AAM Fixed Income FR Retail Hedge Fund

September 2024

Minimum Disclosure Document (MDD) – Class 1

Investment Manager:	Absa Alternative Asset Management (Pty) Limited	**Portfolio Size:**	R 1,563,336.75
Portfolio Managers:	St.John Bunkell Nafees Hossain	**Participatory Interest:**	16,983.66
Portfolio Category:	Retail Hedge Fund – South African – Fixed Income	**NAV Per Unit:**	R92.07
Portfolio Benchmark:	STeFI Composite Index	**Service Fee (excl VAT):**	1.08% pa plus 15% of performance above the hurdle
Hurdle Rate:	STeFI Composite Index	**Initial Fee:**	0.00%
Launch Date (CISCA):	1 September 2016	**Portfolio Valuation:**	Monthly
Transaction Cut-Off	Subscriptions to reach us on the last day of the month before 10:00am, for investment on the 1st day of the next month.	**Total Expense Ratio[1]:** **Performance Fee:** **Transaction Cost:** **Total Investment Cost:**	3.04 % including perf fees 1.71% 0.20 % 3.24% calculated in respect of the 12 months up to and including June 2024
Redemptions Notice:	One calendar month	**Distribution Frequency:**	Annually: December
Risk Profile[2]:	Moderate	**Income Distribution (cpu):**	31 December 2023: 690.80
Minimum Investment:	R100 000.00		

Portfolio Profile

The AAM Fixed Income FR Retail Hedge Fund invests in money market instruments; bonds, debentures, notes and commercial paper; derivative instruments and other fixed income instruments. The fund is suitable for investors who seek exposure to relative value and other alternative fixed income strategies in the South African market. The fund has a moderate risk profile.

Objectives & Investment Policy

The objective of the portfolio is to provide consistent returns in excess of cash over the medium to long term. The cash benchmark will be as measured by the STeFI Composite Index.
The portfolio will be managed as a fixed income retail hedge fund with a relative value and variable duration bias.

Portfolio Asset Allocation

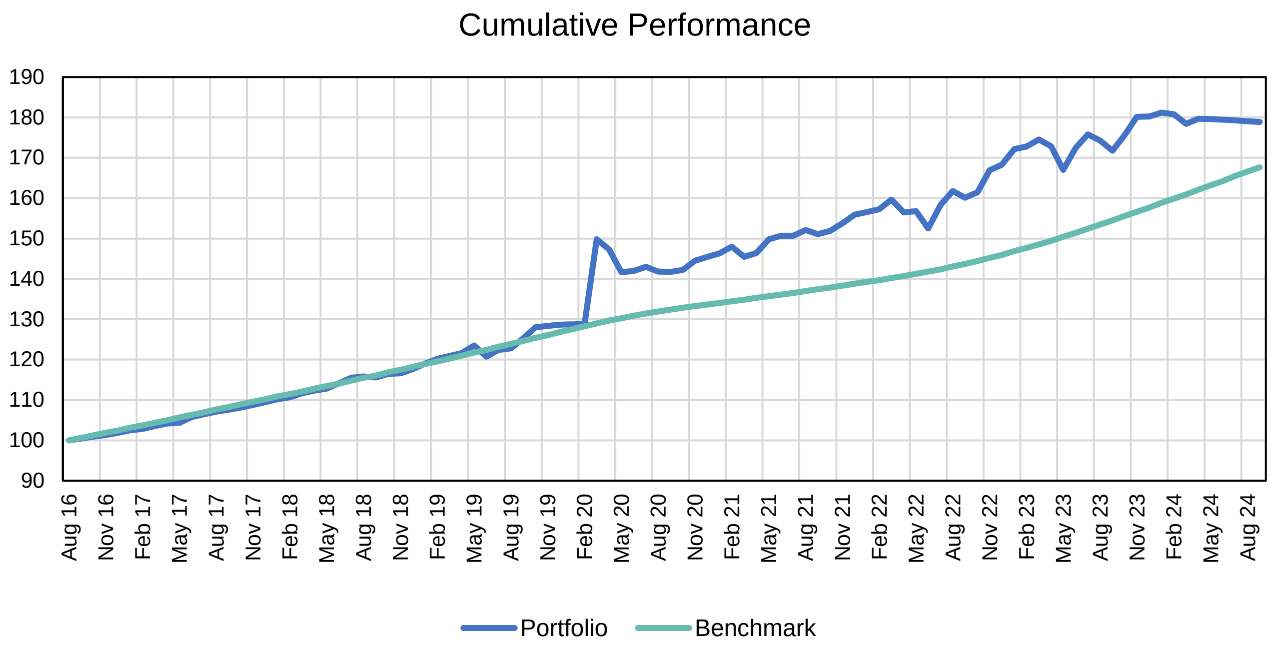
There were no risk assets in the fund contributing to leverage or exposure at the end of September 2024,

[1] 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.

[2] 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. The Manager does not provide financial advice. Our risk indicator does not imply that the portfolio is suitable for all types of investors. Please consult your financial adviser

Issue date:
31 October 2024

Portfolio Performance Report (Net of Fees)



Annualised performance[3]

	Portfolio	Benchmark
Quarter - September 2024	-0.29%	2.05%
1 year	4.14%	8.50%
2 years	5.69%	8.00%
3 years	5.79%	6.85%
Since CISCA launch date	7.46%	6.60%
Lowest 12 month rolling return	-2.92%	3.77%
Highest 12 month rolling return	23.89%	8.56%

Portfolio VAR (21 day, 99% Confidence)

21 Day, 99% Confidence (max 20% limit)	0.0%

[3] The annualised total return is the average return earned by an investment each year over a given time period, since date of the launch of the fund. 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 a 12 month rolling period year since the original launch date of the portfolio. The performance figure 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. The performance figures reported reflects performance achieved prior to CISCA regulation.

Commentary by Investment Manager

This portfolio is no longer being actively managed.

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.

Portfolios may be closed to new investors in order to manage it more efficiently in accordance with its mandate. Prices are published monthly and is available on request at our website. 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 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 potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information. 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 in terms of CISCA. FirstRand Bank Limited, acting through RMB Custody & Trustee Division, is the appointed trustee. 3 Merchant Place, Ground Floor, Corner Fredman and Gwen Streets, Sandton, 2146. Telephone: +27 87 736 1732
ABSA Alternative Asset Management (Proprietary) Limited (FSP No 22877) is authorised under the FAIS Act 37 of 2002 to render discretionary investment management services to hedge funds.

FUNDROCK

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Hedge Fund Risk Disclosure

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 manager and which consequent risks arise.

Management Company	**Investment Manager**
FundRock Management Company (RF) (Pty) Ltd	ABSA Alternative Asset Management (Pty) Ltd a division of the Sanlam Investment Group
Registration No: 2013/096377/07	FSP No. 22877
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Website: www.fundrock.com	**Trustee**
	FirstRand Bank Limited, Johannesburg
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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.

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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).
- **Derivative/Financial Instrument:** A contract that derives its value (positive or negative) from another asset.
- **Duration:** The sensitivity of the fund to a change in interest rates.
- **Value at Risk (VaR):** Value at risk is the minimum loss percentage that can be expected over a specified time period at a predetermined confidence level.
- **Leverage/Gearing:** The use of securities, including derivative instruments, short positions or borrowed capital to increase the exposure beyond the capital employed to an investment.

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