STANLIB

STANLIB TOP40 ETF

Annual Financial Statements
for the year ended 31 December 2016

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Collective investments
Registered office	17 Melrose Boulevard Melrose Arch Johannesburg 2076
Auditors	SizweNtsalubaGobodo Incorporated
Management company	STANLIB Collective Investments (RF) Proprietary Limited
Trustees	Societe Generale

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Chairman's message to unitholders

The year 2016 was a challenging one for the asset management industry with increased political uncertainty and unpredictable shock events such as Brexit in June and Trump being voted in as US president in November. The global economy, including South Africa, also experienced slow economic growth, political uncertainty and low levels of business and consumer confidence.

In June, British citizens voted in favour of Great Britain leaving the European Union (EU), shocking global equity markets with the fear that other members of the EU such as Italy, France and Germany may follow suit.
Locally, the South African political environment has also been eventful with surprise outcomes from the municipal elections and the continued risk of a potential downgrade. The good news is that South Africa's terms of trade is likely to improve along with an expected increase in agricultural production in 2017. This should assist the South African economy in re-balancing and hopefully drive an improved GDP for the year ahead.

ECONOMIC REVIEW

Global Economy

The surprise victory of Donald Trump on 8 November 2016 in the US Presidential election, coupled with the unexpected result of the Brexit vote on 23 June 2016 and the rising support for France's National Front, which is a socially conservative, nationalist political party in favour of France exiting the European Union, highlights the widespread surge in nationalist politics. This shift in global politics is centred on demands for more self-determination including additional trade protection as a means of safeguarding local industry, as well as reduced levels of immigration. Unfortunately, this trend could intensify in 2017 as a large number of European countries are scheduled to hold elections including Austria, Netherlands, France, and Germany.

One of the biggest drags on US economic growth during the past two years, but especially in 2016, was weak fixed investment spending by both private business and the residential sector. There are at least five key factors that have combined to reduce the pace of US private sector investment including moderate growth in the overall US economy, especially in key productive sectors; excess capacity remaining in the industrial sector, with capacity utilisation levels below their long-term average, the collapse of energy prices lowering investment in this sector; the strong international value of the US dollar, which has systematically undermined the competitiveness of US exports; and economic uncertainty during this past presidential election year.

One of the key factors negatively impacting the Euro-area is the uncertainty associated with Brexit, but also the risk that one or two other countries in the region may try to follow the UK in voting to leave the union. If this included a country such as France, it would signal the break-up of the European Union. The financial market's initial reaction to the shock Brexit result was, according to the IMF "reassuringly orderly". This was probably premised on the notion that the exit would be in name only and that most of the current trade and access arrangements between the United Kingdom and the European Union would remain largely unchanged.

South African Economy

Since the global financial market crisis in 2009, the rate of economic growth in South Africa has averaged a mere 1.6%. This has clearly not been robust enough to lead to widespread job creation. In fact, over the past year the South African economy added a mere 5 000 jobs, while the official rate of unemployment has moved to its highest level in at least thirteen years at 27.1% in the third quarter of 2016. The high rate of unemployment explains most of the social tension and anguish experienced in South Africa on a daily basis, especially among the youth.

Chairman's message to unitholders

This lack of economic growth reflects a combination of factors including a sluggish global economic backdrop, low business and consumer confidence, rising social tensions and a dearth of private sector fixed investment activity that has been aggravated by significant policy uncertainty and political turmoil.

Despite these constraints, South Africa's economic growth rate is still expected to improve modestly in 2017 to around 1.2%, which is up from an estimated 0.3% in 2016. This improvement in economic activity, albeit modest, reflects a combination of factors including a much improved agricultural season after a disastrous drought in 2016, a moderate but sustained uptick in commodity prices, further improvement in exports due to rand weakness, a decline in import intensity, and ongoing labour market stability. All of this should be further supported by a noticeable slowdown in consumer inflation, which will provide some relief to the household sector.

INDUSTRY REVIEW AND OUR POSITION

SA and Africa Equity

The SA equity market ended the year up 2.6%, a largely flat outcome. Resources lost 1.1% in Q4 but ended the year up 28.9%, as the star performer for SA equities. Financials added 3.2% while industrials declined another 5.4%.

With regards to Africa equity we increased our exposure to Morocco, while maintaining our overweight positions in both Kenya and Egypt and remaining underweight in Nigeria, as we expect further pressure on the currency and economy. Morocco is promising, offering moderate growth after years of depressed activity. The recovery is expected to be driven by lower interest rates combined with a recovery in agriculture.

Global

Global equities finished the year strongly in a period dominated by political developments. The oil price surged after OPEC and a number of other oil producing states agreed to curtail production. Following Trump's win, US market sentiment was buoyed by the potential for increased infrastructure and defence spending, and looser regulations for banks and energy firms. The strength of the US dollar and trajectory of interest rate hikes are risks to monitor in relation to capital flows. Actual policies implemented are likely to be more pragmatic than initially feared. We are focused on countries that have made the most progress in addressing their economic imbalances, as well as benefiting from domestic reforms, such as India and Indonesia.

Property

Despite a tough 2016, the listed property sector benefitted from a late rally to return 10.2% for 2016, underperforming bonds (15.5%) but outperforming cash (7.4%) and equities (2.6%).

The South African operating environment remains difficult, with recent rand strength negatively impacting distributions for companies with unhedged offshore exposure, income growth of 8% to 9% is forecast for 2017. We believe 2016 was a difficult year for SA property from a currency and company outlook perspective. 2017 is expected to be a better year, with total returns above 10% anticipated from the SAPY index.

Bond

The All Bond Index returned 15.5% for the year as a whole and 0.4% for the last quarter of the year.

The South African ten-year bond yield ended the quarter at 8.9%, weakening from the previous quarter close of 8.7% as the market priced in a much higher probability of the US increasing interest rates, and the impact of Donald Trump winning the US elections.

Chairman's message to unitholders

In the end, the US Federal Reserve Bank (Fed) increased interest rates by 25bps, but also indicated that they may increase the Fed Fund rate by 0.25% another three times in 2017.

South Africa managed to stave off the threat of a downgrade to junk status by rating agencies, although Standard and Poor's downgraded the local currency rating by one notch. As a result, the Credit Default Spread (CDS) ended the year at a respectable 215bps, after starting the quarter at 260bps.

STANLIB

At STANLIB, we recognise that managing investments in a complex and volatile world depends on being able to see and understand the bigger, connected picture. This is why we have a breadth of expertise across a wide range of investment disciplines. This allows our investment specialists to interrogate others' views, resulting in powerful insights that allow us to make better investment decisions on behalf of our clients.

GoalStandard Range of Funds

STANLIB has launched the GoalStandard Range of Funds for Standard Bank, comprising of both actively-managed and passively-managed funds.
The range is co-branded and forms part of the bank's strategy to meet the growing needs of their retail customers. The bank appointed STANLIB Multi-Manager as the portfolio manager of the GoalStandard Range of Funds.

STANLIB Multi-Manager has roots going back over 15 years and is the centre of excellence for multi-managed solutions and services within the STANLIB Group. An established business with over 120 years collective investment experience, a long-term track record and assets under stewardship in excess of R150 billion.

African Bank Update

STANLIB continues to play a leading role in working with the South African Reserve Bank and African Bank's curator to help our clients achieve the best possible outcome. We are pleased to advise that we returned to our investors more than R1.8 billion held in retention funds. The proceeds were returned via a switch from the retention fund into the investors' original account.

The remaining assets will be kept in the retention funds until our fund managers are able to dispose of them in the best interests of our investors.

Changes to our operating platform

Effective administration of wealth management products requires resources with specialised knowledge and access to leading-edge technology and processes to ensure cost-effective and reliable service delivery. In August 2016 we aligned our operations with a new strategic partner and transferred our unit trust operations onto a new operating platform that enables us to provide investors with a better customer experience and allows us to focus on our core capabilities of investment management and intermediary/investor relationships.

In conclusion

The year has proven to be one characterised by uncertainty, which has had a direct and observable impact on the risk and return level present in investment markets across the globe. That being said, it is important for us to recognise that while risk is always present in the investment world, when managed appropriately it represents the potential for reward.

Chairman's message to unitholders

At STANLIB, our expert investment specialists use targeted strategies and tools for managing risk in each fund which has resulted in significant reward for our clients.

This is evident as STANLIB is proud to have received Raging Bull top accolades for both its Multi-Manager Global Bond and its Offshore America Fund. The annual Raging Bull Awards recognise excellence across the unit trust industry for top outright performers, best risk-adjusted performers and the best unit trust management companies, including foreign-domiciled funds that have been approved by the Financial Services Board as suitable for South African investors.

STANLIB was also named the best provider of short-term investments and money market funds in Africa 2017 by Global Finance Magazine, STANLIB was considered the best in the African region measured against profitability, market share and reach, customer service, competitive pricing, product innovation and the extent to which it has successfully differentiated itself from competitors around core service provision.

STANLIB remains committed to offering investment performance and service excellence to our clients. I would like to express my thanks to the board, management team, investment managers and staff for all their support in 2016.

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Chairman

Directors' Responsibilities and Approval

The directors of the management company are responsible for the preparation, integrity and objectivity of financial statements that fairly present the state of affairs of the unit portfolios at the end of the financial year and the income and cash flow for that period, and other information contained in these financial statements.

To enable the directors to meet these responsibilities:

- The board of directors and management set standards and management implements systems of internal control accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss are reduced in a cost effective manner. These controls, contained in laid down policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;

- STANLIB Collective Investments (RF) Proprietary Limited makes use of the Liberty Group Limited internal audit function which operates independently and unimpaired, and has unrestricted access to the Liberty Group Audit and Risk Committees, appraises, evaluates and, when necessary, recommends improvements in, the systems of internal control and accounting practices; and

- The Audit and Risk Committees play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

- To the best of their knowledge and belief, based on the above, the directors are satisfied that no major breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The management company consistently adopts appropriate and recognised accounting policies.

The financial statements have been prepared in accordance with the provisions of all the applicable legislation and in accordance with the accounting policies set out in Note 1.

It is the responsibility of the auditors to report on the financial statements. Their report to the unitholders of the STANLIB TOP40 ETF is set out on page 8 and 9 of the financial statements.

The financial statements set out on page 10 to 30 which have been prepared on the going concern basis, were approved by the board of directors on 24 March 2017 and were signed on its behalf by:

Mr. C G Troskie Director	Mr. T Gobalsamy Director
Johannesburg 24 March 2017	Johannesburg 24 March 2017

Sizwe Ntsaluba Gobodo

AUDIT • ADVISORY • FORENSICS

INDEPENDENT AUDITOR'S REPORT

To the Directors of STANLIB Collective Investments (RF) (Pty) Limited

Opinion

We have audited the financial statements of the STANLIB TOP40 ETF ("the Collective Investment Scheme") set out on pages 10 to 30, which comprise the statement of financial position at 31 December 2016, and the statement of comprehensive income, the statement of changes in net assets attributable to unit holders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of STANLIB TOP40 ETF as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trust Deed and the Collective Investments Control Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of STANLIB TOP40 ETF in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 31 onwards do not form part of the financial statements and is presented as part of additional information. We have not audited this information and accordingly do not express an opinion thereon.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Trust Deed, the Collective Investments Schemes Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Collective Investment Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Collective Investment Scheme or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Collective Investment Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Collective Investment Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Collective Investment Scheme to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

SizweNtsalubaGobodo Inc.
Director: Dumisani Manana
Registered Auditor
Chartered Accountant (SA)
Johannesburg
24 March 2017

Statement of Comprehensive Income

	Note(s)	2016 R '000	2015 R '000
Investment income	3	19,117	25,215
Income adjustments on creation and cancellation of units	14	(56)	(246)
Sundry income		204	126
Fair value gains/(losses) on financial instruments	4	(26,624)	33,172
Net income/(deficit)		**(7,359)**	**58,267**
Operating expenses	5	(1,775)	(2,404)
Net income/(deficit) for the year before distributions		**(9,134)**	**55,863**
Distributions		(16,889)	(22,124)
Witholding tax expense		(577)	(562)
Total comprehensive (loss) income for the year		**(26,600)**	**33,177**

Statement of Financial Position as at 31 December 2016

	Note(s)	2016 R '000	2015 R '000
Financial instruments	6	619,310	715,706
Trade and other receivables	7	9	20
Cash and cash equivalents	8	2,106	4,800
Total assets		**621,425**	**720,526**
Liabilities			
Net assets attributable to unit holders		618,616	715,499
Trade and other payables	9	484	997
Distributions payable		2,325	4,030
Total liabilities		**621,425**	**720,526**

Statement of Changes in Net Assets Attributable to Unitholders

	Note	Capital attributable to unitholders R '000	Income attributable to unitholders R '000	Total R '000
Balance at 01 January 2015		**746,408**	**(82)**	**746,326**
Total comprehensive income for the year		-	33,177	33,177
Transfer of fair value gains/(losses) not distributable	4	33,172	(33,172)	-
Net capital creation/(cancellation) of units	14	(64,004)	-	(64,004)
Balance at 01 January 2016		**715,576**	**(77)**	**715,499**
Total comprehensive Loss for the year		-	(26,600)	(26,600)
Transfer of fair value gains/(losses) not distributable	4	(26,624)	26,624	-
Net capital creation/(cancellation) of units	14	(70,283)	-	(70,283)
Balance at 31 December 2016		**618,669**	**(53)**	**618,616**

Statement of Cash Flows

	Note(s)	2016 R '000	2015 R '000
Cash flows from operating activities			
Cash (used in) generated from operations	10	68,116	9,871
Interest income	11	173	163
Dividend income	12	18,955	25,050
Net cash inflow/(outflow) from operating activities		**87,244**	**35,084**
Cash flows from investing activities			
Purchase of financial assets		(1,005)	-
Sale of financial assets		-	51,648
Net cash inflow/(outflow) from investing activities		**(1,005)**	**51,648**
Cash flows from financing activities			
Net creation/(cancellation) of units	14	(70,339)	(64,250)
Movement in distributions payable	13	(18,594)	(22,241)
Net cash inflow/(outflow) from financing activities		**(88,933)**	**(86,491)**
Net increase/(decrease) in cash and cash equivalents		**(2,694)**	**241**
Cash and cash equivalents at the beginning of the year		4,800	4,559
Cash and cash equivalents at end of the year	8	**2,106**	**4,800**

Notes to the Annual Financial Statements

1. General information and accounting policies

The STANLIB Collective Investment Scheme ("the Scheme") is registered in terms of Collective Investment Schemes Control Act (CISCA) as set out in the supplement Portfolio Trust Deed.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the respective Trust Deeds and in accordance with note 1.2 in the manner required by the Collective Investment Schemes Control Act of South Africa. These financial statements have been prepared on a going concern basis.

Functional and presentation currency

These financial statements are presented in South African Rand, which is the Scheme's functional currency.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The principal accounting policies are set out below.

1.2 Accounting policies

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous year.

1.2.1 Financial instruments

Classification

The Scheme designates all its investments upon initial recognition as financial assets carried at fair value through profit or loss.

The categories of financial assets and liabilities at fair value through profit and loss comprise:
- Financial assets classified as held for trading which are those that the Schemes acquired or incurred principally for the purposes of selling or repurchasing in the near term, or are part of a portfolio or identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
- Financial instruments designated at fair value through profit and loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange – traded debt and equity instruments, unlisted open – ended investment funds, unlisted debt equity instruments and commercial paper. The financial instruments are managed and performance is evaluated on a fair value basis in accordance with the Scheme's investment mandate and are managed accordingly by the nominated asset manager.

Financial assets that are classified as loans and receivables include balances due from brokers, accrued interest income and accounts receivable. Financial liabilities that are not at fair value through profit and loss include balances due to broker, accounts payable, accrued expenses and financial liabilities arising on redeemable units.

Recognition

Financial instruments are recognised on statement of financial position when, and only when, the Scheme becomes a party to the contractual provisions of the particular instrument.

All purchases and sales of financial assets carried at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognised at trade date, which is the date that the Scheme commits to purchase or sell the asset.

Notes to the Annual Financial Statements

1.2.1 Financial instruments (continued)

Measurement

At initial recognition financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from the changes in their fair value are included in statement of comprehensive income for the period in which they arise. Dividend or interests earned on financial assets are included in statement of comprehensive income for the period in which they arise.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those designated as at fair value through profit or loss, are measured at amortised cost using effective interest rate method.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged cancelled or has expired.

The difference between the carrying amount of a financial instrument (or the partly thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

Offsetting

The Scheme only offsets financial assets and financial liabilities at fair value through profit or loss if the Portfolio has a legally enforceable right to set off the recognised amounts and either intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for investment debtors. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently recorded at amortised cost.

Notes to the Annual Financial Statements

1.2.1 Financial instruments (continued)

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the company has the positive intention and ability to hold to maturity are classified as held to maturity.

1.2.2 Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and that are not held for investing purposes. Cash and cash equivalents comprise of margin deposits, call deposits and current deposits with banks. Cash and cash equivalents is measured at amortised cost.

1.2.3 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value.

These are subsequently measured at amortised cost.

1.2.4 Investment Income

Investment Income comprises:
- Interest on fixed interest, money market investments, mutual funds and cash and cash equivalents; and
- Dividends from listed equities.

1.2.5 Interest income

Interest on fixed capital and money market investments at fair value through profit or loss is accrued on a time–proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.2.6 Dividend income

Dividend income is recognised when the Scheme's right to receive the payment has been established, normally being the ex-dividend date.

1.2.7 Taxation

Under the current system of taxation in South Africa, the Scheme is exempt from paying tax on income or capital gains that are distributed to investors to the extent that income is distributed to the investors. Residual taxable income may be taxed in the portfolios. Both income and capital gains are taxed in the hands of the investor.

Withholdings Tax (section 64D to 64N of the Income Tax Act) became applicable from 1 April 2012. It is imposed on unitholders at a maximum rate of 15% on the receipt of dividends. The scheme pays the gross dividends on distribution to the Management Company who is the regulated intermediary, who in turn withhold this tax based on the tax status of the unitholders. Where the fund is invested in instruments which incur foreign withholdings tax, the net dividend is received and the withholdings tax is withheld by the relevant foreign jurisdiction.

Notes to the Annual Financial Statements

1.2.8 Expenses

Expenses are recognised in the statement of comprehensive income as incurred.

1.2.9 Impairment

Financial assets that are measured at amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. An impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write down, the decrease in impairment loss is reversed through the statement of comprehensive income.

1.2.10 Creations and cancellations

The management company undertakes to purchase any number of units offered to it at the price calculated in accordance with the requirements of the Collective Investment Schemes Control Act, 2002, as amended, and on the terms and conditions set forth in the Trust Deeds constituting the various funds.

1.2.11 Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributed to unitholders.

1.2.12 Critical accounting judgments and key sources of estimated uncertainty

In the application of the Scheme's accounting policies, management is required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Fund has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project

The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

The effective date of the Fund is for years beginning on or after 01 January 2016.

The Fund has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its annual financial statements. It also provides amended guidance concerning the order of presentation of the notes in the annual financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the Fund is for years beginning on or after 01 January 2016.

The Fund has adopted the amendment for the first time in the 2016 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the Fund, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and interpretations not yet effective

The Fund has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Fund's accounting periods beginning on or after 01 January 2017 or later periods:

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The Fund expects to adopt the standard for the first time in the 2018 annual financial statements.

It is unlikely that the standard will have a material impact on the Fund's annual financial statements.

Amendments to IAS 7: Disclosure Initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The Fund expects to adopt the amendment for the first time in the 2017 annual financial statements.

It is unlikely that the amendment will have a material impact on the Fund's annual financial statements.

Notes to the Annual Financial Statements

	2016 R '000	2015 R '000
3. Investment income		
Dividends	18,955	25,050
Interest	162	165
Total investment income	**19,117**	**25,215**
4. Fair value gains/(losses) on financial instruments		
Fair value gains (losses)		
Financial instruments at fair value through profit or loss:		
Realised gains/(losses)	70,777	12,292
Unrealised gains/(losses)	(97,401)	20,880
Total investment gains	**(26,624)**	**33,172**
5. Operating expenses		
Audit fees	18	28
Custody charges	52	59
Service fees	1,662	2,281
Trustee fees	43	36
Total operating expenses	**1,775**	**2,404**
6. Financial instruments		
Financial instruments comprise:		
Financial instruments held at fair value through profit and loss:		
Listed equity	619,310	715,706
7. Trade and other receivables		
Trade and other receivables comprise of:		
Interest accrued	9	20
8. Cash and cash equivalents		
Cash and cash equivalents comprise of:		
Current account - local	2,106	4,800
9. Trade and other payables		
Trade and other payables comprise of:		
Provision service fee	457	963
Provision audit fees	27	34
	484	**997**

Notes to the Annual Financial Statements

	2016 R '000	2015 R '000
10. Cash flows from operating activities		
Total comprehensive income/(deficit) for the year	(26,600)	33,177
Adjustments for:		
Dividend income	(18,955)	(25,050)
Interest received	(162)	(165)
Distributions	16,889	22,124
Income adjustments on creation/cancellation	56	246
Adjustments for non-cash items:		
Fair value gains/(losses) on financial instruments	97,401	(20,880)
Changes in working capital:		
Trade and other payables	(513)	419
Cash generated from/(utilised in) operations	**68,116**	**9,871**
11. Interest received		
Opening balance	20	18
Per statement of comprehensive income	162	165
Less: Closing balance	(9)	(20)
	173	**163**
12. Dividends received		
Per statement of comprehensive income	18,955	25,050
13. Distributions paid		
Distributions payable at beginning of year	4,030	4,147
Distributions per the statement of comprehensive income	16,889	22,124
Less: Unitholder's distribution payable at year end	(2,325)	(4,030)
Total distributions paid	**18,594**	**22,241**

14. Net creation and cancellation of units

	Amount		Unit Movement		Units in issue	
	2016 R '000	2015 R '000	2016 '000	2015 '000	2016 '000	2015 '000
A	(70,339)	(64,250)	(1,530)	(1,350)	14,107	15,637
Net creation/(cancellation) of units	(70,339)	(64,250)				
Income adjustments on creation and cancellation of units	56	246				
Net capital creation/(cancellation) of units	**(70,283)**	**(64,004)**				

Notes to the Annual Financial Statements

15. Unit prices

The following table indicates the fluctuations in the price of the scheme's units during the year under review:

	Repurchase price (cents)					
	2016 Minimum	2016 Maximum	2016 last price	2015 Minimum	2015 Maximum	2015 last price
A	4,142.42	4,862.58	4,385.16	4,171.15	4,932.49	4,575.71

16. Income Distributions to unitholders quarterly

	Distributions (Cents)							
	31 March		30 June		30 September		31 December	
	2016	2015	2016	2015	2016	2015	2016	2015
A	11.24	24.77	39.21	35.39	42.69	40.07	16.48	25.77

17. Nature and classification of the Scheme's portfolio

The Stanlib Collective Investment Scheme invests in a wide spread of financial instruments in terms of the unit portfolios' investment mandate and based on the Collective Investment Schemes Control Act of South Africa.

Nature of portfolios

The nature of the unit portfolios are determined by the trust deed. Unit portfolios are firstly classified in terms of their geographical location, secondly, by their underlying investments and thirdly by their main investment focus.

Geographically, unit portfolios are classified as follows:
- South African - these unit portfolios invest at least 70% of their assets in South African markets,
- Global - these unit portfolios invest at least 80% of their assets outside South Africa,
- Worldwide - these portfolios have no restrictions; and
- Regional - These are portfolios that invest at least 80% of their assets outside South Africa in a specified geographical region, including Africa, other than South Africa.

In terms of the underlying investments, unit portfolios are classified as equity, interest bearing, real estate and multi asset. This second tier is further sub-classified into specific sectors of the market.

The Stanlib Collective Investment Scheme's unit portfolio is categorized as follows:

Fund	Geographical	Asset class	Sector
STANLIB TOP40 ETF	South African	Equity	Large Cap

18. Financial instruments and risk management

Exposure to credit, index, investment, liquidity, market, operational and secondary trading risks arise in the normal course of investment activities in securities. The scheme's acceptance of risk is directly attributable to the risks associated with any investment in equities.

The objectives for managing the risks associated with financial instruments held for investment purposes as well as a brief description of the relevant risks and methods adopted to mitigate these risks are outlined in more detail below.

The scheme has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Secondary trading risk

The above mentioned risks have been addressed below in more detail.

Notes to the Annual Financial Statements

18. Financial instruments and risk management (continued)

Credit risk

The Scheme's exposure to credit risk could be as a result of counterparty to a transaction failing to meet its contractual obligations. This could arise primarily from the Scheme's investment and security lending activities.

Management monitors the scheme's exposure to credit risk on an ongoing basis through its credit risk committee and its internal compliance structures. The credit risk committee assigns an internal rating to each institution which may not be higher than the lowest rating from Fitch Rating, Standard and Poor's and Moody's Investor Services. This ensures compliance with the Collective Investment Schemes Control Act of South Africa and the investment mandate.

In terms of the Main Trust deed, the Management Company may engage in securities lending under section 85 of CISCA subject to the following limits and conditions:

- The securities lending must be beneficial to all investors;
- The management company may lend or offer to lend securities with value not exceeding 50% of the market value of securities included in the Scheme;
- The securities that may be loaned to one borrower are limited in accordance with the limits determined by the Registrar for the inclusion of money market instruments in the Scheme;
- Collateral security for the securities loaned must have an aggregate value that exceeds the market value of the securities loaned by not less than five percent at
    - Cash; or
    - Other securities; or
    - A combination of cash and other securities.
- Securities may not be loaned for a period of more than 12 months; and
- Securities may not be loaned unless subject to a right of recall.

In terms of the securities lending agreements, it is the duty of the Management Company to take delivery of the collateral assets, any appropriate instruments of transfer or instruments of title in respect of these agreements. Collateral assets and instruments of transfer or title are held on behalf of, and for the benefit of, the principal as represented by the Stanlib Collective Investment Scheme.

The Scheme could be exposed to credit risk to the extent that inadequate collateral is held on the underlying assets. If a borrower fails to perform its obligations, the Scheme may be unable to recover the loaned securities. However, the Management Company only engages in securities lending with at least A-rated financial institutions.

In terms of CISCA, the Management company may, subject to the requirements of section 85, lend or offer to lend the assets included in a Scheme within the limits or on the conditions determined by the Scheme's Trust Deed. The Trustee of the Scheme give authority to the Management Company to lend or offer to lend securities with a value not exceeding 50% of the market value of all securities included in the Scheme. The Management Company has engaged in securities lending in respect of the securities held by the Scheme on this basis.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The maximum credit exposure, comprising of debtors and accrued income, bank balances, deposits and interest bearing securities amounts to:

Financial instrument	**2016**	**2015**
STANLIB TOP40 ETF	2,115,000	4,820,000

18. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations towards investors when they fall due. This is applicable to all unit portfolios, especially as unit holders cancel units on a daily basis.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold redemption requests for a period of no more than one month. Under extraordinary circumstances the Fund also has the ability tosuspend redemptions if this is deemed to be in the best interest of all unit holders. The Fund did not withhold any redemptions or implement any suspension during 2016 and 2015.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2016	**Less than 30 days**
Financial liabilities	
• Trade and other payables	484,000
• Distributions payable	2,325,000

At 31 December 2015	**Less than 30 days**
Financial liabilities	
• Trade and other payables	997,000
• Distributions payable	4,030,000

Market risk

Market risk exists where significant changes in equity prices will affect the value of the Scheme's financial instruments. Certain unit portfolios are exposed to market risk as a result of investing in financial instruments in different sectors in the economy. The value of the underlying investment fluctuates due to changing economic factors and market expectations. Management ensures that exposures are in accordance with investment objectives and the trust deed.

The scheme has exposure to the following market risks from its use of financial instruments:

- Price risk

The above mentioned risks have been addressed below in more detail.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in the foreign exchange rates. Currency risk is not specifically managed. Management ensures that exposures are in accordance with investment objectives and the trust deed.

Risks associated with the ETF Scheme

The investment policy of the exchanged traded funds is to track the FTSE/JSE Top 40 Index as closely as possible, by buying only the index securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of Quarterly Index Reviews or corporate actions or which are required to be sold to ensure that the Scheme holds index securities in the same weightings as they are in the Index. However the Scheme shall also be entitled at its discretion and only on a temporary basis: to employ such other investment techniques and instruments as will most effectively give effort to the object or investment policies of the Scheme. The Scheme will not be managed according to traditional methods of analysis and investing judgement. The scheme does not buy or sell securities for trading purposes or for any purpose other than to track the Index as closely as possible.

Notes to the Annual Financial Statements

18. Financial instruments and risk management (continued)

As a further objective, the securities held by the Scheme shall be managed to generate income for the benefit of the investors, i.e. income is generated from scrip lending activities which is applied to reduce expenses and the related tracking error.

The Scheme will be adjusted as determined by the stipulations of the JSE's Index calculation methodology to conform to changes in the basket of securities comprising the relevant Stanlib Scheme so as to substantially reflect the composition and weighting of the securities comprising the Index at all times. It is recorded that the Scheme's ability to replicate the price and yield performance of the FTSE/ JSE Swix 40 Index will be affected by the costs and expenses incurred by the Scheme. Costs and expenses may result in the Index not being replicated perfectly by the Scheme.

Index risk

There is no assurance that the Index will continue to be calculated and published on the same or similar basis indefinitely. The Index was created by the JSE as a measure of market performance and not for the purposes of trading Scheme's Index securities. The past performance of the Index is not necessarily a guide to its future performance.

The Index may be adjusted from time to time as a result of mergers, re-organisations, schemes of arrangement or other corporate activity involving constituent companies. Any adjustments to the Index will be implemented as determined from time to time in terms of the relevant Index stipulations, for example, if a constituent company pays a special dividend.

The adjustments may require the removal of a constituent company from the Index and the substitution thereof with a new constituent company while at the same time, if necessary, adjusting the base level. The adjustments to the Schemes will be made in such a way that the Schemes will remain substantially aligned with the Index level at all times.

A one percent increase in the value of the assets will results in a profit of R6.2m and a one percent decrease will result in a loss of R6.2m.

Investment risk

There can be no assurance that the Schemes will achieve its objectives of replicating the price and yield performance of the indices.

The following factors could impact negatively on the investment performance of the Schemes:
- Certain costs and expenses incurred by the Schemes could cause the underlying Portfolios to miss-track against the indices;
- Temporary unavailability of securities in the secondary market or other extraordinary circumstances could cause deviations from the exact weightings of the indices;

The Schemes could also be exposed to liquidity risk in cases where insufficient liquidity on certain securities is available to effect the necessary changes in index constituents. The need to employ alternative investment techniques would only arise in the event of a liquidity problem, for example, it is not possible to acquire certain securities comprising the index due to there being no sellers of such securities.

Stanlib Index securities are listed instruments, they are bought and sold on the JSE through the JSE member. The participatory interest can be sold to the Management Company, which is obliged to buy them from the investor.

Market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell Stanlib participatory interests at prices around NAV of the participatory interest, thereby ensuring tight buy and sell spreads. Under normal circumstances and conditions, the investor will be able to buy or sell Stanlib securities from the market makers.

18. Financial instruments and risk management (continued)

Price risk

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. The Fund is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund.

The Fund's investments in equity of other entities that are publicly traded and are included in the following equity index: JSE Equity index.

The table below summarises the impact of increases/decreases of the index on the Fund's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes has increased/decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index:

	Impact on post tax profit in Rand		Impact on other components of equity in Rand	
Financial instrument	**2016**	**2015**	**2016**	**2015**
Listed equities	30,966,000	35,785,000	-	-

Post-tax profit for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified a available-for-sale.

19. Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and securities) are based on quoted market prices at the close of trading on the year end date.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurement are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2016	**Carrying amount**	**Fair value**		
Assets		**Level 1**	**Level 2**	**Level 3**
Financial instruments at fair value through profit and loss:				
Listed equity	619,310,000	619,310,000	-	-
Cash and cash equivalents	2,106,000	2,106,000	-	-
	621,416,000	**621,416,000**	-	-

Notes to the Annual Financial Statements

19. Fair value information (continued)

2015	**Carrying amount**	**Fair value**		
Assets		**Level 1**	**Level 2**	**Level 3**
Financial instruments at fair value through profit and loss:				
Listed equity	715,706,000	715,706,000	-	-
Cash and cash equivalents	4,800,000	4,800,000	-	-
	720,506,000	**720,506,000**	**-**	**-**

Notes to the Annual Financial Statements

20. Categories of financial instruments

Categories of financial instruments - 2016 **(R '000)**

	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Assets						
Other financial assets	6	619,310	-	-	-	619,310
Trade and other receivables	7	-	9	-	-	9
Cash and cash equivalents	8	-	2,106	-	-	2,106
Total Assets		**619,310**	**2,115**	**-**	**-**	**621,425**
Liabilities						
Capital attributable to unit holders		-	-	-	618,669	618,669
Income attributable to unit holders		-	-	-	(53)	(53)
Trade and other payables	9	-	-	2,325	-	2,325
Distributions payable		-	-	484	-	484
Total Liabilities		**-**	**-**	**2,809**	**618,616**	**621,425**

Notes to the Annual Financial Statements

20. Categories of financial instruments (continued)

Categories of financial instruments - 2015 (R '000)

	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Assets						
Other financial assets	6	715,706	-	-	-	715,706
Trade and other receivables	7	-	20	-	-	20
Cash and cash equivalents	8	-	4,800	-	-	4,800
Total Assets		715,706	4,820	-	-	720,526
Liabilities						
Capital attributable to unit holders		-	-	-	715,576	715,576
Income attributable to unit holders		-	-	-	(77)	(77)
Trade and other payables	9	-	-	997	-	997
Distributions payable		-	-	4,030	-	4,030
Total Liabilities		-	-	5,027	715,499	720,526

Notes to the Annual Financial Statements

21. Related parties

Management company

The Schemes have appointed Stanlib Collective Investments (RF) Proprietary Limited to implement strategy as specified in the various trust deeds and to provide administrative services.

In terms of the Investment Management agreement, the Management Company receives a management fee, monthly in arrears, based on the daily assets under management.

Management fees paid to the Management Company are disclosed in the statement of comprehensive income of the scheme and the balance outstanding form part of the accrued expenses line item in the statement of financial position of the Scheme.

Controlled entity

The Scheme is deemed to be controlled by parties holding more than 50% of the units of the Scheme at reporting date. As at 31 December 2016, the Scheme was controlled by Liberty due to a majority interest held.

SOCIETE GENERALE
Securities Services

TO WHOM IT MAY CONCERN

26 January 2017

Compliance report of the Trustee Société Générale Johannesburg Branch

We, Société Générale, in our capacity as trustee of the STANLIB ETF Collective Investment Scheme (the "Scheme") have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002 ("the Act"), for the period 01 January 2016 up to and including 31 December 2016 ("the Report").

Having fulfilled our duties as required by the Act, we confirm that the Manager of the Scheme has in general administered the Scheme:

i. within the limitations on the investment and borrowing powers of the Manager imposed by the Act, and

ii. in accordance with the provisions of the Act and the trust deeds.

With some exceptions the report is available from us and/or STANLIB Collective Investments Limited ("the Manager").

Jean - Louis Bernardo
Managing Director

Hilda de Villiers
Head of Securities Banking Operations - JHB

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Total Expense Ratios (TERs)

	2016	2015
A	0.25	0.26