

Fairtree Protea Global Equity LS SNN Retail Hedge Fund

Minimum Disclosure Document - Class A1

31 January 2018

Fund Profile

The fund is a Global long/short equity hedge fund, domiciled in South Africa, with the objective of generating above-average returns by following a 'quantamental' investment approach, combining traditional fundamental analysis with quantitative investment techniques. The investment manager systematically identifies individual mispriced securities whilst ensuring sufficient diversification to guard against inappropriate risk concentration. The fund focuses on listed securities in developed markets outside of South Africa and has a net equity exposure of 35-70% at most times, with a maximum gross exposure of 200% (i.e. maximum 2x leverage).

Investment Strategy

The fund's core strategy is to be long undervalued equities and short overvalued equities, whilst ensuring that there is sufficient diversification to guard against inappropriate risk concentration. The equities are selected by following a 'quantamental' investment approach, combining traditional fundamental analysis with quantitative investment techniques, which assists the portfolio manager in avoiding behavioural biases as it relates to investment decision-making.

Investment Performance Summary

Performance of this fund will not be disclosed due to the fact that the fund is in existence for less than six months. The annualised and rolling 12-month investment returns will be reflected from 12 months after the launch date of the fund.

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.

Fund Details

Risk Profile:	High
Portfolio Manager:	Jean Pierre Verster
Fund size (in Millions):	R 72.4
NAV Price (Inception):	R 1000 (Class A1)
NAV Price (as at month end):	R 1,010.19
JSE Code:	
Inception Date:	30 September 2017
CISCA Inception Date:	11 September 2017
Fund Structure:	CIS Trust
Fund Category:	Equity Long-Short
Benchmark:	This portfolio does not follow a benchmark
Minimum Investment:	R50 000 Lump sum
Fees	
Management Fee:	1% p.a (excl. VAT)
Performance fee:	20 % of excess above the high water mark, subject to a hurdle rate of 3 month JIBAR (excl.VAT) uncapped.
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER%):	Both the TER and performance are not
Transactions Costs Ratio (TC%):	included or disclosed due to the fact that
* Total Investment Charges (TIC%):	the fund is in existence for less than 6 months

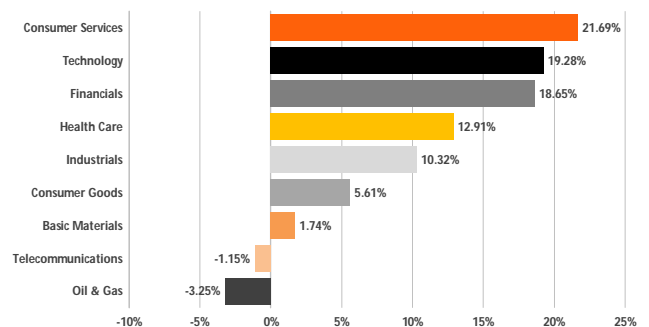
Income Distribution (Declaration):	Last day of February & December
Distribution Total for the past 12 months:	0.00 cpu for December 2017
Investment Manager contact details	
Telephone Number:	+27 21 943 3760
Website:	www.fairtree.com

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

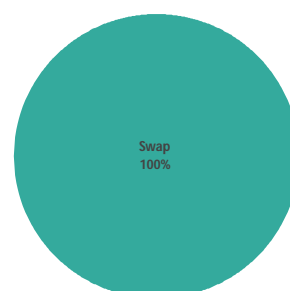
Portfolio Objective

The long-term objective of the fund is to compound investment returns, after all fees, at an above-average rate when compared to other equity funds (both active and passive), while avoiding deeply negative returns over any 12-month rolling period.

Sector Allocation



Asset Allocation



Market Commentary

The fund was down slightly for January in Rand terms, masking a very good month in constant currency terms. The Rand strengthened by almost 4.5% against the US Dollar during the month, negating our good stock-picking performance.

Our USD Long positions generated the bulk of our gains, especially positions in the Technology sector. Longs in CAD, EUR, CHF, AUD, NZD, TWD and HKD added to gains while Longs in GBP, NOK and KRW incurred losses. Our Long exposure to the UK Healthcare sector was the most significant detractor from performance for the month.

On the Short side, our USD, AUD, NZD, SGD and JPY Shorts generated gains while our GBP, EUR, CHF, KRW and TWD Shorts incurred losses for the month. It is particularly pleasing that our USD Shorts contributed positively in a month that the S&P500 Index generated a total return of 5.7% (including dividends). Shorts in the German Automobile sector were a notable detractor from performance.

At month-end, we had 47 Long positions and 30 Short positions, with the portfolio weighting of the largest Long at 6.1% and of the largest Short at -2.8%.

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

Mandatory Disclosures

Investment Manager: Fairtree Capital (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 21 943 3760. **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 Louw, S Greeff, I Burke, L Fourie, G Rate. **Physical Address:** Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa. **Telephone Number:** +27 21 202 8282. **Website:** www.sannegroup.co.za.

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