

## Minimum Disclosure Document & Quarterly General Investor Report

30 June 2021

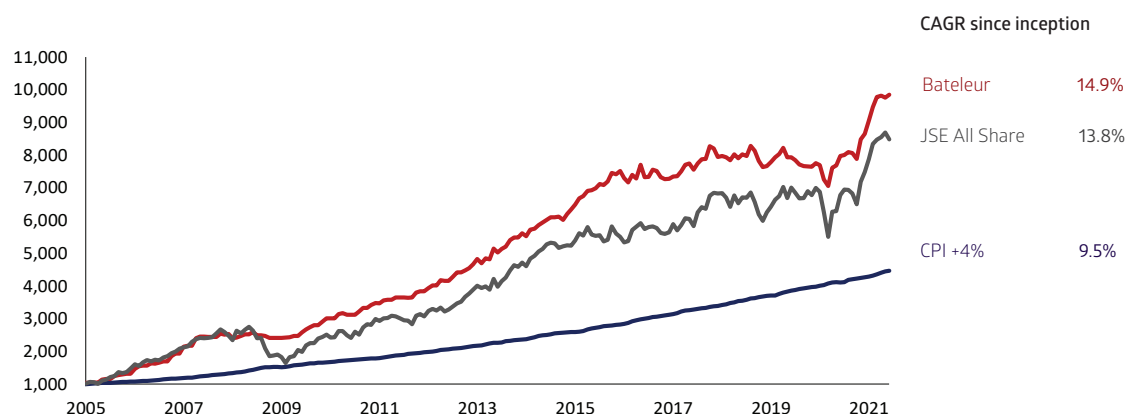
**Fund classification:** The fund is a flexible hedge fund suitable for Retail Investors, including high net worth individuals, institutions, family offices and hedge fund of funds.

**Investment Objective & Policy:** The Bateleur Long Short Prescient RI Hedge Fund is a long/short equity hedge fund. The Fund aims to produce returns in excess of inflation over the medium to longer-term, whilst placing a high premium on protecting capital. The manager in selecting securities for the fund will seek to follow an investment policy which will secure long-term capital growth in real terms. Subject to such restrictions as may apply under the Act, the Fund may invest in all financial instruments, including but not limited to equities, bonds, money market instruments, property shares, derivatives and debentures, whether listed or unlisted and 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.

**Hurdle rate:** CPI inflation + 4%.

**Adherence to the Investment objective:** The Fund adhered to the Investment policy objective for the quarter

### Growth of investment net of all fees (Indexed to 1,000 from 1 January 2005)



Bateleur Long Short Prescient RIF vs. Hurdle (CPI plus 4%) & JSE All Share Index (TR) from inception 1 January 2005 to end June 2021

The investment performance is for illustrative purposes only, and is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. This takes into account reinvesting the distribution. Source: Bloomberg, performance as calculated by Bateleur Capital.

### Monthly performance (net of all fees)

| Year | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | YTD   |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2021 | 4.3%  | 5.1%  | 3.2%  | 0.5%  | -0.7% | 0.9%  |       |       |       |       |       |       | 13.9% |
| 2020 | -0.8% | -5.7% | -2.7% | 7.8%  | 0.8%  | 3.9%  | 0.4%  | 1.0%  | -0.4% | -2.2% | 7.5%  | 2.0%  | 11.6% |
| 2019 | 1.6%  | 2.0%  | 1.2%  | 2.4%  | -3.5% | -0.1% | -1.1% | -1.7% | -0.6% | -0.2% | -0.1% | 1.4%  | 1.2%  |
| 2018 | 0.4%  | -0.5% | -1.1% | 2.4%  | -1.5% | 1.5%  | -0.7% | 4.0%  | -1.9% | -3.8% | -2.4% | 0.4%  | -3.6% |
| 2017 | 1.0%  | 0.1%  | 2.0%  | 2.7%  | 0.4%  | -2.4% | 2.5%  | 1.7%  | 0.1%  | 5.0%  | -0.9% | -3.2% | 9.2%  |
| 2016 | -3.1% | -1.6% | 2.9%  | -1.4% | 5.2%  | -3.8% | -0.5% | 3.0%  | -0.5% | -2.6% | -0.8% | 0.1%  | -3.3% |
| 2015 | 2.7%  | 2.9%  | 1.7%  | 2.0%  | 0.0%  | 1.0%  | 1.8%  | 0.0%  | 1.4%  | 3.4%  | -0.2% | 1.0%  | 19.1% |
| 2014 | -1.5% | 3.8%  | 0.5%  | 1.7%  | 1.7%  | 1.4%  | 0.8%  | 0.4%  | 0.2%  | 0.0%  | 1.5%  | 1.8%  | 12.8% |
| 2013 | 2.5%  | -0.9% | 2.0%  | -0.4% | 5.2%  | -1.1% | 2.1%  | 1.5%  | 2.7%  | 2.2%  | 0.3%  | 2.1%  | 19.9% |
| 2012 | 0.9%  | 2.2%  | 1.7%  | 2.1%  | -0.4% | 0.5%  | 2.4%  | 3.2%  | 0.7%  | 1.7%  | 2.5%  | 0.8%  | 19.8% |
| 2011 | -0.1% | 2.4%  | 0.6%  | 1.9%  | 0.1%  | -0.1% | 0.1%  | -0.3% | 0.3%  | 4.1%  | 1.0%  | 1.6%  | 12.0% |
| 2010 | 0.1%  | 1.7%  | 2.6%  | 0.9%  | -1.7% | 0.2%  | 2.7%  | 0.2%  | 3.5%  | 2.5%  | 0.3%  | 1.7%  | 15.5% |
| 2009 | 0.4%  | -1.4% | 1.9%  | 1.7%  | 3.0%  | 1.1%  | 3.7%  | 2.6%  | 2.0%  | 3.8%  | 0.4%  | 3.2%  | 24.7% |
| 2008 | -5.3% | 1.0%  | 2.0%  | 2.3%  | 2.7%  | -0.2% | -3.7% | 1.1%  | -1.9% | -2.3% | -2.2% | 2.0%  | -4.8% |
| 2007 | 5.6%  | 1.6%  | 4.2%  | 6.2%  | 2.1%  | -1.4% | 0.8%  | 0.0%  | 0.6%  | 3.4%  | -1.1% | 0.9%  | 24.8% |
| 2006 | 3.6%  | 5.1%  | 1.6%  | 3.1%  | 1.2%  | -0.3% | 1.4%  | 2.4%  | 4.4%  | 4.8%  | 4.3%  | 4.9%  | 42.8% |
| 2005 | 3.7%  | 1.0%  | -0.1% | 1.6%  | 7.4%  | 1.4%  | 7.4%  | 0.5%  | 2.2%  | 1.2%  | 2.0%  | 7.6%  | 41.8% |

(Performance of the Bateleur Fund 1 Partnership to 30/09/2016 and the Bateleur Long Short Prescient RIF from 01/10/2016 onwards)

### Asset Allocation (30 June 2021)

| Current Portfolio Breakdown | Mar '21 | Jun '21 |
|-----------------------------|---------|---------|
| Core Long Equity Holdings   | 88%     | 91%     |
| Liquid Investments & Cash   | 15%     | 12%     |
| Short Holdings              | -3%     | -3%     |
| Commodity ETF               | 0%      | 0       |
| Gross Exposure              | 91%     | 94%     |
| Net Exposure                | 85%     | 88%     |

### Annualised Returns (30 June 2021)

| Return period                                   | Fund   | Benchmark |
|-------------------------------------------------|--------|-----------|
| Since Inception                                 | 14.9%  | 9.5%      |
| 5 Year                                          | 6.1%   | 8.3%      |
| 3 Year                                          | 7.1%   | 7.9%      |
| 1 Year                                          | 23.4%  | 8.5%      |
| Highest rolling 1 year return (since inception) | 53.5%  | 17.7%     |
| Lowest rolling 1 year return (since inception)  | -12.1% | 6.2%      |

### About the Fund

#### Fund Manager:

Kevin Williams & Charl Gous

#### Launch Date:

Jan 2005 – Fund 1 Partnership  
Oct 2016 – Qualified CIS Hedge

#### ASISA Classification:

SA portfolios  
Long Short Equity Hedge Fund  
Long Bias Equity Hedge Fund

**Benchmark:** CPI +4%

**Minimum Subscription:** R100,000

**Unit Price:** R9,151

**Units in issue (Fund total):** 21,011

**Fund Size:** R193m

**Valuation:** Monthly

**Risk Profile:** Moderate

#### Fees

**Initial Fund Fee:**

nil

**Initial Adviser Fee:**

nil

**Service Charge:**

2% plus VAT

**Performance Fee:**

20% plus VAT of upside above hurdle rate

### Responsible Parties

**Investment Manager:**

Bateleur Capital (Pty) Ltd

**Prime Brokers:**

Peregrine Equities (Pty) Ltd  
RMB, a division of FirstRand Bank Ltd

**Primary Custodian:**

Nedbank Investor Services

**Administrator:**

Prescient Fund Services (Pty) Ltd

**Auditors:**

Ernst & Young Incorporated

**Total Expense Ratio**

TER Incl VAT: 2.7%

TIC Incl VAT: 3.2%

### Income Distribution

**Distribution:**

April 2017: 5300.4c per unit  
April 2018: 9191.91c per unit  
April 2019: 17556.86c per unit  
April 2020: 18933.65c per unit  
April 2021: 7673.13c per unit

### Contact

**Bateleur Capital (Pty) Ltd**

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Provider, FSP No. 18123

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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 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

|                                      |             |
|--------------------------------------|-------------|
| Service Charge                       | 2.3%        |
| Performance Fee                      | 0.0%        |
| Other Fees                           | 0.4%        |
| <b>Total Expense Ratio (TER)</b>     | <b>2.7%</b> |
| <b>Transactions Costs (TC)</b>       | <b>0.5%</b> |
| <b>Total Investment Charge (TIC)</b> | <b>3.2%</b> |

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. Applications are processed on a monthly basis. Your application form together with proof of payment must be submitted to Bateleur before 14h00 on the 2nd business day prior to the last day of the month. Your application will be processed on the 1st day of the following month. Redemptions: hedge fund redemptions are processed at the end of each month and we require a months' notice. In order to receive month end prices, your redemption instruction must be submitted to Prescient before 14h00, 1 business day of the preceding month end for the processing at the end of the following month.

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.bateleurcapital.com](http://www.bateleurcapital.com)

#### **Risk Guidance:**

##### **Moderate:**

These portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios. In turn, the expected volatility is higher than low risk portfolios but less than high risk portfolios. The probability of losses are higher than low risk portfolios, but less than high risk portfolios. Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

##### **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.

##### **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.

##### **Liquidity Risk:**

Not all securities or instruments (including derivatives and sub-investment grade bonds) invested in by the funds 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 funds 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.

#### **Glossary Summary**

**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.

**CAGR:** Compound Annual Growth Rate is the mean annual growth rate of an investment over a specified period of time, longer than 1 year.

**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.

**High Water Mark:** The highest level of performance achieved over a specified period.

**Commitment Approach:** means 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.

#### **ASISA Classification:**

| Tier 1                                      | Tier 2        | Tier 3                        | Tier 4                       |
|---------------------------------------------|---------------|-------------------------------|------------------------------|
| Bateleur Long Short Prescient RI Hedge Fund | SA portfolios | Long Short Equity Hedge Funds | Long Bias Equity Hedge Funds |

#### **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](mailto:info@prescient.co.za) Website: [www.prescient.co.za](http://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](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:**

Bateleur Capital (Pty) Ltd, Registration number: 2003/029676/07 is an authorised Financial Services Provider (FSP 18123) 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.

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**Performance Fee:** The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark.

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.