



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 FSCA, which contains multiple portfolios.
- **Portfolio** – Refers to a Collective Investment Scheme, unit trust.
- **AUM** – Assets Under Management
- **CISCA** – Collective Investment Scheme Control Act, 2002.
- **CIS** – Collect Investment Scheme.

1.2 Members of the board

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

- David Ladds
- Haroon Lorgat
- 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

*No conflicts of interest exists between SCI and the hedge fund depositories

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 <https://www.sanlaminvestments.com/individual/fundsandproducts/hedgefunds/Pages/default.aspx>

The Upfront Hedge Fund disclosure document must be read in conjunction with the MDD for the portfolio as it contains specific information pertaining to the hedge fund. The Net asset value of the participatory interest of the portfolio can be found on the MDD.

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 frequently asked questions for each fund's valuation and pricing methodology at

https://www.sanlaminvestments.com/individual/fundsandproducts/hedgefunds/Documents/HedgeFund_FAQ.pdf

- Fund pricing is available on the Salam Investment website at

<https://www.sanlaminvestments.com/markets/Pages/daily-prices.aspx>

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 and/or investment policy of the portfolio is effected by changing the supplemental trust deed. The application is sent onto the FSCA for approval. The change will only take effect once the FSCA 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 is 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)(f) 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. Performance fees for SCI funds are not capped (Please refer to the Hedge Fund Performance Fees FAQ document link: <https://www.sanlaminvestments.com/individual/fundsandproducts/hedgefunds/Pages/default.aspx>).
- Broker Fees:
 - Advisory Fees – Agreed advisory fee between investor and broker
 - Trailer Commission – Legacy broker commission, applicable only to Investors with legacy broker agreements

1.13 Fee Calculation methodology

- Performance Fee (Retail Investor Hedge Funds):
The Performance Fee is calculated and accrued daily based on the outperformance achieved over either a fixed or rolling measurement period multiplied by Performance Fee Rate. For all SCI Hedge Funds, the Performance Fee is paid annually.
- Performance Fee (Qualified Investor Hedge Funds):
The Performance Fee is calculated and accrued monthly based on the outperformance achieved over either a fixed or rolling measurement period multiplied by Performance Fee Rate. For all SCI Hedge Funds, the Performance Fee is paid annually.
- Base Fee (Retail Investor Hedge Funds):
The Base Fee is calculated and accrued daily by multiplying the AUM base by the Base Fee percentage and dividing by 365.25. For all SCI Hedge Funds, the Base Fee is paid monthly.
- Base Fee (Qualified Investor Hedge Funds):
The Base Fee is calculated and accrued monthly by multiplying the AUM base by the Base Fee percentage and dividing by 12. For all SCI Hedge Funds, the Base Fee is paid monthly.
- All SCI Hedge Funds use Multi Series Equalization (please refer to the Hedge Fund Performance Fee FAQ for further information on Multi Series Equalization).

1.14 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

1.15 Leverage

- The portfolio is permitted to use leverage as defined within the supplemental deeds and in accordance with regulations and the CISCA.
- 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.

1.16 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

1.17 Liquidity Risk Management

Liquidity risk management is carried out in line with hedge fund regulation i.e., Section 5 & 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.

1.18 Types of assets in which the portfolio may invest

The portfolios will be managed according to their 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. The MDD sets out the investable universe of each portfolio under the SCI Hedge Fund Scheme.

1.19 Delegated Administration

The administration for the Hedge Funds is 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.

1.20 Allowable Assets

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

1.21 Characteristics and Risks Pertaining to Hedge Funds

Characteristics and Risks Pertaining to Hedge Funds	
Complex investment strategies	Hedge fund strategies may include leverage, short-selling and short-term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisers in order to determine which strategies are being employed by the relevant manager and which consequent risks arise.
Leverage risk	Hedge fund managers may use leverage. This means that the hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the manager. The limits laid down by the mandate should be carefully reviewed in making an investment decision.
Short-selling risk	Hedge fund managers may borrow securities in order to sell them short, in the hope that the price of the underlying instrument will fall. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices.
Valuation risk	Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the fund's value. Hedge fund Managers should ensure that objective valuations are performed for all instruments in a portfolio and that the manager utilizes the services of a competent administrator.
Fixed income instruments may be down graded	Hedge fund managers may invest in securities with a low credit rating and/or securities that become downgraded during the term of the investment. Fixed income securities with a low credit rating have a higher probability to default on interest or capital.
Exchange rate risk	A hedge fund manager might invest in currencies other than the base currency. For example, a South African hedge fund manager might invest in UK or US shares. The portfolio is therefore exposed to the risk of the rand strengthening or the foreign currency weakening.

Other complex investments might be misunderstood	In addition to the above, hedge fund managers might invest in complex instruments such as but not limited to futures, forwards, swaps, options and contracts for difference. Many of these will be derivatives, which could increase volatility. Many will be “over-the-counter”, which could increase counterparty risk. Many exotic instruments may also be challenging for the manager to administer and account for properly. Investors should enquire into how these instruments are objectively and independently valued.
Market liquidity risk	Given their often-short term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.
Counterparty risk	Hedge fund managers often have special relationships with so-called “prime” brokers. These are stock brokers that provide the required leveraging and shorting facilities. Prime brokers usually require collateral for these facilities, which collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way. A similar situation could occur with the custodian of the client’s funds.
Regulatory risk	Legal, tax and regulatory changes could occur during the term of the investor’s investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse.
The manager may be conflicted	The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. Hedge fund Managers should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.
Hedge fund structures are often complex	As mentioned above, hedge funds structures are not fully regulated and they are often housed in legal structures not originally meant for pooled hedge funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.
Fees might be high	Hedge fund structures’ fees may be significantly higher than the fees charged on traditional investment hedge funds.
Fees might be performance-based	Hedge fund manager’s fees are usually performance-based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken.

Transaction costs might be high	<p>Given the often-short term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stock-broking commission and charges being paid from the portfolio, which is ultimately for the client's account. Again, investments should be made only where the potential returns make up for the costs.</p>
Transparency might be low	<p>A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.</p>
Dealing and reporting might be infrequent	<p>A hedge fund manager's performance can often be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, hedge fund managers often limit the frequency of investments and withdrawals. Similarly, the manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.</p>
Withdrawals might not be easy	<p>As mentioned above, the frequency of withdrawals might be limited to monthly or quarterly dates. In addition, the manager may impose notice periods or lock-ins in order to ensure that he has the necessary time for his investment positions to deliver their desired results.</p>



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Annexure A

Retail Investor Hedge Funds

Portfolio Name	ASISA Fund Classification	The fund's Portfolio objective as per the investment policy
Amplify Sanlam Collective Investments Enhanced Equity Retail Hedge Fund	South African Long/Short Market Neutral	The investment objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS ENHANCED EQUITY RETAIL HEDGE FUND is to provide consistently superior, risk-adjusted absolute returns to investors, primarily through exploiting stock-based opportunities. The Portfolio aims to exhibit a low correlation between its investment performance and that of the overall returns of the Johannesburg Stock Exchange. In addition, capital preservation and the avoidance of negative compounding are primary investment objectives. Management of investment risk and an emphasis on long term investment are key to achieving the investment objective. The Portfolio seeks to avoid negative returns over any one-year period. The Portfolio investments 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 Johannesburg Stock Exchange and listed and unlisted financial instruments as permitted by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. Securities based on the value of commodities shall be permitted in accordance with prevailing legislation. 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.
Amplify Sanlam Collective Investments Income Plus Retail Hedge Fund	South African Fixed Income	The long-term objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS INCOME PLUS RETAIL HEDGE FUND is to achieve consistent absolute returns through investment in risk-controlled strategies. The Portfolio may include a combination of assets in liquid form, money market instruments, bonds, listed and unlisted fixed interest rate securities and other listed and unlisted financial instruments as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. 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.
Amplify Sanlam Collective Investments Managed Equity Retail Hedge Fund	South African Long/Short Long Bias Equity	The investment objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS MANAGED EQUITY RETAIL HEDGE FUND is to provide consistently superior, risk-adjusted absolute returns to investors, primarily through exploiting stock-based opportunities. Management of investment risk and an emphasis on long term investment are key to achieving the investment objective. The Portfolio seeks to avoid negative returns over any one-year period. 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 Johannesburg Stock Exchange listed and unlisted financial instruments as permitted by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. Securities based on the value of commodities shall be permitted in accordance with prevailing legislation. 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.
Amplify Sanlam Collective Investments Absolute Income Retail Hedge Fund	South African Fixed Income	The primary objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS ABSOLUTE INCOME RETAIL HEDGE FUND is to provide consistently superior, risk-adjusted absolute returns to investors, primarily through exploiting fixed income-based opportunities and investments in risk-controlled strategies. The Portfolio shall invest in a combination of assets in liquid form, which includes money market instruments, listed and unlisted interest rate instruments, bonds, and listed and unlisted financial instruments as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. 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.
Amplify Sanlam Collective Investments Multi Strategy Retail Hedge Fund	South African Multi-Strategy	The investment objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS MULTI STRATEGY RETAIL HEDGE FUND is to achieve capital growth irrespective of market conditions and shall strive to achieve the maximum return subject to assuming acceptable levels of risk. The Portfolio investments may include a combination of assets in liquid form, listed and unlisted transferable equity securities, money market instruments, bonds, exchange traded funds, listed and unlisted financial instruments as permitted by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. Securities based on the value of commodities shall be permitted in accordance with prevailing legislation. 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.
Amplify Sanlam Collective Investments Diversified Income Retail Hedge Fund	South African Fixed Income	The long-term investment objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS DIVERSIFIED INCOME RETAIL HEDGE FUND is to achieve consistent absolute returns through investment in risk-controlled strategies. The Portfolio shall invest in a combination of assets in liquid form, which includes money market instruments, listed and unlisted interest rate instruments, bonds, and listed and unlisted financial instruments as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. 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.

Portfolio Name	ASISA Fund Classification	The fund's Portfolio objective as per the investment policy
Amplify Sanlam Collective Investments Prime Equity Fund Retail Hedge Fund	South African Long/Short Long Bias Equity	The investment objective of the AMPLIFY SANLAM COLLECTIVE INVESTMENTS PRIME EQUITY RETAIL HEDGE FUND is to provide consistently superior, risk-adjusted absolute returns to investors, primarily through exploiting stock-based opportunities. The Portfolio aims to exhibit a low correlation between its investment performance and the overall returns of the Johannesburg Stock Exchange. In addition, capital preservation and the avoidance of negative compounding are primary investment objectives. Management of investment risk and an emphasis on long term investment are key to achieving the investment objective. The Portfolio seeks to avoid negative returns over any one-year period. The Portfolio investments 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 Johannesburg Stock Exchange and listed and unlisted financial instruments as permitted by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. Securities based on the value of commodities shall be permitted in accordance with prevailing legislation. 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.
Amplify Sanlam Collective Investments Real Income Retail Hedge Fund	South African Fixed Income	The AMPLIFY SANLAM COLLECTIVE INVESTMENTS REAL INCOME RETAIL HEDGE FUND has the objective of achieving consistent superior, risk-adjusted absolute returns to investors, primarily through exploiting fixed income-based opportunities and investments in risk-controlled strategies. The Portfolio shall invest in a combination of assets in liquid form, which includes money market instruments, bonds, interest rate instruments, listed and unlisted financial instruments as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the Portfolio in offshore investments as legislation permits. 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 Sci Multi Asset Retail Hedge Fund	Worldwide Multi-strategy	The OBSIDIAN SANLAM COLLECTIVE INVESTMENTS MULTI ASSET RETAIL HEDGE FUND will aim to maximise investment returns over the medium to long term. 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. As well as derivatives based on these securities, Over-the-Counter (OTC) unlisted stocks and participatory interest and other forms of participation in portfolios of collective investments schemes or other similar scheme as allowed by the Act.
Obsidian Sci Long Short Retail Hedge Fund	Worldwide Long/short Long Bias Equity	The OBSIDIAN SANLAM COLLECTIVE INVESTMENTS LONG SHORT RETAIL HEDGE FUND will aim to maximise long term capital growth. 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. Over-the-Counter (OTC) unlisted stocks and participatory interest and other forms of participation in portfolios of collective investments schemes or other similar scheme as allowed by the Act.

Qualified Hedge Funds

Portfolio Name	ASISA Fund Classification	The fund's Portfolio objective as per the investment policy
S-Alt SC Qualified Hedge Fund	South African Long/Short Long Bias Equity	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 favorable valuations.
Saffron SCI Qualified Investor Hedge Fund One	South African Fixed Income	The primary objective of the SAFFRON SANLAM COLLECTIVE INVESTMENTS QUALIFIED HEDGE FUND ONE is to provide consistently superior risk-adjusted returns to investors through exploiting opportunities that present in interest rate and derivative markets. The portfolio shall invest in a combination of assets in liquid form including cash, cash equivalents, money market instruments, listed and unlisted interest rate instruments, corporate and sovereign bonds, preference shares and listed property. The portfolio shall be permitted to invest in listed and unlisted financial instruments (derivatives) including but not limited to interest rate derivatives, currency derivatives and commodity derivatives as allowed by the act from time to time. The manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.