

KADD VALIDUS PLUS SNN QI HEDGE FUND

Minimum Disclosure Document | April 2020 – Class1

Issue date: 30/05/2020

ASISA Classification	Qualified Investor Hedge Fund- South African-Fixed Income	Annual Management Fee	1% (ex vat)
Benchmark	The STEFI three month index	Annual Performance Fee*	20% (ex vat), subject to benchmark and high watermark, uncapped.
NAV per unit	299.48	Participatory Interest	264 205.98
Fund Size	28.1m	TER**	2.17% TER Excluding Performance Fee 2.13%
Inception Date	1 September 2006	TC	0.83%
Establishment of CIS	1 September 2016	TIC	3.00% Performance Fee contribution to TER 0.00%
Minimum Investment	R 1 Million	Subscriptions	Monthly
Income Distribution	December	Redemption	1 Calendar month
Auditors	PricewaterhouseCoopers	Risk Profile	High
Investment Manager	KADD Capital (Pty) Ltd	Portfolio Valuation	Monthly
Management and Staff	Fund Managers & Key Individuals: Danie Gouws David Hancock Kevin Pretorius PJ Gouws Financial Manager : Ali Haji Economic consultant: ETM Capital	Contact	+27 11 557 7800 info@kadd.co.za www.kadd.co.za
Fund Administrator	Sanne Fund Services SA (Pty) Ltd	Prime Broker/ Custodian	FirstRand Bank Limited, Johannesburg
Cut-Off Times for Subscriptions	Subscriptions must reach the Manager no later than 10am on the last business day of the previous calendar month.	Redemptions	A redemption notice period of one calendar month is applicable. Payment will be made not later than 14 days after valuation date.

Investment Objective

The objective of the Validus Plus QI Fund is to deliver returns to the investors that exceed both Capital and Money Market returns.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund (YTD)	STEFI 3M	ALBI	ALSI
2008									5.01%	6.32%	7.77%	3.43%	24.45%	3.95%	14.12%	-23.65%
2009	11.60%	15.53%	0.65%	4.20%	3.28%	2.31%	2.12%	1.24%	-3.77%	5.35%	13.07%	3.10%	74.58%	8.63%	-1.13%	32.18%
2010	5.95%	6.59%	2.60%	3.19%	3.46%	3.18%	8.61%	5.66%	-1.36%	9.37%	-9.60%	0.75%	43.92%	6.56%	15.12%	18.96%
2011	-17.31%	0.24%	1.55%	-0.65%	3.45%	2.50%	8.58%	20.05%	-6.95%	7.03%	-8.04%	2.28%	8.30%	5.46%	8.75%	2.60%
2012	-1.82%	-0.43%	1.50%	2.85%	4.70%	8.45%	6.25%	3.35%	1.36%	-1.93%	4.90%	4.76%	38.92%	5.42%	16.02%	26.67%
2013	-0.12%	1.62%	-3.60%	9.30%	-22.17%	-35.86%	-8.17%	-10.83%	-1.63%	6.65%	-6.35%	0.68%	-56.76%	5.21%	0.64%	21.45%
2014	1.06%	3.90%	6.67%	2.18%	5.56%	1.08%	2.48%	7.23%	-4.80%	5.66%	4.40%	1.27%	42.71%	5.90%	10.15%	10.88%
2015	12.02%	-3.48%	3.81%	0.14%	-4.14%	3.30%	1.93%	-0.07%	1.74%	1.58%	-2.95%	-21.90%	-11.19%	6.46%	-3.93%	5.13%
2016	14.61%	-1.40%	3.73%	1.63%	-1.92%	5.37%	-0.49%	-0.48%	4.34%	-0.59%	-3.20%	2.35%	25.29%	7.37%	15.42%	2.63%
2017	2.13%	1.39%	4.36%	1.00%	2.38%	-1.93%	3.16%	2.03%	2.65%	-5.79%	-1.20%	7.13%	18.08%	7.52%	10.19%	20.95%
2018	-0.52%	2.78%	0.58%	-1.93%	-6.59%	-1.57%	1.45%	-2.95%	-1.39%	5.24%	-0.77%	-2.12%	-7.98%	7.29%	7.74%	-8.53%
2019	-2.59%	-0.78%	1.67%	1.12%	-2.06%	1.45%	1.13%	0.99%	-0.26%	0.45%	-0.84%	-0.19%	-0.02%	7.34%	10.32%	12.04%
2020	-0.16%	0.20%	0.37%	0.18%									0.59%	2.23%	-5.14%	-10.39%
Cumulative compounded returns (net of fees) since inception: September 2006													252.53%	115.49%	150.35%	148.58%

Benchmark Returns: Bloomberg, Morningstar Portfolio Data: Portfolio data provided by Sanne Fund Services SA (Pty) Ltd

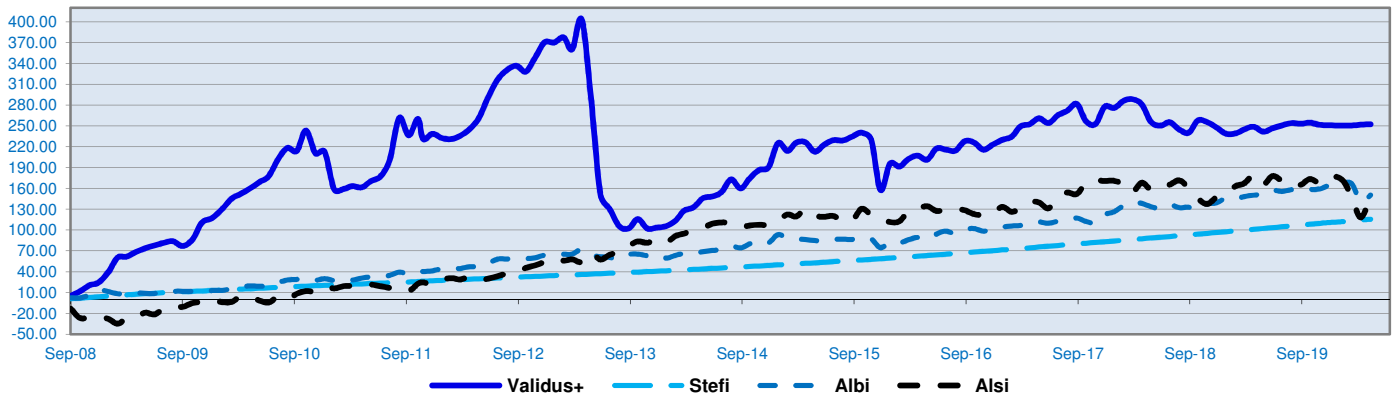
Annualised Performance	Return	Asset Class breakdown	Percentage
1 Year	3.20%	Annualized Return Inception	8.33%
3 Year	-2.51%	Bonds (Local)	0.00%
5 Year	12.70%	Interest Rate Options	0.00%
10 Year	31.17%	Interest Rate FRA	0.00%
Lowest 12Mnth Rolling return	-56.76%	Interest Rate Swaps	0.00%
Highest 12 Month Rolling return	74.58%	Cash/NCD's	100.00%

The annualised total return is the average return earned by an investment each year over a given time period. Actual annual figures are available from the manager on request. The highest and lowest 1 year returns represent the highest and lowest actual returns achieved during any single calendar year since the original launch date of the fund.

The inception date for the portfolio is 1 September 2006. The performance figures until the end of August 2016 reflect performance achieved prior to CISCA regulation.

The portfolio is managed under CISCA regulations and the performance figures from 1 September 2016 reflect performance returns achieved post-transition to CISCA.

Please note that the auditors changed (from Deloitte to PricewaterhouseCoopers) from August 2019."



Portfolio Data: Sanne Fund Services SA (Pty) Ltd Benchmark Returns: Bloomberg, Morningstar, 31/01/2017 Cumulative compounded returns (net of fees) since inception: September 2006

Management Company	Investment Manager
Sanne Management Company (RF) Pty Ltd	KADD Capital (Pty) Limited
Registration No: 2013/096377/07	An Authorised Financial Services Provider, FSP No. 853
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The investment performance is for illustrative purposes only and is calculated by taking actual initial fees and all ongoing fees into account for the amount shown; and income is reinvested on the reinvestment date. The performance figures given show the yield on a Net Asset Value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax.

Mandatory Disclosures

Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions, as well as a detailed description of how performance fees are calculated and applied, is available on request from Sanne Management Company (RF) Pty Ltd ("the Manager").

The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. Portfolios may be closed. Prices are published monthly on our website and local media. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the portfolio is available, free of charge, on request from the Manager.

Investors should note that where a portfolio is invested in foreign assets, the value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy.

The Manager is registered and approved by the Financial Sector Conduct Authority under CISCA. FirstRand Bank Limited is the appointed trustee.. KADD Capital (Pty) Ltd, FSP No. 853, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services.

** Total Expense Ratio

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 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. Due to the short history of the product, the TER is reported excluding performance fees. Calculations are based on actual data where possible and best estimates where actual data is not available.

Investment Policy

The KADD Validus Plus SNN QI Hedge Fund capitalizes on all investment opportunities in the Interest Rate Markets. The investment manager will also seek to diversify the assets of portfolio amongst strategies and instruments.

Investment Objective

The investment objectives are to achieve investment gains for the benefit of the portfolio's investors by focusing on the preservation of capital and the provision of positive risk-adjusted returns which attempt to outperform the STEFI 3 month index, and where such returns need not be market correlated. This is to be achieved at a level of risk compatible with the return levels targeted. The portfolio manager will construct a multi-strategy portfolio to provide exposure to a range of complementary investment styles.

FUND RISK

Leverage Risk:

The Fund borrows additional funds, trades on margin or performs short sale trades to amplify investment decisions. This means that the volatility of a hedge fund portfolio can be many times that of the underlying investments due to leverage on a fund.

Derivative Risk:

Derivative positions are financial instruments that derive their value from an underlying asset. Derivatives are exposed to implicit leverage which could result in magnified gains and/or losses on the portfolio.

Counterparty Credit Risk

Counterparty risk is a type of credit risk and is the risk of default by the counterparty associated with trading derivative contracts. An example of counterparty credit risk is margin or collateral held with a prime broker.

Volatility Risk:

Volatility refers to uncertainty and risk related to size of change of an instrument or portfolio. It is a statistical measure of the dispersion of returns for a given security or market index. Volatility is proportional to the directional exposure of a portfolio and is measured by Value at Risk (VaR) which is a statistical technique used to measure and quantify the level of volatility.

Concentration and Maturity Segment Risk

A large proportion of total assets invested in specific assets and/or maturity segments on the yield curve. Concentrated positions in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.

Correlation Risk

A measure that determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes change. Correlation risk also arises when the correlation within an asset-class changes. Examples of correlation within asset classes include equity pairs trading, fixed income curve trading and commodities pairs trading.

Interest Rate Risk

The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates.

Credit Default Risk

The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting.

Currency/Exchange Rate Risk

Assets of a fund may be denominated in a currency other than the Base Currency of the fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the fund's assets as expressed in the Base Currency.

GLOSSARY

Net Asset Value (NAV)

Means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.

Annualised Return

Is the weighted average compound growth rate over the performance period measured.

Highest & Lowest Return

The highest and lowest rolling twelve-month performance of the portfolio since inception.

Total Expense Ratio (TER)

Reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

Transaction Costs (TC)

Is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.

Total Investment Charge (TIC)

Should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.

Total Investment Charges (TIC%) = TER (%) + TC (%)

The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

Correlation

A number between -1 and 1 indicating the similarity of the dispersion of returns between the portfolio and another asset or index with 1 being highly correlated, -1 highly negatively correlated and 0 uncorrelated.