

FAIRTREE INVEST STRATEGIC FACTOR PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT - CLASS A1

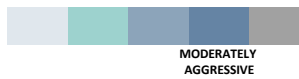
INVESTMENT OBJECTIVE

The objective of the Fairtree Invest Strategic Factor Prescient Fund is to provide maximum long-term capital growth. To pursue its objective, the fund invests in a diversified blend of worldwide assets and strategies. The portfolio is constructed in a diversified manner and aims to provide competitive after inflation annualized returns measured in rand over a 5 year period.

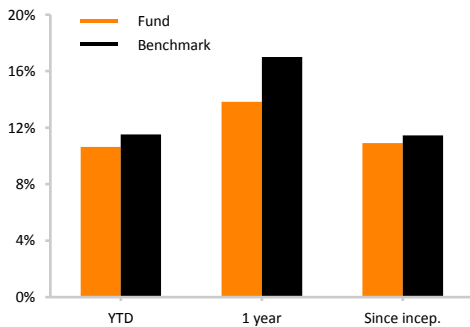
INVESTMENT POLICY

The fund will aim to deliver moderate to high growth above inflation over time. The fund will invest in a diversified mix of worldwide assets including, but not limited to, equities, bonds, property, preference shares, money markets and other instruments, including listed and unlisted financial instruments as determined by legislation from time to time. The fund will apply a strategic multi factor approach across these multiple asset classes and may include key factors such as: Active Stock Selection (Equities), Quality (Equity), Momentum (Equity), Value (Equity), Investment (Equity), Volatility (Equity), Foreign Credit, Global Property and Local Bonds. The fund may include and utilize passive style systemic solutions. The systematic multi factor approach entails efficient transformation of information into investment decisions, based on a well researched, transparent and consistent set of theoretically and empirically verified factors that constitute a stock's intrinsic characteristics such as quality, value, momentum, investment and volatility. The portfolio has a long term focus and invests predominately in domestic securities. The fund may invest a maximum net foreign exposure of 30% and 10% Africa (excl. South Africa).

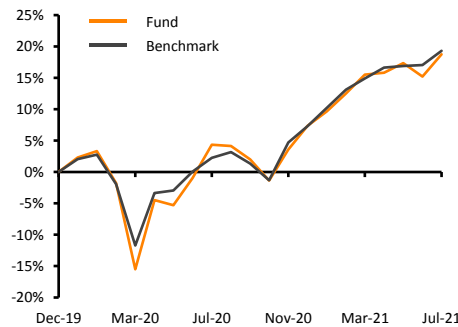
RISK INDICATOR



ANNUALISED PERFORMANCE (%)



CUMULATIVE PERFORMANCE



ANNUALISED PERFORMANCE (%)

	Fund	Benchmark
1 year	13.82	17.00
Since incep.	10.92	11.45
Highest rolling 1 year	36.72	30.87
Lowest rolling 1 year	4.91	5.19

RISK AND FUND STATS

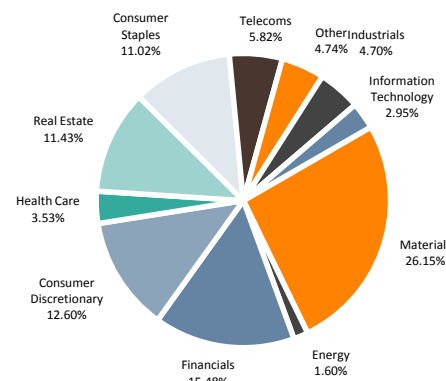
Since inception (p.a.)	Fund	Benchmark
Alpha	-0.53%	
Sharpe Ratio	0.38	0.49
Standard Deviation	17.55%	13.22%
Max Drawdown	-18.23%	-14.12%
Max Gain	13.04%	9.60%
% Positive Months	65.00%	80.00%
Sortino Ratio	0.55	

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

ASSET ALLOCATION (%)

	S.A	Foreign	Total
Cash	1.59	0.53	2.12
Bonds	5.36	9.10	14.46
Equity	61.31	11.78	73.09
Property	2.08	8.25	10.33
Total	70.33	29.67	100.00

EQUITY SECTOR EXPOSURE



FAIRTREE

31 JULY 2021

FUND INFORMATION

Fund Manager:

Fairtree Asset Management (Pty) Ltd

Fund Classification:

South African - Multi Asset - High Equity

Benchmark:

South African - Multi Asset - High Equity Category Average

JSE Code:

FISPA1

ISIN Number:

ZAE000281846

Regulation 28 Compliant:

Yes

Fund Size:

R78.5 m

No of Units:

67,932,601

Unit Price:

115.60

Inception Date:

December 2019

Minimum Investment:

R50 000 lump-sum
R1 000 per month

Initial Fee:

0.00%

Annual Management Fee:

0.75% (excl. VAT)

Performance Fee:

N/A

Fee Class:

A1

Fee Breakdown:

Management Fee 0.75%

Performance Fees 0.00%

Other Fees* 0.38%

Total Expense Ratio (TER) 1.13%

Transaction Costs (TC) 0.28%

Total Investment Charge (TIC) 1.41%

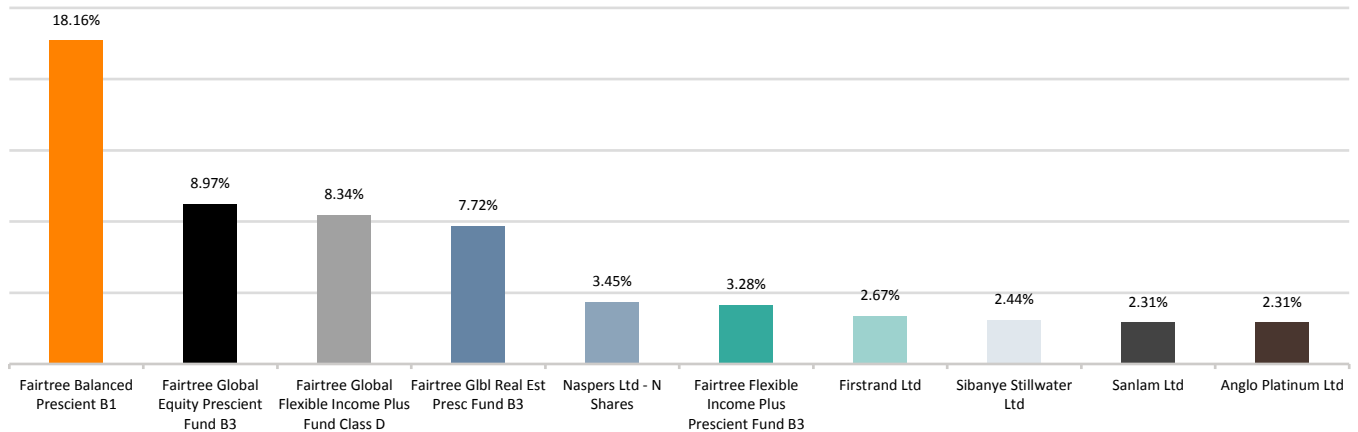
*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

Income Distribution:

31 March 2021 - 2.33 cpu

FAIRTREE INVEST STRATEGIC FACTOR PRESCIENT FUND

TOP 10 HOLDINGS



FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019												2.32%	2.32%
2020	1.00%	-4.95%	-13.97%	13.04%	-0.83%	4.59%	5.31%	-0.20%	-2.05%	-3.30%	5.04%	3.61%	4.91%
2021	2.13%	2.63%	2.68%	0.27%	1.30%	-1.84%	3.09%						10.63%

MARKET COMMENTARY

The recovery has faded over the last three months and investors now ask if the reflation (above trend growth and above target inflation) trade is over? We don't believe so, but acknowledge that the pace of the recovery has slowed. Equities and commodities have further upside, but the path maybe more volatile. Near term uncertainty around China's growth slowdown, the Delta variant, Fed policy and inflation will weigh on markets.

Fed policy remains accommodative and rates at zero even though the output gap is expected to close in coming months. With inflation the highest in three decades and the labour market adding almost 1 million jobs per month, we expect the Fed to announce tapering asset purchases soon. We expect the job market to improve rapidly over rest of the year as additional unemployment benefits expire, kids return to school and health risks fade. Job openings have reached a record 10 million, as the demand for jobs outstrip the supply of jobs leading to tight labour market conditions. We expect wages to rise and inflation to remain higher than markets currently price.

Economic activity amongst developed markets remains strong, despite a moderate softening. Services sectors in the US and Europe have re-opened due to vaccinations and further re-opening will likely slowdown. We expect capital expenditure and inventory build to underpin manufacturing activity. Recent consumption data indicates that US household spending is running at a steady pace as pent-up savings are put to work. The recent rise of new Delta variant cases in the US and China is an emerging risk. Despite lower hospitalisation rates in countries with high vaccination rates, authorities may ultimately choose to increase restriction of movement.

China has delivered a surprised Reserve Requirement Ratio cut earlier in the month, signalling that the credit tightening cycle might be nearing its end. With the consumer outlook weakening, the need to accelerate local government bond issues has become more urgent.

In SA unrest and protest action in Gauteng and KwaZulu Natal has claimed the livelihoods of many. Property damages of more than R20bn and GDP loss of around 0.5% are expected. The Ministers of Security, Defence and Police have come under pressure due to the lack of effective early response. President Cyril Ramaphosa, used a cabinet reshuffle to re-organise his security cluster, but also replaced the Minister of Finance, Tito Mboweni who resigned. Enoch Godongwana was elected as new Finance Minister. We believe the fiscal goals will remain largely intact under his leadership and believe National Treasury while benefit as an institution from his leadership.

Equities had a mixed month. Global equities were up 1.7%, led by Healthcare & Mining while Energy stocks were the biggest under performer. US and European stocks outperformed the rest of the world. Emerging markets were hit hard by Chinese regulator actions. EM was down -7%, while China was down -14%. SA equities were up 2.5% as the mining companies rallied hard. Commodities were mixed. Base metals, copper, gold and oil were all up while Iron ore, lumber, corn, platinum were down.

In South Africa, the government bond yield curve steepened as the SARB took a more dovish stance than anticipated by the market, pushing out the start date of policy normalisation. The ALBI returned 0.8%. The Rand lost -2.2% over the month.

Equities: The outlook for earnings growth remain positive but has moderated. Cyclical plays have improved with global re-opening, although some sectors are still lagging. Valuations of some growth sectors have reached elevated levels, provide little margin for safety and could come under pressure if global bond yields rise. We continue to like value and cyclical plays but believe in a barbell approach with decent exposure to growth sectors. We continue to like emerging markets and ex-US equities. Valuations of domestic equities are very attractive and investor confidence have improved along with the country's growth outlook. We like selected local sectors that will benefit from improved growth and confidence.

Fixed Income: South Africa's inflation will rise but remain low over the medium term. Improving economic activity and global central bank action may see the SARB moving towards gradual policy normalisation. We expect foreigners to return to the market as the backdrop for emerging markets remain supportive and our bond market valuations attractive.

Currency: We believe the US dollar will remain well supported over the short term but will weaken over a 12-month outlook. Fundamentals for the ZAR remain strong with a strong current account and term of trade dynamics, improved positioning and scope for flows to improve over coming months. Valuations however have become less attractive.

FAIRTREE INVEST STRATEGIC FACTOR PRESCIENT 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.

Sortino Ratio: A measure of the risk-adjusted return of a portfolio. It is a modification of the Sharpe ratio but only penalises the returns falling below a user specified target, or required rate of return, while the Sharpe ratio penalises both upside and downside volatility equally.

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

The fund is suitable for investors looking for moderate to high capital growth in excess of inflation with moderate to aggressive risk appetite. It suits investors with an investment horizon of more than 7 years and who prefer to have the asset allocation decision made for them. The fund complies with Regulation 28 and is therefore suitable for retirement savings.

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.

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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