Trialpha SNN Enhanced Fixed Income QI Fund of Hedge Funds

Collective Investment Scheme | Key Investor Information Document **30 June 2022**

Key investor information

This document provides the investor with key information about these portfolios. It does not serve as marketing material. The publishing of this information is required by law (Collective Investments Schemes Control Act 45 of 2002 ("CISCA"), Board Notice 52 ("BN52"), section 27), to help you understand the nature of the portfolios as well as the risks associated with investing in these portfolios. All potential investors are advised to read and familiarise themselves with the contents of this document in order to arrive at an informed investment decision.

Portfolio Information	
Launch Date	1 September 2008
Launch Date under CISCA	1 September 2016
Directors of the Management Company	JF Louw*, IMA Burke*, R Jobing*, KM de Bruin and M Pykstra (Managing Director). (*Non executive)
Legal Structure	Collective Investment Scheme
Distribution Date	On the last day of December
Financial Year End	On the last day of December
Auditor	PricewaterhouseCoopers
Trustee	FirstRand Bank Limited (acting through its RMB Custody and Trustee Services Division)
Prime Broker	The underlying portfolios may use various prime brokers
Fund Administrator	Sanne Fund Services SA (Pty) Ltd
Risk Profile*	Medium

***** 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.

List of Portfolios

- **SNN Qualified Investor Hedge Fund Scheme**
  TriAlpha SNN Enhanced Fixed Income QI FoHF

The Portfolio Objective

Specific objectives are set for each class within the portfolio:

- Cash Class: To outperform the STEFI Composite Index over any rolling 12-month period with lower volatility than the South African All Bond index.
- Active Class: To outperform RSA R202 (3.45%, 7 December 2033) Inflation Linked Bond.
- SWIX Class: To outperform the FTSE / JSE Shareholder Weighted Top40 Total Return Index.

The Investment Strategy

The portfolio will be managed as a South African cash enhanced, hedge fund of funds. Underlying single portfolios will be classified as:

- "Core";
- "Satellite"; or
- "Temporary Cash".

Maximum allocation percentage to each category will be determined, as well as a minimum number of underlying portfolios managed by appointed FSPs. A look-through principle will apply in all instances

Changes to the Investment Strategy and/or Investment Policy

In order to amend any provision(s) contained in the supplemental deed, the manager has to request and receive prior approval from the FSCA. Such request shall state the reasons for the proposed amendment and the impact or benefit this is likely to have for the investor.

Upon receiving such approval, the auditor of the scheme must oversee a balloting process which is undertaken to obtain consent from the investors.

Investors holding at least 75% (seventy-five percent) in value of the participatory interests in the portfolio and who constitute more than 50% (fifty percent) of the portfolio's investors must vote in favour of the amendment for the amendment to be effective

Voting shall be conducted by electronic ballot in accordance with the provisions of the deed, and the manager shall, after having dispatched the ballots to investors, allow for a period thirty days for investor to return the ballots.

Does Portfolio Invest in Underlying Funds?

Yes.

The Types of Assets in which the Portfolio may invest

- Participatory interests, units and holdings in other hedge fund portfolios and collective investment schemes.
- Funds other than hedge fund portfolios or collective investment schemes
- Derivative, and other, instruments.

Disclosure regarding Wrap Funds

The Investment Manager may invest in wrap funds on behalf of the Client in terms of this mandate and is thus required by the FSCA to make certain disclosures regarding wrap funds and how they differ from fund of funds.

1. A fund of funds is a collective investment scheme fund that is not allowed to invest more than 50% of the value of the fund in any one collective investment scheme fund. The Collective Investment Scheme Act guarantees the repurchase of participatory interests in a fund of funds by the management company.

2. A wrap fund is a basket of different collective investment schemes wrapped as a single investment portfolio. The underlying combination of collective investment schemes is selected to optimally target the risk/return requirements and investment objectives of the Client. In fact it's a number of separate investments in which the investor has direct ownership and could be better described as an account. These underlying investments are selected in line with the investment requirements of the Client. There's no joint ownership among investors and individual ownership of the participatory interests in the collective investment schemes can be transparently demonstrated at all times. A wrap fund investment is administered and facilitated by a linked investment service provider (LISP) i.e. an Administrative FSP. A wrap fund has no limit concerning the collective investment schemes that it may include in its portfolio. The Administrative FSP of the wrap funds does not guarantee the repurchase of participatory interests in the collective investment schemes that comprise the wrap funds. The Administrative FSP has service level agreements in place with the management company of each collective investment scheme according to which the repurchase of participatory interests in collective investment schemes comprising wrap funds are guaranteed. The costs and other information applicable to wrap funds are set out in the documentation of the administrator of the wrap funds.

The Investment Restrictions applicable to the Portfolio

Portfolio Limits

1. The Investment Manager will classify each underlying portfolio managed by a Financial Services Provider as "Core", "Satellite" or "Temporary Cash".

2. A maximum of 15% of the Portfolio may be held in underlying portfolios classified as "Core".

3. A maximum of 7.5% of the Portfolio may be held in underlying portfolios classified as "Satellite".

4. A maximum of 40% of the Portfolio may be held in underlying portfolios classified as "Temporary Cash". However, this maximum falls to 10% if the holding period exceeds 90 days.

5. The Portfolio will hold at least eight underlying portfolios managed by Financial Services Providers.

6. A minimum of 25% of the Portfolio will be held in assets or portfolios that provide redemption liquidity of 31 days or less.

7. The Investment Manager will receive ongoing information on the aggregate exposures of all underlying assets and portfolios from an externally appointed risk manager. Based on this information, the following limits apply to the aggregate portfolio:
    a. STeFI modified duration ± 2.
    b. Weighted average rated credit quality of A- or better.
    c. Less than 40% of the aggregate portfolio invested in instruments with a credit rating worse than BBB.
    d. Less than 60% of exposure not invested in cash instruments, government or quasi-government securities, may be invested in assets exposed to a single economic sector.
    e. Less than 10% of the portfolio invested in non-debt related assets (i.e. equities, property).

8. No investment shall be made in any asset or portfolio unless under normal circumstances such asset or portfolio is provided with a net asset valuation at least once in every calendar quarter.

9. Overall VAR limit is 10%

Instances where the Portfolio may Use Leverage

The Types and Sources of Leverage

The portfolio may leverage itself by short selling or trading on margin or purchasing options. The portfolio may at certain times be required to issue guarantees, and accordingly may borrow money from a bank, prime broker or any other such institution. The portfolio may also arrange for the issue of guarantees for the bridging required to conclude a private placement or underwriting of securities.

Risks Associated with the Leverage

The portfolio may use leverage techniques from time to time to purchase or carry investments. The interest expense and other costs incurred in connection with such leverage or borrowing may not be recovered by an appreciation in the investments purchased or carried.

Gains realised with leveraged investments may cause the underlying fund's net asset value to increase at a faster rate than would be the case without leverage. If, however, investment results fail to cover the cost of leverage or borrowings, the portfolio's net asset value could also decrease faster than if there had been no leverage or borrowings. Because of the leveraged nature of certain of the investments, a relatively small movement in the market price of traded instruments may result in a disproportionately large profit or loss.

Restrictions on the Use of Leverage

The degree to which leverage may be employed in the portfolio shall be limited by the terms of the mandate. The limits laid down in the mandate should be carefully reviewed in making an investment decision.

Collateral and Asset Re-Use Arrangements

The cash and long positions held in the portfolio are available for use as collateral for the short positions held.

The Maximum Leverage allowed for the Portfolio

Leverage will be limited and measured at the level of the underlying portfolios.

Material Arrangements of the Manager with the Prime Broker

Manner of Managing Conflicts of Interest

The parties agree that, for the duration of this agreement, they shall endeavour to avoid any conflict of interest between them.

In order to protect the investors, the parties shall exercise due care and skill and note to any affected party the nature and extent of the potential conflict of interest as well as the steps undertaken to minimise the effect on any affected party by such conflict.

Level of Counterparty Exposure

The portfolio will comply with the counterparty exposure limits as set out in BN52.

Methodology of Calculating Counterparty Exposure

In terms of section 8(2) of BN52 counterparty exposure shall be calculated to equal any initial margin held by a counterparty, the market value of any derivative, any net exposure generated through a scrip lending agreement and any other exposures created through reinvestment of collateral.

Provisions in the Contract with the Depositary and Custodian on the Possibility of Transfer and Re-hypothecation of Assets

The prime broking agreement may allow for the re-hypothecation of assets.

The portfolio's prime broker may provide a financing service to the portfolio, whereby any shortfall in the financing of the portfolio's assets is provided by the prime broker. Any such financing will be collateralised from the assets of the portfolio. However, unlike a normal borrowing situation, the prime broker takes physical delivery of the portfolio's assets and is permitted to deal with them for its own account. The portfolio's assets are therefore treated as being indistinguishable from the assets of the prime broker and are not segregated as client money or assets.

In the event of the insolvency of the prime broker, the assets of the portfolio that are held as collateral against money owed to the prime broker, are completely exposed to the prime broker's creditors. In such instances, any action by the prime broker's creditors may lead to the closing out of positions without the consent of the investment manager and at a loss.

Delegated Administration and Management of Conflict of Interest that May Arise

The Manager has appointed Sanne Fund Services SA (Pty) Ltd ("SANNE") as the administrator. Both entities are subject to separate governance structures and independent oversight and internal controls; as well as the FSCA regulatory oversight. Both entities have satisfied the FSCA in terms of the conflict of interest policy they have in place.

The parties agree that, for the duration of this agreement, they shall endeavour to avoid any conflict of interest between them.
In order to protect the investors, the parties shall exercise due care and skill and note to any affected party the nature and extent of the potential conflict of interest as well as the steps undertaken to minimise the effect on any affected party by such conflict.

The Portfolio's Valuation and Pricing Methodologies

The portfolio will apply the portfolio valuation and asset pricing policy of the Manager. This policy will be consistently applied and meets the requirements of BN52.

The Liquidity Risk Management of the Portfolio and the Repurchase Rights

Liquidity management is facilitated through real time monitoring of the portfolio liquidity profile using both an independent third party risk monitoring system and internal proprietary system.

The investment manager shall ensure that the liquidity of the securities included in the portfolio shall not compromise the liquidity terms of the portfolio.

Regular liquidity stress-testing will be applied, providing for increased investor repurchases, and shortage of liquidity of the underlying assets in the portfolio.

Repurchase of Participatory Interests

Repurchase notification date will be 1 (one) calendar month prior to the repurchase pricing date (i.e. 1 December 2015 for repurchase pricing date of 31 December 2015).

Repurchase payment date will be 14 (fourteen) business days after the repurchase pricing date (i.e. 21 January 2016).

Gating, Side-Pocketing and Repurchase Restrictions

In any one calendar month that Investors wish to exercise their right of redemption, requiring the Manager to redeem units, and such units to be redeemed represent more than 33.33% (thirty three and one third percent) of the total units of the fund, the Manager shall be entitled to reduce the redemption requests pro-rata of the Investors seeking to exercise their rights of redemption during such month and to carry out only sufficient redemptions, which, in aggregate amount to 33.33% (thirty three and one third percent) of the total units then in issue. Units which are not redeemed by the Manager and which would otherwise have been redeemed will be redeemed on the last Business Day of the following month (subject to further deferral if the deferred redemption requests themselves exceed 33.33% (thirty three and one third percent) of the units in issue) in priority to any units for which Redemption Notices have been received by the Manager. Units will be redeemed by the Manager at the relevant Redemption Amount prevailing on the relevant date on which they are redeemed by the Manager.

Sections 5(b)(ii) and 6(5) of BN52 provide that both retail hedge funds and qualified investor hedge funds may suspend the repurchases of units under exceptional circumstances and when it's in the interests of investors.

Special Repurchase Arrangements or Rights of Some Investors

None.

Investment Management Fees, Charges, and Expenses

Base Fee	Capped at the annual rate of 0.20%, excluding VAT.
Performance Fee	Uncapped, but the maximum fee rate will be 40%, excluding VAT
Once-Off Charges	
Entry Charge:	0%
Exit Charge:	0%

A Fund of Funds is a portfolio that invests in other portfolios of collective investment schemes (CIS) which levy their own charges, which could result in a higher fee structure for the Fund of Funds portfolio.

The portfolio may offer multiple classes of units for different types of investors and unit holders. The various classes in the portfolio may each have different fee structures for the different types of investors. All investments will be allocated to specific classes at the discretion of the investment manager. All classes of units in the portfolio will invest in the same investment portfolio of securities and share the same investment objective and policy.

For more detailed information about charges and how these are calculated, a detailed fee methodology is available on request from the Manager.

The Charges Paid by the Portfolio
These charges make up the running costs of the portfolio. Permissible deductions from a portfolio shall include:
- Initial fee & VAT;
- Investment management fee;
- Administration fee;
- Exit fee;
- Trading charges and other levies;
- Auditor's fees;
- Bank charges; and
- Trustee and custodian fees.

Fair Treatment of Customers
The Manager observes a policy of Treating Customers Fairly ("TCF") and this permeates throughout the business and informs all business dealings of the Manager. The Manager strives to design, distribute, and provide products that meet the objectives of the TCF code and all investors investing in our products – simple and complex – are encouraged to seek qualified financial advice in order to select and invest in a product that not only meets their requirements, but is to their level of understanding and sophistication.

Preferential Treatment
The directors and employees of the investment manager may hold an investment in the portfolio. These investment may be allocated into a non-fee paying class with a 0% base fee and/or a 0% performance fee.

All investments placed within this class shall be at the discretion of the Investment Manager.

The Latest Annual Report
The latest annual report of the portfolio shall be kept at the office of the Manager for viewing by the investor.

Selling and Issuing Participatory Interest in the Portfolio
Purchase of Participatory Interests
Purchases of participatory interests will be effective on the first day of each calendar month. Applications for new purchases as well as the purchase amount need to be received no later than 10:00 on the last business day of the previous calendar month.

Minimum investment amount
R 1,000,000. (One Million Rand)

The investor shall complete a subscription form and return to the Manager no later than 10:00 on the last business day of the previous calendar month for the investment to be processed and participatory interest (units) allocated in favour of the investor on the 1st day of the new calendar month.

The Manager may not sell any participatory interest (units) except on terms requiring the full payment of the selling price.

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Management Company	Investment Manager	Trustee
Sanne Management Company (RF) (Pty) Ltd	TriAlpha Investment Management (Pty) Ltd	FirstRand Bank Limited (acting through its RMB Custody and Trustee Services Division)
Registration No: 2013/096377/07	An Authorised Financial Services Provider, FSP No. 28090	
Pier Place, Heerengracht Street, Foreshore, Cape Town, 8001	Room 12B, 2nd Floor Ou Kollege Building, 35 Church Street Stellenbosch, 7600, South Africa	3 Merchant Place, Ground Floor, Corner Fredman and Gwen Street, Sandton, 2146
Telephone: +27 21 202 8282 E-mail: information@sannegroup.com Website: www.snnmanco.com	Telephone: +27 21 809 1210	Telephone: +27 87 736 1732

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.

The Manager may close the portfolio to new investors in order to manage it in accordance with its mandate. Prices are published daily on our website. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager.

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 the portfolio invests in off-shore assets, 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 ("FSCA") under the CISCA. The Manager retains full legal responsibility for the portfolio. FirstRand Bank Limited is the appointed trustee.
TriAlpha Investment Management (Pty) Limited, FSP No. 28090, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to provide investment management services.

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