



**INVESTMENT OBJECTIVE AND POLICY**

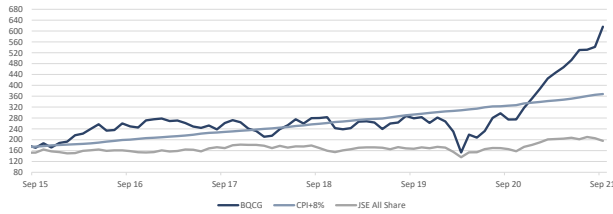
The Blue Quadrant Capital Growth Prescient RI Hedge Fund objective is to deliver returns in excess of the consumer price inflation over a rolling five-year period, but with an emphasis on ensuring a level of capital preservation over the shorter term. The Fund aims to generate sustainable real returns over the long term. The Fund is positioned as a lower-risk alternative investment fund investing in a wide range of asset classes, including but not limited to bonds, debentures, money market and property markets. Unlisted investments in these asset classes are permitted as determined by legislation from time to time.

The Funds core asset allocation strategy will remain flexible and its exposure to equity investments may vary, depending on existing market and economic conditions and available investment opportunities. The portfolio is permitted to invest in listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The manager shall use the commitment method to calculate the Fund's total exposure.

\*Lower-risk defined in terms of overall fund leverage, which is generally below 1.5x. Volatility of returns is expected to correspond to the volatility levels generated by traditional equity benchmarks, albeit uncorrelated.

The portfolio has adhered to its policy objective.

**PORTFOLIO PERFORMANCE**



Blue Quadrant Capital Growth Prescient RI Hedge Fund referred to as "BQCG"

**RETURN STATISTICS**

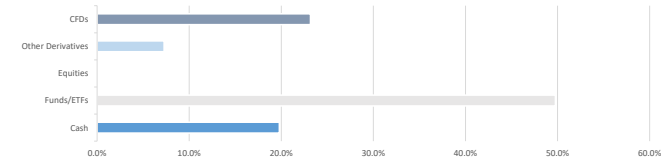
	BQCG	CPI + 8%	JSE All Share
1 Month	13.8%	1.1%	-3.1%
3 Months	16.1%	3.7%	-0.8%
12 Months	125.7%	13.3%	23.2%
YTD	75.0%	15.0%	12.3%
Annualised 5 Year	19.9%	12.7%	7.8%
Annualised Since Inception	19.0%	13.5%	10.7%
Cumulative Since Inception	513.4%	271.4%	175.4%
Highest Rolling 1 Year Return	192.1%	15.6%	54.0%
Lowest Rolling 1 Year Return	-42.9%	10.4%	-18.4%

**MONTHLY RETURNS**

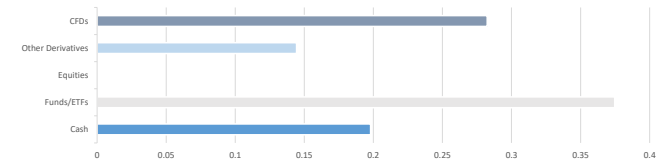
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011					-1.4%	-0.3%	-0.6%	0.7%	8.9%	2.3%	3.9%	-2.0%	11.7%
2012	-0.9%	-3.1%	1.1%	-1.1%	6.7%	-2.2%	-0.9%	4.5%	1.1%	5.2%	1.7%	-1.8%	9.9%
2013	6.2%	3.9%	4.8%	-2.7%	12.7%	-1.8%	3.0%	3.1%	-1.3%	0.2%	4.1%	2.2%	39.0%
2014	7.1%	-4.8%	-2.2%	-1.1%	2.7%	0.7%	-0.1%	-2.2%	3.1%	-7.1%	2.1%	5.0%	2.3%
2015	1.3%	2.4%	-1.2%	1.0%	2.1%	-4.5%	-3.6%	5.3%	-4.8%	9.5%	-8.2%	9.6%	7.5%
2016	2.7%	12.2%	2.8%	7.6%	7.1%	-9.0%	0.9%	10.1%	-4.2%	-1.5%	10.7%	1.4%	46.2%
2017	1.0%	-3.3%	0.8%	-3.4%	-5.0%	-2.0%	3.5%	-5.5%	9.7%	4.2%	-2.9%	-8.8%	-12.4%
2018	-3.7%	-9.1%	1.7%	11.8%	6.0%	8.8%	-5.7%	7.6%	0.2%	1.1%	-14.3%	-1.7%	-0.7%
2019	1.8%	9.7%	0.7%	-1.9%	-9.0%	8.4%	1.4%	9.4%	-3.0%	1.3%	-7.3%	7.6%	17.8%
2020	-5.2%	-14.0%	-33.6%	42.7%	-4.8%	11.8%	20.6%	5.9%	-7.6%	0.3%	16.2%	10.9%	24.9%
2021	10.1%	9.8%	5.2%	4.4%	5.6%	7.6%	0.2%	1.9%	13.8%				75.0%

**ASSET ALLOCATION ( as % of Exposure)**

<b>30.09.2021</b>	
Cash	19.8%
Funds/ETFs	49.8%
Equities	0.0%
Other Derivatives	7.3%
CFDs	23.2%



<b>30.06.2021</b>	
Cash	17.9%
Funds/ETFs	42.9%
Equities	0.0%
Other Derivatives	13.8%
CFDs	25.5%



**FUND INFORMATION**

Investment Manager	Blue Quadrant Capital Management
Portfolio Manager	Leandro Gastaldi
Inception Date	01 May 2011
Establishment of CIS	01 July 2016
Current NAV	R145.4 million
Unit Price	262.98
Units	552771.22
Classification	Worldwide Portfolios - Long Short Equity Hedge Funds - Multi-Strategy Hedge Funds
Income Distribution	March (Annually)
Last Distribution	No Distribution - 2021

**FEES AND DEALING**

Minimum Monthly Investment	R 25,000
Dealing Frequency	Monthly
Management Fee	1.3% per annum
Performance Fee	15% above the benchmark
Other Fees*	0.0%
Total Expense Ratio (TER)	6.3%
Transaction Costs (TC)	0.2%
Total Investment Charge (TIC)	6.5%
Benchmark	CPI + 8%
High Water Mark	No

**FUND THIRD PARTIES**

Administrator	Prescient Fund Services (Pty) Ltd
Prime Broker	Peregrine Securities and Investec Securities
Auditor	Ernst & Young Incorporated
Trustee	Nedbank Investor Services

**RISK LIMITS**

	Effective Exposure (%)	Mandate Limit (%)
Commitment Approach	120.7	200
Largest Long Equity (%)**	3.8	10
Largest Short Equity (%)**	-2.5	-10
Monthly 99% VAR*	23.5	N/A



These portfolios typically hold meaningful equity and offshore exposure which may result in significant capital volatility over all periods. Due to their nature expected long term results are higher than for the other risk categories

**RISK STATISTICS**

	BQCG	JSE All Share
1 Year Standard Deviation (Ann)	17.7%	15.3%
3 Year Standard Deviation (Ann)	42.1%	17.7%
1 Year Beta vs JSE All Share	0.41	
3 Year Beta vs JSE All Share	0.32	

\*Computed since 1 July 2016

**TOP HOLDINGS (as % of NAV)**

BQ Worldwide Flexible Fund (A)	71.6%
Royal Bafokeng	4.40%
Jubilee	3.20%
Pan African	3.20%
Brait	2.87%



**BLUE QUADRANT**  
CAPITAL MANAGEMENT

## BLUE QUADRANT CAPITAL GROWTH PRESCIENT RI HEDGE FUND

MANAGED BY: BLUE QUADRANT CAPITAL MANAGEMENT AN AUTHORISED FSP42165

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

30 September 2021

### 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. 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. 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 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.blueqcm.com](http://www.blueqcm.com)

### 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.

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.

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

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

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.

PE Ratio: The weighted average price

Standard Deviation: The deviation of the return stream relative to its own average.

Beta: Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

VAR: Value at risk (VaR) is a statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes.

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.

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.

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.

Correlation Risk: The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

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.

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.

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.

### CONTACT DETAILS

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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:  
Blue Quadrant Capital Management (Pty) Ltd (Reg Number: 2009/018608/07) is an authorised financial services provider with a Cat IIA Licence. FSP Number: 42165.  
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**Prescient**  
MANAGEMENT COMPANY

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