

Fairtree Global Real Estate Prescient Fund Minimum Disclosure Document - Class A1

FUND OBJECTIVE

The Fairtree Global Real Estate Prescient Fund objective is to provide our clients access to high quality, international real estate assets that should benefit from capital appreciation while also delivering solid dividends in USD. We aim to outperform our index by analyzing the central economic and political drivers in the various geographies, identifying global property sector trends and studying the specific physical property market and equity fundamentals.

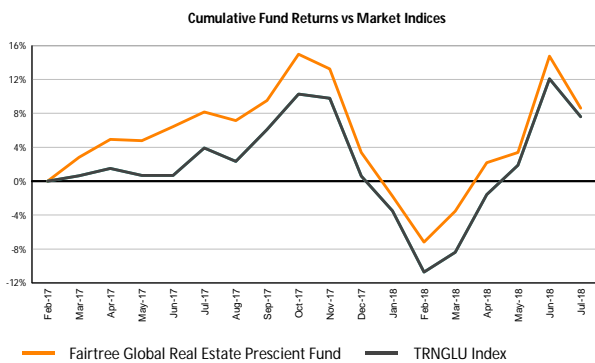
INVESTMENT POLICY

The portfolio has a long term focus, and is well diversified across geographic regions, currencies, real estate sectors and stocks. We will combine our top-down fundamental property market research with rigorous statistical valuation analysis using our proprietary models. We aim to lower portfolio volatility by adjusting the stocks and cash levels actively, while still outperforming our benchmark. We practice active risk management on a portfolio, sector and stock basis including the dynamic use of targets and stops. The fund will invest primarily in real estate equities in the United States, Japan, Hong Kong, Singapore, Australia, Europe and the UK.

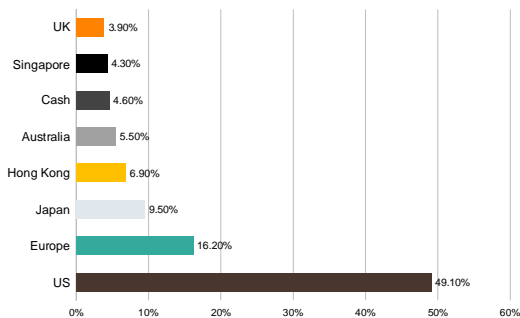
HISTORICAL PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017			2.81%	2.07%	-0.15%	1.58%	1.61%	-0.92%	2.21%	4.97%	-1.50%	-8.70%	3.38%
2018	-4.96%	-5.52%	3.91%	5.95%	1.16%	10.99%	-5.33%						5.08%

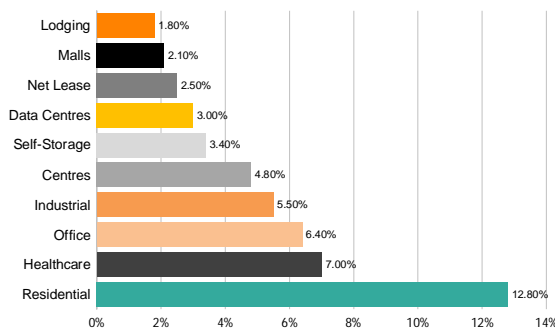
CUMULATIVE FUND RETURNS



PORTFOLIO COMPOSITION



US SECTOR ALLOCATION



ASSET ALLOCATION

5.20% Cash, 94.80% Global Real Estate Equities

FUND INFORMATION

Portfolio Manager(s):

Rob Hart
B.Bus Sci (Financial)
Joined Fairtree in 2016



Ryan Cloete
CA(SA), BComm Rationum (Law & Accounting),
BComm Honours (Accounting)
Joined Fairtree in 2014



Inception date:	28 March 2017
Fund size (in Millions):	R 56.0
JSE code:	FGREA1
Unit Price:	107.96
ISIN Number:	ZAE000243390
Domicile:	South Africa
Fund Structure:	CISCA (Unit Trust)
Fund Category:	Global - Real Estate - General
Regulation 28 Compliant:	No

Cost Ratios:

Total Expense Ratio (TER%):	1.88%
Performance fee incl. in TER (%) (PF%):	N/A
Transactions Costs Ratio (TC%):	0.30%
Total Investment Charges (TIC%):	2.18%
Fees:	Initial Fee - Adviser: 0% Annual management fee: 1.25% (excl. VAT) Performance fee: N/A

Benchmark: TRNGLU Index (FTSE EPRA/NAREIT Developed Index Net TRI USD)

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:	Annually (March)
Payment:	1st working day of April
Distribution Total for the past 12 months:	0.59 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: Aggressive

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.

PERFORMANCE SUMMARY

	Fairtree Global Real Estate Prescient Fund	TRNGLU Index
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Performance comparison

Inception date	Mar-17	Mar-17
Current month	Jul-18	Jul-18
Total period (No. months)	17	17
Analysis currency	ZAR	ZAR

Return analysis

Return for current month	-5.33%	-3.98%
Total return (since inception)	8.63%	7.62%
Average annualised return (since inception)	6.02%	5.32%
Current 12 month rolling return	0.45%	3.55%
Highest rolling 1-year return (since launch)	7.81%	11.31%
Lowest rolling 1-year return (since launch)	-7.17%	-10.73%

Consistency analysis

% Up months (since inception)	58.82%	52.94%
% Up months (last 12 months)	50.00%	50.00%
Standard deviation (since inception - annualised for periods > 12 mths)	16.29%	16.20%

Risk analysis

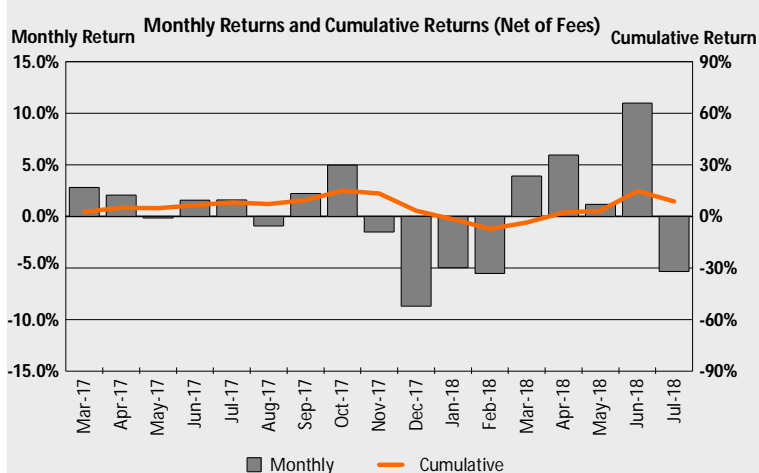
Downside deviation (since inception - annualised Risk Free)	9.92%	9.88%
Largest monthly drawdown	-8.70%	-8.38%
Average monthly drawdown	-3.87%	-3.34%
Largest cumulative drawdown	-19.25%	-19.03%

Risk/ return analysis

Total gain / Total loss	1.38	1.35
Average gain / Largest loss	0.43	0.48
Average gain / Average loss	0.96	1.20
Sharpe ratio (since inception - annualised for periods > 12 mths)	0.00	-0.04
Sortino ratio (since inception - annualised for periods > 12 mths)	0.01	-0.06

Market correlation

Index correlation (TRNGLU Index)	0.96	(Monthly)
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Please note: All fund returns quoted net of fees.

MARKET COMMENTARY

The fund was up 4bps in July in USD, underperforming our index* by 80bps. From a country perspective, we lost 31bps in the US, 20bps in Europe and 10bps in Hong Kong. In the US we suffered from being overweight datacentres and underweight shopping malls, while in Europe weak share price performance from Colonial after results weighed on performance. Overall this was a disappointing result, and we have trimmed our country bets in the interest of prudence.

Our strongest positive performers were an eclectic bunch in July. We tactically bought Singapore-listed Capitaland after the share price fell almost 20% over two months on the back of the Singapore government coming out with draconian measures to calm the residential property market. We felt this was overdone given that only 1% of CAPL's NAV is related to Singapore residential property, and have been rewarded with a recovery bounce, hopefully not a dead cat. The 2nd largest contributor to performance was ADO Properties, the Berlin-focused residential landlord, which rose 5% during the month on the back of continual solid data coming out of the German residential space, aided by contained bond yields. Rounding out the top 3 performers was Dexus, the Australian office landlord, which rose 4.4% on the back of a continuingly strong Sydney office market, being driven by both market rental growth and further cap rate compression.

The strongest negative contributor was US self-storage company Extra Space Storage, which fell 6% during the month. While the stock printed a respectable 3.8% SSNOI growth for 2Q18, the market once again became concerned over implied slowdown in 2H18 growth, from a potential oversupply of new space. The other major negative contributor to performance was Singapore residential developer City Developments for the reasons mentioned above. There were a host of smaller negative contributors, none of which stand out for comment.

Looking forward, we have trimmed the size of our country over and underweights as these have been working against us. We remain underweight the UK, and are overweight Singapore tactically after buying the dip. Japan developers have recently been hit, and we have moved more overweight that sector on the back of attractive valuations and strong Tokyo office fundamentals. In the US, we have increased our overweight position on the industrial sector, and increased our underweight position in the triple net sector. Our largest overweight remains in the residential sector. We have also cut our overweight on the shopping centres to equal weight, and decreased the size of our underweight position in the mall sector.

*FTSE EPRA/NAREIT Developed Index

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 Asset Management (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 86 176 0760 **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. 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.

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

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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