

## Investment Profile

|                           |   |
|---------------------------|---|
| Investment Manager:       | Fairtree Asset Management               |
| Risk Profile:             | Medium to High                          |
| Investment Horizon:       | 6 years                                 |
| Platform availability:    | Prime, PPS, Glacier, Stanlib & Investec |
| Launch date:              | 01/05/2012                              |
| Total number of holdings: | 4                                       |
| Benchmark:                | (ASISA) South African MA High Equity    |

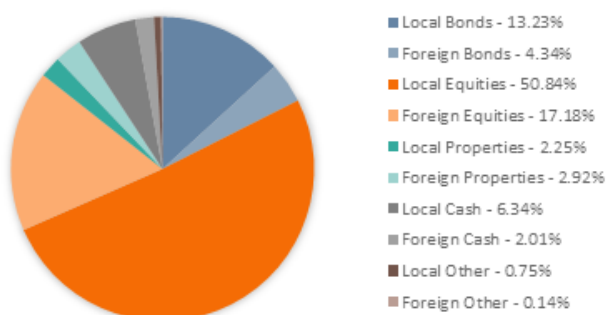
## Investment Objectives

The Fairtree Balanced House View aims to outperform the benchmark net of investment management fees, over any rolling 6 year period. The portfolio is diversified across the major asset classes utilizing a multi-manager approach, whereby fund managers are combined based on their skills and expertise. The available asset classes include: bonds, equity securities, non-equity securities, money market instruments, preference shares, property securities and assets in liquid form. The portfolio may invest in foreign assets as permitted by legislation and complies with Regulation 28 that applies in terms of Retirement Fund legislation.

## Solution Holdings

|  | Allocation (%) |
|--|----------------|
| Fairtree Select Equity                 | 40.00          |
| Fairtree Flex Income Plus Prescient B1 | 14.60          |
| Fairtree Global Equity Prescient B3    | 11.40          |
| Coronation Optimum Growth P            | 6.00           |
| Fairtree Active Quants                 | 5.00           |
| Fairtree Equally Weighted Top 20       | 5.00           |
| Ninety One Managed E                   | 4.00           |
| Rezco Value Trend C1                   | 4.00           |
| Fairtree Balanced Prescient B2         | 3.00           |
| Fairtree Global Flex Inc Pl D EUR Acc  | 2.60           |
| Fairtree Glb RE Prescient Feeder Fd B3 | 2.40           |
| Fairtree Flex Balanced Prescient B3    | 1.00           |
| Fairtree Global Emerging Mkts Prsnt B4 | 1.00           |

## Asset Allocation



## Monthly Returns

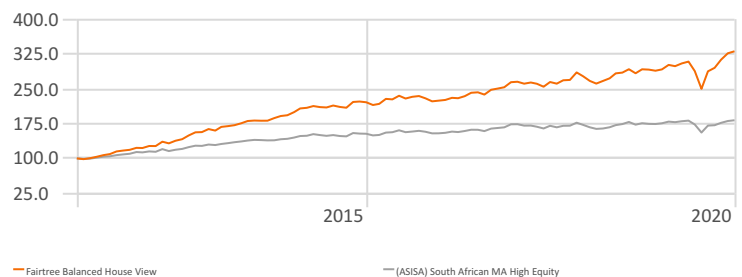
|      | Jan   | Feb   | Mar    | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Year  |
|------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2020 | 1.28  | -6.63 | -13.26 | 15.09 | 2.61  | 5.97  | 4.38  | 1.34  |       |       |       |       | 5.82  |
| 2019 | 2.11  | 3.91  | 0.58   | 2.56  | -3.00 | 3.03  | -0.23 | -0.82 | 0.99  | 3.31  | -0.89 | 1.99  | 14.15 |
| 2018 | 0.97  | -1.04 | -2.44  | 3.98  | -1.32 | 2.78  | 0.27  | 6.03  | -2.90 | -3.63 | -2.16 | 2.19  | 2.25  |
| 2017 | 2.00  | -0.34 | 1.91   | 3.14  | 0.40  | -2.03 | 4.37  | 1.07  | 1.13  | 4.29  | 0.38  | -1.57 | 15.52 |
| 2016 | -2.66 | 1.11  | 4.96   | -0.47 | 3.45  | -2.55 | 1.62  | 0.71  | -2.10 | -2.84 | 0.67  | 0.68  | 2.26  |
| 2015 | 3.46  | 3.96  | 0.67   | 1.80  | -1.06 | -0.37 | 1.99  | -1.42 | -0.79 | 5.92  | 0.43  | -0.72 | 14.45 |

## Performance Comparison

|                                      | 1 M   | 3 M   | 6 M   | 1 Y   | 3 Y  | 5 Y  | YTD   |
|--------------------------------------|-------|-------|-------|-------|------|------|-------|
| Fairtree Balanced House View         | 1.34  | 12.09 | 14.82 | 14.50 | 9.71 | 9.42 | 8.58  |
| (ASISA) South African MA High Equity | 0.90  | 6.25  | 5.26  | 4.68  | 3.24 | 4.21 | 1.16  |
| FTSE/JSE All Share TR ZAR            | -0.26 | 10.21 | 10.72 | 3.85  | 2.64 | 5.29 | -0.94 |
| FTSE/JSE All Bond TR ZAR             | 0.89  | 0.30  | 0.72  | 4.16  | 7.74 | 7.56 | 1.87  |
| SA CPI Synthetic (Headline)          | 1.31  | 1.22  | 2.02  | 3.19  | 4.09 | 4.57 | 2.56  |

## Cumulative Performance

Time Period: Since Common Inception (2012/05/01) to 2020/08/31



## Correlation

Time Period: Since Common Inception (2012/05/01) to 2020/08/31

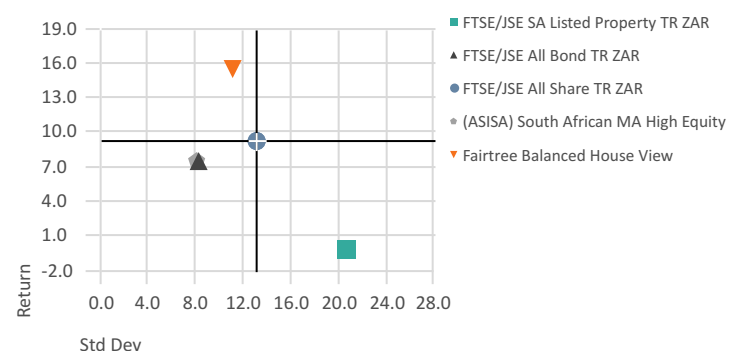
|  | 1     | 2     | 3     | 4    | 5    |
|--|-------|-------|-------|------|------|
| 1 FTSE/JSE All Share TR ZAR            | 1.00  |       |       |      |      |
| 2 Fairtree Balanced House View         | 0.92  | 1.00  |       |      |      |
| 3 (ASISA) South African MA High Equity | 0.94  | 0.97  | 1.00  |      |      |
| 4 FTSE/JSE All Bond TR ZAR             | 0.21  | 0.23  | 0.18  | 1.00 |      |
| 5 STeFI Composite ZAR                  | -0.15 | -0.25 | -0.19 | 0.02 | 1.00 |

■ Positively Correlated

■ Negatively Correlated

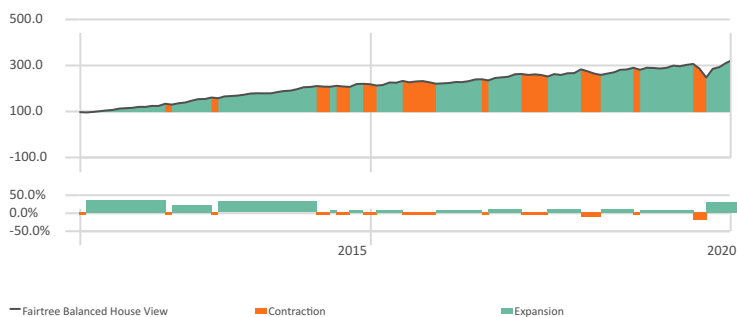
## Risk vs Return

Time Period: Since Common Inception (2012/05/01) to 2020/08/31



## Investment Growth

Time Period: 2012/05/01 to 2020/08/31



## Correlation - Underlying Funds

Time Period: Since Common Inception (2019/01/01) to 2020/08/31

|   | 1    | 2    | 3     | 4    | 5    |
|---|------|------|-------|------|------|
| 1 Fairtree Balanced House View                    | 1.00 |      |       |      |      |
| 2 Fairtree Select Equity Prescient B1             | 0.99 | 1.00 |       |      |      |
| 3 Fairtree Flex Income Plus Prescient A1          | 0.26 | 0.27 | 1.00  |      |      |
| 4 Fairtree Global Equity Prescient B1             | 0.67 | 0.58 | -0.18 | 1.00 |      |
| 5 Fairtree Worldwide Flexible Multi-Strategy Fund | 0.97 | 0.93 | 0.15  | 0.79 | 1.00 |

■ Positively Correlated

■ Negatively Correlated

## Fund Allocation

| Fund                                     | Allocation (%) |
|--|----------------|
| Fairtree WW MultiStrat Flex Prescient A1 | 40.18          |
| Fairtree Select Equity Prescient B1      | 39.54          |
| Fairtree Flex Income Plus Prescient A1   | 13.37          |
| Fairtree Global Equity Prescient A1      | 6.91           |

## Market Commentary

One of the most significant events during August was the announcement from the Federal Reserve. The yield on the 30-year US government bond rose to 1.53%, its highest level on a closing basis since June 16th, boosted by prospects of higher inflation after Fed Chair Powell announced a flexible form of average inflation targeting last week. The new approach allows inflation to run moderately above or below the Fed's 2% target for some time and means that interest rates could be left lower for a longer period despite a rise in inflation. This raises expectations that the Federal Reserve will expand its purchases of long-dated Treasury bonds by mid-September or even earlier, as rising yields lead to higher cost of borrowing for companies and individuals and threaten economic growth.

On the local front, South Africa's trade surplus decreased to ZAR 37.4 billion in July of 2020 from a downwardly revised ZAR 45.7 billion in the previous month. Still, it was the second-largest monthly trade surplus on record, helped by the further easing of coronavirus restrictions both at home and abroad. Imports surged 22.1 percent to ZAR 85.1 billion, boosted by purchases of vehicles & transport equipment (88%); original equipment components (86%); mineral products (37%); chemicals (17%) and machinery & electronics (15%). Meantime, exports rose at a much slower 6.1 percent to ZAR 122.5 billion, as higher shipments of vehicles & transport equipment (42%) and machinery & electronics (17%) were partly offset by a decrease in those of precious metals & stones (-5 percent).

On a political front, after nearly 1000 days in charge, it appears as if the president is finally pushing ahead to curb the levels of corruption in South Africa. News of more corruption during the lockdown period was met with huge levels of anger the country over and seems to have been the straw that broke the camel's back. President Cyril Ramaphosa appears to be undeterred from pushing ahead with his anti-graft strategy with his corrupt cadres at an ANC National Executive Committee meeting during the final weekend of the month. Ramaphosa reeled off an arsenal of measures to deal with the corruption besetting the party and the government it runs, not least of which the announcement that all party office-bearers who faced charges would be made to step aside or resign.

On markets, the All Share Index turned into the red on the last day of the month, delivering a return of -0.26% for the month. Financial were the main detractors during the month, falling 4.21%, bringing the year to date decline to 34.3%. Industrials and Resources managed to inch out some gains, returning 0.5% and 0.65% respectively. Property continues to suffer, further losing 8.6% in August, bringing its decline for the year to 44.7%. The ALBI delivered a 90bps return for the month, bringing the year to date figure to 1.9%. The rand appreciated against the USD by 50bps, bringing its year to date decline to 21%. On the commodity front, gold fell marginally, while oil enjoyed better fortunes as the global economy reopens. As the economy gets back to its feet, demand for copper and iron ore rises, benefitting the respective businesses with exposure to the metals.

## Disclaimer

Please note that this is not an official fund fact sheet. The information presented in this document has been obtained from external data providers believed to be reliable. Even though reasonable effort has been made in order to confirm the correctness and completeness of the data, Fairtree Invest (Pty) Ltd does not guarantee the accuracy or timeliness of all information available from public sources. This information is not intended to serve as investment advice, nor does it take into consideration individual investor objectives, circumstances or constraints. The material is provided for reporting and informational purposes only. It is under no circumstances an offer or solicitation to buy or sell any securities.

## Statistics

Time Period: Since Common Inception (2012/05/01) to 2020/08/31

|                                      | Return | Sharpe Ratio | Sortino Ratio | Std Dev |
|--------------------------------------|--------|--------------|---------------|---------|
| Fairtree Balanced House View         | 15.44  | 0.77         | 1.26          | 11.19   |
| (ASISA) South African MA High Equity | 7.47   | 0.14         | 0.20          | 8.08    |
| FTSE/JSE All Share TR ZAR            | 9.14   | 0.25         | 0.36          | 13.14   |
| FTSE/JSE SA Listed Property TR ZAR   | -0.15  | -0.20        | -0.24         | 20.69   |
| FTSE/JSE All Bond TR ZAR             | 7.49   | 0.14         | 0.20          | 8.33    |
| STeFI Composite ZAR                  | 6.57   |              |               | 0.25    |

## Investment Performance Detail

Time Period: Since Common Inception (2012/05/01) to 2020/08/31

|                                      | Up Period % | Down Period % | Best Month | Worst Month | Best Quarter | Worst Quarter |
|--------------------------------------|-------------|---------------|------------|-------------|--------------|---------------|
| Fairtree Balanced House View         | 69.00       | 31.00         | 15.09      | -13.26      | 25.15        | -17.98        |
| (ASISA) South African MA High Equity | 66.00       | 34.00         | 9.60       | -10.02      | 13.42        | -13.52        |
| FTSE/JSE All Share TR ZAR            | 60.00       | 40.00         | 13.98      | -12.13      | 23.18        | -21.38        |
| FTSE/JSE SA Listed Property TR ZAR   | 61.00       | 39.00         | 13.41      | -36.57      | 20.43        | -48.15        |
| FTSE/JSE All Bond TR ZAR             | 64.00       | 36.00         | 7.06       | -9.75       | 9.94         | -8.72         |
| STeFI Composite ZAR                  | 100.00      | 0.00          | 0.63       | 0.39        | 1.88         | 1.25          |

## Fees

|                       |                   |
|-----------------------|-------------------|
| Asset Management Fee: | 0.93% (excl. VAT) |
| Model Portfolio Fee:  | 0.00% (excl. VAT) |