

Absa AAM Market Neutral Prescient QI Hedge Fund

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT - September 2024

Fund details

Fund details	
Industry category	SA Portfolios - Long Short Equity Hedge Funds - Market Neutral Hedge Funds
Benchmark	STeFI Composite
Fund launch date	01 October 2014
Fund Size	R3.12Million
JSE code	N/A
Fund Manager	Nafees Hossain, St John Bunkell
Asset Manager	Absa Alternative Asset Management (Pty) Ltd (FSP No.22877)
Minimum lump sum	R 1 million
Minimum Monthly	N/A
Number of units	689597.18
Unit Price	100.0745 cpu
Issue Date	24 October 2024

Income distributions - cents per unit (cpu)

Class B	
Annually ended 31 Mar 2024	69.12cpu
Income declaration	March (Annually)
Income distributions	31 March 2024

Fees and Cost ratio (VAT incl.)

Class B	
Initial Fees:	Absa: 0.0% Adviser: 0.0%
Annual Fees:	Management: 1.00% Adviser: 0.0%
Performance Fee:	15%

Costs (annual, based on period shown)

Class B	
For the period to 30/09/2024, from:	01/10/2021
Total expense ratio (TER):	1.815%
Transaction costs (TC):	0.392%
Total investment charges (TER+TC):	2.206%

Please refer to Disclosure section on next page for further information on Fees and Costs

Performance

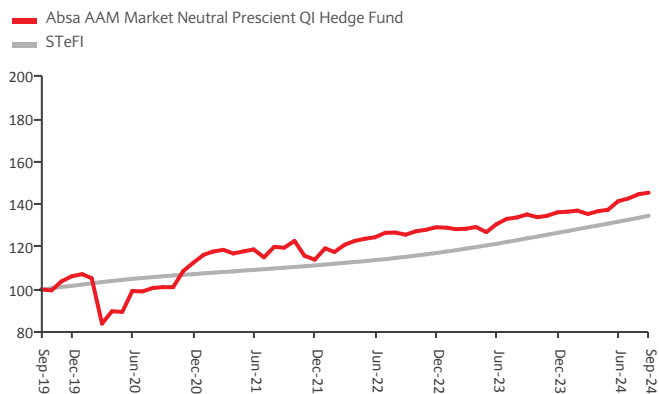
Performance: annualised total returns (%)			
Term	Class B	Benchmark	
Launch	6.94	6.63	
1 Year	7.58	8.55	
3 Year	6.73	6.87	
5 Year	7.78	6.12	

Performance Yearly returns (%)

Year ending:	Sep'24	Sep'23	Sep'22	Sep'21	Sep'20	Sep'19
Class B	7.58	7.52	5.12	18.30	1.11	16.85
Benchmark	8.55	7.52	4.59	3.80	6.20	7.34

Please refer to Disclosures section on next page for further information on calculation methodology and source of all performance data content (tables and/or charts) of this MDD

Cumulative performance (5 years)



The chart reflects the value (monthly data points) of a R100 investment made on the 01/10/2019 Establishment of CIS: April 2016 Performance figures since inception includes the unregulated fund.

Fund objectives

The Absa AAM Market Neutral Prescient QI Hedge Fund seeks to deliver STeFi call + 6% over any rolling 12 month period with volatility of returns below 6% p.a. The Fund aims to produce active alpha by exploiting equity market inefficiencies regardless of market direction.

Fund strategy

The Absa AAM Market Neutral Prescient QI Hedge Fund seeks to deliver long term uncorrelated returns in excess of the benchmark over any rolling 1 year period. The fund aims to produce active alpha by exploiting equity markets inefficiencies regardless of the market direction. The risk objective is to reduce volatility by minimizing capital loss over rolling 3 year periods. The fund employs active statistical arbitrage to identify pairs of potential trading stocks. Pair trading employs taking long position in an individual equity offset by a short position in another individual equity with similar absolute gross market value. The fund will actively trade statistically significant pair stocks that have significant different market betas to maintain directional and market neutrality.

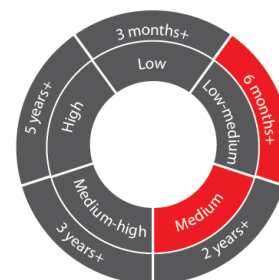
Fund features

- The Fund typically will have a moderate to high equity exposure and will have exposure to offshore markets which may result in capital volatility over the short term.
- They are managed in such a manner that the probability of double digit capital losses over one year periods is unlikely.
- These portfolios typically target returns in the region of 4% to 5% above inflation over the long term.

Fund specific risks

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. **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. **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.

Risk profile and advisable minimum term

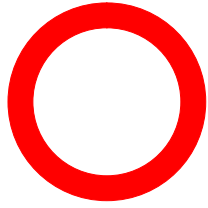


Risk statistics

Class B	Since Inception (01 October 2014)	
Number of positive months		77/117
Highest 1 Year Performance	31/03/2021	41.1%
Lowest 1 Year Performance	28/02/2018	-11.2%



Asset Allocation (%)



■ Bonds 0.00%
 ■ Cash 0.00%
 ■ Equity 100.00%

The portfolio has adhered to its policy objectives over the period

Quarterly Asset Allocation

AA Display	Aug-24	Q3 2024
Bonds	0.00%	0.00%
Cash	0.00%	0.00%
Equity	100.00%	100.00%

Quarterly fund commentary as at 31 March 2024

The Fund Commentary is provided on a quarterly basis and can be found on www.absainvestmentmanagement.co.za under Unit Trusts Minimum Disclosure Documents. The latest quarterly commentary available is for the quarter ending 31 March 2024

Disclosures

Highest and 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.

Performance: Performance is calculated for the portfolio/class of portfolios. Illustrative performance information is included for illustrative purposes only; individual investor performance may differ as a result of initial and ongoing fees, the actual investment date, the date of reinvestment and dividend withholding tax. All figures quoted are from Morningstar and/or IRESS, for the period ending 30/09/2024 (unless otherwise stated), calculated on a NAV to NAV basis, with income distributions reinvested on the ex-dividend date. Annualised figures refer to the average yearly return of an investment over a given time period, all actual annual figures (if not shown) are available on request.

Collective Investment Schemes (CIS) 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. Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change. 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 Hedge Funds are processed on a monthly basis. Your application form together with proof of payment must be submitted to Prescient before 14h00, 2 (two) business days before the preceding month end. Redemptions: Hedge Fund redemptions are processed at the end of each month and require a months' notice. In order to receive month end prices, your redemption must be submitted to Prescient before 14h00, 1 business day of the preceding month end, for processing at the end of the following month. 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. Prices are published daily and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers, including actual initial and all ongoing fees, with income reinvested on the reinvestment date. 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.prescient.co.za. Prescient Management Company (RF) (Pty) Ltd is a registered Collective Investment Scheme Manager and a full member of the Association for Savings and Investment SA. This document is a Minimum Disclosure Document (MDD) in terms of the Advertising, Marketing and Information Disclosure requirements for Collective Investment Schemes published by the Financial Sector Conduct Authority. MDD issue date: 24 October 2024.

The portfolio operates as a white label under the Prescient Qualified Investor Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act 45 of 2002.



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Investment Manager

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