



## ALL WEATHER H4 MARKET NEUTRAL RETAIL HEDGE FUND

Minimum disclosure document  
31 October 2021



Issued: 15 November 2021

### PORTFOLIO STRATEGY

The All Weather H4 Market Neutral Retail Hedge Fund ("the portfolio") is long short equity market neutral South African retail hedge fund.

The portfolio has a strong focus on long term capital appreciation targeting an absolute return in excess of cash and seeks to exploit investment opportunities unique to some specific group of stocks while maintaining a neutral exposure to broad groups of stocks defined, for example, by sector, industry, market capitalization, country, or region. The portfolio aims to provide returns with lower volatility and lower drawdowns than the South African equity market.

### RISK PROFILE

Low Medium High

### EFFECTIVE EXPOSURE \*

|                |        |
|----------------|--------|
| Gross Exposure | 173.1% |
| Net Exposure   | 22.0%  |

\*The gross exposure is the absolute value of the portfolio's long and short positions. The net exposure is the percentage difference between the portfolio's long and short positions

### COUNTERPARTY EXPOSURE \*\*

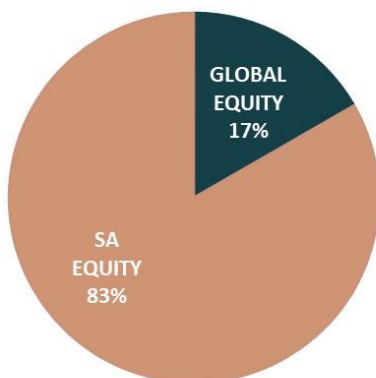
|               |        |
|---------------|--------|
| Persec        | 41.49% |
| Standard Bank | 0.01%  |

\*\* Counterparty risk is the risk that the other party to a transaction may not be able to perform their obligations.

|                                       | All Weather | SteFi |
|---------------------------------------|-------------|-------|
| Highest & Lowest calendar year return |             |       |
| Highest –                             | +38.12%     | +7.29 |
| Lowest –                              | +2.99%      | +5.39 |

### ASSET ALLOCATION

Asset allocation on a non-look through basis



### PORTFOLIO FACTS

|                                       |  |
|---------------------------------------|--|
| Benchmark                             | Short Term Fixed Interest Composite Index (STeFI)  |
| Inception Date (under Novare)         | 1 August 2017  |
| Portfolio size                        | R402 704 932   |
| Portfolio strategy                    | Equity Market Neutral strategy   |
| Portfolio manager                     | Shane Watkins & Sanelisiwe Tofile  |
| Domicile                              | South Africa   |
| Currency                              | Rand   |
| Fee class                             | Class A, distributing  |
| Price per unit                        | 12 354.56 cents  |
| Annual service fee                    | 1.3% p.a. (excluding VAT)  |
| Initial fee/Exit fee                  | 0.00%  |
| Portfolio classification              | Equity Market Neutral Retail Hedge Fund  |
| Minimum investment amount             | R1 000 000 lump sum  |
| Performance fee                       | 20% (excluding VAT) on outperformance of the benchmark   |
| Pricing frequency                     | Monthly  |
| Valuation time and date               | End of the day on the last day of the month  |
| Transaction cut-off time              | 17:00 10th business day before month end   |
| Income distribution dates             | Quarterly on 30 Jun, and 31 Dec  |
| Distributions over the last 12 months | 0.00 cents per participatory interest as at 30 Jun 2021<br>0.00 cents per participatory interest as at 31 Dec 2020 |



## ALL WEATHER H4 MARKET NEUTRAL RETAIL HEDGE FUND

Minimum disclosure document  
31 October 2021

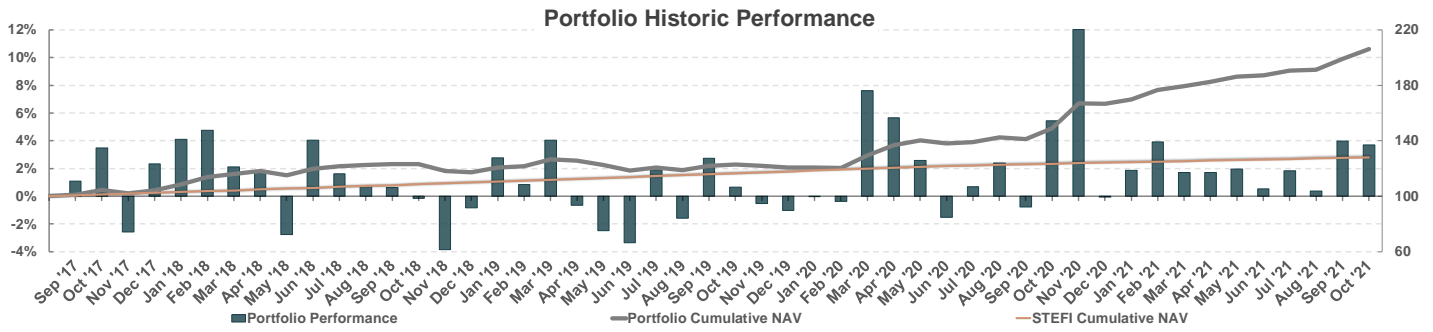


Issued: 15 November 2021

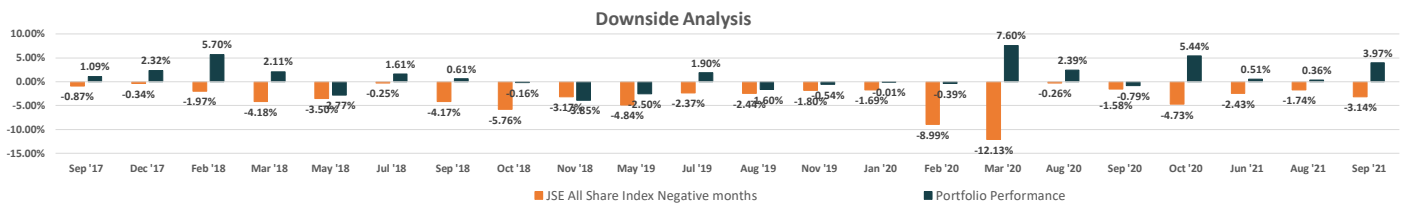
### PERFORMANCE INFORMATION

| Returns to 31 October 2021 | Fund    | STeFI  | ALSI   |
|----------------------------|---------|--------|--------|
| 1 Month                    | 3.68%   | 0.30%  | 5.15%  |
| 3 Month                    | 8.18%   | 0.95%  | 0.08%  |
| 12 Month                   | 38.39%  | 3.77%  | 35.96% |
| YTD                        | 23.62%  | 3.12%  | 18.03% |
| Since Inception Annualised | 18.97%  | 6.11%  | 8.01%  |
| Since Inception Cumulative | 106.18% | 28.05% | 40.08% |

| Portfolio Details    | Fund  | STeFI  | ALSI   |
|----------------------|-------|--------|--------|
| Volatility           | 9.9%  | 0.4%   | 16.2%  |
| Sharpe Ratio         | 1.2   | 0.0    | 0.2    |
| Sortino Ratio        | 5.4   | 0.0    | 0.4    |
| % Positive Months    | 68.0% | 100.0% | 56.0%  |
| Max Monthly Drawdown | -3.9% | -      | -12.1% |



| Net Monthly Performance Since Inception | Jan    | Feb    | Mar   | Apr    | May    | Jun    | Jul   | Aug    | Sep    | Oct    | Nov    | Dec    | YTD    |
|---|--------|--------|-------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| 2017                                    |        |        |       |        |        |        |       |        |        |        |        |        |        |
| 2018                                    | 4.11%  | 4.74%  | 2.11% | 1.82%  | -2.77% | 4.03%  | 1.61% | 0.75%  | 0.61%  | -0.16% | -3.85% | -0.83% | 12.45% |
| 2019                                    | 2.76%  | 0.84%  | 4.03% | -0.66% | -2.50% | -3.35% | 1.90% | -1.60% | 2.72%  | 0.66%  | -0.54% | -1.04% | 2.99%  |
| 2020                                    | -0.01% | -0.39% | 7.60% | 5.65%  | 2.59%  | -1.52% | 0.68% | 2.39%  | -0.79% | 5.44%  | 12.02% | -0.06% | 38.12% |
| 2021                                    | 1.86%  | 3.90%  | 1.71% | 1.71%  | 1.97%  | 0.51%  | 1.83% | 0.36%  | 3.97%  | 3.68%  |        |        | 23.62% |



The performance calculated and shown from 1 December 2020 is that of the (amalgamated) portfolio. Prior to that date, the returns are that of class B2 of the AW Capital NCIS Market Neutral Retail Hedge Fund which charged an annual service fee of 0.25% (excluding VAT).

The graph above reflects the actual cumulative percentage performance of the (amalgamated) portfolio and notional performance of the benchmark, based on a lump sum contribution on the launch date of the portfolio. Performance is shown net of all portfolio charges and expenses and includes the reinvestment of distributions.



## ALL WEATHER H4 MARKET NEUTRAL RETAIL HEDGE FUND

Minimum disclosure document

31 October 2021



Issued: 15 November 2021

### TOTAL INVESTMENT CHARGES:

Three year annualised as per ASISA Standard

| Period (annualised) | 01 December 2020  | to   | 30 June 2021  |
|---------------------|---|--|---|
| Class               | Total Expense Ratio (TER)   | Transaction Costs (TC)   | Total Investment Charges (TER + TC)   |
|                     | 6.33%   | 1.57%  | 7.90%   |
|                     | of the value of the fund was incurred as expenses relating to the administration of the fund. | of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. | of the value of the fund was incurred as costs relating to the investments of the fund. |

### TOTAL EXPENSE RATIO – FSCA Requirement:

One year, as at financial year-end, as per Board Notice 92 of 2014: not yet available

### Total Expense Ratio (TER) and Transaction Costs (TC)

The TER is a calculation of the charges, levies and fees incurred in the management of this fund as a percentage of the average NAV (net asset value). 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 TERs. The TER does not include Transaction Costs, which are shown separately. 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 financial product, the investment decisions of the investment manager and the TER.

## INFORMATION AND DISCLOSURE

### About the manager, trustee/custodian and scheme

This portfolio was established by H4 Collective Investments (RF) (Pty) Ltd, registration number 2002/009140/07 (“the manager”) of The Citadel, 15 Cavendish Street, Claremont, 7708 (telephone +27 21 670 9100) as a portfolio of the H4 Retail Hedge Fund Scheme (“the scheme”). The trustee/custodian of the scheme is the Standard Bank of South Africa Limited (Registration number: 1962/000738/06) of 8th Floor, North Tower, The Towers, 2 Hertzog Boulevard, Foreshore, Cape Town, 8001 (telephone: +27 21 401 2383).

### About the investment manager

The manager has appointed All Weather Capital (Pty) Ltd, registration number 2007/008520/07 (“All Weather”), as the investment manager of the portfolio. All Weather is licensed as a hedge fund financial services provider in terms of the Financial Advisory and Intermediary Services Act, 2002 with FSP number 36722.

### Legal structure of the portfolio

The portfolio is established as a trust by way of a supplemental deed to the main deed of the scheme, executed by the manager and the trustee/custodian and approved by the Financial Sector Conduct Authority under CISCA in terms of the Collective Investment Schemes Control Act, 45 of 2002 (“CISCA”). The assets of the portfolio may be held by the trustee/custodian or by another bank or by the nominee of the portfolio’s prime broker.

### Risk warning

The risk and return profile of a portfolio illustrates the amount of risk undertaken by an investor in the hope of achieving a particular return on an investment. The generally accepted principle is that potential return rises with an increase in risk. The risk and return profile on the face of this document is based on the historical performance of the portfolio. In addition to the risk warnings included elsewhere in this document, it is important to note that there are many other risks associated with investing in collective investments. These can include but are not limited to the following: general market risks (such as general movements in interest rates; external factors [war, natural disasters and such like]; changes to the law and regulatory frameworks; governmental policy changes; global, regional or national economic developments), risks related to a specific security (like the possibility of a company’s credit rating being downgraded); and loss in the purchasing power of an investment as a result of an increase in the price of consumer goods (known as inflationary risks).

The portfolio may invest in foreign securities. There are potential material risks associated with investing in foreign securities. These include but are not limited to: potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political and social instability, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information, all of which may have an impact on fund performance. In addition, risks associated with investing in emerging markets (which are generally less mature than those in developed markets) include but are not limited to currency risks, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country.

Hedge funds use complex hedging strategies that include the use of leverage to increase the exposure of the portfolio beyond the capital that is employed to an investment. Leveraging includes the use of derivatives. Derivatives derive their value from the value of an underlying asset. The use of leveraging within a portfolio involves risk because depending on how the leveraging is structured, the portfolio’s losses or gains may be unlimited. Other risks include counterparty risk and liquidity risk. Counterparty risk is the risk that the other party to a transaction may not be able to perform their obligations.

Liquidity risk means that during volatile periods, the tradability of certain instruments may be impeded. A retail hedge fund portfolio’s gross exposure to the market may be up to a maximum of 200% of the total net asset value of the portfolio.

### General disclosures

This document is the minimum disclosure document required by Board Notice 92 of 2014 published by the Financial Sector Conduct Authority under CISCA. Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective Investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available on request from the manager. Neither the manager nor All Weather provides any guarantee either with respect to the capital or the return of the portfolio. The manager has the right to close the portfolio to all new investments or to new investors in order to manage it more efficiently in accordance with its mandate.

### Disclosures in respect of the formation of the fund

The AW Capital NCIS Market Neutral Retail Hedge Fund was established under the Novare Retail Hedge Fund Collective Scheme on 1 August 2016. The All Weather H4 Market Neutral Retail Hedge Fund was established under the H4 Retail Hedge Fund Scheme on 1 September 2020. These funds were amalgamated on 1 December 2020 under the H4 Retail Hedge Fund Scheme and the amalgamated portfolio continued under the name of All Weather H4 Market Neutral Retail Hedge Fund.

### Performance disclosures

The performance calculated and shown from 1 December 2020 is that of the (amalgamated) portfolio.

Individual investor performances may differ as a result of initial fees (if applicable), the actual investment date, the date of reinvestment and dividend withholding tax. Where periods of longer than one year are used in calculating past performance, certain figures may be annualised. Annualisation is the conversion of a rate of any length of time into a rate that is reflected on an annual basis. Actual annual figures and investment performance calculations are available on request.

A performance fee of 20 per cent of the amount by which the net asset value of the portfolio exceeds the benchmark is payable by the manager to All Weather. The performance fee will be calculated and accrued monthly and payable quarterly.



## ALL WEATHER H4 MARKET NEUTRAL RETAIL HEDGE FUND

Minimum disclosure document

31 October 2021



Issued: 15 November 2021

### Disclosures in respect of third-party-named portfolios

This portfolio is a third-party-named portfolio. A third-party-named portfolio bears the name of both the manager and the investment manager. The manager retains full legal responsibility for the third-party-named portfolio.

### Calculation of the NAV and price

The value of participatory interests is calculated on a NAV basis. The NAV is the total value of all assets in the portfolio including any income accruals and less any deductible expenses (which may include audit fees, brokerage, service fees, securities transfer tax and bank charges). The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue. Prices are published monthly on [www.allweather.co.za](http://www.allweather.co.za)

### Limitation of liability

This document has been compiled for information purposes only and does not take into account the needs or circumstances of any person or constitute advice of any kind. It is not an offer to sell or an invitation to invest. The information and opinions in this document have been recorded by All Weather and the manager in good faith from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. All Weather and the manager accordingly accept no liability whatsoever for any direct, indirect or consequential loss arising from the use of this document or its contents.

### Additional information

Please speak to your advisor should you require any additional information on the portfolio. Should you so require, the application form and the latest annual report of the manager and of the portfolio will be provided to you free of charge.

Figures quoted are from All Weather, Bloomberg and FTSE International Limited ("FTSE") © FTSE 2016. "FTSE®" is a trade mark of the London Stock Exchange Group Companies and is used by FTSE under license. "JSE" is a trade mark of the JSE Limited and is used by FTSE under license. The STeFI is calculated by FTSE in conjunction with the JSE. All intellectual property rights in the index values and constituent list vest in the FTSE and the JSE. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE/JSE Indices and/or FTSE ratings or underlying data. No further distribution of JSE Indices Data is permitted without the JSE's express written consent.