

# Alt RE Select Opportunity FR QI Hedge Fund

Minimum Disclosure Document – Class 1

July 2024

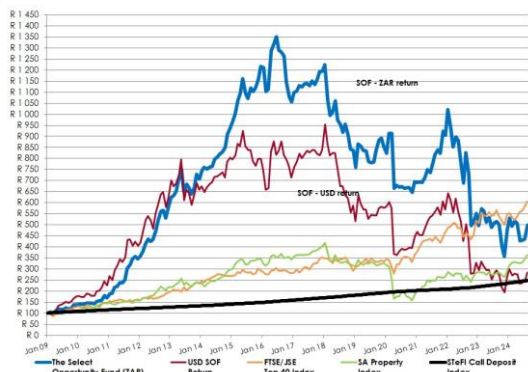
## Portfolio Profile

The Alt RE Select Opportunity FR QI Hedge Fund employs a long/short strategy focused on Global Real Estate and Infrastructure.

"Real estate and associated infrastructure has always been a direct reflection of societal needs and as consumer demand patterns change, so too must society's shared spaces. The best investors, developers, owners and operators of real estate understand this, and embrace strategies that are flexible, accepting and incorporating technological advancements and trends in order to be competitive.

The evolution of the built environment is inevitable and will continue to produce winners and losers in this cycle and beyond. As investors in commercial real estate and infrastructure, understanding these trends and investing accordingly will be a major theme in successful investment strategies as the digital disruption continues." Scott Crowe

## 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. Performance is calculated for a lump sum investment on a Net Asset Value basis. The performance figure is reported Net of fees with income reinvested. The above benchmarks are for comparison purposes with the fund's performance. The fund does not follow these benchmarks. \*Data Sources: IRESS / FundRock / Alt RE  
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.

	Fund (ZAR)	Top 40	Property	SteFI
<b>From Inception</b>	399,94%	505,14%	262,11%	147,68%
<b>Annualised Return**</b>	10,88%	12,25%	8,61%	5,99%
<b>Current Month</b>	14,59%	3,70%	4,39%	0,67%
<b>2024 Return</b>	-5,97%	9,39%	14,37%	4,71%
<b>2023 Return</b>	7,32%	8,97%	10,15%	7,80%
<b>2022 Return</b>	-51,46%	4,20%	0,51%	4,92%
<b>2021 Return</b>	47,42%	28,41%	36,94%	3,53%
<b>2020 Return</b>	-15,88%	9,96%	-34,50%	4,52%
<b>2019 Return</b>	8,21%	12,41%	1,93%	6,64%
<b>2018 Return</b>	-37,90%	-11,65%	-25,26%	6,57%
<b>2017 Return</b>	11,62%	22,83%	17,16%	7,10%
<b>2016 Return</b>	-9,42%	-1,60%	10,20%	7,36%
<b>2015 Return</b>	25,18%	7,73%	7,92%	6,44%
<b>2014 Return</b>	29,82%	9,17%	26,64%	5,57%
<b>2013 Return</b>	19,70%	22,77%	8,39%	4,68%
<b>2012 Return</b>	74,34%	26,12%	35,88%	5,10%
<b>2011 Return</b>	90,30%	2,20%	8,93%	5,27%
<b>2010 Return</b>	34,72%	17,22%	29,62%	6,26%
<b>2009 Return</b>	39,34%	31,73%	14,07%	8,36%

\*Historical performance returns prior to August 2016 reflected performance achieved to the portfolio having been transition under CISCA and returns were reflected Gross of Fees. Post-August 2016 returns are reported Net of Fees.

\*\*Annualised return since inception # USD return available on request

## Holdings by Category

Value	Category
R 35 Mil	ZAR Cash; R 5 Mil
R 30 Mil	Logistics; R 4 Mil
R 25 Mil	Structured Credit; R 4 Mil
R 20 Mil	Life Sciences; R 4 Mil
R 15 Mil	Mortgage REITs; R 2 Mil
R 10 Mil	Communications & Data
R 5 Mil	Infrastructure; R 11 Mil
R 0 Mil	JSE-Listed; R 3 Mil

Longs

Shorts

## Fund Details

**Investment Manager**  
**Portfolio Manager**  
**Management Company**

Alternative Real Estate  
Hayden Bamford  
FundRock Management Company (RF) (Pty) Ltd  
Pier Place, Heerengracht Street, Cape Town, 8001  
T. +27 21 202 8282 F. +27 86 554 8237  
E. [information@apexfs.group](mailto:information@apexfs.group)

**Trustee**

FirstRand Bank Limited (acting through its RMB Custody & Trustee Services Division)  
3 Merchant Place, Ground Floor,  
Corner Fredman & Gwen Streets, Sandton, 2146  
Johannesburg, Tel. +27 87 736 1732  
Qualified Investor Hedge Fund – Worldwide –  
Long/Short Equity – Other Equity

**ASISA Classification**

**Inception**  
**CISCA Inception Date**  
**Size (in Millions)**  
**Participatory Interest**  
**NAV per unit**  
**Minimum Investment**  
**Hurdle/ Benchmark**  
**Cost Ratio (incl. VAT)**

January 2009  
August 2016  
R 13 962 596.77  
3 224 094.49  
R 3.95  
R 1,000,000.00  
STeFI Call Deposit Index (STFCAD)  
Total Expense Ratio (TER%): 4.37%\*  
Transactions Costs Ratio (TC%): 4.15%  
Total Investment Charges (TIC%): 8.52%

**Performance included in TER**  
**Current Month TER**  
**Fees**

0.00%  
0.31%  
Service Fee: 1.44%  
\*Performance Fees: 15% of return above benchmark, uncapped  
Entry Fee: None  
Exit Fee: None

**Administrator**

Apex Fund and Corporate Services SA (Pty) Ltd

**Auditor**

Deloitte

**Website**

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

**Phone**

+27 21 300 4036

**Fax**

+27 11 325 6514

**Income Distribution**

Annually

**Declaration:**

On the last day of Dec

**Payment:**

5.7898 cpu

**Distribution total (past 12 months)**

**Investor Liquidity**

Calendar Month End

**\*Performance Fees**

Uncapped and accrue quarterly, subject to highwater mark

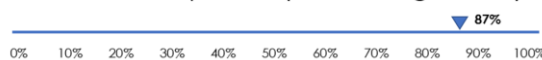
**Notice Period**

One Calendar Month

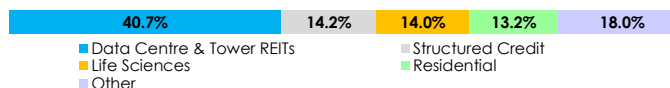
\*A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should 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.

## Geographic & Sectoral Exposure

Offshore Exposure (see-through basis)



Sectoral Allocation of Offshore Assets



## Fund Objective

Our objective for the fund is to deliver a 20% per annum compound return, using a long-term value investment approach.

## Targeted Investments

Being an owner of a globally diversified portfolio of high-quality real assets that generate sustainable and growing distributions over the long-term, our investors are rewarded through both growing income and capital appreciation.

Investments that we target generate an initial yield of between 5% - 7% and distribution growth of between 5% and 9% annually. Investments exhibiting these characteristics should provide investors with an attractive unlevered total return of between 12% - 15% per annum.

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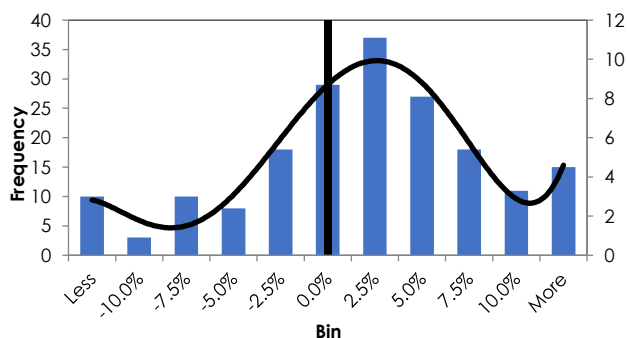
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2009	6.42%	-9.48%	13.81%	8.75%	-2.10%	0.20%	6.53%	-4.26%	0.81%	14.28%	-0.40%	1.80%	39.34%
2010	-0.49%	1.73%	2.27%	0.56%	-0.21%	-0.75%	6.05%	2.76%	1.86%	12.22%	-5.28%	10.73%	34.72%
2011	0.70%	14.03%	3.49%	6.81%	-0.29%	5.95%	20.76%	5.26%	7.97%	2.87%	-2.51%	3.10%	90.30%
2012	6.71%	7.98%	5.91%	-2.49%	1.74%	9.28%	9.97%	8.32%	0.48%	-6.31%	9.94%	6.87%	74.34%
2013	1.91%	2.63%	7.65%	7.20%	-13.68%	5.34%	-2.13%	-4.60%	4.47%	9.15%	-2.97%	5.58%	19.70%
2014	1.83%	-0.81%	0.94%	0.79%	3.98%	1.00%	1.89%	1.03%	2.55%	7.21%	2.73%	3.45%	29.82%
2015	3.34%	6.34%	2.97%	5.99%	-5.69%	-2.08%	4.29%	-1.41%	1.49%	3.67%	4.85%	-0.37%	25.18%
2016	-9.00%	1.01%	15.76%	2.04%	2.69%	-4.43%	-0.61%	-1.41%*	-9.40%	-5.73%	-2.37%	4.05%	-9.42%
2017	0.69%	2.24%	-0.45%	1.25%	0.17%	-0.97%	1.95%	-1.50%	2.15%	3.00%	0.25%	2.38%	11.62%
2018	-13.09%	-6.65%	1.45%	5.24%	-8.22%	-2.21%	-3.43%	3.86%	-5.32%	-6.88%	-0.55%	-9.18%	-37.90%
2019	13.94%	-1.35%	-2.02%	-0.43%	-5.78%	-0.46%	0.20%	6.89%	5.55%	0.88%	-4.06%	-3.84%	8.21%
2020	10.94%	-0.04%	-27.15%	1.98%	-0.97%	0.07%	-1.08%	0.39%	-0.01%	-3.10%	7.41%	-0.31%	-15.88%
2021	0.09%	-0.30%	3.50%	4.96%	-1.78%	5.25%	5.56%	2.41%	-1.82%	12.00%	-1.79%	12.68%	47.42%
2022	-7.95%	-9.23%	5.26%	-1.95%	-10.15%	-12.99%	20.19%	-11.82%	-31.81%	2.52%	8.11%	-10.10%	-51.46%
2023	15.45%	-1.87%	-8.66%	3.77%	-8.29%	4.59%	0.94%	-2.89%	-19.55%	-11.69%	34.73%	11.04%	7.32%
2024	-7.25%	4.99%	-2.04%	-15.60%	0.54%	1.36%	14.59%						-5.97%

\*Historical performance returns prior to August 2016 reflected performance achieved to the portfolio having been transition under CISCA and returns were reflected Gross of Fees. Post-August 2016 returns are reported Net of Fees.

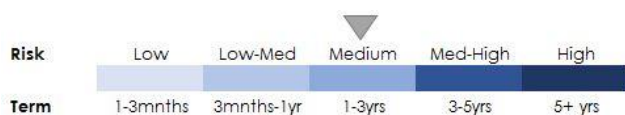
## Investment Philosophy & Strategy

- Value Orientation, fundamental bottom up approach;
- Core understanding of: credit risk, healthy and unhealthy leverage, directional exposure and concentration risks;
- Not actively traded, but rather well researched and well considered core ideas that we believe in.
- Fairly concentrated positions. Concentration is mitigated to an extent by the diverse underlying assets within the single equity that we may own.
- Importance of compounding dividends in the delivery of overall returns is an essential component;
- Real Estate and closely related assets, for example: infrastructure assets;
- Geographically diverse portfolio of assets, benefits of improved credit quality and liquidity at the fund level;
- Should an arbitrage situation present itself, the fund will be opportunistic in nature.

## Histogram of Returns



## Risk Profile



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, market risk, and settlement risk. FundRock 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.

## Risk Metrics

Net Exposure	0.72
Leverage	3.74
Sharpe Ratio	0.31
Sortino Ratio	0.12
% Up Months	60.96%
Best Month	34.73%
Worst Month	-31.81%
Deepest Drawdown	-73.68%
Highest Rolling 12 Months	116.6%
Lowest Rolling 12 Months	-51.5%

## Asset Allocation

Cash	7.98%
Equities	16.64%
Equity Futures	38.26%
Currency Futures	37.12%

## Portfolio

Portfolios are valued monthly. The cut off time for processing investment subscription is 10:00am on the last day of the month prior to enable processing for investment on the first day of the next month.

## Fund Manager

**Hayden Bamford CA (SA)** +18 Years' Experience  
 Previous Employment: Royal Bank of Canada (UK),  
 Standard Bank Property Finance

## Performance

	Return	Fund (ZAR)	Top 40	Property	StefI
<b>Annualised - since inception</b>		10,88%	12,25%	8,61%	5,99%
<b>Rolling 1 year</b>		-2,94%	6,66%	28,84%	8,21%
<b>Rolling 3 years</b>		-15,17%	10,78%	13,51%	6,32%
<b>Rolling 5 years</b>		-8,60%	12,29%	2,02%	5,64%
<b>Rolling 10 years</b>		-4,83%	8,16%	3,49%	6,06%

12 Month Rolling	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Annual
<b>Fund</b>	-2.89%	-19.55%	-11.69%	34.73%	11.04%	-7.25%	4.99%	-2.04%	-15.60%	0.54%	1.36%	14.59%	-2.94%
<b>Benchmark</b>	0.67%	0.65%	0.67%	0.65%	0.67%	0.67%	0.63%	0.67%	0.65%	0.67%	0.65%	0.67%	8.21%

## Disclosure

\*Most recent monthly performance is based on Alternative Real Estate's initial soft" estimates of the fund's value prior to management and performance fees and may differ slightly from the final fund value calculated by Apex Fund and Corporate Services Pty Ltd which will reflect on client statements. Fact sheets will be updated to FundRock's performance numbers upon finalisation of monthly fund values. **Please note:** We continue to emphasise that the fund is long term in nature. Market movements in the underlying portfolio will impact the volatility of the value of the fund and it is important to recognise the long-term nature of the investment before accounting for short term profits or losses. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, Alternative Real Estate does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of Alternative Real Estate's products. The contents of this document are confidential and subject to our [Disclosure & Disclaimers](#).

## Mandatory Disclosure

\* The Manager is registered and approved by the Financial Sector Conduct Authority under Cisca. The Manager retains full legal responsibility for the portfolio. Alt RE Capital Management (Pty) Ltd, FSP No.35976, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. FirstRand Bank Limited, trading as RMB Custody and Trustee Division, is the appointed trustee. 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, minimum fees 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. The portfolio may be closed to new investors in order to manage it efficiently according to its mandate. Prices are published monthly on our website. Additional information, including Key Investor Information Documents, Minimum Disclosure Documents, as well as other information relating to the portfolio, including the basis in which the Manager undertakes to repurchase participatory interest, 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. 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.

## 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.

**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.

**Property Price Risk:** Investments in real estate securities can carry the same risks as investing directly in real estate itself. Primary factors influencing property prices include supply and demand for property, the economic outlook and political landscape as well as interest rates.

## 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).

**Drawdown:** The greatest peak to trough loss until a new peak is reached.

**Sharpe Ratio:** The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.

**Sorlino Ratio:** The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.

**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.

**Frequency Distribution:** How often returns occur within a specified band.