



Sanlam Collective Investments (RF) (Pty) Ltd
Annual Report | 2017

Investments

CEO

Report



Dear investor

I am pleased to share with you the highlights of Sanlam Collective Investments in 2017 and a preview of what you can expect in the year to come.

Overview of the markets

Despite the pervasiveness of political instability in South Africa and general ambiguity across the globe, 2017 turned out to be very rewarding year for investors. Locally the all share and listed property indices returned 21% and 17.2% respectively, bonds returned 10.2% and cash 7.5%; all comfortably outperforming the rate of inflation of 4.4%. The MSCI World Index and the MSCI Emerging Markets Index rewarded global investors richly with dollar returns of 22.4% and 37.4% respectively and notwithstanding the appreciation of the Rand of 10.5% against the US dollar and 1.15% against the British pound, Rand-denominated global returns were still very attractive.

Internationally, there were strong signs of economic recovery in Europe and in the US. American unemployment data hit a 28-year low, paving the way for a US interest rate hike. Economic growth in the US was also strong, despite the end of easy money from central banks, and China posted strong GDP figures, boosting commodity prices. US markets were particularly buoyed by the successful implementation of President Trump's proposals to cut corporate tax rates dramatically.

Unfortunately, South Africa did not share to the same extent in this global recovery. In the second quarter of the year SA entered a recession as GDP fell by 0.7% after the previous quarter's 0.3% contraction. In addition, SA debt was downgraded by Moody's, S&P and Fitch in April. Subsequently, GDP turned positive, but the final 2017 growth figure came in at only 1.3% - far lower than the growth figure needed to lift SA out of its persistently high unemployment figure (27.7% for most of 2017).

On a positive note, inflation remained contained, paving the way for the Reserve Bank to announce the first rate cut in five years - in July last year. Our currency also remains resilient. The rand ended 2017 at R12.29 against the dollar, significantly stronger than 2016's average level of R14.70 against the dollar.

In October, shortly after Minister Gigaba's Medium Term Budget Policy Statement, partly in response to the lack of policy certainty, S&P announced that SA local currency debt is now rated as non-investment grade (junk) and lowered SA's foreign currency debt one notch deeper into junk.

December was however an exciting month for South Africans with the ANC selecting its new Top Six leadership on 18 December. Markets and particularly the rand responded positively to the victory of Cyril Ramaphosa as president of the ANC.

Performance of the Sanlam fund range

We are very pleased that all three our Multi Asset unit trust funds, namely the SIM Balanced Fund, SIM Inflation Plus Fund and the SIM Active Income Fund, delivered either first- or second-quartile performance over the three- and five-year periods to 31 December 2017. The SIM Inflation Plus Fund is also top decile over both the three- and five-year periods. In addition, the SIM Enhanced Yield Fund is ranked number one in its peer category over the past three and five years; an exceptional achievement. The SIM Top Choice Equity Fund delivered a top quartile return in its category for the five years to end December 2017.

Fund rank in category - 31 December 2017

Fund	3 Years	5 Years
	Rank	Rank
SIM Enhanced Yield Fund	1/24	1/23
SIM Industrial Fund	2/5	2/5
SIM Small Cap Fund	4/7	3/6
SIM Inflation Plus Fund	10/100	7/79
SIM Balanced Fund	38/119	30/85
SIM Active Income Fund	20/59	10/43
SIM Top Choice Equity Fund	39/128	16/103
SIM General Equity Fund	52/128	26/103

Source: Morningstar Direct | 3-year and 5-year returns to 31 Dec 2017 | Past performance is not an indication of future performance. The return is calculated on a NAV-NAV basis, with income reinvested on a lump sum invested at the start of the measurement period.



Regulatory changes

Implementation of the Public Compliance Communication (PCC31)

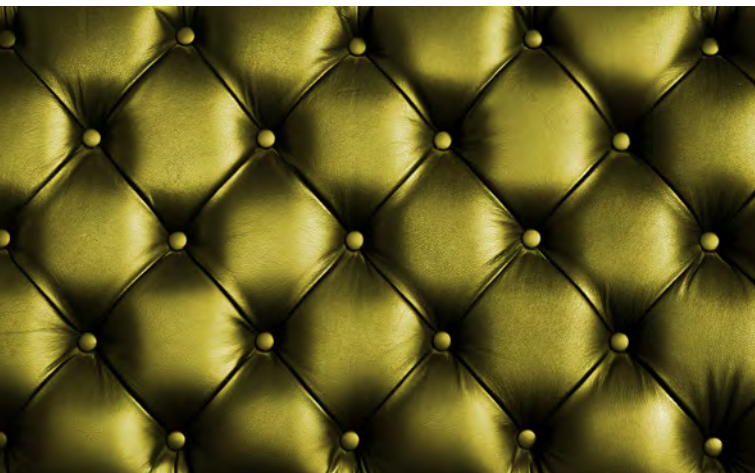
The Financial Intelligence Centre issued a Public Compliance Communication (PCC 31) to financial institutions to ensure that we perform client identification and verification procedures before processing new investments. This communication also states that financial institutions should not encourage prospective clients to deposit funds into their bank account prior to clients being identified and verified. We will therefore remove our banking details from our new business application forms. This will have an impact on clients who wish to process new investments and who want to make a payment via EFT. This change will be implemented in April 2018 and we will clearly indicate the process on our new business application forms.

FIC Amendment Act

The Financial Intelligence Centre (FIC) Amendment Act 1 of 2017 became effective on 2 October 2017. The key objective of this law is to improve the protection of the integrity of South Africa's financial system and strengthen its ability to prevent and punish financial crimes like money laundering, illicit capital flows, tax evasion, corruption and bribery, and financing of terrorism.

This legislation provides the legal basis for a shift to a risk-based customer due diligence approach, which requires a better understanding of investors and their behaviour on an ongoing basis rather than simply identifying and verifying their personal details upon initial registration. It should enable the efficient utilisation of resources and make compliance easier for low risk clients.

Businesses have until the end of 2018 to comply with the Act, but Sanlam Collective Investments (SCI) plans to introduce the change in approach by the middle of the coming year.



A peek at 2018

Real GDP growth of around 1.75% is expected for South Africa in 2018. Should our political situation stabilise in the near future, the impact could be positive for South African bond prices and the Rand.

Economic indicators are demonstrating synchronised global growth, resulting in continuous positive earnings revisions by global companies, which are supported by the actual GDP and corporate financial results. Given that this is happening while global interest rates are either kept stable or raised very modestly, growth assets continue to see support and in the past quarter it again delivered strong returns, especially in emerging markets where there should be much benefit from synchronised growth.

The low prospective returns from foreign fixed interest assets continue to support valuations of foreign growth assets, despite them looking expensive by historic standards on most traditional measures. As long as global interest rates remain very low or rise very slowly and earnings don't contract, equities will likely continue to deliver superior returns relative to fixed interest assets. For this reason, we have retained a small overweight position in foreign growth assets and an underweight position in foreign fixed interest assets.

We continue to see good returns on offer from just about all local fixed interest assets. We have moved to a neutral position in SA equities. Companies with a South African earnings base (i.e. financials and retailers), have re-rated given the outcome of the ANC elective conference in mid-December. The SA equity market is currently fairly priced in the context of globally re-priced equity markets. To what extent the management of the country will improve given the change in leadership remains to be seen. A lot of good news has been priced in, even though the government's financial position remains precarious.

Other developments

During 2017 we entered into co-named partnerships with a number of new third party fund managers, with the objectives of offering our investors diversification in investment philosophies and styles and leveraging our existing platform in pursuit of economies of scale. This strategy alone resulted in an increase of R26.5bn of assets under management during the year.

The new co-name funds proved to be valuable additions to our platform, with some generating very attractive returns and featuring on our list of top performers for 2017, based on a one-year performance horizon:

Top 5 Funds	1-Year Performance
Sanlam India Opportunities Feeder Fund A	28.08%
Denker SCI Emerging Markets Feeder Fund A1	24.87%
Saffron SCI Large Cap Fund A	22.18%
Element Balanced SCI Fund A	21.08%
Maru SCI Swix Enhanced Fund A	20.27%

Source: Morningstar | 1-year return to 31 Dec 2017 | Past performance is not an indication of future performance. The return is calculated on a NAV-NAV basis, with income reinvested on a lump sum invested at the start of the measurement

Sanlam Collective Investments also embarked on a number of projects to improve investors' and financial intermediaries' experience in doing business with us. We have simplified and shortened all instruction forms and are in the process of enhancing our digital platforms in terms of content, the ease of use and tools that will help investors keep track of their investment goals. We will keep you informed about these developments as the year progresses.

We are here for you

Throughout 2018 we will persist in our endeavours to improve your client experience and hope your investment outcomes will meet your expectations and help make your dreams a reality. Thank you for your continued support.

Yours sincerely

Liezl Myburgh

CEO: Sanlam Collective Investments

Report of the trustees



We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Sanlam Collective Investments Scheme (“the Scheme”) have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended (“the Act”), for the financial year ended 31 December 2017.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed;

Melinda Mostert
Standard Bank of South Africa Limited

Seggie Moodley
Standard Bank of South Africa Limited

29 March 2018

Summarised information for the year ending 31 December 2017

	Sanlam Alternative Income Fund	Sanlam Asia Pacific FoF	Sanlam Diversified Income FoF	Sanlam Global Balanced FoF
Condensed Statement Of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	563 556	20 595	72 194	3 196
Expenditure	68 208	1 981	7 558	488
Operating profit/(loss) for the year before finance costs	495 348	18 614	64 636	2 708
Distribution of income	495 120	-	48 968	-
Change in net assets attributable to unit holders	228	18 614	15 668	2 708
Condensed Statement Of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	7 865 049	143 090	1 553 393	58 467
Trade and other payables	221	480	67	51
Related parties payable	5 329	179	965	35
Cash overdraft	-	391	-	-
Derivatives	-	-	-	-
Distributions payable	40 146	-	7 039	-
Liabilities other than net assets attributable to unit holders	45 696	1 050	8 071	86
Investments	7 778 480	142 432	1 553 941	56 390
Accrued income & debtors	127 013	-	7 358	7
Cash and bank balances	5 252	1 708	165	2 156
Total Assets	7 910 745	144 140	1 561 464	58 553
Investments	7 778 480	142 432	1 553 941	56 390
Cash and bank balances	5 252	1 708	165	2 156
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials				
Bonds			2.97	
Consumer Goods				
Consumer Services				
Financials				
Health Care				
Industrials				
Oil & Gas				
Property				
Technology				
Telecommunications				
International Assets		79.33		98.98
Other Securities				
Holdings in Collective Investments Schemes - International		20.26		
Holdings in Collective Investments Schemes - Local			0.04	
Liquid Assets	100.00	0.41	96.99	1.02
TOTAL	100.00	100.00	100.00	100.00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	5.56	15.80	6.37	4.21
One year up to 31/12/2016	5.57	-8.68	6.54	-10.60
All-share Index 2017: 17.47% 2016: 0.08%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	-	3.42	-	3.42
Service fee (including VAT)	1.31% (A1)	1.42% (A)	0.86% (A2)	0.86% (A)
Total Expense Ratio (TER)	1.34 (A1)	2.40 (A)	1.29 (A2)	1.64 (A)

Summarised information for the year ending 31 December 2017

	Sanlam Global Cautious FoF	Sanlam Global Equity Fund	Sanlam India Opportunities Feeder Fund	SIM Active Income Fund
Condensed Statement Of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	185	43 890	54 312	660 841
Expenditure	494	12 767	3 235	47 520
Operating profit/(loss) for the year before finance costs	-309	31 123	51 077	613 321
Distribution of income	-	2 056	-	586 591
Change in net assets attributable to unit holders	-309	29 067	51 077	26 730
Condensed Statement Of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	53 828	627 872	313 350	7 099 269
Trade and other payables	53	196	62	3 017
Related parties payable	32	708	311	4 009
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	-	426	-	154 282
Liabilities other than net assets attributable to unit holders	85	1 330	373	161 308
Investments	47 819	617 508	307 733	6 809 467
Accrued income & debtors	-	668	23	108 411
Cash and bank balances	6 094	11 026	5 967	342 699
Total Assets	53 913	629 202	313 723	7 260 577
Investments	47 819	617 508	307 733	6 809 467
Cash and bank balances	6 094	11 026	5 967	342 699
Portfolio composition				
Basic Materials				
Bonds				12.57
Consumer Goods				
Consumer Services				
Financials				
Health Care				
Industrials				
Oil & Gas				
Property				2.42
Technology				
Telecommunications				
International Assets	98.80	99.36	98.54	
Other Securities				
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local				
Liquid Assets	1.20	0.64	1.46	85.01
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	-0.47	3.73	28.08	8.69
One year up to 31/12/2016	-11.71	-7.79	-14.82	9.85
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	3.42	3.42	1.14
Service fee (including VAT)	0.68% (A)	1.82% (A)	1.14% (A)	0.91% (A1)
Total Expense Ratio (TER)	1.57 (A)	1.94 (A)	2.59 (A)	0.92 (A1)

Summarised information for the year ending 31 December 2017

	SIM Balanced Fund	SIM Bond Plus Fund	SIM Enhanced Yield Fund	SIM Financial Fund
Condensed Statement Of Comprehensive Income				
Income	1 864 047	199 762	351 776	35 860
Expenditure	168 525	2 230	4 153	4 710
Operating profit/(loss) for the year before finance costs	1 695 522	197 532	347 623	31 150
Distribution of income	628 196	166 903	341 923	6 704
Change in net assets attributable to unit holders	1 067 326	30 629	5 700	24 446
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	17 189 167	1 906 300	4 592 750	249 935
Trade and other payables	16 751	120	128	2 083
Related parties payable	10 250	223	491	317
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	425 475	85 634	33 696	4 229
Liabilities other than net assets attributable to unit holders	452 476	85 977	34 315	6 629
Investments	16 858 396	1 921 427	4 452 625	251 891
Accrued income & debtors	58 994	69 647	59 387	1 145
Cash and bank balances	724 253	1 203	115 053	3 528
Total Assets	17 641 643	1 992 277	4 627 065	256 564
Investments	16 858 396	1 921 427	4 452 625	251 891
Cash and bank balances	724 253	1 203	115 053	3 528
Portfolio composition				
Basic Materials	5.80			
Bonds	8.71	98.88	15.60	
Consumer Goods	8.29			
Consumer Services	0.09			
Financials	10.15			74.42
Health Care	1.48			
Industrials	3.45			
Oil & Gas	2.56			
Property	10.82			7.35
Technology	0.47			
Telecommunications	14.22			
International Assets	24.13			7.88
Other Securities	0.40			4.20
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local	0.58			5.74
Liquid Assets	8.84	1.12	15.60	0.41
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	10.11	10.59	9.48	13.36
One year up to 31/12/2016	5.07	15.59	10.43	4.68
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	0.68	0.342	3.42
Service fee (including VAT)	1.25% (A)	0.86% (A)	0.48% (A1)	1.71% (A1)
Total Expense Ratio (TER)	1.68 (A)	0.87 (A)	0.49 (A1)	1.79 (A)

Summarised information for the year ending 31 December 2017

	SIM General Equity Fund	SIM Industrial Fund	SIM Inflation Plus Fund	SIM Managed Aggressive FoF
Condensed Statement Of Comprehensive Income				
Income	1 105 974	252 141	1 236 226	108 774
Expenditure	66 667	22 777	121 755	6 786
Operating profit/(loss) for the year before finance costs	1 039 307	229 364	1 114 471	101 988
Distribution of income	156 098	3 500	624 127	32 577
Change in net assets attributable to unit holders	883 209	225 864	490 344	69 411
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	7 868 521	1 680 371	13 820 381	1 048 182
Trade and other payables	305	237	15 092	122
Related parties payable	4 617	1 799	9 686	536
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	77 208	2 350	324 621	19 551
Liabilities other than net assets attributable to unit holders	82 130	4 386	349 399	20 209
Investments	7 894 325	1 578 147	12 791 770	992 662
Accrued income & debtors	6 531	1 739	79 810	707
Cash and bank balances	49 795	104 871	1 298 200	75 022
Total Assets	7 950 651	1 684 757	14 169 780	1 068 391
Investments	7 894 325	1 578 147	12 791 770	992 662
Cash and bank balances	49 795	104 871	1 298 200	75 022
Portfolio composition				
Basic Materials	14.30		2.93	
Bonds			7.73	
Consumer Goods	13.62	29.40	4.00	
Consumer Services	0.09	0.64	0.06	
Financials	20.53		4.96	
Health Care	2.49	5.12	0.72	
Industrials	5.37	4.30	1.44	
Oil & Gas	5.82		1.29	
Property	3.41		4.41	3.82
Technology	2.31	4.59	0.20	
Telecommunications	24.37	45.43	6.99	
International Assets	5.79	4.27	20.42	
Other Securities	1.48		0.23	
Holdings in Collective Investments Schemes - International				12.70
Holdings in Collective Investments Schemes - Local			0.83	73.21
Liquid Assets	0.42	6.25	43.79	10.27
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	13.85	15.15	8.26	10.92
One year up to 31/12/2016	0.81	-8.09	4.69	2.39
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	3.42	3.42	3.42
Service fee (including VAT)	1.25% (A)	0.86% (A)	0.48% (A1)	1.71% (A1)
Total Expense Ratio (TER)	1.68 (A)	0.87 (A)	0.49 (A1)	1.79 (A)

Summarised information for the year ending 31 December 2017

	SIM Managed Cautious FoF	SIM Managed Conservative FoF	SIM Managed Moderate Aggressive FoF	SIM Managed Moderate FoF
Condensed Statement Of Comprehensive Income				
Income	120 097	32 919	178 148	409 285
Expenditure	10 047	3 388	12 949	29 362
Operating profit/(loss) for the year before finance costs	110 050	29 531	165 199	379 923
Distribution of income	79 798	27 824	65 794	176 699
Change in net assets attributable to unit holders	30 252	1 707	99 405	203 224
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	1 169 223	336 521	1 742 127	4 065 213
Trade and other payables	476	74	133	303
Related parties payable	786	243	997	2 253
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	28 471	10 994	37 429	99 958
Liabilities other than net assets attributable to unit holders	29 733	11 311	38 559	102 514
Investments	1 126 532	324 970	1 675 736	3 905 808
Accrued income & debtors	3 515	1 074	5 749	12 221
Cash and bank balances	68 909	21 788	99 201	249 698
Total Assets	1 198 956	347 832	1 780 686	4 167 727
Investments	1 126 532	324 970	1 675 736	3 905 808
Cash and bank balances	68 909	21 788	99 201	249 698
Portfolio composition				
Basic Materials				
Bonds	39.34	50.43	22.22	30.00
Consumer Goods				
Consumer Services				
Financials				
Health Care				
Industrials				
Oil & Gas				
Property	13.81	17.51	3.90	4.63
Technology				
Telecommunications				
International Assets	14.68	15.06	17.26	17.64
Other Securities				
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local	22.77	3.90	50.36	42.93
Liquid Assets	9.40	13.10	6.26	4.80
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	9.33	8.46	10.04	9.45
One year up to 31/12/2016	6.05	7.00	3.25	3.98
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	3.42	3.42	3.42
Service fee (including VAT)	0.57% (A1)	0.86% (A1)	0.86% (A1)	0.86% (A1)
Total Expense Ratio (TER)	1.18 (A1)	1.21 (A1)	1.01 (A1)	0.99 (A1)

Summarised information for the year ending 31 December 2017

	SIM Money Market Fund	SIM Property Fund	SIM Resources Fund	SIM Small Cap Fund
Condensed Statement Of Comprehensive Income				
Income	677 731	987 502	7 646	-24 232
Expenditure	35 065	18 223	1 182	6 359
Operating profit/(loss) for the year before finance costs	642 666	969 279	6 464	-30 591
Distribution of income	643 510	1 364 874	387	5 903
Change in net assets attributable to unit holders	-844	-395 595	6 077	-36 494
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	9 313 473	7 008 967	51 387	439 027
Trade and other payables	53 769	17 755	45	69
Related parties payable	2 995	685	75	353
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	60 614	89 156	329	3 519
Liabilities other than net assets attributable to unit holders	117 378	107 596	449	3 941
Investments	9 007 757	7 022 239	51 517	434 415
Accrued income & debtors	146 319	16 247	-	249
Cash and bank balances	276 775	78 077	319	8 304
Total Assets	9 430 851	7 116 563	51 836	442 968
Investments	9 007 757	7 022 239	51 517	434 415
Cash and bank balances	276 775	78 077	319	8 304
Portfolio composition				
Basic Materials			62.70	9.86
Bonds			2.37	
Consumer Goods				27.00
Consumer Services				
Financials		0.27		13.39
Health Care				3.49
Industrials			10.27	23.92
Oil & Gas			14.63	5.49
Property		98.62		1.19
Technology				6.09
Telecommunications				2.67
International Assets			9.73	3.21
Other Securities				1.90
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local				
Liquid Assets	100.00	1.11	0.30	1.79
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	7.62	13.99	13.97	-5.37
One year up to 31/12/2016	7.50	9.95	32.42	3.24
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	0.34	3.42	3.42	3.42
Service fee (including VAT)	0.57% (R)	1.71% (A)	1.71% (A)	1.71% (A)
Total Expense Ratio (TER)	0.58 (R)	1.72 (A)	1.91 (A)	1.75 (A)

Summarised information for the year ending 31 December 2017

	SIM Top Choice Equity Fund	SIM Value Fund	SMM Absolute Solution 5 FoF	SMM Aggressive FoF
Condensed Statement Of Comprehensive Income				
Income	175 715	19 023	59 881	14 044
Expenditure	10 709	43 030	6 365	1 220
Operating profit/(loss) for the year before finance costs	165 006	-24 007	53 516	12 824
Distribution of income	37 622	19 127	11 040	2 113
Change in net assets attributable to unit holders	127 384	-43 134	42 476	10 711
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	1 508 515	2 075 391	679 871	104 681
Trade and other payables	21 562	9 616	106	61
Related parties payable	417	2 100	488	103
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	20 043	11 178	700	1 120
Liabilities other than net assets attributable to unit holders	42 022	22 894	1 294	1 284
Investments	1 473 124	2 027 376	677 820	104 840
Accrued income & debtors	9 142	1 006	6	60
Cash and bank balances	68 271	69 903	3 339	1 065
Total Assets	1 550 537	2 098 285	681 165	105 965
Investments	1 473 124	2 027 376	677 820	104 840
Cash and bank balances	68 271	69 903	3 339	1 065
Portfolio composition				
Basic Materials	18.97	8.72		
Bonds		1.12	16.72	19.23
Consumer Goods	14.58	23.63		
Consumer Services				
Financials	22.00	15.38		
Health Care	3.07	3.26		
Industrials		4.12		
Oil & Gas	5.69	3.88		
Property	1.23	1.40		
Technology	2.93	2.75		
Telecommunications	26.91	5.22		
International Assets		20.76		20.67
Other Securities	0.98	3.32		
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local		4.58	82.79	59.22
Liquid Assets	3.64	1.85	0.48	0.88
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	11.87	-1.83	7.49	13.11
One year up to 31/12/2016	3.52	9.59	-0.26	2.72
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	3.42	-	3.42
Service fee (including VAT)	1.02% (A1)	1.53% (A)	1.03% (A)	1.08% (A1)
Total Expense Ratio (TER)	1.11 (A1)	1.76 (A)	1.86 (A)	1.28 (A1)

Summarised information for the year ending 31 December 2017

	SMM Balanced FoF	SMM Cautious FoF	SMM Conservative FoF	SMM Defensive FoF
Condensed Statement Of Comprehensive Income				
Income	249 131	14 322	36 668	56 140
Expenditure	20 818	2 927	7 016	6 901
Operating profit/(loss) for the year before finance costs	228 313	11 395	29 652	49 239
Distribution of income	83 236	5 544	19 031	38 251
Change in net assets attributable to unit holders	145 077	5 851	10 621	10 988
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	2 960 100	161 051	379 551	750 981
Trade and other payables	90	68	91	69
Related parties payable	1 618	230	562	517
Cash overdraft	-	-	24	-
Derivatives	-	-	-	-
Distributions payable	38 671	33	3 141	16 826
Liabilities other than net assets attributable to unit holders	40 379	331	3 818	17 412
Investments	2 961 510	160 201	383 367	764 704
Accrued income & debtors	961	12	2	255
Cash and bank balances	38 008	1 169	-	3 434
Total Assets	3 000 479	161 382	383 369	768 393
Investments	2 961 510	160 201	383 367	764 704
Cash and bank balances	38 008	1 169	0	3 434
Portfolio composition				
Basic Materials				
Bonds			60.14	
Consumer Goods				
Consumer Services				
Financials				
Health Care				
Industrials				
Oil & Gas				
Property				
Technology				
Telecommunications				
International Assets				
Other Securities				
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local	98.73	99.31	39.88	99.56
Liquid Assets	1.27	0.69	-0.02	0.44
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	6.88	7.79	8.55	5.19
One year up to 31/12/2016	1.82	3.54	7.19	1.4
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	3.42	3.42	3.42	3.42
Service fee (including VAT)	1.02% (A1)	1.53% (A)	1.03% (A)	1.08% (A1)
Total Expense Ratio (TER)	1.11 (A1)	1.76 (A)	1.86 (A)	1.28 (A1)

Summarised information for the year ending 31 December 2017

	SMM Equity Fund	SMM Long Term Growth Solution 7 FoF	SMM Moderate Aggressive FoF	SMM Moderate FoF
Condensed Statement Of Comprehensive Income				
Income	493 920	53 434	90 441	34 715
Expenditure	11 221	3 115	13 388	3 599
Operating profit/(loss) for the year before finance costs	482 699	50 319	77 053	31 116
Distribution of income	68 870	8 149	18 059	9 541
Change in net assets attributable to unit holders	413 829	42 170	58 994	21 575
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	3 148 955	477 857	866 007	346 011
Trade and other payables	15 105	64	245	107
Related parties payable	6	260	1 132	307
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	35 142	389	9 164	5 148
Liabilities other than net assets attributable to unit holders	50 253	713	10 541	5 562
Investments	3 146 727	473 531	872 372	330 527
Accrued income & debtors	1 306	17	182	213
Cash and bank balances	51 175	5 022	3 994	20 833
Total Assets	3 199 208	478 570	876 548	351 573
Investments	3 146 727	473 531	872 372	330 527
Cash and bank balances	51 175	5 022	3 994	20 833
Portfolio composition				
Basic Materials	3.42			
Bonds		9.83		
Consumer Goods	4.99			
Consumer Services	0.07			
Financials	6.17			
Health Care	0.85			
Industrials	1.41			
Oil & Gas	1.49			
Property	1.54			
Technology	0.03			
Telecommunications	5.91			
International Assets				
Other Securities	0.24			
Holdings in Collective Investments Schemes - International				
Holdings in Collective Investments Schemes - Local	72.69	89.13	99.55	94.09
Liquid Assets	1.18	1.04	0.45	5.91
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	8.59	11.48	10.40	9.90
One year up to 31/12/2016	-0.51	-2.51	2.17	1.92
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	-	-	3.42	3.42
Service fee (including VAT)	1.43% (A)	0.86% (A1)	1.08% (A1)	1.43% (A)
Total Expense Ratio (TER)	2.27 (A)	1.22 (A1)	1.03 (A1)	2.33 (A)

Summarised information for the year ending 31 December 2017

	SMM Protection Solution 3 FoF	Sanlam Pan-Europe Fund	SPW Balanced Fund	SPW Equity Fund
Condensed Statement Of Comprehensive Income				
Income	14 189	11 351	51 107	15 154
Expenditure	1 472	2 920	9 167	1 790
Operating profit/(loss) for the year before finance costs	12 717	8 431	41 940	13 364
Distribution of income	4 948	157	8 515	1 642
Change in net assets attributable to unit holders	7 769	8 274	33 425	11 722
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	175 958	99 370	544 316	116 028
Trade and other payables	93	81	62	62
Related parties payable	120	161	751	129
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	359	-	4 340	1 004
Liabilities other than net assets attributable to unit holders	572	242	5 153	1 195
Investments	174 185	98 500	526 009	110 095
Accrued income & debtors	12	70	411	1 407
Cash and bank balances	2 333	1 042	23 049	5 721
Total Assets	176 530	99 612	549 469	117 223
Investments	174 185	98 500	526 009	110 095
Cash and bank balances	2 333	1 042	23 049	5 721
Portfolio composition				
Basic Materials			11.11	19.71
Bonds	19.82		5.70	
Consumer Goods			7.89	17.27
Consumer Services				
Financials			13.38	18.42
Health Care				
Industrials			3.49	9.96
Oil & Gas			3.15	5.01
Property				
Technology				
Telecommunications			8.96	23.59
International Assets		76.87	19.70	
Other Securities			5.04	
Holdings in Collective Investments Schemes - International		22.05	5.24	
Holdings in Collective Investments Schemes - Local	78.88		4.60	
Liquid Assets	1.30	1.08	11.74	6.04
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	7.82	9.56	8.12	12.69
One year up to 31/12/2016	2.54	-18.10	-	0.16
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	-	3.42	-	-
Service fee (including VAT)	1.25% (B8)	1.02% (A)	1.08% (A1)	1.08% (A1)
Total Expense Ratio (TER)	0.09 (B8)	1.86 (A)	1.20 (A1)	1.23 (A1)

Summarised information for the year ending 31 December 2017

	SPW Global High Quality Feeder Fund	Sanlam Select Absolute Fund	Sanlam Select Defensive Balanced Fund	Sanlam Select Managed Fund
Condensed Statement Of Comprehensive Income				
Income	-3 121	4 661	86 002	102 220
Expenditure	299	7 045	7 505	14 634
Operating profit/(loss) for the year before finance costs	-3 420	-2 384	78 497	87 586
Distribution of income	568	10 112	53 819	49 987
Change in net assets attributable to unit holders	-3 988	-12 496	24 678	37 599
Condensed Statement Of Financial Position				
Net assets attributable to unit holders	130 273	241 230	1 078 882	1 152 367
Trade and other payables	25	90	75 380	106
Related parties payable	66	19	517	609
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	568	-	33 119	24 335
Liabilities other than net assets attributable to unit holders	659	109	109 016	25 050
Investments	127 357	174 860	1 063 044	947 028
Accrued income & debtors	13	1 033	23 970	3 687
Cash and bank balances	3 562	65 446	100 884	226 702
Total Assets	130 932	241 339	1 187 898	1 177 417
Investments	127 357	174 860	1 063 044	947 028
Cash and bank balances	3 562	65 446	100 884	226 702
Portfolio composition				
Basic Materials		3.06	2.09	8.42
Bonds		30.98	39.33	19.27
Consumer Goods		5.13	3.12	10.11
Consumer Services				3.17
Financials		4.18	2.59	10.72
Health Care		0.98	0.56	3.84
Industrials		1.04	0.68	2.82
Oil & Gas		1.56	0.87	2.02
Property		4.75	4.22	5.71
Technology		0.45	0.28	
Telecommunications		6.44	4.22	6.29
International Assets	0.15	8.86	5.81	
Other Securities		0.63	0.38	3.68
Holdings in Collective Investments Schemes - International	97.30	5.01	2.60	4.71
Holdings in Collective Investments Schemes - Local				
Liquid Assets	2.55	26.93	33.25	19.24
TOTAL	100.00	100.00	100.00	100.00
Investment Performance				
One year up to 31/12/2017	16.22	0.07	10.58	7.02
One year up to 31/12/2016	-	-0.35	6.58	4.45
All-share Index 2017: 17.47% 2016: 0.08%				
Fees				
Maximum Initial fee	-	-	-	1.25
Service fee (including VAT)	0.57% (A1)	0.91% (A1)	0.91% (A1)	0.91% (A1)
Total Expense Ratio (TER)	1.61 (A1)	1.54 (A1)	1.00 (A)	0.92 (A1)

Summarised information for the year ending 31 December 2017

	Sanlam Select Strategic Income Fund	Sanlam Stable Growth Fund
Condensed Statement Of Comprehensive Income		
Income	172 238	34 503
Expenditure	13 259	1 870
Operating profit/(loss) for the year before finance costs	158 979	32 633
Distribution of income	144 576	20 612
Change in net assets attributable to unit holders	14 403	12 021
Condensed Statement Of Financial Position		
Net assets attributable to unit holders	1 715 238	536 414
Trade and other payables	2 228	3 194
Related parties payable	630	131
Cash overdraft	-	-
Derivatives	-	-
Distributions payable	33 413	10 310
Liabilities other than net assets attributable to unit holders	36 271	13 635
Investments	1 707 228	461 701
Accrued income & debtors	18 497	-
Cash and bank balances	25 784	88 348
Total Assets	1 751 509	550 049
Investments	1 707 228	461 701
Cash and bank balances	25 784	88 348
Portfolio composition		
Basic Materials		1.14
Bonds	77.46	9.16
Consumer Goods		12.01
Consumer Services		
Financials		22.33
Health Care		0.18
Industrials		5.49
Oil & Gas		0.25
Property	9.29	0.36
Technology		
Telecommunications		17.31
International Assets	2.07	
Other Securities	2.26	0.04
Holdings in Collective Investments Schemes - International		
Holdings in Collective Investments Schemes - Local		5.48
Liquid Assets	8.92	26.25
TOTAL	100.00	100.00
Investment Performance		
One year up to 31/12/2017	8.96	5.12
One year up to 31/12/2016	8.77	8.65
All-share Index 2017: 17.47% 2016: 0.08%		
Fees		
Maximum Initial fee	-	-
Service fee (including VAT)	0.68% (A1)	1.39% (A1)
Total Expense Ratio (TER)	0.71 (A1)	1.46 (A1)

Summarised information for the year ending 31 December 2017

	March 2017	June 2017	September 2017	December 2017	Total
Distribution per unit (cents per unit)	C	C	C	C	C
Sanlam Alternative Income Fund	0,47	0,45	0,43	0,45	5,42
Sanlam Asia Pacific FoF				-	-
Sanlam Diversified Income FoF	0,38	0,31	0,26	0,48	4,98
Sanlam Global Balanced FoF				-	-
Sanlam Global Cautious FoF				-	-
Sanlam Global Equity Fund				-	-
Sanlam India Opportunities Feeder Fund				-	-
SIM Active Income Fund	23,26	23,99	22,97	24,34	94,57
SIM Balanced Fund		58,29		166,55	224,84
SIM Bond Plus Fund		32,67		32,51	65,18
SIM Enhanced Yield Fund	0,79	0,71	0,71	0,73	8,81
SIM Financial Fund		54,94		103,63	158,57
SIM General Equity Fund		146,30		139,92	286,22
SIM Industrial Fund		14,68		33,86	48,54
SIM Inflation Plus Fund		10,15		10,70	20,85
SIM Managed Aggressive FoF		31,39		45,53	76,92
SIM Managed Cautious FoF	29,12	11,29	29,46	40,33	110,19
SIM Managed Conservative FoF	25,86	14,39	26,11	46,00	112,36
SIM Managed Moderate Aggressive FoF		34,45		44,90	79,35
SIM Managed Moderate FoF		37,50		50,07	87,57
SIM Money Market Fund	0,64	0,62	0,61	0,60	7,37
SIM Property Fund	54,01	32,70	642,59	33,88	763,18
SIM Resources Fund		0,58		3,45	4,03
SIM Small Cap Fund		6,53		25,81	32,34
SIM Top Choice Equity Fund		26,99		28,74	55,73
SIM Value Fund		8,32		9,77	18,09
SMM Absolute Solution 5 FoF	2,38	8,57	11,88	0,92	23,75
SMM Aggressive FoF		18,39		21,20	39,59
SMM Balanced FoF		54,52		48,12	102,64
SMM Cautious FoF	23,30	0,80	28,12	-	52,22
SMM Conservative FoF	20,72	12,67	23,05	12,10	68,55
SMM Defensive FoF		57,50		48,82	106,32
SMM Equity Fund		21,09		22,74	43,83
SMM Long Term Growth Solution 7 FoF	6,33	8,16	13,26	-	27,75
SMM Moderate Aggressive FoF		24,68		23,22	47,90
SMM Moderate FoF		21,32		23,50	44,82
SMM Protection Solution 3 FoF	11,72	8,62	17,61	2,16	40,11
Sanlam Pan-Europe Fund		0,69			0,69
Sanlam Private Wealth Balanced Fund		1,40		1,42	2,82
Sanlam Private Wealth Equity Fund				-	-
Sanlam Private Wealth Global High Quality Feeder Fund				4,33	4,33
Sanlam Select Absolute Fund		16,63			16,63
Sanlam Select Defensive Balanced Fund		28,38		31,93	60,31
Sanlam Select Managed Fund		22,10		21,87	43,97
Sanlam Select Strategic Income Fund	20,42	20,14	21,16	18,17	79,90
Sanlam Stable Growth Fund		15,55		15,00	30,55

The full annual report is available to all investors.

Kindly send your personal details together with your collective investment account number to:

Sanlam Collective Investments, PO Box 30, Sanlamhof 7532

Or visit our **Client Contact Centre** at:

Sanlam Head Office, 2 Strand Road, Sanlamhof, Bellville, South Africa

An electronic version of our annual report is available on our website or can be requested from our Client Contact Centre or via e-mail.

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The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily an accurate determination of future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of fund. A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund. A money market portfolio is not a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Total Expense Ratio (TER) is a percentage of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Cost (TC) is a percentage of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial product, the investment decisions of the investment manager and the TER. The Manager retains full legal responsibility for the third-party-named portfolio. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme.



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