

27four Fosfate Accelerator Prescient RI Fund of Hedge Funds



31 Dec 2023

Fund Information

Investment Manager	27four Investment Managers (Pty) Ltd, a category IIA licensed financial services provider, FSP No: 31047
Inception Date	01 February 2017
Establishment of CIS	42767
Fund Classification	SA portfolios - Long Short Equity Hedge Funds - Other Equity Hedge Funds
Fund Administrator	Prescient Fund Services (Pty) Ltd
Benchmark	STeFI
Fund Size	R606,653,559.86
NAV Price	126.47
Number Of Units	4796696.86

Fund Description

The 27Four Fosfate Accelerator Prescient RI Fund of Hedge Funds is an incubator multi strategy fund of hedge funds that has exposure to new hedge funds utilising various strategies in the equity and fixed income markets. The fund is designed to deliver above average positive risk-adjusted returns, independent of the direction of the market. The blend of the underlying manager strategies may differ at any point in time based on the availability of new funds in the industry. The underlying funds will be permitted to invest in a flexible range of asset classes, including but not limited to equities, fixed interest, commodities, debentures, money market instruments, property markets and listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The fund will employ a VAR approach to measure exposure.

Risk Profile

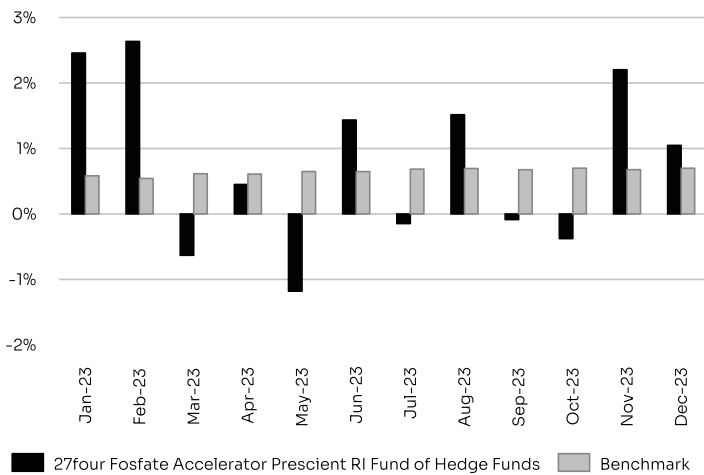


This is multi strategy fund of hedge funds focused on accelerating black hedge fund managers. This fund is comprised of a blend of different manager strategies and styles across various asset classes. This fund is designed to deliver superior risk-adjusted returns, with some market direction. We place a strong emphasis on risk control, both at the single manager and the fund of funds level.

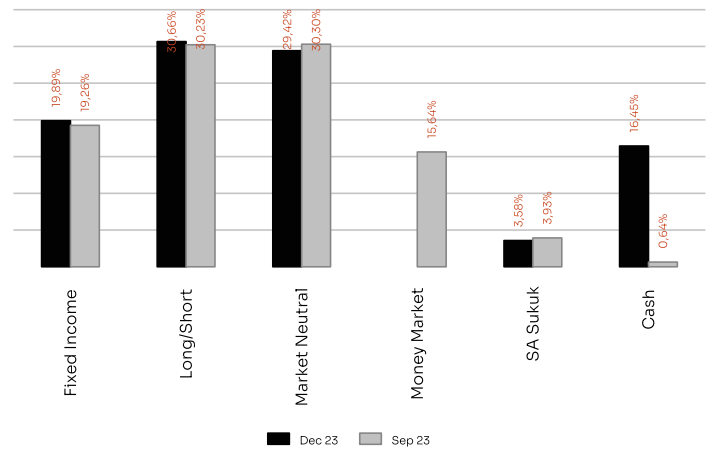
Fund Commentary

Our investment portfolio is strategically diversified across various asset classes, with a slight inclination towards market-neutral strategies. In light of the recent uptick in yields, we intend to enhance diversification by expanding our allocation to fixed income. This adjustment aims to mitigate market risk and prioritize less aggressive managers within our portfolio. This decision is pivotal as our investment strategy is crafted to yield positive returns across different market scenarios, making it especially significant for investors with moderate risk tolerance. Thus far, our portfolio has steadfastly adhered to its policy objectives.

Performance Summary



Asset Allocation And Statement Of Changes In Fund Composite



Multi Strategy: An investment manager strategy which encompasses the use of a variety of different investment strategies within a portfolio.

Long Short: An investment manager strategy that involves taking long positions in a stock that is expected to increase in value and a short position in a stock that is expected to decrease in value.

Performance Analysis

	Fund	Benchmark
1 Month	1.05%	0.70%
3 Months	2.88%	2.09%
6 Months	4.20%	4.20%
YTD	9.63%	8.06%
1 Year	9.63%	8.06%
3 Years (Annualised)	9.36%	5.68%
5 Years (Annualised)	8.69%	5.94%
Inception (Annualised)	4.48%	6.34%
Inception (Cumulative)	35.39%	52.96%
Highest Rolling 1 Year Return	16.03%	8.06%
Lowest Rolling 1 Year Return	-12.03%	3.78%

Risk Analysis

	Fund	Benchmark
Volatility (Annualised)	6.28%	0.44%
% Positive Months	56.63%	100.00%
% Negative Months	43.37%	-
Best Month	6.72%	0.70%
Worst Month	-6.58%	0.28%
Average Negative Months	-1.04%	-
Maximum Drawdown	-13.08%	-
Tracking Error	6.33%	-
Sharpe Ratio	-0.30	-

* 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 and STeFI is used as risk-free rate.

Monthly Fund Performance

	2017	2018	2019	2020	2021	2022	2023
Jan	-	-0.46%	-0.38%	2.22%	1.96%	-0.09%	2.46%
Feb	0.37%	-1.76%	1.47%	0.89%	3.68%	2.49%	2.63%
Mar	0.53%	-0.58%	1.65%	-0.90%	0.34%	-0.82%	-0.63%
Apr	-6.58%	1.72%	-0.45%	6.72%	0.34%	2.26%	0.45%
May	-3.61%	-2.86%	0.43%	-2.02%	0.84%	-0.17%	-1.18%
Jun	-1.35%	1.91%	-0.70%	0.11%	-0.03%	-1.50%	1.43%
Jul	1.12%	-0.43%	-0.47%	0.11%	-0.17%	1.70%	-0.15%
Aug	-0.31%	2.94%	3.37%	0.04%	-0.22%	0.91%	1.52%
Sep	0.45%	-1.72%	-0.72%	-0.95%	1.19%	0.24%	-0.09%
Oct	2.17%	1.37%	0.98%	0.10%	0.32%	2.10%	-0.38%
Nov	-1.18%	-2.79%	-1.01%	5.07%	-0.17%	0.50%	2.20%
Dec	-0.38%	0.63%	-0.41%	0.15%	2.01%	0.12%	1.05%
Yr.	-8.71%	-2.22%	3.74%	11.80%	10.50%	7.94%	9.63%

Investment Terms

	Fees
Initial Fee	0.00%
Annual Management Fee	1% p.a excl. VAT
Minimum subsequent investment	Monthly debit orders: R1000 per month
Minimum Investment Size	50000
Annual Performance Fee	20% p.a excl. VAT above a STeFI hurdle rate

Redemption

30 Days Liquidity

Income Distribution

2023/03/31	: 1.39 cents per unit
2022/03/31	: 0.0 cents per unit
2021/03/31	: 2.27 cents per unit
2020/03/31	: 164.87 cents per unit

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. CISs 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, auditors 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 TERs do not include information gathered over a full year.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

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 14 h00, Five business days before the preceding month end. 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.

The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.

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

For any additional information such as fund prices, brochures and application forms please go to www.27four.com

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:

27four Investment Managers (Pty) Ltd, Registration number: 2007/006556/07 is an authorised Financial Services Provider (FSP 31045) 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: Fire Station Rosebank, Fifth Floor, 16 Baker Street, Rosebank, 2196 **Postal address:** PO Box 522417, Saxonwold, 2132, Johannesburg **Telephone number:** 011 442 2464 **Website:** www.27four.com

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Management:

Prescient Management Company (RF) (Pty) Ltd. This portfolio operates as a white label fund under the Prescient Retail Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act.

Glossary

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.

Best month: Largest increase in any single month.

Highest & lowest return: The highest and lowest returns over any 1 year period since the inception date.

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

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.

Tracking error: The volatility of the difference in returns between a Fund and its Benchmark. Also known as active risk.

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

Fund Specific Risks

Currency exchange risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

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.

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.

Derivative counterparty risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

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.

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.

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.

Geographic / Sector risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may fluctuate more than portfolios that are more broadly invested.

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.

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.

Property risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices

TER Breakdown

	Fees
Management Fee	0.88%
Performance Fees	0.00%
Other Cost	0.00%
Total Expense Ratio (TER)	0.88%
Transaction Cost (TC)	0.62%
Total Investment Charge (TIC)	1.50%

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