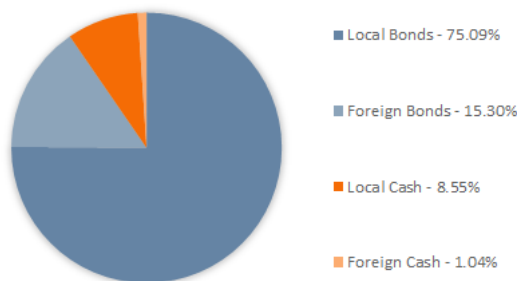


**Income Building Block - Fairtree Income**

**Product Description**

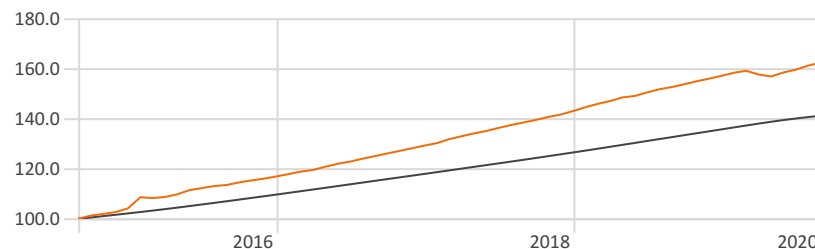
The portfolio is suited to investors who are seeking a high level of income with the tolerance for some capital volatility in the case of credit defaults. The portfolio is positioned as a multi-asset income portfolio to reflect the portfolio's flexible mandate in terms of accessing a broad spectrum of underlying high yielding assets including property and securities linked to equities with due consideration being given to the lower risk mandate for the portfolio, using appropriate strategies to minimize risk where necessary.

**Asset Allocation**

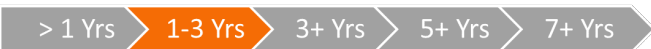


**Returns**

Time Period: 2015/09/01 to 2020/08/31



	1 M	3 M	1 Y	3 Y	5 Y	YTD
Fairtree Flex Income Plus Prescient B1	0.71	2.48	6.37	9.09	10.18	3.33
SteFI Composite ZAR	0.39	1.25	6.46	7.02	7.14	4.02
FTSE/JSE All Bond TR ZAR	0.89	0.30	4.16	7.74	7.56	1.87

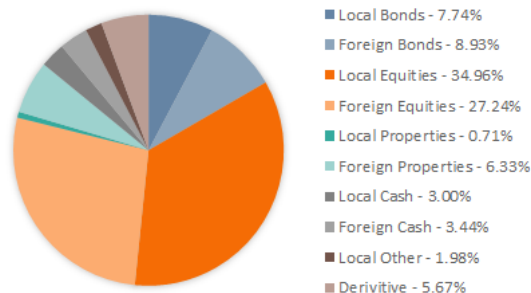


**Multi Asset Building Block - Fairtree Growth**

**Product Description**

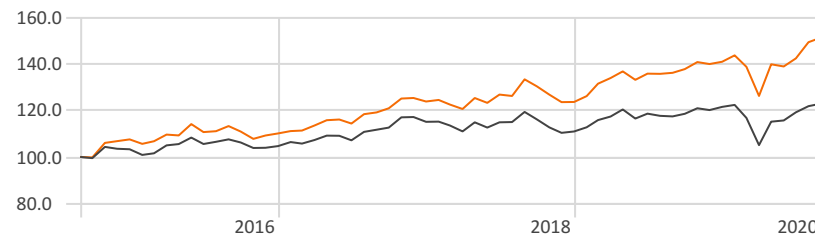
The Fairtree Worldwide Multi-Strategy Flexible Prescient Fund is an actively managed worldwide multi-asset class fund. The fund is suitable for investors looking for moderate to high capital growth in excess of inflation with an investment horizon of 5 years and longer. The fund has a moderate to aggressive risk profile and provides a solution to South African investors who prefer to have their worldwide asset allocation decisions made for them.

**Asset Allocation**



**Returns**

Time Period: 2015/09/01 to 2020/08/31



	1 M	3 M	1 Y	3 Y	5 Y	YTD
Fairtree WW MultiStrat Flex Prescient A1	1.34	8.94	11.12	8.29	8.63	7.38
(ASISA) South African MA High Equity	0.90	6.25	4.68	3.24	4.21	1.16

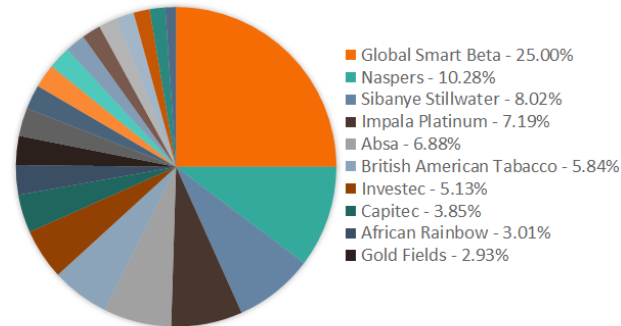


## Equity Building Block - Fairtree Growth

### Product Description

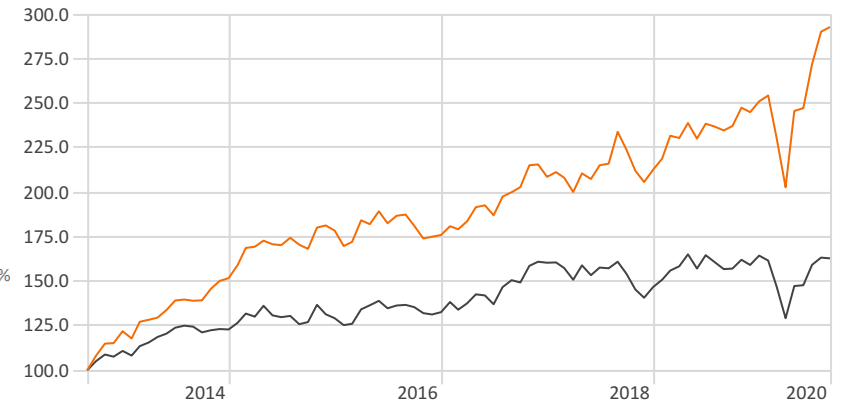
The Fairtree Personal Share Portfolio is a high conviction concentrated listed equity portfolio (roughly 25 shares) that invests across all sectors listed on the JSE Securities Exchange of South Africa, (JSE Limited). A combination of macro-economical factors and a bottom-up fundamental research driven approach helps us to identify exceptional businesses that should deliver market beating performance. We continually reassess risks and potential returns in dynamic macro-environments, ensuring the implementation of appropriate portfolio changes to protect capital, while keeping a firm focus on longer term compounding of returns. The Fairtree Global Smart Beta Prescient Fund is a Global General Equity Fund that offers investors a low cost, informed passive investment solution. Our philosophy is to buy stocks that are Profitable and Efficient (Quality factor), with attractive valuation (Value factor), where the market is starting to realise the potential (Momentum factor), that are predictable and stable (Volatility factor), with shareholder friendly management (Investment factor), and to use this information to build well-diversified portfolios.

### Top 10 Holdings



### Returns

Time Period: 2013/09/01 to 2020/08/31



	1 M	3 M	1 Y	3 Y	5 Y	7 Y	YTD
Fairtree PSP + Gbl Smart Beta	0.91	18.45	24.77	13.55	11.42	16.59	16.64
FTSE/JSE All Share TR ZAR	-0.26	10.21	3.85	2.64	5.29	7.22	-0.94

> 1 Yrs > 1-3 Yrs > 3+ Yrs > 5+ Yrs > 7+ Yrs

### 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

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