b>Total gains/(losses)</b>	<b>1,815,411</b>	<b>(15,002,392)</b>	<b>4,715</b>

Net gains and losses for the year ended 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
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>

	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
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 2016

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 2016:

	Sanlam Institutional Equity Flexible Fund 31/12/2016 USD	Sanlam Institutional Balanced Fund 31/12/2016 USD	Sanlam Institutional Bond Fund 31/12/2016 USD
<b>Financial assets at fair value through profit or loss</b>			
Held for trading:			
Equity	-	205,055,839	-
Collective investment schemes	193,597,856	-	121,304,999
<b>Total financial assets at fair value through profit or loss</b>	<b>193,597,856</b>	<b>205,055,839</b>	<b>121,304,999</b>

	Sanlam European Growth Basket Fund 31/12/2016 USD	Sanlam Global Fund of Hedge Funds 31/12/2016 USD	Sanlam Africa Equity Fund 31/12/2016 USD
<b>Financial assets at fair value through profit or loss</b>			
Held for trading:			
Equity	-	-	20,569,306
Equity linked notes	9,678,394	-	-
Option contracts	6,712	-	-
Collective investment schemes	-	111,094,321	-
Forwards contracts	-	230,101	-
<b>Total financial assets at fair value through profit or loss</b>	<b>9,685,106</b>	<b>111,324,422</b>	<b>20,569,306</b>

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
<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	-
<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>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
(CONTINUED)

for the year ended 31 December 2016

**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 2015:

	Sanlam Institutional Bond Fund 31/12/2015 USD	Sanlam European Growth Basket Fund 31/12/2015 USD	Sanlam Global Fund of Hedge Funds 31/12/2015 USD
<b>Financial assets at fair value through profit or loss</b>			
Held for trading:			
Equity linked notes	-	10,958,933	-
Option contracts	-	6,996	-
Collective investment schemes	114,083,338	-	171,058,740
<b>Total financial assets at fair value through profit or loss</b>	<b>114,083,338</b>	<b>10,965,929</b>	<b>171,058,740</b>

	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
<b>Total financial assets at fair value through profit or loss</b>	<b>11,439,030</b>

No Funds held financial liabilities measured at fair value through profit or loss at 31 December 2016 or 31 December 2015.

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

*(CONTINUED)*

for the year ended 31 December 2016

**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.

**Assets measured at fair value**

The tables below and overleaf analyze, within the fair value hierarchy, the financial assets of the Funds' measured at fair value through profit or loss at 31 December 2016:

<b>Sanlam Institutional Equity Flexible Fund</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Collective Investment Schemes	193,597,856	-	-	193,597,856
<b>Total financial assets at fair value through profit or loss</b>	<b>193,597,856</b>	<b>-</b>	<b>-</b>	<b>193,597,856</b>

<b>Sanlam Institutional Balanced Fund</b>				
	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Equity	205,055,839	-	-	205,055,839
<b>Total financial assets at fair value through profit or loss</b>	<b>205,055,839</b>	<b>-</b>	<b>-</b>	<b>205,055,839</b>

<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	121,304,999	-	-	121,304,999
<b>Total financial assets at fair value through profit or loss</b>	<b>121,304,999</b>	<b>-</b>	<b>-</b>	<b>121,304,999</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
 (CONTINUED)

for the year ended 31 December 2016

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

<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	-	9,678,394	-	9,678,394
Option contracts	-	6,712	-	6,712
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>9,685,106</b>	<b>-</b>	<b>9,685,106</b>

<b>Sanlam Global Fund of Hedge Funds</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	22,767,746	88,082,649	243,926	111,094,321
Forwards contracts	-	230,101	-	230,101
<b>Total financial assets at fair value through profit or loss</b>	<b>22,767,746</b>	<b>88,312,750</b>	<b>243,926</b>	<b>111,324,422</b>

<b>Sanlam Africa Equity 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	20,569,306	-	-	20,569,306
<b>Total financial assets at fair value through profit or loss</b>	<b>20,569,306</b>	<b>-</b>	<b>-</b>	<b>20,569,306</b>

The tables below and overleaf analyze, 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>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
 (CONTINUED)

for the year ended 31 December 2016

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

<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>

<b>Sanlam Global Fund of Hedge Funds</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	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>

<b>Sanlam Africa Equity 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	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>

**Liabilities measured at fair value**

No Funds held financial liabilities measured at fair value through profit or loss at 31 December 2016 or 31 December 2015.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***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 2016 and 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**  
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for the year ended 31 December 2016

**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 2016 and 31 December 2015:

Sanlam Global Fund of Hedge Funds	Investment in collective investment schemes	
	2016	2015
Balance as at 1 January	231,660	692,316
Realised gains	3,458	5,957
Change in unrealised gains/(losses)	58,221	(372,911)
Gross Purchases	-	-
Gross Sales	(49,413)	(93,702)
Transfers in and out of level 3	-	-
Balance as at 31 December	<b>243,926</b>	<b>231,660</b>
Total unrealised gains/(losses) for the year included in profit or loss for level 3 assets held at year end	58,221	997,611

*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 2016:

Description	2016 USD	Valuation technique	Unobservable Input
Collective investment schemes	243,926	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 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)

\*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 2016***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 2016 and 31 December 2015 are shown below:

**31 December 2016:**

Description	Input	Sensitivity used	Effect on fair value in USD
Collective investment schemes	Discount for lack of liquidity	5% increase	12,196
Collective investment schemes	Discount for lack of liquidity	5% decrease	(12,196)

**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)

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 2016 or 31 December 2015.

**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.

**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 2016 and 31 December 2015, no Fund held derivative financial instruments that were subject to an enforceable master netting arrangement or similar agreement.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***11. Exchange rates**

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

<b>1 USD =</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
AUD	1.3833	1.3722
CAD	-	1.3841
CHF	-	1.0019
EGP	18.1264	7.8280
EUR	0.9476	0.9209
GBP	0.8101	0.6782
KES	102.4700	102.3000
MAD	10.1066	9.9195
NGN	314.9800	199.3000
SGD	1.4467	1.4170
TZS	2,181.0000	2,160.0000
UGX	3,610.0000	3,372.0000
USD	1.0000	1.0000
XOF	627.8315	609.9001
ZAR	13.7275	15.4951

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

*(CONTINUED)*

for the year ended 31 December 2016

**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 2016 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 <sup>1</sup>	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
Class E Shares	N/A	N/A	N/A	None

	Sanlam European Growth Basket Fund	Sanlam Global Fund of Hedge Funds	Sanlam Africa Equity Fund
Class A Shares	N/A	0.73%	N/A
Class A (USD) Shares	0.15%	N/A	1.50%
Class B (USD) Shares	N/A	N/A	2.5%
Class C (USD) Shares	N/A	N/A	None

<sup>1</sup>At 31 December 2016 the Fund has been fully redeemed

AIFM fees earned by the Manager during the year and outstanding accrued fees as at 31 December 2016 and 31 December 2015 are disclosed on pages 84 to 85.

**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 2016 are presented in the statement of comprehensive income and statement of financial position respectively.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***12. Related party transactions and significant agreements** *(continued)***Significant Agreements** *(continued)***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.

**Performance Fee**

For certain share classes of 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 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 15% 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 Depository) 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.

No performance fees were paid in relation to Sanlam Africa Equity Fund during 2016 or 2015.

A performance was previously applied to Sanlam Global Fund of Hedge Funds. Total performance fees of USD Nil (2015: USD 102,601) were paid in relation to certain share classes of Sanlam Global Fund of Hedge Funds during 2016.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***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).

**Securities lending**

Effective from 24 February 2016, pursuant to the Securities Lending Agency Agreement, SAMI was appointed as securities lending agent to the Company. Prior to the appointment of SAMI, Brown Brothers Harriman & Co acted as securities lending agent to the Company.

Pursuant to the Securities Lending Sub-Agency Agreement, effective 24 February 2016 Brown Brothers Harriman & Co. was appointed by SAMI as securities lending sub-agent to the Company.

The securities lending agent and securities lending sub-agent receive remuneration for their services provided as part of the Company's securities lending arrangements, the terms of which are set out in the agreements referenced above. 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 SAMI receiving 30% as remuneration for their services.

For the year ended 31 December 2016, SAMI received USD 10,140 (2015: USD 10,706) with respect to the securities lending activity of Sanlam Institutional Balanced Fund and the Sanlam Africa Equity Fund.

Further details on the Company's securities 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**

Shareholder	Fund	% held at 31/12/2016	% held at 31/12/2015
Sanlam Life Insurance Ltd	Sanlam Institutional Equity Flexible Fund	90.06%	90.29%
	Sanlam Centre Multi-Asset Real Return		
Sanlam Life Insurance Ltd	Feeder Fund	-	100.00%
Sanlam Life Insurance Ltd	Sanlam Institutional Balanced Fund	87.90%	89.55%
SIM (Pty) Ltd Pooled Segregated Fund	Sanlam Institutional Balanced Fund	5.11%	-
Sanlam Life Insurance (Jersey) Ltd	Sanlam Institutional Bond Fund	23.82%	24.55%
Sanlam Life Insurance Ltd	Sanlam Institutional Bond Fund	72.25%	71.48%
Sanlam Life Insurance Ltd	Sanlam European Growth Basket Fund	100.00%	100.00%
Sanlam Life Insurance Ltd	Sanlam Global Fund of Hedge Funds	99.92%	99.90%
Sanlam Life Insurance Ltd	Sanlam Africa Equity Fund	98.38%	97.29%

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

*(CONTINUED)*

for the year ended 31 December 2016

**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 2016 are presented below:

	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
<b>Fees incurred during the year ended 31/12/2016</b>				
Class A Management Fees	(1,348,618)	(77,634)	(1,439,683)	(891,829)
Class B Management Fees	(88,052)	-	(2,099)	-
Class C Management Fees	-	-	(113,369)	(45,882)
	<b>(1,436,670)</b>	<b>(77,634)</b>	<b>(1,555,151)</b>	<b>(937,711)</b>
<b>Fees accrued at 31/12/2016</b>				
Class A Management Fees	(114,310)	(4,145)	(119,232)	(74,020)
Class B Management Fees	(7,664)	-	(637)	-
Class C Management Fees	-	-	(10,176)	(3,249)
	<b>(121,974)</b>	<b>(4,145)</b>	<b>(130,045)</b>	<b>(77,269)</b>

	Sanlam European Growth Basket Fund USD	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Fees incurred during the year ended 31/12/2016</b>			
Class A Management Fees	-	(1,008,207)	-
Class A (USD) Management Fees	(16,735)	-	-
Class B (USD) Management Fees	-	-	(413,631)
	<b>(16,735)</b>	<b>(1,008,207)</b>	<b>(413,631)</b>
<b>Fees accrued at 31/12/2016</b>			
Class A Management Fees	-	(218,582)	-
Class A (USD) Management Fees	(25,871)	-	-
Class B (USD) Management Fees	-	-	(35,664)
	<b>(25,871)</b>	<b>(218,582)</b>	<b>(35,664)</b>

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS**  
 (CONTINUED)

for the year ended 31 December 2016

**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 2015 are presented below:

	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
<b>Fees incurred during the year ended 31/12/2015</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 31/12/2015</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 USD	Sanlam Global Fund of Hedge Funds USD	Sanlam Africa Equity Fund USD
<b>Fees incurred during the year ended 31/12/2015</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 31/12/2015</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>

In 2016 and 2015, 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 2016

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

**Related Party Transactions**

The following transactions occurred within Sanlam Limited (the "Group") during the year ended 31 December 2016:

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Institutional Bond Fund USD
<b>Subscriptions</b>		
Sanlam Equity Allocation Fund	1,000,000	-
Satrix UK Equity Tracker Fund	900,000	-
Sanlam Global Bond Fund	-	32,273,750
	<b>1,900,000</b>	<b>32,273,750</b>

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Institutional Bond Fund USD
<b>Redemptions</b>		
Sanlam Equity Allocation Fund	700,000	-
Satrix Europe (ex UK) Equity Tracker Fund	1,600,000	-
Satrix UK Equity Tracker Fund	1,400,000	-
Sanlam Global Bond Fund	-	26,277,800
	<b>3,700,000</b>	<b>26,277,800</b>

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

	Sanlam Institutional Bond Fund USD
<b>Subscriptions</b>	
Sanlam Global Bond Fund	9,666,660
	<b>9,666,660</b>

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

*(CONTINUED)*

for the year ended 31 December 2016

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

**Related Party Transactions** *(continued)*

	Sanlam Institutional Equity Flexible Fund USD	Sanlam Institutional Bond Fund USD	Sanlam Global Fund of Hedge Funds USD
<b>Redemptions</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>14,929,900</b>	<b>15,011,450</b>	<b>33,572,297</b>

*In-specie transfers*

There were no in-specie transfers during the year ended 31 December 2016 or 31 December 2015.

*Cross Investments*

No Fund held any investments in other Funds within the Company at 31 December 2016 or 31 December 2015.

**13. Efficient portfolio management and transactions in Financial Derivative Instruments**

The Company on behalf of a Fund may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes. Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (a) the reduction of risk;
- (b) the reduction of cost; or
- (c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules.

The Funds may engage in transactions in Financial Derivative Instruments ("FDIs") for the purposes of efficient portfolio management. FDIs may also be used by a Fund to meet its investment objective, for risk reduction and implementation of investment policies.

The Funds may enter into forward foreign currency contracts for efficient portfolio management purposes. 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 Fund's portfolio securities or adversely affect the price of securities which the Funds intend to purchase at a later date.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***13. Efficient portfolio management and transactions in Financial Derivative Instruments***(continued)*

The Funds may also enter into futures contracts for efficient portfolio management purposes. The primary purpose for which the Funds use futures contracts 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.

Interest rate swaps are used for hedging against adverse movements in interest rates. Options offer the ability, when used as a hedging tool to be utilised in efficient portfolio management, to provide offsetting insurance of asset value in an uncertain or highly volatile market environment. The Funds, where permitted, may use options to hedge or achieve exposure to a particular currency.

By purchasing certain instruments, the Funds may more effectively achieve the desired portfolio characteristics that assist the Funds in meeting their investment objectives.

The Funds also engage in securities lending activities for efficient portfolio management purposes, details of which are set out in note 17. Disclosures in accordance with the EU Securities Financing Transactions Regulation ("SFTR") are set out in the unaudited schedules attached to these financial statements.

At 31 December 2016 and 31 December 2015, the Sanlam European Growth Basket Funds holds derivative financial instruments, namely option contracts. The Fund invests in option contracts to gain exposure to European equity indices.

*Option contracts*

Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a currency at a specified rate. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. A Fund, where permitted to use options, may be a seller or buyer of put and call options. Options are liquid and traded efficiently. Changes in the value of open options contracts are recognised as unrealised gains or losses in the Statement of Comprehensive Income until the contracts are terminated, at which time realised gains and losses are recognised. All open option positions as at 31 December 2016 are covered and are not used for the purposes of obtaining leverage.

At 31 December 2016, the Sanlam Global Fund of Hedge Funds holds derivative financial instruments, namely forward foreign currency contracts. The Fund invests in forward foreign exchange contracts to hedge against anticipated future changes in exchange rates.

*Forward foreign currency contracts*

Forward foreign currency contracts are commitments to either purchase or sell a currency at a future date for a specified price and may be settled in cash or another financial asset. Forward foreign currency contracts are individually traded over-the-counter contracts. Forward foreign currency contracts result in credit exposure to the counterparty. Where a Fund utilises Forward foreign currency contracts which alter the currency exposure characteristics of transferable securities held by that Fund, the performance of that Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held. Changes in the value of open forward foreign currency contracts are recognised as unrealised gains or losses in the Statement of Comprehensive Income until the contracts are terminated, at which time realised gains and losses are recognised.

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

*(CONTINUED)*

*for the year ended 31 December 2016*

**13. Efficient portfolio management and transactions in Financial Derivative Instruments**

*(continued)*

Details of the open derivative financial instruments at the reporting date are included in the Portfolio of Investments for the Fund.

**14. Soft commissions**

The Funds did not enter into any soft commission arrangements during the year ended 31 December 2016 or the year ended 31 December 2015.

**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 2016*

**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 2016 and details the investment management fees and incentive fees incurred relating to these collective investment schemes:

Year ended 31 December 2016		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	Capricorn Gem Fund Inc	Cayman OEIC	2.00%	20.00%
Sanlam Global Fund of Hedge Funds	City Financial Absolute Equity Fund	UK UCITS	0.75%	20.00%
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	Henderson Gartmore Fund - UK Absolute Return	Luxembourg UCITS	1.00%	20.00%
Sanlam Global Fund of Hedge Funds	Homeland Renewable Energy	Delaware Corp	-	-
Sanlam Global Fund of Hedge Funds	Laurus Master Fund	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	Millennium Global Emerging Credit Fund	Bermudan OEIC	-	-
Sanlam Global Fund of Hedge Funds	Millennium International	Cayman OEIC	-	20.00%
Sanlam Global Fund of Hedge Funds	MLO Private Investment Ltd.	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	Raptor Global Portfolio Liquidating Trust	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	Ritchie Energy Ltd.	Cayman OEIC	-	-
Sanlam Institutional Equity Flexible Fund	Sanlam Equity Allocation Fund	Irish UCITS	-	-
Sanlam Institutional Equity Flexible Fund	Satrix Europe (ex UK) Equity Tracker Fund	Irish UCITS	-	-
Sanlam Institutional Bond Fund	Sanlam Global Bond Fund	Irish UCITS	-	-
Sanlam Institutional Equity Flexible Fund	Satrix UK Equity Tracker Fund	Irish UCITS	-	-
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	-	-
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	-	-
Sanlam Global Fund of Hedge Funds	White Oak Strategic SRV Ltd.	Cayman OEIC	-	-

<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 2016

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

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	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%	-
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	-	-
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	-	-
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	-	-
Sanlam Global Fund of Hedge Funds	Millennium Global Emerging Credit Fund	Bermudan OEIC	-	-
Sanlam Global Fund of Hedge Funds	Millennium International	Cayman OEIC	-	20.00%
Sanlam Global Fund of Hedge Funds	MKM Longboat M/S Fund	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	MLO Private Investment Ltd.	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	Raptor Global Portfolio Liquidating Trust	Cayman OEIC	-	-
Sanlam Global Fund of Hedge Funds	Ritchie Energy Ltd.	Cayman OEIC	-	-
Sanlam Institutional Equity Flexible Fund	Sanlam Equity Allocation Fund	Irish UCITS	-	-
Sanlam Institutional Equity Flexible Fund	Satrix Europe (ex UK) Equity Tracker Fund	Irish UCITS	-	-
Sanlam Institutional Bond Fund	Sanlam Global Bond Fund	Irish UCITS	-	-
Sanlam Institutional Equity Flexible Fund	Satrix UK Equity Tracker Fund	Irish UCITS	-	-
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	-	-
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	-	-
Sanlam Global Fund of Hedge Funds	White Oak Strategic SRV Ltd.	Cayman OEIC	-	-

<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 2016*

**17. Securities lending activities**

Securities lending activities are conducted through SAMI and Brown Brothers Harriman & Co pursuant to the Securities Lending Agency Agreement and Securities Lending Sub-Agency Agreement dated 24 February 2016.

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 securities 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.

The Funds received income as follows under the terms of those agreements for the year ended 31 December 2016:

	<b>Sanlam Institutional Balanced Fund USD</b>
Income	49,169

	<b>Sanlam Institutional Balanced Fund USD</b>
Aggregate value of securities on loan at the year end	33,807,154
Aggregate value of collateral held in respect of the loans	35,497,516
Collateral %	105%

	<b>Sanlam Africa Equity Fund USD</b>
Income	861

	<b>Sanlam Africa Equity Fund USD</b>
Aggregate value of securities on loan at the year end	39,381
Aggregate value of collateral held in respect of the loans	41,350
Collateral %	105%

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

	<b>Sanlam Institutional Balanced Fund USD</b>
Income	41,024

At 31 December 2015, the Funds had no securities on loan.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***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.

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 investment objectives of each of the Company's Funds. The AIFM has instructed each Investment Manager and/or the Investment Allocation Manager to manage each of the risks in accordance with policies and procedures in place.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***18. Risk arising from financial instruments** *(continued)***(i) Market Risk** *(continued)***(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.

**Sanlam Institutional Equity Flexible Fund**

At 31 December 2016 and 31 December 2015, 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 2016 and 31 December 2015, Sanlam Centre Multi-Asset Real Return Feeder Fund 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 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(a) Currency Risk (continued)

Sanlam Institutional Balanced Fund

	31 December 2016		Effect of movement against Net Assets and Profit*	Concentration of foreign exchange exposure
	USD	% movement	31 December 2016 USD	2016 %
Australian Dollar	23,385,598	0.55	128,241	11.24
Euro	91,918,415	1.97	1,810,422	44.18
Pound Sterling	22,693,503	6.60	1,496,828	10.91
Singapore Dollar	21,511,098	0.25	54,001	10.34
Swiss Franc	38	2.57	1	0.00
<b>Total</b>	<b>159,508,652</b>		<b>3,489,493</b>	<b>76.67</b>

	31 December 2015		Effect of movement against Net Assets and Profit*	Concentration of foreign exchange exposure
	USD	% movement	31 December 2015 USD	2015 %
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>

\*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 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(a) Currency Risk (continued)

**Sanlam Institutional Bond Fund**

At 31 December 2016 and 31 December 2015, Sanlam Institutional Bond Fund did not have an exposure to foreign currency risk arising from its investments.

**Sanlam European Growth Basket Fund**

	31 December 2016		Effect of movement against Net Assets and Profit* 31 December 2016		Concentration of foreign exchange exposure 2016
	USD	% movement	USD		%
Euro	9,154	1.97	180		0.09
South African Rand	9,687,877	7.64	740,076		99.30
<b>Total</b>	<b>9,697,031</b>		<b>740,256</b>		<b>99.39</b>

	31 December 2015		Effect of movement against Net Assets and Profit* 31 December 2015		Concentration of foreign exchange exposure 2015
	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>

\*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 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(a) Currency Risk (continued)

Sanlam Global Fund of Hedge Funds

	31 December 2016		Effect of movement against Net Assets and Profit*	Concentration of foreign exchange exposure
	USD	% movement	31 December 2016	2016
	USD		USD	%
Pound Sterling	8,661,814	6.60	571,320	7.75
<b>Total</b>	<b>8,661,814</b>		<b>571,320</b>	<b>7.75</b>

	31 December 2015		Effect of movement against Net Assets and Profit*	Concentration of foreign exchange exposure
	USD	% movement	31 December 2015	2015
	USD		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.

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(a) Currency Risk (continued)

Sanlam Africa Equity Fund

	31 December 2016		Effect of movement against Net Assets and Profit* 31 December 2016		Concentration of foreign exchange exposure 2016	
	USD	% movement	USD			%
Australian Dollar	542,175	0.55	2,973			2.48
Canadian Dollar	1	0.00	-			0.00
CFA Franc	915,851	0.58	5,285			4.19
Egyptian Pound	3,180,186	15.52	493,649			14.54
Euro	606,267	1.97	11,941			2.77
Kenyan Shilling	2,738,104	1.56	42,615			12.52
Moroccan Dirham	1,601,037	0.64	10,250			7.32
Namibian Dollar	9	0.00	-			0.00
Nigerian Naira	1,457,673	11.40	166,161			6.66
Pound Sterling	1,618,854	6.60	106,777			7.40
South African Rand	1,422,243	7.64	108,648			6.50
Tanzanian Shilling	331,611	4.72	15,652			1.52
Ugandan Shilling	849,226	2.70	22,966			3.87
<b>Total</b>	<b>15,263,237</b>		<b>986,917</b>			<b>69.77</b>

	31 December 2015		Effect of movement against Net Assets and Profit* 31 December 2015		Concentration of foreign exchange exposure 2015	
	USD	% movement	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.

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

*(CONTINUED)*

for the year ended 31 December 2016

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

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

**(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. 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.

**Sanlam Institutional Equity Flexible Fund**

The interest rate profile of the financial assets of Sanlam Institutional Equity Flexible Fund as at 31 December 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	883,395	8,834
<b>Total</b>	<b>883,395</b>	<b>8,834</b>

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	4,256,009	42,560
<b>Total</b>	<b>4,256,009</b>	<b>42,560</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 2016

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

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

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

**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 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	52,905	529
<b>Total</b>	<b>52,905</b>	<b>529</b>

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	568,557	5,686
<b>Total</b>	<b>568,557</b>	<b>5,686</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 Balanced Fund**

The interest rate profile of the financial assets of Sanlam Institutional Balanced Fund as at 31 December 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	4,656,039	46,560
<b>Total</b>	<b>4,656,039</b>	<b>46,560</b>

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	4,620,763	46,208
<b>Total</b>	<b>4,620,763</b>	<b>46,208</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 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(b) Interest Rate Risk (continued)

**Sanlam Institutional Bond Fund**

The interest rate profile of the financial assets of Sanlam Institutional Bond Fund as at 31 December 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	308,716	3,087
<b>Total</b>	<b>308,716</b>	<b>3,087</b>

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

The interest rate profile of the financial assets of Sanlam European Growth Basket Fund as at 31 December 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	120,548	1,205
<b>Total</b>	<b>120,548</b>	<b>1,205</b>

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	17,966	180
<b>Total</b>	<b>17,966</b>	<b>180</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 2016

18. Risk arising from financial instruments (continued)

(i) Market Risk (continued)

(b) Interest Rate Risk (continued)

**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 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	680,529	6,805
<b>Total</b>	<b>680,529</b>	<b>6,805</b>

Interest Rate Characteristics	Total Exposure 2015 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	6,214,991	62,150
<b>Total</b>	<b>6,214,991</b>	<b>62,150</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 Africa Equity Fund**

The interest rate profile of the financial assets of Sanlam Africa Equity Fund as at 31 December 2016 and 31 December 2015 is as follows:

Interest Rate Characteristics	Total Exposure 2016 USD	Effect of 1.00% movement in interest rates on Net Asset and Profit* USD
Floating rate financial assets	1,413,939	14,139
<b>Total</b>	<b>1,413,939</b>	<b>14,139</b>

Interest Rate Characteristics	Total Exposure 2015 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>

\*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 2016

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

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

**(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. The Fund's quantitative exposure to price risk at the reporting date is represented by the financial assets and liabilities at fair value through profit or loss which are analysed in the schedule of investments of each Fund on pages 45 to 54.

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)	Index historic annualised return 2016 %	Index historic annualised return 2015 %	Total Effect* 31 December 2016 USD	Total Effect* 31 December 2015 USD
Sanlam Institutional Equity Flexible Fund (MSCI Europe Index)	7.00	8.83	13,551,850	17,446,211
Sanlam Centre Multi-Asset Real Return Feeder Fund (US Consumer Price Index + 4%)	-	4.72	-	2,563,935
Sanlam Institutional Balanced Fund (Composite benchmark (45% US/40% EU/15% GB))	(2.77)	(2.58)	(5,680,047)	(5,935,548)
Sanlam Institutional Bond Fund (Barclays Capital Global Aggregate Index)	1.23%	1.05	1,492,051	1,197,875
Sanlam Global Fund of Hedge Funds (HRFI Fund of Funds Composite Index)	2.79	2.11	3,105,951	3,616,528
Sanlam Africa Equity Fund (50% MSCI EFM Africa ex SA/50% S&P All Africa ex SA Capped NTR Index)	(15.01)	(17.66)	(3,087,453)	(2,020,133)

\*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.

\*\*At 31 December 2016 and 31 December 2015, 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 2016***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 the minimum amount 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.
- 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.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***18. Risk arising from financial instruments** *(continued)***(ii) Liquidity Risk** *(continued)*

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.

With the exception of the side pocket noted above in respect to Sanlam Global Fund of Hedge Funds, 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 2016

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

Sanlam Institutional Equity Flexible Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	883,395	-	883,395
Financial assets at fair value through profit and loss	193,597,856	-	193,597,856
<b>Total Financial Assets</b>	<b>194,481,251</b>	<b>-</b>	<b>194,481,251</b>
Other liabilities	-	(205,791)	(205,791)
Redeemable participating shares	(194,275,460)	-	(194,275,460)
<b>Total Financial Liabilities</b>	<b>(194,275,460)</b>	<b>(205,791)</b>	<b>(194,481,251)</b>

Sanlam Institutional Equity Flexible Fund 2015	Due on demand USD	Due within 6 months 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>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

18. Risk arising from financial instruments (continued)

(ii) Liquidity Risk (continued)

Sanlam Centre Multi-Asset Real Return Feeder Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	52,905	-	52,905
<b>Total Financial Assets</b>	<b>52,905</b>	<b>-</b>	<b>52,905</b>
Other liabilities	-	(50,324)	(50,324)
Amounts payable on repurchase of shares	-	(2,581)	(2,581)
<b>Total Financial Liabilities</b>	<b>-</b>	<b>(52,905)</b>	<b>(52,905)</b>

Sanlam Centre Multi-Asset Real Return Feeder Fund 2015	Due on demand USD	Due within 6 months 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>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>(55,975,601)</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

18. Risk arising from financial instruments (continued)

(ii) Liquidity Risk (continued)

Sanlam Institutional Balanced Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	4,656,039	-	4,656,039
Financial assets at fair value through profit and loss	205,055,839	-	205,055,839
Other assets	-	159	159
<b>Total Financial Assets</b>	<b>209,711,878</b>	<b>159</b>	<b>209,712,037</b>
Other liabilities	-	(203,854)	(203,854)
Amounts payable on purchase of securities	(1,455,006)	-	(1,455,006)
Redeemable participating shares	(208,053,177)	-	(208,053,177)
<b>Total Financial Liabilities</b>	<b>(209,508,183)</b>	<b>(203,854)</b>	<b>(209,712,037)</b>

Sanlam Institutional Balanced Fund 2015	Due on demand USD	Due within 6 months 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>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>(236,524,622)</b>

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

(CONTINUED)

for the year ended 31 December 2016

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

Sanlam Institutional Bond Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	308,716	-	308,716
Financial assets at fair value through profit and loss	121,304,999	-	121,304,999
Other assets	-	68	68
<b>Total Financial Assets</b>	<b>121,613,715</b>	<b>68</b>	<b>121,613,783</b>
Other liabilities	-	(115,393)	(115,393)
Redeemable participating shares	(121,498,390)	-	(121,498,390)
<b>Total Financial Liabilities</b>	<b>(121,498,390)</b>	<b>(115,393)</b>	<b>(121,613,783)</b>

Sanlam Institutional Bond Fund 2015	Due on demand USD	Due within 6 months 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>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>(117,248,343)</b>

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

(CONTINUED)

for the year ended 31 December 2016

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

Sanlam European Growth Basket Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	120,548	-	120,548
Financial assets at fair value through profit and loss	9,685,106	-	9,685,106
<b>Total Financial Assets</b>	<b>9,805,654</b>	<b>-</b>	<b>9,805,654</b>
Other liabilities	-	(49,434)	(49,434)
Redeemable participating shares	(9,756,220)	-	(9,756,220)
<b>Total Financial Liabilities</b>	<b>(9,756,220)</b>	<b>(49,434)</b>	<b>(9,805,654)</b>

Sanlam European Growth Basket Fund 2015	Due on demand USD	Due within 6 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>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>(10,987,418)</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

18. Risk arising from financial instruments (continued)

(ii) Liquidity Risk (continued)

Sanlam Global Fund of Hedge Funds 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	680,529	-	680,529
Financial assets at fair value through profit and loss	111,324,422	-	111,324,422
Amounts receivable sale of securities	88,257	-	88,257
Amounts receivable on issue of shares	1,342	-	1,342
Other assets	-	4,885	4,885
<b>Total Financial Assets</b>	<b>112,094,550</b>	<b>4,885</b>	<b>112,099,435</b>
Other liabilities	-	(313,338)	(313,338)
Redeemable participating shares	(111,786,097)	-	(111,786,097)
<b>Total Financial Liabilities</b>	<b>(111,786,097)</b>	<b>(313,338)</b>	<b>(112,099,435)</b>

Sanlam Global Fund of Hedge Funds 2015	Due on demand USD	Due within 6 months 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>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>(177,561,602)</b>

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

(CONTINUED)

for the year ended 31 December 2016

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

Sanlam Africa Equity Fund 2016	Due on demand USD	Due within 6 months USD	Total USD
Cash	1,413,939	-	1,413,939
Financial assets at fair value through profit and loss	20,569,306	-	20,569,306
Amount receivable on sale of securities	-	288	288
Other assets	-	15,416	15,416
<b>Total Financial Assets</b>	<b>21,983,245</b>	<b>15,704</b>	<b>21,998,949</b>
Other liabilities	-	(121,573)	(121,573)
Redeemable participating shares	(21,877,376)	-	(21,877,376)
<b>Total Financial Liabilities</b>	<b>(21,877,376)</b>	<b>(121,573)</b>	<b>(21,998,949)</b>

Sanlam Africa Equity Fund 2015	Due on demand USD	Due within 6 months 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 each Fund's investments. 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.

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

*(CONTINUED)*

for the year ended 31 December 2016

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

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

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.

A Fund may enter into securities 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:

<b>Counterparty</b>	<b>2016 Rating</b>	<b>2015 Rating</b>
Brown Brothers Harriman Trustee Services (Ireland) Limited	A+	A+
Standard Bank	Baa3	Baa2
Barclays Bank	A-	A-
JP Morgan	A+	A+

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 2016 and 31 December 2015:

	<b>Collective Investment Schemes</b>		<b>Collective Investment Schemes</b>	
	<b>31 December 2016</b>	<b>Total 31 December 2016</b>	<b>31 December 2015</b>	<b>Total 31 December 2015</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Sanlam Institutional Equity Flexible Fund	65,895,982	65,895,982	67,588,411	67,588,411
European Union	31,048,782	31,048,782	31,693,218	31,693,218
Great Britain	96,653,092	96,653,092	98,297,208	98,297,208
United States	<b>193,597,856</b>	<b>193,597,856</b>	<b>197,578,837</b>	<b>197,578,837</b>
<b>Total</b>				

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

(CONTINUED)

for the year ended 31 December 2016

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

## (iii) Credit Risk (continued)

Sanlam Centre Multi-Asset Real Return Feeder Fund	Collective Investment Schemes		Collective Investment Schemes	
	31 December 2016	Total 31 December 2016	31 December 2015	Total 31 December 2015
	USD	USD	USD	USD
United States	-	-	54,320,647	54,320,647
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,320,647</b>	<b>54,320,647</b>

Sanlam Institutional Bond Fund	Collective Investment Schemes		Collective Investment Schemes	
	31 December 2016	Total 31 December 2016	31 December 2015	Total 31 December 2015
	USD	USD	USD	USD
United States	121,304,999	121,304,999	114,083,338	114,083,338
<b>Total</b>	<b>121,304,999</b>	<b>121,304,999</b>	<b>114,083,338</b>	<b>114,083,338</b>

Sanlam European Growth Basket Fund	Equity			Equity		
	linked note 31 December 2016	Derivatives 31 December 2016	Total 31 December 2016	linked note 31 December 2015	Derivatives 31 December 2015	Total 31 December 2015
	USD	USD	USD	USD	USD	USD
South Africa	9,678,394	6,712	9,685,106	10,958,933	6,996	10,965,929
<b>Total</b>	<b>9,678,394</b>	<b>6,712</b>	<b>9,685,106</b>	<b>10,958,933</b>	<b>6,996</b>	<b>10,965,929</b>

Sanlam Global Fund of Hedge Funds	Collective Investment Schemes			Collective Investment Schemes		
	31 December 2016	Forwards 31 December 2016	Total 31 December 2016	31 December 2015	Total 31 December 2015	Total 31 December 2015
	USD	USD	USD	USD	USD	USD
Cayman Islands	16,929,763	-	16,929,763	42,856,504		42,856,504
Great Britain	8,661,814	-	8,661,814	11,596,915		11,596,915
Luxembourg	14,105,932	-	14,105,932	4,561,133		4,561,113
United States	71,396,812	230,101	71,626,913	112,044,188		112,044,188
<b>Total</b>	<b>111,094,321</b>	<b>230,101</b>	<b>111,324,422</b>	<b>171,058,740</b>		<b>171,058,740</b>

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

19. Net asset value per share

<b>Sanlam Institutional Equity Flexible Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A</b>			
Net Asset Value	USD183,445,063	USD188,058,782	USD205,531,112
Number of Shares in Issue	170,588,785	171,483,105	181,188,490
Net Asset Value per Share	USD1.0754	USD1.0967	USD1.1343
<b>Share Class B</b>			
Net Asset Value	USD10,834,748	USD10,332,026	USD12,674,745
Number of Shares in Issue	9,710,028	9,070,693	10,746,816
Net Asset Value per Share	USD1.1158	USD1.1391	USD1.1794
<b>Sanlam Centre Multi-Asset Real Return Feeder Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A</b>			
Net Asset Value	-	USD55,554,733	USD57,734,858
Number of Shares in Issue	-	55,601,770	56,330,852
Net Asset Value per Share	-	USD0.9992	USD1.0249
<b>Sanlam Institutional Balanced Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A</b>			
Net Asset Value	USD192,281,309	USD219,080,845	USD289,304,642
Number of Shares in Issue	178,871,463	203,155,764	264,873,450
Net Asset Value per Share	USD1.0750	USD1.0784	USD1.0922
<b>Share Class B</b>			
Net Asset Value	USD 1,298,118	-	-
Number of Shares in Issue	1,473,416	-	-
Net Asset Value per Share	USD0.8810	-	-
<b>Share Class C</b>			
Net Asset Value	USD14,478,512	USD12,333,949	USD16,086,501
Number of Shares in Issue	13,544,323	11,490,104	14,781,105
Net Asset Value per Share	USD1.0690	USD1.0734	USD1.0883

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

19. Net asset value per share (continued)

<b>Sanlam Institutional Bond Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A</b>			
Net Asset Value	USD116,917,303	USD113,267,587	USD119,537,378
Number of Shares in Issue	11,583,368	11,292,420	11,443,332
Net Asset Value per Share	USD10.0935	USD10.0304	USD10.4460
<b>Share Class C</b>			
Net Asset Value	USD 4,575,044	USD3,867,178	USD3,899,245
Number of Shares in Issue	455,866	387,372	374,676
Net Asset Value per Share	USD10.0359	USD9.9831	USD10.4070
<b>Share Class E</b>			
Net Asset Value	USD108	USD106	USD110
Number of Shares in Issue	10	10	10
Net Asset Value per Share	USD10.8459	USD10.6888	USD11.0383
<b>Sanlam European Growth Basket Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A (USD)</b>			
Net Asset Value	USD9,756,340	USD10,962,357	USD13,710,366
Number of Shares in Issue	2,109,481	2,769,213	2,769,213
Net Asset Value per Share	USD4.6250	USD3.9587	USD 4.951
<b>Sanlam Global Fund of Hedge Funds</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class A</b>			
Net Asset Value	USD111,326,392	USD84,299,055	USD108,347,498
Number of Shares in Issue	93,359	62,487	84,818
Net Asset Value per Share	USD1,192.455	USD1,349.060	USD1,277.400
<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	-	USD110.1081	USD104.259
<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	-	USD107.9795	USD102.243

NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

(CONTINUED)

for the year ended 31 December 2016

19. Net asset value per share (continued)

<b>Sanlam Global Fund of Hedge Funds (continued)</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</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	-	USD107.8796	USD102.149
<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	-	USD108.8052	USD103.025
<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	-	USD107.3862	USD101.682
<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	-	USD106.0432	USD100.751
<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	-	USD105.6100	-
<b>Share Class A December 2015</b>			
Net Asset Value	-	USD51,019	-
Number of Shares in Issue	-	501	-
Net Asset Value per Share	-	USD101.9358	-
<b>Share Class A Designated</b>			
Net Asset Value	USD459,705	USD384,045	USD1,855,784
Number of Shares in Issue	239	239	590
Net Asset Value per Share	USD1,924.340	USD1,607.6208	USD3,143.692

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

*(CONTINUED)*

for the year ended 31 December 2016

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

<b>Sanlam Africa Equity Fund</b>			
	<b>31 December 2016</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Share Class B (USD)</b>			
Net Asset Value	USD21,878,763	USD12,995,188	-
Number of Shares in Issue	26,224,209	15,662,298	-
Net Asset Value per Share	USD0.8343	USD0.8297	-

**20. Cross liability of funds**

The Directors are not aware of any such existing or contingent liability at 31 December 2016 or 31 December 2015. 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 2016 or 31 December 2015.

**22. Significant events during the year**

During the period, the following Funds launched/closed:

<u>Name</u>	<u>Status</u>
Sanlam Centre Multi-Asset Real Return Feeder Fund	Closed 21 December 2016

The Company issued revised offering supplements, dated 11 May 2016 for all Funds.

The Company appointed SAMI to act as securities lending agent with effect from 24 February 2016. Brown Brothers Harriman & Co was engaged to act as securities lending sub-agent.

The Company issued a revised Prospectus and offering supplements, dated 11 May 2016 for all Funds. In addition to a general update of the Prospectus, the following main changes were made:

- Amendment to the "Directory" and "Management of the Company" and "Director's Interests" sections to reflect the appointment of new Directors and to remove the reference to the Directors that have resigned since the last prospectus was issued;
- Amendment to the "Directory" to reflect the new address of the Depositary and the Registrar and Transfer Agent;
- General update of the "Definitions", "Risk Factors" and "Taxation" sections; and
- Amendment to the "Share Dealing" section to include language around the treatment of NAV pricing errors.

A part from of a general update to the Supplements, there were no material changes.

There were no other significant events during the year.

**NOTES TO AND FORMING PART OF THE AUDITED FINANCIAL STATEMENTS***(CONTINUED)**for the year ended 31 December 2016***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 45,402 excluding VAT (2015: EUR 45,523 excluding VAT). Auditor remuneration related solely to the audit of the financial statements for the year ended 31 December 2016. There were no other assurance services, tax advisory services or other non-audit services provided by the auditor of the Company.

**25. Off balance sheet arrangements**

The Company was not party to off balance sheet arrangements for twelve months from 1 January 2016 to 31 December 2016 or from 1 January 2015 to 31 December 2015.

**26. Approval of the financial statements**

The financial statements were approved by the Board of Directors on 24 April 2017.

**SECURITIES FINANCING TRANSACTIONS REGULATION ("SFTR") DISCLOSURES  
(UNAUDITED)**

**Sanlam Institutional Balanced Fund**

**1. Global Data**

<b>Proportion of Securities and Commodities on Loan</b>	<b>USD</b>
Total Lendable Assets Excluding Cash and Cash Equivalents	205,055,839
Securities and Commodities on Loan	33,807,154
%	16.49%

<b>Assets Engaged in SFTs</b>	<b>USD</b>
Fund Assets Under Management	208,053,177
Absolute Value of Assets Engaged in Securities Lending	33,807,154
%	16.25%

**2. Concentration Data**

**Top Ten Largest Collateral Issuers**

<b>Name and Value of Collateral and Commodities Received</b>	<b>USD</b>
Federal Republic of Germany Bonds	15,676,509
French Republic Bonds	9,252,961
United States of America Treasury Notes	6,630,359
United Kingdom Bonds	1,749,531
Netherlands Government Bonds	759,789
Sweden Government Bonds	714,257
Swiss Confederation Government Bonds	714,110
<b>Total</b>	<b>35,497,516</b>

**Top Ten Counterparties**

<b>Name and Gross Volume of Outstanding Transactions</b>	<b>USD</b>
Securities Lending	
J.P. Morgan Securities Ltd	16,953,430
UBS AG London Branch	8,522,155
Deutsche Bank AG	4,713,054
Citigroup Global Markets Limited	3,401,647
Credit Suisse Securities (Europe) Ltd	216,868
<b>Total</b>	<b>33,807,154</b>

**3. Aggregate Transaction Data**

**Type, Quality and Currency of Collateral**

<b>Securities Lending</b>	<b>Type</b>	<b>Currencies</b>	<b>USD</b>
Sovereign Bonds	Investment Grade	EUR	23,066,657
Sovereign Bonds	Investment Grade	GBP	9,252,961
US Treasury Notes	Investment Grade	USD	1,749,531
Sovereign Bonds	Investment Grade	SEK	714,257
Sovereign Bonds	Investment Grade	CHF	714,110
<b>Total</b>			<b>35,497,516</b>

**SECURITIES FINANCING TRANSACTIONS REGULATION ("SFTR") DISCLOSURES  
(UNAUDITED) (CONTINUED)**

**Sanlam Institutional Balanced Fund (continued)**

**3. Aggregate Transaction Data (continued)**

**Maturity Tenor of Collateral (Remaining Period to Maturity)**

Type	Less than 1 Day USD	1 Day to 1 Week USD	1 Week to 1 Month USD	1 to 3 Months USD	3 Months to 1 Year USD	Above 1 Year USD	Open Maturity USD	Total USD
Securities Lending	-	-	-	4,724,370	3,560,366	27,212,780	-	35,497,516

**Counterparty Details**

Type	Country of establishment	Settlement & Clearing	USD
Securities Lending	UK	Tri-party	35,497,516

**Maturity Tenor of SFTs (Remaining Period to Maturity)**

Type	Less than 1 Day USD	1 Day to 1 Week USD	1 Week to 1 Month USD	1 to 3 Months USD	3 Months to 1 Year USD	Above 1 Year USD	Open Maturity USD	Total USD
Securities Lending	-	-	-	-	-	-	33,807,154	33,807,154

**4. Re-use of Collateral**

**Re-use of Collateral Received**

The Fund does not re-use collateral received.

**Cash Collateral Reinvestment Returns**

The Fund has no returns on cash collateral.

**5. Safekeeping of Collateral Received**

Names and Value of Custodians Safekeeping Collateral	USD
Brown Brothers Harriman & Co	35,497,516
Number of Custodians Safekeeping Collateral	1

**6. Safekeeping of Collateral Granted**

The Fund does not borrow stock from counterparties therefore no collateral has been granted.

**7. Securities Lending Income and Costs**

Information in respect to income, costs and fees incurred by the Fund in relation to stock lending activities is set out in Note 18 to the financial statements.

**SECURITIES FINANCING TRANSACTIONS REGULATION ("SFTR") DISCLOSURES  
(UNAUDITED) (CONTINUED)**

**Sanlam Africa Equity Fund**

**1. Global Data**

<b>Proportion of Securities and Commodities on Loan</b>	<b>USD</b>
Total Lendable Assets Excluding Cash and Cash Equivalents	20,569,306
Securities and Commodities on Loan	39,381
%	0.19%

<b>Assets Engaged in SFTs</b>	<b>USD</b>
Fund Assets Under Management	21,877,376
Absolute Value of Assets Engaged in Securities Lending	39,381
%	0.18%

**2. Concentration Data**

**Top Ten Largest Collateral Issuers**

<b>Name and Value of Collateral and Commodities Received</b>	<b>USD</b>
United Kingdom Gilts	8,270
Netherlands Government Bonds	8,269
United States of America Treasury Notes	8,269
Swedish Government Bonds	8,269
Swiss Confederation Government Bonds	8,269
French Republic Bonds	2
Federal Republic of Germany Bonds	2
<b>Total</b>	<b>41,350</b>

**Top Ten Counterparties**

<b>Name and Gross Volume of Outstanding Transactions</b>	<b>USD</b>
Securities Lending	
Citigroup Global Markets Limited	39,381

**3. Aggregate Transaction Data**

**Type, Quality and Currency of Collateral**

<b>Securities Lending</b>	<b>Type</b>	<b>Currencies</b>	<b>USD</b>
Sovereign Bonds	Investment Grade	EUR	8,273
Sovereign Bonds	Investment Grade	GBP	8,270
US Treasury Notes	Investment Grade	USD	8,269
Sovereign Bonds	Investment Grade	SEK	8,269
Sovereign Bonds	Investment Grade	CHF	8,269
<b>Total</b>			<b>41,350</b>

**SECURITIES FINANCING TRANSACTIONS REGULATION ("SFTR") DISCLOSURES  
(UNAUDITED) (CONTINUED)**

**Sanlam Africa Equity Fund (continued)**

**3. Aggregate Transaction Data (continued)**

**Maturity Tenor of Collateral (Remaining Period to Maturity)**

Type	Less than 1 Day USD	1 Day to 1 Week USD	1 Week to 1 Month USD	1 to 3 Months USD	3 Months to 1 Year USD	Above 1 Year USD	Open Maturity USD	Total USD
Securities Lending	-	-	-	-	-	41,350	-	41,350

**Counterparty Details**

Type	Country of establishment	Settlement & Clearing	USD
Securities Lending	UK	Tri-party	41,350

**Maturity Tenor of SFTs (Remaining Period to Maturity)**

Type	Less than 1 Day USD	1 Day to 1 Week USD	1 Week to 1 Month USD	1 to 3 Months USD	3 Months to 1 Year USD	Above 1 Year USD	Open Maturity USD	Total USD
Securities Lending	-	-	-	-	-	-	39,381	39,381

**4. Re-use of Collateral**

**Re-use of Collateral Received**

The Fund does not re-use collateral received.

**Cash Collateral Reinvestment Returns**

The Fund has no returns on cash collateral.

**5. Safekeeping of Collateral Received**

Names and Value of Custodians Safekeeping Collateral	USD
Brown Brothers Harriman & Co	41,350

Number of Custodians Safekeeping Collateral 1

**6. Safekeeping of Collateral Granted**

The Fund does not borrow stock from counterparties therefore no collateral has been granted.

**7. Securities Lending Income and Costs**

Information in respect to income, costs and fees incurred by the Fund in relation to stock lending activities is set out in Note 18 to the financial statements.

## 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 and Conduct Risk policies.

### 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 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 2016.

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.

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\*\*.

**SAMI REMUNERATION POLICY (UNAUDITED) (CONTINUED)**
**Quantitative Remuneration Disclosure (continued)**

	2016 Average Number of beneficiaries	2016 Fixed remuneration paid USD	2016 Variable remuneration paid USD	2016 Carried interest paid by the AIF USD
Total remuneration paid by SAMI during financial year	14	1,480,743	621,433	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	847,564	589,876	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	72,407	50,393	Nil
Other risk takers/other identified staff	N/A	N/A	N/A	Nil
	2015 Average Number of beneficiaries	2015 Fixed remuneration paid USD	2015 Variable remuneration paid USD	2015 Carried interest paid by the AIF USD
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 2016 and 31 December 2015.

**SAMI REMUNERATION POLICY (UNAUDITED) (CONTINUED)****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. The information currently available to SAMI as AIFM in respect to remuneration of Identified Staff of Delegates in respect to this financial year would not be materially relevant to the AIFs or provide a proper basis for comparison. 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 a 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 is disclosed in the table below:

Fund Name	Commitment leverage as at 31 December 2016		Gross Leverage as at 31 December 2016		Commitment leverage as at 31 December 2015		Gross Leverage as at 31 December 2015	
	Maximum permitted	Actual	Maximum permitted	Actual	Maximum permitted	Actual	Maximum permitted	Actual
Sanlam Institutional Equity Flexible Fund	1:1	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Sanlam Centre Multi-Asset Real Return Feeder Fund	N/A	N/A	N/A	N/A	1:1	1:1	2.5:1	0.98:1
Sanlam Institutional Balanced Fund	1:1	1:1	2.5:1	0.99:1	1:1	1:1	2.5:1	0.99:1
Sanlam Institutional Bond Fund	1:1	1:1	2.5:1	0.99:1	1:1	1:1	2.5:1	0.97:1

**LEVERAGE (UNAUDITED) (CONTINUED)**

Fund Name	Commitment leverage as at 31 December 2016		Gross Leverage as at 31 December 2016		Commitment leverage as at 31 December 2015		Gross Leverage as at 31 December 2015	
	Maximum permitted	Actual	Maximum permitted	Actual	Maximum permitted	Actual	Maximum permitted	Actual
Sanlam European Growth Basket Fund	1:1	1:1	2.5:1	1.98:1	1:1	1:1	2.5:1	2:1
Sanlam Global Fund of Hedge Funds	1.25:1	1:1	3:1	0.99:1	1:1	1:1	3:1	0.96:1
Sanlam Africa Equity Fund	1:1	1:1	1:1	0.94:1	1:1	1:1	1:1	0.88:1

**NOTICE OF ANNUAL 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 Beech House Beech Hill Road Dublin 4 on 29 September 2017 at 3.00 pm for the following purposes:

1. To receive and consider the financial statements for the year ended 31 December 2016 and the reports of the directors and auditors thereon.
2. To retain the appointed Auditors as proposed by the Board of Directors.
3. To authorise the directors to fix the remuneration of the auditors for the year ending 31 December 2017.

And to transact any other business which may properly be brought before the meeting.

By Order of the Board  
Sanlam Asset Management (Ireland) Limited

Date: 24 April 2017  
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.

**FORM OF PROXY**

**Sanlam Qualifying Investors Funds Plc**

I/We \_\_\_\_\_  
 being a member/members\* of the above named Company, hereby appoint  
 or the Chairman of the Meeting (note 1) or failing him Richard Aslett of Beech House, Beech Hill  
 Road, Dublin 4, or failing him Austin O Dowd of Beech House, Beech Hill Road, Dublin 4. as my/our\*  
 proxy to vote for me/us\* on my/our\* behalf at the Annual General Meeting of the Company to be held  
 at Beech House, Beech Hill Road, Dublin 4. on the 28 September 2017 at 3.00 pm. (approx.) or any  
 reconvened meeting thereof.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **2017**

Please indicate with an "X" in the spaces below how you wish your vote to be cast.

**Resolution**

1. To approve the Report of the Directors and the Financial Statements for the period ended 31 December 2016.
2. To retain the appointed Auditors as proposed by the Board of Directors.
3. To authorise the Directors to fix the remuneration of the Auditors.

For	Against

**Notes**

1. A member may appoint a proxy of his own choice. If the appointment is made insert the name of the person appointed as proxy in the space provided.
2. If the appointer is a corporation, this form must be under the Common Seal or under the hand of some officer or attorney duly authorised on his behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote he will exercise his discretion as to how he votes or whether he abstains from voting.
5. To be valid, this form must be completed and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
6. Please return forms to [Gerardine.kelly@sanlam.ie](mailto:Gerardine.kelly@sanlam.ie) or fax to +35312053521 before 26 September 2017.

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