Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class A1

28 February 2018

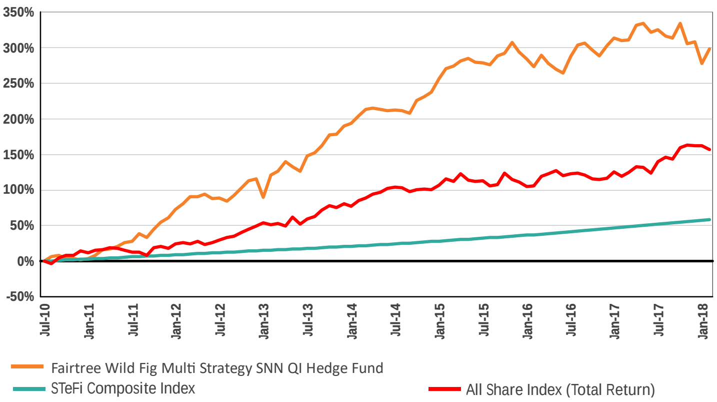
Fund Profile

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 February 2018
Benchmark(s) Source: Bloomberg as at February 2018

Return Analysis

	Fund	All Share Index	STeFi
1 Month	5.46%	-1.97%	0.54%
3 Months	-1.72%	-2.20%	1.76%
6 Months	-4.28%	4.51%	3.58%
1 Year	-2.89%	17.44%	7.48%
3 Years	7.47%	19.37%	23.18%
5 Years	79.84%	70.25%	37.43%
Since Inception	298.13%	157.15%	58.78%

Risk Analysis

	Fund	All Share Index	STeFi
Sharpe Ratio	0.94	0.63	0.07
Sortino Ratio	1.92	1.35	0.11
Standard Deviation	13.97%	11.12%	0.25%
Best Month	16.67%	9.35%	0.66%
Worst Month	-11.90%	-5.70%	0.00%
Best Rolling 12 Months	67.31	32.74	7.71
Worst Rolling 12 Months	-8.78	-4.37	5.16
Largest Cumulative Drawdown	-12.98%	-8.46%	n/a
% Positive Months (Since Inception)	65.93%	60.44%	n/a
Correlation (Monthly)	0.13		
Value at Risk - 95%	6.60%	4.83%	0.97%

Fund Details

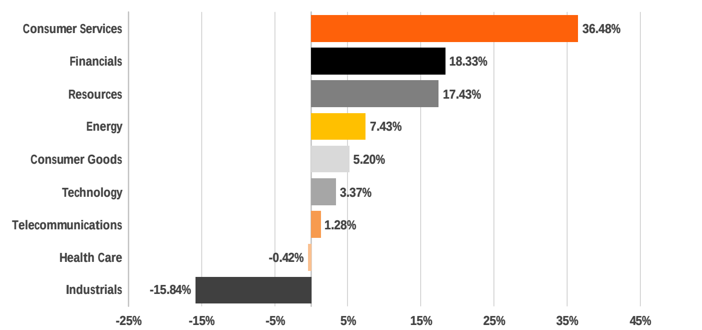
Risk Profile:	High
Portfolio Manager:	Bradley Anthony
Fund size (in Millions):	R 653.1
NAV Price (Inception):	R 1000 (Class A1)
NAV Price (as at month end):	R 3,981.27
JSE Code:	
Inception Date:	31 August 2010
CISCA Inception Date:	1 April 2017
Fund Structure:	CIS Trust
Fund Category:	Multi - Strategy
Benchmark:	This portfolio does not follow a benchmark
Minimum Investment:	R1 000 000 Lump sum
Fees	
Management Fee:	2% p.a (excl. VAT)
Performance fee:	20 % of excess above the high water mark, subject to a hurdle rate of 3 month JIBAR (excl.VAT) uncapped.
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER%):	2.81%
Transactions Costs Ratio (TC%):	1.76%
* Total Investment Charges (TIC%):	4.57%
Income Distribution (Declaration):	Last day of February & December
Distribution Total for the past 12 months:	0.00 cpu for December 2017
Investment Manager contact details	
Telephone Number:	+27 21 943 3760
Website:	www.fairtree.com.

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

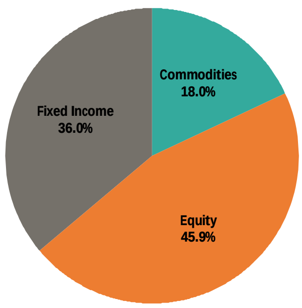
Portfolio Objective

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%											**-2.40%**

*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. 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

After entering 2018 on a strong footing, global risk appetite has faded. Global equity markets have experienced a sharp pull back (around -10%) during February, but recovered somewhat towards the end of the month. We believe the key catalysts have been expensive asset valuations combined with signs that global central banks will become less accommodative over the medium term as the economic expansion continues and inflation rise to above target levels. Concerns about rising inflation have also been stoked by weaker US dollar, increased tariffs on trade, rising oil price, tax cuts and accelerating wages. We believe the Fed will hike rates 3 to 4 times this year and next year while the ECB will halt asset purchases in December. However at this stage, global growth remains stable along with commodity prices and the US dollar weak and we believe markets have room to rally higher as financial conditions remain easy. We watch political risk introduced by Trump's announcement to increase import tariffs as it could spark a trade war that would be detrimental to risk assets.

Domestic sectors and assets rallied for a third consecutive month as a series of political and economic events boosted optimism that credit rating agencies would not downgrade South Africa's rating further and that the South African Reserve Bank (SARB) will cut interest rates. Bond outperformed other asset classes over the last 3 months. The All Bond Index returned almost +12%, while the All Share Equity Index returned -2% and the ZAR appreciated by 16%. Foreign investors that bought ZAR governments bonds early December would have seen a 30% return on their investment. We continue to see strong foreign flows into the South African bond market despite a softer backdrop for global emerging markets.

The rally in domestic assets that started toward the end of last year continued after Cyril Ramaphosa was chosen as president of the ANC, caught further momentum as; a new Eskom board was announced, Jacob Zuma resigned, Ramaphosa delivered the State of the Nation address, the Budget provided signs of a re-commitment towards fiscal consolidation, a new more credible Cabinet was chosen. Moody's and the SARB will both make announcements later this month that could further stoke momentum, but the new debate and uncertainty around Land Reforms and global risks attached to rising bond yields and US import tariffs have stalled some of the momentum.

The economy are showing some sign of improvement with the PMIs printing above 50 and GDP for Q4-2017 surprising on the upside with 3.1% qoq annualised. The economy has been boosted by consumption and a rebound in agriculture. Consumers continue to enjoy lower inflation while wages continue to grow

We believe that the probability of a ratings downgrade by Moody's later this month has dropped further to 30%. During the Budget, a renewed focus on fiscal consolidation through a 1% VAT hike and R85bn cut in spending over the next 3 years was announced. The choice of Pravin Gordon as Minister of Public Enterprises and Nhlanhla Nene as Finance minister will also give foreign investors and rating agencies confidence that our SOE's and fiscal institutions are in better hands.

The South African Reserve Bank may cut rates by 25bps at its March meeting. Inflation continues to fall and should remain under control for the next two years. We believe the SARB will look through the upside effect of the VAT hike of inflation. The Rand has also shown further strength as the US dollar remains under pressure. Concerns that the Rand may get too strong and hurt exports have also emerged. We believe the SARB has limited scope to cut rates further over the short term. However, due to mounting risks that global inflation is rising and global central banks will turn more hawkish, the SARB will be vigilant to keep real rates high relative to the rest of the world.

Equities: The outlook for global earnings growth remains strong supported by the economic recovery and below target inflation. We expect global inflation to pick up over the medium term supported by easy financial conditions and looser fiscal policies. The global reflationary outlook created positive sentiment around cyclical and value orientated stocks, while the outlook for higher global bond yields will put pressure on high valuation defensive names. As yields rise and volatility increase valuations will be tested more frequently. We believe the overall South Africa equity index will follow global equity markets higher due to its externalised nature. We have turned more optimistic on domestic equities as we believe economic activity will improve over the next 12 months. We like global cyclical companies with global earnings growth potential and companies with the ability to generate cash sustainably.

Fixed Income: South Africa's inflation will continue to fall over the next few months driven by lower food prices, strong ZAR and weak demand. The SARB has cut interest rates once but paused due to political uncertainty. We believe the SARB will move towards rate cuts over the next few months. South Africa's level of yields remains attractive. The focus on the search for yield by global investors and healthy emerging market backdrop may support lower bond yields, however the fiscal outlook remains challenging and a cut to sub-investment grade by Moody's may still lead to foreign outflows later this year.

Currency: We believe the US dollar will strengthen over the short to medium term as the market price in a faster pace of rate hikes. However the ECB will also be looking to halt its asset purchase program later this year which may support the EUR. The short term outlook for the Rand is stable to stronger, but we believe the currency will depreciate towards the second half of 2018 as the emerging market backdrop turns less healthy.

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.

FAIRTREE CAPITAL

Mandatory Disclosures

Investment Manager: Fairtree Capital (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 (N0.37 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 21 943 3760. **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.sannegroup.co.za.

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 daily 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 is registered and approved by the Financial Services Board under CISCA. The Manager retains full legal responsibility for the portfolio. FirstRand Bank Limited, acting through the RMB Custody and Trustee Division, is the appointed trustee. Fairtree Capital (Pty) Limited, FSP No. 25917, is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services.

*Non-Executive

Disclaimer