Prescient

CUTHMAN CAPITAL

CUTHMAN SDR PRESCIENT QI HEDGE FUND

30 SEPTEMBER 2024

ABOUT THE FUND

Fund Managers: Tobie Lochner and Peter Wille

Launch Date: 1 July 2021

Fund Classification: Worldwide Portfolios, Long Short Equity Hedge Funds, Long Bias Equity Hedge Funds

Sector: Qualified Investor Hedge Fund

Benchmark: Special Drawing Rights (SDR) interest rate

Minimum Subscription: R20 million

Unit Price: Class A 15,075.24 / Class B 13,169.98 / Class D 10,426.17 cents per unit

No. of Units: Class A 1,890,062.24 / Class B 1,025,991.40 / Class D 823,916.63

Fund Size: R730 million

Valuation: Daily

Risk Profile: Moderate-Aggressive/ Medium-High

Issue Date: 17 October 2024

FEES

Service Charge:
5.0% excl VAT (Class A)
0% (Class B)
2.0% excl VAT (Class D)

Performance Fee:
0% (Class A)
50% participation rate in excess of SDR interest rate + 3.5% excl VAT (Class B)
20% participation rate in increase of GAV in SDR excl VAT (Class D)

Hurdle Rate:
Special Drawing Rights (SDR) interest rate + 3.5% (Class B)

RESPONSIBLE PARTIES

Investment Manager:
Cuthman Capital (Pty) Ltd

Prime Brokers:
Peresec Prime Brokers

Custodian:
Nedbank Investor Services

Administrator:
Prescient Fund Services (Pty) Ltd

Auditors:
Ernst & Young Incorporated

INCOME DISTRIBUTION

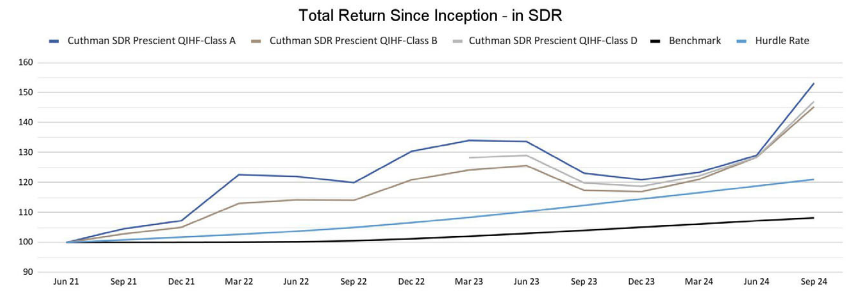
Distribution: Class A 415.21 / Class B 1,135.82 / Class D 645.40 cents per unit. The fund will distribute annually on the first day of April each year

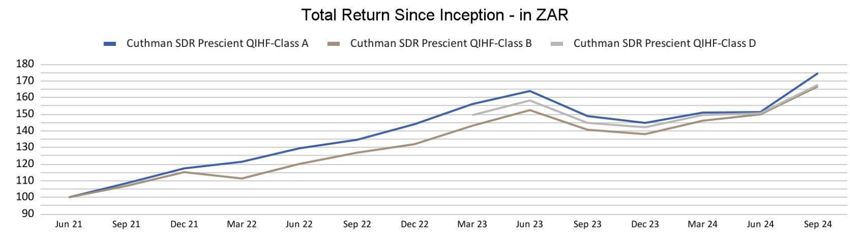
MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

INVESTMENT OBJECTIVE & POLICY The Cuthman SDR Prescient QI Hedge Fund, aims to produce returns in excess of inflation over the medium to longer-term, whilst placing a high premium on protecting capital. The manager, in selecting securities for the fund, will follow an investment policy which will secure long-term capital growth in real terms. In order to achieve this objective, the investments acquired will comprise of equities, bonds, money market instruments, property shares and debentures. The fund is permitted to invest in listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The protection of capital through hedging of market risk is a key element of the investment focus. This will be carried out through selling short securities that are considered overvalued and by selective use of derivative instruments such as futures and options. The manager uses the Commitment Method to calculate the fund's total exposure. The manager shall ensure that the fund's total exposure to the market does not exceed 700% of the net asset value of the fund.

GROWTH OF INVESTMENT NET OF ALL FEES:

(Class A and B indexed to 100 from 1 July 2021. Class D indexed to 131 in SDR and 150 in ZAR from 1 February 2023)





CUTHMAN SDR PRESCIENT QI HEDGE FUND vs. BENCHMARK FROM INCEPTION AS AT 30 SEPTEMBER 2024

The graph above is for illustrative purposes only and reflects actual fund performance and notional performance of the benchmark, based on a lump sum contribution on the inception date of the fund. Performance is shown net of all fund charges and expenses and includes the reinvestment of distributions. *Source: Bloomberg, performance as calculated by Cuthman Capital.*

Performance Analysis (net return)	ZAR Performance			SDR Performance				
	Class A	Class B	Class D	Class A	Class B	Class D	Hurdle Rate	Benchmark
Cumulative								
1 month	8.0%	2.1%	5.4%	10.4%	4.4%	7.7%	0.6%	0.3%
Year to date	20.6%	18.3%	18.0%	26.7%	24.2%	23.8%	5.7%	3.0%
Since inception	74.6%	66.7%	11.8%	53.2%	45.3%	12.3%	21.0%	8.2%
Annualised								
Since inception	18.7%	17.0%	6.9%	14.0%	12.2%	7.2%	6.0%	2.5%
Latest 3 years	17.2%	15.8%	-	13.6%	12.2%	-	6.3%	2.7%
Latest 2 years	13.9%	13.8%	-	13.0%	12.9%	-	7.4%	3.7%
Latest 1 years	17.3%	16.8%	15.7%	24.4%	23.8%	22.7%	7.7%	4.1%
Rolling 1 year return since inception								
Highest	39.9%	40.8%	15.7%	26.2%	23.8%	22.7%	7.8%	4.1%
Lowest	-7.7%	-2.0%	-4.7%	-11.6%	-5.5%	-8.5%	3.7%	0.2%

CONTACT CUTHMAN CAPITAL (PTY) LTD I Cuthman Capital (Pty) Ltd is an authorised financial services provider

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DIRECTORS Tobie Lochner, Peter Wille
REG. NO. 2014/128217/07
FSP. NO. 51205

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Asset Exposure				
	Quarter ended 30 June 2024		Quarter ended 30 September 2024	
	Net	Gross	Net	Gross
Equity *	30.1%	75.9%	28.4%	83.8%
Real Estate *	28.1%	112.0%	30.9%	85.3%
Prefs / High Yield *	29.2%	29.2%	24.5%	24.5%
Fixed Income *	-13.8%	34.9%	-6.3%	29.7%
FX Derivatives	8.4%	53.4%	3.1%	40.7%
FX Derivatives MTM and Option Premium	0.3%	0.3%	0.3%	0.3%
Total exposure (excl. cash)	82.3%	305.7%	80.9%	264.3%
Cash	23.4%	23.4%	20.8%	20.8%
* Held via Cash and Derivatives / FX Derivatives Exposure is Non SDR/CHF				

The portfolio has adhered to its policy objective during the last quarter.

Total Expense Ratio (TER) and Transaction Costs (TC)	**Class A**	**Class B**	**Class D**
TER and TC breakdown for the period ending 30 September 2024			
Service charges	5.8%	-	2.3%
Administration fees	0.2%	0.2%	0.2%
Performance fees	-	7.9%	4.3%
Other costs	0.6%	0.6%	0.6%
Total Expense Ratio (TER) (incl. VAT)	**6.6%**	**8.7%**	**7.4%**
Transaction Costs (TC) (incl. VAT)	0.6%	0.6%	0.6%
Total Investment Charge (TIC) (incl. VAT)	**7.2%**	**9.3%**	**8.0%**

GEOGRAPHIC ASSET ALLOCATION

Regions invested in during the period included:

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. 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. Transaction costs exclude CFD brokerage on certain trades that are executed by external brokers. 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 sum of the TER and transaction costs is shown as the Total Investment Charge (TIC). Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns.

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, macroeconomic 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.

No Performance fees are charged on Class A. Class B and Class D charge performance fees. Performance has been calculated using the NAV in SDR. 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 and monthly data are available from the manager on request. The performance for each period shown reflects the return for investors who have been fully invested for that period. Performance fees are payable on outperformance of the Hurdle Rate using a participation rate of 50% for Class B and a participation rate of 20% for Class D. A 3-year rolling high water mark is applied, which ensures that performance fees will only be charged on new performance. There is no cap on the performance fee.

For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za and www.cuthman.com.

This portfolio operates as a white label fund under the Prescient QI Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act.

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Risk Guidance

Moderate-Aggressive/ Medium-High: Generally, these portfolios hold more equity exposure than lower risk profiled portfolios. These portfolios therefore tend to carry more volatility. Expected potential long-term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

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 it 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.

Glossary Summary

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Alpha: Denoted the outperformance of the fund over the benchmark.

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.

Average Credit quality: The weighted average credit quality of all the underlying interest-bearing instruments in the Fund (internally calculated).

Average Duration: The weighted average duration of all the underlying interest-bearing instruments in the Fund.

CAGR: Compound annual growth rate. A measure of an investment's annual growth rate over time, with the effect of compounding taken into account.

Commitment Method: A methodology for calculating exposure that considers the effective exposure of derivatives to, and takes an aggregate view of, securities with the same or similar underlying exposure, where the total commitment is considered to be the sum of the absolute value of the commitment of each individual position, including derivatives after taking into account netting and hedging.

Dividend Yield: The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.

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

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

Max Gain: Largest increase in any single month.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Special Drawing Rights (SDR): is an international reserve asset, created by the International Monetary Fund (IMF). The value of the SDR is based on a basket of five currencies—the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.

SDR Interest Rate: Interest rate on the financial instrument of each component currency in the SDR basket, expressed as an equivalent annual bond yield:

- three-month benchmark yield for China Treasury bonds as published by China Central Depository and Clearing Co;
- three-month spot rate for euro area central government bonds with a rating of AA and above published by the European Central Bank;
- three-month Japanese Treasury Discount bills; three-month UK Treasury bills; and three-month US Treasury bills.

Contact Details

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 address:** 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 South Africa.

Investment Manager:

Cuthman Capital Proprietary Limited, Registration number: 2014/128217/07 is an authorised Financial Services Provider (FSP51205) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. Please be advised that there may be representatives acting under supervision. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). **Physical and Postal address:** Cuthman Capital (Pty) Ltd, Future Space, 61 Katherine St, Sandhurst, Sandton, 2196 **Telephone number:** +27 21 140 3529 **Website:** www.cuthman.com