



Sanlam Collective Investments (RF) (Pty) Ltd
Annual Report | 2018

Investments

CEO Report



Dear investor

I am pleased to share with you the highlights of Sanlam Collective Investments in 2018 and a preview of what you can expect in the year to come.

A brief overview of the markets

2018 will be remembered as a tough year for financial markets, both internationally and here in South Africa. Early in the year international trade was disrupted by President Trump's announcement of tariffs on imports. This was mostly aimed towards China. Nine months later the IMF revised its growth forecast for the global economy down, citing escalating trade tensions and emerging market stress.

Partly as a result of Trump's trade tariffs, lower tax rates in the US and a more lenient fiscal policy, the US economy has diverged from other economies and led global growth in 2018. During the year the Fed continued to hike its federal funds rate, up from 1.25 - 1.5% at the start of the year to 2.25 - 2.5% at the end of the year. As a result, the US yield curve has started to flatten significantly. In the past this was a strong indicator of a potential US recession.

Locally, a technical recession set in, the first in nine years. In general, 2018 was a tough year for the South African consumer, with persistently high unemployment, a VAT hike in April and petrol prices hitting a record high during the year. As a result, consumer confidence ended the year on a rather bleak note.

An unusual number of SA businesses experienced steep declines in their share price during 2018 for diverse reasons, some of these relate to misrepresentation, regulatory action, and perceived poor handling of a crisis. Steinhoff, the Resilient Group, Aspen, Tiger Brands, and MTN come to mind, to name a few.

Asset class returns

Notwithstanding the challenging macro-economic environment, several international stock markets, such as the S&P 500 and the Nasdaq, managed to hit record levels in the first 9 months of the year. The Nikkei hit a 27-year high. Then "red October" arrived, which sent markets plunging worldwide, causing an estimated loss of \$2 trillion across world markets. Unsurprisingly, most asset classes as a result delivered disappointing returns for 2018. For the full calendar year of 2018, the ALSI and listed property returned -8.53% and -25.26% respectively. The ALBI returned 7.69% and cash 7.25%. Internationally, the MSCI World Index returned -8.71% in US dollar.





Our fund performance highlights

We are very proud of the achievement of the Sanlam Multi Managed Conservative Fund of Funds, which was the 2018 Raging Bull Award winner for risk-adjusted performance. All multi asset (balanced) funds across the low, medium and high equity categories in the industry were considered for this award. This means that the fund came first across the three industry categories in which the bulk of the industry's retirement money is invested - a phenomenal achievement.

In addition, the SIM Enhanced Yield Fund was named the best SA Interest-Bearing Short-Term Fund once again, which means it has remained first in its category for the three years to the end of 2014, 2016, 2017 and 2018! The consistently strong track record of the fund demonstrates its ability to outperform during increasing and decreasing interest rate cycles. This fixed interest fund aims to offer investors a better return than that of a money market fund over 12 months or longer.

For the second year in a row the Sanlam Global Property Fund scooped the Raging Bull certificate for the Best FSCA-approved Offshore Global Real Estate General Fund.

We are also very pleased that all three of our single manager 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 2018, as seen in the performance table below.

Fund	3 Years Rank	5 Years Rank
SIM Enhanced Yield Fund	1/26	1/23
SIM Inflation Plus Fund	31/114	10/77
SIM Balanced Fund	33/140	43/93
SIM Active Income Fund	21/61	16/44
SIM General Equity Fund	52/128	26/103

Source: Morningstar Direct | 3-year and 5-year returns to 31 Dec 2018 | 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.



What does **2019** hold?

2018 was not the first time that we experience a negative calendar year in local equities, listed property and hence in many high equity balanced funds too. There is no guarantee that history will repeat itself, but it's worth noting that, in the past 20 years, every year of negative equity returns was followed by a year of double digit returns.

While it's near impossible to forecast when the tide will turn, what we do know is that when markets start running, they usually rally hard and it's important to be in the market from day one to capture the upswing.

Regulatory changes

A significant part of our year was devoted to playing our role in combating financial crime through making sharp adjustments to our transaction interfaces with investors, operational platforms and supporting processes. We planned and implemented a risk-based approach to on-boarding clients as required by the new FIC Amendment Act, which will come into effect on 1 April 2019. We also took stringent steps to prohibit the inflow of funds without the prior identification, verification and screening of potential new investors. The phenomenon of financial crime such as money laundering and terrorist financing threaten economic and investment performance. SCI's commitment to the regulatory framework is underpinned by our commitment to the guardianship of our investors' wealth.

Other developments at Sanlam Collective Investments

We have diversified our income streams with the take on of several co-named fund manager partnerships and funds and the administration of another Collective Investment Scheme management company in the Sanlam Group. The strategy with co-name partnerships is to offer our services to fund managers who have other relationships with the Sanlam group or where Sanlam holds strategic equity stakes.

We have optimised our operating model and service arrangements with our external service provider Silica and during the year successfully insourced the processing of all investor registrations and subsequent instructions to manage their investments. This resulted in a significant improvement of our service levels.

Keeping pace with global initiatives towards digital transformation and protecting sensitive client information, SCI took progressive steps towards improving our investor portal for self service through user-selected security credentials. This was done alongside discontinuing the dissemination of posted and emailed quarterly investor statements, which have become more prone to interception and decryption at current industry security practices. The stopping of post in particular is a small contribution to Sanlam's carbon footprint reduction. All the utility of the traditional statement has been made available on the secure portal in addition to a host of new features and functions.

Thank you for your business and ongoing support. The SCI team is committed to guard your wealth and to provide you with great client experiences in the process of doing so.

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 2018.

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 2019

Summarised information for the year ending 31 December 2018

	Sanlam Alternative Income Fund	Sanlam Asia Pacific Fund of Funds	Sanlam Diversified Income Fund of Funds	Sanlam Global Balanced Fund of Funds
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	499 388	-6 172	100 148	3 661
Expenditure	60 545	2 200	11 692	475
Operating profit/(loss) for the year before finance costs	438 843	-8 372	88 456	3 186
Distribution of income	438 851	-	60 432	-
Change in net assets attributable to unit holders	-8	-8 372	28 024	3 186
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	7 429 826	147 210	1 460 389	62 072
Trade and other payables	236	45	71	53
Related parties payable	4 792	179	965	37
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	36 013	-	4 964	-
Liabilities other than net assets attributable to unit holders	41 041	224	6 000	90
Investments	7 347 390	146 520	1 460 000	61 732
Accrued income & debtors	119 871	1	6 269	6
Cash and bank balances	3 606	913	120	424
Total Assets	7 470 867	147 434	1 466 389	62 162
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	-	-
Bonds	-	-	2,38	30,55
Consumer Goods	-	-	-	-
Consumer Services	-	-	-	-
Financials	-	-	-	-
Health Care	-	-	-	-
Industrials	-	-	-	-
Oil & Gas	-	-	-	-
Property	-	-	-	-
Technology	-	-	-	-
Telecommunications	-	-	-	-
International Assets	-	80,30	-	68,85
Other Securities	-	-	-	-
Holdings in Collective Investments Schemes - International	-	19,14	-	-
Holdings in Collective Investments Schemes - Local	-	-	0,26	-
Liquid Assets	100,00	0,56	97,36	0,60
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	5,56	15,80	6,37	4,34
One year up to 31/12/2018	5,32	-5,15	6,01	4,91
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	-	3,45%	1,15%	3,45%
Service fee (including VAT)	1,33%	1,44%	0,87%	0,69%
Total Expense Ratio (TER)	1,35%	2,47%	1,38%	1,60%

Summarised information for the year ending 31 December 2018

	Sanlam Global Cautious Fund of Funds	Sanlam Global Equity Fund	Sanlam India Opportunities Feeder Fund	Sanlam Pan-Europe Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	4 628	10 006	4 990	-175
Expenditure	402	12 326	3 199	2 599
Operating profit/(loss) for the year before finance costs	4 226	-2 320	1 791	-2 774
Distribution of income	-	8 480	-	519
Change in net assets attributable to unit holders	4 226	-10 800	1 791	-3 293
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	47 402	559 875	261 023	86 557
Trade and other payables	26	28	45	259
Related parties payable	28	620	249	137
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	-	3 455	-	-
Liabilities other than net assets attributable to unit holders	54	4 103	294	396
Investments	46 585	530 506	260 952	85 416
Accrued income & debtors	1	1 597	41	682
Cash and bank balances	870	31 875	324	855
Total Assets	47 456	563 978	261 317	86 953
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	-	-
Bonds	61,45	-	-	-
Consumer Goods	-	-	-	-
Consumer Services	-	-	-	-
Financials	-	-	-	-
Health Care	-	-	-	-
Industrials	-	-	-	-
Oil & Gas	-	-	-	-
Property	-	-	-	-
Technology	-	-	-	-
Telecommunications	-	-	-	-
International Assets	36,80	94,10	-	82,36
Other Securities	-	-	-	-
Holdings in Collective Investments Schemes - International	-	-	99,90	15,87
Holdings in Collective Investments Schemes - Local	-	-	-	-
Liquid Assets	1,75	5,90	0,10	1,77
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	-0,47	3,73	28,08	9,56
One year up to 31/12/2018	9,24	-1,62	0,01	-3,06
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	3,45%	3,45%
Service fee (including VAT)	0,69%	1,84%	1,15%	1,84%
Total Expense Ratio (TER)	1,53%	1,91%	2,80%	2,60%

Summarised information for the year ending 31 December 2018

	Sanlam Stable Growth Fund	Sanlam Investment Management Active Income Fund	Sanlam Investment Management Balanced Fund	Sanlam Investment Management Bond Plus Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	26 675	565 476	-764 402	158 834
Expenditure	2 130	50 069	131 280	2 486
Operating profit/(loss) for the year before finance costs	24 545	515 407	-895 682	156 348
Distribution of income	22 685	569 435	628 691	167 087
Change in net assets attributable to unit holders	1 860	-54 028	-1 524 373	-10 739
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	564 666	7 831 796	16 301 957	1 737 120
Trade and other payables	107	562	707	105
Related parties payable	142	4 561	8 972	116
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	12 046	153 534	284 907	83 668
Liabilities other than net assets attributable to unit holders	12 295	158 657	294 586	83 889
Investments	418 072	7 320 835	15 666 960	1 766 993
Accrued income & debtors	294	100 801	183 347	51 104
Cash and bank balances	158 595	568 817	746 236	2 912
Total Assets	576 961	7 990 453	16 596 543	1 821 009
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	1,19	-	7,60	-
Bonds	11,74	15,83	14,08	99,89
Consumer Goods	9,89	-	7,05	-
Consumer Services	-	-	0,11	-
Financials	16,57	-	11,65	-
Health Care	0,13	-	1,25	-
Industrials	3,55	-	2,72	-
Oil & Gas	0,24	-	2,23	-
Property	0,16	3,07	10,13	-
Technology	-	-	0,62	-
Telecommunications	13,53	-	13,10	-
International Assets	-	-	22,87	-
Other Securities	0,04	-	0,61	-
Holdings in Collective Investments Schemes - International	-	-	0,52	-
Holdings in Collective Investments Schemes - Local	4,76	-	-	-
Liquid Assets	38,20	81,10	5,46	0,11
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	5,12	8,69	10,11	9,90
One year up to 31/12/2018	3,36	6,97	-5,41	7,44
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	-	1,15%	3,45%	0,69%
Service fee (including VAT)	1,41%	0,92%	1,27%	0,87%
Total Expense Ratio (TER)	1,47%	0,93%	1,72%	0,88%

Summarised information for the year ending 31 December 2018

	Sanlam Investment Management Enhanced Yield Fund	Sanlam Investment Management Financial Fund	Sanlam Investment Management General Equity Fund	Sanlam Investment Management Industrial Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	533 013	-9 483	-727 641	-322 627
Expenditure	11 324	4 656	63 198	20 665
Operating profit/(loss) for the year before finance costs	521 689	-14 139	-790 839	-343 292
Distribution of income	492 824	7 452	198 427	2 572
Change in net assets attributable to unit holders	28 865	-21 591	-989 266	-345 864
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	6 100 879	220 691	6 572 875	1 174 943
Trade and other payables	562	255	6 855	208
Related parties payable	1 215	288	3 863	1 242
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	43 728	4 727	100 362	2 469
Liabilities other than net assets attributable to unit holders	45 505	5 270	111 080	3 919
Investments	5 920 333	223 167	6 623 324	1 143 576
Accrued income & debtors	72 804	231	13 617	2 419
Cash and bank balances	153 247	2 563	47 014	32 867
Total Assets	6 146 384	225 961	6 683 955	1 178 862
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	20,02	-
Bonds	24,48	-	0,12	-
Consumer Goods	-	-	13,43	20,89
Consumer Services	-	-	-	-
Financials	-	82,57	19,90	-
Health Care	-	0,05	2,50	4,92
Industrials	-	-	4,62	3,43
Oil & Gas	-	-	3,83	-
Property	-	3,10	2,24	-
Technology	-	-	2,94	5,01
Telecommunications	-	-	21,28	47,02
International Assets	-	4,30	6,60	10,83
Other Securities	-	1,69	1,72	4,92
Holdings in Collective Investments Schemes - International	-	-	-	-
Holdings in Collective Investments Schemes - Local	-	7,19	-	-
Liquid Assets	75,52	1,10	0,80	2,98
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	9,48	13,36	13,85	15,15
One year up to 31/12/2018	9,06	-5,66	-10,70	-22,22
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	0,35%	3,45%	3,45%	3,45%
Service fee (including VAT)	0,49%	1,73%	1,27%	1,73%
Total Expense Ratio (TER)	0,49%	1,82%	1,31%	1,74%

Summarised information for the year ending 31 December 2018

	Sanlam Investment Management Inflation Plus Fund	Sanlam Investment Management Managed Aggressive Fund of Funds	Sanlam Investment Management Managed Cautious Fund of Funds	Sanlam Investment Management Managed Conservative Fund of Funds
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	579 436	-31 476	15 692	12 204
Expenditure	119 811	6 771	8 971	2 499
Operating profit/(loss) for the year before finance costs	459 625	-38 247	6 721	9 705
Distribution of income	589 858	35 003	60 234	20 269
Change in net assets attributable to unit holders	-130 233	-73 250	-53 513	-10 564
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	12 789 029	1 065 690	1 057 897	309 919
Trade and other payables	911	75	95	68
Related parties payable	8 290	547	159	-7
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	308 731	20 172	8 805	3 835
Liabilities other than net assets attributable to unit holders	317 932	20 794	9 059	3 896
Investments	11 869 340	1 008 279	997 213	288 777
Accrued income & debtors	92 489	584	372	70
Cash and bank balances	1 145 132	77 621	69 371	24 968
Total Assets	13 106 961	1 086 484	1 066 956	313 815
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	3,63	-	-	-
Bonds	10,60	14,83	38,25	48,85
Consumer Goods	3,34	-	-	-
Consumer Services	0,07	-	-	-
Financials	5,16	-	-	-
Health Care	0,56	-	-	-
Industrials	1,15	-	-	-
Oil & Gas	1,15	-	-	-
Property	1,54	3,30	6,00	4,87
Technology	0,21	-	-	-
Telecommunications	5,92	-	-	-
International Assets	18,30	11,48	8,10	6,22
Other Securities	0,25	-	-	-
Holdings in Collective Investments Schemes - International	0,73	-	-	-
Holdings in Collective Investments Schemes - Local	0,75	57,59	21,94	6,00
Liquid Assets	46,64	12,80	25,71	34,06
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	8,26	10,92	9,33	8,46
One year up to 31/12/2018	2,67	-3,78	0,50	2,97
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	1,15%	3,45%	3,45%	3,45%
Service fee (including VAT)	1,15%	0,87%	0,87%	0,87%
Total Expense Ratio (TER)	1,24%	0,99%	1,01%	1,08%

Summarised information for the year ending 31 December 2018

	Sanlam Investment Management Managed Moderate Aggressive Fund of Funds	Sanlam Investment Management Managed Moderate Fund of Funds	Sanlam Investment Management Medium Equity Fund	Sanlam Investment Management Money Market Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	-18 185	15 266	2 089	777 139
Expenditure	12 234	26 970	329	38 243
Operating profit/(loss) for the year before finance costs	-30 419	-11 704	1 760	738 896
Distribution of income	66 751	170 203	4 173	737 387
Change in net assets attributable to unit holders	-97 170	-181 907	-2 413	1 509
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	1 729 110	3 827 925	98 971	10 399 137
Trade and other payables	144	206	55	190
Related parties payable	992	2 162	-	3 178
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	36 087	88 559	2 782	64 748
Liabilities other than net assets attributable to unit holders	37 223	90 927	2 837	68 116
Investments	1 656 616	3 644 153	94 046	10 137 465
Accrued income & debtors	1 560	1 808	630	163 450
Cash and bank balances	108 157	272 891	7 132	166 338
Total Assets	1 766 333	3 918 852	101 808	10 467 253
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	4,80	-
Bonds	28,58	32,14	11,13	0,61
Consumer Goods	-	-	4,42	-
Consumer Services	-	-	0,12	-
Financials	-	-	6,82	-
Health Care	-	-	0,77	-
Industrials	-	-	1,52	-
Oil & Gas	-	-	1,53	-
Property	3,36	3,78	1,80	-
Technology	-	-	0,28	-
Telecommunications	-	-	7,83	-
International Assets	9,88	7,66	16,75	-
Other Securities	-	-	0,33	-
Holdings in Collective Investments Schemes - International	-	-	0,97	-
Holdings in Collective Investments Schemes - Local	46,63	39,66	-	-
Liquid Assets	11,55	16,76	40,93	99,39
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	10,04	9,45	-	7,62
One year up to 31/12/2018	-1,92	-0,56	-	7,35
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	-	0,35%
Service fee (including VAT)	0,87%	0,87%	1,15%	0,58%
Total Expense Ratio (TER)	0,99%	0,97%	1,38%	0,58%

Summarised information for the year ending 31 December 2018

	Sanlam Investment Management Property Fund	Sanlam Investment Management Resources Fund	Sanlam Investment Management Small Cap Fund	Sanlam Investment Management Top Choice Equity Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	-1 653 109	5 847	-62 359	-83 798
Expenditure	19 324	1 098	5 304	7 906
Operating profit/(loss) for the year before finance costs	-1 672 433	4 749	-67 663	-91 704
Distribution of income	494 580	966	12 694	49 650
Change in net assets attributable to unit holders	-2 167 013	3 783	-80 357	-141 354
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	5 645 414	52 985	331 960	1 338 896
Trade and other payables	11 030	343	58	1 467
Related parties payable	515	76	275	335
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	117 844	363	7 327	28 024
Liabilities other than net assets attributable to unit holders	129 389	782	7 660	29 826
Investments	5 743 158	52 727	332 576	1 345 058
Accrued income & debtors	15 887	1	5 464	2 804
Cash and bank balances	15 758	1 039	1 580	20 860
Total Assets	5 774 803	53 767	339 620	1 368 722
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	67,53	9,95	26,21
Bonds	-	2,24	-	-
Consumer Goods	-	1,52	32,91	11,20
Consumer Services	-	-	1,45	-
Financials	-	-	10,79	29,20
Health Care	-	-	2,49	2,84
Industrials	-	3,21	23,13	-
Oil & Gas	-	12,44	3,76	4,03
Property	99,63	-	1,77	0,60
Technology	-	-	6,17	4,14
Telecommunications	-	-	1,85	19,64
International Assets	-	11,18	1,41	-
Other Securities	-	-	2,27	0,51
Holdings in Collective Investments Schemes - International	-	-	-	-
Holdings in Collective Investments Schemes - Local	-	-	-	-
Liquid Assets	0,37	1,88	2,05	1,63
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	13,99	13,97	-5,37	11,87
One year up to 31/12/2018	-24,68	9,61	-14,83	-6,88
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	3,45%	3,34%
Service fee (including VAT)	1,73%	1,73%	1,73%	1,04%
Total Expense Ratio (TER)	1,73%	1,92%	1,76%	1,12%

Summarised information for the year ending 31 December 2018

	Sanlam Investment Management Value Fund	Sanlam Multi Managed Aggressive Fund of Funds	Sanlam Multi Managed Balanced Fund of Funds	Sanlam Multi Managed Bond Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	-31 987	-3 879	-45 655	214 975
Expenditure	27 032	1 223	18 309	667
Operating profit/(loss) for the year before finance costs	-59 019	-5 102	-63 964	214 308
Distribution of income	29 751	2 493	82 084	244 100
Change in net assets attributable to unit holders	-88 770	-7 595	-146 048	-29 792
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	1 684 850	93 292	2 291 145	3 035 597
Trade and other payables	337	56	130	1 419
Related parties payable	1 609	94	1 154	25
Cash overdraft	-	415	18 063	-
Derivatives	-	-	-	-
Distributions payable	18 702	1 452	40 361	23 531
Liabilities other than net assets attributable to unit holders	20 648	2 017	59 708	24 975
Investments	1 681 845	94 840	2 336 260	2 954 305
Accrued income & debtors	1 045	469	14 593	85 200
Cash and bank balances	22 608	-	-	21 067
Total Assets	1 705 498	95 309	2 350 853	3 060 572
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	8,05	-	-	-
Bonds	-	16,26	-	95,88
Consumer Goods	25,01	-	-	-
Consumer Services	-	-	-	-
Financials	18,30	-	-	-
Health Care	-	-	-	-
Industrials	7,41	-	-	-
Oil & Gas	3,85	-	-	-
Property	-	-	-	-
Technology	5,32	-	-	-
Telecommunications	8,45	-	-	-
International Assets	16,47	21,53	-	-
Other Securities	1,34	-	-	-
Holdings in Collective Investments Schemes - International	-	-	-	-
Holdings in Collective Investments Schemes - Local	4,42	62,29	100,16	-
Liquid Assets	1,38	-0,08	-0,16	4,12
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	-1,83	13,11	6,88	11,23
One year up to 31/12/2018	-3,67	-4,96	-3,46	7,52
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	3,45%	-
Service fee (including VAT)	1,56%	1,10%	1,44%	0,58%
Total Expense Ratio (TER)	1,75%	1,33%	2,19%	0,59%

Summarised information for the year ending 31 December 2018

	Sanlam Multi Managed Cautious Fund of Funds	Sanlam Multi Managed Conservative Fund of Funds	Sanlam Multi Managed Defensive Fund of Funds	Sanlam Multi Managed Equity Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	7 250	23 119	26 037	-261 558
Expenditure	2 741	6 438	5 032	7 784
Operating profit/(loss) for the year before finance costs	4 509	16 681	21 005	-269 342
Distribution of income	6 357	18 950	21 942	92 208
Change in net assets attributable to unit holders	-1 848	-2 269	-937	-361 550
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	153 798	339 422	497 424	3 013 625
Trade and other payables	57	53	101	1 234
Related parties payable	223	525	367	26
Cash overdraft	-	-	2 732	-
Derivatives	-	-	-	-
Distributions payable	188	3 040	13 603	37 659
Liabilities other than net assets attributable to unit holders	468	3 618	16 803	38 919
Investments	153 700	342 625	511 930	2 986 741
Accrued income & debtors	10	29	2 297	1 653
Cash and bank balances	556	386	-	64 150
Total Assets	154 266	343 040	514 227	3 052 544
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	-	4,56
Bonds	-	59,76	-	0,36
Consumer Goods	-	-	-	4,90
Consumer Services	-	-	-	0,09
Financials	-	-	-	6,44
Health Care	-	-	-	0,55
Industrials	-	-	-	1,40
Oil & Gas	-	-	-	1,66
Property	-	-	-	0,94
Technology	-	-	-	0,05
Telecommunications	-	-	-	5,80
International Assets	-	-	-	-
Other Securities	-	-	-	0,01
Holdings in Collective Investments Schemes - International	-	-	-	-
Holdings in Collective Investments Schemes - Local	99,68	40,15	100,11	71,11
Liquid Assets	0,32	0,09	-0,11	2,13
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	7,79	8,55	5,19	15,25
One year up to 31/12/2018	3,37	5,35	3,55	-9,03
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	3,45%	-
Service fee (including VAT)	1,10%	1,10%	1,44%	1,27%
Total Expense Ratio (TER)	1,22%	1,14%	2,15%	1,35%

Summarised information for the year ending 31 December 2018

	Sanlam Multi Managed Equity Fund of Funds	Sanlam Multi Managed Equity Index Fund	Sanlam Multi Managed Flexible Equity Fund	Sanlam Multi Managed Inflation Linked Bond Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	-6 351	-37 695	22 103	1 810
Expenditure	781	1 072	6 898	192
Operating profit/(loss) for the year before finance costs	-7 132	-38 767	15 205	1 618
Distribution of income	420	12 255	36 737	11 967
Change in net assets attributable to unit holders	-7 552	-51 022	-21 532	-10 349
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	44 296	400 858	659 870	533 248
Trade and other payables	379	13 656	108	64
Related parties payable	55	34	33	5
Cash overdraft	2	-	-	-
Derivatives	-	-	-	-
Distributions payable	346	6 811	2 649	4 191
Liabilities other than net assets attributable to unit holders	782	20 501	2 790	4 260
Investments	45 069	408 821	637 269	495 673
Accrued income & debtors	9	1 925	4 488	2 894
Cash and bank balances	-	10 613	20 903	38 941
Total Assets	45 078	421 359	662 660	537 508
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	11,75	11,00	-
Bonds	-	1,86	30,32	92,75
Consumer Goods	-	16,21	9,21	-
Consumer Services	-	0,62	0,73	-
Financials	-	23,90	15,45	-
Health Care	-	2,79	0,09	-
Industrials	-	5,44	6,67	-
Oil & Gas	-	4,72	4,83	-
Property	-	6,55	7,25	-
Technology	-	0,20	-	-
Telecommunications	-	25,16	8,10	-
International Assets	0,01	-	-	-
Other Securities	-	0,58	2,77	-
Holdings in Collective Investments Schemes - International	-	-	-	-
Holdings in Collective Investments Schemes - Local	100,10	-	-	-
Liquid Assets	-0,11	0,22	3,58	7,25
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	8,59	20,25	3,84	1,91
One year up to 31/12/2018	-13,56	-12,42	1,46	-0,43
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	-	-	-
Service fee (including VAT)	1,44%	0,58%	0,81%	0,58%
Total Expense Ratio (TER)	2,39%	0,60%	0,84%	0,60%

Summarised information for the year ending 31 December 2018

	Sanlam Multi Managed Aggressive Fund of Funds	Sanlam Multi Managed Moderate Fund of Funds	Sanlam Multi Managed Property Fund	Sanlam Select Absolute Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	-26 525	-3 468	-517 475	17 904
Expenditure	12 836	3 647	7 389	4 150
Operating profit/(loss) for the year before finance costs	-39 361	-7 115	-524 864	13 754
Distribution of income	22 868	11 377	181 889	42 403
Change in net assets attributable to unit holders	-62 229	-18 492	-706 753	-28 649
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	774 484	331 125	2 187 308	796 913
Trade and other payables	124	59	42 954	57
Related parties payable	993	301	226	96
Cash overdraft	2 282	-	-	52 300
Derivatives	-	-	-	-
Distributions payable	11 161	5 820	97 709	23 913
Liabilities other than net assets attributable to unit holders	14 560	6 180	140 889	76 366
Investments	788 844	336 441	2 119 084	791 767
Accrued income & debtors	200	152	1 427	58 933
Cash and bank balances	-	712	207 686	22 579
Total Assets	789 044	337 305	2 328 197	873 279
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	-	-	-	7,46
Bonds	-	-	-	19,52
Consumer Goods	-	-	-	6,99
Consumer Services	-	-	-	-
Financials	-	-	-	9,58
Health Care	-	-	-	0,87
Industrials	-	-	-	3,20
Oil & Gas	-	-	-	2,66
Property	-	-	92,73	4,46
Technology	-	-	-	-
Telecommunications	-	-	-	7,82
International Assets	-	-	-	10,23
Other Securities	-	-	-	-
Holdings in Collective Investments Schemes - International	-	-	-	1,51
Holdings in Collective Investments Schemes - Local	100,31	99,81	-	-
Liquid Assets	-0,31	0,19	7,27	25,70
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	10,40	9,90	17,48	0,07
One year up to 31/12/2018	-4,23	-2,15	-23,85	2,28
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	3,45%	3,45%	-	-
Service fee (including VAT)	1,10%	1,10%	0,58%	0,92%
Total Expense Ratio (TER)	1,22%	1,28%	0,60%	1,31%

Summarised information for the year ending 31 December 2018

	Sanlam Select Defensive Balanced Fund	Sanlam Select Flexible Equity Fund	Sanlam Select Managed Fund	Sanlam Select Strategic Income Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)	(R'000)
Income	87 290	-120 483	-13 079	135 807
Expenditure	17 649	21 787	11 696	8 222
Operating profit/(loss) for the year before finance costs	69 641	-142 270	-24 775	127 585
Distribution of income	117 556	36 432	37 447	121 572
Change in net assets attributable to unit holders	-47 915	-178 702	-62 222	6 013
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)	(R'000)
Net assets attributable to unit holders	2 046 553	1 141 940	841 166	1 405 403
Trade and other payables	54 487	111	107	864
Related parties payable	1 245	690	412	505
Cash overdraft	-	-	-	-
Derivatives	-	-	-	-
Distributions payable	63 078	74	19 856	29 700
Liabilities other than net assets attributable to unit holders	118 810	875	20 375	31 069
Investments	1 993 742	1 037 533	792 372	1 347 607
Accrued income & debtors	19 899	960	4 042	15 539
Cash and bank balances	151 722	104 322	65 127	73 326
Total Assets	2 165 363	1 142 815	861 541	1 436 472
Portfolio composition	(%)	(%)	(%)	(%)
Basic Materials	4,15	9,72	9,72	-
Bonds	35,03	14,50	19,37	75,55
Consumer Goods	3,89	14,56	10,83	-
Consumer Services	-	-	2,53	-
Financials	5,32	16,62	11,63	-
Health Care	0,42	0,82	1,69	-
Industrials	1,82	4,45	3,82	-
Oil & Gas	1,48	2,02	2,93	-
Property	4,46	1,33	1,55	6,10
Technology	-	0,42	-	-
Telecommunications	4,34	15,95	5,37	-
International Assets	5,76	8,54	12,81	-
Other Securities	-	0,75	3,30	0,41
Holdings in Collective Investments Schemes - International	1,28	1,14	-	-
Holdings in Collective Investments Schemes - Local	-	-	-	-
Liquid Assets	32,05	9,18	14,45	17,94
TOTAL	100,00	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)	(%)
One year up to 31/12/2017	10,58	10,14	7,02	8,96
One year up to 31/12/2018	4,34	-9,67	-3,05	8,71
All-share Index 2018: -11.37% 2017: 17.47%				
Fees	(%)	(%)	(%)	(%)
Maximum Initial fee	-	-	-	-
Service fee (including VAT)	0,92%	1,15%	0,92%	0,69%
Total Expense Ratio (TER)	0,94%	1,18%	0,94%	0,71%

Summarised information for the year ending 31 December 2018

	March 2018	June 2018	September 2018	December 2018	Total
Distribution per unit (cents per unit)	C	C	C	C	C
Sanlam Alternative Income Fund	1,28	1,29	1,27	1,29	5,13
Sanlam Asia Pacific Fund of Funds	-	-	-	-	-
Sanlam Diversified Income Fund of Funds	1,02	0,86	1,39	1,17	4,44
Sanlam Global Balanced Fund of Funds	-	-	-	-	-
Sanlam Global Cautious Fund of Funds	-	-	-	-	-
Sanlam Global Equity Fund	-	3,42	-	1,77	5,19
Sanlam India Opportunities Feeder Fund	-	-	-	-	-
Sanlam Pan-Europe Fund	-	2,44	-	-	2,44
Sanlam Stable Growth Fund	-	15,07	-	17,30	32,37
Sanlam Investment Management Money Market Fund	1,76	1,75	1,77	1,77	7,05
Sanlam Investment Management Active Income Fund	22,01	21,42	21,68	21,76	86,86
Sanlam Investment Management Balanced Fund	-	133,56	-	101,55	235,11
Sanlam Investment Management Bond Plus Fund	-	33,40	-	33,96	67,36
Sanlam Investment Management Enhanced Yield Fund	2,10	2,05	2,07	2,13	8,36
Sanlam Investment Management Financial Fund	-	65,23	-	120,76	185,99
Sanlam Investment Management General Equity Fund	-	227,75	-	241,45	469,20
Sanlam Investment Management Industrial Fund	-	-	-	-	-
Sanlam Investment Management Inflation Plus Fund	-	9,61	-	10,87	20,47
Sanlam Investment Management Managed Aggressive Fund of Funds	-	31,71	-	42,68	74,39
Sanlam Investment Management Managed Cautious Fund of Funds	29,77	12,24	31,64	12,85	86,51
Sanlam Investment Management Managed Conservative Fund of Funds	27,75	14,32	28,21	16,50	86,78
Sanlam Investment Management Managed Moderate Aggressive Fund of Funds	-	35,13	-	40,79	75,92
Sanlam Investment Management Managed Moderate Fund of Funds	-	40,27	-	44,50	84,77
Sanlam Investment Management Medium Equity Fund	-	11,07	-	21,25	32,32
Sanlam Investment Management Money Market Fund	1,76	1,75	1,77	1,77	7,05
Sanlam Investment Management Property Fund	61,03	33,52	60,07	44,81	199,42
Sanlam Investment Management Resources Fund	-	6,63	-	3,98	10,60
Sanlam Investment Management Small Cap Fund	-	49,86	-	89,70	139,56
Sanlam Investment Management Top Choice Equity Fund	-	35,55	-	48,41	83,96
Sanlam Investment Management Value Fund	-	12,92	-	29,27	42,18
Sanlam Multi Managed Aggressive Fund of Funds	-	20,24	-	28,08	48,31
Sanlam Multi Managed Balanced Fund of Funds	-	59,45	-	65,87	125,33
Sanlam Multi Managed Bond Fund	13,08	13,25	13,00	12,69	52,02
Sanlam Multi Managed Cautious Fund of Funds	32,66	-	27,42	2,57	62,65
Sanlam Multi Managed Conservative Fund of Funds	26,32	11,36	22,21	12,88	72,77
Sanlam Multi Managed Defensive Fund of Funds	-	36,41	-	61,72	98,13
Sanlam Multi Managed Equity Fund	-	21,46	-	10,56	32,01
Sanlam Multi Managed Equity Fund of Funds	-	9,05	-	45,91	54,96
Sanlam Multi Managed Equity Index Fund	-	36,28	-	33,80	70,08
Sanlam Multi Managed Flexible Equity Fund	19,42	22,43	26,87	20,24	88,96
Sanlam Multi Managed Inflation Linked Bond Fund	7,99	8,13	8,91	8,13	33,16
Sanlam Multi Managed Moderate Aggressive Fund of Funds	-	27,99	-	27,32	55,31
Sanlam Multi Managed Moderate Fund of Funds	-	25,59	-	26,23	51,82
Sanlam Multi Managed Property Fund	-	46,81	-	50,07	96,88
Sanlam Select Absolute Fund	-	30,97	-	29,13	60,10
Sanlam Select Defensive Balanced Fund	-	32,07	-	32,95	65,02
Sanlam Select Flexible Equity Fund	-	46,81	-	50,07	96,88
Sanlam Select Managed Fund	-	17,84	-	22,65	40,49
Sanlam Select Strategic Income Fund	19,34	22,19	19,93	21,28	82,74

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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