

## Fairtree Jackalberry Equity Long Short SNN Retail Hedge Fund

Minimum Disclosure Document - Class 1

29 February 2020

### Fund Profile & Investment Policy

The portfolio is an aggressive equity long short hedge fund consisting predominantly of listed South African shares. The objective of the portfolio is to extract alpha returns predominantly from the South African equity market and thereby outperforming the aforesaid market.

### Investment Strategy

The returns are achieved through fundamental knowledge of South African stocks vis-à-vis economic growth and broad economic themes, as well as medium and long-term relative valuation opportunities.

### Investment Performance Summary

**Performance of this fund will not be disclosed due to the fact that the fund is in existence for less than twelve months. The annualised and rolling 12-month investment returns will be reflected from 12 months after the launch date of the fund.**

### Risk Profile

**Risk Level:**      Low              Low-Medium              Medium              **Med-High**              High

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, credit risk, market risk, and settlement risk. Sanne 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.

### Portfolio Valuation & Transaction Cut-Off

Portfolios are valued daily. The portfolio is now valued daily and the transactions cut-off time is 14:00pm on a business day. Investor instructions received after 14:00pm shall be processed the following business day.

### Total Expense Ratio

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. The TER is reported excluding performance fees for the first 12 months of the portfolio. The Manager has applied its mind hereto and is of the view that any reporting of TER with performance fee at this stage may be inaccurate and potentially misleading to investors.

### Fund Details

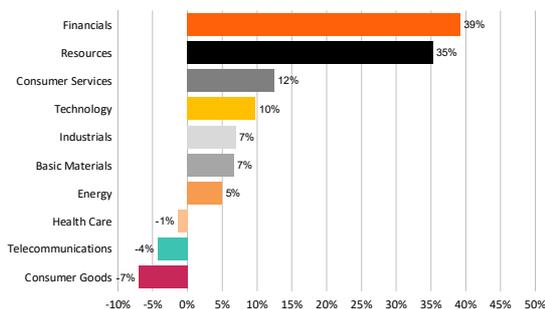
|  |   |
|--|---|
| Risk Profile:                              | Medium - High   |
| Portfolio Manager:                         | Andre Malan, Cornelius Zeeman and Deon Botha                      |
| Fund size (in Millions):                   | R 20.7  |
| NAV Price (Inception):                     | R 1000  |
| NAV Price (as at month end):               | R 936.77  |
| Number of Units:                           | 21,769.69   |
| JSE Code:                                  | FJSL1   |
| ISIN Number:                               | ZAE000277729  |
| Inception Date:                            | 1 August 2019   |
| ASISA Classification:                      | Retail Hedge Fund - South African - Long/Short Equity - Long Bias |
| Hurdle/Benchmark:                          | Capped SWIX Index   |
| Minimum Investment:                        | R50 000 or R2 000 monthly   |
| Additional Lump sum:                       | R10 000   |
| Fees                                       |   |
| Annual Base Fee:                           | 1% (excl. VAT)  |
| Performance fee (uncapped):                | 20% (excl. VAT)   |
| Cost Ratios (incl. VAT)                    |   |
| Total Expense Ratio (TER%):                | Both the TER and performance                                      |
| Transactions Costs Ratio (TC%):            | are not included or disclosed due                                 |
| * Total Investment Charges (TIC%):         | to the fact that the fund is in                                   |
| Performance Fee (PF) Included in TER:      | existence for less than 12 months                                 |
| Income Distribution (Declaration):         | Last day of December  |
| Distribution Total for the past 12 months: | N/A   |
| Investment Manager contact details         | Fairtree Asset Management (Pty) Ltd                               |
| Telephone Number:                          | +27 86 176 0760   |
| Website:                                   | www.fairtree.com  |

\*Total Investment Charges (TIC%) = TER (%) + TC (%)

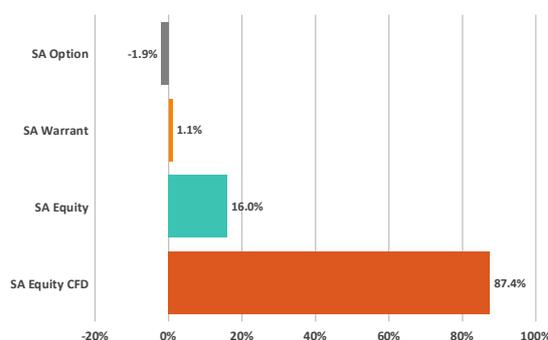
### Portfolio Objective

The objective of the portfolio is to extract alpha returns predominantly from the South African equity market and thereby outperforming the aforesaid market.

### Sector Allocation



### Asset Allocation



### Fund Risk

|                                       |   |
|---------------------------------------|---|
| <b>Leverage Risk:</b>                 | 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.   |
| <b>Derivative Risk:</b>               | 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.   |
| <b>Counterparty Credit Risk:</b>      | 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.  |
| <b>Volatility Risk:</b>               | 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.   |
| <b>Concentration and Sector Risk:</b> | 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.  |
| <b>Correlation Risk:</b>              | 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.   |
| <b>Equity Risk:</b>                   | Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector. |

### Glossary

|   |   |
|---|---|
| <b>Net Asset Value (NAV):</b>           | 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.  |
| <b>Annualised Return:</b>               | Is the weighted average compound growth rate over the performance period measured.  |
| <b>Highest &amp; Lowest Return:</b>     | The highest and lowest rolling twelve-month performance of the portfolio since inception.   |
| <b>Total Expense Ratio (TER) :</b>      | 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. |
| <b>Transaction Costs (TC) :</b>         | 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.   |
| <b>Total Investment Charges (TIC):</b>  | 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.  |
| <b>Total Investment Charges (TIC%):</b> | = 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).                                 |
| <b>Alpha:</b>                           | Denoted the outperformance of the fund over the benchmark.  |

### Mandatory Disclosures

**Investment Manager:** Fairtree Asset Management (Pty) Ltd, **Registration Number:** 2004/033269/07 is an authorised Financial Services Provider (FSP25917) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision. **Physical Address:** Willowbridge Place, Cnr. Carl Cronje and Old Oak Road, Bellville, 7530. **Postal Address:** PO Box 4124, Tygervalley, 7536. **Telephone Number:** +27 86 176 0760. **Website:** www.fairtree.com.

**Management Company:** Sanne Management Company (RF) (Pty) Ltd (the "Manager"), **Registration Number:** 2013/096377/07, is authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS) . **Physical Address:** Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa. **Telephone Number:** +27 21 202 8282. **Website:** www.snnmanco.com, **Trustee:** FirstRand Bank Limited, (acting through its RMB Custody and Trustee Services Division). **Physical Address:** 3 Merchant Place, Ground Floor , Corner Fredman and Gwen Streets, Sandton, 2146, **Telephone:** +27 87 736 1732.

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