

Blue Ink

Sanlam Collective Investments Stable Qualified Fund of Hedge Fund

AS AT 31 October 2018



the fund's intent

This fund is specifically designed for the qualified investor seeking consistent, conservative absolute returns over a 3-5 year investment horizon. This would typically be a professional investor deemed to have knowledge and experience in the business of hedge funds.

- To achieve this, we make investments into single and multi-strategy hedge funds that seek out absolute returns in excess of Cash returns in different market regimes.
- The fund's investments may include any liquid assets as well as limited interests in en-commandite partnerships – partnership where the risk of any losses are limited to an investor's capital amount. Interests in any similar pooled investment vehicles are also permitted.
- The fund is suitable for a qualified investor with a conservative risk-reward profile and for inclusion in a balanced portfolio. It may provide meaningful diversification as well as concentration suitable for a conservative risk profile.

what we believe

■ We are ultimately undergoing a talent search

There exists a niche group of investment talent that have individually proven to be successful in wealth creation through non-habitual investment approaches.

Our core skill is to identify this talent and extract it for the benefit of the fund's investment purpose.

■ To calibrate for risk is to calibrate for opportunities

It is our belief that when combining different strategies, there are risks one cannot control and those opportunities that we can successfully manage. Managing the latter is at the core of Blue Ink's investment philosophy.

■ The degrees of freedom are essential

The ability to deliver investment returns agnostic to markets conditions, requires a significant increase in the investment toolkit.

what we endeavour to achieve

- Consistent alpha over 5 years agnostic to general capital markets.
- Exposure to diversified strategies with the ability to be rewarded in upward and downward trending markets.
- Single point of access to a range of established and proven hedge fund managers.

administered by



Issued on 23 November 2018

Table of returns

A1-Class	Fund (%)	Benchmark (%)
1 Year	0.85%	7.26%
3 Years	N/A	N/A
5 Years	N/A	N/A

* Performance will be reflected 12 months post the fund's establishment date as per mandatory regulatory requirements.

Fund information

Investment Manager	Blue Ink Investments (PTY) Ltd
FAIS Disclosure	Blue Ink Investments (PTY) Ltd is an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002 FSP Number: 712
Fund Classification	Qualified Investor Hedge Fund
Base Currency	South African Rand (ZAR)
Financial Services Provider (FSP) Licence No.	712
Portfolio manager	Selwyn Pillay
Benchmark	STeFI
CIS Establishment Date	01 November 2016
Minimum investment	Lump sum: R 1 million
Fund Size	R 2 million
Last 2 distributions	30/06/18: 6.53 cents per unit 31/12/17: 0.00 cents per unit
Income declaration dates	31/03 30/06 30/09 31/12
Income price dates	1st working day in April, July, October and January
Fund valuation time	17:00
Trading closing time	14:00
Daily price information	www.sanlamunittrusts.co.za
Trustee	Standard Bank of South Africa Ltd

Top 5 Underlying Holdings

Holdings	Hedge Fund FSP	Allocation (%)
Sanlam Alternative Gamma Retail Hedge Fund	Sanlam Investment Management	21.60
S-Alt Zeta Qualified Hedge Fund +	Acumen Capital	19.97
Call Account		19.07
Sanlam Alternative Pi Fund	Sanlam Investment Management	14.21
Sanlam Alternative Rho Fund	Sanlam Investment Management	8.50

*No leverage is utilised in the fund. Sources of leverage are from equity and or fixed interest derivatives provided by the prime brokers.

Asset Allocation

Holdings	Net Position
Cash & Margin	116.67%
Equity	5.32%
Foreign Exchange	-1.32%
Commodities	-2.16%
Fixed Income	-18.50%

*Counterparty exposure is not stated as fund of hedge funds do not utilise prime broking services. It is the underlying Hedge Fund FSP that utilises prime broking services.

Fund Statistics

Features	Measurement Scale	Fund
Compound growth rate	Annual	1.90%
Best annual return	Annual	4.20%
Least annual return	Annual	-1.22%
Maximum gain	Annual	5.47%
Maximum drawdown	Cumulative	-2.62%
Value at Risk at 99%	Monthly with a limit of 20%	1.81%
Liquidity Risk profile	Monthly	1 month

Definitions

Alpha: Described as the outperformance or excess return over the benchmark.
Best annual return: The actual annual highest return of the fund since its inception.
Compound growth rate: Average annual return achieved by the fund since its inception.
Derivative: A security with a price that is dependent upon or derived from an underlying asset.
Fees/Total Expense ratios: Percentage amount of loss an investment could potentially experience, over a given period of time, with given likelihood.
Least annual return: The actual annual lowest return of the fund since its inception.
Liquidity Risk Profile: The average number of days needed to liquidate the portfolio.
Maximum drawdown: Greatest recorded percentage loss of the fund when the market is experiencing significant new declines.
Maximum gain: Greatest recorded percentage gain of the fund when the market is experiencing significant new gains.
VaR: A measure of a maximum expected loss of a portfolio at a given confidence level over a specified time period.
Volatility: Measure of how much the value of an investment is expected to fluctuate over the investment period.

Fees/Total Expense ratios (excl. VAT)

A1 Class Parties	Manager (%)	Performance (%)
Blue Ink	1.75	0.00
Sanlam Collective Investment	0.20	-
Total Expense Ratio	8.42	0.00

Period of TER calculation | 01 November 2016 to 30 June 2018. The TER will be higher than the quoted service charge of the manager.

Total Expense Ratio (TER) | 8.42% 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) | 0.21% 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) | 8.63% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Contact details

MANAGEMENT COMPANY

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TRUSTEE

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administered by



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. 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. 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. There is no re-hypothecation or encumbering of assets in this fund. The Manager has the right to close any portfolios to new investors to manage them 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 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. 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. A fund of fund unit trust only invests in other unit trust, which levy their own charges, which could result in higher fee structures for these funds. 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. 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. 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) or the Blue Ink Investments website (www.blueink.co.za).