

FAIRTREE GLOBAL REAL ESTATE PRESCIENT FEEDER FUND

MINIMUM DISCLOSURE DOCUMENT - CLASS A1

INVESTMENT OBJECTIVE

The Fairtree Global Real Estate Prescient Feeder Fund aims to provide access to high quality, international real estate assets that should benefit from capital appreciation while also delivering solid foreign dividends. The fund aims to outperform its benchmark 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.

FAIRTREE

30 NOVEMBER 2020

FUND INFORMATION

Fund Manager:

Rob Hart

Fund Classification:

Global - Real Estate - General

Benchmark:

FTSE EPRA/NAREIT Developed Net TRI (ZAR)

JSE Code:

FGREA1

ISIN Number:

ZAE000243390

Regulation 28 Compliant:

N/A

Fund Size:

R100.2 m

No of Units:

8,729,961

Unit Price:

130.72

Inception Date:

March 2017

Minimum Investment:

R50 000 lump-sum
R1 000 per month

Initial Fee:

0.00%

Annual Management Fee:

1.25% (excl. VAT)

Performance Fee:

N/A

Fee Class:

A1

Fee Breakdown:

Management Fee 1.25%

Performance Fees 0.00%

Other Fees* 1.08%

Total Expense Ratio (TER) 2.33%

Transaction Costs (TC) 0.18%

Total Investment Charge (TIC) 2.51%

*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

Income Distribution:

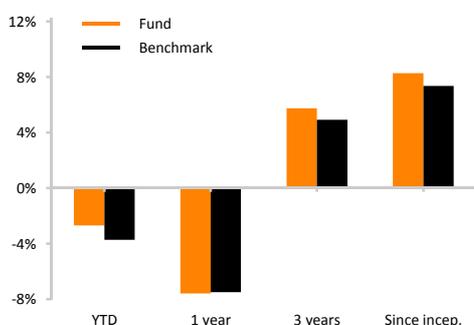
31 March 2020 - 1.25 cpu

RISK INDICATOR

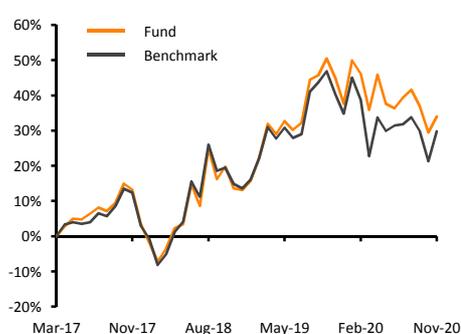


AGGRESSIVE

ANNUALISED PERFORMANCE (%)



CUMULATIVE PERFORMANCE



ANNUALISED PERFORMANCE (%)

| | Fund | Benchmark |
|------------------------|--------|-----------|
| 1 year | -7.59 | -7.49 |
| 3 years | 5.75 | 4.92 |
| Since incep. | 8.28 | 7.35 |
| Highest rolling 1 year | 36.72 | 38.12 |
| Lowest rolling 1 year | -13.98 | -17.41 |

RISK AND FUND STATS

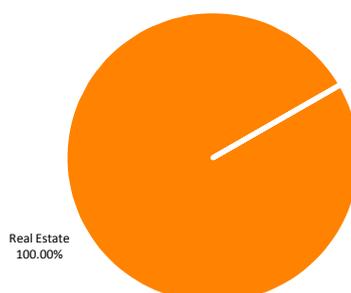
| Since inception (p.a.) | Fund | Benchmark |
|------------------------|---------|-----------|
| Alpha | 0.93% | |
| Sharpe Ratio | 0.11 | 0.02 |
| Standard Deviation | 17.85% | 18.07% |
| Max Drawdown | -19.26% | -19.09% |
| Max Gain | 14.89% | 13.32% |
| % Positive Months | 55.56% | 57.78% |

Benchmark risk statistics for funds with intra-month inceptions dates are calculated using the monthly return series.

ASSET ALLOCATION (%)

| | S.A | Foreign | Total |
|--------------|-------------|--------------|---------------|
| Cash | 0.48 | 2.89 | 3.37 |
| Property | 0.00 | 96.63 | 96.63 |
| Total | 0.48 | 99.52 | 100.00 |

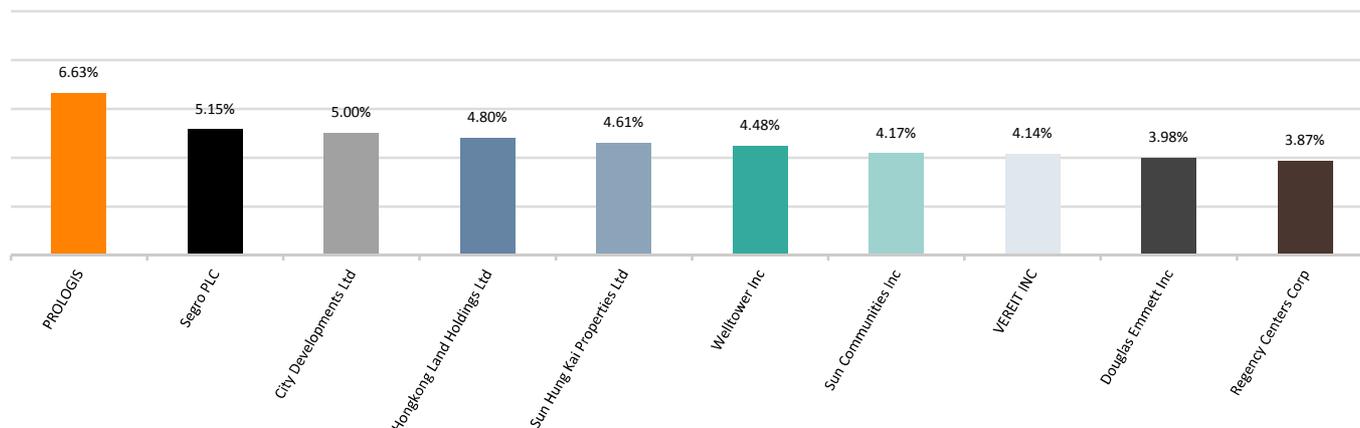
EQUITY SECTOR EXPOSURE



Real Estate
100.00%

FAIRTREE GLOBAL REAL ESTATE PRESCIENT FEEDER FUND

TOP 10 HOLDINGS



FUND MONTHLY RETURNS

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2017 | | | 2.81% | 2.07% | -0.15% | 1.58% | 1.61% | -0.92% | 2.21% | 4.97% | -1.50% | -8.71% | 3.38% |
| 2018 | -4.96% | -5.52% | 3.91% | 5.95% | 1.16% | 10.99% | -5.33% | 14.89% | -6.92% | 3.06% | -5.11% | -0.43% | 9.42% |
| 2019 | 2.34% | 5.61% | 7.87% | -2.21% | 2.87% | -1.86% | 1.51% | 9.23% | 0.89% | 3.32% | -3.70% | -5.04% | 21.67% |
| 2020 | 8.93% | -2.56% | -6.98% | 7.34% | -5.66% | -0.95% | 2.24% | 1.58% | -3.26% | -5.46% | 3.46% | | -2.69% |

MARKET COMMENTARY

The fund was up 9% while the benchmark rose 13% in the month of November. While the fund is down 10% YTD, we have outperformed our benchmark by 2% over the same time frame. YTD, the fund is down 55bps in ZAR terms, underperforming the JSE All Share index by 56bps.

The underperformance recorded for the month of November largely stems from the third bite of the apple, namely stock selection. Stock selection detracted 306bps from overall outperformance while country and sector allocation, the first and second bites of the apple, detracted 100bps. The first bite of the apple underperformance was predominantly due to being underweight Australia and Europe, which outperformed the benchmark by 12% and 3%. We have since increased our exposure in Australia to equal weight on the back of expected extended stimulus for residential markets.

The second bite underperformance was for the most part driven by our underweight positioning in the US healthcare and lodging sectors which outperformed the benchmark by 33% and 4% respectively. This was exacerbated by our overweight exposure in the US industrial sector which underperformed the benchmark by 9%. We have upgraded our US lodging exposure to equal weight by switching from Hilton Hotels Corporation (C-corp) to Host Hotels & Resorts (REIT). We continue to maintain our underweight position in the US healthcare sector as we remain cautious on the back of subdued move-ins across the senior housing segment coupled with the overhanging supply risk concerns. Furthermore, we remain overweight the industrial sector as we believe that the favourable operating fundamentals remain intact.

The top performer for the month was Regency Centres, the US focused shopping centre owner-operator, which rose 28%. City Developments, the Singaporean listed developer, rose 26%, outperforming the Singaporean non-REITs index by 2%. We continue to hold City Developments on the back of its attractive valuations. The third best performer for the month was Swedish office landlord Fabega, which rose 25% and outperformed the European (excluding UK) property benchmark by 8%. We remain bullish on the Swedish office market on the back of a relatively robust economic growth outlook as well as a favourable supply-demand scenario in Stockholm.

The worst performing stock in our portfolio was Equinix. The US listed global data centre landlord with a strong focus on colocation, fell 4% and as result underperformed the US benchmark by 16%. We have since reduced our exposure to data centres to underweight on the back of elevated valuation multiples. The second worst performing stock was US self-storage landlord, Extra Space, which fell 3%, underperforming the US benchmark by 13%. The third-worst performing stock in the portfolio was German residential landlord, Deutsche Wohnen which fell 1% and underperformed the European (excluding UK) property benchmark by 17%.

Earlier in November, Pfizer and BioNTech announced that their vaccine was found to be more than 90% effective in preventing COVID-19 among over 40,000 participants spread across six countries, including South Africa. This led to a pronounced switch from growth to value stocks. Notably across the US property sectors, the laggards for the year (pre-November 2020) namely lodging, shopping centres, malls and office became leaders in November, with the sectors outperforming the benchmark by 33%, 23%, 21% and 14% respectively. The leaders for the year pre-November 2020, namely data centres, self-storage, and industrial sectors became the laggards for the month, with the sectors underperforming the benchmark by 9%, 15% and 13% respectively. In addition to Pfizer, Moderna's vaccine was found to be 94.5% effective and the AstraZeneca vaccine has an average efficacy rate of 70%.

Consequently, we have reconfigured the portfolio to assume a barbell approach between value and growth stocks as we believe that the imminent distribution of the vaccine will expedite global economic recovery. However, we remain cognizant of the overhanging pandemic induced recessionary pressures. We continue to be overweight Singapore, where we believe the government is well equipped to support and revive the economy, and overweight Hong Kong where valuations are extremely attractive. From a sector perspective, we are most overweight industrials globally, residential, malls, as well as shopping centres. We are underweight healthcare, net lease, office, self-storage, and data centres.

**Commentary is based on USD returns, gross of investment charges, as at close of US markets (16h00 EST) on the last trading day of the month. This may differ from ZAR returns, which is shown net of investment charges, as at 15h00 CAT on the last trading day of the month.*

FAIRTREE GLOBAL REAL ESTATE PRESCIENT FEEDER FUND

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 Performance: The highest and lowest performance 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.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

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.

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.

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 percentage of investment profits, often both realized and unrealized.

Transaction Costs (TIC%): 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).

SPECIFIC RISK

Default Risk: The risk that the issuers of fixed income instruments may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Derivatives Risk: The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

Developing Market (excluding SA) Risk: Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

Foreign Investment Risk: Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations.

Interest Rate Risk: The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.

% Property Risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

Currency Exchange Risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

Geographic / Sector Risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

Derivative Counterparty Risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

Liquidity Risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected.

Equity Investment Risk: Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

RISK INDICATOR DEFINITION

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.

DISCLAIMER

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.

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges, and which could result in a higher fee structure for the feeder fund.

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

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

Trustee: 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

The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

Investment Manager: Fairtree Asset Management (Pty) Ltd, **Registration number:** 2004/033269/07 is an authorised Financial Services Provider (25917) 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

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