



Investec Specialist Investments SA Credit Co-investment (QI) Hedge Fund

Minimum disclosure document as at 28 February 2018

Investment objective

The Investec Specialist Investments South African Co-investment (QI) Hedge Fund 1 (the "Fund") is a specialist portfolio that aims to provide the investor with income and capital growth by investing in diversified credit opportunities originated by Investec Bank Limited. The Fund invests primarily in listed and unlisted financial debt and credit instruments, including loans, sourced from the existing loan origination activities of Investec Bank Limited.

Performance summary (%)

Period	Fund	Benchmark
1 Month	0.68%	0.72%
3 Months	2.15%	2.17%
6 Months	4.51%	4.42%
1 Year	9.52%	9.09%
Since inception	10.01%	9.87%

Monthly performance

2017	Jan	Feb	Mar	Apr	May	June
		0.44%	0.60%	0.63%	0.70%	1.31%
	July	Aug	Sep	Oct	Nov	Dec
	0.80%	0.66%	1.38%	0.17%	0.74%	0.73%
2018	Jan	Feb	Mar	Apr	May	June
	0.73%	0.68%				

*Performance is calculated after the deduction of fees and with reinvestment of income distributions but gross of any applicable taxation.

Investor profile

The Fund is appropriate for institutional investors, pension funds, investment managers and life insurance clients as well as high net worth individuals who require stable inflation beating returns over time. The Fund is suited to investors with a conservative risk profile and a medium to longer-term investment horizon.

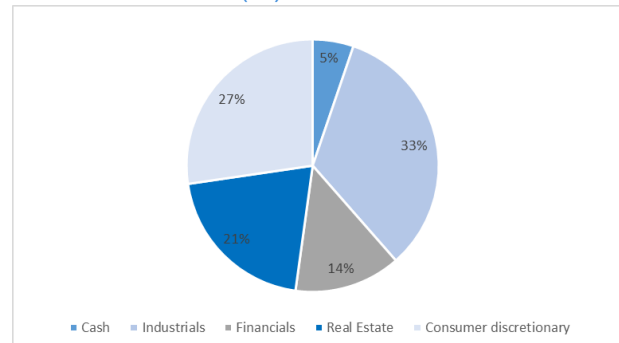
Fee structure

Initial fee	0.00%
Annual management fee	0.50% p.a. (ex VAT)
Performance fee	0.00%

Investment universe

The Fund may invest in loans sourced from the loan origination activities of Investec Bank on a co-investment basis. The Fund may invest in listed and unlisted financial instruments including debt instruments, floating rate notes, zero coupon bonds and the derivatives of such instruments including credit default swaps, credit linked notes and other structured credit instruments. The investment is made in accordance with the provisions of the Act, the regulations thereto and any applicable exchange control provisions, as amended from time to time, in order to achieve the portfolio's investment objective. The Fund may invest in financial instruments domiciled in territories included in the G20.

Sector allocation (%)



Asset allocation (%)

Bonds	94.75%	Cash	5.25%
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Fund information

Fund value	ZAR740mln
Benchmark	115% of STeFi (12 month rolling)
Fund manager	Investec Specialist Investments (RF) Limited
Inception date	Feb 2017
Weighted avg. life	3.2 years
Maximum leverage	2 times NAV
Current leverage	1 times NAV
Total expense ratio*	n/a



Out of the Ordinary®

Why invest in the fund

Alignment and participation in co-investment arrangement – the Fund has a unique right to co-invest with Investec Bank Limited (“IBL”), a premier and experienced credit originator in South Africa.

Access – the Fund provides the investor with access to a diversified exposure to assets that are not readily available in the market and is complementary to traditional fixed income securities.

Diversification – the Fund provides diversified exposure across a range of issuers, sectors, credit ratings and maturities.

Yield and volatility – the Fund provides the investor with access to a portfolio that is likely to achieve a relatively attractive yield with low volatility and is not sensitive to increasing interest rates as the assets are floating rate in nature.

Risk management – Investec Specialist Investments (RF) Limited has a rigorous investment process that aims to reduce the risk to the investor over the life-cycle of the investment.

The Fund is managed by an experienced team of investment professionals.

Regulatory

The Fund is managed as a Qualified Investor hedge fund according to BN52 of Collective Investment Schemes Control Act and available to qualified investors only. The Fund prescribes to the principles of best execution and the Risk Management Framework incorporates best practice for the management of liquidity, credit, counterparty and operational risk.

Important information: Investec Specialist Investments (RF) Ltd (Reg. No 2016/006142/06) is a registered and approved Manager in a QI Hedge Fund Collective Investment Scheme. Collective investment schemes are medium- to long-term investments. Investors should be aware that investing in a financial product entails a level of risk, which depends on the nature of investment. The merits of any investment should be considered together with the specific risk profile and investment objectives. Past performance is not necessarily an indication of future performance. The value of investments may go down as well as up and is therefore not guaranteed. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The portfolio is valued at closing prices on the last day of the month. The cut off time for processing investment transactions is 10h00 on the last business day of the month in order to enable processing for the first day of the following calendar month. Participatory interests are calculated on a NAV basis by determining the total market value of all assets in the fund, including any income accruals, less any permissible deductions in terms of the Act, divided by the number of units in issue. Participatory interests are on investor statements are thus net of all fees. A schedule of fees and charges and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The Manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Prices are published monthly on our website and local media as appropriate. Additional information, including but not limited to, Key Investor Information Documents, Application form, terms and conditions, hedge fund disclosures, Minimum Disclosure Document, as well as other information relating to the portfolio is available, free of charge, on request from the manager or on the website. The 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 advice before investing in a product. Investec accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this communication. Investec does not make representation that the information provided is appropriate for use in all jurisdictions or by all Investors or other potential Investors. Parties are therefore responsible for compliance with applicable local laws and regulations. The Conflicts of Interest Management Policy and the Complaints Resolution Policy may be accessed on www.investec.co.za or may be requested from the Compliance Department. Investec Specialist Investments may not request or induce in any manner a client to waive any right or benefit conferred on the client by or in terms of any provision of the FAIS General Code of Conduct, or recognise, accept or act on any such waiver by the client.

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Fund information

Fund classification	Qualified Investor hedge fund
NAV Price	1,063.36
Minimum investment	ZAR 1m
Subscriptions	Monthly
Fund managers	Investec Specialist Investments (RF)
Domicile	South Africa
Management Company	Investec Specialist Investments (RF)
Administrator	Maitland Fund Services
Prime broker	Investec Prime Services
Trustee	Nedbank Limited
Auditors	KPMG SA
Risk manager	RisCura Analytics
Reporting currency	ZAR

Contact information

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