

### Fund Profile & Investment Policy

The fund is a directionally biased Long / Short equity South African fund which will not hesitate to capture equity market beta when conditions allow for it.

### Investment Strategy

The portfolio is managed as a long/short hedge fund, focused on extracting 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.

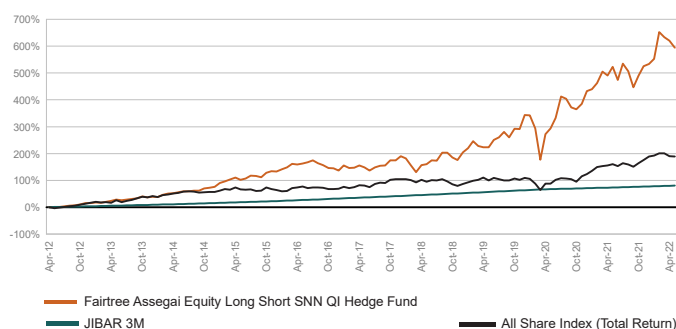
### Investment Mandate

The portfolio may use leverage to a maximum of 4.5 times the net asset value of the portfolio. However, the portfolio has set an internal limit to use leverage up to a maximum of 3.5 times the net asset value. Excluded from this calculation shall be the investments in the portfolio solely used to enhance the interest earned by the portfolio.

### Mandate limits and constraints

- The portfolio is precluded from raising any debt funding over and above that achieved in terms of the long/short process;
- No net individual equity position shall exceed 15% of capital;
- Directional exposure limit to 120% of current underlying capital on the long side and up to 20% of current underlying capital on the short side;
- The portfolio shall at all times hold a minimum of 10 equity positions; and
- The portfolio will limit exposure to equities based upon liquidity.

### CUMULATIVE PERFORMANCE SINCE INCEPTION



Fund Source: Sanne Fund Services SA (Pty) Ltd as at May 2022  
 Index Source: Bloomberg as at May 2022

### RETURN ANALYSIS (ANNUALISED)

	Fund	All Share Index	JIBAR 3M
1 Year	11.36%	11.03%	4.02%
3 Years	29.02%	12.98%	4.75%
5 Years	22.84%	9.79%	5.77%
Since Inception	21.18%	11.08%	6.02%

### RISK ANALYSIS

	Fund	All Share Index	JIBAR 3M
Sharpe Ratio	0.71	0.42	0.00
Sortino Ratio	1.29	0.76	0.00
Standard Deviation	22.51%	13.10%	0.37%
Best Month	34.26%	13.98%	0.61%
Worst Month	-29.59%	-12.13%	0.00%
Highest Rolling 12 Months	118.47%	53.98%	7.60%
Lowest Rolling 12 Months	-15.39%	-18.42%	3.63%
Largest Cumulative Drawdown	-37.46%	-21.72%	n/a
% Positive Months (Since Incept)	65.29%	61.16%	n/a
Correlation (Monthly)	0.71		
Value at Risk (VaR) 95%	11.88%		

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:	High
Portfolio Manager:	Stephen Brown
Fund size:	R 1.11 bn
NAV Price (Inception):	1000
NAV Price (as at month end):	7,777.84
Number of Units:	169,126.41
JSE Code:	FTASEQ
ISIN Number:	ZAE000259065
Inception Date:	May 2012
CISCA Inception Date:	1 October 2016
ASISA Classification:	Qualified Investor Hedge Fund -South African - Long/Short Equity -Long Bias
Hurdle/Benchmark:	3 month JIBAR
Minimum Investment:	R 1 000 000 Lump sum

### Fee Breakdown

Initial Fee - Adviser:	0% - 3.45% (incl. VAT)
Annual Base Fee:	1.25% (excl. VAT)
Performance fee (uncapped):	20% of the total performance (after deductions of the annual base fee) above the high water mark, subject to a hurdle rate of 3 months JIBAR (excl. VAT).

### Cost Ratios (incl. VAT)

Total Expense Ratio (TER%):	4.60%
Transactions Costs Ratio (TC%):	0.00%
* Total Investment Charges (TIC%):	4.60%
Performance Fee (PF) Included in TER:	2.79%

### Income Distribution (Declaration):

Distribution Total for the past 12 months:	0.00 cents per unit (cpu) for December 2021
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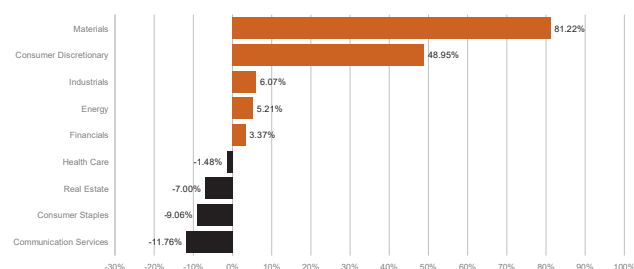
\*Total Investment Charges (TIC%) = TER (%) + TC (%)

Investment Manager contact details +27 86 176 0760

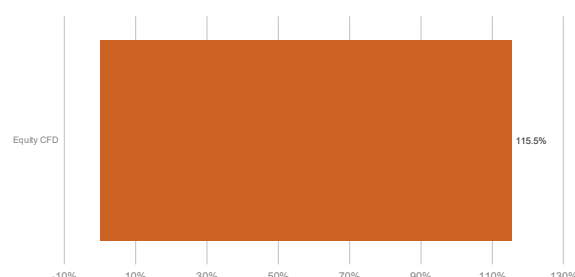
### Portfolio Objective

The long-term objective of the portfolio is to achieve consistent absolute returns through investment in long/short equity based strategies.

### SECTOR ALLOCATION



### ASSET ALLOCATION





	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2012					0.46%	0.63%	1.83%	2.97%	0.83%	3.83%	3.84%	0.12%	15.37%
2013	1.58%	-0.26%	2.64%	3.03%	4.19%	-2.43%	1.83%	1.77%	2.53%	5.02%	-2.22%	1.49%	20.61%
2014	-1.16%	5.97%	3.19%	1.36%	2.10%	2.59%	0.07%	1.30%	0.16%	4.76%	1.68%	2.08%	26.70%
2015	7.93%	2.99%	3.94%	3.11%	-3.91%	2.80%	4.96%	-0.38%	-2.37%	7.99%	2.37%	-0.72%	31.82%
2016	3.98%	2.67%	5.32%	-0.81%	1.56%	1.50%	2.75%	-3.80%	-2.64%	-4.21%	-0.75%	-3.24%	1.80%
2017	8.05%	-3.84%	0.53%	3.60%	-3.10%	-4.65%	4.89%	2.63%	0.22%	7.59%	-0.14%	5.68%	22.47%
2018	-2.74%	-9.28%	-9.92%	11.44%	1.56%	5.37%	-0.44%	10.85%	-0.05%	-5.82%	-3.29%	10.41%	5.15%
2019	4.87%	8.15%	-5.19%	-1.45%	0.07%	8.47%	2.72%	5.64%	-5.37%	8.94%	-0.26%	13.36%	45.49%
2020	-0.09%	-11.09%	-29.59%	34.26%	5.85%	9.88%	18.41%	-1.62%	-6.30%	-1.53%	4.36%	9.67%	20.14%
2021	1.33%	4.25%	7.66%	-2.38%	5.38%	-7.91%	10.57%	-4.46%	-9.74%	7.76%	6.15%	1.32%	19.07%
2022	2.98%	15.33%	-2.58%	-1.75%	-3.74%								9.43%

\*The inception date for the portfolio is 1 May 2012. The historical performance figures until the end of 30 September 2016 reflect performance achieved prior to CISCA regulation. The portfolio has been transitioned under CISCA regulations on 1 October 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	Medium-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 business day of the month prior to enable processing for investment on the first business day of the next month. Redemptions are subject to one calendar months' notice.

### Fee Classes

Class 2 is a reportable class available to the general public. The portfolio has other fee classes available for investment.

### 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

Global economic data slowed and economists cut global GDP forecasts further during May; but in China slightly better PMI data plus a string of policy stimulus announcements hinted at some recovery ahead. Rising inflation, hawkish central banks and China's zero covid policy has been the major contributing factors to increased levels of volatility in global markets, which is further exacerbated by lower liquidity conditions as the Fed is now actively reducing its balance sheet. Investors are experiencing the worst first half-year in decades. Year to date, global equities were down more than 17% early in June. Global bonds were down more than 13%, not acting as a diversifying hedge. Gold performed better, but was up only 1%. Bitcoin proved to be neither an anti-fragile asset or hedge against inflation and was down almost 50%. With rising US bond yields, growth equities and especially tech stocks remain under pressure. Globally, the cost of living has risen to uncomfortable levels, denting consumer confidence and corporate profits. Household income growth is negative in real terms, and the job market remains very tight. Energy costs are rising, supply chains remain fragile and rising wages will continue to add pressure to corporate profits. Economic data is softening, but household balance sheets remain in decent shape, especially in the US. The Fed remains the most hawkish core central bank, but the ECB has now joined the inflation fight as it signalled rates will rise more than 1% this year. US Headline inflation rose to a new 40yr high at 8.6% while core inflation continues to grind lower. Risks are rising that central banks may hike well into restrictive territory earlier than initially anticipated, thereby pulling forward a potential recession. Europe remains a risk to global growth. Investor confidence is at recession levels, and the impact of the Russia/Ukraine conflict on energy prices saw consumer price inflation soar past 8% and producer price inflation past 37%. Europe has now announced a partial ban on Russian oil, starting in December this year, to reduce energy dependence on Russia.

In commodities, oil rallied hard on the back of the EU export ban and some signs of China's Covid reopening with Brent crude rising US\$13.27 to US\$119.85/bbl, the highest monthly close since 2012. Lower global auto production hit PGMs with Palladium down 14.0% to US\$2002/oz and Rhodium down 16.2% to US\$15250/oz. Base metals fell with the LME Index down 6.1% and gold dropped 3.1% to US\$1837/oz.

In South Africa, local equity indices were flat in May in rand terms. Bonds outperformed, with the ALBI rising 1.0%, while the rand strengthened 1.0% to R15.64 versus the US dollar. Financials (+3%) outperformed during May, while Resources fell 0.4% and Industrials were down 2.2%. Key sector leaders were Banks (+5.6%) and Technology (+5.5%) with key performing names including Investec (+8.7%) and Nedbank (+7.1%). Laggards included Precious Metals (-10.9%) and Personal Goods (-8.4%). MSCI South Africa rallied 1.0%, outperforming MSCI World (-0.2%) and MSCI EM (+0.1%) in US dollar terms.

In South Africa the Q1 GDP print surprised to the upside due to strong household spending, investment and manufacturing activity. This GDP print, along with still elevated commodity prices, should support government revenues. However, the economic outlook for middle to low-income households has deteriorated. Eskom is set to continue with loadshedding throughout the winter, and households are facing accelerated rate increases and higher food and fuel prices. Unemployment levels have improved marginally but remain high. At its 19 May meeting, the South African MPC delivered an expected 50bp in tightening. The government extended its reduction in the fuel price levy for an additional two months, to 1 August, reducing pressure on inflation.

The Assegai fund fell 3.7% during May. The strongest positive contributors to fund performance during the month were a short position in Tiger Brands (+0.7%) and long positions in Naspers/Prosus (+0.9%), Anglo America (+0.6%), Sasol (+0.4%) and Kumba (+0.3%). The largest detractors from performance during the month were long positions in GoldFields (-3.2%), AngloGold (-1.7%) and Harmony (-1.6%) as well as a long position in Richemont (-0.6%).

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



### Glossary

<b>Net Asset Value (NAV) :</b>	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.
<b>Annualised Return :</b>	Is the weighted average compound growth rate over the performance period measured.
<b>Highest &amp; Lowest Return :</b>	The highest and lowest rolling twelve-month performance of the portfolio since inception.
<b>Total Expense Ratio (TER) :</b>	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.
<b>Transaction Costs (TC) :</b>	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.
<b>Total Investment Charges (TIC) :</b>	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.
<b>Total Investment Charges (TIC%) :</b>	= 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).
<b>Standard Deviation :</b>	The deviation of the return of the portfolio relative to its average.
<b>Drawdown :</b>	The greatest peak to trough loss until a new peak is reached.
<b>Sharpe Ratio :</b>	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
<b>Sortino Ratio :</b>	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
<b>Correlation :</b>	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.
<b>Value at Risk (VaR) :</b>	Value at risk is the minimum loss percentage that can be expected over a specified time period at a predetermined confidence level.
<b>Leverage/Gearing :</b>	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

<b>Leverage Risk :</b>	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.
<b>Derivative Risk :</b>	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.
<b>Counterparty Credit Risk :</b>	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.
<b>Volatility Risk :</b>	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.
<b>Concentration and Sector Risk :</b>	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.
<b>Correlation Risk :</b>	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.
<b>Equity Risk :</b>	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

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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.snmmanco.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.

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