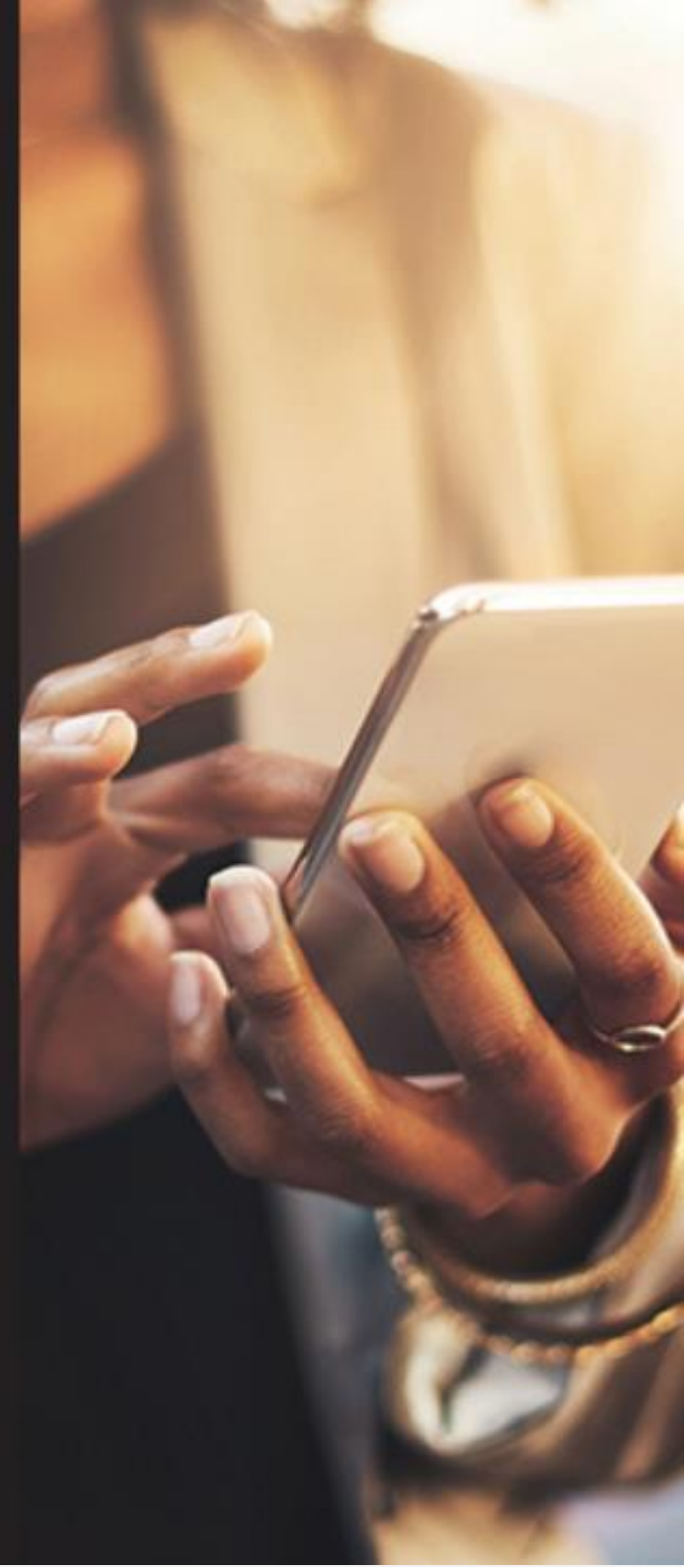




FAIRTREE

# Monthly Report

Above & Beyond Investing





# Index Activity

2022/06/30

## LOCAL

JSE All Share	<i>Local Equity Market</i>
SWIX	<i>Local Equity Market - Capped</i>
SAPY	<i>Property</i>
ALBI	<i>Bonds</i>
STEFI	<i>Cash</i>

## MONTHLY

- 8.01  
- 7.48  
- 10.33  
- 3.06  
0.40

## PERFORMANCE

## YTD

- 8.30  
- 4.65  
- 12.68  
- 1.93  
2.19

## GLOBAL

MSCI World (ZAR)	<i>Equity Market</i>
MSCI World (\$)	<i>Equity Market</i>
Shanghai (ZAR)	<i>China Index</i>
FTSE 100 (ZAR)	<i>Top 100 on London Stock Exchange</i>
SP 500 (ZAR)	<i>Top 500 US Companies</i>
MSCI (EM - ZAR)	<i>BRICS Countries</i>

## MONTHLY

- 3.98  
- 8.66  
11.50  
- 4.30  
- 3.55  
- 1.81

## YTD

- 18.40  
- 20.51  
- 8.75  
- 8.86  
- 17.84  
- 20.38



# Asset Class Returns

2022/06/30

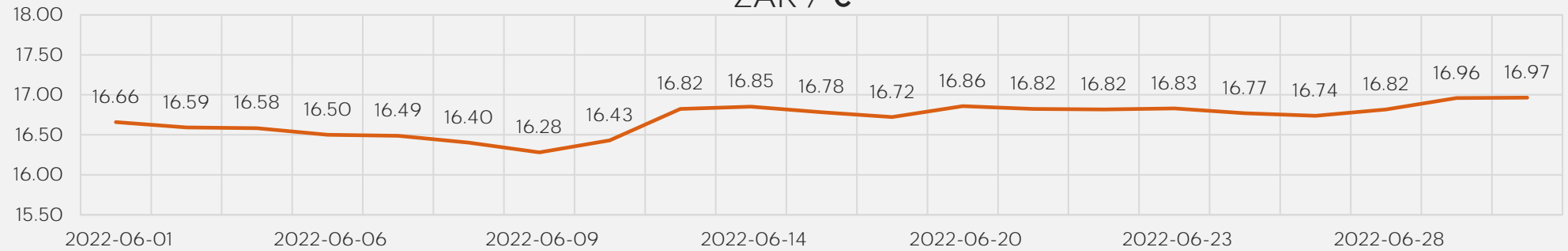
	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS
BEST	Industrial 0.93	Cash 1.15	Cash 2.19	Financial 16.86	Resources 17.25	Resources 22.67
	Cash 0.40	Industrial -2.97	Financial 1.43	Resources 10.71	Equities 8.18	Equities 8.74
	Bonds -3.06	Bonds -3.71	Bonds -1.93	Equities 4.69	Bonds 5.78	Bonds 7.78
	Equities -8.01	Equities -11.69	Resources -5.61	Cash 4.18	Industrial 5.19	Cash 5.93
	Property -10.47	Property -12.06	Equities -8.30	Bonds 1.25	Cash 5.01	Financial 4.92
	Financial -13.55	Financial -15.60	Property -13.47	Property -0.11	Financial -0.56	Industrial 3.80
WORST	Resources -16.33	Resources -20.69	Industrial -15.68	Industrial -6.33	Property -9.15	Property -8.31



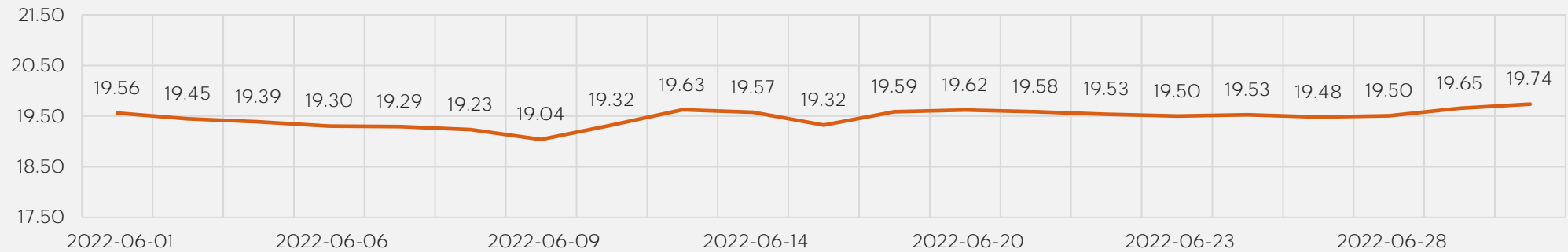
# Currency Comparisons

2022/06/30

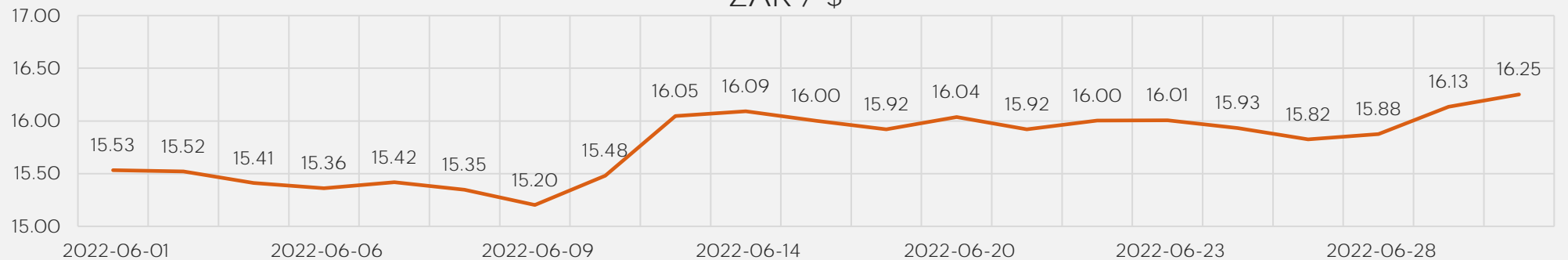
ZAR / €



ZAR / £



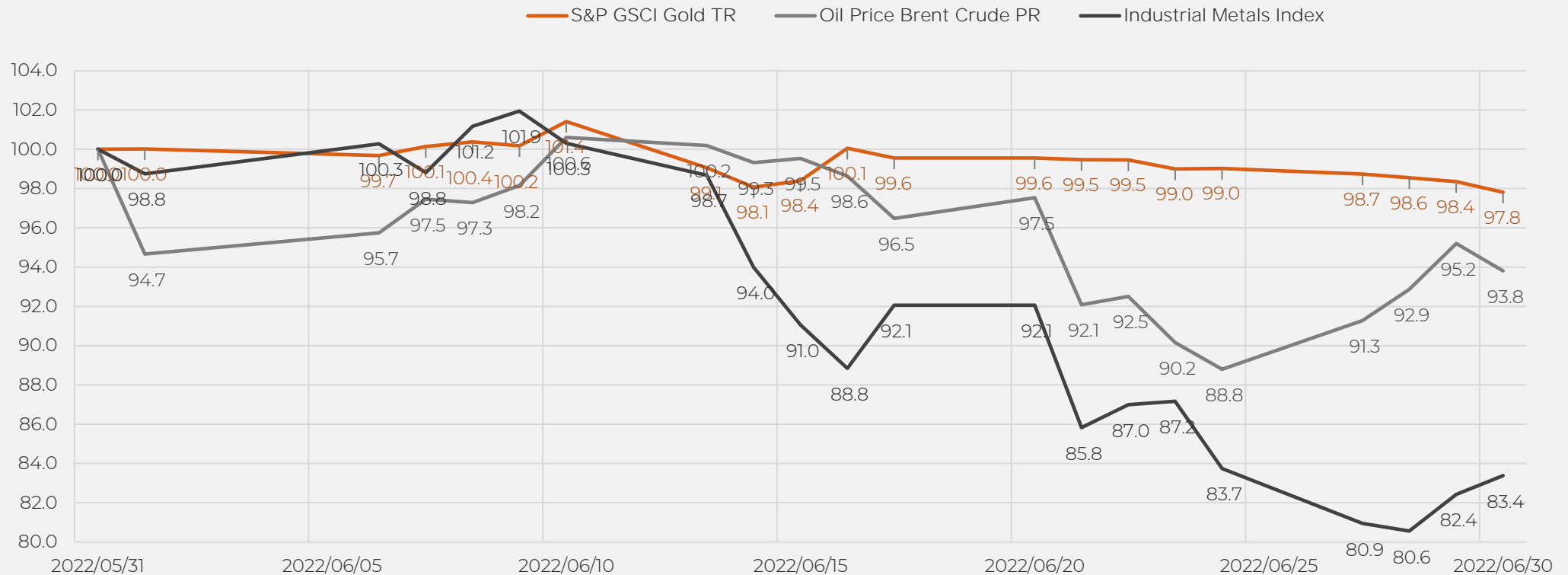
ZAR / \$





# Commodity Tracker

2022/06/30



Gold performed better and was down -1%. Energy and Agriculture related assets were safe pockets with oil and corn up 48% and 25% respectively. Base metals came under pressure in June and ended the first 6 months -14% down.



# What is going on across the globe

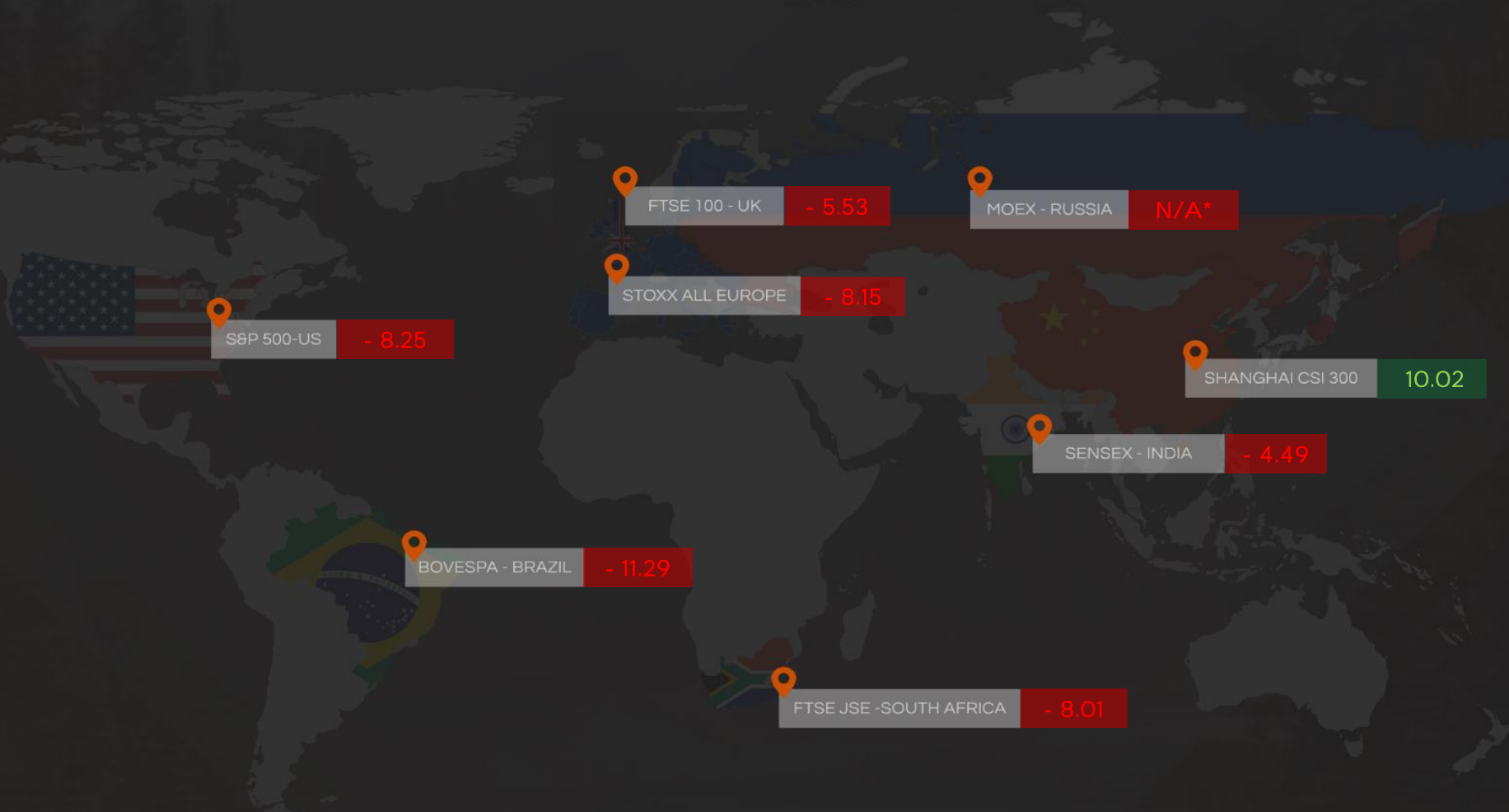
2022/06/30

SOUTH AFRICA

AMERICA

EUROPE

ASIA



\*Due to the ongoing war, data is not available



# What is going on across the globe

2022/06/30



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

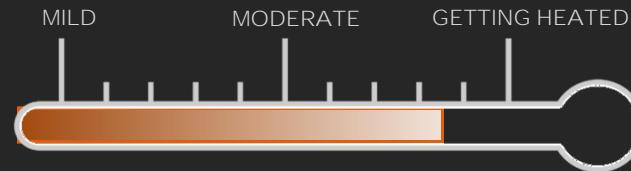


FOG/HAZEY



MOSTLY CLOUDY/PART SUN

## Political Temperature



## News Headlines

Investor confidence in South Africa decreased during June.  
 Inflation is above the SARB targeted inflation.  
 The SA economy is expected to grow by 1.8% in 2022.



# What is going on across the globe

2022/06/30

- SOUTH AFRICA
- AMERICA
- EUROPE
- ASIA

## Economic Climate

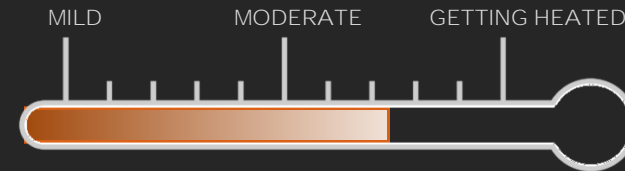


FOG/HAZEY



MOSTLY CLOUDY/PART SUN

## Political Temperature



## News Headlines

The Fed is hiking rates to 3.5% towards the end of the year.  
 Markets expect another 75-basis point interest rate hike.  
 Fear of a recession is increasing.







# What is going on across the globe

2022/06/30



- SOUTH AFRICA
- AMERICA
- EUROPE
- ASIA

## Economic Climate

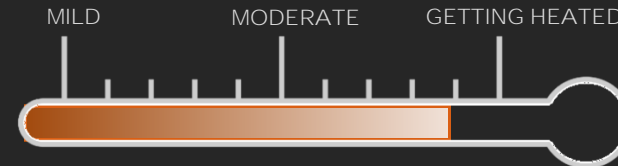


STORMS



FOG/HAZEY

## Political Temperature



## News Headlines

- Investor confidence is at inflationary levels.
- Russia started to cut gas supplies.
- Economic growth in Europe begins to slow down.



# What is going on across the globe

2022/06/30



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

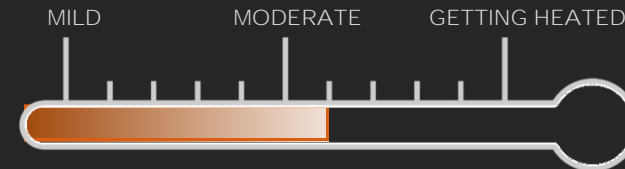


CHANCE RAIN



FOG/HAZEY

## Political Temperature



## News Headlines

The Chinese economy has shown signs of improving. Authorities have emphasized the importance of high economic activity. The PBOC will use policy tools to increase confidence.



# What is going on across the globe

2022/06/30

## Geo-Economic Climate



CHANCE RAIN

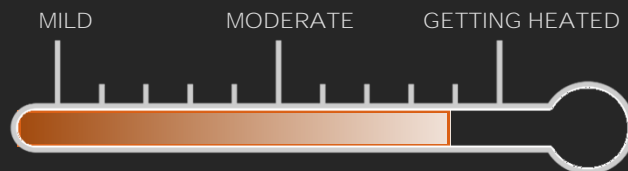


FOG/HAZEY

## Outlook

Tight financial conditions, higher cost of living and production and increased policy uncertainty should weigh on valuations, earnings and the risk premium. Valuations have come down from elevated levels but earnings estimates remain too high. Year to date global equities were down -21%. Chinese equities were down -12%, outperforming US equities, down -20%. Growth stocks also significantly underperformed Value stocks. South African equities fared much better and was down only -6% by mid-year, with almost all of the negative performance happening in June.

## Geo -Political Temperature





# Fairtree Funds

2022/06/30

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
<b>Growth Funds</b>					
Fairtree Equity Prescient A1	-4.87	-0.14	6.20	15.74	13.86
Fairtree Select Equity Prescient A1	-4.93	5.02	19.55	14.78	-N/A
Fairtree Balanced Prescient A1	-3.75	-3.49	2.70	13.15	11.25
<b>Multi - Managed Funds</b>					
Fairtree Invest Strategic Fac Prscnt A1	-5.27	-6.68	4.58	-N/A	-N/A
Fairtree Flex Balanced Prescient A1	-3.98	-5.60	4.02	3.33	5.32
Fairtree WW MultiStrat Flex Prescient A1	-3.76	-10.28	-2.45	4.07	-N/A
<b>Global Funds</b>					
Fairtree Glb RE Prescient Feeder Fd A1	-4.95	-17.75	-1.65	3.98	6.58
Fairtree Global Emerging Mkts Prscnt A1	-1.06	-14.34	-14.75	-N/A	-N/A
Fairtree Global Equity Prescient A1	-4.45	-17.14	-1.17	13.49	11.54
<b>Income Funds</b>					
Fairtree Flex Income Plus Prescient A1	-0.43	0.86	3.87	6.15	7.80
Fairtree ALBI Plus Prescient A1	-4.65	-5.03	-2.11	4.50	6.75
Fairtree Money Market Prescient A1	0.40	2.13	4.10	4.92	-N/A



# Fairtree Funds

2022/06/30

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
<b>Pre - Retirement Portfolios</b>					
Fairtree Stable House View	-2.94	-5.44	0.62	5.71	7.26
Fairtree Moderate House View	-3.64	-6.13	1.14	6.63	8.22
Fairtree Balanced House View	-4.21	-3.62	6.74	9.68	10.16
<b>Post - Retirement Illustration</b>					
Fairtree Post - Retirement Illustration	-3.28	-3.49	6.05	9.46	10.07



# Fairtree Funds

2022/05/31

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
<b>SNN Qualified Hedge Fund</b>					
Fairtree Assegai Equity Long Short	-3.74	9.43	11.37	28.96	22.81
Fairtree Wild Fig Mul Strategy	0.34	5.81	16.33	24.02	16.15
Fairtree Woodland Mul Strategy	-0.36	3.26	8.65	16.11	12.14
Fairtree WW Mutli-Strategy Flexible QIHF	-1.01	-2.64	5.06	10.88	9.50
<b>Retail Hedge Fund</b>					
Fairtree Fixed Income SNN	1.15	-3.25	1.70	7.57	6.99
Fairtree Proton RCIS	1.16	3.04	5.93	7.45	8.60
Fairtree WW Mutli-Strategy Flexible RIHF	-1.54	-5.56	1.24	9.88	-N/A
<b>Portfolios</b>					
Fairtree Growth Hedge Fund of Funds	-0.33	5.98	13.29	22.13	16.34



# Fairtree Funds

2022/05/31

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

We are one of the first in South Africa to blend traditional asset classes together with alternative asset classes inside a single portfolio. These portfolios give our investors an additional level of diversification, as well as greater long-term investment growth.

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
<b>Pre - Retirement Portfolios</b>					
Fairtree Stable Houseview (10% HF)	-0.71	-1.79	4.22	8.35	8.43
Fairtree Moderate Houseview (10% HF)	-1.35	-1.79	4.50	9.69	9.43
Fairtree Balanced Houseview (10% HF)	-1.94	1.10	8.99	13.01	11.10
<b>Post - Retirement Portfolios</b>					
Fairtree Post-Retirement Illustration (15% HF)	-0.84	-2.07	4.34	8.86	8.89



# Market Commentary

2022/06/30

## SOUTH AFRICA

Investor confidence in South Africa declined during June due to ongoing loadshedding, labour strikes and increasing fuel prices. Inflation increased to 6.5%, that is above the South African Reserve Bank's (SARB) target of between 3% and 6%. The next Monetary Policy Committee (MPC) meeting is scheduled for 21 July, to decide whether to increase interest rates due to inflationary pressures. The market expects another 50 to 75 basis point interest rate hike. It is expected that the South African economy will grow by 1.8% in 2022 and 1.3% in 2023, where the main contributors will be household consumption and investments.

## AMERICA

Inflation remains one of the highest concerns in the US economy. The high inflation levels are impacting consumer confidence levels, real income and corporate profits. The Fed is hiking interest rates to 3.5% towards the end of the year, following a 0.75% hike during the month of June, the biggest increase since 1994. The next Fed meeting will take place on 27 July, where markets are expecting another 75-basis point increase. Fear of a recession is also increasing as demand is slowly decreasing. The Fed forecasts that in order to get inflation under control, unemployment needs to rise just above 4%.

## EUROPE

Investor confidence is at recessionary levels in Europe as a result of the ongoing war between Ukraine and Russia. Consumer price inflation increased past 8% and producer price inflation rose past 36% during June. Russia started to cut gas supplies to European countries, with increasing risk that supplies will be entirely cut off. This will lead to the rationing of gas in certain countries. Europe has also indicated a partial ban on Russian oil towards the end of the year. Economic growth in Europe began to show signs of slowing down.

## ASIA

The Chinese economy is showing signs of improvement following the uncertainty with regards to their policy environment. During the last few months, Chinese consumers saw a number of eases to monetary, fiscal and credit policies. Authorities have emphasized the importance of high economic activity, as consumer confidence remains low due to the zero-covid policy. Real Estate investment in China remains a risk due to ongoing defaults by developers. The People's Bank of China (PBOC) indicated that they will employ structural policy tools withing the financial system, that is aimed at increasing consumer confidence.