

## Fairtree Wild Fig Multi Strategy SNN QI Hedge Fund

### Minimum Disclosure Document - Class 1

30 September 2018

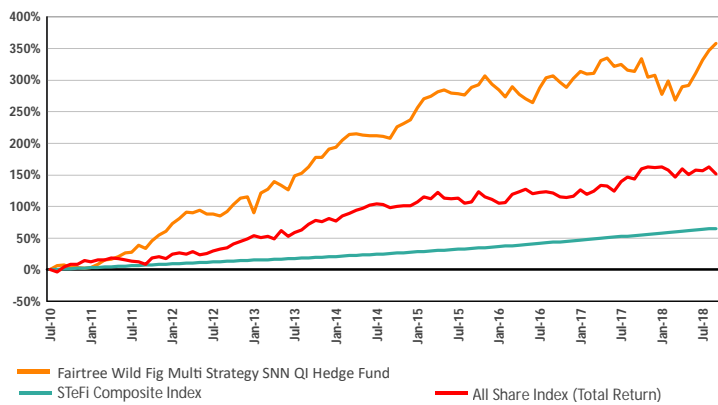
#### Fund Profile

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 September 2018  
Index Source: Bloomberg as at September 2018

#### Return Analysis

	Fund	All Share Index	STeFi
1 Month	2.36%	-4.17%	0.57%
3 Months	11.42%	-2.17%	1.76%
6 Months	24.25%	2.27%	3.55%
1 Year	10.74%	3.32%	7.27%
3 Years	17.73%	21.38%	23.69%
5 Years	74.51%	46.84%	39.01%
Since Inception	357.71%	152.00%	65.41%

#### Risk Analysis

	Fund	All Share Index	STeFi
Sharpe Ratio	0.96	0.52	0.12
Sortino Ratio	1.90	1.06	0.19
Standard Deviation	14.04%	11.27%	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	-10.38	-4.37	5.16
Largest Cumulative Drawdown	-15.09%	-8.46%	n/a
% Positive Months (Since Inception)	67.35%	59.18%	n/a
Correlation (Monthly)	0.17		
Value at Risk (VaR) 95%	5.93%		

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

#### Fund Details

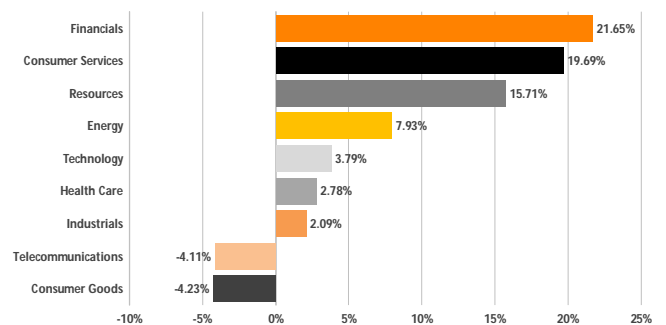
Risk Profile:	High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 565.9
NAV Price (Inception):	R 1000 (Class A1)
NAV Price (as at month end):	R 4,584.43
Number of Units:	203,662.51
JSE Code:	FTWFIG
ISIN Number:	ZAE000259107
Inception Date:	31 August 2010
CISCA Inception Date:	1 April 2017
Fund Structure:	CIS Trust
Fund Category:	Multi - Strategy
Benchmark:	N/A
Minimum Investment:	R 1 000 000 Lump sum
<b>Fees</b>	
Management Fee:	2% p.a (excl.VAT)
Performance fee (uncapped):	20 % of excess above the high water mark (excl.VAT)
<b>Cost Ratios (incl. VAT)</b>	
Total Expense Ratio (TER%):	4.91%
Transactions Costs Ratio (TC%):	1.61%
* Total Investment Charges (TIC%):	6.52%
Performance Fee (PF) Included in TER:	2.07%
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 (%)

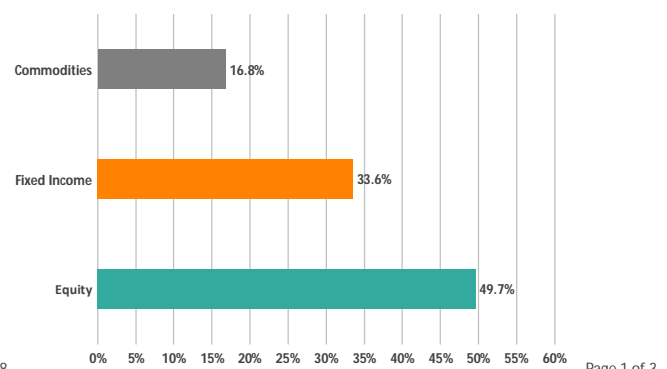
#### Portfolio Objective

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
<b>2010</b>								6.82%	1.02%	-3.82%	-0.26%	-1.28%	<b>2.21%</b>
<b>2011</b>	1.74%	3.97%	7.26%	0.79%	3.35%	4.50%	1.13%	8.45%	-3.55%	8.92%	6.52%	4.03%	<b>57.67%</b>
<b>2012</b>	7.19%	4.72%	5.45%	-0.26%	2.00%	-2.95%	0.11%	-2.05%	4.09%	5.87%	4.56%	1.20%	<b>33.65%</b>
<b>2013</b>	-11.90%	16.67%	2.48%	5.65%	-2.79%	-2.68%	9.54%	1.55%	3.99%	5.95%	0.10%	4.39%	<b>34.83%</b>
<b>2014</b>	1.20%	3.59%	3.00%	0.60%	-0.64%	-0.52%	0.05%	-0.26%	-1.17%	5.91%	1.77%	1.71%	<b>16.09%</b>
<b>2015</b>	5.81%	3.86%	1.07%	1.77%	0.91%	-1.36%	-0.12%	-0.74%	3.38%	0.89%	3.79%	-3.29%	<b>16.79%</b>
<b>2016</b>	-2.41%	-2.93%	4.44%	-3.02%	-2.03%	-1.53%	6.31%	4.25%	0.59%	-2.34%	-1.99%	3.60%	<b>2.31%</b>
<b>2017</b>	2.74%	-0.93%	0.26%	<b>4.90%</b>	<b>0.79%</b>	<b>-3.01%</b>	<b>0.86%</b>	<b>-2.16%</b>	<b>-0.63%</b>	<b>4.97%</b>	<b>-6.62%</b>	<b>0.69%</b>	<b>1.27%</b>
<b>2018</b>	<b>-7.45%</b>	<b>5.46%</b>	<b>-7.47%</b>	<b>5.80%</b>	<b>0.36%</b>	<b>5.01%</b>	<b>5.17%</b>	<b>3.51%</b>	<b>2.36%</b>				<b>12.21%</b>

\*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

Emerging markets remained under pressure from stronger US dollar, tighter US monetary policy, China trade conflict, higher oil price and slower growth outlook for China and Europe. Some of these pressures briefly faded mid-month as Trump announced a 10% tariff on \$200bn of Chinese imports after the market expected a 25% tariff. Trade deals with Mexico and Canada and surprised interest rate hikes in Turkey and Russia also helped to curb some of the negative sentiment towards emerging markets. The relief was short lived as strong US data and continued Fed hawkish rhetoric combined with potential political risk stemming from Italy (budget), Brazil (elections) and the UK (Brexit) caused the US dollar to strengthen further. Risk of higher oil prices in the wake of Iran sanctions and supply constraints in US shale added further pressures to emerging markets.

Economic data from South Africa remains weak. A lack of confidence and political uncertainty continue to weigh on economic activity and the Rand. The SARB decided to keep rates on hold last month but struck a fairly hawkish tone. Three out of seven members voted for a hike despite the weak economy. The committee see the risk to inflation to the upside given higher petrol price and weaker Rand. We expect the SARB to hike rates within the next two meetings. The SARB can do little to boost growth as the cause is structural in nature. The Treasury has little room to support growth. However, Ramaphosa announced a fiscal package of R48bn last month. The package will be funded by reprioritising some fiscal spending and will be focussed on labour intensive sectors. We believe the package will marginally support growth and along with some of the other measures around starting an infrastructure fund, smoothing tourist entries and the new Mining Charter will help securing some certainty. The MTBPS will be delivered later this month. Early indications are that revenues are only marginally lagging estimates, however SOE's need for funding will be closely watched.

US data remain strong, unemployment is the lowest on almost 50 years and the fiscal boost from earlier this year will ensure growth remain on solid footing well into 2019. The Fed has gained more confidence in continuing to gradually adjust policy rates higher. For the rest of the world, the additional Fed tightening, higher interest rates and higher oil price is having an adverse effect. China has responded by easing both fiscal and monetary policy as well as allowing for a weaker currency. Europe is divided between a stronger German/French and weaker Italy/Spain. The ECB may find it hard to debate future rate hikes in this environment, but inflation is gradually rising and overall activity remains above trend.

**Equities:** The outlook for global earnings growth remains positive supported by above trend growth and accommodative financial conditions. We expect global inflation to pick up gradually over the medium term, supported looser fiscal policies and higher input costs. The global deflationary outlook favours cyclical and value orientated stocks, while the outlook for higher global bond yields weighs 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 remain cautiously 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 rise over the next few months. Given current weak economic activity the SARB will remain on hold for now, but may still hike rates before year end. The SARB remains focussed on anchoring inflation expectations closer to 4.5%. Yields have risen to reflect growth and fiscal weakness. We look for signs of an improvement in the emerging market back drop and the local economic environment to become more constructive on bonds.

**Currency:** We believe the US dollar strength has stabilised but could remain strong over the short term as policy divergence persists. Longer term the US dollar could weaken as economic data in the rest of the world improves.

**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, 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)\*, L Fourie, G P Rate (Managing Director), I Burke\*, H J Plenaar\*. **Physical Address:** Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa. **Telephone Number:** +27 21 202 8282. **Website:** www.sannegroup.co.za. **Trustee:** FirstRand Bank Limited, Johannesburg, **Telephone:** +27 87 736 1732, **Website:** www.rmb.co.za

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\*Non-Executive

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