



### FUND OBJECTIVE

The portfolio aims to deliver real returns over the medium term. With the ability to hedge, preserving capital is paramount in the process. The portfolio will therefore have equity like returns with limited downside and may even be uncorrelated to the equity market. A net return of two to three times SA cash rates is targeted on a consistent basis over the long term. The portfolio combines a bottom-up stock picking process with various proprietary tools to construct the portfolio. Fundamental analysis is key to identifying investment opportunities

### FUND PROFILE

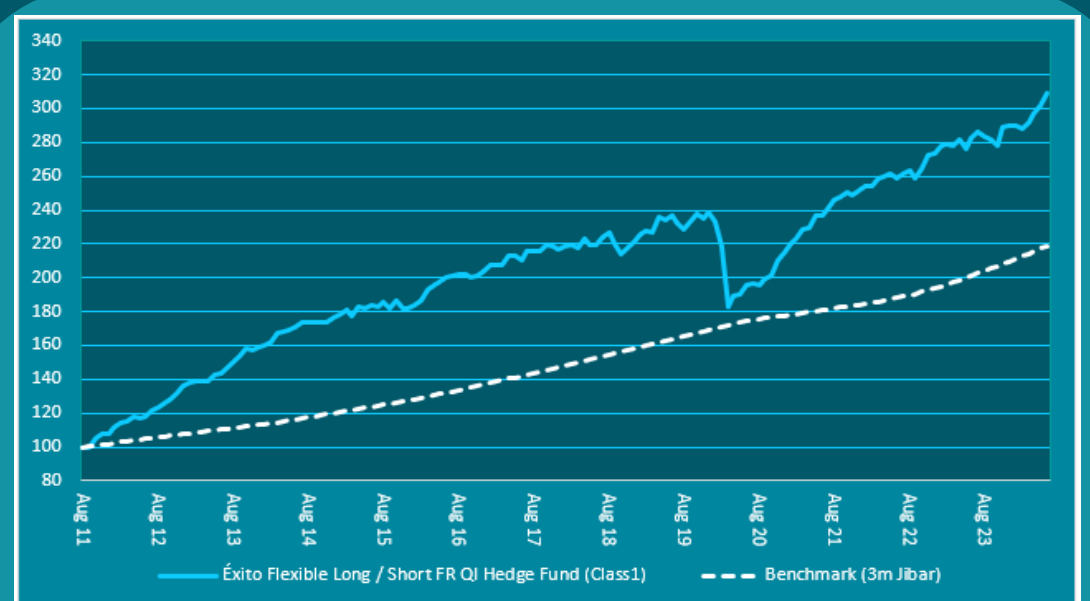
We trade mostly in South African equities as this is our area of expertise. The fund has variable net equity exposure to participate in market rallies whilst having low equity exposure in falling markets. Our strength is in asset allocation and sector rotation.

The Fund can trade in index futures to gain broad based equity exposure. We further employ pair trading strategies as well as short term trading opportunities

### GENERAL INFORMATION

INVESTMENT MANAGER	Éxito Investment Managers (Pty) Ltd
CIS MANAGER	FundRock Management Company (RF)(Pty)Ltd
ASISA CLASSIFICATION	QI Hedge Fund – SA Long Short Equity
FUND INCEPTION DATE	September 2011
CISCA INCEPTION DATE	August 2016
FUND CATEGORY	QI Hedge Fund
STRUCTURE	Collective Investment Schemes (CIS)
FUND CLASS	Class 1
PRIME BROKER	RMB
TRUSTEE	FirstRand
AUDITOR	Deloitte
TEL / EMAIL	010 541 1839 / info@exitoim.co.za
WEBSITE	www.exitoim.co.za

### HISTORICAL PERFORMANCE CHART



Fund Source: Apex Fund & Corporate Services as at June 2024 Benchmark Source: Bloomberg as at June 2024

The performance figures given show the yield on a Net Asset value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. Performance is calculated for a lump sum investment on a Net Asset Value basis. The performance figures are reported net of fees with income reinvested

#### WALKER NAUDÉ



BCom (ActSci), CFA

Walker has over 10 years' managing hedge funds experience. Previously rated one of Top Quantitative Analysts & Strategy Teams in the Financial Mail

#### WAYNE GRAY



BCom Hons (Inv), BSc (Maths & Comp Sci)

Wayne has over 10 years of hedge fund management experience. He brings to the team quantitative modelling and trading strategies with a focus on market volatility and trends

### FUND INFORMATION

RISK PROFILE	Medium
FUND BENCHMARK	3m JIBAR
FUND STATUS	Open
FUND DEALING	Monthly
MINIMUM INVESTMENT	R1 million
Assets in Strategy	R48.5 million
NAV PRICE	2 486.29
NUMBER OF UNITS	17 614.80
SERVICE FEE (excl VAT)	1.87%
PERFORMANCE FEE (Uncapped)	20% of the outperformance with a hurdle rate of the average 3 months JIBAR rate converted to nominal rate and compounded monthly. The Hurdle resets at the end of the performance period



## PERFORMANCE TABLE (NET OF FEES IN PERCENTAGE)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2011									-0.2	4.9	2.7	0.6	8.2
2012	3.4	2.3	0.3	2.4	-0.7	1.0	2.9	1.4	2.6	1.5	2.9	3.0	25.6
2013	1.8	0.2	0.5	0.0	2.2	0.8	2.4	2.3	2.0	3.2	-0.4	0.7	16.8
2014	0.8	1.2	3.1	1.0	0.4	1.0	1.6	0.2	0.0	-0.3	0.0	1.7	11.1
2015	1.0	1.5	-1.7	2.7	-0.1	0.6	-0.2	1.3	-1.8	2.5	-2.4	-0.1	3.3
2016	0.8	1.7	3.3	1.6	0.9	1.2	0.4	0.6	0.0	-0.9	0.5	1.3	11.8
2017	1.9	0.0	0.2	2.3	0.0	-1.2	2.8	-0.1	-0.1	1.9	-0.4	-0.9	6.4
2018	0.6	0.7	-0.8	2.5	-1.9	0.4	2.0	1.0	-2.5	-3.1	1.7	1.9	2.1
2019	1.9	0.7	-0.1	3.9	-0.6	1.2	-1.9	-1.5	1.9	1.7	-1.0	1.5	7.8
2020	-2.4	-6.3	-16.1	3.6	0.5	2.7	0.6	-0.6	1.6	1.1	4.6	2.0	-10.0
2021	2.6	1.4	2.4	0.3	3.1	0.3	1.3	2.2	0.7	1.4	-0.9	1.0	17.1
2022	1.0	0.3	1.6	0.3	1.0	-1.1	0.8	0.7	-1.7	2.2	3.3	0.3	8.9
2023	1.6	0.4	-0.3	1.1	-1.8	2.1	1.0	-1.1	-0.4	-1.4	3.8	0.5	6.0
2024	-0.1	-0.5	1.2	1.8	1.5	2.4							6.4

\*Historic performance prior to 1 August 2016 reflect returns achieved prior to the portfolio having been transitioned under the Collective Investment Schemes Control Act 45 of 2002. \* The reporting Class was non-fee paying until December 2018. The above and below information refers to past performance, which is no indication of future performance or returns. For important additional information regarding the historical performance returns achieved by the portfolio prior to regulation, as well as additional disclosures regarding the portfolio performance published in this document and the impact of fees on investment returns, please refer to the Minimum Disclosure Document, downloadable from our website, or available on request from the Manager

## RETURN ANALYSIS (Annualised)

1 YEAR	9.4%
3 YEARS (annualised)	9.2%
5 YEARS (annualised)	5.7%
10 YEARS (annualised)	6.1%
SINCE INCEPTION (annualised)	9.2%
TOTAL RETURN	208.6%
% UP MONTHS	71.4%
HIGHEST 12 MONTH RETURN	26.6%
LOWEST 12 MONTH RETURN	-19.6%
MAX CUMULATIVE DRAWDOWN	-23.3%
SHARPE RATIO	0.5
SORTINO RATIO	0.7

The Highest and Lowest 12 month rolling returns represent the Highest and Lowest actual returns achieved during a 12 month rolling period year since the original launch date of the portfolio.

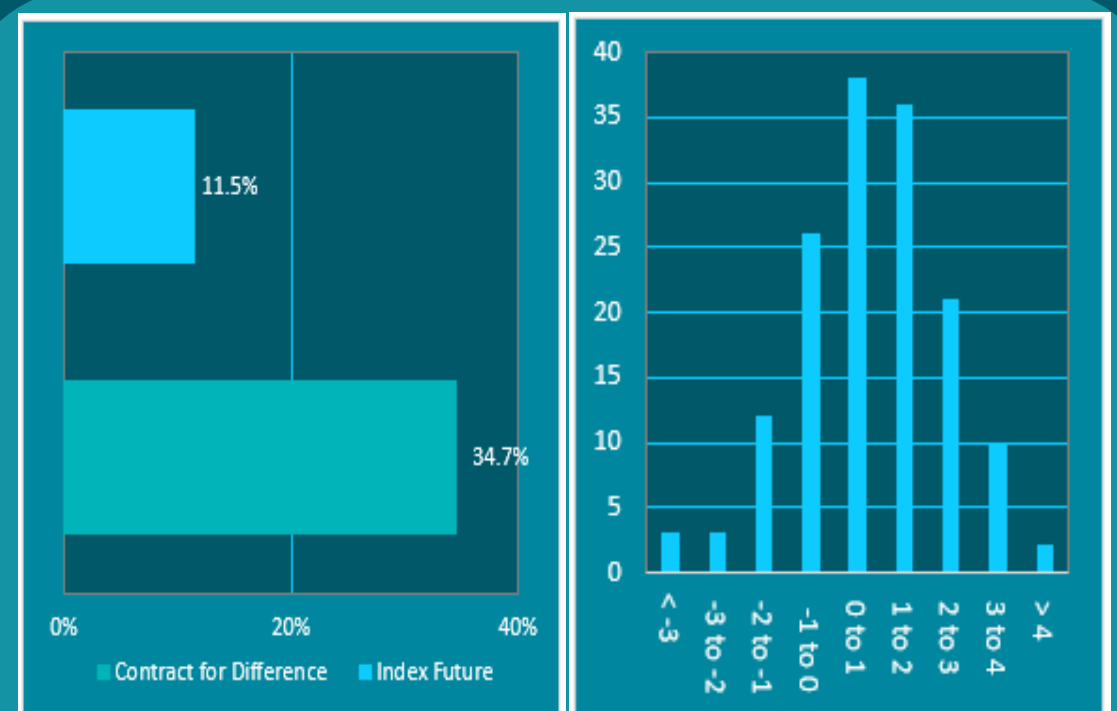
## COST RATIOS (Including Vat)

TOTAL EXPENSE RATIO (TER %)	2.87
TRANSACTION COST RATIO (TC%)	0.00
TOTAL INVESTMENT CHARGES (TIC%)	2.87
PERFORMANCE FEE INCLUDED IN TER (%)	0.00

### INCOME DISTRIBUTION

Annually,  
December.  
Past 12m total:  
11375.63 cpu

## ASSET ALLOCATION & MONTHLY RETURNS (%) DISPERSION



## PORTFOLIO COMPOSITION (MONTH'S AVE)

LEVERAGE	0.5
PORTFOLIO LIQUIDITY (Days)	0.1
DIRECTIONAL EXPOSURE (%)	46.1
LARGEST POSITION (%)	3.64
NUMBER OF LONGS	40
NUMBER OF SHORTS	8



# éxito

# ÉXITO FLEXIBLE LONG/SHORT FR QI HEDGE FUND

MINIMUM DISCLOSURE DOCUMENT – Class 1

June 2024

## FUND RISK

**Leverage Risk:** The Fund borrows additional funds, trades on margin or performs short sale trades to amplify investment decisions. This means that the volatility of a hedge fund portfolio can be many times that of the underlying investments due to leverage on a fund.

**Derivative Risk:** Derivative positions are financial instruments that derive their value from an underlying asset. Derivatives are exposed to implicit leverage which could result in magnified gains and/or losses on the portfolio.

**Counterparty Credit Risk:** Counterparty risk is a type of credit risk and is the risk of default by the counterparty associated with trading derivative contracts. An example of counterparty credit risk is margin or collateral held with a prime broker.

**Volatility Risk:** Volatility refers to uncertainty and risk related to size of change of an instrument or portfolio. It is a statistical measure of the dispersion of returns for a given security or market index. Volatility is proportional to the directional exposure of a portfolio and is measured by Value at Risk (VaR) which is a statistical technique used to measure and quantify the level of volatility.

**Concentration and Sector Risk:** A large proportion of total assets invested in specific assets, sectors or regions. Concentrated positions or concentrated sectors in a portfolio will material impact the returns of the portfolio more so than diversified portfolios.

**Correlation Risk:** A measure that determines how assets move in relation to each other. Correlation risk arises when the correlation between asset-classes change. Correlation risk also arises when the correlation within an asset-class changes. Examples of correlation within asset classes include equity pairs trading, fixed income curve trading and commodities pairs trading.

**Equity Risk:** Applies to investment in shares or derivatives based on shares. The market price of shares varies depending on supply and demand of the shares. Equity risk is the risk of loss due to the drop in the market price of shares. Equity risk can either be systematic risk which is risk to the entire market based on political and economic indicators or unsystematic risk which is company specific and includes risk relating to company profits, future prospects and general consensus on the company or sector.

## GLOSSARY

**Net Asset Value (NAV):** The total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.

**Annualised Return:** is the weighted average compound growth rate over the performance period measured.

**Highest & Lowest Return:** The highest and lowest rolling twelve-month performance of the portfolio since inception.

**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.

**Transaction Costs (TC):** 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.

**Total Investment Charge (TIC):** 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.

**Total Investment Charges (TIC%):** TER (%) + TC (%): The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

**Sharpe Ratio:** The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.

**Sortino Ratio:** The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.

**Drawdown:** The greatest peak to trough loss until a new peak is reached.

**Correlation:** A number between -1 and 1 indicating the similarity of the dispersion of returns between the portfolio and another asset or index with 1 being highly correlated, -1 highly negatively correlated and 0 uncorrelated.

**Leverage/Gearing:** The use of securities, including derivative instruments, short positions or borrowed capital to increase the exposure beyond the capital employed to an investment.

## MANDATORY DISCLOSURE

Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the manager, as well as a detailed description of how performance fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the fund may place the fund under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. The Manager may close the portfolio to new investors in order to manage it efficiently according to its mandate. Prices are published monthly on our website. Where foreign investments are included in the portfolio, performance is further affected by uncertainties such as changes in government policy, political risks, tax risks, settlement risks, foreign exchange risks, and other legal or regulatory developments. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the Manager.

The highest and lowest 1 year returns represent the highest and lowest actual returns achieved during a 12 month rolling period year since the original launch date of the portfolio.

Investors should note that the value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where funds are invested in off-shore assets, performance is further affected by uncertainties such as changes in government policy, taxation, currency risk, and other legal or regulatory developments.

Investment Manager: Éxito Investment Managers (Pty) Ltd (Éxito) (FSP No. 51399) is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. The Investment Manager, can be contacted on 010 5411839 or via email at [walker@exitoim.co.za](mailto:walker@exitoim.co.za). The physical address is 2874 Midmar Drive Waterfall Country Village Midrand, 1682.

This and other information relating to the portfolio is only intended for Professional or Sophisticated investors and is by no means meant to be read by, or provided to retail investors.

Management Company: The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The Manager of the Scheme is registered and approved by the Financial Sector Conduct Authority under the Collective Investment Schemes Control Act 45 of 2002. The Manager retains full legal responsibility for the third-party-named portfolio. The Manager can be contacted on +27 21 202 8282 or via email at address: [information@apexfsgroup.com](mailto:information@apexfsgroup.com), Website: [www.fundrock.com](http://www.fundrock.com), The physical address is Pier Place, 11th Floor, Heerengracht Street, Foreshore, Cape Town, South Africa. Trustee: FirstRand Bank Limited(acting through its RMB Custody and Trustee Services Division), 3 Merchant Place, Ground Floor, Corner Fredman and Gwen Streets, Sandton 2146

## DISCLAIMER

Éxito Investment Managers (Pty) Ltd (Éxito) is a registered fund manager with the Financial Sector Conduct Authority. Past performance is no guarantee of future results. Current returns shown represent past returns and may not be indicative of future returns. The performance of the fund is dependent on the making of correct assessments of the price movements of individual securities and other investments. Financial markets have historically exhibited high levels of volatility and negative movements that have affected the price of all assets within a specific class. The fund's investments will thus be subject to market risk. Through financial gearing via the Long/Short process, the fund may be leveraged. This will mean enhanced positive gains but conversely can mean magnified losses. No taxation has been deducted in the computation of returns. The taxation treatment of returns is the investor's responsibility. All returns are disclosed net of performance fees.

We believe the information displayed is accurate and reliable, but no warranty of accuracy or reliability is given and no responsibility arising in any way for errors and omissions (including by way of negligence) is accepted by Éxito. This information is not intended to provide advice to, or take into account individual investor's objectives or circumstances. This material should not be construed to represent a solicitation of funds and is disclosed for reporting purposes only.