

Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund Minimum Disclosure Document - Class 1

31 December 2019

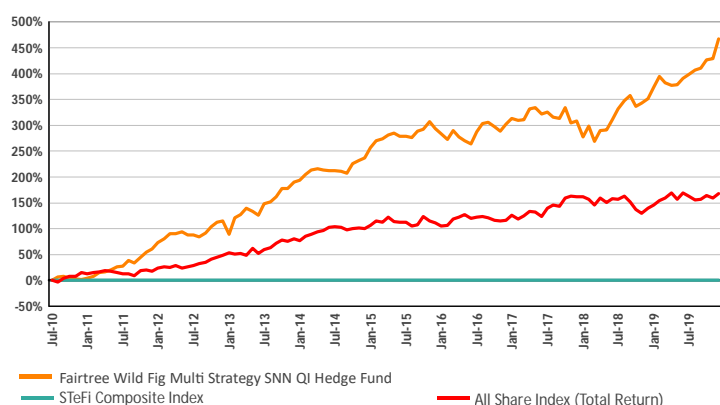
Fund Profile

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 2019
Index Source: Bloomberg as at December 2019

Return Analysis

| | Fund | All Share Index | STeFi |
|-----------------|---------|-----------------|--------|
| 1 Month | 7.40% | 3.30% | 0.00% |
| 3 Months | 11.19% | 4.64% | 1.74% |
| 6 Months | 15.64% | -0.14% | 3.56% |
| 1 Year | 25.56% | 12.05% | 7.29% |
| 3 Years | 40.91% | 23.97% | 23.75% |
| 5 Years | 68.37% | 33.75% | 41.51% |
| Since Inception | 467.58% | 168.58% | 0.00% |

Risk Analysis

| | Fund | All Share Index | STeFi |
|-------------------------------------|---------|-----------------|-------|
| Sharpe Ratio | 0.97 | 0.43 | -2.13 |
| Sortino Ratio | 1.92 | 0.84 | -2.13 |
| Standard Deviation | 13.55% | 11.39% | 0.00% |
| Best Month | 16.67% | 9.35% | 0.00% |
| 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) | 69.03% | 59.29% | n/a |
| Correlation (Monthly) | 0.21 | | |
| Value at Risk (VaR) 95% | 7.03% | | |

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

Fund Details

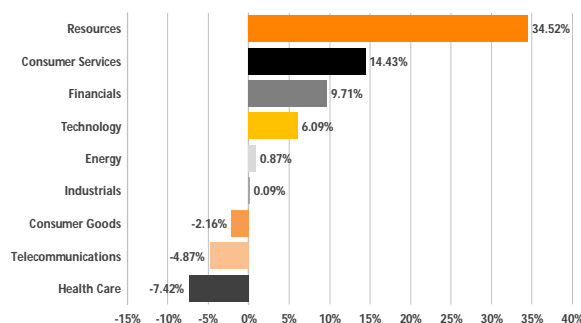
| | |
|--|---|
| Risk Profile: | High |
| Portfolio Manager: | Bradley Anthony and Kurt van der Walt |
| Fund size (in Millions): | R 635.4 |
| NAV Price (Inception): | R 1000 (Class A1) |
| NAV Price (as at month end): | R 5,775.20 |
| Number of Units: | 172,249.49 |
| JSE Code: | FTWFIG |
| ISIN Number: | 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%): | 6.08% |
| Transactions Costs Ratio (TC%): | 0.80% |
| * Total Investment Charges (TIC%): | 6.88% |
| Performance Fee (PF) Included in TER: | 3.22% |
| Income Distribution (Declaration): | Last day of December |
| Distribution Total for the past 12 months: | 0.00 cpu for December 2018 |
| 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 (%)

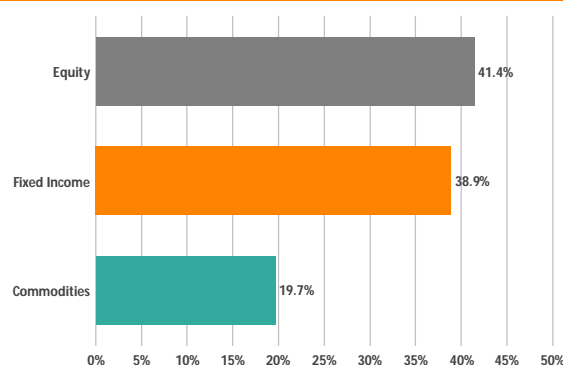
Portfolio Objective

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% |
| 2019 | 4.68% | 4.54% | -2.57% | -0.88% | 0.22% | 2.52% | 1.43% | 1.69% | 0.83% | 3.23% | 0.29% | 7.40% | 25.56% |

*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 |
|-------------|-----|------------|--------|----------|------|

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.

Market Commentary

South African assets performed well over the month of December as global economic sentiment improved. The 10-year government bond (R2030) yield closed -19bps lower at 9.02%. The All Bond Index returned 1.9% over the month to bring the year to date return to 10.3%, while the All Share Index rose 3.3% to bring the year to date return to 12.1%. The Rand gained around 4.7% against the US dollar. Foreigners bought more than R6bn local bonds during the month. The Fairtree Multi Strategy QI Hedge Funds ended the year strongly with positive December returns in excess of the market. The funds benefitted from their allocations to relative value commodity pairs recovering from their unsustainable levels, as well as directional relative value equity strategies. Wild Fig and Woodland's outperformance of the JSE All Share were 13.5% and 5.22% respectively during 2019 while the last 2 years amounted to 16% and 12% respectively. Following the strength in equity markets globally and strong performances by the Fairtree equity teams during the year, it should be no surprise that the equity contribution explains the majority of these returns. However, fixed income and commodities ended the year in the green as well, and certainly contributed to overall fund performance, and lower volatility due to the uncorrelated nature of these asset classes which are utilised in the portfolio.

Global equities were up 2.9%, improving the year to date returns to 25.2% while emerging market equities were up 7.7%, taking the year to date return to 15.4%. Sentiment turned more optimistic and the outlook for growth improved as the trade tension between the US and China eased and Brexit tail risks declined. Global economic activity data also improved suggesting the global manufacturing downturn may have bottomed while consumers and the services side of the global economy remains healthy. Despite this improvement in the data the global central banks signalled that monetary policy will remain accommodative for a prolonged period. The ECB is set to continue with asset purchases until inflation return, the Fed remains on hold and continues to expand their balance sheet and the PBOC in China announced a further RRR cut early in 2020. This easing of financial conditions, reduction in geo-political risk and improving economic activity should support risk assets over the medium term. However, there are risks that may escalate quickly. The tension between the US and Iran are building and although neither party would want a war one cannot exclude the potential for political miscalculation by one side.

In South Africa, the political and economic reforms are happening at a slow pace while operational and financial challenges at Eskom continue to pose the biggest downside risk to the economy. Ongoing electricity load shedding will be a drag on growth and the country's fiscal health. The World Bank has downgraded SA's growth to 0.9% for 2020 and the risk of a ratings downgrade by Moody's has risen to an almost certainty. Local assets are already reflecting a large portion of the downside scenario, signs of any economic improvement remain absent. While fiscal risks remain on the horizon the SARB's hands are tied when it comes to providing more relief via monetary policy, despite inflation falling and surprising to the downside.

Equities: The outlook for global earnings growth has moderated but remains positive. However, accommodative central bank policies and low yields will continue to provide some support to equities. We do not expect a US recession soon and expect global inflation to gradually move closer to target supported by higher input costs, including wages. It's too early to get excited about local equities. We do believe that the domestic economy will start to benefit from interest rate cuts and more economic reforms, but this will take time. We like selected local and global exposed cyclical assets with strong global earnings growth potential and companies with the ability to generate cash sustainably. We continue to find protection in gold and precious metal stocks and ZAR hedged assets.

Fixed Income: South Africa's inflation will remain contained over the next few months and inflation expectation should decrease further. Given current weak economic activity and balanced risk to inflation the SARB may decide to cut rates again over the next 6 months but fiscal risk have increased meaningfully and may lead to a pause over the short term.

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

Alternatives: Going forward we believe global monetary policy will be more data dependent while global fiscal policies will be used to support growth. We believe higher levels of volatility and lower correlations amongst asset classes and securities will increase dispersion and lead to a more favourable environment for alternative assets to perform.

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. Please note that Kurt van der Walt is authorised to manage hedge funds 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). **Directors:** J F Louw (Chairman)*, G P Rate (Director), I Burke*, H J Pienaar*, K de Bruin (Managing Director). **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.

Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions, as well as a detailed description of how performance fees are calculated and applied, is available on request from Sanne Management Company (RF) (Pty) Ltd ("the Manager"). The Manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. The Manager may close the portfolio to new investors in order to manage it efficiently according to its mandate. Prices are published monthly on our website and local media. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where foreign investments are included in the portfolio, performance is further affected by uncertainties such as changes in government policy, political risks, tax risks, settlement risks, foreign exchange risks, and other legal or regulatory developments. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The Manager is registered and approved by the Financial Sector Conduct Authority under CISCA. The Manager retains full legal responsibility for the portfolio. FirstRand Bank Limited, is the appointed trustee. Fairtree Asset Management (Pty) Ltd, FSP No. 25917, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services.

*Non-Executive

Disclaimer

This document is confidential and issued for the information of the addressee and clients of the Manager only. It is subject to copyright and may not be reproduced in whole or in part without the written permission of the Manager. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, expressed or implied, as to the accuracy, timeliness, completeness, fitness for any particular purpose of any such recommendation or information is given or made by the Manager in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisers to assist the user in reaching any decision. The Manager will accept no responsibility of whatsoever nature in respect of the use of any statement, opinion, recommendation or information contained in this document. This document is for information purposes only and does not constitute advice or a solicitation for funds.