FAIRTREE

Fairtree SA Balanced Prescient Fund

Minimum Disclosure Document - Class A1

31 July 2025

Investment Objective

The Fairtree SA Balanced Prescient Fund is a South African multi-asset high equity fund, with a focus on maximising total returns in excess of the benchmark, after fees, over the long term. It is designed for investors seeking local-only exposure in line with Regulation 28 of the Pension Funds Act.

Investment Policy

The Fairtree SA Balanced Prescient Fund is a multi-asset South African high equity fund. The objective of the portfolio is to generate long-term wealth for investors by producing inflation beating returns. The portfolio will invest in a diversified range of local asset classes as permitted by legislation. The portfolio will seek to deliver consistent returns over the medium to long term by blending maximum equity exposure with other asset classes. The portfolio will invest primarily in South African equities, fixed income, money markets, instruments based on the value of any precious metal, and property. The portfolio is not permitted to invest offshore. The portfolio will aim to deliver returns in excess of the benchmark. This will be obtained by following a disciplined and methodological investment process of selecting the most appropriate asset allocation for the market environment and then selecting the securities which will maximise the probability of outperforming the benchmark.

RISK INDICATOR

ANNUALISED PERFORMANCE (%)

Not available - New Fund, data will be available 12 months after launch.

CUMULATIVE PERFORMANCE

Not available - New Fund, data will be available 12 months after launch.

ANNUALISED PERFORMANCE (%)

Not available - New Fund, data will be available 12 months after launch.

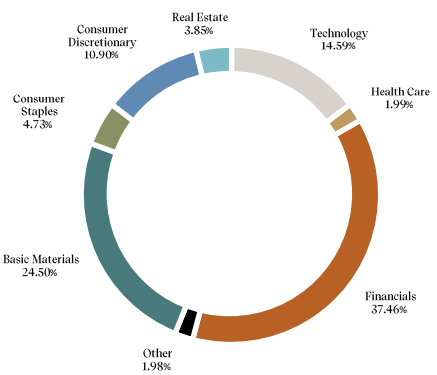
RISK AND FUND STATS

Not available - New Fund, data will be available 12 months after launch.

ASSET ALLOCATION (%)

	S.A	Foreign	Total
Equity	65.87	0.00	**65.87**
Bonds	25.39	0.00	**25.39**
Commodity	3.14	0.00	**3.14**
Cash	2.84	0.00	**2.84**
Property	2.77	0.00	**2.77**
Total	100.00	0.00	**100.00**

EQUITY SECTOR EXPOSURE



FUND INFORMATION

Fund Manager:
Jacobus Lacock

Fund Classification:
South African - Multi Asset - SA High Equity

Benchmark:
South African - Multi Asset – SA High Equity Category Average

JSE Code:
FASAA1

ISIN Number:
ZAE000339990

Regulation 28 Compliant:
Yes

Fund Size:
R39.7 m

No of Units:
1,002,415

Unit Price:
109.40

Inception Date:
September 2024

Minimum Investment:
R50 000 lump-sum
R1 000 per month

Initial Fee:
0.00%

Annual Management Fee:
0.85% (excl. VAT)

Performance Fee:
15% performance fee (performance fee capped at 1.50% excl. VAT)

Fee Class:
A1

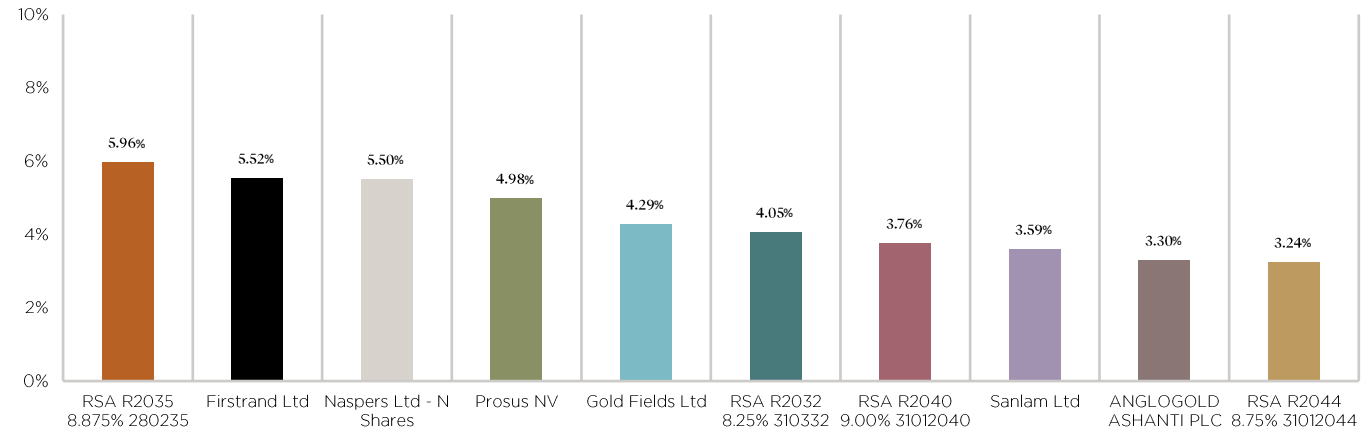
Fee Breakdown:

Please note the Total Expense Ratio and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product and the funds TER will be available after one year.

Income Distribution:

31 March 2025 - 0 cpu

TOP 10 HOLDINGS



FUND MONTHLY RETURNS

Not available - New Fund, data will be available 12 months after launch.

MARKET COMMENTARY

An easing of trade tensions and greater clarity on US fiscal policy set the tone in July, as markets rallied on relief that tariff escalation might be contained and that Congress had passed the One Big Beautiful Bill Act. The S&P 500 rose 2.2%, led by technology stocks and outperformed emerging markets. The rally was also supported by strong US Q2 earnings results & resilient economic data. The US 10-year Treasury yields drifted up 15 basis points to 4.38%.

In the US, the passage of the One Big Beautiful Bill Act on 4 July cemented lower tax rates and expanded spending over the next few years. Trade agreements with several countries, including the UK, Europe, Japan, Vietnam & Indonesia, replaced uncertainty as most deals were struck with a tariff rate of around 15-20%, accompanied by commitments from countries to buy and invest in the US. Despite a modest slowdown in manufacturing (flash PMI at 49.5), services remained resilient. We expect the negative growth and higher inflation impact of tariffs to play out in the economy over the coming months. Some signs are already visible as Core CPI rose to 2.7% y/y, with import goods components seeing accelerated price rises.

Eurozone government bond yields edged higher on positive growth indicators: the flash composite PMI rose to 51.0, while inflation held at 2.0% y/y in June. The European Central Bank maintained its deposit rate on hold but remains wary of downside growth risks.

UK markets contended with stickier inflation, as headline CPI accelerated to 3.6% y/y in June (core at 3.7%), driven by transport, clothing, and leisure costs. Gilt yields climbed to 4.6%, reflecting a relatively tight monetary environment.

Local assets rallied with global markets and were supported by rising PGM prices. The SARB cut its repo rate by 25 basis points to 7.0% and signalled a shift towards targeting 3% inflation. The All-Share index rose 2.3%, while the ALBI bond index gained 2.7%. The rand weakened 2.8% to ZAR 18.22/USD. In response to the 30% reciprocal US tariff threat. Government continues to engage with US counterparts towards a deal, but measures to support impacted export businesses and jobs are in the works.

Emerging equities rose 2.0%. China eked out gains (4.8%) on sustained trade talks and positive commodity momentum despite a slight PMI dip to 49.3 and ongoing PPI deflation (–3.6%). India lagged, down 5.2 %, as investors contended with uncertain tariff outcomes, negative foreign inflows and rupee weakness, even as CPI eased to a 77-month low of 2.1%.

Brent crude climbed $4.70 to $72.70 per barrel. Copper fell 13.4% on tariff concerns, while gold gave back earlier gains. PGMs jumped, as jewellery demand and substitution increased along with auto-catalyst shortages.

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Glossary

Annualised Performance: Annualised performance shows 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: Denotes 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.
Performance Fee Cap: The maximum performance fee that can be charged 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 outperformance and is generally calculated as percentage of outperformance, often both realized and unrealized.
Transaction Costs (TC%): 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.

Disclosure

The portfolio has adhered to its object and there were no material changes to the composition of the portfolio during the quarter.

Risk Indicator Definition

The Portfolio is diversified across asset classes, although the portfolio's volatility may be dominated by the equities and fixed income portions. The equity portions is concentrated which comes with the risk of more volatile returns relative o the broader market when the stocks invested in underperform. The fixed income exposure may cause permanent capital loss for investors if an issuer of one of the instruments held in the fund defaults. Significant widening in credit spreads on instruments held in the fund can result in short term capital volatility but not permanent capital loss. This portfolio is permitted to invest in foreign securities which, within portfolios, may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of the market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

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.

For any additional information such as fund prices, brochures and application forms please go to www.fairtree.com

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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