

# FAIRTREE

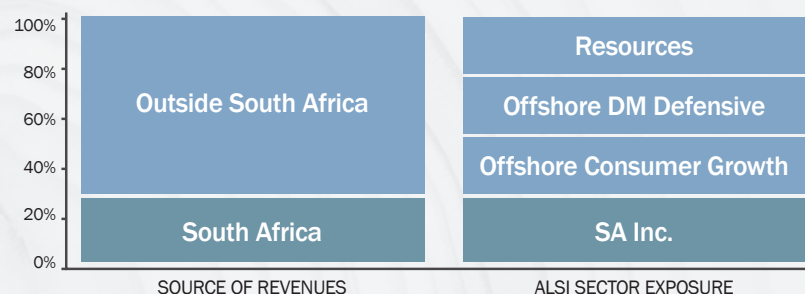
Fairtree is a leading, diversified investment management business, with headquarters in the Cape. Our business capabilities span across hedge funds, private equity and long-only funds in multi-asset classes primarily, although not exclusively, in South Africa.

At Fairtree we have specifically designed our equity process around the opportunity set we work within. The South African listed equities market is highly externalised, with roughly 70% of the earnings of the top 50 companies coming from outside South Africa, and 30% of earnings coming from within our borders. When one compares the sources of revenue with the four sectors on the

right, one can see that we broadly have four sectors to work within on the local market – Resources, Offshore Developed Market Defensive, Offshore Consumer Growth, and SA Inc. Importantly, each of these sectors is in itself highly diversified with many subsectors. SA inc for example contains Banks, Retailers, Healthcare, Insurance, Diversified Industrials, etc.

## SA Economy ≠ All Share Index

70% of Revenues generated from outside South Africa



When we feel that the currency could strengthen or if the local economy will do well, the portfolio should be positioned with overweight exposure to Resources and SA Inc. In a weak Rand environment or when the local economy is under stress, the portfolio needs a greater allocation to the offshore sectors.

Having a flexible process and the ability to move between these four sectors at the right time gives us the opportunity to avoid underperforming pockets of the market while still ensuring we have a diversified portfolio.

By continuously assessing our positions in these sectors, risk management is consistently applied and capital is made to work harder for our Clients.

We can not guarantee that we will always be perfectly positioned, which is why we believe it is also important to have a highly diversified portfolio. One cannot forecast the future, so we always tend to have some protection in our positions for a variety of outcomes, even if we think that a certain outcome holds favour.



**RAGING BULL**  
WINNER 2017



**62** STAFF  
MEMBERS

Portfolio Managers / Analysts  
Trading / Investment support

**40+** INVESTMENT  
PROFESSIONALS

Specialist teams across  
major asset classes

Small independent  
teams across 4 offices

World class institutional  
infrastructure

Large investment team  
with diverse skill set



**R41<sup>BN</sup>**  
FIRM AUM

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