

FAIRTREE GLOBAL EQUITY PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT - CLASS A1

INVESTMENT OBJECTIVE

The Fairtree Global Equity Prescient Fund aims to create medium to long-term capital growth. To pursue its objective, the fund invests in developed market shares, combining global screening models with the Fairtree active fundamental investment philosophy. The fund is constructed in a diversified manner and aims to provide returns above the benchmark while exhibiting a lower level of volatility in returns relative to the benchmark. The portfolio aims to provide returns above the benchmark.

INVESTMENT POLICY

The Fairtree Global Equity Prescient Fund is a global equity fund. The objective of Fund is to provide investors with long term capital growth by investing in global equity markets. In order to achieve this objective, the Fund will invest in selected shares across all industry sectors ranging across large, mid and smaller cap shares. The fund will be exposed to exchange rate risk. The fund may also invest in money market and the Manager may, at its discretion, include in the portfolio listed and unlisted financial instruments for the exclusive purpose of hedging any exchange rate risks.

FAIRTREE

30 SEPTEMBER 2020

FUND INFORMATION

Fund Manager:

Andre Malan, Cornelius Zeeman

Fund Classification:

Global - Equity - General

Benchmark:

S&P Global 1200 TR (ZAR)

JSE Code:

FGSA1

ISIN Number:

ZAE000236436

Regulation 28 Compliant:

N/A

Fund Size:

R181.4 m

No of Units:

23,255,746

Unit Price:

157.27

Inception Date:

January 2017

Minimum Investment:

R50 000 lump-sum
R1 000 per month

Initial Fee:

0.00%

Annual Management Fee:

0.50% (excl. VAT)

Performance Fee:

N/A

Fee Class:

A1

Fee Breakdown:

Management Fee 0.50%

Performance Fees 0.00%

Other Fees* 0.24%

Total Expense Ratio (TER) 0.74%

Transaction Costs (TC) 0.31%

Total Investment Charge (TIC) 1.05%

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

Income Distribution:

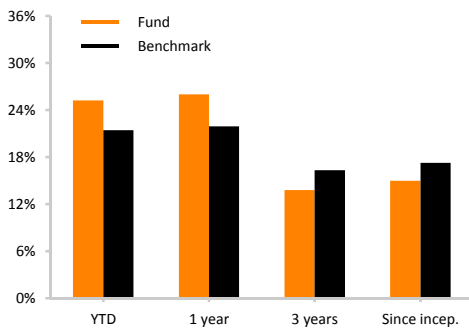
31 March 2020 - 2.83 cpu

RISK INDICATOR

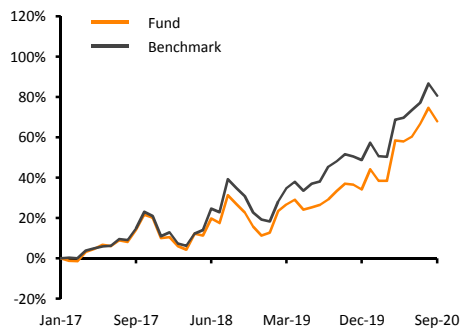


AGGRESSIVE

ANNUALISED PERFORMANCE (%)



CUMULATIVE PERFORMANCE



ANNUALISED PERFORMANCE (%)

	Fund	Benchmark
1 year	25.99	21.92
3 years	13.80	16.31
Since incep.	14.96	17.25
Highest rolling 1 year	35.07	33.00
Lowest rolling 1 year	-3.58	1.49

RISK AND FUND STATS

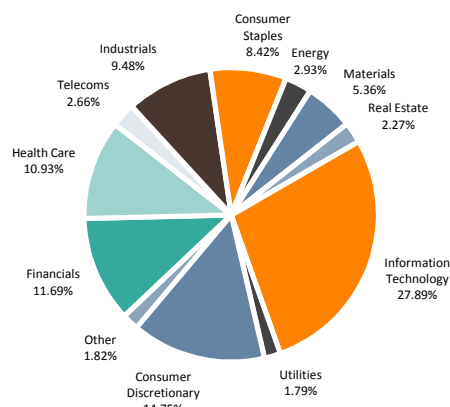
Since inception (p.a.)	Fund	Benchmark
Sharpe Ratio	0.54	0.70
Standard Deviation	15.80%	15.46%
Max Drawdown	-15.23%	-15.02%
Max Gain	14.45%	13.39%
% Positive Months	55.56%	60.00%

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

ASSET ALLOCATION (%)

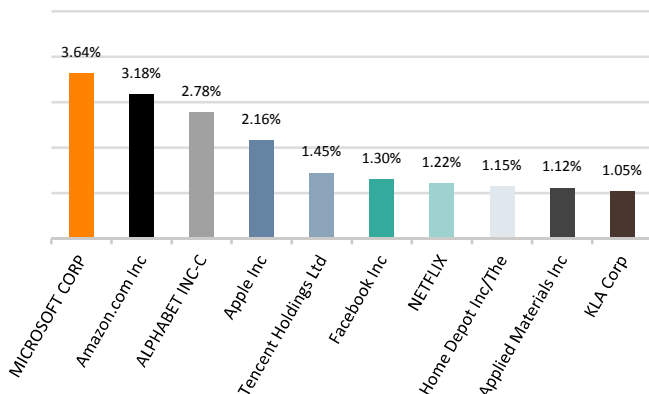
	S.A	Foreign	Total
Cash	0.43	0.98	1.41
Equity	0.00	96.36	96.36
Property	0.00	2.23	2.23
Total	0.43	99.57	100.00

EQUITY SECTOR EXPOSURE

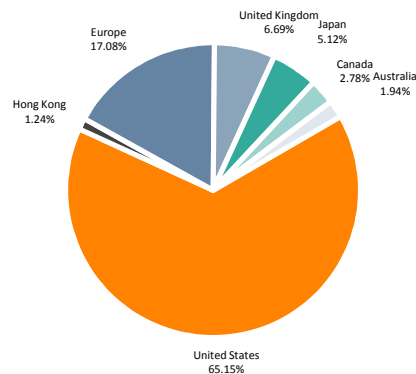


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TOP 10 HOLDINGS



COUNTRY EXPOSURE



FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	-1.27%	-0.07%	4.56%	1.48%	1.94%	-0.64%	2.72%	-0.77%	5.43%	6.71%	-1.20%	-8.37%	10.07%
2018	0.46%	-4.03%	-1.69%	7.65%	-0.84%	7.50%	-1.86%	11.79%	-3.36%	-3.26%	-5.69%	-3.86%	1.16%
2019	1.27%	9.35%	2.76%	1.89%	-3.87%	0.88%	1.04%	2.17%	3.13%	2.77%	-0.29%	-1.82%	20.45%
2020	7.52%	-3.99%	0.01%	14.45%	-0.27%	1.43%	4.00%	4.73%	-3.80%				25.23%

MARKET COMMENTARY

Rising Covid-19 cases in Europe and a delay in reaching a fiscal package agreement between the US Democratic and Republican party dented investor sentiment over month. The US dollar strengthened 1.6%, the first monthly rise in 6 months. The S&P 1200 dropped -3.3%, as all 11 sectors ended red. Energy (-13.9%), Communication Services (-5.6%) and Financials (-5.5%) were the biggest laggards. This means Energy is now down -45.4% for the year, while Information Technology still the big winner this year with a return of +26.2%.

Global political and policy uncertainty remains elevated and supportive of safe haven assets. US treasury yields remained anchored around 0.7%. The Fed signalled that it would keep policy rates close to zero until 2024 and would want to see inflation expectation rise towards 2% before they would act. This is supportive of high growth, high multiple technology stocks. On the flipside, it means the banking sector's margins will remain under pressure. This, coupled with the elevated ratings in the Payments subsector, explains our underweight position in Financials.

No new or extended asset purchase programs were announced by the Fed or ECB. However, we expect both Central Banks to relax policy further toward year-end. We have an overweight position in Europe and United Kingdom due to the attractive valuations in the region as well as the prospects of a cyclical recovery in global trade.

Over the short term the US Elections may add to market volatility. Current polls suggest Biden may win the election, but mail-in ballots and concerns around voter fraud may energise Trump to dispute a Democratic Part win. A Biden win and Democratic clean sweep will be most positive for global markets, but less positive for US assets over the medium to long term. The equity market is pricing in a Democratic sweep if you look at British American Tobacco offering an attractive dividend yield of 8% as well as the Pharmaceutical subsector trading at a record discount of 45% to the S&P 500.

US jobs continued to improve although the pace has decreased and risk stalling if a fiscal package agreement cannot be reached. Forward looking manufacturing and services indicators suggested that economic activity has recovered, but the services sectors are under pressure from a new wave of Covid cases. However, expectations of a successful vaccine in production by end 2020 are rising. The broader policy backdrop remains accommodative despite a delay in any additional new fiscal or monetary policy announcements. We expect a new round of global fiscal and monetary policy injections to emerge later this year into Q1-2021.

Valuations look reasonably as a whole, but some stocks (Tesla, Zoom, Nikola, etc.) are showing bubble characteristics. Increased IPO action and post-listing rallies in stocks like Snowflake is a sign of very favourable financial market conditions. We think the positive sentiment towards Tech will remain until regulation tightens around data monetization and size. Although 'value' looks due for a catch up rally, sustained outperformance will likely become a multi-year phenomenon once global inflation, and therefore higher interest rates, returns. This is not imminent, so we continue to run a balanced portfolio.

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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.

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.

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

The Portfolio is more diversified than the benchmark, thus holding smaller positions in the largest capitalisation stocks than the benchmark. This comes with the risk of more volatile relative returns to the broader market when the largest stocks in the benchmark outperform. We believe however that this strategy of holding a more diversified portfolio results in lower single stock risk, and whilst there may be periods of underperformance when the large cap stocks rally, we firmly believe in efficient risk management on an absolute basis. The strategy is also exposed to various factors driving investment performance, for example Value and Momentum, and these factors may also experience periods of relative underperformance. Global research has shown however, that consistent long term exposure to these factors lead to investment reward. This portfolio is permitted to invest in foreign securities which may have additional risks (FX Movements for example). However, the portfolio does not currently hold any foreign securities and the manager does not intend on exposing the portfolio to any foreign securities going forward.

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.

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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