



Hedge Fund - Upfront Disclosure Document

Sanlam Collective Investments (RF) (Pty) Ltd ('SCI')

Investments



1.1 Glossary

- **Manager** – Refers to the management company, Sanlam Collective Investments managing the Hedge Fund Schemes.
- **Hedge Fund** – Refers to the Manager’s Hedge fund scheme registered with the FSB, which contains multiple portfolios.
- **Portfolio** – Refers to a Collective Investment Scheme, unit trust.

1.2 Members of the board

This is to declare that the non-executive directors are:

- David Ladds
- Philip de Villiers Rademeyer
- Nersan Naidoo

The executive director is:

- Liezl Myburgh

1.3 General Information

Provider type	Provider Name
Hedge Fund Depositories	Absa Bank RMB Custody Peregrine Nominees
Fund Administrator	Maitland Financial Services
Auditor	Ernst & Young

1.4 Hedge Fund Schemes

SCI have registered a Retail and Qualified Investor Hedge Fund Scheme

1.4.1 Legal Structure of the Hedge Fund Portfolio's

The legal structure of all the SCI Hedge Funds are Trust structures.

1.4.2 List of all Portfolios in the Hedge Fund:

Please refer to www.sanlamhedgefunds.com for a full list of the Retail Hedge Fund (and Fund of Hedge Funds) as well as the Qualified Investor Hedge Fund (and Fund of Hedge Funds) portfolios (refer to Annexure A).

1.4.3 Hedge Fund Minimum Disclosure Documents (MDD)

Hedge Fund portfolio minimum disclosure documents will be updated monthly and available at www.sanlamhedgefunds.com

1.4.4 Hedge Fund Portfolios Annual Reports

Please refer to the Portfolio Annual Reports at www.sanlamhedgefunds.com

1.4.5 Hedge Fund valuation and pricing methodologies

Please refer to the Price Valuation Policy at www.sanlamhedgefunds.com



1.5 Investor Portfolio Reporting

Investors will receive monthly correspondence with respect to their portfolio account holdings, covering portfolio net asset value, performance and costs incurred. Full correspondence detail that will be provided is covered by Board Notice 52 section 27(2) (B), under sub paragraph (2). Clients will also receive a quarterly investor statement detailing their investment/s.

1.6 Treating Customers Fairly

Sanlam embeds client-centricity firmly within its business practices, an approach fully aligned with Treating Customers Fairly (TCF), which mandates a formal approach to treating customers fairly and improving client confidence in the financial services industry. The TCF framework within which Sanlam operates is set out below:

- Customers are confident that they are dealing with a firm where the fair treatment of customers is central to the firm culture.
- Products and services marketed and sold are designed to meet the needs of identified customer groups and are targeted accordingly.
- Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.
- Where customers receive advice, the advice is suitable and takes account of their circumstances.
- Customers are provided with products that perform as they have been led expect; and the associated service is both of an acceptable standard and what they have been led to expect.
- Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.

1.7 Procedures to change Investment strategy of a Hedge Fund Portfolio:

Any amendment to change the investment strategy of the portfolio is effected by changing the supplemental trust deed. The application is sent onto the FSB for approval. The change will only take effect once the FSB has approved the changes to the supplemental trust deed.

1.8 Manager's Prime Broker and Counter Party Arrangements

- Prime broker and counterparty arrangements are managed via the prime broking, International Swaps and Derivatives Association ('ISDA') and Counterparty Services Agreement ('CAS') contract between SCI and the relevant counterparty.
- Asset hypothecation and re-hypothecation are limited and defined with the contracting parties.
- The counterparty exposures are as described in the portfolio MDDs and calculated using the commitment approach.



1.9 Hedge Fund Investment Associated Risks

In addition to the risks inherent in long only funds, investors need to be aware of the following:

- Hedge funds make use of investable opportunity sets such as Leverage, Short Selling, Increased use of over the counter (OTC) derivatives and foreign exposure to mention a few.
- These risks are monitored in a framework set out by the Ruling hedge fund regulation and managed to ensure that the investors' interest are put first.
- These risks are not exhaustive and where appropriate investors should consult their own legal, tax and financial advisors to identify and note all risks inherent to their investment in the fund.

1.10 Gating side pocketing and re-purchasing restrictions

- The Manager shall obtain approval of the Registrar before the Manager establishes a new portfolio for purposes of segregating illiquid assets from liquid assets (side pocketing), or for purposes of using other facilities, including gating and redemption suspensions.
- These events may be triggered under certain circumstances where specific assets in the portfolio become highly illiquid or untradeable. The decision will be made by the Hedge Fund Manager to isolate these assets in the best interest of investors.
- All investors have the same rights and no special repurchase arrangements exist between the investor and the fund.

1.11 Ring-fencing

- No single investor has the right to receive preferential treatment. Ring-fencing arrangements within a portfolio will be done to ensure the interest of all investors are best protected.

A manager may only suspend the repurchase of participatory interests:

- Under exceptional circumstances and when in the interests of investors; and
- In accordance with the Notice of Suspension of Participatory Interests by the Manager of Collective Investment Schemes in Securities prescribed by the registrar under section 114(3) of the Act (from BN 52 (5) (a)&(b).

1.12 Hedge Fund Fees and Charging Investor

- Service Fees – Annual management fees charged by the manager with respect to administration and fund asset management
- Performance Fees – Performance fee charged when investment performance outperforms agreed benchmark
- Broker Fees:
 - Advisory Fees – Agreed advisory fee between investor and broker
 - Trailer Commission – Legacy broker commission, applicable only to Investors with legacy broker agreements



Fund

- Bank Interest – interest charged when the portfolio bank account is in overdraft
- Bank Charges – portfolio bank charges
- Dealing and Settlement costs – Brokerage fees
- Audit Fees – costs for auditing the portfolio
- Trustee Fees – costs for trustee services involved in cash management

1.13 Leverage

- The portfolio is permitted to use leverage as defined within the supplemental deeds and in accordance with regulations and the Act.
- Leverage is used for either return generation or risk mitigation.
- Sources of leverage include the ability to short, use of derivatives which can be both listed and over the counter (OTC).
- Collateral risk is governed by means of ISDA and CSA agreements with the various prime brokers and counterparties.
- The portfolio specific leverage amounts and mandate limits are described in their respective MDDs.

1.14 Conflict of Interest

All actual and potential Conflicts of Interest are managed, reported and disclosed in line with the Managers Conflicts of Interest Management Policy which is available on request, or on the Sanlam website www.sanlamhedgefunds.com

1.15 Liquidity Risk Management

Liquidity risk management is carried out in line with hedge fund regulation i.e. Section 6 of BN52 and the main deed to ensure that assets held in the portfolio can be liquidated within a reasonable time frame in a way which mitigates losses to clients.

1.16 Types of assets in which the portfolio may invest

The following Portfolios will be managed according to its investment policy and any other additional investment restrictions for hedge funds that may be applicable in the regulations and the Act from time to time.

1.17 Delegated Administration

The administration for the Hedge Funds are outsourced to Maitland Hedge Fund Services (Pty) Ltd. Their services include the asset and liability administration, accounting information technology, daily and monthly calculation of prices and compliance support. No conflict exists between SCI and Maitland.

1.18 Allowable Assets

Please refer to Annexure A for a list of allowable assets per Hedge Fund CIS portfolio.



Sanlam Collective Investments

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Portfolio Name	Permissible investments as per the fund's investment policy
Retail Hedge Funds	
Sanlam Alternative Thêta Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, exchange traded funds listed on the JSE listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Securities based on the value of commodities shall be premitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Sigma Retail Hedge Funds	The portflio shall invest in a combination of assets in liquid form, which include money market instruments, bonds, equity securities and listed and unlisted financial instruments as allowed by the Act. Securities based on the value of commodities shall be premitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Lambda Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, exchange traded funds listed on the JSE listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Securities based on the value of commodities shall be premitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative PI Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, exchange traded funds listed on the JSE listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Securities based on the value of commodities shall be premitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Vega Retail Hedge Funds	The portflio shall invest in a combination of assets in liquid form, money market instruments, bonds, listed and unlisted finxed interest securities and any otherlisted and unlisted financial instruments as allowed by the Act. Offshore investments will be permitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Omega Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, listed and unlisted transferable interest rate instruments and listed and unlisted financial instruments. Securities based on the value of commodities shall be premitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Capricorn Sanlam Collective Investments Stable Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, foreign equities and fixed interest instruments and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Capricorn Sanlam Collective Investments Market Neutral Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, foreign equities and fixed interest instruments and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink Sanlam Collective Investments Equity Retail Hedge Funds	The portfolio shall invest in a combination of assets in liquid form, money market instruments or cash equivalents, listed and unlited interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments as allowed by the Act. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in terretories with a regulatory environment which is to the satisfaction of the Manager and Custodian.

Sanlam Alternative Rho Retail Hedge Funds	The portfolio shall invest in a combination of assets in liquid form, money market instruments, bonds, interest rate instruments, listed and unlisted financial instruments as allowed by the Act. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative XI Retail Hedge Funds	The Portfolio shall invest in a combination of assets in liquid form, money market instruments, listed and unlisted interest rate instruments, bonds and listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink Sanlam Collective Investments Balanced FoHF Retail Hedge Funds	The portfolio will invest into a combination of interests in other retail hedge funds. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink Sanlam Collective Investments Cautious FoHF Retail Hedge Funds	The portfolio will invest into a combination of interests in other retail hedge funds. The portfolio shall be a fund of hedge funds investing in Investments which will include single and multi-strategy regulated retail hedge funds. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Delta Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, foreign equities and fixed interest instruments, listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Gamma Retail Hedge Funds	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, exchange traded funds listed on the JSE listed and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Securities based on the value of commodities shall be permitted. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Veta Retail Hedge Funds	The portfolio shall invest in a combination of assets in liquid form, money market instruments, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments as allowed by the Act. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Sanlam Alternative Zeta Retail Hedge Funds	The portfolio shall invest in a combination of assets in liquid form, money market instruments, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments as allowed by the Act. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Obsidian Sanlam Collective Investments Multi Asset Retail Hedge Funds	The portfolio may invest in listed and unlisted securities local and globally convertible securities, bonds, property shares, currency, property related securities, commodities, preference shares, interest bearing securities and assets in liquid form. May invest in derivatives, Over-the-Counter (OTC) unlisted stocks and participation in portfolios of collective investment schemes or other similar scheme.
Obsidian Sanlam Collective Investments Long Short Retail Hedge Funds	The portfolio may invest in listed and unlisted securities local and globally convertible securities, property shares, property related securities, commodities, currencies, preference shares, bonds, credit instruments, interest bearing securities and assets in liquid form. May invest in derivatives, Over-the-Counter (OTC) unlisted stocks and participation in portfolios of collective investment schemes or other similar scheme.
Qualified Hedge Funds	

Blue Ink SCI Inflation Linked Qualified Hedge Fund	The portfolio will invest in a combination of other hedge funds. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink Sanlam Collective Investments Commodity Qualified Fund of Hedge Fund	The portfolio will invest into single and multi strategy hedge funds. The fund may invest in assets in liquid form and consist solely of Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian. The fund may also invest in listed and unlisted financial instruments
Blue Ink Sanlam Collective Investments Stable Fund of Hedge Fund	The portfolio will invest into single and multi strategy hedge funds and assets in liquid form and any other pooled investment vehicle
Blue Ink Sanlam Collective Investments Yield Trading Qualified Fund of Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, money market instruments or cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments. The portfolio shall be permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink SCI Special Opportunities Qualified Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, money market instruments or cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments and foreign exchange instruments. The portfolio shall be permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
Blue Ink Sanlam Collective Investments Long Short Equity Qualified Fund of Hedge Fund	The portfolio will invest into single and multi strategy hedge funds and assets in liquid form and any other pooled investment vehicle
S-Alt Mu Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Gamma Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Delta Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Omicron Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Iota Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.

S-Alt Yn Qualified Hedge Fund	The portfolio is permitted to invest into commodity instruments listed on SAFEX, internationally commodity instruments if listed and dealt on a recognised exchange with full membership of the World Federation of Exchanges. The portfolio can invest in commodity futures & options, physical commodities, exchange traded funds, exchange traded notes, exchange traded commodities. The portfolio can trade index futures/options, single stock options, listed commodity index futures/options and Over-the-Counter investment contracts. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Tau Qualified Hedge Fund	The portfolio may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments or cash equivalents, bonds, listed and unlisted fixed interest rate securities, equities and unlisted financial instruments. The portfolio is permitted to invest in offshore investments. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Zeta Qualified Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, which includes money market instruments and cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments and may invest offshore. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Eta Qualified Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, which includes money market instruments and cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments and may invest offshore. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.
S-Alt Veta Qualified Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, which includes money market instruments and cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments and may invest offshore.
S-Alt Upsilon Qualified Hedge Fund	The portfolio shall invest in a combination of assets in liquid form, which includes money market instruments and cash equivalents, listed and unlisted interest rate instruments, bonds, listed and unlisted financial instruments, including foreign exchange instruments and may invest offshore. Investment in participatory collective investment schemes registered in South Africa or similar scheme operated in territories with a regulatory environment which is to the satisfaction of the Manager and Custodian.