

FAIRTREE CAUTIOUS MULTI-MANAGED PORTFOLIO

Wrap

FAIRTREE

28/02/2019

Investment Profile

Investment Manager:	Fairtree Asset Management
Risk Profile:	Low to Medium
Investment Horizon:	2-3 years
Platform availability:	Investec, Stanlib, Glacier, Momentum & PPS
Launch date:	01/05/2012
Total number of holdings:	8
Benchmark:	(ASISA) South African MA Low Equity

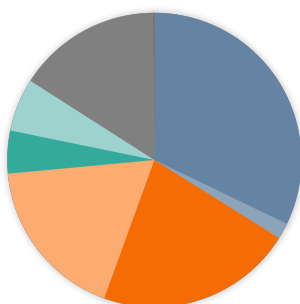
Investment Objectives

The Fairtree Cautious Multi-Managed Portfolio aims to outperform the benchmark net of investment management fees, over any rolling 3 year period. The portfolio is diversified across the major asset classes utilizing a multi-manager approach, whereby fund managers are combined based on their skills and expertise. The available asset classes include: bonds, equity securities, non-equity securities, money market instruments, preference shares, property securities and assets in liquid form. The portfolio may invest in foreign assets as permitted by legislation and complies with Regulation 28 that applies in terms of Retirement Fund legislation.

Solution Holdings

	Allocation (%)
STANLIB Income R	18.00
Fairtree Flex Income Plus Prescient B1	16.00
Fairtree Smart Beta Prescient B1	16.00
Fairtree Global Smart Beta Prescient B3	12.00
Coronation Strategic Income P	11.00
Coronation Optimum Growth P	5.00
Fairtree Global Real Estate Prescient B3	5.00
Fairtree Select Equity	5.00
STANLIB Absolute Plus B5	5.00
ABSA Property Equity C1	3.00
PSG Equity D	2.00
STANLIB MSCI World Index Feeder ETF	2.00

Asset Allocation



Local Bonds - 32.17%
Foreign Bonds - 1.76%
Local Equities - 21.66%
Foreign Equities - 17.99%
Local Properties - 4.70%
Foreign Properties - 5.83%
Local Cash - 15.81%
Foreign Cash - -0.04%
Local Other - 0.11%
Foreign Other - 0.01%

Monthly Returns

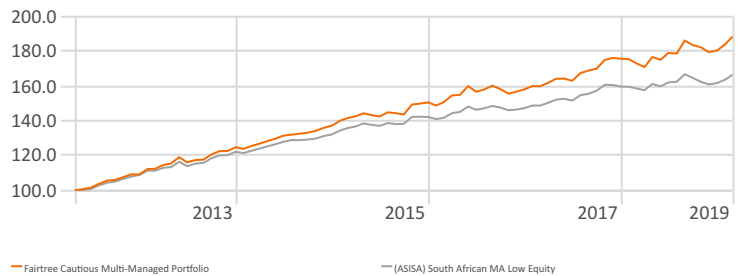
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	1.97	2.44											4.46
2018	-0.19	-1.32	-1.25	3.40	-0.90	2.25	-0.24	4.21	-1.41	-0.70	-1.52	0.49	2.65
2017	1.21	-0.12	1.27	1.43	0.04	-0.77	2.71	0.91	0.59	2.94	0.68	-0.24	11.12
2016	-1.19	1.30	2.57	0.17	3.29	-2.05	0.81	1.40	-1.20	-1.70	0.75	0.88	5.00
2015	2.08	1.07	0.73	1.20	-0.70	-0.58	1.69	-0.35	-0.52	3.99	0.37	0.47	9.76
2014	-0.72	1.27	1.07	1.17	1.09	1.34	0.44	0.41	0.45	0.80	1.26	0.92	9.93
2013	2.86	0.09	1.94	0.81	3.14	-2.52	1.15	0.18	2.54	1.59	0.05	1.78	14.32

Performance Comparison

	1 M	3 M	6 M	1 Y	3 Y	5 Y	YTD
Fairtree Cautious Multi-Managed Portfolio	2.44	4.97	1.21	8.87	7.72	8.47	4.46
(ASISA) South African MA Low Equity	1.75	3.48	-0.19	5.00	5.52	6.29	3.00
FTSE/JSE All Share TR ZAR	3.41	10.83	-3.09	-0.90	7.35	6.56	6.31
Beassa ALBI TR ZAR	-0.44	3.10	5.57	4.21	10.59	8.43	2.45
SA CPI Synthetic (Headline)	-0.18	-0.18	0.65	4.00	4.98	5.11	-0.36

Cumulative Performance

Time Period: 2012/05/01 to 2019/02/28



Correlation

Time Period: 2012/05/01 to 2019/02/28

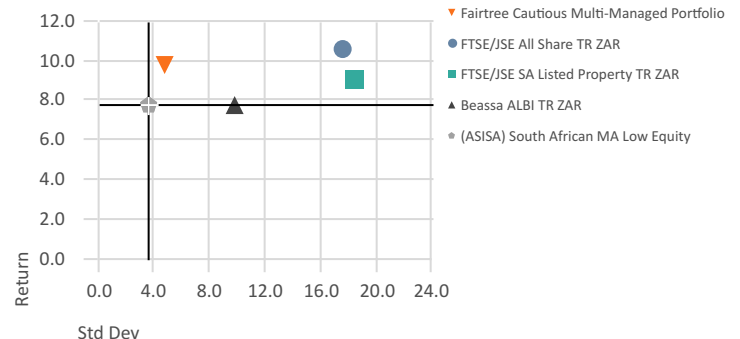
	1	2	3	4	5	6
1 FTSE/JSE All Share TR ZAR	1.00					
2 Fairtree Cautious Multi-Managed Portfolio	0.52	1.00				
3 (ASISA) South African MA Low Equity	0.64	0.82	1.00			
4 FTSE/JSE SA Listed Property TR ZAR	0.44	0.29	0.37	1.00		
5 Beassa ALBI TR ZAR	0.16	-0.12	-0.02	0.40	1.00	
6 STeFI Composite ZAR	-0.01	-0.03	-0.04	-0.02	0.02	1.00

■ Positively Correlated

■ Negatively Correlated

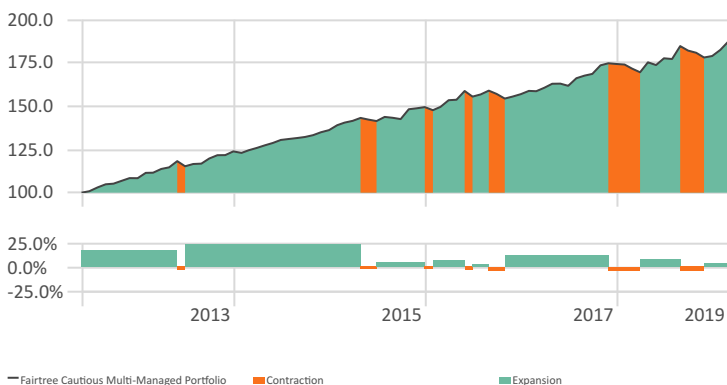
Risk vs Return

Time Period: 2012/05/01 to 2019/02/28



Investment Growth

Time Period: 2012/06/01 to 2019/02/28



Correlation - Underlying Funds

Time Period: Since Common Inception (2017/04/01) to 2019/02/28

	1	2	3	4	5	6	7	8	9
1 Fairtree Cautious Multi-Managed Portfolio	1.00								
2 Coronation Strategic Income P	0.27	1.00							
3 Fairtree Flex Income Plus Prescient B1	0.11	0.48	1.00						
4 Fairtree Global Smart Beta Prescient B1	0.84	-0.02	-0.05	1.00					
5 Fairtree Smart Beta Prescient B1	0.53	0.50	0.34	0.04	1.00				
6 STANLIB Income R	-0.13	0.18	0.41	-0.11	0.00	1.00			
7 Fairtree Global Real Estate Prescient B1	0.74	0.05	-0.03	0.84	-0.08	-0.16	1.00		
8 ABSA Property Equity C1	0.58	0.41	-0.09	0.37	0.33	-0.19	0.39	1.00	
9 Fairtree Worldwide Flexible Multi-Strategy Fund	0.96	0.16	0.12	0.93	0.36	-0.05	0.78	0.43	1.00

■ Positively Correlated

■ Negatively Correlated

Fund Allocation

Fund	Allocation (%)
Fairtree WW MultiStrat Flex Prescient A1	30.00
STANLIB Income R	18.00
Fairtree Flex Income Plus Prescient B1	14.00
Fairtree Smart Beta Prescient B1	13.00
Coronation Strategic Income P	10.00
Fairtree Global Smart Beta Prescient B1	8.00
Fairtree Global Real Estate Prescient B1	4.00
ABSA Property Equity C1	3.00

Market Commentary

Figures released during February shows the largest emerging market economy (China) decelerated in 2018. We believe the 2019 trajectory is dependent upon both fiscal and monetary policy with additional stimulus possibly supporting the economy in the coming months. The US government shutdown was suspended after five weeks – the longest in history – without progress on the border wall. The Congressional Budget Office (CBO) estimates an \$11bn cost to GDP, representing a 0.4% drag on Q1 growth. While most of the drag will be recovered in Q2, the impact on consumer and business sentiment may not be.

In local markets, Resources continued its upward trajectory, taking the year-to-date figures to 11.1% after a significant 8% increase in February. The Equity market remained buoyant, gaining 3.4% in February, bringing the year-to-date figure to an impressive 6.3%. Industrials were up 4.1% for the month and Financials were down 2.1% and although Property ended the month 5.7% in the red, it remains positive with gains of 3% year-to-date. The Rand weakened 5.1% as Eskom's woes weighed heavily on the economy and Bonds were marginally down 0.4%. Amongst the best performing shares were resource companies such as BHP Group (10.7%), Anglo American (10.2%) and AngloGold Ashanti (8%). Retailers continue to trade under significant pressure and were amongst the worst performing shares during February, led by Woolworths and Truworths down 8.8% respectively. Four years ago, the Kumba Iron Ore's share price was R25. Four years later, it paid a dividend of R30 proving that the cycle does turn and that management has done a fantastic job and streamlining operations, bringing down debt levels and ensuring increased efficiency in operations.

Disclaimer

Please note that this is not an official fund fact sheet. The information presented in this document has been obtained from external data providers believed to be reliable. Even though reasonable effort has been made in order to confirm the correctness and completeness of the data, Fairtree Invest (Pty) Ltd does not guarantee the accuracy or timeliness of all information available from public sources. This information is not intended to serve as investment advice, nor does it take into consideration individual investor objectives, circumstances or constraints. The material is provided for reporting and informational purposes only. It is under no circumstances an offer or solicitation to buy or sell any securities.

Statistics

Time Period: 2012/05/01 to 2019/02/28

	Return	Sharpe Ratio	Sortino Ratio	Std Dev
Fairtree Cautious Multi-Managed Portfolio	9.70	0.63	1.00	4.83
(ASISA) South African MA Low Equity	7.74	0.47	0.56	3.65
FTSE/JSE All Share TR ZAR	10.56	0.40	0.46	17.61
FTSE/JSE SA Listed Property TR ZAR	9.03	0.28	0.32	18.52
Beassa ALBI TR ZAR	7.74	0.22	0.24	9.84
STeFI Composite ZAR	6.53			0.30

Investment Performance Detail

Time Period: 2012/05/01 to 2019/02/28 Calculation Benchmark: (ASISA) South African MA Medium Equity

	Up Period %	Down Period %	Best Month	Worst Month	Best Quarter	Worst Quarter
Fairtree Cautious Multi-Managed Portfolio	73.17	26.83	4.21	-2.52	4.94	-2.74
(ASISA) South African MA Low Equity	71.95	28.05	2.87	-2.15	4.19	-1.83
FTSE/JSE All Share TR ZAR	60.98	39.02	8.51	-5.76	12.53	-5.97
FTSE/JSE SA Listed Property TR ZAR	65.85	34.15	9.48	-11.09	13.69	-19.61
Beassa ALBI TR ZAR	62.20	37.80	6.47	-6.67	8.06	-6.43
STeFI Composite ZAR	100.00	0.00	0.65	0.39	1.86	1.25

Fees

Asset Management Fee:	0.70% (excl. VAT)
Model Portfolio Fee:	0.50% (excl. VAT)