

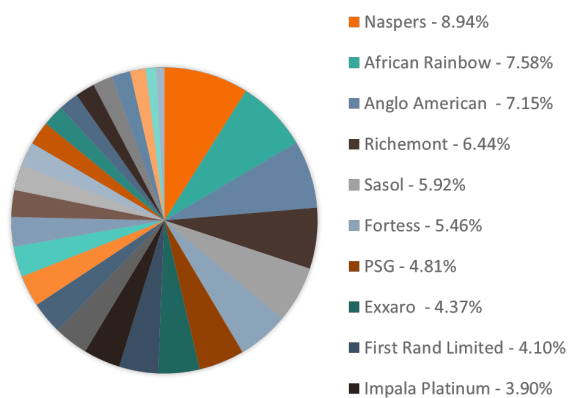
Investment Objectives

Investment Manager:	Fairtree Asset Management
Risk Profile:	High
Investment Horizon:	5 years
Platform availability:	RMB
Total number of holdings:	26
Benchmark:	FTSE/JSE Top 40 Capped PR ZAR

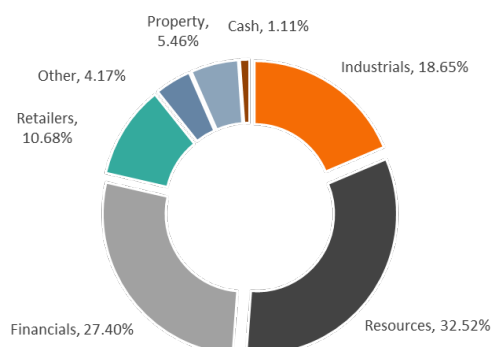
Investment Objectives

The Fairtree Select Portfolio is a high conviction concentrated stock portfolio of listed equities across all the sectors of the JSE Securities Exchange of South Africa. The portfolio aims to provide an aggressive risk growth opportunity from local equity exposure and aims to outperform the benchmark net of fees over a rolling five year period. A combination of macro factors and bottom-up fundamental research driven approach helps us to identify exceptional businesses that should deliver market beating performance. The portfolio is balanced between Resource exposure, SA Consumer exposure, Defensive equity exposure and Global consumer plays. We wish to provide clients with long term capital growth and income in a portfolio of high quality listed businesses.

Top 10 Holdings



Sector Exposure



Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	3.45	4.73	-1.65										6.55
2018	1.54	-0.67	-4.56	4.42	-1.75	2.46	1.18	7.11	-4.57	-6.02	-2.07	5.78	1.90
2017	3.89	-1.38	1.84	5.24	0.08	-3.69	6.61	1.90	0.10	5.82	0.70	-1.53	20.75
2016	-6.05	1.78	9.83	-0.72	1.88	-2.34	3.89	-1.23	-2.30	-3.67	-0.63	0.56	0.10
2015	6.40	6.09	0.04	2.63	-2.65	0.42	0.67	-2.54	-2.62	7.06	-0.66	-3.91	10.64
2014	-5.43	9.82	1.67	0.56	3.54	4.92	1.11	-1.09	-0.89	6.75	2.84	0.17	25.79

Performance Comparison

	1 M	1 Y	3 Y	4 Y	5 Y	YTD
Fairtree Select Equity	-1.65	12.78	7.71	6.48	11.58	6.55
FTSE/JSE Top 40 Capped PR ZAR	-0.36	0.35	1.50	1.19	2.47	5.28
(ASISA) South African EQ Financial	-3.88	-5.00	2.59	0.98	5.70	-0.02
(ASISA) South African EQ Industrial	3.69	-3.92	-3.03	-0.49	3.55	8.79
(ASISA) South African EQ Resources	3.45	38.91	16.92	14.16	8.10	14.01
FTSE/JSE All Share TR ZAR	1.56	5.04	5.68	5.05	6.50	7.97
StEfi Composite ZAR	0.61	7.26	7.43	7.22	7.01	1.77

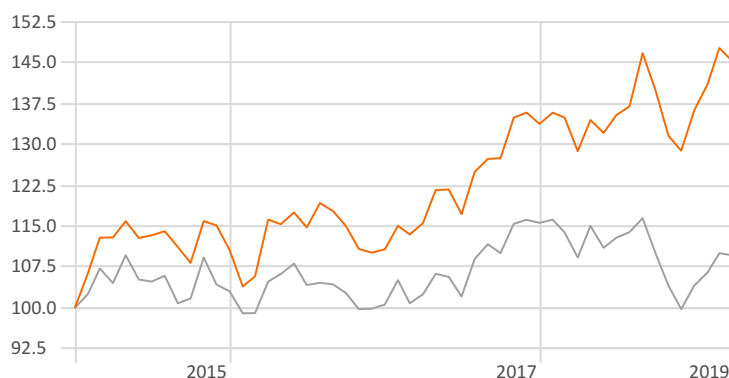
Statistics

Time Period: 2015/01/01 to 2019/03/31

	Return	Sharpe Ratio	Sortino Ratio	Std Dev
Fairtree Select Equity	9.17	0.21	0.33	12.98
FTSE/JSE Top 40 Capped PR ZAR	2.19	-0.35	-0.47	11.73
(ASISA) South African EQ Financial	3.16	-0.25	-0.35	12.44
(ASISA) South African EQ Resources	12.94	0.38	0.60	18.37
(ASISA) South African EQ Industrial	0.82	-0.41	-0.51	13.00
FTSE/JSE All Share TR ZAR	6.15	-0.03	-0.04	11.51
StEfi Composite ZAR	7.17			0.13

Cumulative Performance

Time Period: 2015/01/01 to 2019/03/31



— Fairtree Select Equity

— FTSE/JSE Top 40 Capped PR ZAR

Market Commentary

Against the general expectation, but as was the case in late 2018, Moody's credit agency again decided to skip (as they are entitled to do) a scheduled pronouncement on SA's sovereign credit rating on Friday. This implies that the rating remains at one notch above sub-investment grade, with a stable outlook. Domestic financial markets responded positively to the news. Although Moody's reprieve is cause for relief, the current environment of weak SA real GDP growth and numerous fiscal risks, suggest that the risk of a rating outlook change and ultimately a credit downgrade will remain in the foreseeable future. Before the Moody's decision, the Monetary Policy Committee (MPC) decided to keep the repo rate unchanged. Other domestic news included an acceleration in producer inflation, an improvement in employment numbers and a modest trade surplus in February.

During the month, the local Equity market gained 1.6% in March and 8.0% in the first quarter, almost recovering the losses experienced in 2018. Resources, the best performing sector, gained 4.6% while Financials lost 4.8%. In line with Emerging market currency weakness, the Rand weakened 2.9%. Bonds were up 1.3% while Property lost 1.5% for the month. The best performing shares were dominated by rand hedges such as British American Tobacco (18.7%), MTN (10.1%), Naspers (9.4%) and BHP Group (8.8%). Amongst the worst performing shares were financial companies such as Absa (-15.8%), Nedbank (-11.7%) and Discovery (-10.6%). Aspen, the worst performing share, plunged 33% following poor results and cashflow concerns.

In the US, the headline ISM Manufacturing number rebounded in March to 55.3 from 54.2, beating expectations of 54.5. The new orders component also gained momentum, even against inventories. An improving new orders-to-inventories ratio is one of the most positive signals for growth and stocks one can envision. This suggests that U.S. growth is in the process of turning the corner, and the recent batch of poor news is arriving to an end.

China's closely watched PMI manufacturing gauges rebounded more sharply than expected in March, adding to the market narrative that the worst may be over for the world's second-largest economy. Both the small and medium sized enterprise-focused private PMI (50.8 vs. consensus 50.0) and the state-owned-enterprise heavy official gauge (50.5 vs. consensus 49.5) returned to expansionary territory. Markets rallied on the turn in business sentiment, with the Hang Seng China Enterprise index rising 1.7% and the onshore CSI 300 adding another 2% to reach a one-year high. Chinese growth is now showing signs of having bottomed out.

Disclaimer

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