Fairtree Silver Oak Equity Long Short FR Retail Hedge Fund

Minimum Disclosure Document - Class 1

30 April 2024

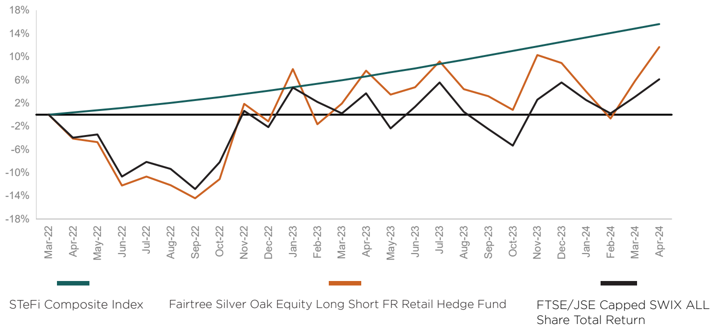
Investment Objective

The objective of the fund is to create long-term wealth for investors by extracting alpha from equity markets.

Fund Profile

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.

Cumulative Performance Since Inception



The investment performance is for illustrative purposes only; the investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown; assuming income is reinvested on the reinvestment date.

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

Return Analysis (Annualised)

	Fund	FTSE/JSE Capped SWIX All Share Total Return	STeFi Composite Index
1 Year	3.81%	2.36%	8.46%
3 Years	n/a	n/a	n/a
5 Years	n/a	n/a	n/a
10 Years	n/a	n/a	n/a
Since Inception	5.44%	2.89%	7.22%

Risk Analysis

	Fund	FTSE/JSE Capped SWIX All Share Total Return	STeFi Composite Index
Sharpe Ratio	-0.01	-0.21	-3.91
Sortino Ratio	-0.01	-0.40	-4.00
Standard Deviation	19.43%	15.58%	0.38%
Best Month	14.60%	9.62%	0.70%
Worst Month	-8.81%	-7.48%	n/a
Highest Rolling 12 Months	22.24%	14.90%	8.46%
Lowest Rolling 12 Months	-3.57%	-2.02%	5.96%
Largest Cumulative Drawdown	-14.42%	-12.82%	n/a
% Positive Months(Since Incept.)	44.00%	48.00%	n/a
Correlation (Monthly)	0.89		
Value at Risk (VaR) 95%	8.06%		

Fund Details

Risk Profile:	High
Portfolio Manager:	Clarissa van der Westhuyzen
Fund size:	R 683.62 m
NAV Price (Inception):	1000
NAV Price (as at month end):	1,106.38
Number of Units:	617,135.95
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 R1 000 monthly
*Service Fee:	1.43% (excl. VAT) *Includes Base fee/Investment Management Fee of 1.25%
Performance fee (uncapped):	20% outperformance over Capped SWIX with a 1 year rolling high water mark (excl.VAT).

Cost Ratios (incl. VAT)

Total Expense Ratio (TER%):	2.44%
Performance Fee (PF) Included in TER:	0.76%
Transactions Costs Ratio (TC%):	0.51%
** Total Investment Charges (TIC%):	2.95%

* Total Investment Charges (TIC%) = TER (%) + TC (%)
** TIC Fees are calculated in respect of the 3 months up to and including March 2024

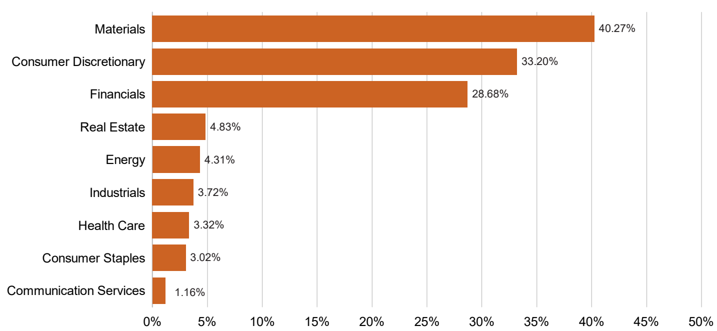
Income Distribution

31 December 2023	1012.33 cents per unit (cpu)

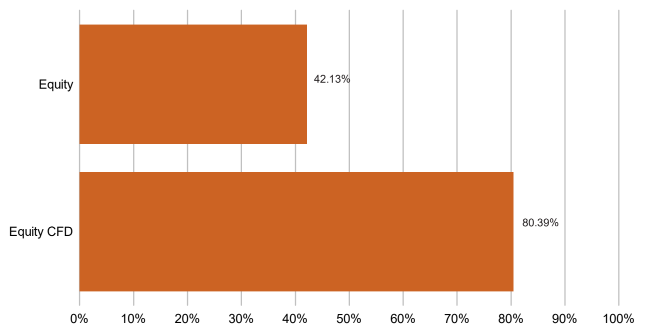
Investment Manager contact details

+27 86 176 0760

Sector Allocation



Asset Allocation



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2022				-4.14%	-0.62%	-7.83%	1.73%	-1.67%	-2.56%	3.88%	14.60%	-2.98%	**-1.15%**
2023	9.11%	-8.81%	3.63%	5.55%	-3.81%	1.23%	4.22%	-4.38%	-1.15%	-2.29%	9.36%	-1.23%	**10.19%**
2024	-4.51%	-4.49%	6.53%	5.53%									**2.53%**

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. FundRock 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.

Market Commentary

Global stock markets took a break in April after rising 25% from their October 2023 low point. During that time, Federal Reserve Chair Powell hinted at a shift towards lowering interest rates as the trend of falling prices gained momentum. This boosted market confidence initially, but then inflation started to surprise to the upside. The Fed brushed off higher inflation at first, but subsequent inflationary surprises, including in core consumer prices and employment costs, raised concerns among investors. Bond yields shot up this month as fears grew that interest rate hikes might be back on the agenda. US 10-year Treasury yields climbed to 4.7%, and the US dollar strengthened, leading to a 4-5% drop in equity markets. Adding to the complexity, US economic data seems to be weakening faster than expected, with labour market and service sector indicators disappointing. Although still strong enough to support the idea of a soft economic landing, investors are starting to worry about stagflation risks again. During the latest Federal Open Market Committee (FOMC) meeting, Powell downplayed these concerns, stating that the next move is unlikely to be a rate hike, which boosted market sentiment at the start of May.

While the US economy is slowing down, there are signs of improvement in the European economy, with growth and activity indicators suggesting expansion. This could lead to differing expectations in policy rates between the US and Europe, potentially weighing on the US dollar.

China and, to a lesser extent, South Africa were exceptions to the April pullback in equity markets. Both are trading at low valuations, and several positive factors could drive them higher in the coming months. In China, continued policy support and overall improving data indicate recovery, although the property sector remains a concern for consumer confidence. In South Africa, reduced election-related risks, as indicated by recent polls, boosted local asset prices. The most likely outcome of the election remains a government formed by the African National Congress (ANC) and several smaller parties. As election uncertainties fade, we anticipate local bonds, equities, and the rand to outperform.

In our assessment, global and local bond yields are likely to decrease as the US economy slows and the Federal Reserve eventually cuts interest rates. The South African Reserve Bank (SARB) is expected to follow suit with rate cuts as local inflation risks remain manageable.

The spectre of a wider Middle East war flared up as Iran and Israel traded drone and missile attacks, then died down as the tit-for-tat cycle ended amid intense regional diplomacy. Brent crude rose US$0.9 to US$87.9/bbl, but traded as high as US$92. Hard commodities ran hard: LME Metals Index +13.0%, Copper +13.9% and Gold up US$56 to US$2286/oz, another new cycle high for the metal.

In April, SA local equities rose (Capped SWIX +2.9%), while the ALBI more than earned its carry, adding 1.4%. The rand strengthened by 0.5% to R18.78 versus the US dollar, while R214 yields fell by 19 bps to 12.54%. Resources (+6.4%) outperformed during April, followed by financials (+2.4%) and then industrials (+1.6%). Key sector leaders were Industrial Metals (+16.1%), General Industrial (+7.8%) and Tech (+7.1%), with key performing names including Anglo American (+32.5%), and Capitec (+14.9%). Laggards included Chemicals (-8.0%) and Personal Goods (-8.3%) as well as Anglo American Platinum (-13.9%). MSCI SA rose 2.8% in April, outperforming MSCI EM (+0.4%) and MSCI World (-3.7%) in US dollar terms.

The Fund outperformed its Capped Swix benchmark by 2.5% during April. The largest contributor to outperformance was a long position in Anglo American (+1.4%). Long positions in African Rainbow Minerals (+0.4%), Thungela Coal (+0.3%) and Prosus/Naspers (+0.6%) also added to outperformance. Certain short positions in the resources and banking sector detracted most this month.

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.

Portfolio Valuation & Transaction Cut - Off

Portfolios are valued daily. The cut off time for processing investment subscriptions 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.

Mandatory Disclosures

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