

FUND MANAGERS

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FUND OBJECTIVE AND PHILOSOPHY

The fund is suitable for investors whose primary focus is achieving a steady yield above inflation whilst also participating in upside with the equity market. Yield will be made up of a combination of dividends and option premium income. Capital appreciation of the underlying holdings over the long term, in addition to yield are the features the fund seeks to capitalize. The fund allows for a maximum net exposure of 75% and portfolio construction focus is to reduce both risk and volatility relative to a general equity portfolio.

FUND STRATEGY

Portfolio will be managed as a long/short equity hedge fund.

FUND MANAGER COMMENTARY

The South African equity market steamed ahead this quarter, up 13%, making this the best first quarter returns in 15 years, whilst outperforming both developed and emerging markets. The returns were dominated by resources which were up 19%, and to a lesser extent the industrial sector, up 13%. The financial sector lagged but was still up 4% and on the FX side, our currency strengthened just marginally against the US dollar. Ideas that have added value to the fund this quarter include Naspers, Impala Platinum and Anglo American, in line with the sectoral performance. A stronger currency does result in our global equity allocation placing a small drag on performance in the short-term.

Optimism over the global economic recovery continued to gather a bit of momentum. Fiscal stimulatory spending is probably the largest supportive factor and interest rates remain low. For now the data confirms the optimism, but global indebtedness will weigh on potentially higher risks at these market levels. Local earnings expectations are mostly positive, again with many of the earnings revisions taking place in the resources sector. This then flows through to the individual market valuations, with many still remaining attractively priced, both on an absolute basis as well as in relative comparisons to their emerging market peers.

We continue to identify stock selection opportunities, both locally and abroad. A robust business model that can endure the current market conditions with balance sheet strength are core to providing confidence in an investment decision.

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

RETURNS TO END OF MARCH 2021

	FUND	HURDLE
1 Year	51.95%	10.00%
3 Years (Annualised)	11.12%	10.00%
5 Years (Annualised)	8.85%	10.00%
10 Years (Annualised)	10.03%	10.00%
*Since Inception (Average Annualised)	10.12%	10.00%
*Sharpe Ratio (Since Inception)	0.43	
Maximum Drawdown (Life of Fund)	-15.35%	
Value at Risk (VaR) 95%	7.01%	
*Returns in ZAR net of fees with distribution reinvested.		

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 will be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and any performance fees.

INCOME DISTRIBUTIONS

Declaration Frequency: Annually	Cents per unit : (CPU)
December 2020	0.0

FUND INFORMATION

ASISA CLASSIFICATION	Qualified Investor Hedge Fund - South African - Long/Short Equity - Long Bias
ADMINISTRATORS	Sanne Fund Services SA (Pty) Ltd
AUDITORS	PricewaterhouseCoopers
INVESTMENT MANAGER	BACCI Trading (Pty) Ltd
FUND LAUNCH	01 December 2010
CISCA INCEPTION	01 October 2016
FUND SIZE	R6 million
NAV PRICE (As at month end)	R 273.01
NUMBER OF UNITS	27 546.32
HURDLE/BENCHMARK	10% nominal rate p.a
MINIMUM INVESTMENT	R1 million
MANAGEMENT FEE	1% per anum (excl Vat)
PERFORMANCE FEE (UNCAPPED)	0%
ENTRY FEE	0%

Please note that the auditors changed from Deloitte to PricewaterhouseCoopers changed in August 2019.

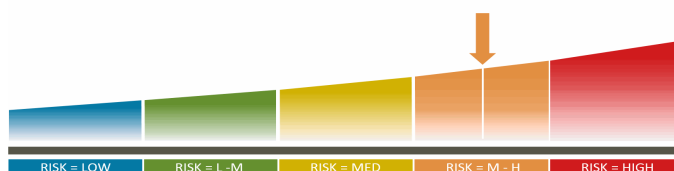
RETURNS	FUND	HURDLE
Current 12 month rolling return	51.95%	10.00%
Highest 12 month rolling return	51.95%	10.00%
Lowest 12 month rolling return	-13.65%	10.00%

COST RATIOS (incl. VAT)

MANAGEMENT FEE	1.15%
ADMIN FEE	0.50%
TOTAL EXPENSE RATIO (TER%)	5.65%
TRANSACTION COSTS RATIO (TC%)	4.13%
TOTAL INVESTMENT CHARGES (TIC%)	9.78%
PERFORMANCE FEE (PF) INCLUDED IN TER	0.00%

RISK PROFILE

Less than 1 Yr	1 – 3 Yrs	3+ Yrs	3 – 5+ Yrs	5+ Yrs
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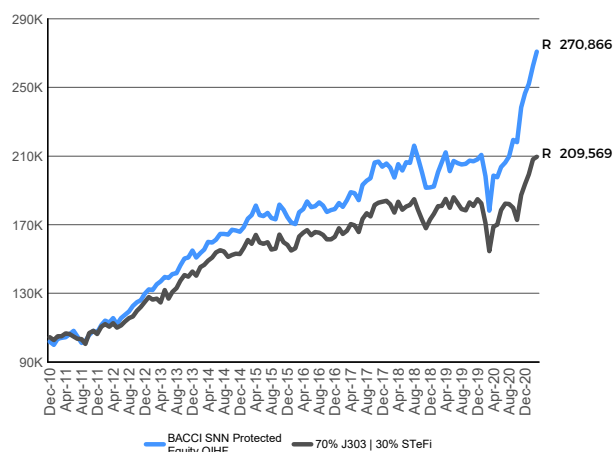


Risk = Medium - High

This fund generally holds more equity exposure than low risk portfolios but lower than high risk portfolios. Expected potential long term investment returns can be lower than high risk portfolios due to lower equity exposure. In return the expected volatility is lower than a high risk.

PERFORMANCE

GROWTH OF A R100,000 INVESTMENT NET OF ALL FEES AND EXPENSES



Index Source: Bloomberg as of March 2021

Fund Source: Sanne Fund Services SA (Pty) Ltd March 2021

HISTORICAL PERFORMANCE (NET OF FEES)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-	-	-	-	-	-	-	-	-	-	-	1.80%	1.80%
2011	-1.81%	3.49%	0.67%	0.30%	1.58%	2.01%	-3.19%	-3.55%	1.22%	3.38%	2.32%	-0.81%	5.41%
2012	3.93%	2.23%	-0.90%	2.33%	-3.06%	3.12%	1.59%	1.77%	2.69%	1.71%	0.88%	3.01%	20.86%
2013	1.97%	-0.30%	2.66%	1.13%	1.93%	-0.41%	1.57%	0.40%	3.25%	2.80%	0.27%	2.70%	19.42%
2014	-2.65%	1.74%	1.42%	2.87%	-0.32%	1.07%	2.07%	0.06%	-0.26%	1.70%	-0.26%	-0.38%	7.17%
2015	1.50%	2.96%	1.19%	3.16%	-3.03%	-0.32%	1.11%	-1.71%	-0.40%	4.91%	-1.67%	-2.42%	5.05%
2016	-1.78%	-0.56%	4.10%	1.01%	2.46%	-1.82%	0.31%	1.32%	-1.06%	-2.01%	0.54%	0.34%	2.69%
2017	1.94%	-1.20%	2.15%	2.56%	-0.33%	-2.16%	4.85%	1.30%	0.68%	4.70%	0.25%	-1.41%	13.87%
2018	0.87%	-1.19%	-2.85%	4.00%	-1.85%	2.38%	-0.18%	4.95%	-3.32%	-4.12%	-4.37%	0.02%	-6.01%
2019	0.39%	4.29%	2.89%	2.76%	-5.18%	3.03%	-0.68%	-0.33%	0.15%	0.87%	-0.17%	0.58%	8.58%
2020	1.20%	-5.89%	-10.05%	11.42%	-0.45%	2.97%	1.30%	1.71%	4.55%	-0.58%	9.34%	3.40%	18.48%
2021	2.26%	4.16%	3.16%	-	-	-	-	-	-	-	-	-	9.87%

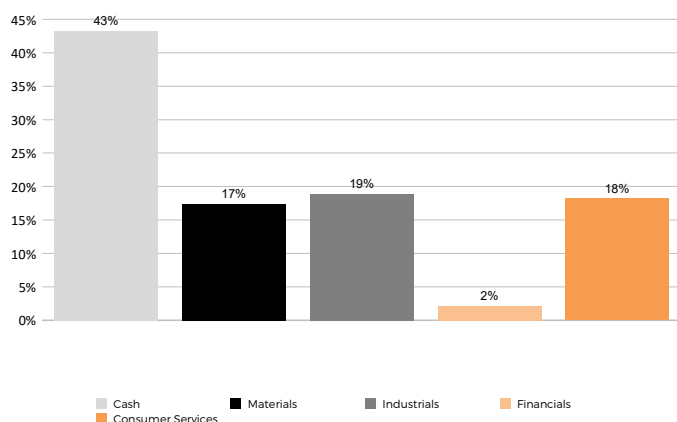
*Historical performance prior to 1 October 2016 reflect returns achieved prior to the portfolio having been transitioned under the Collective Investment Schemes Control Act 45 of 2002.

*The annualised 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 performance figure given show the yield on a Net Asset Value ("NAV") basis. The returns 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.*The inception date for the portfolio is 1 December 2010. The performance figures until the end of September 2016 reflect performance achieved prior to CISCA regulation. The investment performance is for illustrative purposes only. The investment performance is calculated for a lump sum investment by taking the actual initial fees and all ongoing fees into account for the amount shown; income is reinvested on the reinvestment date. 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.

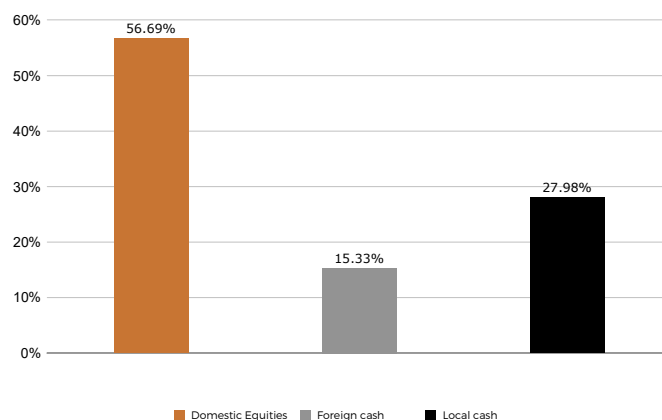
PORTFOLIO VALUATION & TRANSACTION CUT-OFF

Portfolios are valued monthly. The cut off time for processing investment subscription is 10:00am on the last business day of any month prior to enable processing for investment on the first business day of the following month. Redemptions are subject to one calendar months' notice.

NET SECTOR ALLOCATION



ASSET ALLOCATION



INVESTMENT MANAGER	MANAGEMENT COMPANY	TRUSTEE
BACCI Trading (Pty) Ltd	Sanne Management Company (RF) (Pty) Ltd	FirstRand Bank Limited, (acting through its RMB Custody and Trustee Services Division)
Registration No: 2001/029132/07	Registration No: 2013/096377/07	
Bree Street Studios 17 New Church Street, Cape Town, 8001	Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa	3 Merchant Place Ground Floor Corner Fredman and Gwen Streets Sandton 2146
Telephone: +27 21 434 7455 Fax: +27 21 434 7966 Email: info@bacci.co.za	Telephone: +27 21 202 8282 Fax: +27 21 202 8282 Email: information@sannegroup.com	Telephone: +27 87 736 1732
Website: www.bacci.co.za	Website: www.snnmanco.com	

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.

Currency/Exchange Rate Risk Assets of a fund may be denominated in a currency other than the Base Currency of the fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the fund's assets as expressed in the Base Currency.

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 Charge (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%): $\text{TIC\%} = \text{TER (\%)} + \text{TC (\%)}$. 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/Volatility: 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.

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.

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Mandatory Disclosure

CLIENT SERVICE (021) 434 7455 EMAIL: clientservices@BACCI.co.za WEBSITE: www.BACCI.co.za FAX (021) 434 7966

Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges, and maximum commissions is available on request from the manager, as well as a detailed description of how the fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio. Portfolios may be closed to new investors in order to manage it more efficiently in accordance with its mandate. Prices are published monthly on our website. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the portfolio, including the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the manager. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where funds are invested in off-shore assets, performance is further affected by uncertainties such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The Manager is registered and approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act 45 of 2002. BACCI Trading (Pty) Ltd (FSP No. 808) is authorised under the FAIS Act to provide discretionary investment management services to hedge funds. FirstRand Bank Limited is the appointed trustee. The Manager retains full legal responsibility for the third-party-named portfolio. There may be representatives acting under supervision.