

**Fund classification:** The fund is a long/short equity hedge fund, suitable for index investors looking for, non-correlated, small and mid-cap exposure.

**Investment objective:** The fund seeks to out-perform the JSE Shareholder-weighted All-share Index (FTSEJSE AFR SWIX J403), by making long term investments, in small and medium sized, listed, companies.

**Investment policy:** The fund invests mainly in South African listed equities, but may also invest in offshore markets. It may invest in listed and unlisted securities, including but not limited to equities, bonds, money market instruments, property shares, derivatives and debentures.

**Hurdle:** the JSE Shareholder-weighted All-share Index (FTSEJSE AFR SWIX J403)

**About the Fund**

Fund manager:  
Anthony Durham

Launch date:  
Jan 2010- Fund debenture  
June 2017- Retail CIS HF

Sector:  
Retail Hedge Fund

Benchmark:  
FTSEJSE AFR SWIX J403

Minimum subscription:  
R50 000

Unit Price:  
1.00

Fund size:  
R74m

Valuation:  
Monthly

Redemption notice period:  
1 calendar month

Risk Profile:  
High

**Fees**

Initial fund and advisor fee:  
Nil

Management fee:  
1.5% plus VAT

Performance fee:  
20% plus VAT of upside above the hurdle,  
on a high watermark basis

**Responsible Parties**

Investment manager:  
Cogito Capital (Pty) Ltd

Prime broker:  
ABSA Capital

Primary custodian:  
Nedbank Investor Services

Administrator:  
Prescient Management Company

Auditors:  
KPMG

**Total expense ratio**

TER incl. VAT 1.94%  
TIC incl. VAT 4.22%

**Income distribution**

None

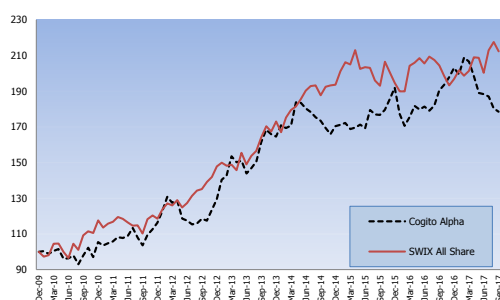
**Contact**

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Net Performance from Jan 2010



**Correlation: Cogito Alpha/SWIX**

From Jan 2010	0.34
36 Month	-0.07
12 Month	-0.39

Growth of investment net of all fees, indexed to 100 from 1 January 2010. Cogito Alpha Long Short Prescient RI HF vs Hurdle SWIX Shareholder-Weighted All-share Index. Source Iress, performance calculated by Cogito Capital (Pty) Ltd.

**Cogito Alpha**

(Net in ZAR) SWIX Allshare USD vs ZAR EUR vs ZAR

1 Year	-6.24%	3.86%	-1.27%	3.75%
3 Year (annualised)	0.93%	4.19%	6.46%	4.13%
5 Year (annualised)	8.52%	9.45%	10.28%	8.42%
Since Inception (annualised)	7.76%	10.20%	7.88%	5.49%
Lowest rolling 1 year return	-7.66%	-7.93%	-17.29%	-19.58%
Highest rolling 1 year return	43.37%	27.72%	37.56%	30.88%

**Cogito Alpha - Net Monthly Returns ZAR**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	0.44%	-1.54%	1.62%	1.07%	-5.37%	0.30%	1.60%	-4.99%	5.35%	4.32%	-5.10%	8.63%	5.43%
2011	-1.75%	1.12%	1.07%	2.24%	-0.43%	1.14%	4.04%	-4.81%	-3.99%	5.74%	2.72%	3.31%	10.31%
2012	5.63%	6.54%	-2.60%	0.82%	-7.71%	-0.95%	-1.84%	0.57%	2.21%	-0.92%	5.14%	4.82%	11.30%
2013	8.47%	1.69%	7.54%	-2.17%	0.54%	-4.71%	2.13%	2.45%	7.32%	4.22%	-1.47%	-0.79%	27.17%
2014	3.83%	-0.89%	0.77%	7.66%	-0.13%	-1.72%	-1.12%	-1.66%	-1.07%	-2.31%	-2.10%	2.68%	3.52%
2015	0.48%	0.59%	-2.02%	0.54%	0.95%	-1.18%	6.02%	-1.35%	-0.17%	1.60%	3.35%	3.44%	12.66%
2016	-7.64%	-3.77%	2.91%	3.51%	-1.11%	0.91%	-1.32%	1.61%	4.63%	1.67%	2.19%	2.63%	5.68%
2017	-1.75%	4.68%	-1.07%	-4.00%	-4.69%	-0.37%	-0.70%	-3.52%	-1.04%				-12.06%

**Asset Allocation**

**Current Portfolio Breakdown %NAV**

Long equity holdings	108%
Short positions	-34%
Index options and futures	0%
Gross exposure	142%
Net exposure	74%

**Top Holdings**

**%NAV**

PHUMELELA	14.2%
TRANSACTION CAPITAL	10.3%
HUDACO	10.2%
CONSOLIDATED INFRASTRUCTURE	9.0%
ADVTECH	8.6%
HUGE GROUP	8.2%
AFRIMAT	8.1%
ROLFES	7.9%
TRUWORTHS	-4.8%
EOH	-8.5%

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.

Management Fee	1.71
Performance Fee	0.23
<b>Total Expense Ratio (TER)</b>	<b>1.94</b>
Transaction costs (TC)	2.28
<b>Total Investment Charge (TIC)</b>	<b>4.22</b>

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 the preceding month end. Redemptions: Hedge Fund redemptions are processed at the end of each month and require a month's 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. Prices are published daily and are available on the Prescient website.

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.cogito.co.za](http://www.cogito.co.za)

#### **Risk Guidance:**

High: The portfolio generally holds more illiquid equity exposure than medium and low risk portfolios. Consequently the expected volatility of returns are higher than medium and low risk portfolios. The probability of losses in the short term are higher than medium and low risk portfolios, but the expected long term returns could be higher.

#### **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.

**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.

**Correlation** is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases.

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

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

#### **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:** 2<sup>nd</sup> 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:**

Cogito Capital (Pty) (Ltd), Registration number: 2004/001692/07 is an authorised Financial Services Provider (FSP23993) 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. **Physical address: Building 4, Commerce Square, 39 Rivonia Road, Sandton, Johannesburg. Postal address: PO Box 650602, Benmore, 2010 Telephone number: +27 87 4901147, Website: [www.cogito.co.za](http://www.cogito.co.za)**

This portfolio operates as a white label fund under the Prescient Retail Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act. This document is the Minimum Disclosure Document and is published every quarter following the launch date. The date of issue is 10 October 2017.

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.

**Performance Fee:** The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark, using a participation rate of 20%. A permanent high watermark is applied, which ensure that performance fees will only be charged on new performance. There is no cap on the performance fee.