

ANNEXURE B

UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls it. The group considers collective investment schemes and other unit-linked investments to be structured entities. This annexure provides information on significant unconsolidated structured entities in which the group holds an interest.

Collective investment schemes and other unit-linked investments

Unit-linked investments comprise local and foreign collective investment schemes as well as other unit-linked investments. Collective investment schemes are categorised into property, equity or interest-bearing instruments based on a minimum of 55% per category of the underlying asset composition of the fund by value. In the event of no one category meeting this threshold, it is classified as a mixed asset class. Money market collective investment schemes are categorised as such.

Unlisted and unquoted unit-linked instruments are mainly exposed to equity, comprising investments in hedge funds and private equity funds, or interest-bearing instruments, comprising mezzanine funding and structured guaranteed income products. It includes investments where the exposure is subject to the underlying investments, comprising investments in pooled funds as well as investments backing policies where the group is the policyholder of an investment contract issued by other insurance companies. Where the group is the contract holder of investment contracts at another institution, but does not have title to the underlying investment assets, it is allocated to a mixed asset class.

	2015 Rm	2014 Rm
Collective investment schemes		
Local and foreign	122 297	110 023
Equity	96 217	82 792
Interest-bearing	15 828	15 919
Property	5 115	2 862
Mixed	3 371	6 690
Money market	1 732	1 760
Commodity	34	–
Other unit-linked investments	22 408	22 358
Local and foreign		
Equity	7 595	7 448
Interest-bearing	1 981	2 020
Mixed	11 691	10 935
Commodity	1 141	1 955
	144 705	132 381
Designated at fair value through income: unit-linked investments	132 330	120 477
Investments in associates designated at fair value through income	12 362	11 900
Available-for-sale: local unlisted quoted collective investment schemes	13	4
	144 705	132 381

Detail on investments in associates designated at fair value through income

The group holds a significant investment in the following associates designated at fair value through income:

Name 2015	Carrying value Rm	% interest held	Nature of relationship	Principal place of business
Fairtree Equity Prescient Fund	1 677	75.8%	Standard investment	Bellville
Truffle Institutional Equity Fund ¹	1 180	67.4%	Standard investment	Hyde Park
Momentum Enhanced Yield Fund	1 038	20.7%	Standard investment	Sandton
2014				
Fairtree Equity Prescient Fund	1 115	80.9%	Standard investment	Bellville
Momentum Enhanced Yield Fund	1 018	18.5%	Standard investment	Sandton

Summarised financial information relating to the associates above:

2015	Fairtree Equity Prescient Fund Rm	Truffle Institutional Equity Fund ¹ Rm	Momentum Enhanced Yield Fund Rm
Current assets	61	56	556
Non-current assets	1 965	1 412	4 594
Current liabilities	81	13	109
Non-current liabilities	–	1 455	4 662
Revenue	367	268	437
Earnings	306	230	379
Dividends received from associate	40	18	–

2014	Fairtree Equity Prescient Fund Rm	Momentum Enhanced Yield Fund Rm
Current assets	51	5
Non-current assets	1 349	5 493
Current liabilities	23	95
Revenue	63	458
Earnings	62	413
Dividends received from associate	22	6

¹ This associate was not considered to be significant in the prior year.

ANNEXURE B CONTINUED

UNCONSOLIDATED STRUCTURED ENTITIES

Other unconsolidated structured entities

The table below provides information on significant other unconsolidated structured entities in which the group holds an interest. The maximum exposure to loss is the carrying value of the assets held.

Name of entity	Investment type	Nature and purpose of business	How the entity is financed?	Carrying value ¹		Income received ²	
				2015 Rm	2014 Rm	2015 Rm	2014 Rm
iNguza Investments (Pty) Ltd	Interest-bearing notes	Issuing of commercial paper and other debt instruments to investors in order to acquire the rights and obligations of third parties underwritten loan agreements and/or other securities meeting the eligibility criteria established by the entity	Issuing of debt instruments	1 034	1 093	72	37
Nqaba Finance 1 (Pty) Ltd	Floating rate note	Securitisation vehicle set up by Eskom Finance Company to finance mortgage loans	Funding received from the South African capital market	474	511	22	30
Thekwini Fund 9 (Pty) Ltd ³	Floating rate note	Special purpose vehicle set up by South African Home Loans (Pty) Ltd to finance mortgage loans	Funding received from the South African capital market	633	–	34	–
Superdrive Investments (RF) Ltd ³	Floating rate note	Asset-backed securitisation set up by Standard Bank Group and BMW Financial Services	Funding received from local institutional investors	537	–	34	–
				2 678	1 604	162	67

¹ Included in securities designated at fair value through income in the statement of financial position. The carrying value represents the group's maximum exposure.

² Consists of interest income and fair value gains/losses.

³ These listed securitisations were not considered significant in the prior year.

⁴ The group has not sponsored any significant unconsolidated structured entities in which it holds an interest.