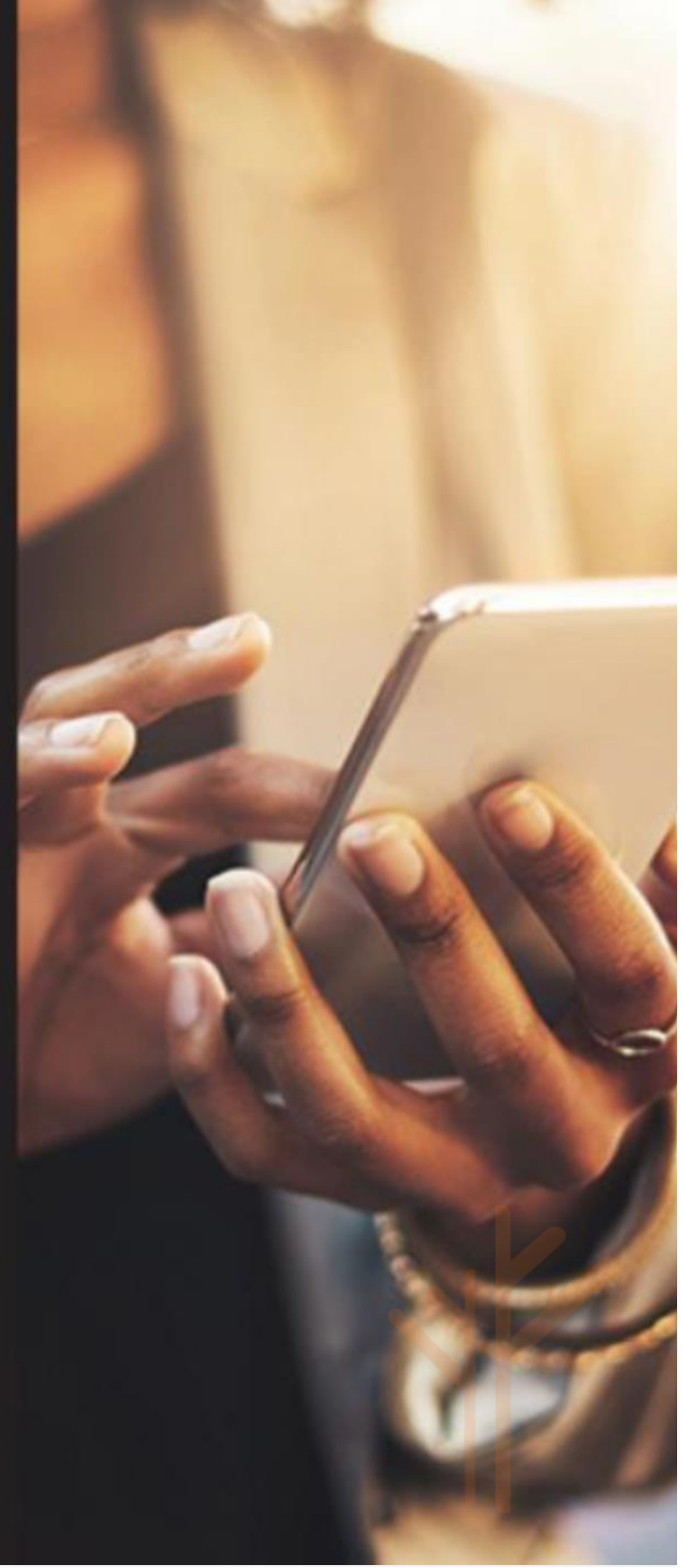




FAIRTREE

# Monthly Report

*October 2023*





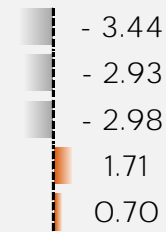
# Index Activity

2023/10/31

## LOCAL

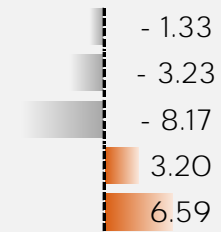
JSE All Share	<i>Local Equity Market</i>
SWIX	<i>Local Equity Market - Capped</i>
SAPY	<i>Property</i>
ALBI	<i>Bonds</i>
STEFI	<i>Cash</i>

## MONTHLY



## PERFORMANCE

## YTD



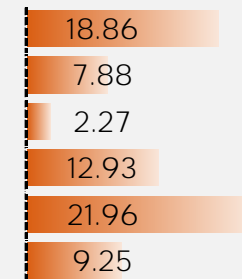
## GLOBAL

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



## YTD





# Asset Class Returns

2023/10/31

BEST



WORST



1 MONTH

3 MONTHS

YTD

1 YEAR

3 YEARS

5 YEARS

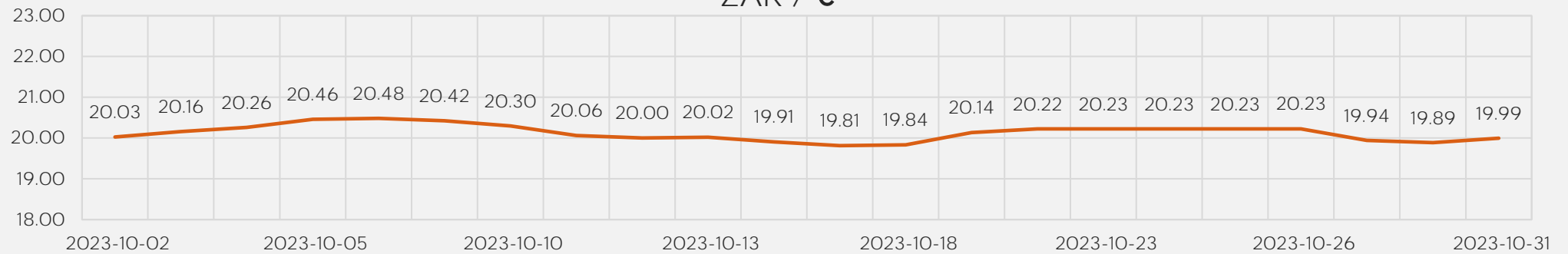
Bonds	1.71	Cash	2.08	Cash	6.59	Industrial	19.62	Financial	24.01	Resources	13.03
Cash	0.70	Bonds	-0.90	Financial	6.17	Equities	8.34	Property	19.01	Equities	9.83
Financial	-2.15	Property	-6.19	Industrial	5.18	Bonds	7.91	Equities	15.03	Industrial	9.69
Resources	-3.17	Financial	-7.58	Bonds	3.20	Cash	7.73	Resources	13.09	Bonds	7.89
Property	-3.33	Resources	-10.21	Equities	-1.33	Financial	6.33	Industrial	11.07	Cash	5.90
Equities	-3.44	Equities	-10.39	Property	-7.63	Property	-1.19	Bonds	7.26	Financial	4.66
Industrial	-4.51	Industrial	-12.72	Resources	-17.12	Resources	-7.20	Cash	5.42	Property	-5.34



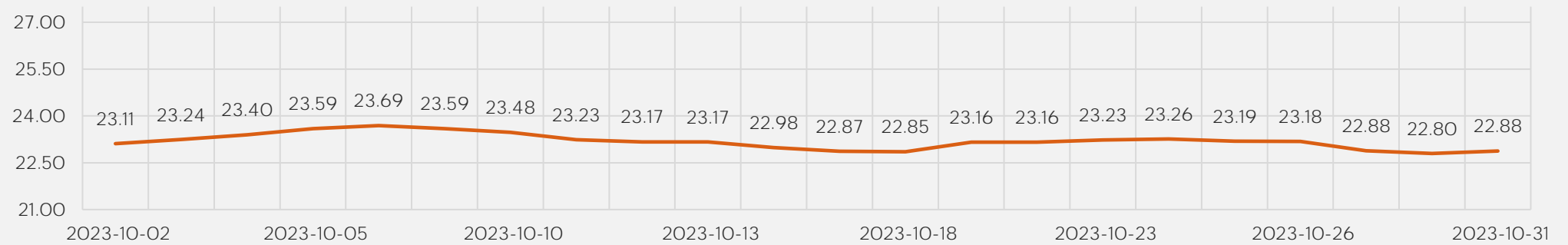
# Currency Comparisons

2023/10/31

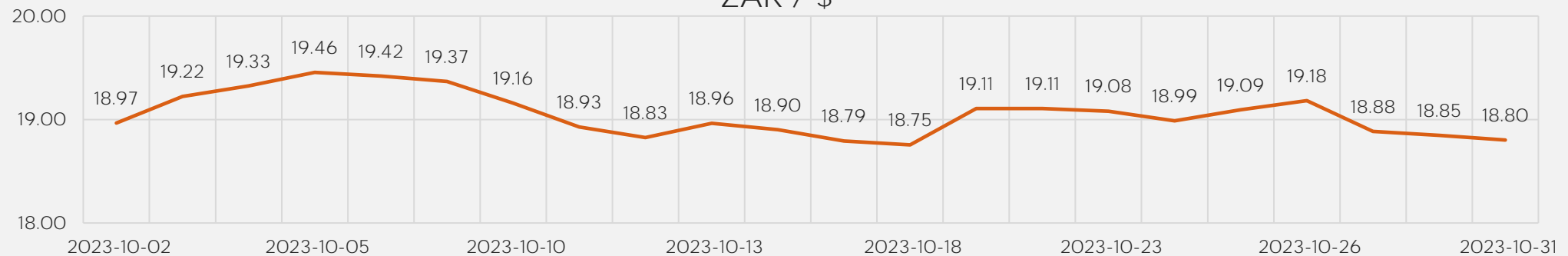
ZAR / €



ZAR / £



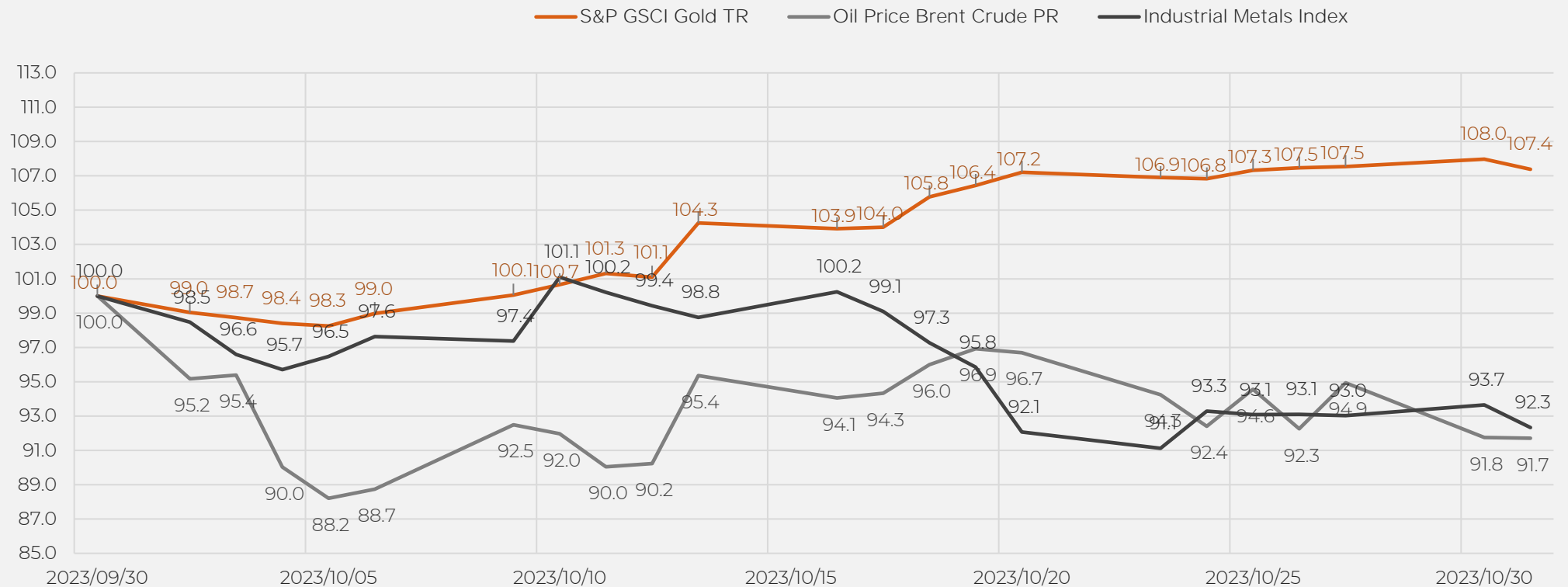
ZAR / \$





# Commodity Tracker

2023/10/31



Resources had a mixed month during October. This after oil decreased by 8.3% during the month of October and copper also declined by 2.2% for the month. On the other hand, iron ore increased by 1.6% and oil gained 7.3% for the month.



# What is going on across the globe

2023/10/31

SOUTH AFRICA

AMERICA

EUROPE

ASIA



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



# What is going on across the globe

2023/10/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

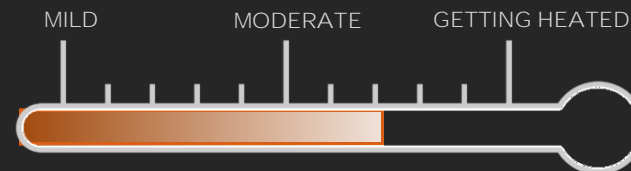


CHANCE RAIN



FOG/HAZEY

## Political Temperature



## News Headlines

Loadshedding decreased significantly during October.  
The medium-term budget speech highlighted several spending cuts.  
The SARB may not hike interest rates at their next meeting.



# What is going on across the globe

2023/10/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

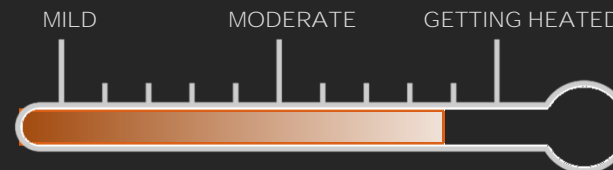


FOG/HAZEY



MOSTLY CLOUDY/PART SUN

## Political Temperature



## News Headlines

Inflation data continues to remain high in the US economy.  
The Fed did not rule out further tightening of monetary policy.  
The US dollar have benefited from several factors.





# What is going on across the globe

2023/10/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

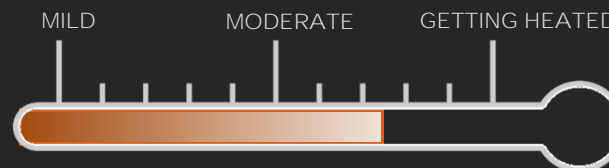


CHANCE RAIN



FOG/HAZEY

## Political Temperature



## News Headlines

The ECB has paused interest rate hikes at the October meeting. Annual inflation has decreased from 4.3% to 2.9% in October. The Eurozone economy contracted during Q3.



# What is going on across the globe

2023/10/31



SOUTH AFRICA

AMERICA

EUROPE

ASIA

## Economic Climate

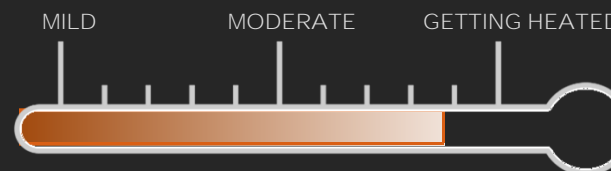


CHANCE RAIN



MOSTLY CLOUDY/PART SUN

## Political Temperature



## News Headlines

The Chinese economy continues to stabilise.

The property sector remains under pressure due to a lack of funding.

Commodity imports have started to increase during the past months.



# What is going on across the globe

2023/10/31

## Geo-Economic Climate



CHANCE RAIN

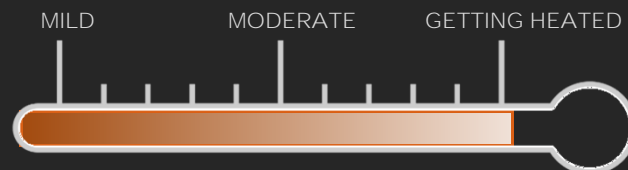


FOG/HAZEY

## Outlook

Tighter financial conditions, slow growth and high policy uncertainty should weigh on valuations, profit margins and earnings. US valuations and earnings estimates remain somewhat elevated. Local bond yields are attractive. Local core inflation remains contained but upside risks are high. Headline inflation has peaked, and markets are expecting the SARB to be at the end of the hiking cycle. The sovereign credit premium remains elevated. Global developed market bonds remain attractive given the outlook for softer growth.

## Geo -Political Temperature





# Fairtree Funds

2023/10/31

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	-2.28	-3.51	8.13	15.16	12.30
Fairtree Select Equity Prescient A1	-4.70	7.50	9.36	19.83	-N/A
Fairtree Balanced Prescient A1	-1.66	2.67	10.44	12.51	11.42
<b>Multi - Managed Funds</b>					
Fairtree Invest Strategic Fac Prscnt A1	-3.06	0.83	7.86	10.69	-N/A
Fairtree Flex Balanced Prescient A1	-1.87	4.38	11.09	8.54	5.72
Fairtree WW MultiStrat Flex Prescient A1	-3.33	3.56	8.56	6.28	5.65
<b>Global Funds</b>					
Fairtree Glb RE Prescient Feeder Fd A1	-6.08	-1.67	-3.80	2.32	3.55
Fairtree Global Emerging Mkts Prscnt A1	-3.21	13.43	20.30	4.07	-N/A
Fairtree Global Equity Prescient A1	-4.80	18.01	18.80	14.64	13.45
<b>Income Funds</b>					
Fairtree Flex Income Plus Prescient A1	0.71	9.60	11.84	8.19	8.02
Fairtree ALBI Plus Prescient A1	1.62	5.01	11.09	7.29	7.32
Fairtree Money Market Prescient A1	0.69	6.56	7.64	5.35	-N/A



# Fairtree Funds

2023/10/31

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	-1.44	5.97	10.20	7.83	7.39
Fairtree Moderate House View	-2.75	4.11	8.91	8.52	7.62
Fairtree Balanced House View	-4.07	6.40	9.08	12.09	9.82
<b>Post - Retirement Illustration</b>					
Fairtree Post - Retirement Illustration	-2.83	8.21	11.25	12.14	10.11



# Fairtree Funds

2023/09/30

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	2.44	10.00	34.26	20.30	23.67
Fairtree Wild Fig Mul Strategy	2.41	16.67	30.08	23.56	23.37
Fairtree Woodland Mul Strategy	1.74	12.43	19.87	11.99	14.82
Fairtree WW Mutli-Strategy Flexible QIHF	1.04	11.35	19.40	10.39	10.71
<b>Retail Hedge Fund</b>					
Fairtree Fixed Income SNN	-0.18	3.31	7.31	5.65	5.73
Fairtree Proton RCIS	1.34	9.47	14.75	5.55	7.77
Fairtree WW Mutli-Strategy Flexible RIHF	-0.23	8.30	14.86	8.85	11.68
<b>Portfolios</b>					
Fairtree Growth Hedge Fund of Funds	2.18	14.02	27.94	19.25	20.59



# Fairtree Funds

2023/09/30

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
<b>Pre - Retirement Portfolios</b>					
Fairtree Stable Houseview (10% HF)	0.50	9.43	14.44	8.64	8.74
Fairtree Moderate Houseview (10% HF)	0.00	9.51	15.06	9.47	9.20
Fairtree Balanced Houseview (10% HF)	0.50	13.07	17.90	12.98	11.27
<b>Post - Retirement Portfolios</b>					
Fairtree Post-Retirement Illustration (15% HF)	0.76	9.77	15.91	9.28	9.45



# Market Commentary

2023/10/31

## SOUTH AFRICA

Local equity markets had a negative month during October, as global factors had a significant impact on emerging markets sentiments. Loadshedding was substantially lower during October, as several power units came back online. The medium-term budget speech highlighted several fiscal spending cuts and more realistic revenue assumptions for the next financial year. Markets are expecting the South African Reserve Bank (SARB) to remain hawkish until the Federal Reserve adopts a less hawkish stance with regards to interest rate hikes. Markets are not expecting an interest rate hike at the next Monetary Policy Meeting.

## AMERICA

Inflation data remains high over the broader US economy. This may lead to a longer period of tighter policy by the Federal Reserve (the Fed). The Fed Chair, Jerome Powell, did not rule out further tightening, due to the “range of uncertainties, both old and new”. Geopolitical risk in the Middle East remains high, as the conflict between Israel and Hamas may spill over into a regional conflict, that could have a significant impact on oil supply to global economies. The US dollar has benefitted from improved US data points, rising bond yields and geopolitical tension.

## EUROPE

The European Central Bank (ECB) paused their interest rate hikes at the October meeting. This after the central bank increased interest rates 10 consecutive times. The end of October indicated that annual inflation decreased to 2.9% in October from 4.3% in September. The latest data indicated that inflation is returning closer to the ECB’s 2% target and may indicate an end to the current rate-hiking cycle. Current high interest rates are having a negative impact on economic growth in the Eurozone. This after the Eurozone economy contracted during the third quarter of 2023.

## ASIA

The Chinese economy has continued to stabilise during October. Although stabilisation continued since the second half of the year, has there been no significant growth drivers within the Chinese economy. The property sector remains under pressure, as developers struggle with a lack of funding. Other parts of the economy are starting to show growth. These parts include rail investment, grid investment and electric vehicle exports. Another contributor towards the stabilisation is the strong commodity imports.