

## Truffle SNN High Growth Retail Hedge Fund

Minimum Disclosure Document - Class 1  
As at 31 December 2018

### Portfolio Profile

The portfolio is suited to investors who require general equity market exposure with the objective of achieving positive returns over time.

### Investment Objective

The objective of the Truffle SNN High Growth Retail Hedge Fund is to maximise long-term capital appreciation through investments primarily in equity and derivative instruments across all sectors of the JSE Securities Exchange South Africa and offshore exchanges. Exploiting both long and short opportunities.

### Investment Mandate and Strategy

The fund invests in stocks, bonds, derivatives and all instruments allowed for in regulation. This includes instruments listed on the JSE and offshore exchanges. The maximum net equity offshore exposure is limited at 30% of the fund. The fund engages in shorting and makes use of derivatives to maximise investor return.

### Market Commentary

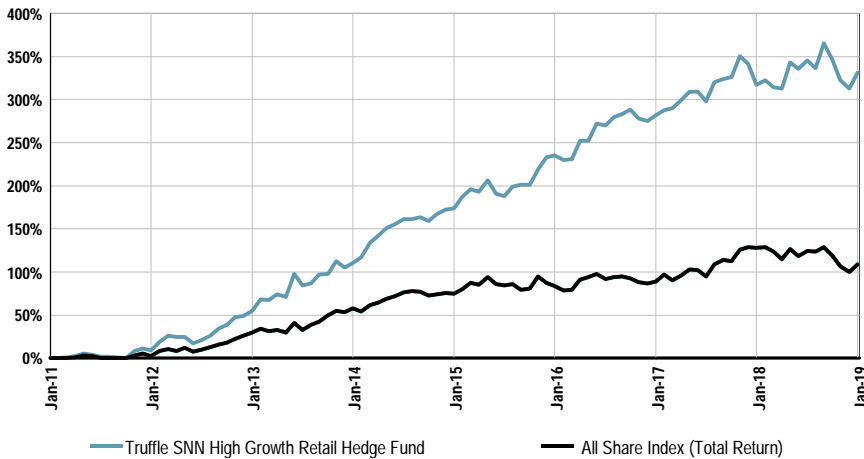
The fund returned 4.58% for December while the FTSE/JSE All Share Total return index returned 4.25%. The fund's return can be distilled into an equity performance of 2.74%, hedging -0.23% and special opportunities 2.03%.

We continue to hold an overweight position in Naspers. The Chinese government stopped game approvals in March 2018 and we anticipated this approval process would restart by year end. On 29 December 2018, the first 80 new games were approved. This is positive for Naspers.

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

### Investment Growth

Time Period: 2011/01/01 to 2018/12/31



Fund Source: Sanne Fund Services SA (Pty) Ltd as at December 2018  
Index Source: Bloomberg as at December 2018

### Annualised Performance (%)

	Fund	All Share Index (Total Return)
1 Month	4.58%	4.25%
1 Year	3.48%	-8.53%
3 Years	8.78%	4.33%
5 Years	15.42%	5.77%
Since Inception	20.06%	9.64%

### Risk Statistics

	Fund	All Share Index (Total Return)
Sharpe Ratio	0.99	0.33
Sortino Ratio	2.25	0.63
Standard Deviation	13.13%	11.13%
Maximum Drawdown	-11.31%	-12.56%
% Positive Months (Since Inception)	65.63%	58.33%

### Cumulative Performance (%)

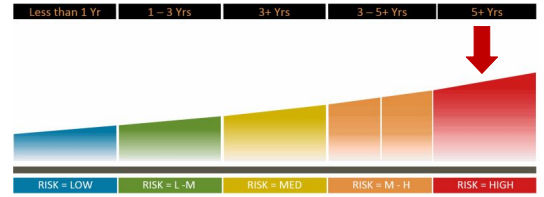
	Fund	All Share Index (Total Return)
1 Month	4.58%	4.25%
1 Year	3.48%	-8.53%
3 Years	28.72%	13.55%
5 Years	104.87%	32.35%
Since Inception	331.57%	108.83%

### Highest and Lowest Annual Returns

	Fund	All Share Index (Total Return)
Highest Annual %	68.73%	32.74%
Lowest Annual %	-6.54%	-12.56%

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

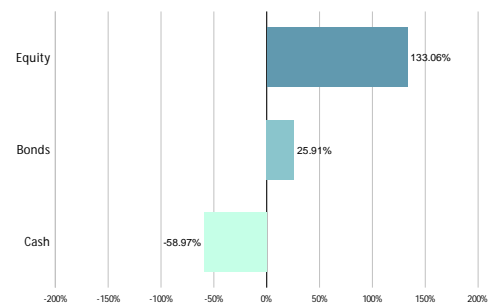
### Risk Profile



### Fund Information

Portfolio Manager:	Jonathan Du Toit CA (SA), CFA
Portfolio size (in millions):	R 71.0
NAV Price (as at month end):	R 134.35
Number of Units:	530,003.64
Inception Date:	1 January 2011
CISCA Inception Date:	1 June 2016
Fund Structure:	CIS Trust
Portfolio Category:	Long/Short Equity
Hurdle:	FTSE/JSE All Share Total Return Index
Minimum Initial Investment:	R 50 000
Minimum Additional Investment:	R 5 000
Fees (excl. VAT)	
Manager Fee:	1%
Performance fee:	10% of the outperformance above ALSI with a hurdle rate of 1%. The performance fee is capped at 3%.
Cost Ratios (incl. VAT)	
Total Expense Ratio (TER)*:	1.82%
Transaction Cost (TC%):	0.35%
Total Investment Charges (TIC%):	2.17%
Performance Fee (PF) Included in TER:	0.44%
Income Distribution (Declaration):	June and December
Distribution (CPU):	June 2018: 156.04; December 2017: 117.70
Redemptions:	One calendar month notice

### Asset Allocation



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### As at 31 December 2018

## Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	-2.35%	3.24%	1.53%	2.80%	-1.06%	-2.46%	-0.13%	-0.28%	-3.16%	11.08%	2.69%	-2.19%	9.2%
2012	8.80%	5.93%	-1.22%	0.48%	-6.15%	2.87%	4.32%	6.81%	3.40%	6.13%	1.05%	4.12%	42.1%
2013	8.26%	-0.15%	3.62%	-1.59%	15.66%	-6.89%	1.51%	5.48%	0.35%	7.30%	-3.25%	2.48%	35.7%
2014	2.99%	7.92%	3.56%	3.43%	1.97%	2.32%	-0.27%	1.12%	-1.77%	3.16%	1.76%	0.68%	30.1%
2015	4.94%	3.01%	-0.95%	4.56%	-5.04%	-1.02%	3.65%	0.75%	0.09%	5.75%	4.48%	0.71%	22.4%
2016	-1.49%	0.09%	6.58%	-0.07%	5.72%	-0.67%	2.63%	1.01%	1.36%	-2.71%	-0.80%	1.72%	13.8%
2017	1.66%	0.58%	2.26%	2.50%	0.08%	-2.63%	5.41%	0.97%	0.58%	5.66%	-2.00%	-5.55%	9.3%
2018	1.23%	-1.85%	-0.31%	7.30%	-1.63%	2.09%	-2.02%	6.69%	-3.98%	-5.53%	-2.22%	4.58%	3.5%

The inception date for the portfolio is 1 January 2011. The performance figures until the end of May 2016 reflect performance achieved in the unregulated structure. The portfolio has since been transitioned under CISCA and the performance returns from June 2016 were achieved by the portfolio as a regulated product.

## Glossary Terms

### Total Expense Ratio

\*The Total Expense Ratio (TER) of a portfolio, expressed as a percentage of the daily average value of the portfolio, is calculated over a 36 month rolling period since CISCA inception and represents a measure of the portfolio's assets that were relinquished to meet portfolio operating costs, including charges, levies and fees. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees.

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. The manager has applied its mind in the calculation of the TER, taking into account the application of the ASISA standard for CIS securities and applying it in the context for hedge fund portfolios, and using fair estimates, where necessary, to arrive at a figure that is materially correct without being misleading.

### Portfolio Performance

The performance figure 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.

### Annualised Performance

The annualised total return is the weighted average compound growth rate of an investment over the measurement period. Please note that the annualised performance figures include returns earned during the relevant periods prior to the fund being regulated under CISCA.

### Portfolio Performance Report

The inception date for the portfolio is 1 January 2011. The performance figures until the end of May 2016 reflect performance achieved in the unregulated structure. The portfolio has since been transitioned under CISCA and the performance returns from June 2016 were achieved by the portfolio as a regulated product.

### 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.

### Risk Profile

This indicator is based on historical data and may not be a reliable indication of the future risk profile of the portfolio. 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.

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## Investment Manager

Truffle Asset Management (Pty)(Ltd)

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## Management Company

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Email: information@sannegroup.com

Website: www.snnmanco.com

Directors: J F Louw (Chairman)\*, L Fourie, G P Rate (Managing Director), I Burke\*, H J Pienaar \*

\*Non-Executive

## Trustee

FirstRand Bank Limited, Johannesburg

Telephone: +27 87 736 1732

## Mandatory Disclosures

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