



# Protea Worldwide Flexible SNN QI Hedge Fund

## Minimum Disclosure Document - Class 1

30 June 2019

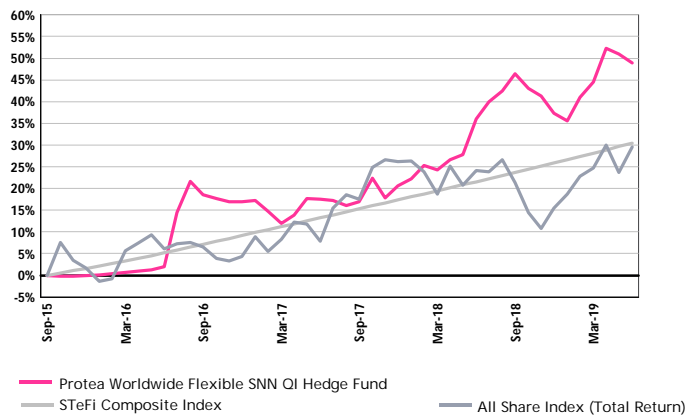
### Fund Profile

The fund is a flexible long/short equity hedge fund 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 has exposure to listed securities worldwide.

### Investment Strategy

The portfolio is managed as a long/short hedge fund, focused on extracting alpha returns from equity markets worldwide. Its 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, which combines a traditional fundamental understanding of the fair value of listed equity shares with analysis of the business's competitive environment, economic growth, broad economic themes and relative valuations.

### Cumulative Performance Since Inception



Fund Source: Sanne Fund Services SA (Pty) Ltd as at June 2019  
Index Source: Bloomberg as at June 2019

### Return Analysis

	Fund	STeFi	All Share Index
1 Month	-1.35%	0.59%	4.78%
3 Months	3.10%	1.80%	3.92%
6 Months	8.45%	3.60%	12.21%
1 Year	9.48%	7.31%	4.42%
3 Years	45.98%	24.03%	22.13%
5 Years	n/a	n/a	n/a
Since Inception	48.92%	30.44%	29.55%

### Risk Analysis

	Fund	STeFi	All Share Index
Sharpe Ratio	0.50	12.02	0.12
Sortino Ratio	1.30	0.00	0.22
Standard Deviation	9.88%	0.10%	11.93%
Best Month	12.26%	0.66%	7.61%
Worst Month	-3.68%	0.00%	-5.76%
Best Rolling 12 Months	25.19%	7.71%	22.54%
Worst Rolling 12 Months	-4.52%	7.15%	-12.56%
Largest Cumulative Drawdown	-7.84%	n/a	-12.56%
% Positive Months (Since Inception)	57.78%	n/a	55.56%
Correlation (Monthly)	-0.06		
Value at Risk (VaR) 95%	4.51%		

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

### Fund Details

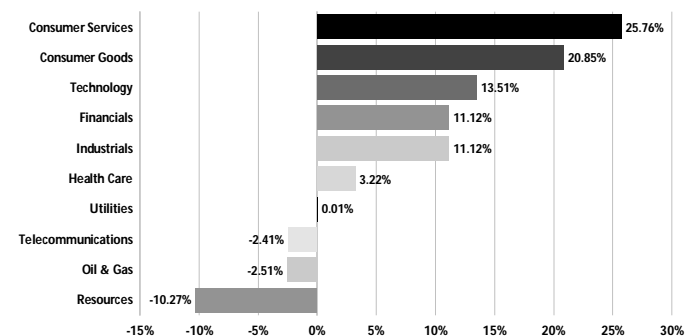
Risk Profile:	High
Portfolio Manager:	Jean Pierre Verster
Fund size (in Millions):	R 136.4
NAV Price (Inception):	R 1000
NAV Price (as at month end):	R 1,543.51
Number of Units:	84,719.29
JSE Code:	FPROW1
ISIN Number:	ZAE000255568
Inception Date:	31 October 2015
CISCA Inception Date:	1 September 2016
Fund Structure:	CIS Trust
Fund Category:	Equity Long-Short
Hurdle:	3 month JIBAR
Minimum Investment:	R 1 000 000 Lump sum
<b>Fees</b>	
Management Fee:	1% p.a (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 month JIBAR (excl.VAT)
<b>Cost Ratios (incl. VAT)</b>	
Total Expense Ratio (TER%):	4.22%
Transactions Costs Ratio (TC%):	0.35%
* Total Investment Charges (TIC%):	4.57%
Performance Fee (PF) Included in TER:	2.21%
Income Distribution (Declaration):	Last day of December
Distribution Total for the past 12 months:	0.00 cpu for December 2018
Investment Manager contact details	Protea Capital Management (Pty) Ltd
Telephone Number:	+27(0) 11 822 2154
Website:	www.proteacapitalmanagement.com

\*Total Investment Charges (TIC%) = TER (%) + TC (%)  
Please note that Protea Worldwide Flexible SNN QI Hedge Fund was previously known as Fairtree Protea Worldwide Flexible Equity SNN QI Hedge Fund.

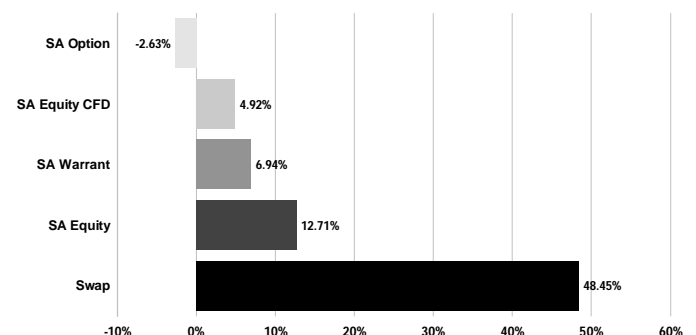
### Portfolio Objective

The long-term investment objective of the portfolio is to achieve consistent absolute returns by investing according to a long/short equity investment strategy.

### Sector Allocation



### Asset Allocation





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### Increase in NAV Attributable to Investors

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015										-0.17%	-0.04%	0.16%	-0.05%
2016	0.19%	0.20%	0.34%	0.27%	0.28%	0.78%	12.26%	6.15%	-2.42%	-0.78%	-0.59%	-0.04%	17.02%
2017	0.25%	-2.16%	-2.34%	1.68%	3.30%	-0.18%	-0.20%	-0.98%	0.74%	4.60%	-3.68%	2.35%	3.09%
2018	1.32%	2.61%	-0.84%	1.87%	0.96%	6.41%	2.84%	1.79%	2.80%	-2.30%	-1.24%	-2.76%	13.89%
2019	-1.24%	3.98%	2.43%	5.39%	-0.83%	-1.35%							8.45%

\*The inception date for the portfolio is 1 October 2015. The historical performance figures until the end of 31 August 2016 reflect performance achieved prior to Cisca regulation. The portfolio has been transitioned under Cisca regulations on 1 September 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. Jean Pierre Verster took over as portfolio manager from 1 September 2016 and the performance before September 2016 does not necessarily reflect his investment style and approach.

Please note that Protea Worldwide Flexible SNN QI Hedge Fund was previously known as Fairtree Protea Worldwide Flexible Equity SNN QI Hedge Fund, name change effective 01 June 2019.

### 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

Global equity markets had a very good June and the fund generated a decent return in USD-terms, but the Rand strengthened by more than 3% against the US Dollar, impacting our Rand-returns. For the month, our Longs contributed positively, our Shorts detracted significantly from performance, our Special Situations roughly broke even while our Options made a small loss. The translation of our offshore cash balances at a stronger Rand exchange rate was a drag on our reported performance. The following sub-categories of aggregate Long positions in our portfolio, group by the currency of the listed instruments held, made gains: Canadian Dollars (CAD), US Dollars (USD), British Pounds (GBP), Euros (EUR), Swiss Francs (CHF), Swedish Krone (SEK), South African Rands (ZAR), Singaporean Dollars (SGD), Hong Kong Dollars (HKD), Japanese Yen (JPY) and Australian Dollars (AUD). Aggregate Longs in Danish Krone (DKK) and Norwegian Krone (NOK) contributed negatively to our performance for the month. Our top Long performers for the month were mostly in the Technology sector, but overall most of our Longs, across various industries, generated gains. A handful of holdings in the Salmon Fishing, Jewellery, Tobacco and Travel industries contributed negatively, as did holdings in companies exposed to the domestic South African economy. Aggregate Short positions of all our listed equities grouped by currency exposure detracted from our performance, except for our aggregate DKK positions. In a reversal of last month, almost all our individual Shorts contributed negatively, but as a group our Shorts have underperformed our Longs year-to-date, indicating good stock-picking. Our Shorts in the South African Gold Mining and Platinum Mining sectors detracted significantly from our performance, and we cut back on our exposure as share prices continued to rise, even though we view these shares as expensive. The fact that we do not have a highly concentrated portfolio makes it much easier (psychologically) to realise a loss versus a 'high conviction' approach. The pay-off related to one of our Special Situations has been delayed due to legal action, and we have one Option structure which had a negative mark-to-market for the month.

The fund accepts investments at the end of every month - feel free to contact us for application forms at any time.

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

### Mandatory Disclosures

Investment Manager: Protea Capital Management (Pty) Ltd, Registration Number: 2015/327243/07 is an authorised Financial Services Provider (FSP49796) 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: 7 Northridge Avenue, Sunningridge, Germiston, 1401. Postal Address: 7 Northridge Avenue, Symridge, Germiston, 1401. Telephone Number: +27 (0) 11 822 2154. Website: www.proteacapitalmanagement.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 F Louw (Chairman), L Fourie, G P Rate (Managing Director), I Burke, H J Pienaar. 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.

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\*Non-Executive

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