

Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

31 December 2018

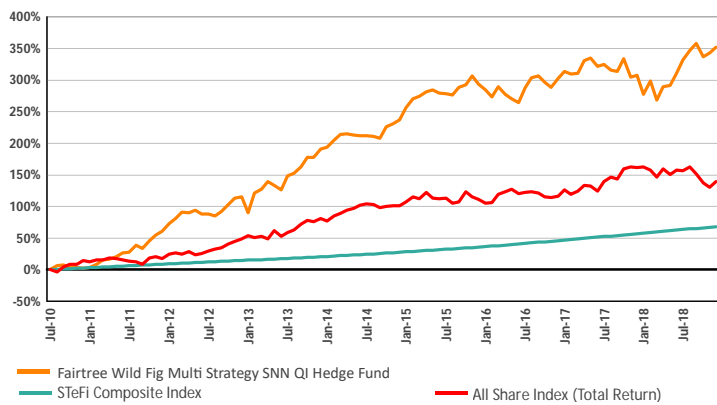
Fund Profile

The Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund is diversified across three asset classes, equities; fixed income and commodities, with the strategic long term allocation framework seeking maximum asset class diversification in its portfolio construction technique. Tactical asset allocation decisions are taken to ensure the fund is appropriately exposed to the most attractive opportunity sets, without foregoing the benefit of a degree of asset class diversification. The portfolio is rebalanced at least monthly. Capital is allocated across the various strategy teams within the asset classes, with additional risk allocation introducing a further degree of gearing.

Investment Strategy

The portfolio invests in several strategies over various instruments, asset classes and portfolios. It combines a strategic risk allocation which provides the optimal diversification benefit across the various strategies, with tactical risk allocation to the most attractive opportunity sets as identified on a bottom up basis.

Cumulative Performance Since Inception



Fund Source: Sanne Fund Services SA (Pty) Ltd as at December 2018
Index Source: Bloomberg as at December 2018

Return Analysis

	Fund	All Share Index	STeFi
1 Month	2.01%	4.25%	0.60%
3 Months	-1.24%	-4.88%	1.78%
6 Months	10.04%	-6.94%	3.58%
1 Year	10.82%	-8.53%	7.25%
3 Years	14.82%	13.55%	23.89%
5 Years	55.67%	32.35%	39.67%
Since Inception	352.03%	139.71%	68.36%

Risk Analysis

	Fund	All Share Index	STeFi
Sharpe Ratio	0.91	0.42	0.12
Sortino Ratio	1.79	0.85	0.19
Standard Deviation	13.99%	11.49%	0.25%
Best Month	16.67%	9.35%	0.66%
Worst Month	-11.90%	-5.76%	0.00%
Best Rolling 12 Months	67.31	32.74	7.71
Worst Rolling 12 Months	-10.38	-12.56	5.16
Largest Cumulative Drawdown	-15.09%	-12.56%	n/a
% Positive Months (Since Inception)	67.33%	58.42%	n/a
Correlation (Monthly)	0.20		
Value at Risk (VaR) 95%	6.05%		

The above benchmark(s) are for comparison purposes with the fund's performance. The fund does not follow the benchmark(s).

Fund Details

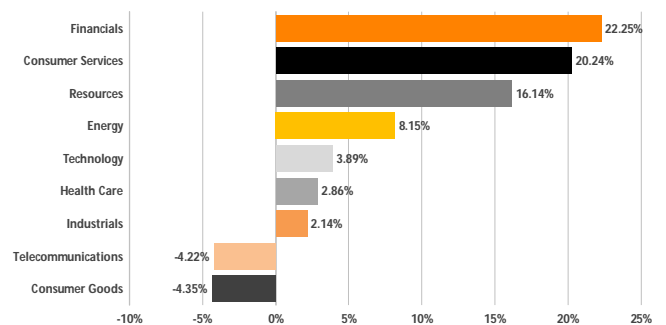
Risk Profile:	High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 553.7
NAV Price (Inception):	R 1000 (Class A1)
NAV Price (as at month end):	R 4,527.62
Number of Units:	201,605.50
JSE Code:	FTWFIG
ISIN Number:	ZAE000259107
Inception Date:	31 August 2010
CISCA Inception Date:	1 April 2017
Fund Structure:	CIS Trust
Fund Category:	Multi - Strategy
Benchmark:	N/A
Minimum Investment:	R 1 000 000 Lump sum
Fees	
Management Fee:	2% p.a (excl.VAT)
Performance fee (uncapped):	20% of excess above the high water mark (excl.VAT)
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER%):	4.38%
Transactions Costs Ratio (TC%):	1.56%
* Total Investment Charges (TIC%):	5.94%
Performance Fee (PF) Included in TER:	1.53%
Income Distribution (Declaration):	Last day of December
Distribution Total for the past 12 months:	0.00 cpu for December 2017
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 (%)

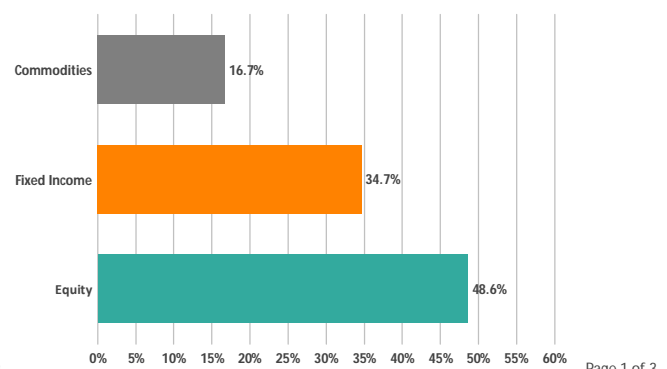
Portfolio Objective

The long-term objective of the portfolio is to achieve consistent absolute returns through investment in risk controlled strategies.

Sector Allocation



Asset Allocation



Increase in NAV Attributable to Investors

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010								6.82%	1.02%	-3.82%	-0.26%	-1.28%	2.21%
2011	1.74%	3.97%	7.26%	0.79%	3.35%	4.50%	1.13%	8.45%	-3.55%	8.92%	6.52%	4.03%	57.67%
2012	7.19%	4.72%	5.45%	-0.26%	2.00%	-2.95%	0.11%	-2.05%	4.09%	5.87%	4.56%	1.20%	33.65%
2013	-11.90%	16.67%	2.48%	5.65%	-2.79%	-2.68%	9.54%	1.55%	3.99%	5.95%	0.10%	4.39%	34.83%
2014	1.20%	3.59%	3.00%	0.60%	-0.64%	-0.52%	0.05%	-0.26%	-1.17%	5.91%	1.77%	1.71%	16.09%
2015	5.81%	3.86%	1.07%	1.77%	0.91%	-1.36%	-0.12%	-0.74%	3.38%	0.89%	3.79%	-3.29%	16.79%
2016	-2.41%	-2.93%	4.44%	-3.02%	-2.03%	-1.53%	6.31%	4.25%	0.59%	-2.34%	-1.99%	3.60%	2.31%
2017	2.74%	-0.93%	0.26%	4.90%	0.79%	-3.01%	0.86%	-2.16%	-0.63%	4.97%	-6.62%	0.69%	1.27%
2018	-7.45%	5.46%	-7.47%	5.80%	0.36%	5.01%	5.17%	3.51%	2.36%	-4.54%	1.42%	2.01%	10.82%

*The inception date for the portfolio is 31 August 2010. The historical performance figures until the end of 31 March 2017 reflect performance achieved prior to CISCA regulation. The portfolio has been transitioned under CISCA regulations on 1 April 2017 and has since been managed as a regulated product. The annualized total return is the average return earned by an investment each year over a given time period, since date of the launch of the fund. Actual annual figures are available from the manager on request. 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. The performance figures given show the yield on a Net Asset value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future 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 figures are reported net of fees with income reinvested.

Risk Profile

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

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 six 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.

Market Commentary

South African assets improved over the month. The All Bond Index rose 0.6% over the month to bring the year to date return to 7.7%, while the All Share Index rose 4.3% to bring the year to date performance to -8.5%. After a strong November, the Rand lost around -3.5% in December.

Global equities had their worst month in more than 6 years, down -7.7%, led by developed markets as global growth concerns mounted, uncertainty around Fed policy emerged and Trump caused volatility by directly criticising the Fed and chair Powell. Headlines around the unresolved trade conflict between the US and China as well as US political infighting also added to negative sentiment. The US dollar weakened and emerging markets outperformed developed markets.

We are in the midst of a global manufacturing slowdown caused largely by uncertain trade policy, tighter Fed policy and a weaker growth outlook for both China and Europe. Forward looking indicators suggest that data may soften further, but given strong US non-farm payrolls and improving non-manufacturing PMI's from China we don't foresee a US recession soon. The US yield curve has flattened but has not yet inverted and housing and business investment data, although softer does not signal a recession. The softer data has caused the Fed to signal larger degree of sensitivity to the market going forward. As a result, the market currently does not price any further hikes by the Fed for 2019 which has given EM asset some relieve.

The ongoing trade conflict with China continue to weigh on sentiment. However, the meeting between the US and China early December and early January signal a willingness from both sides to reach a trade deal. We believe the probability of a deal during 2019 is high. The trade conflict has put the Chinese economy under pressure. We believe that China will continue to ease monetary and fiscal policy and that data will start to improve over the next few months. The combination of a trade deal, improving China data and a Fed on hold should support EM assets.

Economic data from Europe has also weakened as the political environment has turned more volatile in Italy, France and the UK (Brexit). This uncertainty has weighted on confidence, but the weak Euro, low oil price and improving EM backdrop should support data going forward. The ECB has stopped its asset purchases in December but remains far from raising interest rates above 0% and may announce another round of LTRO during the next few months. An unordered Brexit remains a risk, but we see the probability of such event as low.

Locally economic data remains mixed with some data points starting to surprise to the upside. Mining, manufacturing, retail sales and leading indicators have all improved recently although from very depressed levels. Early in the month concerns around Eskom emerged again as electricity cuts were announced and the SOE's debt outlook raised concerns about a potential downgrade by Moody's. Since then Ramaphosa and Eskom have announced various measures to improve the situation, including job cuts. Eskom remains a key risk to both the growth and credit quality outlook. Given the potential for electricity tariff increases, renewed risk of El Nino and its impact on food prices and vulnerability of the Rand to global risk-off the SARB will continue to remain hawkish but stop short of hiking rates. The inflation outlook remains contained and growth has not rebounded yet.

The Multi Strategy portfolio printed a positive return during December 2018, to end the year strongly. Equities were the main contributor during December as a result of strong equity performance on the JSE during the month. In particular, directional strategies outperformed their relative value counterparts, while commodities contributed positively and Fixed Income detracted marginally from performance. On a year to date basis Fixed Income, Equity Directional, Equity Relative Value and Commodities all contributed positively to the fund, the order in which the strategies are mentioned reflecting the relative performance from biggest contributor to the smallest for the year.

Equities: The outlook for global earnings growth has moderated but remains positive as growth in key markets remain at or above trend. We do not expect a US recession during 2019. We expect global inflation to move and remain close to target supported by higher input costs, including wages. The global deflationary outlook favours cyclical stocks, while the outlook for higher global bond yields weighs on high valuation of defensive names. As yields rise and volatility increase valuations and earnings potential will be questioned more frequently. We believe the overall South Africa equity index will benefit from an improving domestic economy and outlook of more political stability after the national election. Local equities may also be supported by improvements in global markets due to its externalised nature. We like local and global cyclical assets with global earnings growth potential and companies with the ability to generate cash sustainably. We continue to find protection in gold stocks and ZAR hedged assets.

Fixed Income: South Africa's inflation will be well contained over the next few months due to falling fuel and low food prices. The risks to inflation remain to the upside on the back of potential electricity tariff hikes and higher food prices due to potential El Nino. Given current weak economic activity and upside risk of inflation the SARB will remain hawkish but not hiking rates. The SARB remains focussed on anchoring inflation expectations closer to 4.5%. Yields have risen to reflect growth and fiscal (e.g. Eskom) weakness. We look for signs of an improvement in the emerging market back drop and local economic environment to become more constructive on bonds.

Currency: We believe the US dollar strength has stabilised. Given the potential for global growth to converge lower we believe the US dollar could weaken over the medium term.

Alternatives: Stronger global growth will allow less accommodative monetary policy and looser fiscal policies which should lead to higher interest rates, volatility and lower correlations amongst asset classes and securities. Market rotations and increased dispersion has typically led to a more favourable environment for alternative assets to perform.

Please Note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.

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, Tygervally, 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). **Directors:** J F Louw (Chairman)*, L Fourie, G P Rate (Managing Director), I Burke*, H J Pienaar*. **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, Johannesburg, **Telephone:** +27 87 736 1732.

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*Non-Executive

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