

Fairtree Woodland Multi Strategy SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

30 June 2020

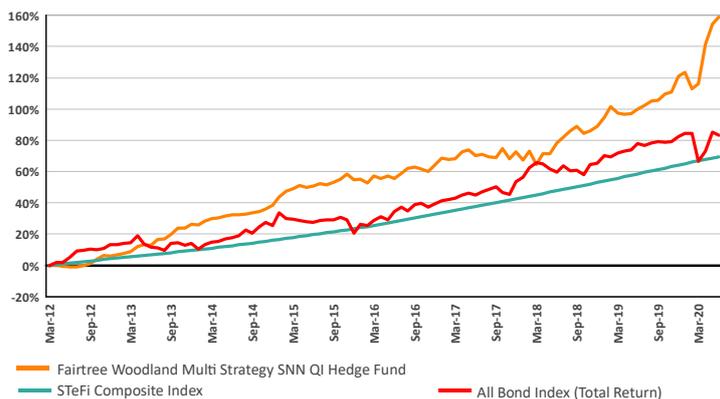
Fund Profile

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 June 2020
 Index Source: Bloomberg as at June 2020

Return Analysis (annualised)

	Woodland	All Bond Index	STeFi
1 Year	29.42%	2.85%	6.86%
3 Years	15.04%	8.11%	7.17%
5 Years	11.44%	7.49%	7.21%
Since Inception	12.22%	7.61%	6.59%

Risk Analysis

	Woodland	All Bond Index	STeFi
Sharpe Ratio	0.74	0.16	0.50
Sortino Ratio	1.44	0.26	0.99
Standard Deviation	7.43%	8.36%	0.25%
Best Month	11.55%	7.06%	0.66%
Worst Month	-4.80%	-9.75%	0.00%
Highest Rolling 12 Months	29.42%	21.23%	7.71%
Lowest Rolling 12 Months	-2.20%	-5.61%	5.16%
Largest Cumulative Drawdown	-5.72%	-9.79%	n/a
% Positive Months (Since Inception)	73.74%	63.64%	n/a
Correlation (Monthly)	0.53		
Value at Risk 95%	3.45%		

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

Fund Details

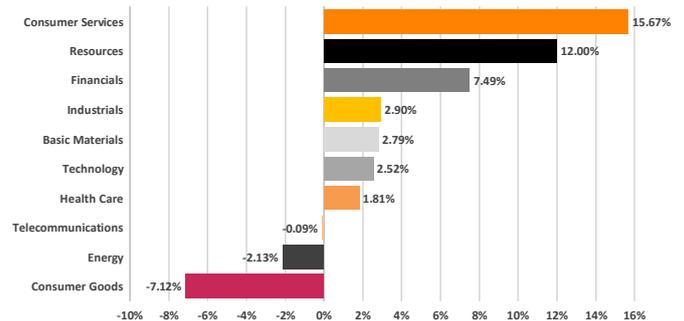
Risk Profile:	Med-High
Portfolio Manager:	Bradley Anthony and Kurt van der Walt
Fund size (in Millions):	R 146.3
NAV Price (Inception):	R 1000
NAV Price (as at month end):	R 2,656.33
Number of Units:	55,184.29
JSE Code:	FWOOD1
ISIN Number:	ZAE000255584
Inception Date:	1 April 2012
CISCA Inception Date:	1 December 2016
ASISA Classification:	Qualified Investor Hedge Fund - South African - Multi-Strategy
Hurdle/Benchmark:	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%):	10.59%
Transactions Costs Ratio (TC%):	0.52%
* Total Investment Charges (TIC%):	11.11%
Performance Fee (PF) Included in TER:	7.58%
Income Distribution (Declaration):	Last day of December
Distribution Total for the past 12 months:	0.00 cents per unit (cpu) for December 2019
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 (%)

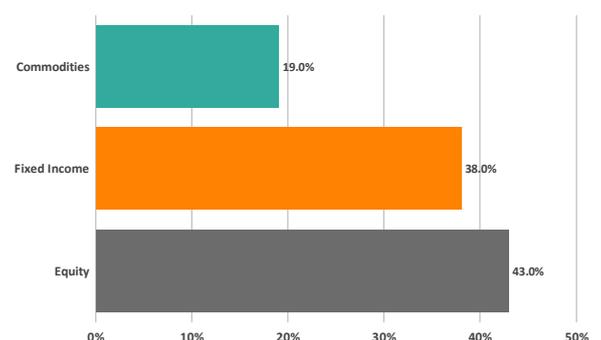
Portfolio Objective

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%	0.12%	1.52%	1.18%	1.44%	0.11%	2.10%	0.46%	4.94%	17.15%
2020	1.05%	-4.68%	1.53%	11.55%	5.38%	1.80%							17.03%

*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
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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

The global economy continued to recover from the Covid-19 pandemic related economic shutdowns as ongoing and coordinated fiscal and monetary policy intervention are promised by global governments and central banks. Economic data has rebounded sharply and continue to surprise to the upside. The combination of accommodative policies, increased liquidity, rising economic activity and a drop in daily global deaths related to the virus has spurred asset markets higher.

Global equity markets were up +2.5% over the month of June and -6.5% over the first half of the year. Emerging markets were up +7% and South Africa close to +8%, catching up to developed markets. South African equities on aggregate is now down less than 5% for the year despite many local sectors still being down close to -30%. Signs of global recovery saw commodity prices rise with oil up almost +20% and base metals +10%. US jobs rose sharply for a second consecutive month while retail sales in the US and Europe also surprised. The market rotation into value and cyclical has lost steam toward the end of the month as US and global political tension rose and a second wave of infections in the US emerged and investors turned to safe havens. US Bond yields were flat over the month while the gold price rose 3% to \$1777.

The Rand continued to appreciate as the US dollar weakened. South African bonds came under pressure as the emergency budget delivered by National Treasury pointed to increased funding pressures and bond issuance. Government bonds (10yr) sold off as yields rose 0.3% and the yield curve steepened. The market and ratings agencies reacted with scepticism on Finance Minister Mboweni's plan to stabilise national debt at 87.4% of GDP in 2023/2024. The plan is focussed on curbing expenditure and has cabinet support. However, the lack of details, reliance on public sectors wage reductions and track record on handling SOE's weighs on its credibility.

GDP growth for Q1 (pre-lockdown) surprised to the upside with -2%. The economy remains in recession with mining and manufacturing the key supply side drivers while investment and inventories drove the demand side collapse. We expect Q2 to be very weak due to the lockdown measures taken. Growth for 2020 is expected to be around -7 to -8% down as per latest SA Reserve Bank, National Treasury & IMF estimates. Although inflation continued to fall, now 3% we believe the scope for further rate cuts by the SARB has diminished somewhat. We expect only 50bps of further easing over the next two meetings. Local activity has rebounded as lockdown measure were eased, yet consumer confidence is close to all-time lows.

The Fairtree Multi Strategy QI Hedge Funds continued to add value to investors during June by delivering solid positive returns on the back of the above mentioned recovery in SA and Global Markets. All asset classes contributed positively to performance, lead by fixed income and then followed by relative value commodities and equity strategies respectively. The funds have managed to provide substantial growth over the last 12 and 24 month periods with returns in excess of 30% compared to a flat or negative performance by the local equity total return index. Certainly, over the last 12 months it has been Fixed Income which has paved the way for the fund to perform as such, with commodities also contributing to the performance while equities have remained flat. But over a longer period, the contributions to performance between Equity and Fixed Income have been similar, while commodities remain a contributor as well. It is however the uncorrelated nature of the building blocks utilised in the portfolio that is evident in the most recent months, while the funds continue to exhibit low correlation and beta to the SA Equity Market.

Equities: The outlook for global earnings growth has recovered although earnings certainty remains low. Aggressive central bank and fiscal policies have provided support to global equity prices. Current global valuations contain little safety margin. Valuations of domestic equities are attractive but we remain cautious given the poor growth outlook. The domestic economy will only start to benefit from policy intervention, interest rate cuts and lower fuel prices when activity normalises and confidence improve. We like selected local and global exposed cyclical assets with strong balance sheets and global earnings growth potential. We like resources given tight supply and relative attractiveness of China vs other markets.

Fixed Income: South Africa's inflation remain low while inflation expectation decreases further. Given current weak economic activity and low inflation the SARB may continue with its rate cut cycle at a measured pace. Liquidity and funding pressure in the bond market remain a concern as signalled by the steep yield curve.

Currency: We believe the US dollar strength has stabilised and that US political, health and growth uncertainty could weigh on the US dollar. Fundamentals for the ZAR is improving and we believe the currency is undervalued at current levels. Improving current account and term of trade should provide support to the currency along with the attractive real yield it offers.

Alternatives: We believe higher levels of volatility amongst asset classes and securities will increase dispersion and lead to a more favourable environment for alternative assets to perform.

Glossary

Net Asset Value (NAV):	Means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.
Annualised Return:	Is the weighted average compound growth rate over the performance period measured.
Highest & Lowest Return:	The highest and lowest rolling twelve-month performance of the portfolio since inception.
Total Expense Ratio (TER) :	Reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.
Transaction Costs (TC) :	Is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.
Total Investment Charges (TIC):	Should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.
Total Investment Charges (TIC%):	= TER (%) + TC (%): The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).
Standard Deviation:	The deviation of the return of the portfolio relative to its average.
Drawdown:	The greatest peak to trough loss until a new peak is reached.
Sharpe Ratio:	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
Sortino Ratio:	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
Correlation:	A number between -1 and 1 indicating the similarity of the dispersion of returns between the portfolio and another asset or index with 1 being highly correlated, -1 highly negatively correlated and 0 uncorrelated.
Value at Risk (VaR):	Value at risk is the minimum loss percentage that can be expected over a specified time period at a predetermined confidence level.

Fund Risk

Leverage Risk:	The Fund borrows additional funds, trades on margin or performs short sale trades to amplify investment decisions. This means that the volatility of a hedge fund portfolio can be many times that of the underlying investments due to leverage on a fund.
Derivative Risk:	Derivative positions are financial instruments that derive their value from an underlying asset. Derivatives are exposed to implicit leverage which could result in magnified gains and/or losses on the portfolio.
Counterparty Credit Risk:	Counterparty risk is a type of credit risk and is the risk of default by the counterparty associated with trading derivative contracts. An example of counterparty credit risk is margin or collateral held with a prime broker.
Volatility Risk:	Volatility refers to uncertainty and risk related to size of change of an instrument or portfolio. It is a statistical measure of the dispersion of returns for a given security or market index. Volatility is proportional to the directional exposure of a portfolio and is measured by Value at risk (VaR) which is a statistical technique used to measure and quantify the level of volatility.
Concentration and Sector Risk:	A large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.
Correlation Risk:	A measure that determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes change. Correlation risk also arises when the correlation within an asset-class changes. Examples of correlation within asset classes include equity pairs trading, fixed income curve trading and commodities pairs trading.
Equity Risk:	Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector.
Concentration and Maturity Segment Risk:	A large proportion of total assets invested in specific assets and/or maturity segments on the yield curve. Concentrated positions in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.
Interest Rate Risk:	The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates.
Credit Default Risk:	The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting.
Commodity Price Risk:	Commodity price risk is the possibility that commodity price changes will cause financial losses for the buyers or producers of a commodity. Primary factors influencing commodity prices include politics, seasons, weather, technology and market conditions.

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). **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.

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