

# Straight Talking. Curved Thinking.



## TANTALUM SNN MNC RETAIL HEDGE FUND

November 2020

Minimum Disclosure Document – Class 1 Series Lead

### FUND OBJECTIVE

This is a flexible multi-strategy hedge fund which aims to protect capital over the medium term and generate absolute returns for its investors. The fund is targeting above average real returns (8% - 12%) over the medium term at lower volatility than the market.

### INVESTMENT MANDATE

The fund invests in a combination of equities, commodities, listed property, preference shares and fixed income instruments on both the long and short side. The fund may also invest internationally. The fund employs an active asset allocation and securities selection strategy and may use derivatives.

### ANNUALISED RETURN %\*1

	1 Year	3 Years	5 Years	10 Years	Inception
Fund	0.92	0.56	1.54	4.81	7.85
Benchmark	5.41	6.08	6.38	5.77	6.65

### PORTFOLIO PERFORMANCE % (Net of Fees)\*2

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2005						0.32	4.95	4.09	-1.97	-1.60	3.55	3.31	13.10
2006	3.76	1.96	2.78	1.49	0.17	-3.12	1.87	1.39	1.20	3.01	2.10	0.68	18.55
2007	3.35	1.67	2.22	2.33	1.64	1.29	1.25	2.21	0.18	3.10	-1.62	-1.11	17.69
2008	-6.70	7.88	0.39	4.01	1.02	-2.45	-1.85	2.66	-4.20	-4.22	-5.18	-0.67	-9.82
2009	2.46	-2.74	2.43	1.91	3.25	1.46	5.73	1.73	1.68	2.57	1.45	1.67	26.09
2010	1.41	1.02	2.20	-0.36	-0.15	-0.02	2.94	1.33	1.27	1.35	2.89	2.18	17.21
2011	0.30	1.91	-0.34	-0.24	0.41	0.26	0.39	0.43	0.13	1.84	0.32	2.26	7.92
2012	0.69	0.00	1.10	0.03	1.51	0.88	-0.90	0.82	0.97	1.37	1.27	0.33	8.34
2013	1.72	0.63	1.77	-1.73	0.95	-1.11	2.16	1.64	1.08	2.32	1.66	0.85	12.54
2014	-3.64	4.37	-0.12	0.84	0.88	1.31	0.45	-4.09	0.12	-2.40	-0.03	-0.07	-2.64
2015	1.16	3.59	-0.58	2.00	0.35	-2.14	1.84	-1.08	0.18	4.60	-0.97	2.59	11.91
2016	-0.75	1.98	2.67	1.71	0.04	0.13	0.32	-0.87	-2.03	-2.90	1.45	0.04	1.65
2017	1.36	-0.25	1.76	1.53	-0.18	-1.90	2.74	0.52	0.68	3.65	-2.11	-3.19	4.55
2018	0.71	-1.84	-1.12	2.96	-1.95	3.33	-0.34	3.74	-3.63	-2.23	-3.36	1.33	-2.70
2019	0.77	3.58	2.15	1.76	-4.57	-0.32	0.59	1.46	0.82	1.06	-0.92	1.11	7.52
2020	-0.03	-4.47	-8.51	10.56	-1.33	3.17	0.18	0.86	-0.47	-3.50	4.51		-0.19

**sanne**  
Management Company

### TOP 10 EQUITY HOLDINGS

None as fund all in cash at month end

### RETURNS SINCE INCEPTION %\*1

	Fund	Benchmark
Highest 12 month rolling return	29.61	11.35
Lowest 12 month rolling return	-11.89	4.77

Date of Issue: 11 January 2021

[www.tantalum.co.za](http://www.tantalum.co.za)

Tantalum Capital is an Authorised Financial Services Provider (FSP no. 21595)



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## FUND INFORMATION

Investment	Tantalum Capital	
Portfolio Manager	Rob Oellermann	
ASISA Classification	Retail Hedge Fund – South African – Multi- Strategy	
Benchmark	Stefocad	
CISCA Launch Date	September 2016	
Inception Date	June 2005	
Portfolio Size	R51,126,935	
Strategy Size <sup>3</sup>	R51,126,935	
Participatory Interest	16,457.37	
Annual Management Fee	1%	
Performance Fee	20% above benchmark, uncapped	
Initial Fee	0%	
Total Investment Cost	Total Expense Ratio <sup>4</sup>	1.95%
	Transaction Costs	0.66%
	Total Investment Cost	2.61%
Income Distribution Date	31 December	
Income Distribution	August 2017	R46.38
	December 2017	R25.78
	December 2018	R64.62
	December 2019	R56.45
Dealing	Monthly	
Minimum Investment	R100,000	
NAV	2958.96	
Risk Profile	Medium	

## ASSET ALLOCATION %

	Long %	Short %	Exposure %
Local Equity	0.00	0.00	0.00
Offshore Equity	0.00	0.00	0.00
Preference Shares / Hybrids	0.00	0.00	0.00
Fixed Interest	0.00	0.00	0.00
Term Deposits	100.00	0.00	100.00
<b>TOTAL</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>

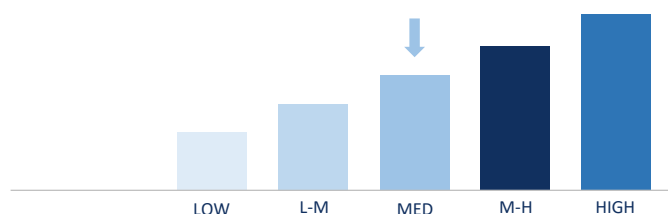
## EQUITY SECTOR ALLOCATION

None as fund all in cash at month end

## EQUITY EXPOSURE

Gross Equity Exposure	0.00%
Net Equity Exposure	0.00%
Number of Long Positions	0
Number of Short Positions	0
One Day Liquidity (% of equity)	100%

## RISK & REWARD PROFILE<sup>5</sup>



## MANAGEMENT COMPANY

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## DEALING

Portfolios are valued monthly.

Subscriptions: Instructions must reach us before 10:00am on the last day of the month prior to enable processing for investment on the first day of the next month.

Redemptions: Notice period of one calendar month applies.

## 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 is available on request from the manager, as well as a detailed description of how performance fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the fund may place the fund 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 Document, as well as other information relating to the portfolio is available, free of charge, on request from the manager. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy.

Investors should note that 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. Where funds are invested in off-shore assets, performance is further affected by uncertainties such as changes in government policy, taxation, currency risk, and other legal or regulatory developments.

The manager is registered and approved by the Financial Sector Conduct Authority under the Collective Investment Schemes Control Act 45 of 2002 ("CISCA"). The manager retains full legal responsibility for the portfolio. Tantalum Capital (Pty) Ltd is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. FirstRand Bank Limited is the appointed trustee and can be contacted on 087 736 1732.

\*1 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 rolling 12 month period since the original launch date of the fund. Please note that the annualised performance figures include returns earned during the relevant periods prior to the fund being regulated under CISCA. All benchmark returns are obtained from Bloomberg as at report date.

Performance from June 2005 to August 2016 is performance of the Tantalum MNC Fund Partnership, prior to becoming regulated.

\*2 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.

\*3 Strategy size sums all assets run in same or similar mandates.

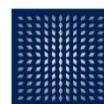
\*4 Contrary to the prescribed standard, the Manager has applied its mind, and shall report the TER figures excluding performance fees for the first 12 months of the portfolio. Any reporting of a TER including performance fees at this stage would be inaccurate and potentially misleading to investors. 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.

\*5 This indicator is based on historical data and may not be a reliable indication of the future risk profile of the portfolio. The risk category shown is not guaranteed and may change over time. The lowest category does not mean the investment is risk free. There may be other special areas of risk relating to the investment including: liquidity risk, credit risk, market risk, and settlement risk.

Sanne Management Company (RF) (Pty) Ltd, ("the manager"), and the investment manager do not render financial advice. Our risk indicator does not imply that the portfolio is suitable for all types of investors. You are advised to consult your financial adviser.

## 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 Sector Risk:** A large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors 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.
- **Equity Risk:** Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector.
- **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.



### 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).
- Standard Deviation/Volatility: The deviation of the return of the portfolio relative to its average.
- Derivative/Financial Instrument: A contract that derives its value (positive or negative) from another asset.

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