

Fairtree Global Real Estate Prescient Fund

Minimum Disclosure Document - Class A1

October 2017

FAIRTREE
CAPITAL

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

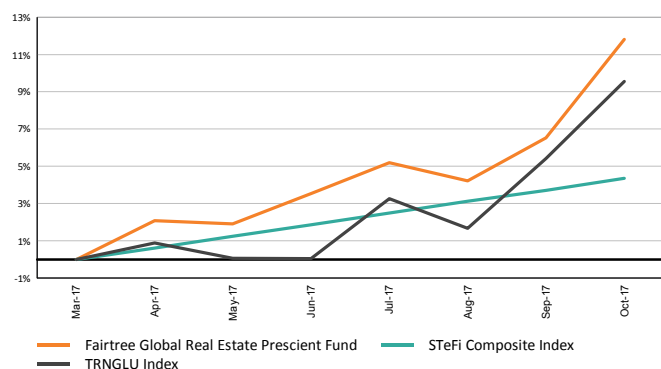
The portfolio has a long term focus, and is well diversified across geographic regions, currencies, real estate sectors and stocks. We will combine our top-down fundamental property market research with rigorous statistical valuation analysis using our proprietary models. We aim to lower portfolio volatility 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

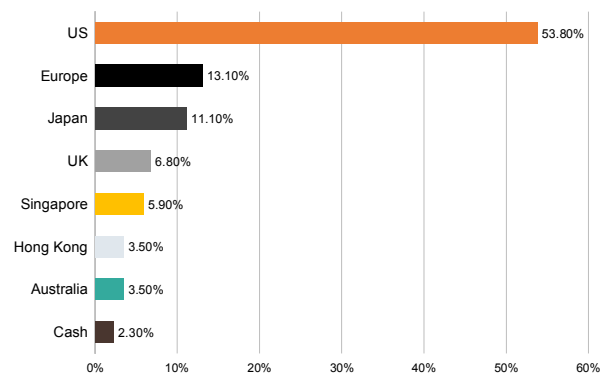
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2017				2.07%	-0.15%	1.58%	1.61%	-0.92%	2.21%	4.97%			11.82%

CUMULATIVE FUND RETURNS

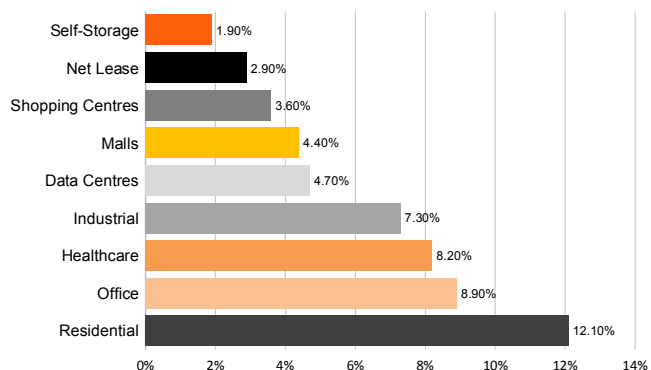
Cumulative Fund Returns vs Market Indices



PORTFOLIO COMPOSITION



US SECTOR ALLOCATION



ASSET ALLOCATION

2.30% Cash, 97.70% 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 33.8
JSE code:	FGREA1
Unit Price:	114.96
ISIN Number:	ZAE000243390
Domicile:	South Africa
Fund Structure:	CISCA (Unit Trust)
Fund Category:	Global - Real Estate - General
Regulation 28 Complaint:	No

Cost Ratios (incl. VAT):

Total Expense Ratio (TER%):
Performance fee incl. in TER %(PF%):
Transactions Costs Ratio (TC%):
Total Investment Charges (TIC%):

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.

Fees:

Initial Fee - Adviser: 0%
Annual management fee: 1.43% (incl. VAT)
Performance fee: N/A

Benchmark:

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

Analysis Currency:

ZAR

Minimum Investment:

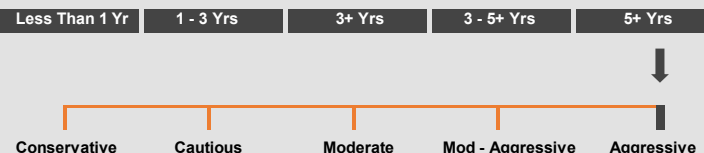
R50,000 Lump sum or R1,000 p/m debit order

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:	0.000 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	STeFi Composite Index
Performance comparison			
Inception date	Apr-17	Apr-17	Apr-17
Current month	Oct-17	Oct-17	Oct-17
Total period (No. months)	7	7	7
Analysis currency	ZAR	ZAR	ZAR
Return analysis			
Return for current month	4.97%	3.92%	0.62%
Total return (since inception)	11.82%	9.55%	4.36%
Average annualised return (since inception)	n/a	n/a	n/a
Current 12 month rolling return	n/a	n/a	n/a
Highest rolling 1-year return (since launch)	n/a	n/a	n/a
Lowest rolling 1-year return (since launch)	n/a	n/a	n/a
Consistency analysis			
% Up months (since inception)	71.43%	57.14%	100.00%
% Up months (last 12 months)	n/a	n/a	n/a
Standard deviation (since inception - annualised for periods > 12 mths)	1.75%	2.09%	0.02%
Risk analysis			
Downside deviation (since inception - annualised Risk free)	1.91%	2.76%	0.02%
Largest monthly drawdown	-0.92%	-1.53%	n/a
Average monthly drawdown	-0.54%	-0.78%	n/a
Largest cumulative drawdown	-0.92%	-1.53%	n/a
Risk/ return analysis			
Total gain / Total loss	11.55	4.96	n/a
Average gain / Largest loss	2.69	1.90	n/a
Average gain / Average loss	4.62	3.72	n/a
Sharpe ratio (since inception - annualised for periods > 12 mths)	0.58	0.35	0.64
Sortino ratio (since inception - annualised for periods > 12 mths)	1.86	0.92	2.54
Market correlation			
Index correlation (TRNGLU Index)	0.82	(Monthly)	

MARKET COMMENTARY

The fund was up 37bps in USD for the month, outperforming our index* by 86bps. Given ZAR weakness during October, our unit price rose 5% in that currency.

The three largest positive contributors last month are a diverse group. Our patience in Japan finally paid off, with Mitsui Fudosan being our single largest contributor to performance, rising 6.6% and reversing previous stock price weakness on the back of Abe's election victory, which increases the likelihood of continued QE and Yen weakness. Equinix was one of the worst performers in September, but bounced back almost 4% in October, and we remain positive on the medium-term outlook for data centres in general and the stock specifically. Rounding out the top three positive contributors is Vonovia, the German residential landlord. We increased our weighting in this stock following a meeting with the company two months ago because the outlook remains extremely positive, combining a healthy dividend yield with high probability growth.

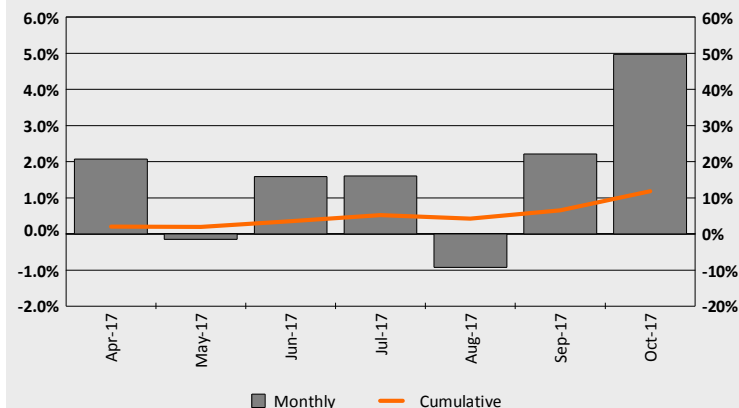
These gains were for partially offset by the 3-4% share price falls of Federal Realty, Simon Property Group and Colonial. Federal Realty has arguably the best located shopping centre portfolio in the US, which made it one of best performing stocks in the sector in October, but ongoing concerns over the health of retail tenants caused investor perceptions to deteriorate further. Similarly, Simon Property Group had a tough month despite being two standard deviations cheap on most valuation metrics as retail mall sentiment soured further with the announcement of several store closures. Colonial has prime office properties in France and Spain, and concerns over the impact of Catalonia's attempt to break away from Spain hit the stock price. We have reduced our exposure to Spain by liquidating our entire position in Merlin.

Looking forward, we remain overweight Europe, and have increased our overweight's of the Japan Developers and Singapore, while becoming underweight Hong Kong to fund those purchases. The outlook for the Japan economic and political situation has improved, and the demand for property is likely to remain relatively robust, while interest rates remain low. In Singapore, we have added a position in Keppel DC REIT, which owns data centres in the US, and has the unusual combination of a high 5.3% dividend yield and exposure to that secular growth story. In the US, we remain overweight residential, industrial and data centres, and underweight hotel, retail, self-storage and net lease. We remain underweight in Australia.

Since inception on March 28, 2017 our fund is up 5.2% in USD, outperforming our index* by 82bps.

*FTSE EPRA/NAREIT Developed Index

Monthly Return Monthly Returns and Cumulative Returns (Net of Fees) Cumulative Return



Please note: All fund returns quoted net of fees.

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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