

Fairtree Woodland Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

30 April 2019

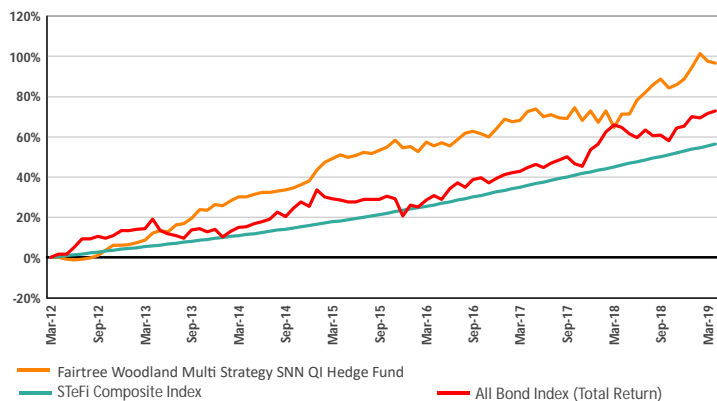
Fund Profile

The Fairtree Woodland Multi Strategy SNN QI Hedge Fund is a single hedge fund which provides investors with exposure to a diversified range of alternative investment strategies across multiple asset classes. The underlying strategies are managed by award winning specialist strategy teams, with all securities traded for one fund structure. A dedicated multi strategy team is responsible for the capital allocation and risk monitoring. The objective of the capital allocation process is to minimise downside risk by actively managing risk diversification. The portfolio is constructed using a risk parity approach. No individual strategy dominates the fund's risk exposure. Tactical tilts are used to direct capital towards the most attractive opportunity sets and / or protect the fund against unintended factor, name and sector concentration risk. The fund targets an annualised return of 3 month JIBAR + plus 10% over a rolling three year period. With minimal drawdown risk and relatively uncorrelated returns.

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 April 2019

Index Source: Bloomberg as at April 2019

Return Analysis

	Woodland	All Bond Index	STeFi
1 Month	-0.37%	0.75%	0.59%
3 Months	1.23%	1.64%	1.76%
6 Months	6.79%	9.33%	3.58%
1 Year	14.87%	4.97%	7.27%
3 Years	26.63%	32.03%	24.05%
5 Years	51.17%	49.83%	40.49%
Since Inception	96.82%	72.94%	56.58%

Risk Analysis

	Woodland	All Bond Index	STeFi
Sharpe Ratio	0.55	0.22	-0.16
Sortino Ratio	0.93	0.38	-0.23
Standard Deviation	6.17%	7.56%	0.26%
Best Month	4.10%	6.49%	0.66%
Worst Month	-4.80%	-6.67%	0.00%
Best Rolling 12 Months	20.03%	21.23%	7.71%
Worst Rolling 12 Months	-2.20%	-5.61%	5.16%
Largest Cumulative Drawdown	-5.72%	-9.78%	n/a
% Positive Months (Since Inception)	70.59%	63.53%	n/a
Correlation (Monthly)	0.46		
Value at Risk 95%	5.50%		

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:	Med-High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 182.4
NAV Price (Inception):	R 1000
NAV Price (as at month end):	R 2,019.29
Number of Units:	96,094.19
JSE Code:	FWOOD1
ISIN Number:	ZAE000255584
Inception Date:	30 April 2012
CISCA Inception Date:	1 December 2016
Fund Structure:	CIS Trust
Fund Category:	Multi - Strategy
Hurdle:	3 month JIBAR
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, subject to a hurdle rate of 3 month JIBAR (excl.VAT)

Cost Ratios (incl. VAT)

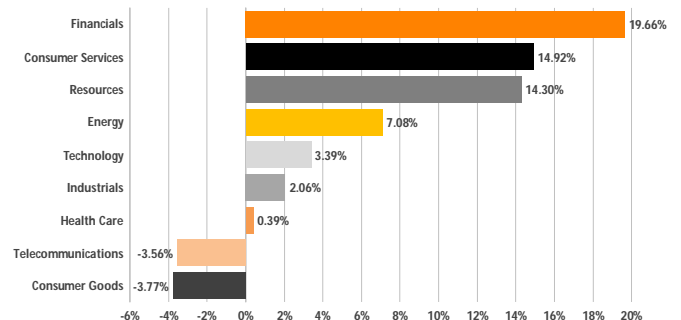
Total Expense Ratio (TER%):	4.57%
Transactions Costs Ratio (TC%):	1.33%
* Total Investment Charges (TIC%):	5.90%
Performance Fee (PF) Included in TER:	1.68%
Income Distribution (Declaration):	Last day of December
Distribution Total for the past 12 months:	0.00 cpu for December 2018
Investment Manager contact details	Fairtree Asset Management (Pty) Ltd
Telephone Number:	+27 86 176 0760
Website:	www.fairtree.com

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

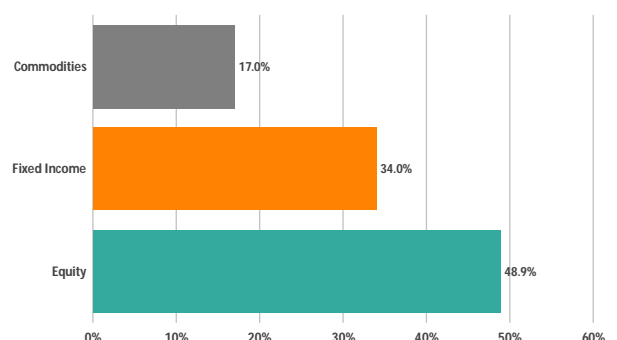
Portfolio Objective

The long-term objective of the portfolio is to achieve superior risk adjusted returns through investment in risk controlled strategies, across a number of different asset classes.

Sector Allocation



Asset Allocation



Increase in NAV Attributable to Investors

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012				0.29%	-1.06%	-0.29%	0.17%	0.68%	1.20%	2.71%	2.51%	-0.29%	6.00%
2013	0.48%	0.95%	1.16%	3.11%	1.05%	-0.52%	3.23%	0.35%	2.36%	3.54%	-0.09%	2.17%	19.20%
2014	-0.41%	2.10%	1.28%	0.07%	1.02%	0.70%	-0.05%	0.42%	0.53%	0.68%	1.17%	1.58%	9.44%
2015	3.81%	2.67%	1.26%	1.26%	-0.77%	0.46%	1.04%	-0.40%	1.09%	1.15%	2.24%	-2.46%	11.79%
2016	0.36%	-1.48%	2.93%	-1.20%	1.16%	-1.17%	2.09%	2.06%	0.59%	-0.77%	-0.98%	2.61%	6.22%
2017	2.72%	-0.61%	0.39%	2.61%	0.78%	-2.27%	0.60%	-1.04%	-0.18%	3.29%	-3.67%	2.78%	5.25%
2018	-3.20%	3.34%	-4.80%	4.10%	0.01%	4.03%	2.12%	2.11%	1.60%	-2.40%	0.84%	1.61%	9.27%
2019	2.96%	3.59%	-1.91%	-0.37%									4.22%

*The inception date for the portfolio is 1 April 2012. The historical performance figures until the end of 30 November 2016 reflect performance achieved prior to CISCA regulation. The portfolio has been transitioned under CISCA regulations on 1 December 2016 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

South African assets perform well over the month. Year to date the All Bond Index rose 4.6% while the All Share Index rose 12.5%. The Rand has gained 0.5% against the US dollar year to date. Foreigners continued to be net buyers of local bonds, with year to date inflows in excess of R20bn. Foreigners continue to be net sellers of local equities. Global equities also posted another solid month, up more than 3% as risk assets continue to benefit from the dovish tone by global central banks, signs that activity in both China and Europe are improving and talks about a potential trade deal between US and China. However, this positive sentiment gave way at month-end as increased uncertainty about Fed policy and the US / China trade deal caught the market by surprise.

The US Fed stated during their FOMC meeting that current low inflation is "transitory" and that they don't see a strong argument to either hike or cut rates. The market was pricing in a near 70% probability of a rate cut by year end and had to reprice some of that. Incoming US data has not justified rate cut expectations as the labour market remain strong, inflation continue close to target and economic activity continue to grow at a decent pace. Q1 GDP surprised the market at 3.2% qoq ann. vs. 2.3% expected. However, the re-emergence of trade conflict between US and China which dented sentiment at month-end into May, may again raise expectation of slower global growth activity and potential action by the Fed. We expect the trade conflict to overshadow headline over the next month, but continue to believe that a trade deal is possible before end of May as neither party can afford to ignite a full-on trade war that would lead to a global economic contraction.

Data from China continue to show that activity may have bottomed. We expect a pick-up over the next few quarters on the back of stimulus already implemented and the potential for more stimulus to be unleashed on the back of trade conflict. Data from EU remain weak, but there are signs that service economy is improving and manufacturing are bottoming. We expect Europe to further improve on the back of Chinese stimulus, robust consumer, weak Euro and fading idiosyncratic events that negatively impacted German activity.

Locally, hard economic data remained weak and suggest a potential contraction over Q1 GDP. Leading indicators however suggest that activity may pick up over the second half of the year as the services PMI is improving along with the SA Leading Indicator. Concerns around Eskom continue to weigh on long end bonds and caused the yield curve to steepen. We expect to soon hear about a turnaround plan for Eskom. In our view the national election results suggest that Cyril Ramaphosa will continue on the path of gradual reform. We expect growth to remain weak over the near term but improve towards year end. With inflation low and inflation expectations falling the SARB will continue to be on hold as those expectations has not yet reset sufficiently and future inflation risks and second round effects from weaker rand remain uncertain.

Considering the above macroeconomic backdrop and market performance, the Multi Strategy QI Hedge Fund Portfolios disappointingly gave same returns back during the month, albeit much smaller than the detraction of March. Even though the portfolios are lagging equity markets on a year to date basis, they have managed to substantially outperform the JSE All Share over the last 12 months, posting double digit returns compared to the local equity market's +3.90%. During April, the portfolios benefited from allocations to directional and relative value equities, contributing positively to performance. While Fixed Income remained flat during the month and commodities detracted from returns.

Equities: The outlook for global earnings growth remains positive but has come under pressure from renewed trade conflict between US and China. Given the strong rally since the start of the year global equities may experience a moderate pull back over the coming months as the economic growth outlook soften towards trend growth. Outside a full-on trade war with China, we do not expect a US recession during 2019 and expect global inflation to remain close to target supported by higher input costs, including wages. The positive global growth outlook favours cyclical stocks. 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 improving global valuations. 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 but rise towards year-end as higher electricity, food and fuel prices kicks in. Given current weak economic activity and moderate upside risk to inflation the SARB will remain on hold for a while. The SARB remains focussed on anchoring inflation expectations closer to 4.5%. Yields will remain volatile driven by local political and SOE risks and volatile global geo-politics.

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. We also view the renewed 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 interest rates will gradually rise and lead to higher levels of 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 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.

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