



**Investment Objective**

The Fairtree Select Equity Prescient Fund is an actively managed domestic general equity fund with a focus on maximizing total returns for the client. The objective of the fund is to create medium to long-term capital growth from a selection of high conviction, concentrated equity opportunities, predominantly within the South African market. The fund invests in securities across all sectors of the Johannesburg Stock Exchange (JSE) which trade below intrinsic value or have capital appreciation potential.

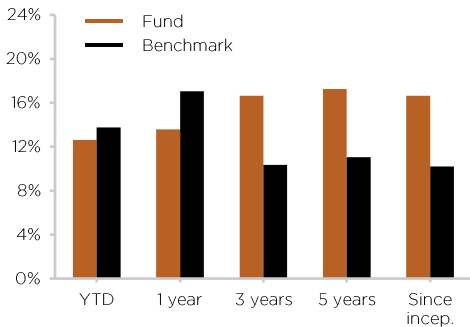
**Investment Policy**

In order to achieve its objective, the portfolio will typically hold 25 shares. The fund is restricted to a maximum of 40 shares. The fund will invest across all industry sections ranging across large, mid and smaller cap shares. Although the portfolio manager will predominantly invest in South African markets, the manager may also include investments in offshore jurisdictions.

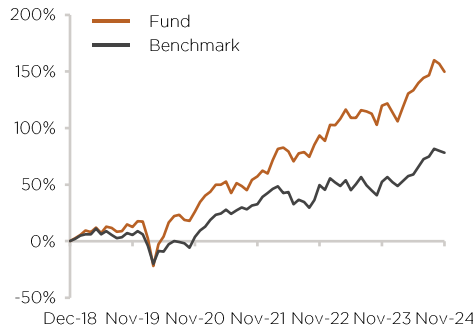
**RISK INDICATOR**



**ANNUALISED PERFORMANCE (%)**



**CUMULATIVE PERFORMANCE**



Source: Performance calculated by Prescient Fund Services verified by the FSP  
Date: 30 November 2024

**ANNUALISED PERFORMANCE (%)**

	Fund	Benchmark
1 year	<b>13.58</b>	17.06
3 years	<b>16.65</b>	10.34
5 years	<b>17.25</b>	11.04
Since incep.	<b>16.63</b>	10.21
Highest rolling 1 year	<b>92.10</b>	54.24
Lowest rolling 1 year	<b>-27.81</b>	-24.53

All performance figures are net of fees.

**RISK AND FUND STATS**

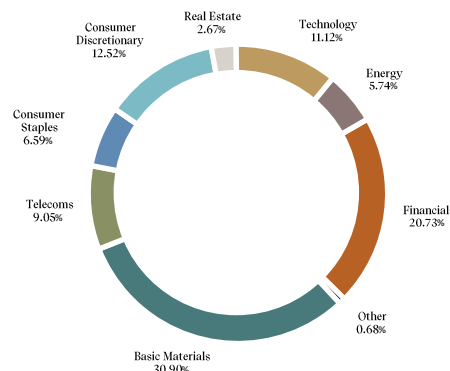
Since inception (p.a.)	Fund	Benchmark
Alpha	<b>6.42%</b>	
Sharpe Ratio	<b>0.53</b>	0.27
Sortino Ratio	<b>0.85</b>	
Information Ratio	<b>0.63</b>	
Standard Deviation	<b>19.98%</b>	16.01%
Max Drawdown	<b>-33.63%</b>	-28.12%
Max Gain	<b>24.58%</b>	14.18%
% Positive Months	<b>59.72%</b>	59.72%

Benchmark risk statistics for funds with intra-month inceptions dates are calculated using the monthly return series.

**ASSET ALLOCATION (%)**

	S.A	Foreign	Total
Equity	88.81	7.13	<b>95.94</b>
Property	2.63	0.00	<b>2.63</b>
Cash	1.10	0.33	<b>1.43</b>
Total	92.54	7.46	<b>100.00</b>

**EQUITY SECTOR EXPOSURE**



**FUND INFORMATION**

**Fund Manager:**

Deon Botha

**Fund Classification:**

South African - Equity - General

**Benchmark:**

FTSE/JSE Capped SWIX All Share Total Return

**JSE Code:**

FSEA1

**ISIN Number:**

ZAE000266664

**Regulation 28 Compliant:**

N/A

**Fund Size:**

R2.3 bn

**No of Units:**

160,631,287

**Unit Price:**

213.45

**Inception Date:**

December 2018

**Minimum Investment:**

R50 000 lump-sum  
R1 000 per month

**Initial Fee:**

0.00%

**Annual Management Fee:**

1.00% (excl. VAT)

**Performance Fee:**

15% outperformance over Capped SWIX with a 1 year rolling highwater mark. Capped at 1.50% (excl VAT).

**Fee Class:**

A1

**Fee Breakdown:**

Management Fee	1.00%
Performance Fees	0.30%
Other Fees*	0.22%
<b>Total Expense Ratio</b>	<b>1.52%</b>
<b>Transaction Costs</b>	<b>1.11%</b>
<b>Total Investment Charge</b>	<b>2.63%</b>

\*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

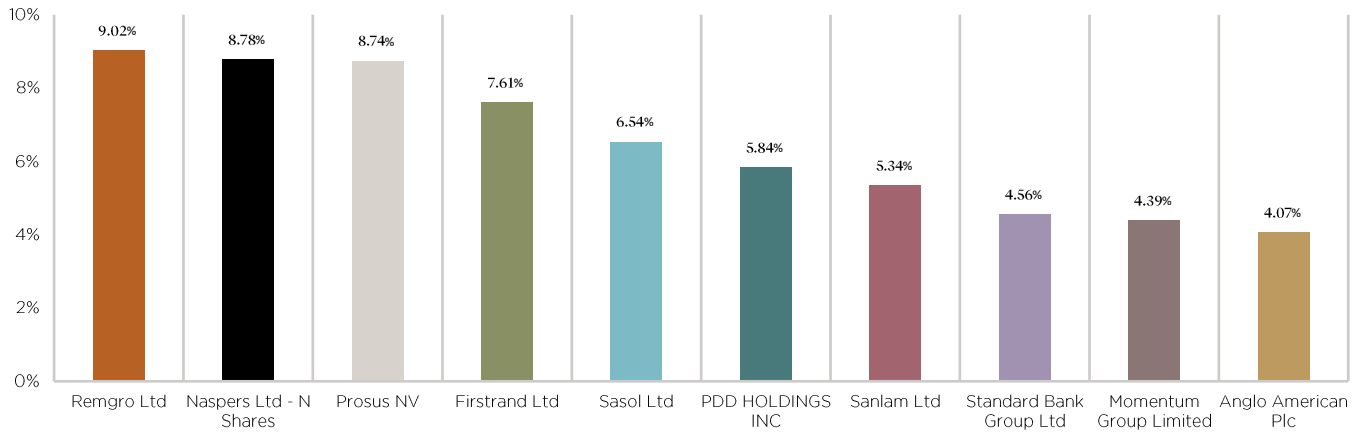
\*TIC Fees are calculated in respect of 12 months ending before 30 September 2024

**Income Distribution:**

31 March 2024 - 5.56 cpu



TOP 10 SA EQUITY HOLDINGS (AS AT 31 AUGUST 2024)



FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2018												2.77%	2.77%
2019	2.69%	3.64%	-1.13%	3.62%	-4.28%	5.13%	-0.98%	-2.96%	0.53%	5.35%	-1.80%	4.37%	14.45%
2020	-0.30%	-12.60%	-23.83%	24.58%	6.92%	11.96%	5.03%	0.96%	-3.67%	-0.86%	7.12%	6.71%	14.57%
2021	4.22%	2.41%	4.26%	-0.04%	1.84%	-6.56%	6.17%	-1.77%	-2.51%	6.31%	2.03%	3.23%	20.50%
2022	-1.51%	7.44%	5.61%	0.64%	-1.78%	-4.93%	4.17%	0.57%	-2.34%	6.27%	4.31%	-2.48%	16.14%
2023	7.54%	-0.10%	2.78%	3.97%	-3.47%	-0.02%	3.25%	-0.47%	-0.93%	-4.70%	8.44%	0.84%	17.56%
2024	-3.52%	-3.77%	5.88%	5.76%	1.21%	2.81%	1.93%	0.88%	5.43%	-1.19%	-2.81%		12.63%

MARKET COMMENTARY

The FTSE/JSE All Share Index (ALSI) decreased by 0.9% in November 2024. The FTSE/JSE Shareholder Weighted Index (SWIX) decreased by 0.9%, and the FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX) decreased by 0.9%. The rand weakened by 2.6% during the month. Financials and Industrials increased by 0.5 and 0.5 respectively, while Resources decreased by 6.9%.

During November, bonds increased by 3.1% and cash returned 0.6%. The MSCI Emerging Markets Index decreased by 3.6% (USD), underperforming the MSCI World Index, which increased by 4.6% (USD). The MSCI South Africa Index decreased by 4.5% (USD).

Through November, iron ore fines increased slightly by 0.8% to US\$97.3/t, and thermal coal increased by 0.9% to US\$111.4/t. Brent crude oil decreased by 0.8%, ending the month at US\$71.8/bbl. Gold was down by 3.7% to US\$2643.2/oz and platinum decreased by 4.5% to US\$949.9/oz. Palladium decreased by 12.2% to US\$983.1/oz.

November saw significant developments shaping global market sentiment. The month began with the presidential elections in the US, the outcome of which was a Red clean sweep. Majorities in both the House and the Senate have opened the possibility of far-reaching US policy changes that have global ramifications, including increased tariffs and protectionism, coupled with upside risks to inflation. Post-election, the USD strengthened sharply, exerting pressure on emerging market assets and commodities. Gold retreated from its highs as the promise of ending wars reduced safe-haven demand.

Other parts of the developed market have diverged considerably from the US, with European markets underperforming due to market concerns regarding the region's economic and political outlook. The EU20 finds itself in a difficult position, with economic indicators continuing to point to a loss of momentum. Manufacturing remains weak, and political problems in France and Germany look to cloud the outlook for 2025 further. We continue to see tight supply chains across many territories as industrials destock inventory in anticipation of continued drag in the economy.

On the local front, a stronger USD and the absence of meaningful fiscal stimulus from China have created headwinds for commodities. Commodities, in general, detracted from the Fund's performance over the month. Conversely, the retail sector outperformed, supported by strong post-period results and early signs of improved consumer confidence. The two-pot pension system withdrawals showed early benefits, aiding performance. Encouragingly, S&P's upgrade of South Africa's outlook signalled growing optimism about the country's fiscal and economic trajectory, though the ZAR struggled to counteract USD strength.



## 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 (%):** 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 a high conviction, concentrated portfolio of listed equities across all sectors of the JSE. The portfolio is comprised of our best bottom up ideas, whilst balancing sector specific risks and macro influences. The combination of macro factors and a bottom up fundamental research driven approach, helps us to identify exceptional investment cases that should deliver market beating performance. We actively manage risk and optimize return by managing position sizing. We continually reassess risks and potential returns in changing circumstances, ensuring appropriate portfolio changes to protect capital, while keeping a firm focus on longer term compounding of returns.

## 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](http://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](mailto:info@prescient.co.za) **Website:** [www.prescient.co.za](http://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](http://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](http://www.fairtree.com)

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