



Protea Worldwide Flexible SNN QI Hedge Fund

Minimum Disclosure Document - Class 1

30 September 2019

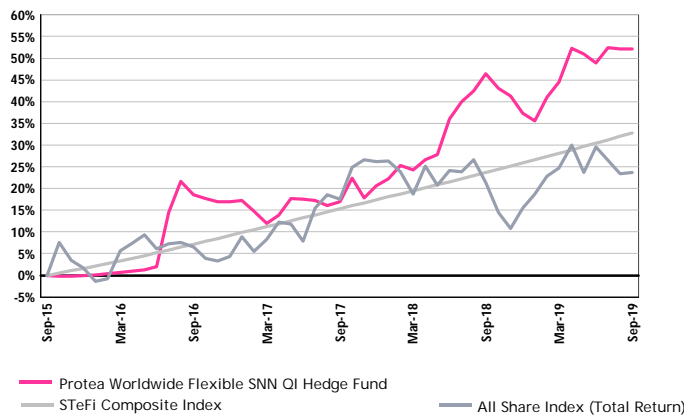
Fund Profile

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 September 2019
Index Source: Bloomberg as at September 2019

Return Analysis

	Fund	STeFi	All Share Index
1 Month	0.01%	0.57%	0.19%
3 Months	2.15%	1.79%	-4.57%
6 Months	5.31%	3.62%	-0.83%
1 Year	3.93%	7.34%	1.86%
3 Years	28.24%	23.91%	15.99%
5 Years	n/a	n/a	n/a
Since Inception	52.12%	32.77%	23.64%

Risk Analysis

	Fund	STeFi	All Share Index
Sharpe Ratio	0.49	12.26	-0.02
Sortino Ratio	1.30	0.00	-0.04
Standard Deviation	9.62%	0.10%	11.75%
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)	58.33%	n/a	54.17%
Correlation (Monthly)	-0.05		
Value at Risk (VaR) 95%	4.00%		

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 164.6
NAV Price (Inception):	R 1000
NAV Price (as at month end):	R 1,576.65
Number of Units:	101,478.37
JSE Code:	C1JL18
ISIN Number:	ZAE000271565
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
Fees	
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)
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER%):	4.25%
Transactions Costs Ratio (TC%):	0.34%
* Total Investment Charges (TIC%):	4.59%
Performance Fee (PF) Included in TER:	2.30%
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 11 822 2154
Website:	www.proteacapitalmanagement.com

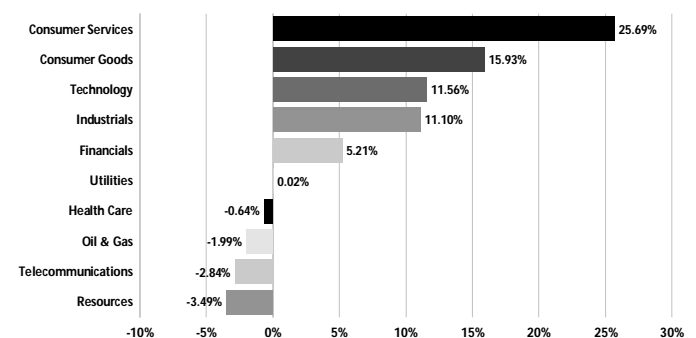
*Total Investment Charges (TIC%) = TER (%) + TC (%)

Please note that Protea Worldwide Flexible SNN QI Hedge Fund was previously known as Fairtree Protea Worldwide Flexible Equity SNN QI Hedge Fund.

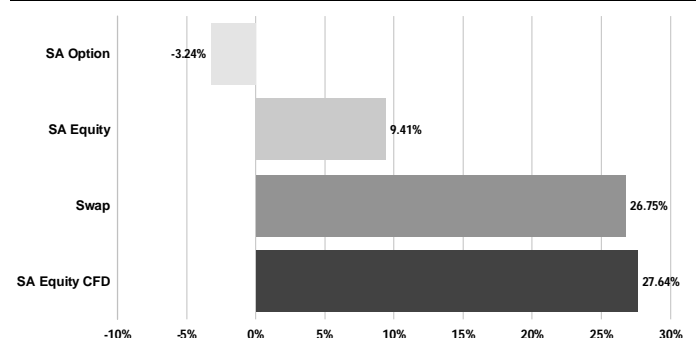
Portfolio Objective

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%	2.32%	-0.18%	0.01%				10.77%

*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 13 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

The fund was flat for September, in-line with the FTSE/JSE All-Share Index. The MSCI World ended the month up roughly 2% in both ZAR and USD-terms. The USDZAR exchange rate was little changed, strengthening from R15.20 to R15.14 against the USD.

The following aggregate Long positions (grouped by the currency of the individual listed instruments) made gains: US Dollars (USD), British Pounds (GBP), Swiss Francs (CHF) and Swedish Krone (SEK). Aggregate Longs in Canadian Dollars (CAD), Euros (EUR), Danish Krone (DKK), Norwegian Krone (NOK), South African Rands (ZAR), Singaporean Dollars (SGD), Hong Kong Dollars (HKD), Japanese Yen (JPY) and Australian Dollars (AUD) contributed negatively to our performance for the month. Our top Long performers for the month were from various sectors: a Scandinavian bank, an Airline, a Mobile Device manufacturer, an Education provider and an Online Gambling business. Many of our Technology stocks performed disappointingly, and our exposure across Asia detracted from performance. Overall, our Long positions made a small positive contribution.

Our Short book contributed negatively for the month. Aggregate Short positions in EUR, ZAR, SGD and AUS generated gains, while our aggregate Shorts in CAD, USD, GBP, CHF, DKK, NOK, SEK and JPY made losses. Shorts that went our way during the month included 2 Gold miners, a Furniture retailer, 2 Medical Devices firms and a Telecommunications provider.

Our Special Situations made a small mark-to-market loss, impacted by our index hedges moving further out of the money. We are well protected should markets turn sharply lower.

Our Currency Option structure expired in the money during September as the Rand briefly strengthened, adding a fortuitous gain to the fund. Our Bearish Equity Options also contributed positively.

The fund is open to investments directly, via a Hollard Endowment or via the Ashburton Equity-Linked Note platform. We are actively engaging with other platforms to make the fund more broadly available to financial advisers and to end-clients.

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, Sunnyridge, Germiston, 1401. Postal Address: 7 Northridge Avenue, Symridge, Germiston, 1401. Telephone Number: +27 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) G P Rate (Managing Director), I Burke, H J Pienaar, K de Bruin. 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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