



Sanlam Investments
Frequently Asked Questions | Performance Fees
October 2019





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To ensure equitable pricing across a wide range of clients, the Sanlam Investments unit trust fund range offers multiple fee classes within each fund. We endorse a performance fee approach in certain instances since this approach aligns the interests of clients and Sanlam Investments.

This Frequently Asked Questions (FAQ) document provides details of the performance fee bases for Sanlam Investments retail unit trust fund classes, and is based on the prescribed structure of the ASISA Standard on Performance Fees. Please see the glossary on the last page if there are any terms with which you are not familiar.

Table 1 | Sanlam Investment Management Retail and Qualified Hedge Fund Classes (all fees are inclusive of VAT)

Fund	Class	Performance Fee	Base Fee	High Water Mark (HWM)	Equalization	Hurdle	Performance Fee Measurement Period	Performance Fee Payment Frequency	Performance Fee Charged by Underlying Fund	Cap on performance fees
Capricorn SCI Stable Hedge Fund	A1	23.00%	2.01%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Capricorn SCI Stable Hedge Fund	A2	23.00%	1.84%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Capricorn SCI Stable Hedge Fund	B1	23.00%	1.73%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Capricorn SCI Stable Hedge Fund	B2	23.00%	1.67%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Capricorn SCI Performer Hedge Fund	A	23.00%	1.67%	Yes	Series Accounting	CPI Index	Accrued Monthly	Annual	N/A	No fee Maximum
Capricorn SCI Performer Hedge Fund	B1	23.00%	1.78%	Yes	Series Accounting	CPI Index	Accrued Monthly	Annual	N/A	No fee Maximum



Obsidian SCI Multi Asset Retail Hedge Fund	B2	23.00%	1.357%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Obsidian SCI Multi Asset Retail Hedge Fund	A1	23.00%	1.932%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Obsidian SCI Multi Asset Retail Hedge Fund	B1	0.00%	0.207%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Obsidian SCI Long Short Retail Hedge Fund	A1	23.00%	1.932%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Obsidian SCI Long Short Retail Hedge Fund	A2	23.00%	1.357%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Obsidian SCI Long Short Retail Hedge Fund	B1	0.00%	0.207%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Gamma Retail Hedge Fund	B2	32.00%	0.35%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Gamma Retail Hedge Fund	B3	20.00%	1.50%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum



Sanlam Alternative Zeta Retail Hedge Fund	B2	36.80%	0.35%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Zeta Retail Hedge Fund	D	0.00%	1.73%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
S-Alt Yn Qualified Hedge Fund	A1	20.00%	1.38%	Yes	Series Accounting	STeFI Index	Accrued Monthly	Annual	N/A	No fee Maximum
S-Alt Yn Qualified Hedge Fund	C2	32.00%	0.23%	Yes	Series Accounting	STeFI Index	Accrued Monthly	Annual	N/A	No fee Maximum
Sanlam Alternative Veta Retail Hedge Fund	C2	36.80%	0.23%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Veta Retail Hedge Fund	C3	23.00%	1.73%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Veta Retail Hedge Fund	C4	23.00%	1.38%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum
Sanlam Alternative Veta Retail Hedge Fund	C5	36.80%	0.23%	Yes	Series Accounting	STeFI Index	Accrued Daily	Annual	N/A	No fee Maximum



Table 4 | Glossary of terms

Terms	Description
Class	Unit trust fund classes represent the different types of 'unit' categories that are offered to investors. These categories or classes reflect differences in the administration of the investment, liquidity provided, fees and minimum investments required. It is very common for a unit trust fund to have multiple classes available for investment.
Retail class	This is the class of units that is available to retail investors that allows for smaller contributions including debit orders, and daily withdrawals.
Performance Fee Benchmark	This is the yardstick the performance of the fund is measured against. Each fund may only have one performance fee benchmark.
Fee Hurdle	This is the level of performance the fund must achieve, prior to a fee higher than the Minimum Fee being charged. Fee Hurdles refers to the absolute hurdle (e.g. ALSI + 2% per annum) and not only the threshold (e.g. 2% per annum) and should be linked to the Performance Fee Benchmark.
Performance Fee Measurement Period	The period for which the fund performance is compared to the Fee Hurdle, each time the fee is accrued.
Sharing Ratio	The percentage of performance, relative to the Fee Hurdle, that the Manager is entitled to receive as a fee.
High Water Mark	The highest level of relative outperformance of the fund over the Fee Hurdle since inception of the fund.
Reset	In performance fee structures with a high water mark, the reset of the high water mark occurs when a performance fee is triggered.
Performance Fee Accrual Frequency	This is the frequency at which provisions are made in the fund prices in order to allow for fees in excess of the Minimum Fee.
Performance Fee Payment Frequency	This is the frequency at which the amounts provided in the fund in respect of fees in excess of the Minimum Fee are transferred from the fund to the Manager.
Base Fee	This is the portion of the annual management fee charged before any performance is taken into account.



Fee at Benchmark	This is the annual management fee that will be charged when the fund's performance is equal to the Performance Fee Benchmark over the Performance Fee Measurement Period.
Minimum Fee	This is the minimum annual management fee that may be recovered from the fund by the Manager.
Maximum Fee	This is the maximum annual management fee that may in any instance be recovered from the fund by the Manager. This fee includes the Base Fee and all performance fee elements.



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