Fairtree Silver Oak Equity Long Short SNN Retail Hedge Fund

Minimum Disclosure Document - Class 1

31 October 2022

Investment Policy

The portfolio is a directionally biased long / short equity South African portfolio which will not hesitate to capture equity market beta as conditions dictate.

Investment Strategy

The portfolio is managed as a long/short hedge fund, focused on extracting beta and alpha returns from the South African equity market. The funds returns are delivered through fundamental knowledge of South African equities vis-à-vis economic growth and broad economic themes as well as medium to long -term relative valuation opportunities, generating the largest portion of its returns through its directional bias. Relative value pairs, together with absolute longs and shorts seek to stabilize returns in turbulent market conditions, supported by the adjustment to the net exposure.

Investment Objective

The portfolio aims to achieve consistent returns above the Capped SWIX All Share Total Return Index through investment in long/short equities-based strategies. In order to achieve this objective, the portfolio will invest in a diverse range of instruments.

Fund Details

Risk Profile:	High
Portfolio Manager:	Stephen Brown Clarissa van der Westhuyzen (under supervision)
Fund size:	R 457.78 m
NAV Price (Inception):	1000
NAV Price (as at month end):	889.03
Number of Units:	513,904.61
JSE Code:	FAICL1
ISIN Number:	ZAE000309589
Inception Date:	1 April 2022
ASISA Classification:	Retail Hedge Funds - South African -Long Short Equity Hedge Funds - Long Bias Equity Hedge Funds
Hurdle/Benchmark:	Capped SWIX All Share Total Return Index
Minimum Investment:	R50 000 Lump sum or R2 000 monthly

Fee Breakdown

Management Fee:	1.25 % (excl. VAT)
Performance fee (uncapped):	20% outperformance over Capped SWIX with a 1 year rolling high water (excl. VAT).

Cost Ratios (incl. VAT)

Total Expense Ratio (TER%):	Both the TER and performance are not included or disclosed due to the fact that the fund is in existence for less than 12 months.
Transactions Costs Ratio (TC%):	
* Total Investment Charges (TIC%):	
Performance Fee (PF) Included in TER:	
Income Distribution (Declaration):	Last day of December

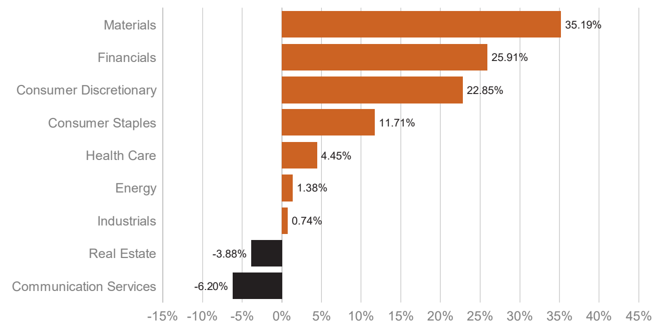
***Total Investment Charges (TIC%) = TER (%) + TC (%)**

Investment Manager Contact Details +27 86 176 0706

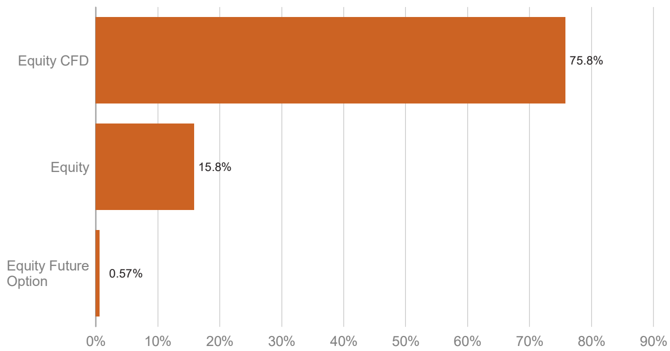
RETURN ANALYSIS (ANNUALISED)

Performance return data is not shown as regulations governing the content of this document do not allow publication of performance data for any fund/class that is less than 12 months old.

SECTOR ALLOCATION



ASSET ALLOCATION



Risk Profile

Risk Level	Low	Low-Medium	Medium	Medium-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 daily. The cut off time for processing investment subscription is 14:00pm on a business day.

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

Markets recovered well during October as excessive pessimism and bearish positioning gave way to the increasing likelihood that central banks may start to temper rate hikes. Growth is slowing and inflation is in the process of peaking. Monetary policy has become restrictive, allowing central banks to become more data-dependent. While the US Federal Reserve and European Central Bank hiked rates 75bps at their last meetings, both indicated that the pace of hikes may slow. The US and European PMI's, an indicator of forecast economic activity, signal a contraction ahead. Some Central banks are starting to worry that excessive tightness may cause financial instability as housing markets are slowing rapidly. The Reserve Bank of Australia and the Bank of Canada both surprised the market with smaller rate hikes than expected.

While inflation data remains elevated, there are increasing signs of a peak in price pressures. In Europe, energy prices have fallen as gas reserves increased and hot weather kept energy usage lower than expected. The shift in spending from goods to services is also weighing on goods-related prices. Household spending is in decent shape, as jobs continue to grow and labour markets remain tight, while wage pressures remain high.

The 20th Party Congress in China provided a few negative surprises. New leadership was unveiled consisting of Xi Jingping loyalists, which lessens the likelihood of dissenting voices and increases the risk of policy mistakes. Markets reacted negatively as no mention was made at the conference of easing the zero-covid policy or providing more substantial support to property developers. Markets were also concerned with the increasing focus on safety and security as well as Taiwan's unification in Xi's speech. However, post the conference, rumours that the Covid restrictions will be eased have boosted markets. We expect policies to ease gradually over the coming months. Given the weak growth environment, authorities will need to provide further fiscal, monetary, and credit easing, in our view.

In South Africa, the medium-term budget surprised to the upside with strong revenue over-runs, along with fiscal discipline. Debt to GDP is now expected to peak around 71%, below the previous forecast peak of 75%. We expect the SARB to signal smaller rate hike increments at the coming meeting. However, the growth outlook has softened and consumers are feeling the pain of high inflation, higher interest rates, and unemployment.

The Capped SWIX index rose 5.3% in rand terms during October. Bonds lagged, with the ALBI up 1.1%, and the Rand weakened by 1.5% to 18.35 versus the US dollar, its fifth straight month of declines. Financials (+12.8%) outperformed resources (+3.7%) and industrials (+1.7%). Key sector leaders were Banks (+16.0%), Tobacco (+11.5%), Health Care (+11.0%), and key stocks Capitec +23.3% and Standard Bank (+19.2). The laggard was Tech (-15.6%) with Naspers and Prosus down -15.8% and -16.2% respectively. MSCI SA rose 2.9% in October, outperforming MSCI EM (-3.1%) but behind MSCI World (+7.2%) in US dollar terms.

The Silver Oak fund rose 3.9% during October. Relative to the Capped SWIX benchmark, the largest outperformance came from long positions in Anheuser Busch (+0.5%), Ninety One (+0.3%), Impala (+0.3%), Life Healthcare (+0.3%), and Northam Platinum (+0.2%). Short positions in Investec (-1.1%), Clicks (-0.5%), Tiger Brands (-0.5%), and Brait (-0.3%) detracted most from relative performance during October.

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

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.

Leverage/Gearing : The use of securities, including derivative instruments, short positions or borrowed capital to increase the exposure beyond the capital employed to an investment.

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.

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 (N0.37 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 <http:// 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 <http:// www.snnmanco.com> Trustee: Firstrand Bank Limited, (acting through its RMB Custody and Trustee Services Division). Physical Address: 3 Merchant Place, Ground Floor , Corner Fredman and Gwen Streets, Sandton, 2146, 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 daily on our website. 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

Disclaimer