



GLACIER INVESTMENT SUMMIT 2023

Alternative Investment Options to Consider for the Future

The **DEGREE** of Difference

WHO WE ARE AND WHAT WE DO



MULTI-DISCIPLINARY TEAM

12 of 22 Investment Professionals

- Team is significantly invested in the funds alongside our clients
- >180 years combined experience
- Core team together for > 20 years

EXCELLENT TRACK RECORD

MAJORITY of our local mandates have outperformed their benchmarks over 3 years, 10 years & since inception



STYLE AGNOSTIC

We combine growth, value & quality stocks

Risk Management **key**

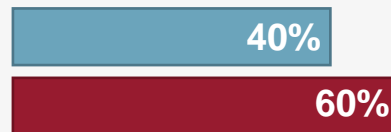
HEDGE FUND THINKING



TRUE ACTIVE MANAGEMENT

R36
BILLION

Firm AUM



Hedge Funds

Long-only

Greater **opportunity**, larger investable universe and **nimble** due to size



DIVERSE PRODUCT OFFERING

We offer hedge funds, unit trusts and segregated mandates

Funds are easily accessible via major LISPs

Source: Bloomberg

36ONE

Asset Management

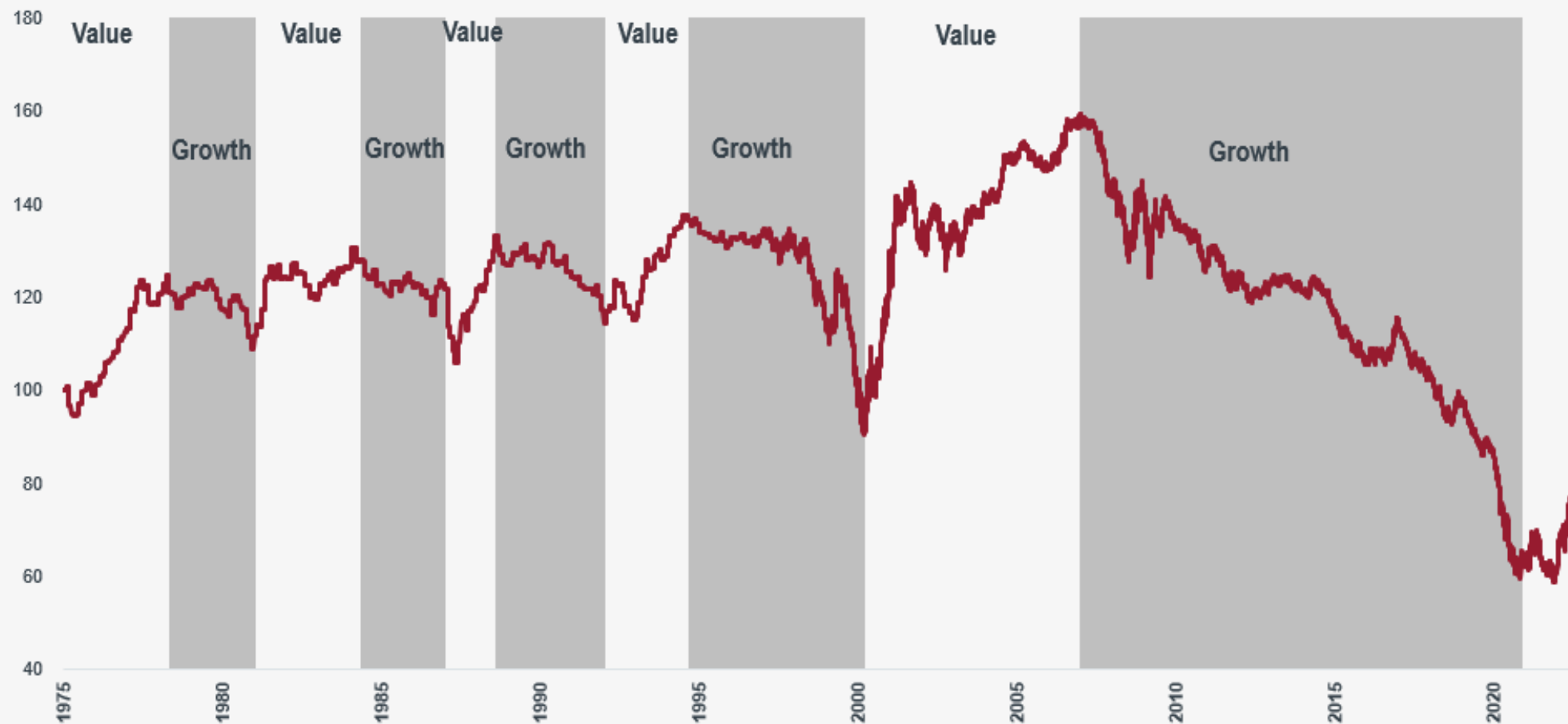
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THE BENEFITS OF BEING STYLE AGNOSTIC

MSCI WORLD VALUE VS MSCI WORLD GROWTH – HAVE TO ROTATE STYLE TO CONSISTENTLY OUTPERFORM



Source: Bloomberg

A person wearing a grey suit and black shoes is walking a tightrope. The tightrope is a thick red line that runs diagonally across the frame from the bottom left to the top right. The person's legs and feet are visible, with one foot currently on the rope and the other slightly behind. The background is a plain, light grey wall.

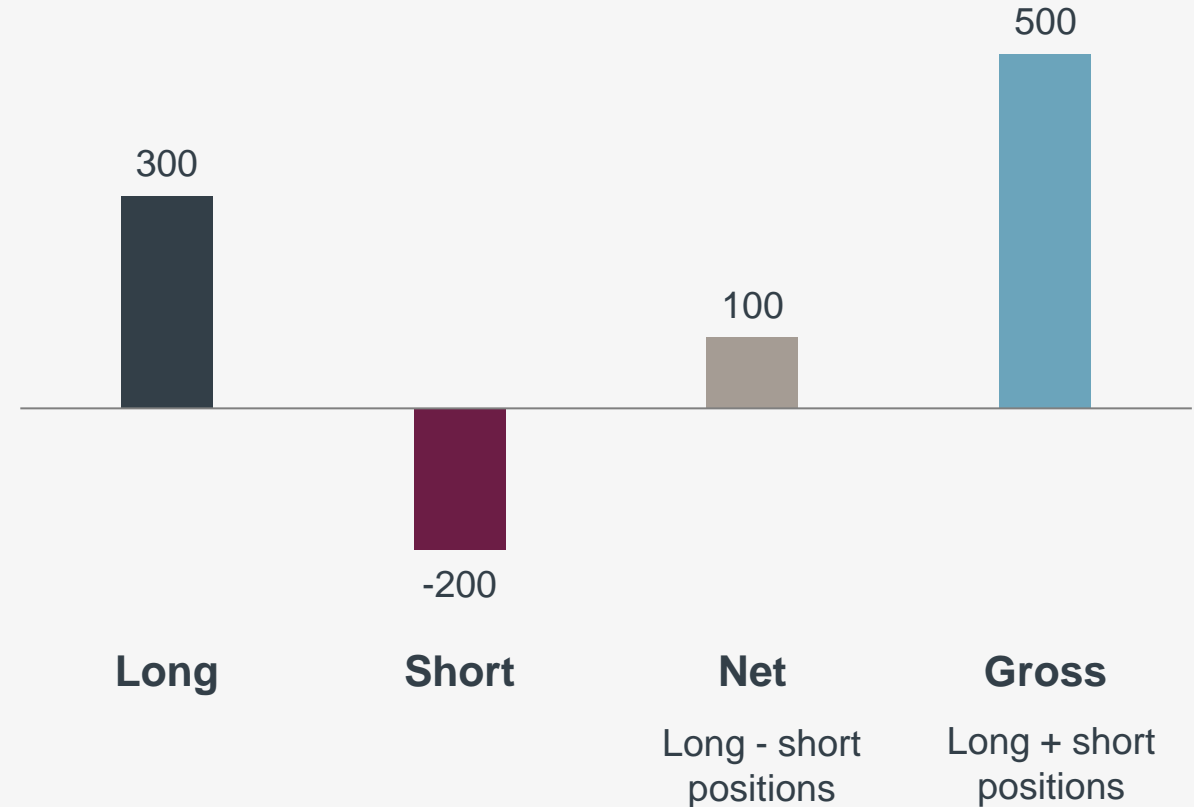
A common misconception about hedge funds is they are complicated, obscure and too risky!

**In the case of 36ONE,
this couldn't be further from the truth...**

WHY ARE HEDGE FUNDS CONSIDERED RISKY?

THE ANSWER LIES IN GROSS EXPOSURE AND SPREAD RISK

- Some hedge funds tainted the industry as they have been **risk takers and not risk managers**
- Gross exposure is a **great proxy for risk** – leverage is great when things are going well, but it is unforgiving when market moves against you
- **Risk** that your long & short positions both move in the wrong direction
- Importantly, **maximum gross** exposure RIFs are allowed is **200%**



OUTPERFORMING THE MARKET WITH A FRACTION OF THE VOLATILITY

36ONE HEDGE FUND

8.0%

Volatility

15.8%

Annualised return

FTSE/JSE ALSI

15.2%

Volatility

11.3%

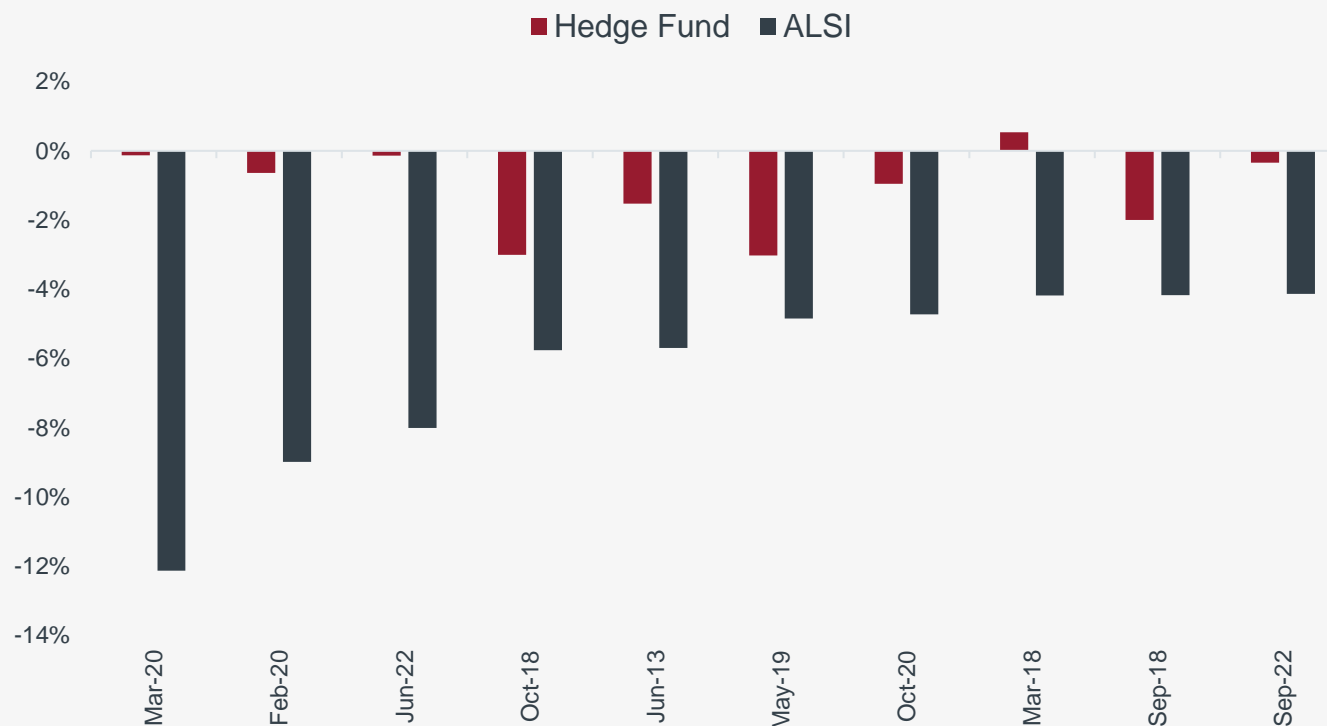
Annualised return

Source: Bloomberg as at 31 December 2022. 36ONE Hedge Fund refers to the 36ONE SNN QI Hedge Fund. Inception Date: April 2006. Highest and lowest calendar year performance since inception (as at 31 December 2022): High 58.63%; Low -10.84. Investment performance is for illustrative purposes only and is calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment dates.

OUR HEDGE FUND IS WELL PLACED TO NAVIGATE VOLATILE MARKETS

A HISTORY OF PROVIDING DOWNSIDE PROTECTION...

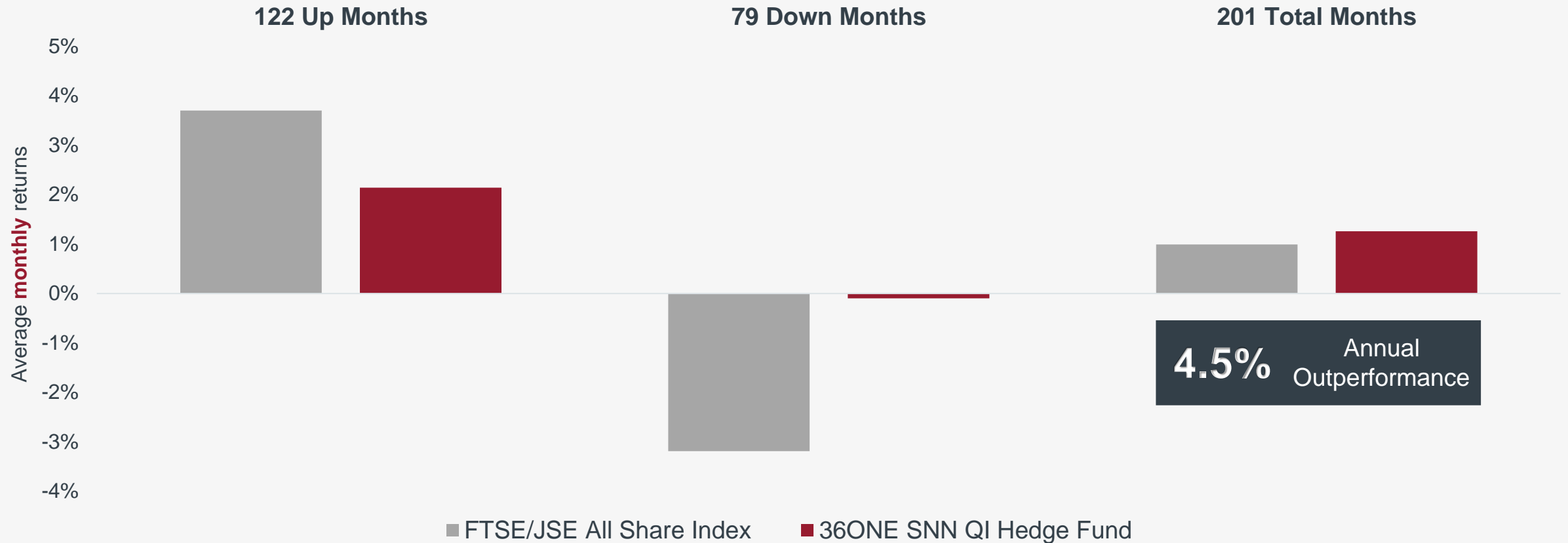
- A key pillar of our hedge fund strategy is to preserve capital during uncertain market environments
- Over the last 10 years, when markets suffered their 10 worst months, the strategy **outperformed the ALSI 10/10 times**



As at 31 December 2022, Maitland, Samne. 36ONE Hedge Fund refers to 36ONE SNN QI Hedge Fund

...WHILE CAPTURING THE UPSIDE

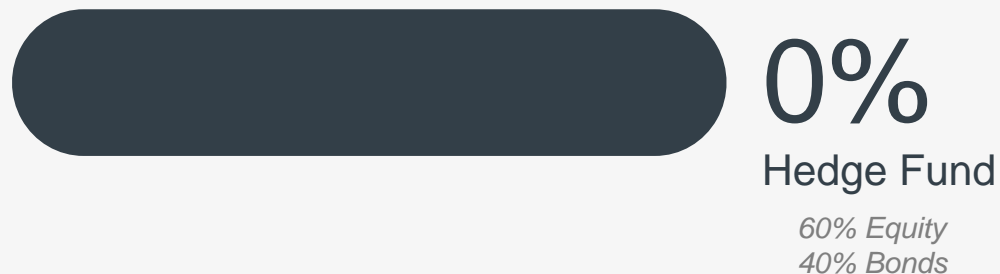
THE 36ONE SNN QI HEDGE FUND VS THE ALSI IN POSITIVE MONTHS, NEGATIVE MONTHS AND THE COMBINED EFFECT



Source: Bloomberg. Average 36ONE SNN QI Hedge Fund and JSE All Share Total Return Index performance since inception (April 2006) to 31 December 2022.

ACHIEVING BALANCE IS NOT AS EASY AS “60/40”

HYPOTHETICAL PORTFOLIO WITH VARIOUS ALLOCATIONS TO OUR HEDGE FUND



10.2% Performance p.a.

10.8% Volatility p.a.

-24% Max Drawdown



14.2% Performance p.a.

8.1% Volatility p.a.

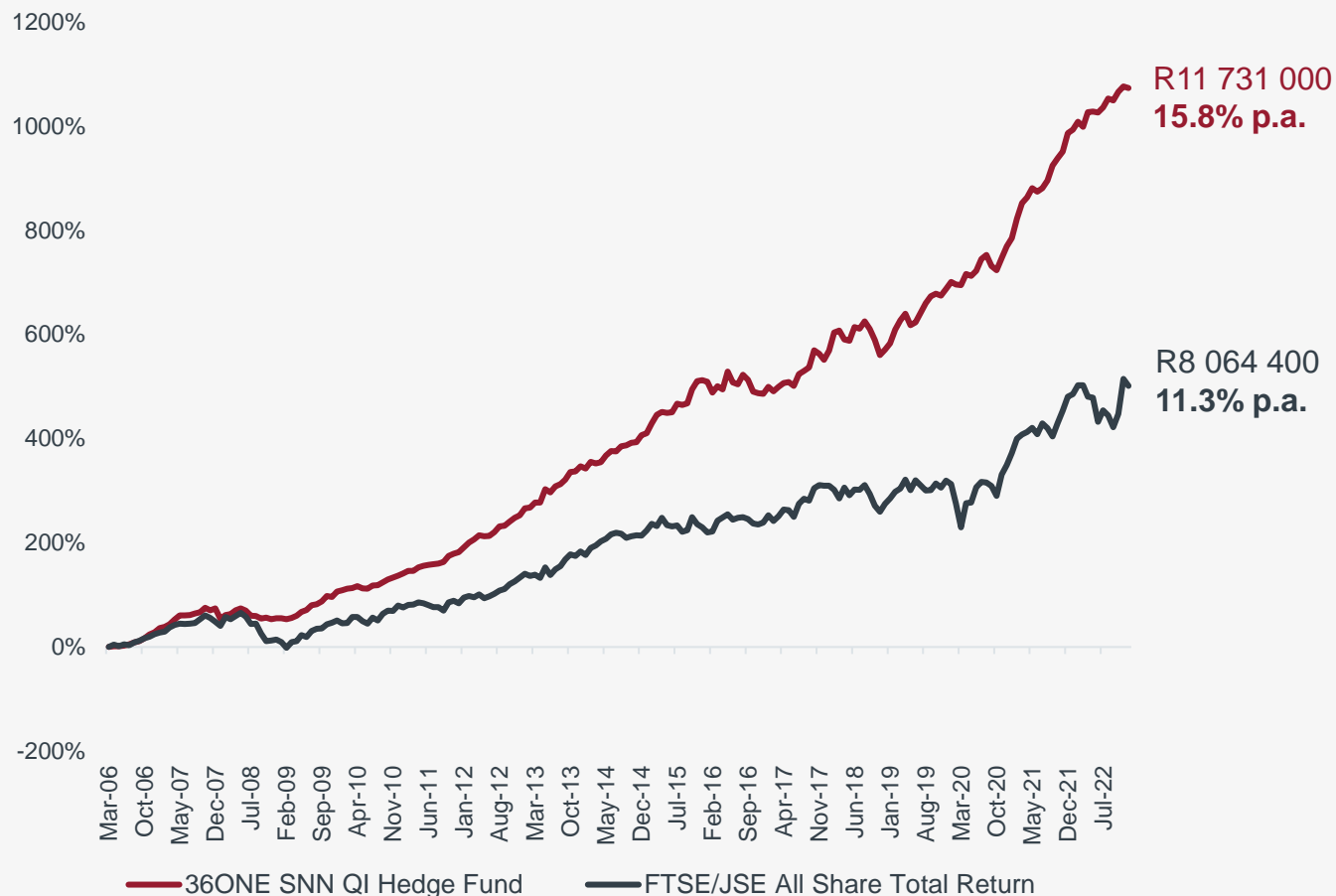
-18% Max Drawdown

Reducing risk and enhancing returns

Source: Bloomberg, Sanne. As at 31 December 2022. Hypothetical portfolio constructed using varying inclusion rates of The 36ONE SNN QI Hedge Fund performance since inception. Equity refers to the FTSE/JSE All Share Total Return Index. Bonds refers to the FTSE/JSE All Bond Index. The investment performance is for illustrative purposes only.

OUR APPROACH LEADS TO EXCELLENT LONG TERM RESULTS FOR OUR INVESTORS

WHAT R 1 000 000 INVESTED IN APRIL 2006 WOULD BE WORTH TODAY (NET OF FEES)



REWARD

	36ONE Hedge Fund	All Share Index	Alpha
1 year	8.0%	3.6%	4.4%
3 yrs p.a.	14.2%	12.7%	1.5%
Since Inception p.a.	15.8%	11.3%	4.5%

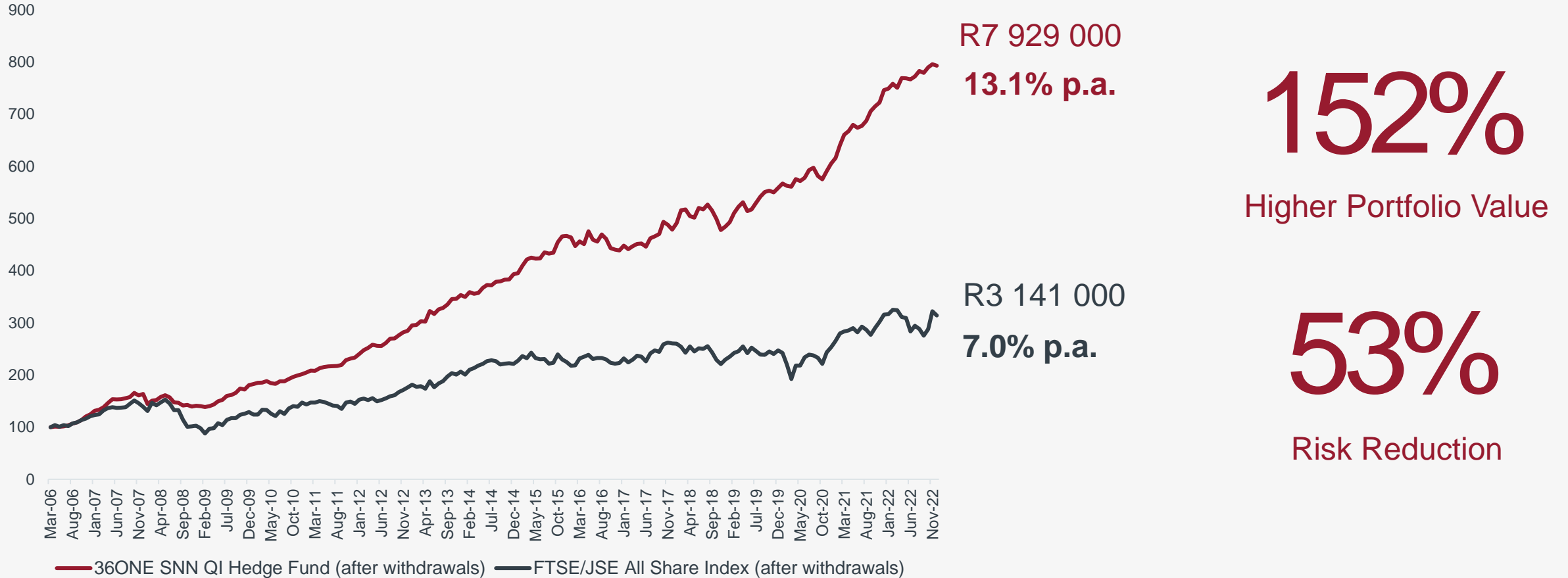
RISK

	36ONE Hedge Fund	All Share Index
Volatility since inception p.a.	8.0%	15.2%
3 yrs largest drawdown	(3.4%)	(21.7%)

Source: Bloomberg as at 31 December 2022. Inception Date: April 2006. Highest and lowest calendar year performance since inception (as at 31 Dec 2022): High 58.63%; Low -10.84. Investment performance is for illustrative purposes only and is calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment dates. The above chart refers to a % cumulative return since inception. 36ONE Hedge Fund refers to the 36ONE SNN QI Hedge Fund.

BETTER RISK-ADJUSTED RETURNS FOR LIVING ANNUITIES

HYPOTHETICAL INCOME PRODUCING SCENARIO



Source: Bloomberg as at 31 December 2022. 36ONE SNN QI Hedge Fund Highest and lowest calendar year performance since inception as at 31 Dec 22 (High 58.63%; Low -10.84%). Investment performance is for illustrative purposes only and is calculated by taking actual initial and ongoing fees into account for amount shown with income reinvested on reinvestment dates. The above chart refers to a % cumulative return since CISCA inception. Assumptions: R7500pm income, escalating at 6%p.a. R1m invested in AlsI, R1m in 36ONE SNN QI Hedge Fund.

PERFORMANCE SUMMARY

	Inception Date	Q4 2022	1 Year	3 Years p.a.	10 Years p.a.	Since Inception p.a.
36ONE SNN QI Hedge Fund	Apr 2006	2.1%	8.0%	14.2%	12.8%	15.8%
36ONE SNN Retail Hedge Fund	Nov 2016	2.5%	7.2%	14.8%	-	11.8%
36ONE SNN Absolute Alpha Retail Hedge Fund (closed to new business)	July 2018	2.4%	11.4%	14.9%	-	16.9%
<i>FTSE/JSE All Share Index</i>		15.2%	3.6%	12.7%	9.9%	-
<i>Standard Bank Call Rate</i>		1.4%	4.6%	4.0%	5.3%	-

36ONE SNN Retail Hedge Fund is available on most LISP platforms

Source: Bloomberg as at 31 December 2022. Inception for the 36ONE SNN Retail Hedge Fund is December 2008 and CISCA Inception Date is November 2016. Inception for the 36ONE SNN QI Hedge Fund is April 2006 and CISCA Inception Date is November 2016. Highest and Lowest calendar year performance since inception as at 31 December 2022 - 36ONE SNN QI Hedge Fund (High 58.63%, Low -10.84%); 36ONE SNN Retail Hedge Fund (High 28.27%, Low -2.01%); 36ONE SNN Absolute Alpha Retail Hedge Fund (High 23.24%, Low 7.97%).



Thank you!

Contact us:
support@36one.co.za

The **DEGREE** of Difference

DISCLAIMER

Financial Advisory and Intermediary Services Act (No. 37 of 2002) (“FAIS”) read with Board Notice 80 of 2003:

36ONE Asset Management (Pty) Ltd (“36ONE”) is an authorised financial services provider under FAIS (FSP number: 19107). Past performance is not necessarily indicative of future performance. Buying and selling of financial products entails risk, please ensure that you are always appropriately advised and aware of all risks involved. No guarantee as to investment value or performance of any financial product is given or should be inferred.

Collective Investment Schemes Control Act, 45 of 2002 (“CISCA”) and Board Notice 92 of 2014:

Boutique Collective Investments (RF) (Pty) Ltd (“BCI”) is approved by the Financial Sector Conduct Authority (“FSCA”) in terms of CISCA as a manager of collective investment schemes in securities. BCI is the manager of the Boutique Collective Investments Scheme and 36ONE BCI SA Equity Fund, 36ONE BCI Equity Fund, 36ONE BCI Flexible Opportunity Fund and 36ONE BCI Global Equity Feeder Fund are co-named portfolios of this scheme. 36ONE is the discretionary financial services provider appointed to render asset management services in respect of these portfolios.

Sanne Management Company (RF) (Pty) Ltd (“Sanne”) is approved by the FSCA in terms of CISCA as a manager of collective investment schemes in hedge funds. Sanne is the manager of the SNN Retail Hedge Fund Scheme (and 36ONE SNN Retail Hedge Fund and 36ONE SNN Absolute Alpha Retail Hedge Fund are co-named portfolios of this scheme) and SNN Qualified Investor Hedge Fund Scheme (and 36ONE SNN QI Hedge Fund is a co-named portfolio of the scheme). 36ONE is the discretionary financial services provider appointed to render asset management services in respect of these portfolios.

BCI and Sanne are both full members of the Association for Savings and Investment SA. We refer to both Sanne and BCI herein as “Mancos” and 36ONE as the “investment manager”.

36ONE Global Equity Fund PC is a portfolio of the SA Alpha PCC Ltd, and is an approved portfolio of a foreign collective investment scheme in terms of section 65 of CISCA.

Investment in participatory interests in collective investment schemes in securities and hedge funds are generally medium to long term investments. Investors should take cognisance of the fact that risks are involved in buying or selling any financial product. The value of participatory interests may go up or down and past performance is not necessarily an indication of or guide to future performance. Neither the Mancos nor the investment manager provides any guarantee in respect of either the capital or the return of a portfolio.

Both Mancos reserve the right, subject to the provisions of the supplemental deed of each respective portfolio, to close and reopen certain portfolios from time to time in order to manage them more efficiently in accordance with its mandate.

Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request from the relevant Manco, free of charge. Additional information, including application forms and annual or quarterly reports can be obtained from the relevant Manco or the investment manager, free of charge. The charges of the most expensive class offered by the relevant Manco for direct investment by members of the public are reflected in the minimum disclosure document available on our website in respect of each relevant portfolio.

DISCLAIMER

Should a performance fee be applicable in respect of an investment, the performance fees will be calculated and accrue on a daily/monthly basis (depending on whether it is a collective investment scheme in security or hedge funds), based upon the daily/monthly outperformance, in excess of the benchmark, multiplied by the share rate. Performance fees are paid over to the investment manager monthly.

Performance figures quoted in this document are from either Morningstar, Bloomberg, Maitland, Maitland Guernsey, or Sanne (as applicable) as at the date of publication of this document, for a lump sum investment using either NAV-NAV with income reinvested or mandate specific parameters. Such performance figures do not take any upfront manager's charge into account.

Income distributions are declared on the ex-dividend date.

Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and applicable dividend withholding tax.

Annualised return is the weighted average compound growth rate over the period measured.

The highest and lowest calendar year performance since inception for each fund can be found on the relevant funds latest fund fact sheet available on our website www.36one.co.za.

Actual annual figures are available to the investor on request. For full performance history and relative benchmark performance, please refer to the minimum disclosure documents found on our website listed above.

A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

Investments in foreign securities may include additional risks, such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

BCI and Sanne retain full legal responsibility for third-party-named portfolios.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, the use of such information is entirely at the risk of a client, investor or intermediary ("User") and accordingly neither the investment manager, the Mancos, affiliated companies, officers nor personnel shall be liable for any direct or indirect claim, damages, loss or expense incurred by the User, however arising, out of or in connection with the use of the information in this document.

Prior to selecting a financial product or portfolio in which to invest, it is recommended that investors seek independent, specialised financial, legal and tax advice in this regard. The information contained herein should not be construed by a User as an investment recommendation in respect of any financial product or an invitation to a User to invest in any financial product without having considered all of the associated risks. We do not imply that any specific financial product is suitable to the User.