



FAIRTREE

# Monthly Report

2022/05/31





# Index Activity

2022/05/31

## PERFORMANCE

### LOCAL

#### MONTHLY

#### YTD

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>

- 0.36	- 0.32
0.54	3.06
0.05	- 2.62
1.01	1.17
0.39	1.79

### GLOBAL

#### MONTHLY

#### YTD

MSCI World (ZAR)	<i>Local Equity Market</i>
MSCI World (\$)	<i>Local Equity Market - Capped</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>

- 1.40	- 15.02
0.03	- 13.11
1.96	- 18.16
0.02	- 4.76
- 1.29	- 14.81
0.24	- 18.92



# Asset Class Returns

2022/05/31

	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS
BEST						
	Financial 4.30	Financial 9.52	Financial 17.33	Financial 31.63	Resources 28.50	Resources 26.33
	Bonds 1.01	Property 2.54	Resources 12.81	Resources 23.80	Equities 12.98	Equities 9.79
	Cash 0.39	Cash 1.12	Cash 1.79	Property 14.93	Bonds 7.69	Bonds 8.25
	Property -0.32	Bonds -0.23	Bonds 1.17	Equities 11.03	Industrial 6.16	Financial 7.57
	Equities -0.36	Equities -4.00	Equities -0.32	Bonds 5.59	Cash 5.07	Cash 5.98
	Resources -0.42	Resources -6.22	Property -3.35	Cash 4.09	Financial 4.87	Industrial 2.73
WORST	Industrial -2.17	Industrial -7.99	Industrial -16.46	Industrial -6.84	Property -5.26	Property -6.30

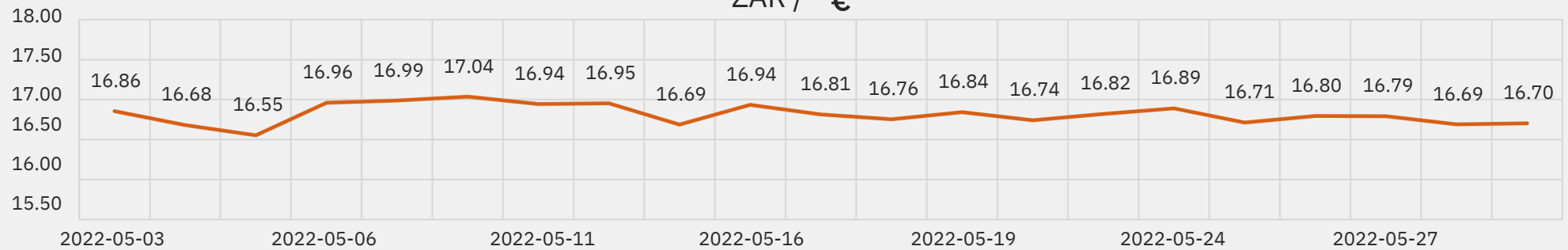
Datasource: Morningstar



# Currency Comparisons

2022/05/31

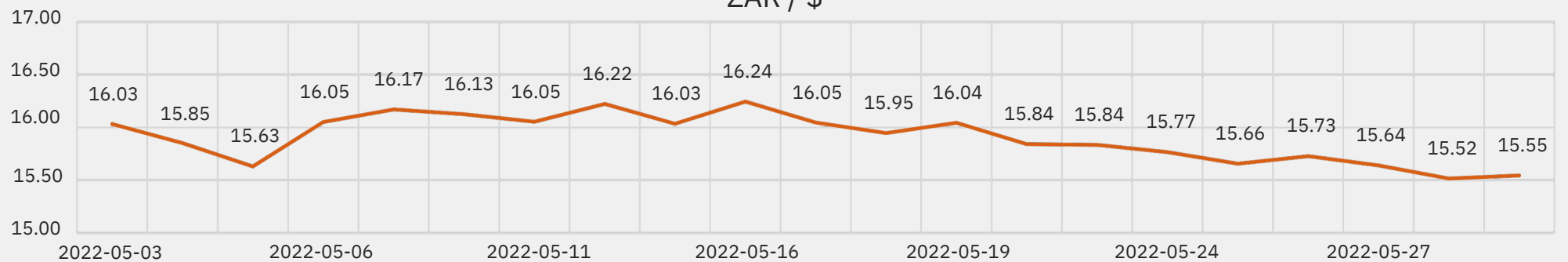
ZAR / €



ZAR / £



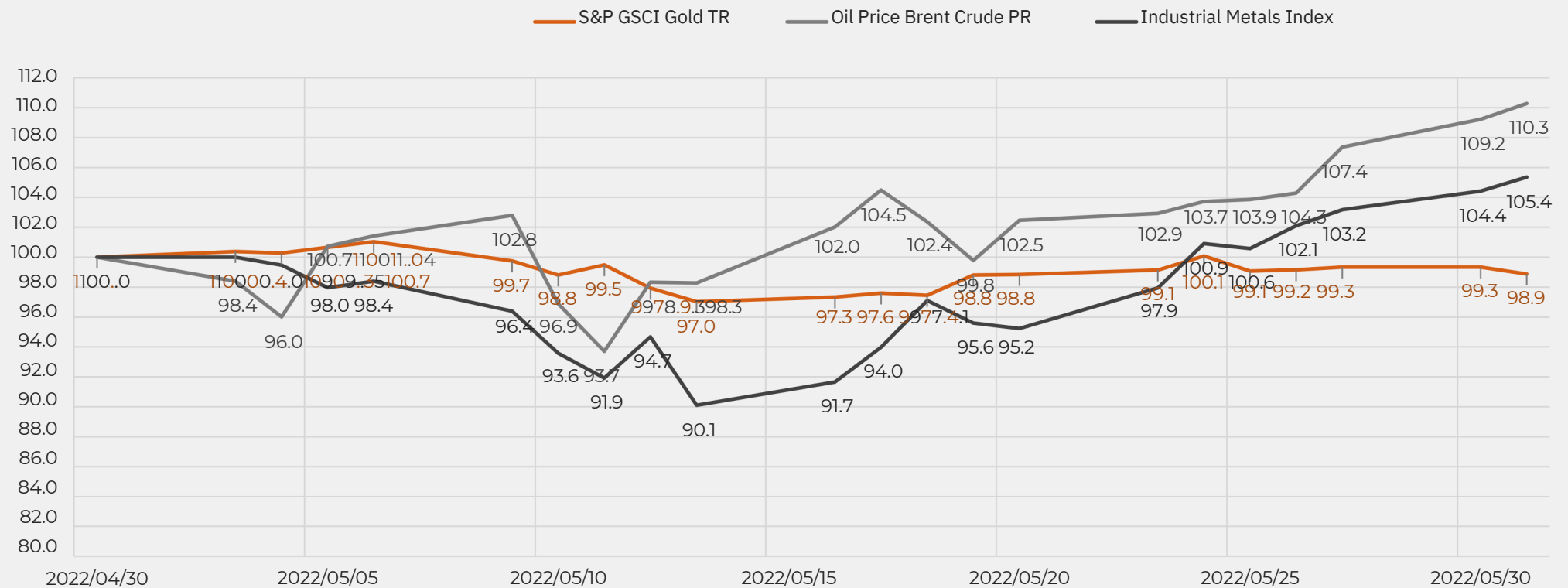
ZAR / \$





# Commodity Tracker

2022/05/31



Commodity prices have come down from recent highs in the first part of 2022. Gold performed better during May, but was only up by 1% and oil prices are still causing pressure on the South African economy.



# What is going on across the globe

2022/05/31

SOUTHAFRICA

AMERICA

EUROPE

ASIA



S&amp;P 500-US

0.18



BOVESPA - BRAZIL

3.08



FTSE JSE -SOUTH AFRICA

- 0.36



FTSE 100 - UK

1.13



STOXX ALL EUROPE

- 1.56



MOEX - RUSSIA

N/A\*



SHANGHAI CSI 300

1.96



SENSEX - INDIA

- 2.21

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



# What is going on across the globe

2022/05/31



SOUTHAFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

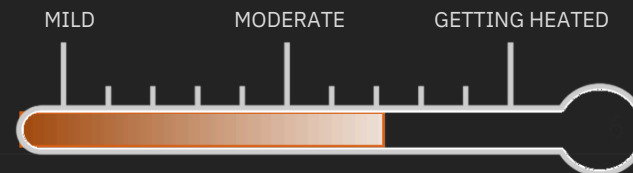


FOG/HAZEY



MOSTLY CLOUDY/PART SUN

## Political Temperature



## News Headlines

South Africa`s GDP expanded by 1.9% in Q1.

Households are facing faster increases in food and fuel prices.

The SARB announced a 50-basis point interest rate hike during May.



# What is going on across the globe

2022/05/31

SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate



FOG/HAZEY



MOSTLY CLOUDY/PART SUN

## Political Temperature

MILD

MODERATE

GETTING HEATED



## News Headlines

Headline inflation rose to a 40 year high at 8.6%.

The Fed announced a 50-basis point interest rate hike during May.

Central banks may be pulling forward a potential recession.





# What is going on across the globe

2022/05/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate



STORMS



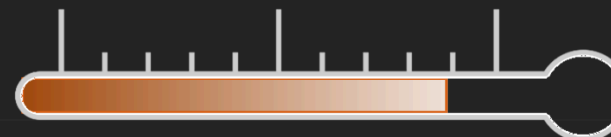
FOG/HAZEY

## Political Temperature

MILD

MODERATE

GETTING HEATED



## News Headlines

The Russia/Ukraine war remains a significant risk to global growth.  
Europe has announced a partial ban on Russian oil.  
The ECB may have to increase interest rates faster than expected.



# What is going on across the globe

2022/05/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate



CHANCE RAIN



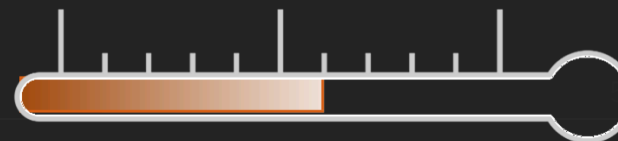
FOG/HAZEY

## Political Temperature

MILD

MODERATE

GETTING HEATED



## News Headlines

The unemployment rate in China is increasing fast.  
Authorities amended policies to support the Chinese economy.  
The Chinese economy reopened during May after strict lockdowns.



# What is going on across the globe

2022/05/31

## Geo-Economic Climate



CHANCE RAIN

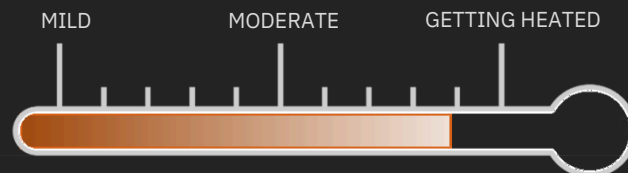


FOG/HAZEY

## Outlook

The earnings growth outlook has deteriorated. Rising bond yields, energy prices and supply disruptions will keep volatility elevated. Globally, the cost of living has risen to uncomfortable levels denting, consumer confidence and corporate profits. Household incomes remain deeply negative in real terms and the job market remains very tight. Energy costs are rising, supply chains remain fragile and rising wages will continue to add pressure to corporate profits. Economic data is also softening, but household balance sheets remain in decent shape, especially in the US.

## Geo -Political Temperature





# Fairtree Funds

2022/05/31

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
Growth Funds					
Fairtree Equity Prescient A1	-0.45	4.97	5.93	20.1	14.12
Fairtree Select Equity Prescient A1	-1.78	10.47	17.5	7	-N/A
Fairtree Balanced Prescient A1	-0.45	0.27	1	18.6	11.51
			4.37	9	
Multi - Managed Funds				16.0	
Fairtree Invest Strategic Fac Prscnt A1	-1.41	-1.50	8.37	3N/A	-N/A
Fairtree Flex Balanced Prescient A1	-0.83	-1.69	7.29	5.26	5.75
Fairtree WW MultiStrat Flex Prescient A1	-1.43	-6.78	1.01	6.10	-N/A
Global Funds					
Fairtree Glb RE Prescient Feeder Fd A1	-8.07	-13.4	8.93	5.09	8.01
Fairtree Global Emerging Mkts Prscnt A1	0.49	6	-11.12	-N/A	-N/A
Fairtree Global Equity Prescient A1	-0.21	-13.4	8.35	15.56	12.42
		2			
Income Funds		-13.2			
Fairtree Flex Income Plus Prescient A1	-0.24	91.29	4.90	6.63	8.03
Fairtree ALBI Plus Prescient A1	1.06	-0.39	3.87	6.91	7.46
Fairtree Money Market Prescient A1	0.39	1.73	4.01	4.99	-N/A



# Fairtree Funds

2022/05/31

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
Pre - Retirement Portfolios					
Fairtree Stable House View	-0.71	-2.57	3.51	7.30	7.74
Fairtree Moderate House View	-1.43	-2.58	3.83	8.76	8.83
Fairtree Balanced House View	-2.08	0.62	8.81	12.38	10.66
Post - Retirement Illustration					
Fairtree Post - Retirement Illustration	-1.09	-0.22	8.03	11.62	10.48



# Fairtree Funds

2022/04/30

LONG ONLY

PORTFOLIOS

HEDGE FUNDS

COMBINATIONS

FUND NAME	1 MONTH	YTD	1 YEAR	3 YEARS	5 YEARS
SNN Qualified Hedge Fund					
Fairtree Assegai Equity Long Short	-1.75	13.68	21.93	30.64	22.98
Fairtree Wild Fig Mul Strategy	-0.11	5.45	21.13	23.97	16.26
Fairtree Woodland Mul Strategy	1.38	3.63	10.39	16.30	12.39
Retail Hedge Fund					
Fairtree Fixed Income SNN	-0.98	-4.35	7.35	6.65	6.80
Fairtree Proton RCIS	1.41	1.86	4.97	7.11	8.49
Portfolios					
Fairtree Growth Hedge Fund of Funds	-0.15	6.33	17.98	22.33	16.41



# Fairtree Funds

2022/04/30

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
Pre - Retirement Portfolios					
Fairtree Stable Houseview (10% HF)	-0.57	-1.08	5.74	8.27	8.63
Fairtree Moderate Houseview (10% HF)	-0.30	-0.44	6.72	9.44	9.66
Fairtree Balanced Houseview (10% HF)	0.72	3.10	11.80	12.69	11.61
Post - Retirement Portfolios					
Fairtree Post-Retirement Illustration (15% HF)	-0.35	-1.24	5.69	8.74	9.19



# Market Commentary

2022/05/31

## SOUTH AFRICA

South Africa's economic growth surprised in Q1 as GDP expanded with 1.9%. This is the first time since 2020 that the South African economy has reached pre-pandemic levels. The expansion was mainly due to household spending, investment, manufacturing activity and high commodity prices. Households are facing faster increases in food and fuel prices in the coming months, along with loadshedding set to continue throughout the winter. The South African Reserve Bank (SARB) announced a 50-basis point interest rate hike during May. The unemployment rate dropped to 34.5% for 2022 Q1 from 35.3%, but still remains high.

## AMERICA

The Fed is under immense pressure to fight inflation as US headline inflation rose to a 40 year high at 8.6% during May. Consumer confidence maintained its downward trend throughout the month, although household balance sheets remain positive. The Fed announced a 50-basis point interest rate hike during May and indicated that similar increases may be required during the June and July meetings. Risks are also rising that central banks are hiking interest rates into restrictive levels earlier than expected, that may be pulling forward a potential recession.

## EUROPE

Europe remains a significant risk towards global growth, along with investor confidence at recessionary levels. During May, consumer price inflation increased past 8% and producer price inflation past 37%, with the impact of the Russia/Ukraine war on energy prices being the leading contributor. Europe has announced a partial ban on Russian oil, aiming to reduce dependence on Russian oil, although Putin may still cut supplies to European countries. There is increasing pressure on the European Central Bank (ECB) to hike interest rates, potentially starting from their meeting in July.

## ASIA

Chinese markets saw the reopening of economic activity during May, after strict lockdowns weighted on consumers and suppliers. Unemployment numbers in China are rising significantly. Chinese authorities have eased policies with regards to increased liquidity, lower mortgage rates, lower bank notes, increased infrastructure, subsidies to SME's, support for airlines and lower taxes for households. These policy amendments were made to support the Chinese economy and it is expected that more changes may be made in coming months. Chinese authorities also need to increase consumer confidence by making changes to future lockdown measures while maintaining a zero Covid-19 strategy.