



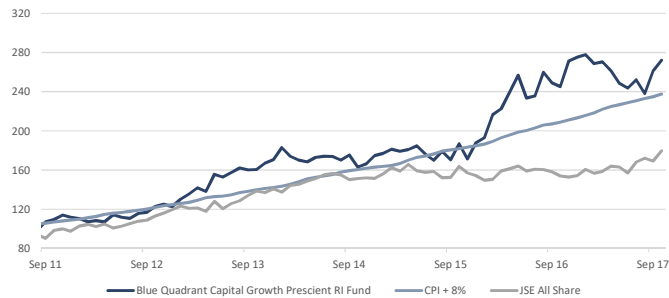
**INVESTMENT OBJECTIVE**

The objective of the fund is to deliver returns in excess of 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.

**FUND SUMMARY**

The fund is a lower-risk alternative investment fund investing in a wide range of asset classes. The fund will remain predominantly invested in equities, but has a flexible mandate allowing for some diversification into other asset classes. Its exposure to equities may vary, depending on existing market and economic conditions and available investment opportunities. The fund's benchmark is the South African Consumer Price Index (CPI) plus 8%.

**PORTFOLIO PERFORMANCE**



**RETURN STATISTICS**

|                               | BQCG   | CPI + 8% | JSE All Share |
|-------------------------------|--------|----------|---------------|
| 1 Month                       | 4.2%   | 1.1%     | 6.3%          |
| 3 Months                      | 7.9%   | 2.8%     | 8.1%          |
| 12 Months                     | 10.8%  | 13.5%    | 20.1%         |
| Annualised YTD                | -1.5%  | 13.5%    | 24.0%         |
| Annualised 3 Year             | 18.5%  | 13.7%    | 9.0%          |
| Cumulative Since Inception    | 171.1% | 133.2%   | 121.3%        |
| Highest Rolling 1 Year Return | 58.0%  | 15.6%    | 32.7%         |
| Lowest Rolling 1 Year Return  | -8.6%  | 12.2%    | -4.4%         |

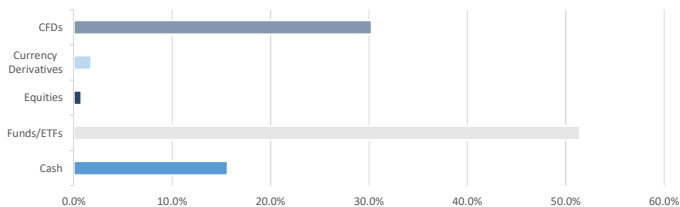
**MONTHLY RETURNS**

|      | 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 | 2.8%  | 12.2% | 2.8%  | 7.7%  | 7.1%  | -9.0% | 0.9%  | 10.3% | -4.2% | -1.6% | 10.7% | 1.4%  | 46.4% |
| 2017 | 1.0%  | -3.3% | 0.7%  | -3.4% | -5.0% | -2.0% | 3.5%  | -5.5% | 9.7%  | 4.2%  |       |       | -1.2% |

\*Annualised YTD

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

|                      |       |
|----------------------|-------|
| Cash                 | 15.7% |
| Funds/ETFs           | 51.5% |
| Equities             | 0.8%  |
| Currency Derivatives | 1.8%  |
| CFDs                 | 30.3% |



**FUND INFORMATION**

|                      |                                             |
|----------------------|---------------------------------------------|
| Investment Manager   | Blue Quadrant Capital Management            |
| Portfolio Manager    | Leandro Gastaldi                            |
| Inception Date       | Sunday, 01 May 2011                         |
| Establishment of CIS | Friday, 01 July 2016                        |
| Current NAV          | R122 million                                |
| Unit Price           | 116.24                                      |
| Classification       | Multi-strategy Retail Investment Hedge Fund |
| Income Distribution  | Saturday, 31 March 2018                     |

**FEES AND DEALING**

|                               |                                                |
|-------------------------------|------------------------------------------------|
| Minimum Lump Sum              | R 250 000                                      |
| Minimum Monthly Investment    | R 25 000                                       |
| Dealing Frequency             | Monthly                                        |
| Management Fee                | 1.3% per annum                                 |
| Performance Fee               | 15% above the benchmark (limited to 5% of NAV) |
| Other Fees*                   | 0.0%                                           |
| Total Expense Ratio (TER)     | 5.6%                                           |
| Transaction Costs (TC)        | 0.2%                                           |
| Total Investment Charge (TIC) | 5.7%                                           |
| Benchmark                     | CPI + 8%                                       |
| High Water Mark               | No                                             |

**FUND THIRD PARTIES**

|               |                                              |
|---------------|----------------------------------------------|
| Administrator | Prescient Fund Services                      |
| Prime Broker  | Peregrine Securities and Investec Securities |
| Auditor       | KPMG                                         |
| Trustee       | Nedbank Investor Services                    |

**RISK LIMITS**

|                           | Effective Exposure (%) | Mandate Limit (%) |
|---------------------------|------------------------|-------------------|
| Commitment Approach       | 174.8                  | 200               |
| Largest Long Equity (%)*  | 8.3                    | 10                |
| Largest Short Equity (%)* | -10.3                  | -10               |

**Risk Indicator**



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) | 18.4% | 11.8%         |
| 3 Year Standard Deviation (Ann) | 19.3% | 11.2%         |
| 1 Year Beta vs JSE All Share    | 0.05  |               |
| 3 Year Beta vs JSE All Share    | 0.14  |               |
| Monthly 99% VAR*                | 9.6%  |               |

\*Computed since 1 July 2016

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

|                                        | % Allocation |
|----------------------------------------|--------------|
| BQ Worldwide Flexible Fund (A)         | 75.7%        |
| Proshare Ultrashort S&P500 CFD (Short) | 10.3%        |
| Newplat ETF                            | 8.3%         |
| iShares MSCI Australia ETF (Short)     | 7.9%         |
| ProShares Short QQQ (ETF) (Short)      | 4.2%         |



## 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.

## CONTACT DETAILS

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**Trustee:**

Nedbank Investor Services

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**Website:** [www.nedbank.co.za](http://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:**

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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