



# OLD MUTUAL ARISTEIA OPPORTUNITIES QI HEDGE FUND

QUALIFIED INVESTORS ONLY

JUNE 2022

## FUND INFORMATION

### RISK PROFILE



This fund displays moderate volatility in almost all market conditions. However, given that it is leveraged, in extreme market scenarios there is a risk of significant loss.

### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The Old Mutual Aristeia Opportunities QI Hedge Fund is an actively managed, leveraged, multi strategy hedge fund that targets long-term capital growth, whilst controlling short-term volatility. The fund targets superior risk-adjusted returns by employing diversified trading strategies that seek to exploit opportunities within the South African equity derivatives market.

### INVESTMENT STRATEGY

The investment objective of this fund is to provide investors with long-term capital growth. The aim will be to control the volatility of these returns by the use of hedging instruments and/or techniques and the active management of risk. The fund's core investment strategies include, but are not limited to, relative value volatility trades, directional volatility strategies, dispersion trades, and convertible bond arbitrage. The investment strategies employed will be mainly focused on liquid derivatives, shares, bonds and money market instruments and may include, but are not limited to, futures contracts, option contracts and other derivative arrangements. The fund's leverage may not exceed 300% of its total net asset value. The fund may borrow to leverage.

The investment objective and strategy of hedge funds expose investors to additional risk and it is recommended that investors consult their advisers in order to better understand the risks involved.

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



### RISK STATISTICS (SINCE INCEPTION)

MEASURE	FUND	FTSE/JSE TOP 40 TOTAL RETURN INDEX
Standard deviation	1.81%	15.96%
Correlation (fund & Bmk)	0.15	
Sharpe Ratio	0.22	0.26
Beta	0.03	
Maximum gain (monthly)	1.77%	14.65%
Maximum loss (monthly)	-1.75%	-10.44%
Maximum cumulative drawdown	-1.75%	-19.17%
Months to recover	5	4
% of positive months	85.9%	59.4%

Source: Morningstar as at 30 June 2022

## MONTHLY NET PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2022	0.36%	-0.25%	1.77%	0.62%	0.38%	-0.39%							1.9%
2021	0.54%	0.37%	0.35%	0.28%	0.03%	-0.13%	0.61%	0.35%	0.20%	-0.11%	0.22%	0.71%	3.5%
2020	0.72%	0.35%	1.01%	0.92%	0.20%	-0.22%	0.42%	0.63%	0.71%	0.48%	0.68%	0.63%	6.7%
2019	0.64%	0.35%	0.81%	1.02%	-0.17%	1.59%	-0.03%	0.14%	0.72%	0.41%	0.34%	0.52%	6.5%
2018	0.11%	0.84%	0.58%	0.77%	-0.07%	0.39%	1.00%	0.61%	0.78%	0.28%	0.50%	0.33%	6.3%
2017			1.36%	0.50%	1.74%	1.07%	-1.75%	0.36%	0.46%	0.10%	0.87%	0.74%	5.6%

THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

Helpline +27 (0)21 509 7140 Fax +27 (0)21 509 7100 Internet [www.oldmutualinvest.com](http://www.oldmutualinvest.com) Email [QIHedgeFunds@OldMutual.com](mailto:QIHedgeFunds@OldMutual.com)

**BENCHMARK:** STeFI Call Deposit Index

**PERFORMANCE TARGET:** STeFI Call Deposit Index + 4-6%, net of investment management fees, measured over rolling 12-month periods.

Performance is targeted over the recommended minimum investment term and is not guaranteed.

**ASISA CLASSIFICATION:** Multi Strategy Hedge Fund

**FUND MANAGER(S):** Grant Watson & Pooja Tanna  
Old Mutual Customised Solutions (Pty) Ltd (FSP no. 721)

**INCEPTION DATE:** 28/02/2017

**SIZE OF FUND:** R103m

**DISTRIBUTIONS:** Half-yearly at the end of June and December.

**REGULATION 28 COMPLIANCE:** This fund is not Regulation 28 compliant.

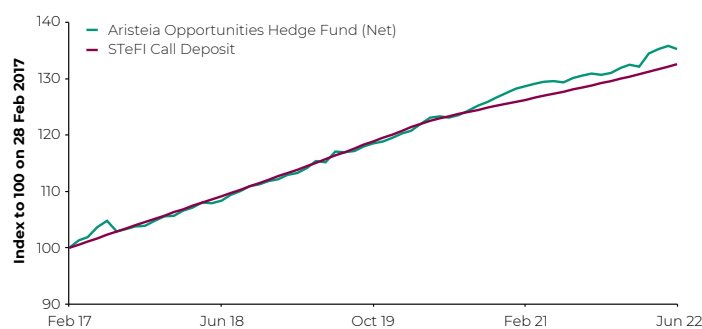
**MINIMUM INVESTMENTS:** Lump sum: R1 million  
Ad hoc: R250 000

## INVESTMENT PERFORMANCE AS AT 30/06/2022

	% PERFORMANCE (ANNUALISED)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception	Since Inception (Cumulative)
Fund (Class D3)	4.6%	5.0%	5.2%	-	-	5.8%	35.3%
STeFI Call Deposit Index	3.8%	4.5%	5.3%	-	-	5.4%	32.6%

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	8.0%	5.8%	2.7%

Source: Morningstar as at 30 June 2022.



Source: Morningstar as at 30 June 2022.



## OTHER INVESTMENT CONSIDERATIONS

### INITIAL CHARGES (All fees are VAT inclusive):

There is no initial administration charge. Initial adviser fee will be between 0% and 3.45%.

### INVESTMENT FEES

Class D3		
Annual service fees (excl. VAT)	1.00%	
<b>Total expenses (30/06/2022)</b>	<b>36-Months</b>	<b>12-Months</b>
Total Expense Ratio (TER)	1.55%	1.61%
Transaction Cost (TC)	0.14%	0.15%
Total Investment Charge*	1.69%	1.76%

Performance fees are charged at 20% (excl. VAT) of out-performance relative to a cash benchmark and based on a high-water mark structure. Out-performance is calculated net of base fees.

These performance fees are accrued daily and paid to the management company on a six-monthly basis.

Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

TER is a historic measure of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund 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 fund, the investment decisions of the investment manager and the TER.

## INSTRUMENTS UTILISED

In order to achieve the investment objective, the fund's securities investments will be confined to South African publicly traded instruments and "over-the-counter" derivatives and will consist of an optimised combination of long positions, short positions, derivative instruments and cash. Investments may involve the purchase and sale of listed and unlisted stocks, options, futures contracts and money market instruments.

## WHO IS THIS FUND FOR?

The fund will only be available to Qualified Investors. The requirements for investors in QI Hedge Funds are as follows:

1. The investor must be investing a minimum of R1 million per hedge fund; AND
2. They must demonstrate that they have the relevant experience to enable them to assess the merits and risks involved in hedge fund investments OR
3. They must have appointed an adviser who has the relevant experience and knowledge to be able to give them advice on the risks involved in investing in hedge funds.

## INVESTMENT RESTRICTIONS

- **Scrip lending and borrowing** – The fund may not engage in any scrip lending, but may from time to time engage in scrip borrowing of up to 50% of the market value of the fund.
- **Single stock exposure limit** – Except for the index futures positions, not more than 20% of the market value of gross assets of the fund will be invested in long or short positions in securities of any one issuer or exposed to a single counterparty, in each case calculated at the time of investment. Subsequently, after initial growth of the investment, the maximum position allowed is 25%.
- **Leverage** – The fund's total exposure to the market may not exceed 300% of its total net asset value. The fund may borrow to leverage. Leverage may result in partial or full capital loss.

Helpline +27 (0)21 509 7140 Fax +27 (0)21 509 7100 Internet [www.oldmutualinvest.com](http://www.oldmutualinvest.com) Email [QIHedgeFunds@OldMutual.com](mailto:QIHedgeFunds@OldMutual.com)

We aim to treat our clients fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments. The manager is committed to operating within the TCF outcomes framework and industry best practices and principles.

- We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- The fund fees and costs that we charge for managing your investment are disclosed in the relevant fund's Minimum Disclosure Document (MDD) available on our public website or from our contact centre.
- Additional information on this proposed investment can be obtained, free of charge, from our public website or our contact centre.
- Our cut-off time for client investment instructions (i.e. buying) is at 15:00 five (5) working days in advance of the Transaction Date, unless agreed to be earlier in terms of your Service Level Agreement. All documentation must be complete and the investment amount must reflect in our bank account by that date. Investment amounts (Purchase of Units) will be held in the Old Mutual Unit Trusts bank account and be invested into the QI Hedge Fund selected on the Transaction Date, the last working day of the calendar month. Transaction requests received after these times will be processed a calendar month later.
- Our cut-off time for client disinvestment instructions (i.e. selling) is at 15:00 on the first working day of the month in advance of the Transaction Date, unless agreed to be later in terms of your Service Level Agreement. The Transaction Date is the last working day of the calendar month. Transaction requests received after these times will be processed a calendar month later. Disinvestment forms are accessible on [www.oldmutualinvest.com](http://www.oldmutualinvest.com).
- Funds may borrow for leverage purposes and to pay client disinvestments and may engage in scrip lending. A process of ring-fencing of withdrawal instructions and managed payouts over time may be followed should excessive withdrawals from a fund place the fund under liquidity pressures.
- The monthly ruling price will be calculated in accordance with ASISA's Pricing Standard and Old Mutual Unit Trusts' Valuation and Pricing Policy. It is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units in issue. The value of assets will be determined by one or a combination of the following valuation strategies: Mark-to-Market, Mark-to-Broker and Mark-to-Model.
- Some funds hold assets in foreign countries and therefore may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- For information regarding the liquidity risk management of the fund, including the repurchase rights both in normal and exceptional circumstances, any gating, side pocket or repurchase restrictions and arrangements, please contact Old Mutual Unit Trust Managers.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 30 June 2022. Sources: Morningstar and Old Mutual Customised Solutions (Pty) Ltd (FSP no. 721).
- OMUT has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.
- A portfolio may change its investment strategy or investment policy (or both) by applying to the Financial Sector Conduct Authority (FSCA) for permission to ballot all investors. The investment policy will change with approval of the FSCA and a response of at least 25% by value of investors, the majority of whom must be in favour.

Old Mutual Unit Trust Managers (RF) (Pty) Ltd (OMUT), registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).