

As at 30 September 2024

Fund Objective

The investment objective of the fund is to achieve real returns in the medium to long term, from capital growth and dividends, by investing in equities in South Africa.

The aim is to achieve the fund objective by investing in South African small cap equities which we've identified as being attractively priced relative to their long-term return potential. The investment opportunities included in the portfolio are identified through in-depth research on company fundamentals, and the portfolio is constructed with a strong focus on risk management. The characteristics we look for in a company are good business economics, quality management and favourable valuations.

Fund Manager Details

Outsourced Investment Manager	Sanlam Investment Management (Pty) Ltd
FAIS Disclosure	Sanlam Investment Management (Pty) Ltd is an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.
	FSP Number: 579

Fund Information

Fund Classification	Qualified Investor Hedge Fund
Base Currency	South African Rand (ZAR)
Benchmark	STeFI
CIS Establishment Date	01 December 2019
Fee Class Inception Date	01 December 2019
Fund Size	R 32 million
Last two distributions	30/06/24: 26.08 cents per unit
Income Declaration Dates	31/03 30/06 30/09 31/12
Income Price Date	1st working day in April, Jul, Oct & Jan
Fund Valuation Time	17:00
Transaction Cut Off Time	15:00
Daily Price Information	www.sanlamunitrusts.co.za
Fund Trustee	Standard Bank of South Africa Ltd
Trustee Contact	021 441 4100 Compliance-SANLAM@standardbank.co.za

Fees (excl VAT)	A2 Class
Asset Management Fee	1.35%
Performance Fee	15% participation above the Benchmark. A High Water Mark principle applies.
Maximum Annual Fee	3.50%
Total Expense Ratio (TER)	1.92%

Period of TER calculation | 01 July 2021 to 30 June 2024. The TER will be higher than the quoted service charge of the manager.

Total Expense Ratio (TER) | 1.92% 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) | 0.22% 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.

Total Investment Charges (TER + TC) | 2.14% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Effective 01 October 2024, SCI will charge a monthly administration fee of R20 excluding VAT on retail investors whose total investment value is less than R50,000.

Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

Equalisation is an accounting methodology designed to ensure that the Investment Manager is paid the correct Performance Fee and that the Performance Fee is fairly allocated between investors in the fund.

Performance Report ¹

	Fund	Benchmark
A2 Class (%)		
1 Year	22.28%	8.55%
2 Years (Annualised) ²	15.79%	8.03%
3 Years (Annualised) ²	13.36%	6.87%
5 Years (Annualised) ²	N/A	N/A
Highest Annual Return	45.39%	8.56%
Lowest Annual Return	-1.82%	3.78%

Annualised return is the weighted average compound growth rate over the period measured.

Risk Statistics ¹

	Current	Maximum	Mandate*
One Month Value at Risk (VaR) at 99% ³	16.5%	16.5%	
Leverage ⁴	158.6%	158.6%	120%
Liquidity (Average Days to Trade)	0.6	0.6	90.0

* Total exposure and leverage is calculated using the Commitment approach.

* Where no mandate limit is stated, a limit does not exist.

Counterparty Exposure

	Gross Exposure
JSE Listed Physicals	92.13%
Firststrand Bank Limited	77.62%

Asset Allocation

	Net	Long	Short
Cash & Margin	74.58%	11.06%	-0.01%
Equities	25.42%	91.14%	-65.72%
Stocks & CFDs	25.42%	91.14%	-65.72%

¹ All performance prior to the CIS establishment date are actual net of fee performances in pre-regulated investment structures.

² Where return and risk figures are quoted for periods greater than 12 months, these returns are annualised. In other words, they are scaled to represent an equivalent one year measure.

³ VaR represents the statistical loss that the Fund can experience given its current holdings over a one Month period with a 1% probability.

⁴ Sources of leverage are from equity and / or fixed interest derivatives provided by the Prime Broker. The types and sources of leverage are based on strategies that implement derivatives, short selling and borrowed money as by the Prime Broker. Leverage is calculated using the Commitment approach.

⁵ Portfolio stress testing is performed by subjecting a portfolio through extreme market situations, and noting the portfolio profit and loss, value at risk and exposure movements.

⁶ In some circumstances asset hypothecation exists and is limited within the contracting arrangements with the different counter parties.

Risk Profile (Aggressive)

You can afford to take on a higher level of risk (i.e. will have a greater exposure to equities in your portfolio) because of your investment time horizon, or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

Management Company Information
Sanlam Collective Investments (RF) (Pty) Ltd

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Email: service@sanlaminvestments.com

Web: www.sanlamunittrusts.co.za

Independent Prime Brokers and Risk Monitoring

Prime Brokers	RMB
Risk Specialist	Risk Café

Additional Information

Sanlam Collective Investments (RF) Pty Ltd ("SCI") is a registered and approved Manager in Collective Investment Schemes in Securities and is a member company of the Sanlam Group. The Sanlam Group is a full member of the Association for Savings and Investment SA. The management of investments are outsourced to the authorised Financial Services Provider ("FSP") as stated in this Minimum Disclosure Document ("MDD").

The information contained in this MDD does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, and should be read in conjunction with the Upfront Disclosure Document. Use of or reliance on this information is at own risk. Independent professional financial advice should be sought before making an investment decision. Collective investment schemes are generally medium-to long-term investments. 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. This fund has no Initial Fees. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign instruments which could be accompanied by additional risks 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 the fund more efficiently in accordance with their mandates. The Manager retains full legal responsibility for the third-party named portfolio. The portfolio management of all the portfolios is out sourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value ("NAV") 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. Please note that past performance is not necessarily a guide to future performance, and that the value of participatory interests / units in investments / unit trusts may go down as well as up. While CIS in hedge funds differ from CIS in securities (long-only portfolios) the two may appear similar, as both are structured in the same way and are subject to the same regulatory requirements. The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may, in exceptional circumstances, suspend repurchases for a period, subject to regulatory approval, to await liquidity and the manager must keep the investors informed about these circumstances. Further risks associated with hedge funds include: investment strategies may be inherently risky; leverage usually means higher volatility; short-selling can lead to significant losses; unlisted instruments might be valued incorrectly; fixed income instruments may be low-grade; exchange rates could turn against the fund; other complex investments might be misunderstood; the client may be caught in a liquidity squeeze; the prime broker or custodian may default; regulations could change; past performance might be theoretical; or the manager may be conflicted. A schedule of fees and charges and maximum commissions is available from the Manager. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. 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 promulgation of hedge fund regulations in 2015 prompted the launch of this fund on the stated launch date. As a result, the returns of the fund prior to the launch date are presented as either simulated or actual returns based on past experience in pre-regulated structures. Where referenced, annualised returns describe the average amount of money earned by an investment each year over a given time period. The level of counterparty exposure is restricted to funds that are administered by Sanlam Collective Investments and the respective prime brokers of the underlying portfolio. A schedule of fees and charges and maximum commissions is available from the Manager, SCI. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge on the SCI website (www.sanlamcollectiveinvestments.com).

Glossary Terms
Collective Investment Schemes (CIS)

Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Commitment Approach

Also referred to as leverage limits, means the method used for calculating leverage up to a gross leverage limit of 200% of the fund's net asset value. Total exposure may therefore not exceed the fund's net asset value.

Distributions

The income that is generated from an investment and given to investors through monthly or quarterly distribution payouts.

Leverage

This refers to the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

Value at Risk (VAR)

A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome.