

INVESTMENT OBJECTIVE

The Fund will aim to deliver an annualised return of ALBI plus 1%, after fees, which comprises a reasonable level of income as well as capital performance. Due to the nature of the bond type investments, the majority of the returns through the cycle will be dominated via quarterly income distributions.

INVESTMENT POLICY

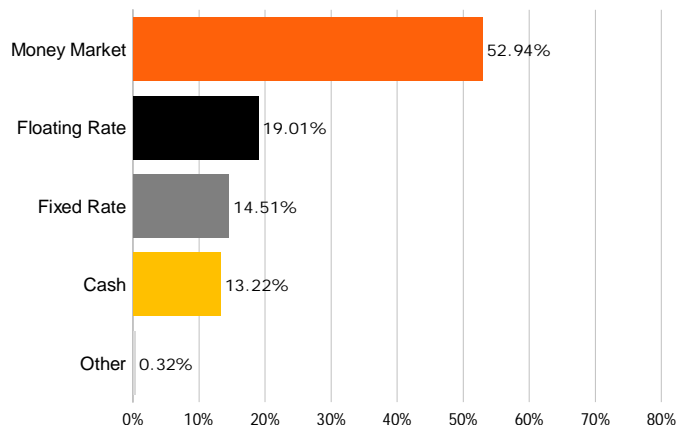
The main objective of the fixed income team is to provide superior risk-adjusted returns over and above the published All Bond Index (ALBI) to our clients irrespective of market conditions. We believe that markets are not always efficient and therefore present mispriced opportunities, which can be taken advantage of to generate excess returns. We aim to seek out mispriced risk in the market consisting of inter and intra market arbitrage. The fund looks to take advantage of any short or long-term anomalies in the market, whilst minimising any risks associated with running those positions.

A disciplined approach to quantitative analysis within a team framework can help identify these mispriced assets. We believe that a team-based quantitative approach to the valuation of assets, combined with cutting-edge portfolio construction techniques and risk management help build a fund to achieve the stated objectives of superior risk-adjusted returns.

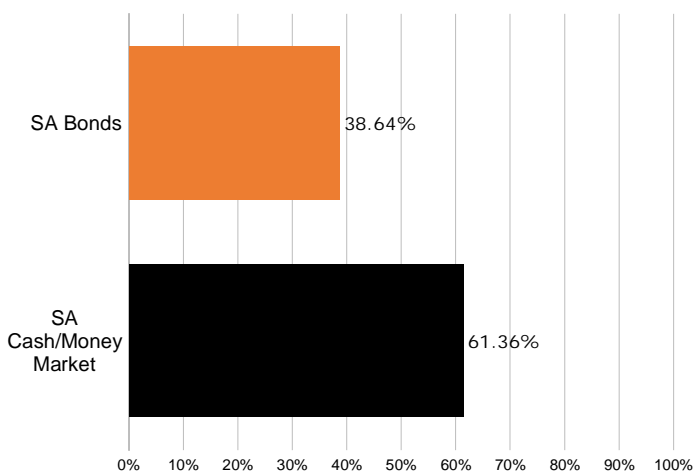
HISTORICAL PERFORMANCE SINCE INCEPTION

Performance data currently not available

INTEREST BEARING ALLOCATION(%)



ASSET ALLOCATION



FUND INFORMATION

Portfolio Manager(s):

Paul Crawford
 BSc Eng(Elec), MBA, CFA
 Joined Fairtree in 2013



Sören Königkrämer

B Bus Sci (Actuarial Science), M Phil
 Joined Fairtree in 2014



Inception date:

18 April 2017

Fund size (in Millions):

R 35.4

JSE code:

FPPA1

Unit Price:

99.82

ISIN Number:

ZAE000236477

Domicile:

South Africa

Fund Structure:

CISCA (Unit Trust)

Fund Category:

South African - Interest Bearing - Variable Term

Regulation 28 Compliant:

Yes

Cost Ratios (incl. VAT):

Total Expense Ratio (TER%):

Please note the Total Expense Ratio and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product and the funds TER will be available after one year.

Performance fee incl. in TER (PF%):

Transactions Costs Ratio (TC%):

Total Investment Charges (TIC%):

Fees:

Initial Fee - Adviser (incl. VAT): 0%

Annual management fee: 0.741% (incl. VAT)

Performance fee: N/A

Benchmark:

ALBI plus 1% p.a.

Analysis Currency:

ZAR

Minimum Investment:

R50,000 Lump sum or R1,000 p/m debit order

Please see Disclosures and Glossary section for further information on Cost Ratios

Income Distribution:

Declaration:

Quarterly (March, June, September, December)

Payment:

1st business day of Apr/Jul/Oct/Jan

Distribution Total for the past 12 months:

(June, September and December)
 8.17 cents per unit

Management and administration:

Prescient Management Company (RF) (Pty) Ltd

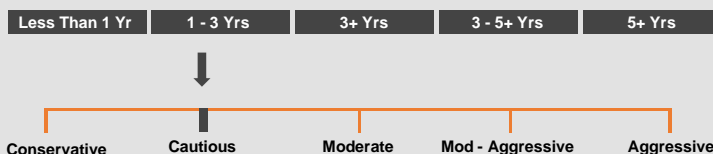
Valuation time of fund:

15:00

Transaction cut-off time:

15:00

RISK PROFILE



Risk Level: Cautious

This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, 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. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

GLOSSARY

Annualised performance	Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.
Highest & Lowest return	The highest and lowest returns for any 1 year over the period since inception have been shown.
NAV	The net asset value represents the assets of a Fund less its liabilities.
Alpha	Denoted the outperformance of the fund over the benchmark.
Sharpe Ratio	The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.
Sortino Ratio	The Sortino Ratio is used to measure the risk-adjusted return of the fund.
Standard Deviation	The deviation of the return stream relative to its own average.
Max Drawdown	The maximum peak to trough loss suffered by the Fund since inception.
Max Gain	Largest increase in any single month.
% Positive Month	The percentage of months since inception where the Fund has delivered positive return.
Average Duration	The weighted average duration of all the underlying interest bearing instruments in the Fund.
Average Credit quality	The weighted average credit quality of all the underlying interest bearing instruments in the Fund (internally calculated).
Dividend Yield	The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.
PE Ratio	The weighted average price earnings ratio of all the underlying equity in the Fund. The price earnings ratio of each company is the price divided by the earnings per share.
High Water Mark	The highest level of performance achieved over a specified period.
Total Expense Ratio (TER%)	The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product.
Performance fee incl. in TER (%) PF (%)	The Performance Fee is a payment made to the Fund Manager for generating positive returns, and is generally calculated as a percentage of investment profits, often both realized and unrealized.
Transactions Costs (TC%)	The Transaction Costs (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product.
Total Investment Charges (TIC%) = TER (%) + 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).

DISCLAIMER

Management Company: Prescient Management Company (RF) (Pty) Ltd., **Registration number:** 2002/022560/07, **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 **Postal address:** PO Box 31142, Tokai, 7966. **Telephone number:** 0800 111 899 **E-mail:** info@prescient.co.za **Website:** www.prescient.co.za

Trustees: Nedbank Trustees, Nedbank Investor Services, **Physical address:** 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709. **Telephone number:** +27 11 534 6557 **Website:** www.nedbank.co.za

Investment Manager: Fairtree Capital (Pty) Ltd, **Registration number:** 2004/033269/07 is an authorised Financial Services Provider (FSP25917) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision. **Physical address:** Willowbridge Place, Cnr. Carl Cronje and Old Oak Road, Bellville, 7530. **Postal address:** PO Box 4124, Tygervalley, 7536. **Telephone number:** +27 21 943 3760 **Website:** www.fairtree.com

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate.

CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's 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. During the phase in period TER's do not include information gathered over a full year. 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. It 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 and the TER

The Manager retains full legal responsibility for any third-party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macro-economic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Money market Funds are priced at 1pm all other Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

For any additional information such as fund prices, brochures and application forms please go to www.fairtree.com

Contact details

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PRESCIENT
MANAGEMENT COMPANY

MARKET COMMENTARY

The All Bond Index (ALBI) had a relatively strong January returning 1.91% for the month and ending at a level of 589.90. Strong, especially when compared to equities. The TOP40 returned a mere 20 basis points (bps) during the month with close to 4% being written off towards the tail end of the month. STEFI returned 64 bps for the month. The first MPC meeting of the year went by without much incident and the repo rate remained unchanged at 6.75%.

Relative to its benchmark, the Fairtree ALBI Plus Prescient Fund underperformed by returning 51 bps for January, 140 bps below the All Bond Index. The underperformance of the fund can be attributed to bond-swap spreads tightening significantly during the month. The bond-swap spread (I-spread) of the R186 tightened by 21 bps during the month. The I-spread ended the month at 47.2 points, its lowest point in over 12 months. This low I-spread is most likely due to rising confidence in government and hopes for long-awaited changes in South Africa. The tightening I-spread, albeit a positive sign for South Africa, resulted in underperformance through rates hedges.

February will be a very topical month, not necessarily in credit, but rather in the reaction of rates and bonds to the upcoming State of the Nation Address and the Budget speech. We expect a balanced budget and will wait in anticipation with the rest of the country for any political events during the month. We will not be point forecasting and positioning the fund according to views on the outcomes of the Budget speech and potential political interruptions. However, the fund is positioned to track the benchmark closely and to add alpha through credit exposure.