

## SOUTHCHESTER SMART ESCALATOR PRESIDENT QI HEDGE FUND: CLASS A

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT issued: 12 January 2025  
Month ended 31 December 2025



SOUTHCHESTER



### Fund Investment Objective

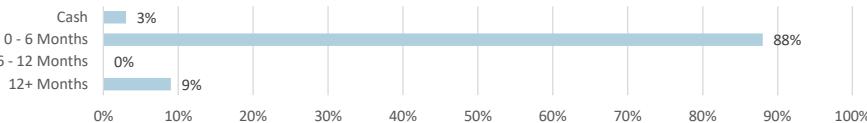
The Southchester Smart Escalator Prescient QI Hedge Fund ("The Fund") aims to generate absolute returns in excess of short to medium term interest rates. The fund will seek to capitalise on all investment opportunities and will invest in a wide range of instruments including, but not limited to, equities, preference shares, money market instruments, fixed interest, property, debentures, options, warrants, convertible debt securities, debt instruments, commodities, repurchase agreements, over the counter securities, private equity securities, swaps, forward rate agreements (FRAs), contract for difference (CFDs), futures and any other listed and unlisted financial instrument in line with conditions as determined by legislation from time to time. Leveraging may be created in the portfolio by borrowing funds, using short positions or engaging in derivative transactions. Unlisted investments in these asset classes are permitted as determined by legislation

### Fund Summary

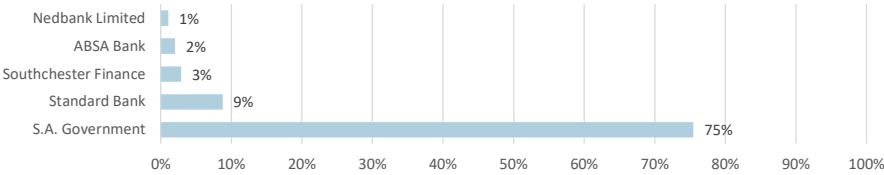
The Fund targets retail and institutional investors wishing to achieve regular, high income returns and is invested in major South African and International banks as well as qualifying corporate credit with credit rating above AA minus.

By applying the wider trading and investment parameters provided by the relevant retail hedge fund legislation, this fund takes advantage of fixed income yield generating opportunities other than investing in lower credit rated counterparties. The Fund's investment mandate allows for directional interest rate exposure and the fund has exposure to geared fixed interest instruments. Interest rate derivatives could be included as pure hedging against market movement if necessary in extraordinary market rallies.

### Duration Profile



### Top 5 Credit Exposure



### HISTORICAL NET PERFORMANCE: CLASS A

Fund was launched in November 2017, Class A was launched in February 2018.

Annualised Performance (%)		Portfolio	Benchmark	Period
1 Year		14.81%	11.19%	(January 2025 - December 2025)
3 Year		15.11%	11.77%	(January 2023 - December 2025)
5 Year		13.18%	10.41%	(January 2021 - December 2025)
Since inception		13.15%	10.17%	(February 2018 - December 2025)
Highest return (Best 12-months since inception)		19.55%	-	(August 2019 - September 2020)
Lowest return (Worst 12-months since inception)		5.21%	-	(October 2020 - September 2021)

\*Monthly Performance Returns (After Fees):

Source: Southchester Investment Managers, Prescient Fund Services 31 December 2025

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	1.67%	1.35%	0.69%	1.59%	0.75%	1.35%	0.55%	1.25%	1.09%	1.61%	0.14%	12.71%
2019	0.33%	1.46%	1.27%	0.81%	0.79%	0.91%	0.68%	2.13%	-0.25%	1.80%	0.73%	1.14%	12.43%
2020	0.93%	1.43%	-1.96%	0.80%	4.97%	1.62%	2.15%	2.45%	2.07%	-0.21%	-0.72%	-1.04%	13.01%
2021	1.35%	1.27%	0.22%	0.90%	0.50%	0.83%	0.12%	0.58%	1.32%	1.18%	0.44%	0.53%	9.65%
2022	0.30%	1.00%	1.19%	0.60%	0.13%	0.44%	1.05%	0.76%	1.27%	1.60%	1.20%	0.98%	11.03%
2023	0.66%	1.48%	0.81%	1.04%	1.35%	1.14%	1.02%	1.29%	1.23%	1.01%	1.53%	0.89%	14.54%
2024	1.42%	1.39%	1.01%	1.20%	1.35%	1.48%	0.74%	1.29%	1.20%	1.40%	1.29%	1.15%	15.99%
2025	1.17%	0.93%	0.82%	0.99%	1.41%	1.45%	1.49%	0.94%	1.32%	1.16%	0.99%	1.22%	14.81%

### Changes in Portfolio Composition

The fund remains consistently aligned to its strategy throughout interest rate cycles and continues to invest in low corporate credit risk with the majority of the fund exposed to SA Government and major South African and International banks.

### Adherence to Fund Investment Objective & Policy

The Fund has successfully adhered to its objective and investment policy.

**Prescient**  
MANAGEMENT COMPANY



### Risk Profile

The Fund's risk profile is moderate. The portfolio is exposed to interest rate risks but has no effective equity exposure resulting in relatively low volatility compared to higher risks portfolios. The Fund will achieve steady returns, capital stability and adequate liquidity. The portfolio is suitable for medium term investment horizons.



### CLASS A: Fees (VAT Exclusive)

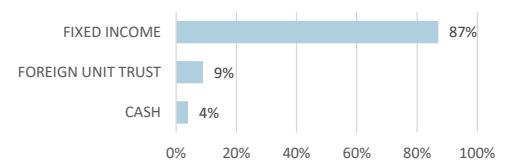
INITIAL FEE	0.00%
SERVICE CHARGE*	1.30%
PERFORMANCE FEES	None
TOTAL EXPENSE RATIO (as at Jun 2025)	1.85%
TRANSACTION COSTS (as at Jun 2025)	0.00%
TOTAL INVESTMENT CHARGES (as at Jun 2025)	1.85%

\* ADVISORY COSTS INCLUDED

### Fund Facts

FUND SIZE	R1 749 444 465.60
NO. OF PARTICIPATORY INTERESTS: CLASS A	358 743 433.97
MINIMUM LUMPSUM	R1 000 000.00
CLASS A UNIT PRICE IN CENTS	126.65
INCOME DISTRIBUTION	31 March annually
CLASS A DISTRIBUTION CPU (Cents per unit)	11.78 (31.03.2025)

### Asset Allocation



### About the Portfolio Manager



Southchester Investment Managers (Pty) Limited is a niche fixed income asset manager specializing in creating and managing short term liquid portfolios and alternative fixed income asset classes. Southchester focuses on doing business with other asset managers and investment institutions and in developing and providing tailored fixed income solutions for them. Southchester is a FSCA (Financial Sector Conduct Authority) registered asset management business with Category I, II and IIA licenses.

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