

# Numus Long Short Prescient RI Hedge Fund

Minimum Disclosure Document & General Investor Report

30 September 2022

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NUMUSCAPITAL

## Investment Objective and Strategy

To generate absolute returns for investors irrespective of market conditions, with a strong risk management focus. The fund seeks to capture value opportunities in less researched small-and-mid cap shares and trading opportunities in liquid counters. The fund identifies specific opportunities & invests with high conviction either long or short.

The fund will have maximum flexibility to invest in a wide range of instruments while managing the risks associated with investing in equities, property, debentures, options, currencies, bonds, commodities, convertible debt securities, preference shares, futures, ETF's and money market instruments. The fund is permitted to invest in listed and unlisted instruments in line with the conditions as determined by legislation from time to time. The fund will take long and short positions and may also retain amounts in cash or cash equivalents in order to maximise returns. The fund employs a commitment approach to measure exposure.

The portfolio has adhered to its policy objective

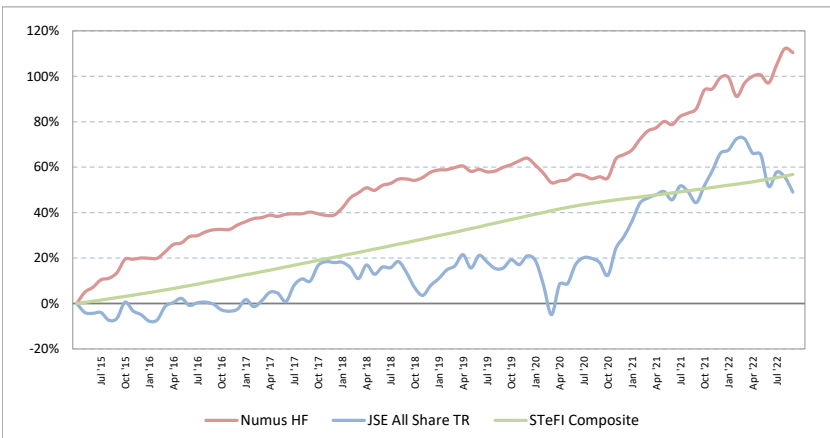


The portfolio may hold directional market exposure which can result in a moderate level of capital volatility over all periods.

## Returns

	Numus HF	ALSI TR	STeFI
1 Month	-0.83%	-4.22%	0.45%
3 Months	6.75%	-1.67%	1.30%
Year-to-Date	5.51%	-10.27%	3.43%
Rolling 1 Year	13.30%	3.21%	4.46%
Rolling 3 Years (annualised p.a)	9.57%	8.83%	4.82%
Rolling 5 Years (annualised p.a)	8.45%	6.30%	5.80%
Since Inception (cumulative)	110.41%	49.04%	56.78%
Since Inception (annualised p.a.)	10.55%	5.53%	6.25%
Highest Rolling 1 Year Return	25.97%	53.96%	7.68%
Lowest Rolling 1 Year Return	-4.17%	-18.42%	3.75%

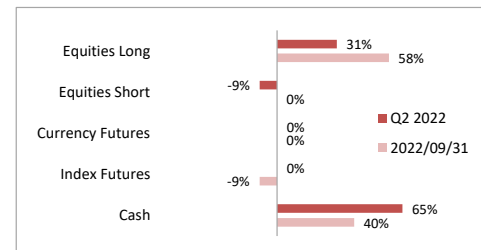
## Cumulative Performance



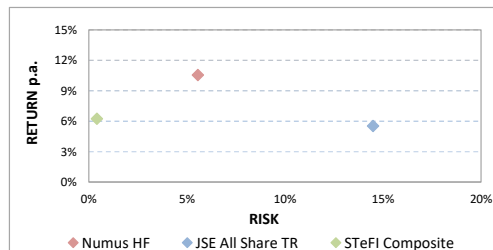
## Monthly Performance (net of fees)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-Date
Numus HF 2015					4.97%	2.04%	3.07%	0.64%	2.24%	5.15%	0.02%	0.48%	20.05%
Numus HF 2016	-0.14%	0.02%	2.41%	2.58%	0.55%	2.19%	0.36%	0.71%	0.10%	0.10%	0.00%	1.50%	12.11%
Numus HF 2017	1.07%	1.01%	0.29%	0.78%	-0.39%	0.65%	0.16%	0.03%	0.54%	-0.55%	-0.50%	0.14%	3.25%
Numus HF 2018	2.23%	3.13%	1.49%	1.49%	-0.73%	1.48%	0.54%	1.24%	0.03%	-0.39%	0.84%	1.49%	13.57%
Numus HF 2019	0.60%	0.08%	0.59%	0.44%	-1.50%	0.58%	-0.69%	0.23%	1.03%	0.74%	1.03%	0.73%	3.89%
Numus HF 2020	-1.89%	-2.18%	-2.65%	0.51%	0.34%	1.45%	-0.24%	-0.93%	0.57%	-0.32%	5.37%	1.17%	0.95%
Numus HF 2021	1.23%	2.82%	2.14%	0.76%	1.59%	-0.76%	2.01%	0.81%	1.03%	4.41%	0.30%	2.54%	20.48%
Numus HF 2022	0.07%	-4.22%	3.06%	1.51%	0.33%	-1.75%	4.08%	3.43%	-0.83%				5.51%

## Asset Allocation



## Risk-Return Tradeoff



## Fund Information

<b>Investment Manager</b>	Numus Capital
<b>Fund Manager</b>	Isaac Benatar
<b>Fund Classification</b>	SA portfolios - Long Short Equity Hedge Funds - Long Bias Equity Hedge Funds
<b>Inception Date</b>	1 May 2015
<b>Establishment of CIS</b>	1 November 2016
<b>Fund NAV</b>	R 65 million
<b>Unit Price</b>	100
<b>Income Distribution</b>	No Distribution

**Number of Units** 410 675.8097

## Fees and Dealing

<b>Minimum Lump Sum</b>	R 50,000
<b>Minimum Debit Order</b>	R 5,000 p.m.
<b>Dealing Frequency</b>	Monthly
<b>Valuation Frequency</b>	Daily
<b>Service Charge</b>	2% p.a. excl VAT
<b>Performance Fee*</b>	10% participation
<b>Total Expense Ratio (TER)</b>	3.73%
<b>Transaction Costs (TC)</b>	5.87%
<b>Total Investment Charge (TIC)</b>	9.60%
<b>Benchmark</b>	STeFI Composite Index
<b>High Water Mark</b>	Yes

## Third Parties

<b>Prime Brokers</b>	Peregrine / Standard Bank
<b>Administrator</b>	Prescient Fund Services (Pty) Ltd
<b>Auditor</b>	Ernst & Young Incorporated
<b>Trustee</b>	Nedbank Investor Services

## Risk Limit

<b>Commitment Approach</b>	<b>Numus HF</b> 63%	<b>Mandate Limit</b> 200%
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## Risk Statistics

	<b>Numus HF</b>	<b>ALSI TR</b>
<b>Standard Deviation</b>	5.56%	14.49%
<b>Sharpe Ratio</b>	0.77	-0.05
<b>Maximum Drawdown</b>	-6.58%	-21.72%
<b>% Positive Months</b>	79.78%	55.06%
<b>Correlation</b>	1.00	0.41

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## 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 service charge) 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, 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, two business days before month end.

Redemptions: Hedge Fund redemptions are processed at the end of each month and require a month's notice. In order to receive month end prices, your redemption must be submitted to Prescient before 14h00, within one business day of the preceding month end, for processing at the end of the following month. Prices are published daily and are available on the Prescient website.

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.numus.co.za](http://www.numus.co.za).

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\*Performance Fee: The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark using a participation rate of 10%. A permanent 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.

## Glossary Summary

**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 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.

**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.

**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.

**% Positive Months:** 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.

**Correlation:** A statistical measure that indicates the extent to which two or more variables fluctuate together.

**Commitment Approach:** 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.

## Risks

### 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.

### 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).

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## Risks (continued)

### 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.

### Liquidity Risk:

Not all securities or instruments (including derivatives and sub-investment grade bonds) invested in by the Fund 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 Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### 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.

### 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.

### 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.

### 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.

## 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 SA.

### Investment Manager:

Numus Capital (Pty) Ltd, Registration number: 2002/021046/07 is an authorised Financial Services Provider (FSP 43448) 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: Unit 12, Green Point Mews, 99 Main Road, Green Point 8005 Postal address: Unit 12, Green Point Mews, 99 Main Road, Green Point Telephone number: 021 434 7554 Website: www.numus.co.za

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

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