Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

31 July 2019

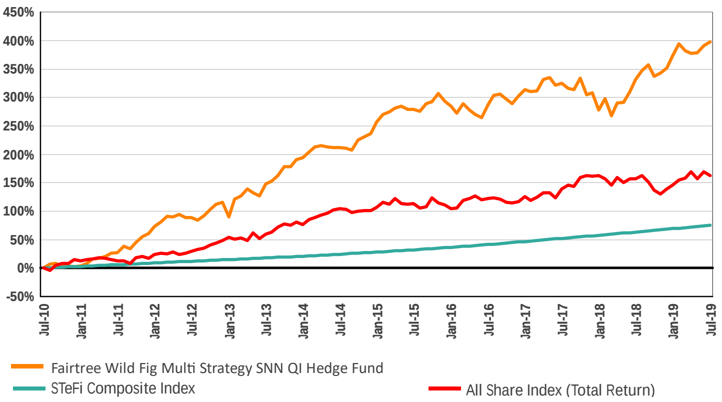
Fund Profile

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 July 2019
Index Source: Bloomberg as at July 2019

Return Analysis

	Fund	All Share Index	STeFi
1 Month	1.43%	-2.37%	0.61%
3 Months	4.22%	-2.66%	1.82%
6 Months	5.21%	6.56%	3.60%
1 Year	15.24%	2.19%	7.33%
3 Years	28.52%	17.86%	24.06%
5 Years	59.58%	28.53%	40.98%
Since Inception	397.84%	162.59%	75.48%

Risk Analysis

	Fund	All Share Index	STeFi
Sharpe Ratio	0.92	0.45	0.12
Sortino Ratio	1.80	0.88	0.20
Standard Deviation	13.71%	11.50%	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)	67.59%	59.26%	n/a
Correlation (Monthly)	0.20		
Value at Risk (VaR) 95%	7.60%		

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

Fund Details

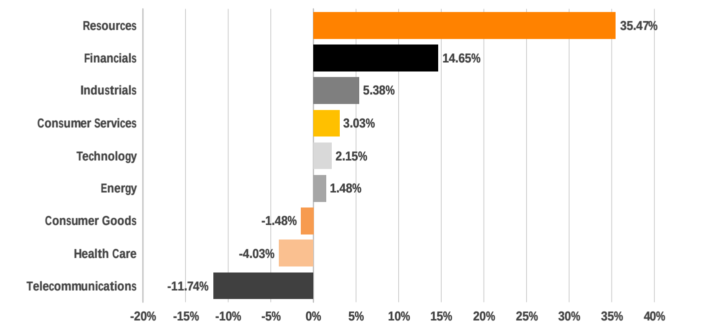
Risk Profile:	High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 583.8
NAV Price (Inception):	R 1000 (Class A1)
NAV Price (as at month end):	R 5,131.79
Number of Units:	184,816.88
JSE Code:	FTWFIG
ISIN Number:	ZAE000259107
Inception Date:	31 August 2010
CISCA Inception 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%):	5.16%
Transactions Costs Ratio (TC%):	1.47%
* Total Investment Charges (TIC%):	6.63%
Performance Fee (PF) Included in TER:	2.31%
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 (%)**

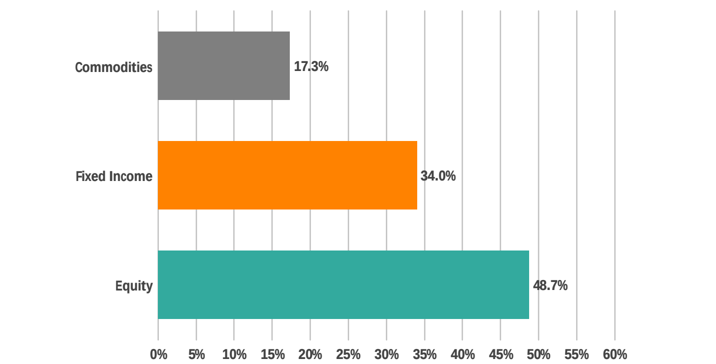
Portfolio Objective

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%						**10.13%**

*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 Africa government bonds sold off over July as the unsustainable debt dynamics at Eskom and depressed growth outlook continues to weigh on the country's fiscal outlook and credit rating. The 10-year government bond (R2030) yield closed +13bps higher at 8.96%. The bond curve flattened somewhat and the All Bond Index returned -0.7% over the month to bring the year to date return to 6.9%, while the All Share Index fell 2.4% to bring the year to date return to 9.55%. The Rand lost around 1.8% against the US dollar. Foreigners continue to sell equities and bonds.

The year to date rally in global equities came under pressure as global manufacturing data continued to slow while the US Fed indicated it would be slow to cut rates multiple times. Political and geo-political risks have also escalated with; rising tension between Iran and the US/UK, Boris Johnson being chosen as UK Prime Minister warning that he would exit the EU without a deal, and Donald Trump announcing a 10% tariff on $300bn Chinese imports. Policy uncertainty is weighing business investment and industrial sectors globally.

The Fed chose to cut rates last month along with many other global central banks including South Africa, Brazil, Russia, Turkey, Australia and Indonesia. The ECB also took a dovish stance and indicated that it would drop rates and restart QE soon. This global dovish tilt in monetary policy should alleviate some of the global growth pressures but may not be sufficient in countering the effects of the ongoing US/China trade conflict.

Safe haven assets continue to rally with US 10Yr bonds trading well below 2% and around 26% ($14trn) of global debt trading at a negative yield. Gold's attractiveness is on the rise as it looks to break the $1500 level.

The US consumer remains in good health with a strong labour market, rising incomes and confidence. The Q2 GDP print indicated that household consumption remained a strong contributor to growth despite the slowdown on the industrial side. We believe the Fed will continue to cut rates again, but only once or twice.

The Chinese economy has now stabilised at around 6-6.5%. Risk of further slowing will likely be offset by more policy easing including credit, fiscal, currency and monetary easing. The PBOC's response to US tariffs was to allow further currency depreciation. Trump immediately moved to label China a currency manipulator. Global central banks and policy makers have become more sensitive to currency moves.

In South Africa the economy continues to grow at a weak pace with the IMF now forecasting only 1.1% GDP growth for 2020. Eskom remains the biggest risk to the economy, the credit rating and the currency. The SARB announced a 0.25% rate cut during the month but signalled that fiscal risks remain elevated and may bar them from cutting again soon. The additional R59bn announced to support Eskom along with low nominal growth and weaker tax revenues will likely push the fiscal deficit over 6% for 2019. Bond issuance also increased to accommodate the increase in fiscal support to Eskom. Moody's warned that the credit risk has increased but would likely wait until November 2019 before announcing an outlook change from stable to negative. Inflation remains low but has likely bottomed over the medium term. We believe activity rebounded in Q2, but that longer term growth pace remains well below trend growth.

The Fairtree QI Multi Strategy portfolios held up well within the context of the global macro environment as explained above. All asset classes contributed positively to the performance of July, with the directional equity strategies performing the best. Fixed Income and commodities were flat to marginally positive and equity relative value also adding marginally to the positive returns. While SA Equities gave back some returns during the month, as well as SA Bonds, the multi strategy's uncorrelated nature to the markets was once again evident during the month, showcasing some of the risk offset of the building blocks utilised in the portfolio.

Equities: The outlook for global earnings growth has weakened and has come under pressure from ongoing trade tension and softer global growth. However, accommodative central bank policies will continue to provide some support. Global equities may struggle rally over medium term as growth expectations reset. Outside a full-on trade war with China, we do not expect a US recession during 2019 and expect global inflation to move closer to target supported by higher input costs, including wages. It may be too early to be constructive on local equities, we do believe that the domestic economy will start to benefit from interest rate cuts and more economic reforms. We like selected local and global cyclical assets with strong 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 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.

Currency: We believe the US dollar strength has stabilised. Given the potential for global growth to converge lower and Fed to cut rates we believe the US dollar could weaken over the medium term. We also view the ongoing trade conflict with China as dollar negative given the scope for lower real rates.

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.

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

Mandatory Disclosures

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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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