

General Information

Unit Price: Class C	70.094
Benchmark	STEFI Index
Fund Inception Date	1 November 2015
Establishment of CIS	1 August 2016
Publish Date	5 December 2018
Fund Size	R13,745,960
Fund Auditors	KPMG
Fund Manager	Thomas Schlebusch
Contact	082 042 3934 info@nmrql.com

Fund Performance (Net of Fees)

	Fund	JALSH	Cash
1 Month	-2.6%	-5.8%	0.5%
3 Month	3.3%	-7.6%	1.7%
6 Month	-5.1%	-8.6%	3.6%
12 Month	-10.7%	-3.4%	7.2%
Year to Date	-19.8%	-9.4%	6.0%
Highest Rolling 1-Year Return	7.1%	23.2%	7.7%
Lowest Rolling 1-Year Return	-22.8%	-8.6%	7.1%
Total Return Since Inception	-30.3%	6.1%	23.7%
Annualised Return Since Inception	-11.3%	2.0%	7.3%
Annualised Sharpe Ratio	-98%	-46%	
Annualised Volatility	15.9%	11.4%	0.1%

Investment Objective

The NMRQL Multi Strategy Prescient QI Hedge Fund is a multi-strategy hedge fund that aims to deliver consistent, long-term positive returns in all market conditions. The fund will follow a variety of strategies, including, but not limited to, market neutral, equity long/short, macro, property, fixed income, foreign exchange and cash strategies. The fund will invest in a diversified range of instruments including, but not limited to, equities, bonds, commodities, property, preference shares, money market instruments and listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The manager will calculate the portfolio exposure/ risk by means of the "Value at Risk" approach. The VAR (Value at Risk) of the portfolio will not exceed 20% of the NAV of the portfolio. The VAR will be a one day VAR, calculated with a 99% confidence over the past 250 days on a daily basis

Strategy & Philosophy

The investment strategy relies on systematic, fundamental, and quantitative data. Our process focuses heavily on the recent developments in statistics and machine learning, with applications to computational finance.

These inputs and how we calibrate them, is singular to our investment process at NMRQL – which we believe is unique technique in the South African context.

- We look to the past (Hindsight)
- In order to understand the present (Insight)
- So as to be able to act on the future (Foresight)

The strategy is broadly diversified, global in scope, and opportunistic with respect to investments, asset classes (bonds, cash, equity, FX and commodities), instruments and time horizons, with a high premium paid for liquidity at all times.

This fund has an absolute return focus and will utilise derivative instruments as well as gearing and short selling.

Fund Size

The fund is aimed to be restricted to a maximum size of R2 Billion. Current funds are approximately R22,2 Million.

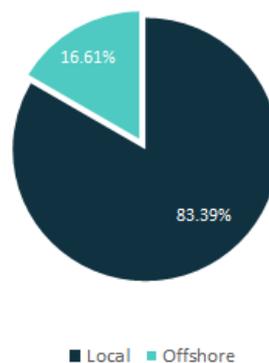
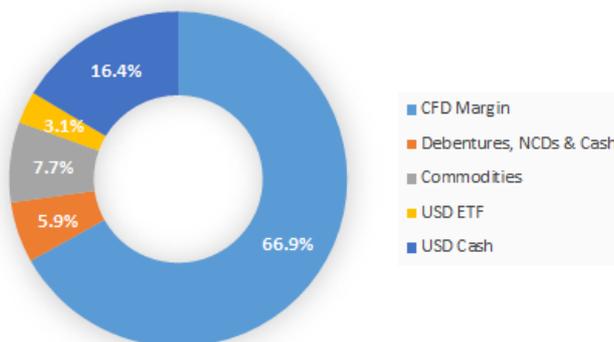
Minimum investment

The fund is aimed at qualified investors, institutions, funds of funds, and high net worth individuals with more than R1 million to invest.

Risk Profile: Aggressive

The fund is of such a nature that it constantly seeks to maximise returns which often leads to a high risk profile (higher variance than the JSE All share index). The fund may have a high concentration in equities and is suitable for investors with a high risk tolerance and a mid to long term outlook of 5 years or more.

Asset Allocation % (as at 30 September 2018)



Fees

Class C: Management fee of 0.75% per annum and a perf fee of 15% of all performance above the benchmark

Performance above always reflects the most expensive fee class. Performance above reflects the cumulative performance of class A up September 2017 and Class C from September 2017 onwards.

General Information :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. 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. 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.

Cut-Off Times :Please note that all documents, notifications of deposit, investment, and redemption 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.

Fees :Management fees are set at 0.5% of NAV per annum. 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. 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.

Total Expense Ratio (TER) :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) :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 TER and the Transaction costs should not be deducted again from published returns.

Total Investment Charge :The sum of the TER and transaction costs is shown as the Total Investment Charge. Since fund returns are quoted after the deduction of these expenses, the TER and TCs should not be deducted again from published returns. Full performance calculations are available from the manager on request.

Fees: TER = 1.23%, TC=0, TIC = 1.23%

Distributions:

Category: Qualified Investor Hedge Fund

Glossary Summary

Annualised performance: Annualised performance show 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 return: The highest and lowest returns 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.

EFT: Exchange Traded Fund, is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund.

CFD: Contract For Difference is a financial instrument that allows traders to invest into an asset class without actually owning the asset.

Annualised 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. Annualised Sharpe ratio show longer term risk adjusted performance, rescaled to a 1-year period.

Annualised Volatility: A measure of the variation in returns for a given investment, rescaled to a 1-year period.

JALSH: Refers to the JSE All Share Index.

High Water Mark: The highest level of performance achieved over a specified period.

Disclaimer

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Contact Details

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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 :NMRQL Research Proprietary Limited, Registration number: 2014/166911/07 is an authorised Financial Services Provider (FSP 45782) 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: Montegray House, 6 Bird Street, Stellenbosch, 7600. Telephone number: 021 001 3089. Website: www.nmrql.com. E-mail address: info@nmrql.com

Management and administration, Legal Structure :This portfolio operates as a white label fund under the Prescient Qualified Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act.

Additional Information :For any additional information such as fund prices, brochures and application forms please go to www.nmrql.com

Risk Disclosures

Leverage Risk: This means that the Fund borrows additional funds, or trades on margin, to amplify investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the Fund.

Market Capitalisation Risk: The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies and may involve greater risks and volatility than investments in larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Settlement Risk: It is possible that settlement via a payment system will not take place as expected because payment or delivery by a counterparty fails to take place or is not in accordance with the initial conditions. This risk exists to the extent that the fund invests in regions where the financial markets are not yet well developed and includes stock exchanges or markets on which the fund may trade derivatives which may not be the same as those in more developed markets. This risk is limited, but still present, in regions where the financial markets are well developed.

Custodian Risk: It is possible that the assets of a fund that are held in custody may be lost as a result of insolvency, negligence or fraud on the part of the Custodian or any Sub-Custodian.

Concentration Risk: Certain funds may invest a large proportion of total assets in specific assets or in specific markets. This means that the performance of those assets or markets will have a substantial impact on the value of the fund's portfolio. The greater the diversification of the fund's portfolio, the smaller the concentration risk. Concentration risk will also be higher in more specialised markets (e.g., a specific region, sector or theme) than in widely diversified markets (e.g., a worldwide allocation).

Performance Risk: The risk of lower returns in a fund may vary depending on the choices made by the Manager or any Investment Manager, as well as the existence or non-existence of, or restrictions upon, any third-party security. The risk depends in part on the market risk and on how active the Manager is in the management of the Fund.

Capital Risk: The capital value of Shares of a fund may be affected by various risks to capital, including the potential risk of erosion due to the redemption of Shares and the distribution of profit in excess of the investment return. This risk can be limited by loss-mitigation, capital-protection or capital-guarantee techniques.

Inflation Risk: Some funds may invest in securities whose value can be adversely affected by changes in inflation, for example, bonds with a long term to maturity and a fixed coupon. Although many companies in which a fund may hold Shares may have operated profitably in the past in an inflationary environment, past performance is no assurance of future performance. Inflation may adversely affect any economy and the value of companies' Shares.

Interest Rate Risk: The values of bonds and other debt securities usually rise and fall in response to changes in interest rates. Declining interest rates generally raise the value of existing debt instruments, and rising interest rates generally lower the value of existing debt instruments. Changes in a debt instrument's value usually will not affect the amount of income the fund receives from it but will affect the value of the fund's units. Interest rate risk is generally greater for investments with longer maturities.

Liquidity Risk: Not all securities or instruments (including derivatives and sub-investment grade bonds) invested in by the funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Default risk: The risk that the issuers of fixed income instruments (e.g. bonds) 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.

Currency Risk: Assets of a fund may be denominated in a currency other than the Base Currency of the fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

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.

Credit Risk: There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

Correlation Risk: The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

Foreign Exchange risk: Where a fund utilises derivatives, which alter the currency exposure characteristics of transferable securities held by the fund the performance of the fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the fund may not correspond with the securities positions held.

OTC Markets Risk: Unlisted derivative instruments i.e. OTC derivative instruments will be limited to unlisted forward currency, interest rate or exchange rate swap transactions and will only be permitted for the purposes of efficient portfolio management. Where any fund acquires securities on OTC markets, there is no guarantee that the fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

Counterparty Risk: Each fund will have credit exposure to counterparties by virtue of positions in swaps, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the fund. To the extent that a counterparty defaults on its obligation and the fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

VAR- Value at Risk: is a measure of the risk or probability of loss for an investment or group of investments. It estimates how much the investment/s might lose (with a given probability), given normal market conditions, in a set time period such as a one(1) day. The measure is based on the statistical analysis of historical price trends and volatilities. Regulation in BN52 states that VAR be calculated as an historical calculation with a confidence level of 99%. In order to generate an appropriate historical value, 250 data points shall be used.

Derivative Trading is Speculative and Volatile

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which the fund intends to trade. Certain of the instruments in which the fund may invest are interest and foreign exchange rate sensitive, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximize returns to the fund, while attempting to minimize the associated risks to its investment capital. Variance in the degree of volatility of the market from the fund's expectations may produce significant losses to the fund.

H I N D S I G H T | I N S I G H T | F O R E S I G H T

*The NMRQL Multi Strategy Prescient Qualified Investors Fund is administered by Prescient Management Company (RF) Proprietary Limited, who retains full legal responsibility for the fund.