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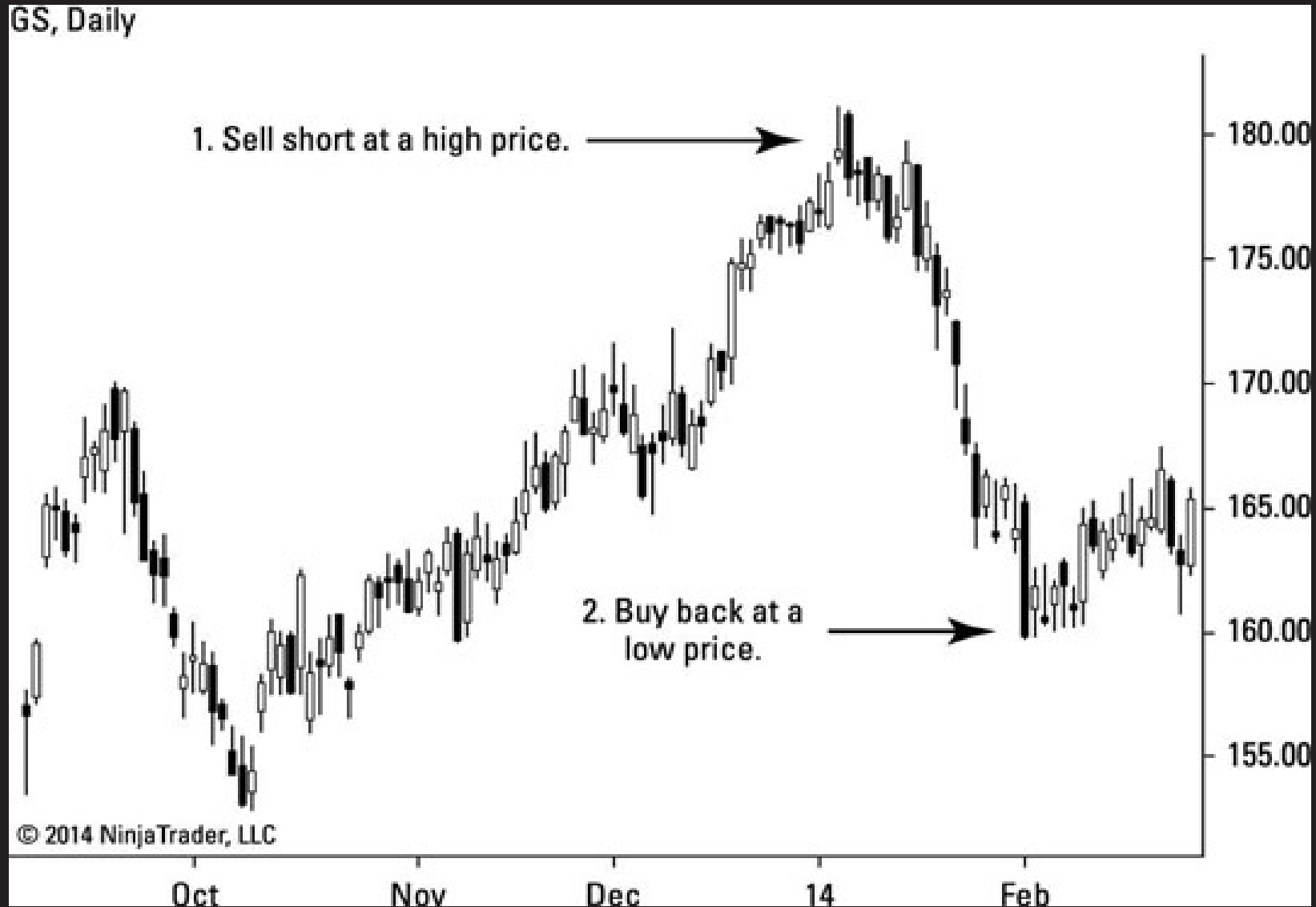
A long/short equity strategy in volatile markets

Portfolio Manager – Clarissa Van Der Westhuyzen

6 May 2024

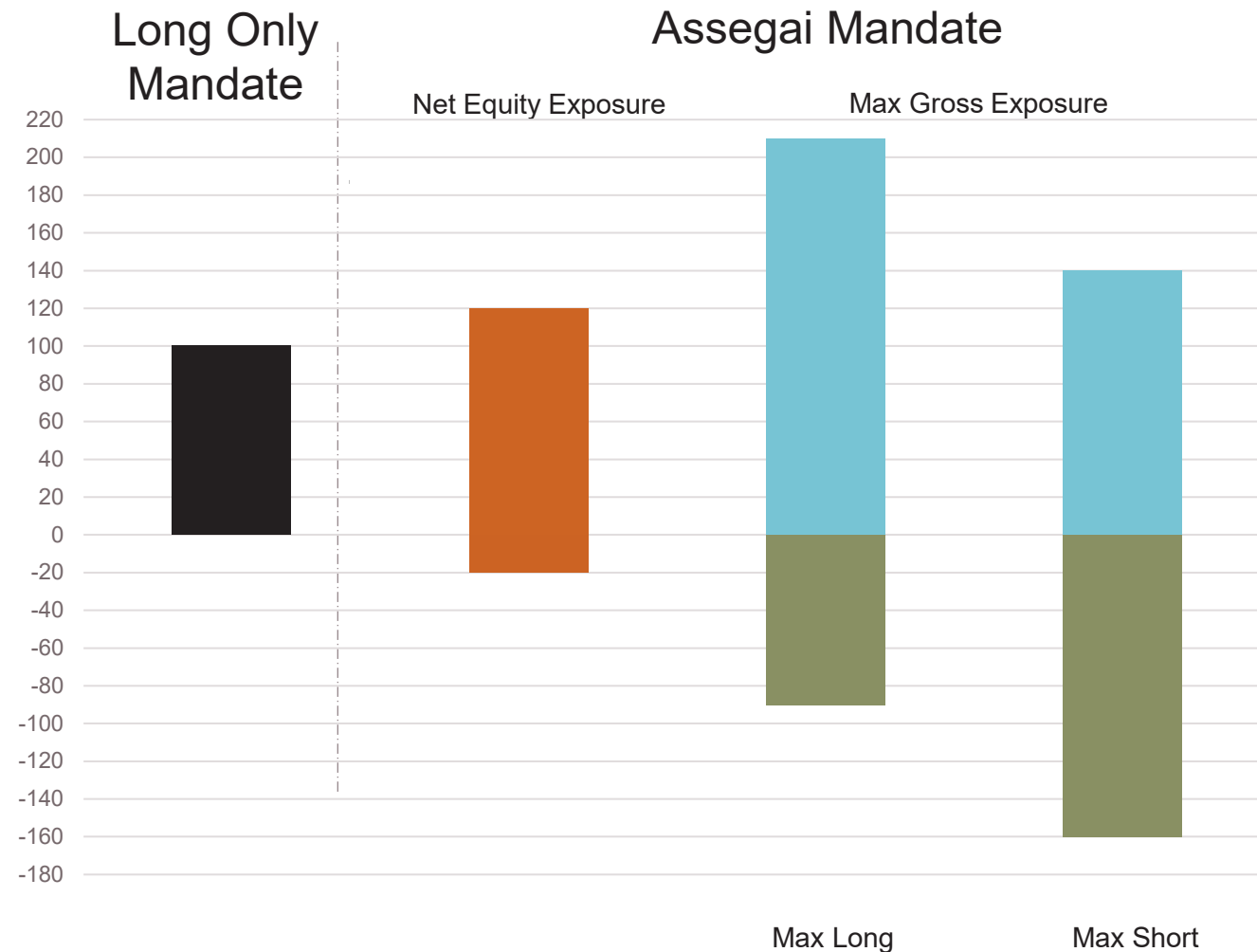


Short selling – the basics



How is a long/short hedge fund different?

Fund Portfolio Construction Range & Tools



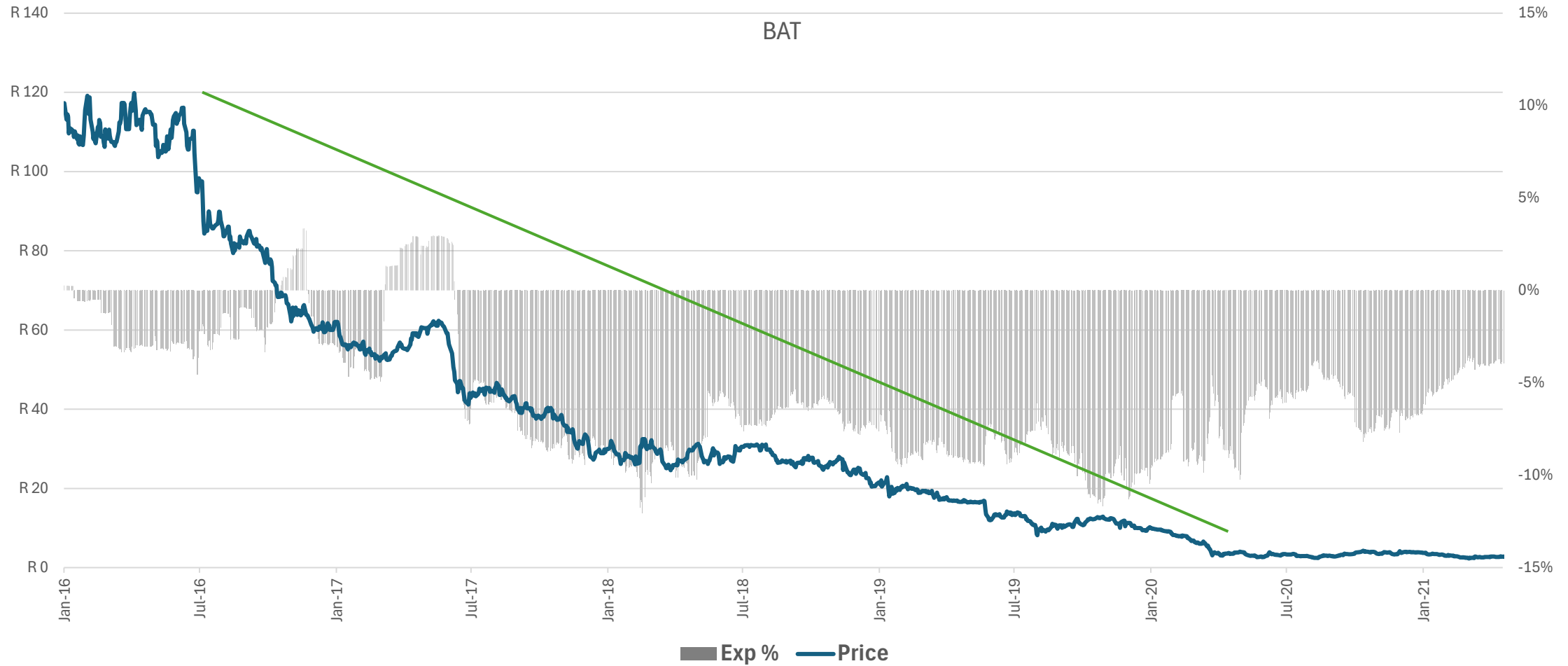
Additional Hedge Fund tools introduce **leverage & risk management** :

- Cross-sector pairs
- Intra-sector pairs
- Portfolio hedges
- Outright shorts



Brait

Long and Short Exposure vs the Share Price

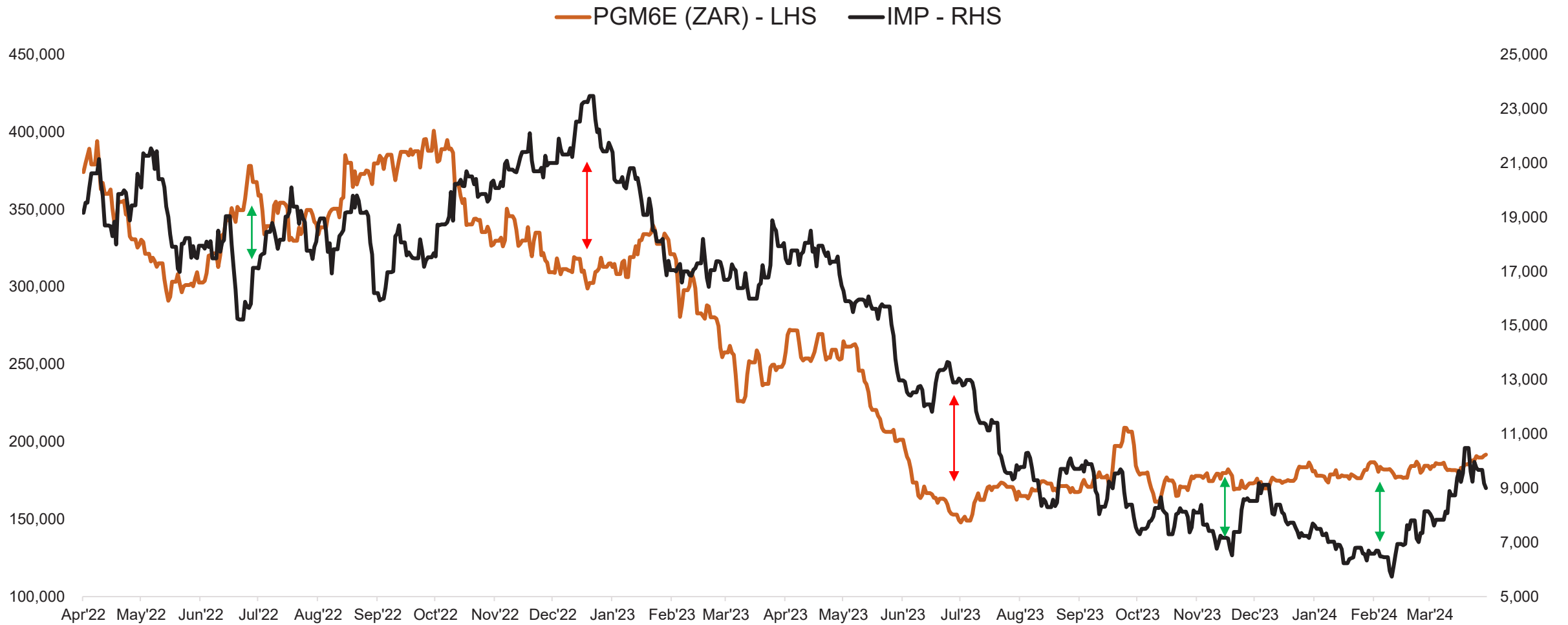


Source: Fairtree, Bloomberg.

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Alpha opportunities

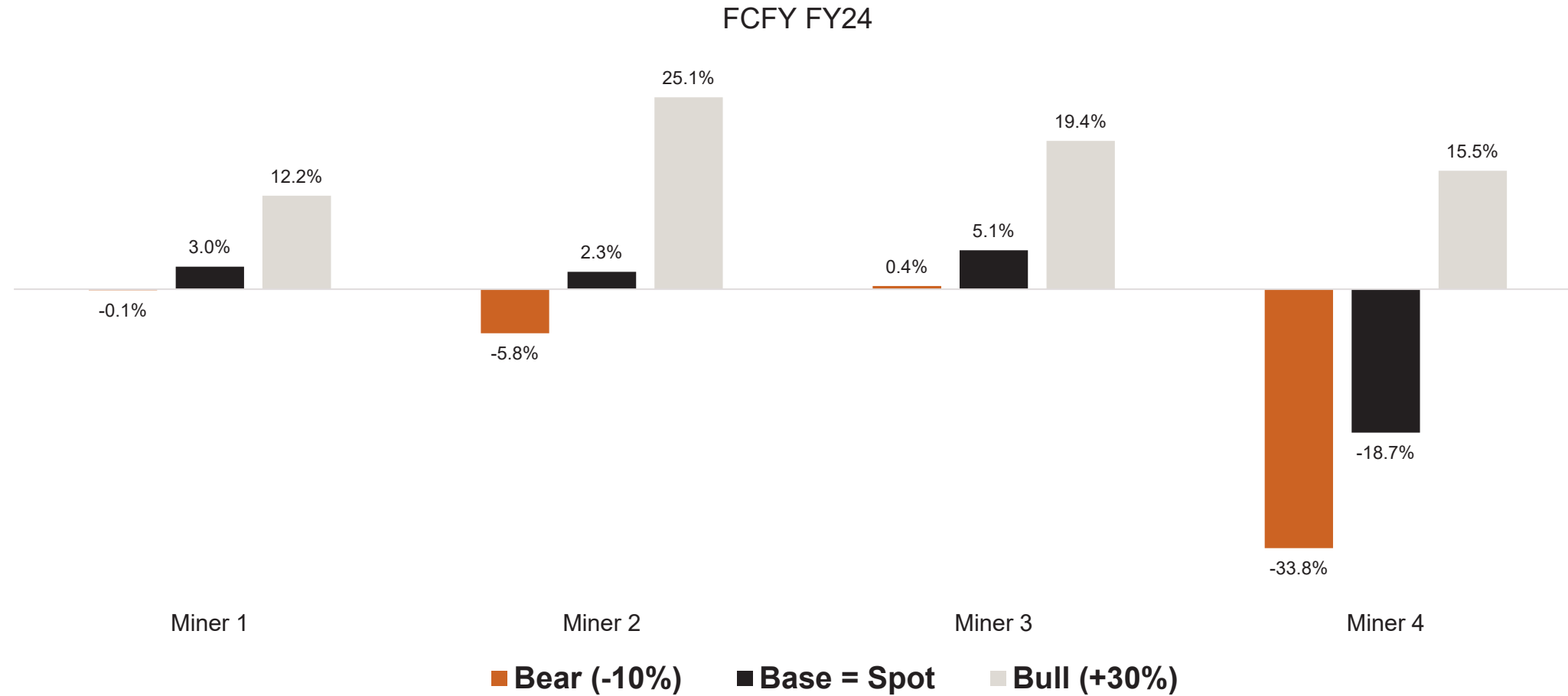
Platinum metals disconnects, which creates opportunities



Source: Fairtree, Bloomberg.

Intra-sector opportunities in Platinum

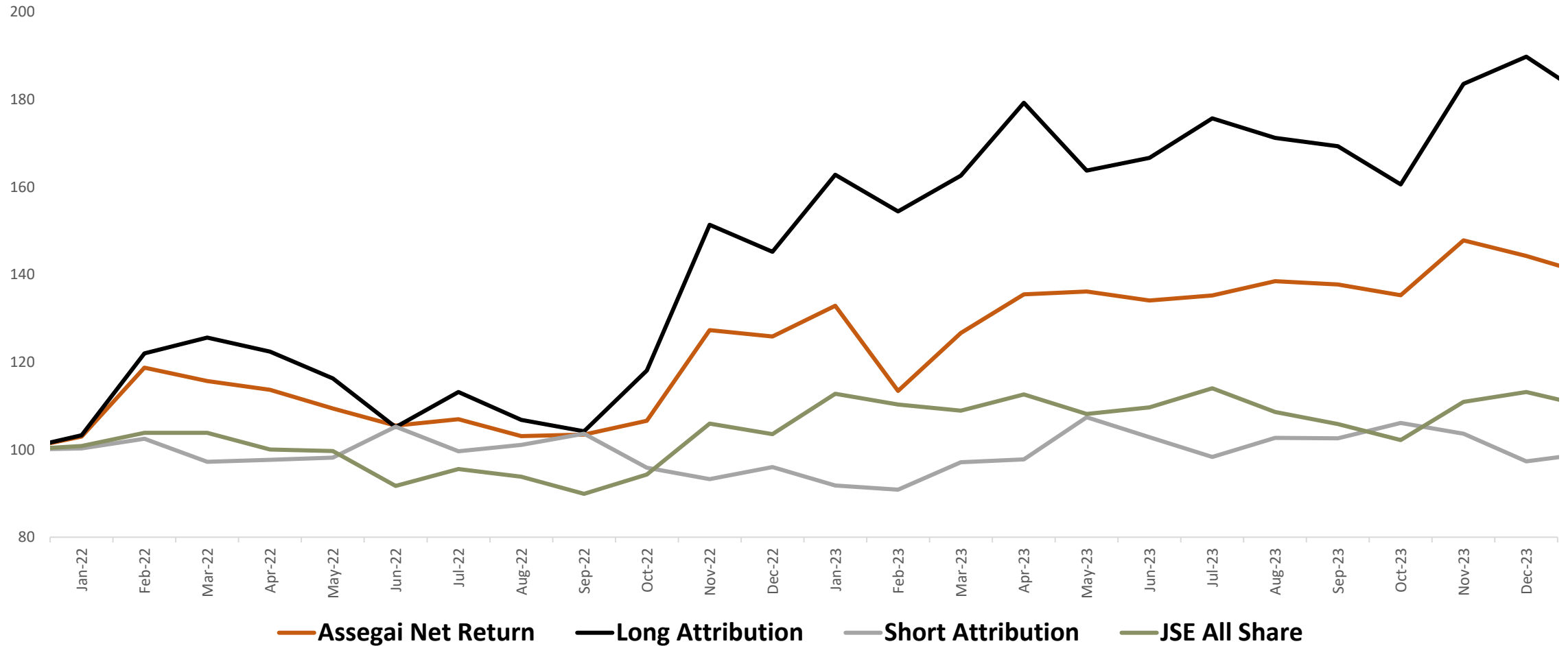
An opportunity to be both long and short



Source: Company reports, Fairtree models.

Assegai Performance vs the JSE All Share TR

Cumulative returns in a Flat Market ('22 to '23)

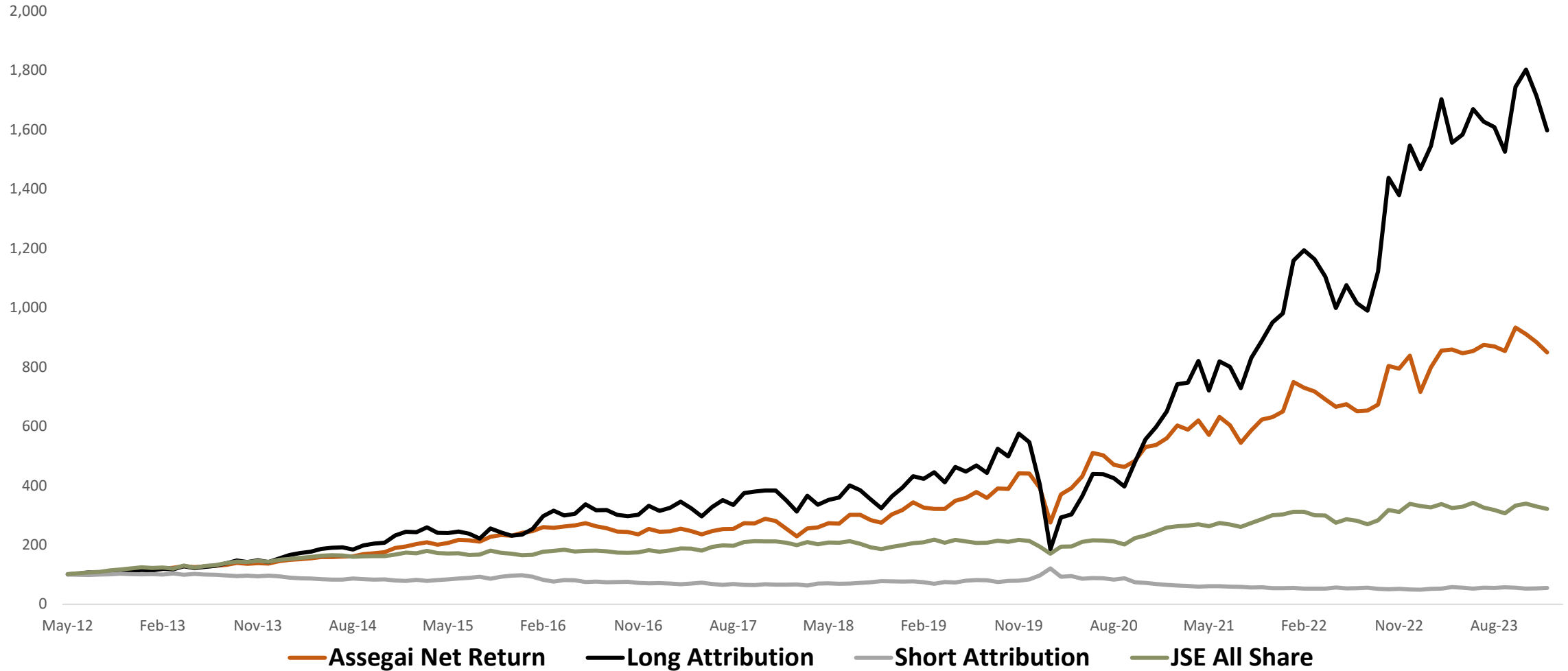


Source: Bloomberg, Fairtree.

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Long versus short attribution

Cumulative returns



Source: Bloomberg, Fairtree.

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NO THANKS, YOU GO AHEAD, I'VE BEEN RIDING THIS ONE FOR YEARS.



SIGNIFICANT RISK

STAHLER.
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Collective Investment Schemes may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. The Manager does not provide any guarantee with respect to the capital or the return of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. Investors should note that the value of an investment is dependent on numerous factors which may include, but are not limited to, share price fluctuations, interest and exchange rates and other economic factors. Performance is further affected by uncertainties such as changes in government policy, taxation and other legal or regulatory developments.

The performance of a portfolio is dependent on making correct assessments of the price movements of securities and other investment instruments. Financial markets have historically exhibited high levels of volatility and negative movements that have affected the price of all assets within a specific class and accordingly, a portfolio’s investments will be subject to market risk. Through financial gearing via the long/short process, the portfolio may be leveraged. This will mean enhanced positive gains but conversely may mean magnified losses. No taxation has been deducted in the computation of returns. The taxation treatment of returns is the investor’s responsibility. All returns are disclosed net of performance fees





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Thank you

