

## ROZENDAL WORLDWIDE FLEXIBLE PRESCIENT QI HEDGE FUND

ROZENDAL  
PARTNERS

## OBJECTIVE AND INVESTMENT POLICY SUMMARY

The Rozendal Worldwide Flexible Prescient QI Hedge Fund ('the Fund') aims to achieve long-term capital growth for investors. The Fund seeks to capitalise on all investment opportunities across all asset classes and sectors. The Fund has maximum flexibility to invest in a diversified range of instruments including, but not limited to, equities, money market instruments, bonds, property, debentures, options, warrants, currencies, convertible debt securities, debt instruments, ETF's, commodities, repurchase agreements, over the counter securities, swaps, forward rate agreements (FRAs), contracts for difference (CFD's), futures and any other listed and unlisted financial instrument in line with conditions as determined by legislation from time to time. Unlisted investments in these asset classes are permitted as determined by legislation from time to time. 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.

## FUND INFORMATION

Portfolio Managers	Paul Whitburn, Wilhelm Hertzog <sup>1</sup>
Fund Classification	Qualified Investor Hedge Fund
Currency	ZAR
Fund Size	R 987 million
Inception Date	1 February 2018
Benchmark	FTSE/JSE All Share Total Return Index
Minimum Investment	R 1 million
NAV per unit: Class A	R 1,096.73
NAV per unit: Class B	R 1,097.05
Service Charges <sup>2</sup>	1.0 % (excl. VAT) per annum
Performance Fees	20 % (excl. VAT) <sup>3</sup>
Income Distributions	March Annually
Redemption Period	90 days
Transaction Cut-Off Time	14h00
Fund Valuation	Month end closing price

<sup>1</sup>Under supervision.<sup>2</sup>Excluding Performance Fees.<sup>3</sup>Of outperformance of Benchmark and High Water Mark.INCOME DISTRIBUTIONS (CPU)<sup>4</sup>

	Mar 2018	Mar 2019
Class A	N/A <sup>5</sup>	772.36
Class B	351.14	533.56

If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution.

<sup>4</sup>Cents per Participatory Unit.<sup>5</sup>Class A launched after distribution date.

## INVESTMENT RETURNS (Net of Fees)

	Class A	Benchmark
Latest One Month Return	0.7 %	(2.4 %)
Annualised Return since 1 Apr 2018	10.5 %	2.8 %
Highest Rolling 1 - Year Return	13.4 %	2.4 %
Lowest Rolling 1 - Year Return	6.9 %	(2.6 %)

## INVESTMENT RETURNS (Net of Fees)

	Class B	Benchmark
Latest One Month Return	0.7 %	(2.4 %)
Annualised Return since 1 Feb 2018	6.6 %	(1.5 %)
Highest Rolling 1 - Year Return	13.1 %	2.4 %
Lowest Rolling 1 - Year Return	3.9 %	(6.1 %)

Performance is calculated using net NAV to NAV numbers with income reinvested. The performance for each period is reflected in 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.

## TOP TEN HOLDINGS (in alphabetical order)

Allied Electronics Corporation Ltd
Anglo American Platinum Ltd
Grand Parade Investments Ltd
Hosken Consolidated Investments Ltd
Impala Platinum Holdings Ltd
MTN Ltd
Naspers Ltd
Reinet Investments S.C.A.
Steinhoff Debt & Preference Shares
Tencent Holdings Ltd (SHORT)

## ASSET EXPOSURE

31 August 2019

Long Equity (Local)	57 %
Long Equity (Foreign)	10 %
Short Equity (Foreign)	(14 %)
Cash (Local)	23 %
Cash (Foreign)	20 %
Bonds (Foreign)	2 %
Hedge Funds	2 %
<b>Total</b>	<b>100 %</b>

## FUND RISK PROFILE

LOW	LOW-MODERATE	MODERATE	MODERATE-HIGH	HIGH
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The Fund has a high risk profile as it is actively managed across South African and Global multi asset classes. Suitable for investors with a long-term orientation and a higher risk tolerance.

TOTAL INVESTMENT CHARGE<sup>6</sup>

	Class A	Class B
Service Charges <sup>2</sup>	1.16 % <sup>7</sup>	1.16 % <sup>7</sup>
Performance Fees	2.57 %	2.84 %
Other Fund Expenses	0.02 %	0.02 %
Total Expense Ratio (TER)	3.75 %	4.02 %
Transaction Cost (TC)	0.19 %	0.19 %
<b>Total</b>	<b>3.94 %</b>	<b>4.21 %</b>

<sup>6</sup>Total Investment Charge as at 31 May 2019

<sup>7</sup>Service Charges include the following: Investment Management Fees, Performance Fees, Risk Management Fees, Platform Fees as well as Administration Fees. The Performance Fees are separately disclosed for transparency. Service Charges (excl. Performance Fees) are capped at 1.15% (1% plus VAT) per annum of the Net Asset Value of the fund before the deduction of any Service Charges. In the above table the Service Charges may appear higher than the mandated cap as these ratios are calculated on the Net Asset Value of the Fund after the deduction of all Service Charges.

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**Disclosure:** Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The Manager does not provide any guarantee either with respect to the capital or the return of the Fund. The value of participatory interests (units) may go up as well as down and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The Manager may borrow where insufficient liquidity exists. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. 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 Charges) from the portfolio divided by the number of participatory interests (units) in issue. A schedule of fees, charges and maximum commissions is available on request from the Management Company. Commission and incentives may be paid and if so, would be included in the overall costs. These portfolios may be closed. Different classes of units may apply in a portfolio and are subject to different fees and charges.

PRESCIENT  
MANAGEMENT COMPANY

A MEMBER OF THE ASSOCIATION FOR SAVINGS &amp; INVESTMENT SA

**ROZENDAL WORLDWIDE FLEXIBLE PRESCIENT QI HEDGE FUND****ROZENDAL**  
PARTNERS**GLOSSARY**

**1-Year Return** represents the highest and lowest return an investor would have realised while being invested in the Fund over any 12-month period since inception of the Fund.

**Commitment approach** is the methodology for calculating exposure. It considers the effective exposure of derivatives and takes an aggregate view of securities with the same or similar underlying exposure. 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.

**This fund is strictly for qualified investors only**

A "qualified investor" means any person, who invests a minimum amount of R1 million per hedge fund and who:

1. Has demonstrable knowledge and experience in financial and business matters which would enable the investor to assess the merits and risks of a hedge fund investment, or
2. Has appointed a FSP who has demonstrable knowledge and experience to advise the investor regarding the merits and risks of a hedge fund investment.

**Qualified Investor Hedge Fund / QI Hedge Fund**

This term refers to a hedge fund in which only qualified investors may invest.

**Risks associated with investing in the Fund**

All investments carry risk. Different investment strategies may carry different levels and kinds of risks depending on the assets held. You should consider the risks listed below in the context of your risk profile, which includes factors such as your investment timeframe, objectives and tolerance for performance volatility, income and age. We do not offer advice, nor does the Fund's investment strategy consider your individual circumstances and we cannot advise that the Fund is suitable for your circumstance.

The Manager does not guarantee the Fund's returns, its liquidity, and repayment of capital, interest nor a rate of return. Assets that are expected to provide the highest long-term returns often have the highest short-term risk. The Funds' investment strategy and the assets it invests in, will determine the Fund's sensitivity to these risk factors.

You should obtain financial advice to determine whether the Fund is suitable for your circumstances before investing in the Fund.

**Investment and Business Risk**

The Fund may experience losses due to factors that affect the overall performance of the financial markets. The Fund holds securities issued by individual companies and are subject to the business risks specific to them, including sales volumes, profit margins, input costs, competition, economic climate and government regulations. The companies may also have exposure to specific financial risk, liquidity risk, market risk, exchange-rate risk and country-specific risks.

**Interest Rate Risk**

This is the possibility that fixed-rate debt instruments may decline in value as a result of a rise in interest rates.

**Credit Risk**

Refers to the possibility that a bond issuer may not be able to make expected interest payments and/or principal repayment.

**Liquidity Risk**

Refers to the possibility that an investor may not be able to invest or disinvest when they want to. This may occur during a period of adverse market trading conditions where the Manager may not be able to buy or sell the Fund's investments because opportunities to do so are limited.

**Social/Political/Legislative Risk**

Risks associated with the possibility of nationalisation, unfavourable government action or social changes resulting in a loss of value is called social or political risk which may affect the Fund.

**Currency/Exchange Rate Risk**

Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated relative to the currency in which the Fund is denominated may add risk to the value of a security.

**International Risks**

International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

**Inflation Risk**

The Fund may invest in cash and bonds, in South Africa or globally, that do not generate sufficient income and capital gains to outperform inflation.

**Key Person Risk**

The Fund depends on the expertise of Rozendal and its investment team. The Fund could be negatively impacted if Rozendal does not retain key staff.

**Third Party Operational Risk**

The Fund's operations depend on third parties. Investors in the Fund may suffer financial loss or disruption in the event of third party operational failure.

**Fees**

Service Charges (previously referred to as an annual management fee, determined by the investor's selected unit class above) is levied monthly on the market value of the Fund. The Fund may invest in the Rozendal Global Fund, which is an associated collective investment scheme, however there will be no additional investor fees connected with this investment.

**Total Expense Ratio (TER) and Transaction Costs**

The TER reflects the percentage of this Fund's Net Asset Value that was incurred as expenses relating to the administration of this Fund, including the annual fee and intermediary fee if applicable. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering this Fund and impacts this Fund's 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 financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by this Fund over a 3 year period (annualised). If this Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of this Fund. The sum of the TER and Transactions Costs is shown as the Total Investment Charge overleaf; these costs all being VAT inclusive.

Rozendal Partners (Pty) Ltd is an Authorised Financial Services Provider FSP: 48271

**Investment Manager**

Rozendal Partners (Pty) Ltd (FSP No 48271)  
102 Buitenkloof Studios  
8 Kloof Street, Gardens  
Cape Town, 8001  
Authorised under the Financial Advisory and  
Intermediary Services Act, 2002 to act in such capacity

**Manager**

Prescient Management Company (RF) (Pty) Ltd  
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Company Reg 2002/022560/07  
Registered under the Collective Investment  
Schemes Control Act, 2002

**Trustee**

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