

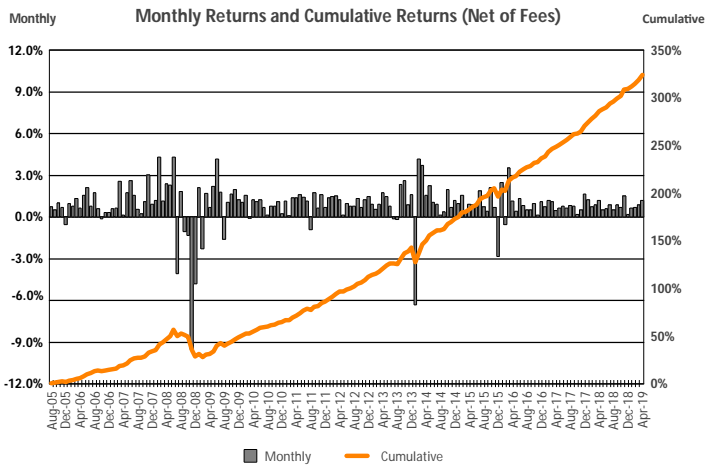
Nautilus Fairtree Proton Retail Hedge Fund Investment Performance Summary

30 April 2019

Portfolio Objective

The Nautilus Fairtree Proton Retail Hedge Fund aims to provide superior risk-adjusted returns over and above cash, irrespective of market conditions. The portfolio is managed by balancing fixed income relative value exposures with credit exposures, in a way that minimises market risk and allows the portfolio to achieve its targeted return over the medium term. We believe that the markets are not always efficient and therefore present mispriced assets which can be taken advantage of to generate excess returns. A disciplined approach to fundamental and quantitative analysis helps to identify these mispriced assets. We believe that a team-based fundamental approach to the valuation of assets, combined with cutting-edge quantitative techniques in portfolio construction and risk management help build a fund to achieve the objectives of superior risk-adjusted returns. The fund has a targeted return of cash plus 6% over a rolling 3-year period.

Cumulative Performance Since Inception



Return Analysis

	Fund	All Bond Index	StEfi
1 Month	1.21%	0.75%	0.59%
3 Months	2.88%	1.64%	1.76%
6 Months	5.36%	9.33%	3.58%
1 Year	9.84%	4.97%	7.27%
3 Years	33.79%	32.03%	24.05%
5 Years	69.40%	49.83%	40.49%
Since Inception	324.07%	196.54%	164.34%

Risk Analysis

	Fund	All Bond Index	StEfi
Sharpe Ratio	0.64	0.14	n/a
Sortino Ratio	0.83	0.24	n/a
Standard Deviation	5.31%	7.03%	0.49%
Best Month	4.34%	7.27%	1.04%
Worst Month	-9.53%	-6.67%	0.39%
Best Rolling 12 Months	25.70%	21.23%	11.79%
Worst Rolling 12 Months	-10.50%	-5.61%	5.16%
Largest Cumulative Drawdown	-17.96%	-9.78%	n/a
% Positive Months (Since Inception)	90.30%	67.27%	100.00%
Correlation (ALBI Index) Monthly	-0.12		
Value at Risk (VaR) 99%	3.19%		

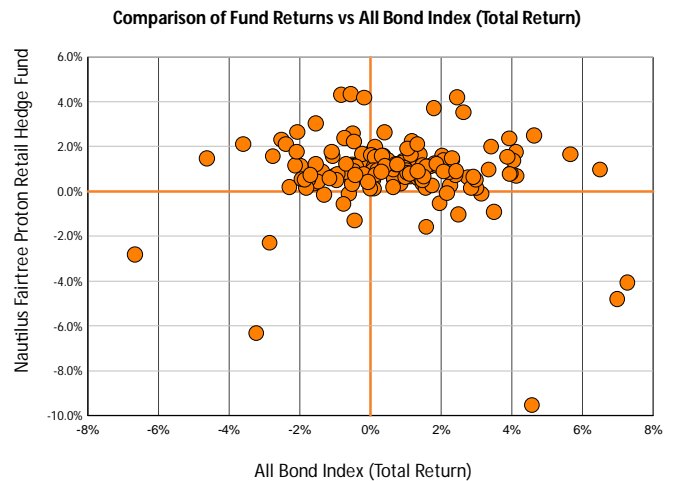
The above benchmark(s) are for comparison purposes with the fund's performance. The fund does not follow the benchmark(s).

*Please note that performance figures include returns earned during the relevant periods prior to the portfolio being regulated under CISCA. The investment performance is for illustrative purposes only and is calculated by taking actual initial fees and all ongoing fees into account for the amount shown; and income is reinvested on the reinvestment date. The annualised total return is the average return earned by an investment each year over a given time period. Annual figures are available from the manager on request. The highest and lowest 1 year returns represent the highest and lowest returns achieved during any single calendar year since the original launch date of the portfolio.

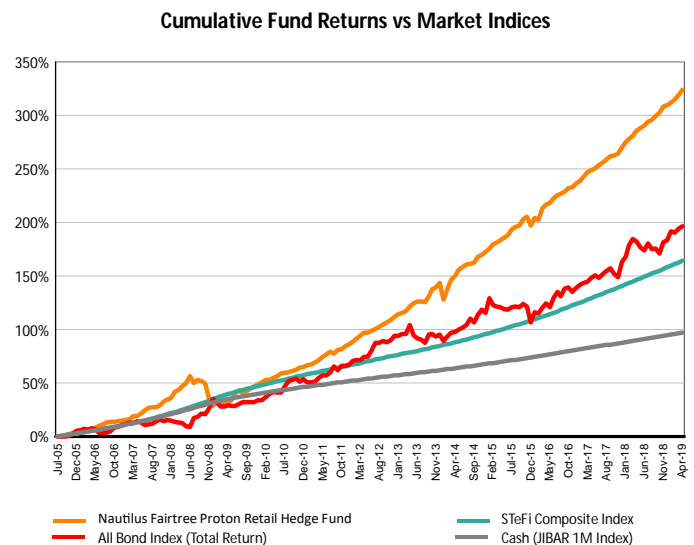
Fund Details

Fund size (in Millions):	R 295.7
Inception Date:	31 August 2005
Fund Structure:	CISCA (Retail Hedge Fund Portfolio)
Benchmark:	N/A
Minimum Investment:	R 50 000 Lump sum
Total Expense Ratio (TER%):	2.31%
Transactions Costs Ratio (TC%):	0.04%
* Total Investment Charges (TIC%):	2.35%
Performance Fee (PF) Included in TER:	0.80%
Investment Manager contact details	Fairtree Asset Management (Pty) Ltd
Telephone Number:	+27 86 176 0760
Website:	www.fairtree.com

Comparison of Fund returns



Cumulative Fund returns



Increase in NAV Attributable to Investors

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2005								0.77%	0.53%	1.02%	0.73%	-0.53%	2.54%
2006	0.99%	0.80%	1.35%	0.66%	1.57%	2.11%	0.82%	1.77%	0.60%	-0.10%	0.36%	0.35%	11.86%
2007	0.63%	0.64%	2.60%	0.16%	1.77%	2.65%	1.59%	0.57%	0.27%	1.13%	3.03%	0.92%	17.12%
2008	1.19%	4.31%	1.15%	2.38%	2.31%	4.34%	-4.06%	1.87%	-1.03%	-1.30%	-9.53%	-4.80%	-4.06%
2009	2.11%	-2.29%	1.73%	0.70%	2.22%	4.18%	1.82%	-1.58%	1.08%	1.67%	1.98%	1.24%	15.73%
2010	1.09%	1.60%	-0.07%	1.26%	1.12%	1.28%	0.70%	0.16%	0.81%	0.79%	1.14%	0.27%	10.62%
2011	1.16%	0.12%	1.39%	1.41%	1.64%	1.46%	1.17%	-0.91%	1.77%	0.64%	1.63%	0.70%	12.85%
2012	1.39%	1.50%	1.53%	1.24%	0.14%	0.98%	0.80%	0.79%	1.37%	0.70%	1.28%	1.49%	14.03%
2013	0.94%	0.59%	0.93%	1.76%	1.47%	0.82%	-0.10%	-0.14%	2.36%	2.64%	0.87%	1.63%	14.64%
2014	-6.31%	4.20%	3.72%	1.58%	2.25%	1.06%	0.96%	0.15%	0.37%	1.99%	0.72%	1.22%	12.16%
2015	0.97%	1.57%	0.34%	0.93%	0.88%	0.77%	1.91%	0.74%	0.42%	2.12%	0.69%	-2.82%	8.77%
2016	2.50%	-0.55%	3.53%	1.15%	0.44%	1.37%	0.86%	0.53%	0.52%	0.98%	0.17%	1.11%	13.32%
2017	0.76%	1.22%	1.14%	0.49%	0.65%	0.79%	0.66%	0.84%	0.79%	0.19%	0.51%	1.65%	10.12%
2018	1.24%	0.77%	0.90%	1.23%	0.54%	0.60%	0.91%	0.52%	0.88%	0.73%	1.54%	0.20%	10.53%
2019	0.66%	0.73%	0.91%	1.21%									3.55%

- The NAV of the fund gained 1.21%, bringing the total return to investors to 324.07% and the average annualised return to 11.08%.
- The annualised standard deviation is 5.31% and compares favorably with that of the All Bond Index (Total Return) at 7.03%.
- The downside deviation of the fund is 1.21% compared to 1.15% for the All Bond Index (Total Return).
- The excess return per unit risk, as measured by the Sharpe Ratio, increased to 0.64, whilst that of the All Bond Index (Total Return) increased to 0.14.

Market Commentary

Market Dynamics:

It was an interesting month here in London, a stifling hot Easter weekend - apparently the warmest in living memory, followed by a cold snap that was also the coldest April for quite some time. The weather is such a fantastic talking point, and difficult to offend anyone if you take a hard line of the subject. Brexit, no-Brexit, part-Brexit and the usual fiascos dominated British politics - move over the Kardashians, nothing beats Westminster for a good bit of pseudo reality TV. It has everything, in fact my favourite character is the Speaker of the House, and the chap that plays him is a fantastic actor. I'm sure Stephen Spielberg has him lined up for the lead role in his next blockbuster. However even this tragic comedy was dwarfed by the news of a new green movement - Extinction Rebellion - who are protesting against the way we live. Apparently it's not good for the planet and we'd all better stop it immediately, or else they will continue to glue themselves to roads, and trains, and the London Stock Exchange and do real naughty stuff like that. I was trying to unpick what they actually are trying to achieve, because they seem to dislike innovation and human advancement and reckon it should be stopped forthwith. What they seem to fail to consider is that without the invention of the heat engine and industrial revolution, the human population would be much smaller and they probably wouldn't exist. Incredible that they seemed to be protesting against the very things that created them - but it all seems to be forgotten now and a lot of fun was had by all. So the Extinction Rebellion has officially been declared extinct, for now at least.

Another good month was had by European credit with the iTraxx Crossover sub investment grade index delivering 1.27% to investors. That puts some 5.24% on the board for calendar 2019 which is a rather decent number. Moving up the risk spectrum, to our more preferred 2 times levered credit index, the month of April delivered 2.59% whilst the year to date number is a saliva inducing 10.81%. On the default side of things, the recovery auction on Windstream Services LLC was held on the 3rd of April and a 29.5% recovery was finalised. Another USD default which brings the global total for 2019 to a rather acceptable 4 major default occurrences. But be very careful, because someone once told me that there are definitely more coming. What a lot of cobblers.

Moving to local equities, it was a good old broad based bull market with 32 of the TOP40 counters producing positive returns. The top performer in the TOP40 was MTN that posted a rather luscious 16.64%. But the stock has been hammered over the last few years, and even after April's good showing, it is back to price levels first seen in 2007. Who would have ever thought that doing business in Iran and Nigeria could be risky? Mister Price also bounced, producing 14.3% whilst RMH delivered 12.38%. At the bottom of the performance ladder was Intu Properties (again) with a -11.24% and whose current share price was last seen before listing - ouch! In second last position was AngloGold (I've never liked bright and shiny bling things) which syphoned some 10.06% from investors' wallets. British American Tobacco reversed around half of March's gains and lost 6.8%.

The bond market is getting a bit binding these days. The benchmark R186 traded a very narrow range of 8.595% to 8.445% during the period and officially ended the month at a yield of 8.54%. I'm almost starting to feel sorry for anyone long of 2nd derivative (well not really, chortle chortle) in that the required breakeven daily movement is not being achieved. I'm sure it will end at some stage, but definitely not because of what market participants are watching. So anyways, the All Bond Index managed a 0.75% performance over the month, not exactly like trying out a Batsuit for the first time, but positive and outperforming STeFi at least.

Performance:

All in all quite an acceptable month as far as fund return was concerned with a respectable 1.21% after all fees being put squarely into investors' pockets. In comparing to STeFi, which delivered 0.59%, I think we can all feel more than satisfied, not in a "lie back and light up a cigarette" sort of "satisfied", but it's definitely up there so to speak. What really compliments the outright level of outperformance, is the outright volatility of the excess returns that are being produced. Proton is producing Sharpe ratios in excess of 2 over the past 3 years, in other words for each incremental increase in absolute risk investors are being rewarded with 2 units of excess return. Looking back over the past 10 years the maximum Sharpe Ratio of the All Bond Index has been 1.85 whilst the equity market has fared worse with a maximum annual Sharpe Ratio of 1.59. Over the past 10 years Proton has produced positive Sharpe ratios over each individual rolling year, ranging from 0.75 to 4.21. The All Bond Index has produced a Sharpe Ratio range of -0.99 to 1.85 whilst the TOP40 Total Return Index has produced a range of annual Sharpe Ratios of -0.53 to 1.59. It is interesting to note that "Risk Free" bonds produce a wider range of risk adjusted returns than equities which are perceived to be more risky.

May is approaching, as it does every year after April I suppose, and if you listen to the normal "Sell in May and go away" rhetoric, you'll probably be bearish and expect negative returns to risk. I always wonder, if everyone thinks May is going to be a negative month, why don't they just sell in April? But then again "Sell in April and go away" doesn't really have a good ring to it, does it?

Please Note: The above commentary is based on reasonable assumptions and is not guaranteed to occur, unless it has already happened.

Mandatory Disclosures

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Management Company: Nautilus Managed Account Platform RF (Pty) Ltd (the "Manager"), authorised in terms of the Collective Investment Schemes Control Act (CISCA) to administer Collective Investment Schemes (CIS) in Securities. **Physical Address:** One Exchange Square, Gwen Lane, Sandown, 2196, **Telephone Number:** +27 11 520 7956. **Website:** www.nautilusmap.co.za

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