## Fund Objective

The Fund is a Fixed Interest Arbitrage Fund, invested predominantly in over-the-counter (OTC) derivatives such as forward rate agreements (FRAs), and swaps, as well as bonds and debentures issued by local institutions. The Fund will maintain long and short positions as well as gearing to achieve its investment and return objectives.

## 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
Retail Investor Hedge Fund

### Base Currency
South African Rand (ZAR)

### Benchmark
STeFI

### Fund Inception (prior to CIS)
01 October 2004

### CIS Establishment Date
01 August 2016

### Fund Size
R 0 million

### Last two distributions
31/12/18: 0.00 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
14:00

### Transaction Cut Off Time
17:00

### Daily Price Information
www.sanlamunittrusts.co.za

### Trustee Contact
Standard Bank of South Africa Ltd

### Compliance
021 441 4100

### Compliance SANLAM@standardbank.co.za

### Fees (excl VAT)
C1 Class

<table>
<thead>
<tr>
<th>Asset Management Fee</th>
<th>1.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Fee</td>
<td>20%</td>
</tr>
<tr>
<td>Annual Service Fees</td>
<td>0.20%</td>
</tr>
<tr>
<td>Total Expense Ratio (TER)</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

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

## Risk Statistics

<table>
<thead>
<tr>
<th>Risk Statistics</th>
<th>Current</th>
<th>Maximum</th>
<th>Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Month Value at Risk (VaR) at 99%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>20%</td>
</tr>
<tr>
<td>Leverage</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Liquidity (Average Days to Trade)</td>
<td>0.0</td>
<td>0.0</td>
<td>30.0</td>
</tr>
</tbody>
</table>

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

## Asset Allocation

<table>
<thead>
<tr>
<th>Net</th>
<th>Long</th>
<th>Short</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.00%</td>
<td>264.49%</td>
<td>-164.52%</td>
</tr>
</tbody>
</table>

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 (Conservative)

In this portfolio, capital growth is of primary importance and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund. While diversified across all the major asset classes, this portfolio is tilted more towards equities and other risky asset classes to ensure the best long-term returns of all the asset classes. Fixed income positions are minimized.

Management Company Information

Sanlam Collective Investments (RF) (Pty.) Ltd.

Physical address: 2 Strand Road, Bellville, 7530
Postal: P O Box 30, Sanlamhof, 7530
Tel: +27 (21) 916 1800
Email: service@sanlaminvestments.com
Web: www.sanlamunitrusts.co.za

Independent Prime Brokers and Risk Monitoring

Prime Brokers: RMB, ABSA, Peregrine
Risk Specialist: Risk Café

Additional Information

Sanlam Collective Investments (RF) Ltd (“SCI”) is a registered and approved Manager in Collective Investment Schemes (also called unit trusts) which 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.

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.

Distributions

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

Fixed-interest investments

Fixed interest funds invest in bonds, fixed-interest and money market instruments. Interest income is a feature of these funds and, in general, capital should remain stable. A fixed-interest investment aims to offer investors a regular income at a set interest rate, which can be fixed over a specified term. If interest rates fall, the fixed-interest investment typically becomes more valuable. Conversely if interest rates rise, the value of the investment will fall.

The interest provides you with a fixed amount at regular intervals. So this is usually a very predictable way of getting an income from your investment.

LISP (Linked Investment Service Providers)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Leverage

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.

Encumbrance or Rehypothecation

The practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by their clients. Clients who permit rehypothecation of their collateral may be compensated either through a lower cost of borrowing or a rebate on fees.

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.