

"GLOBAL ALLOCATORS USE OF HEDGE FUNDS"

VISIO FUND MANAGEMENT | MAY 2024

VISIO

Private and strictly confidential



THE START IN SA...1995

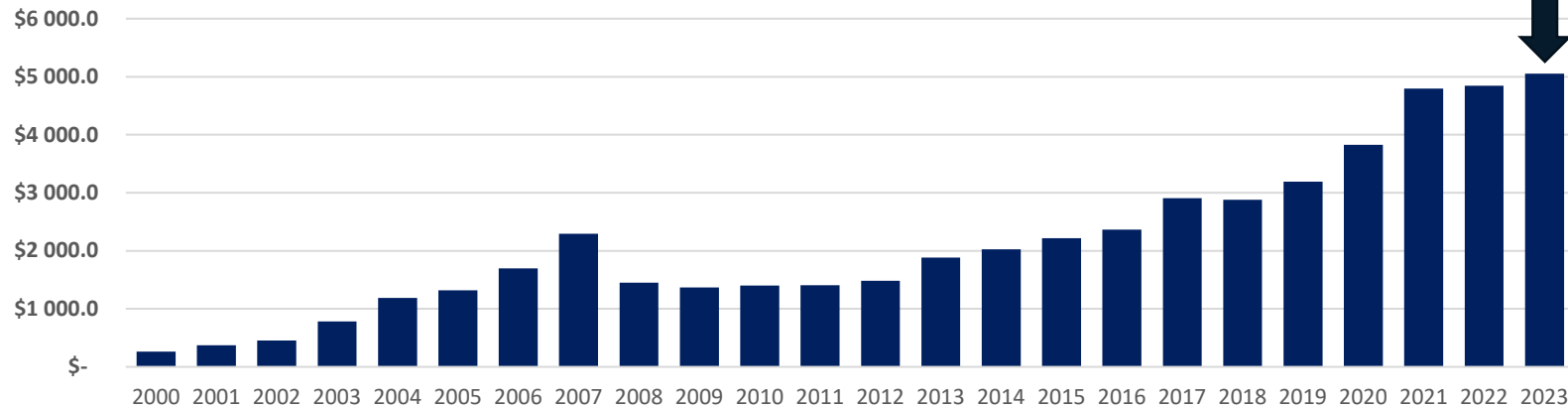


ON TWO FRONTS...



GLOBAL VS SA HEDGE FUND INDUSTRY BACKDROP

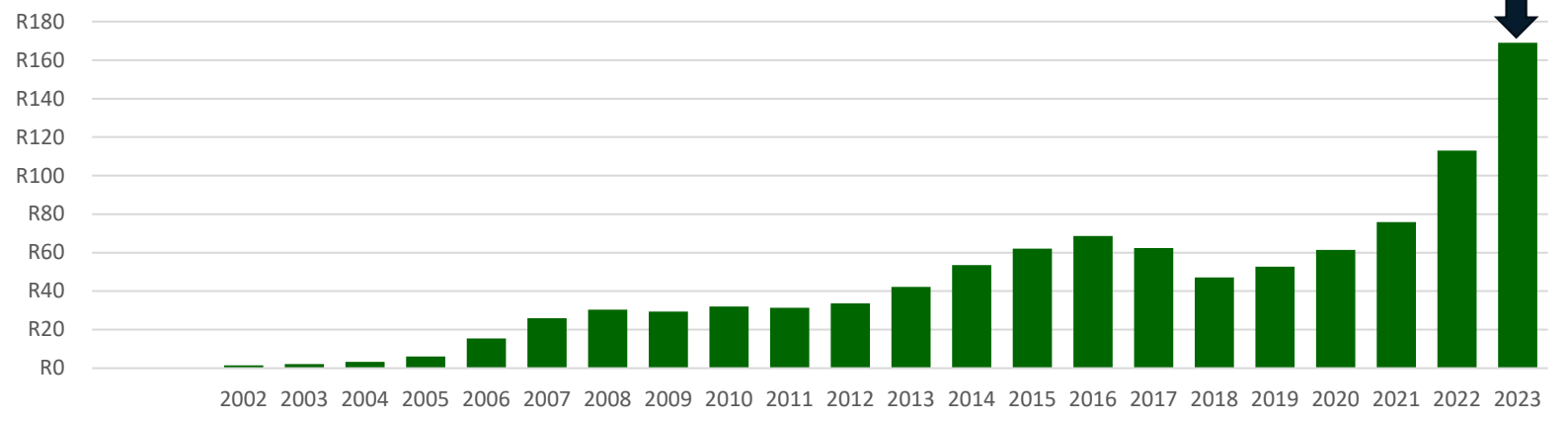
GLOBAL HEDGE AUM \$'bn



\$5.1 TRILLION

- Rapid AUM growth over the last decade
- 15,000 hedge funds globally
- Across 31 sub-strategies
- Industry inception 1958

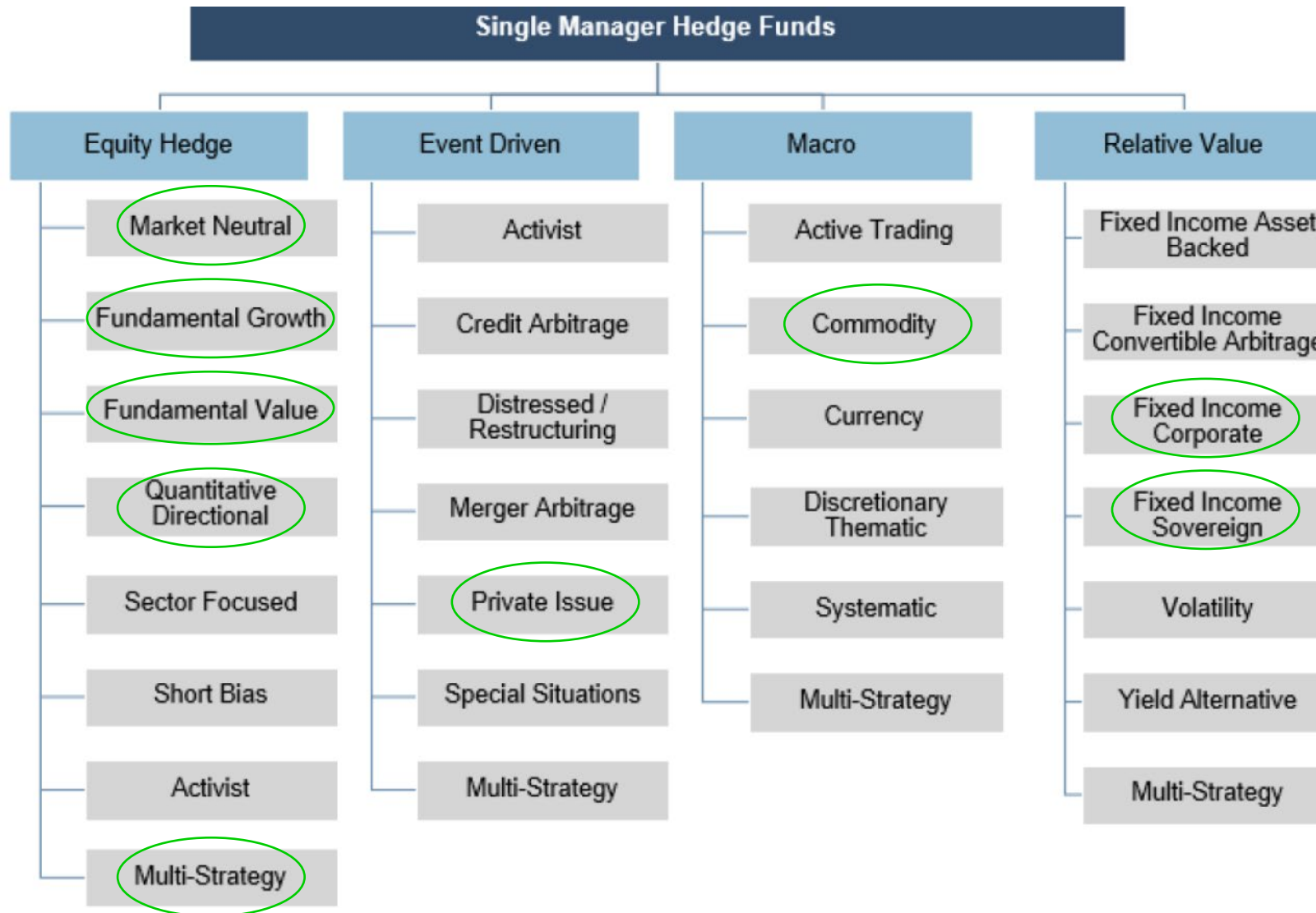
SOUTH AFRICAN HEDGE AUM R'bn



R169 BILLION (\$8.8 BILLION)

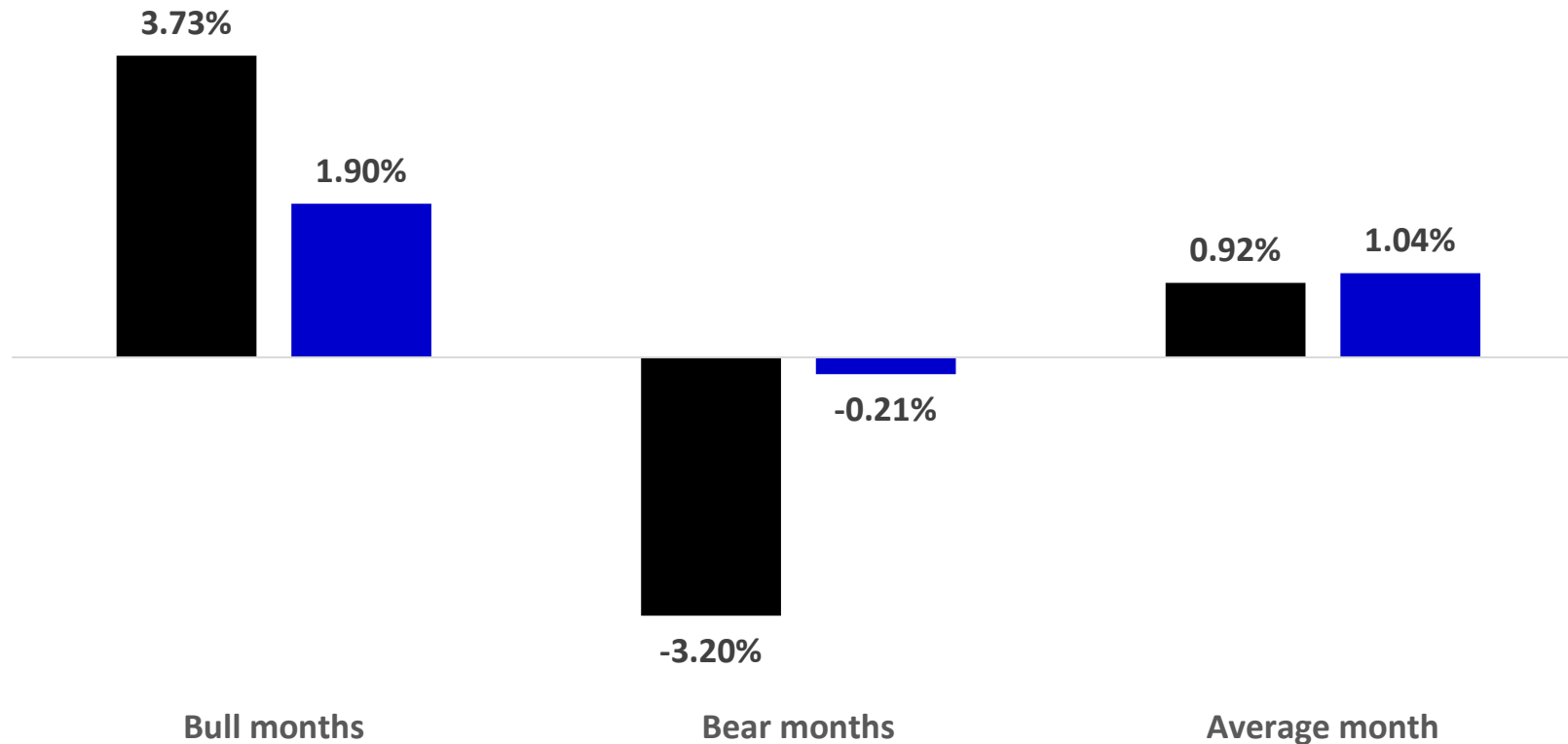
- Steady AUM growth over the last decade
- 161 hedge funds
- Across 3 key sub-strategies
- Industry inception 1995

GLOBAL HEDGE FUND SUB-STRATEGIES



HEDGE FUND GOAL #1: ABSOLUTE RETURNS

■ ALSI ■ Visio FR Retail Hedge Fund Since Nov-06

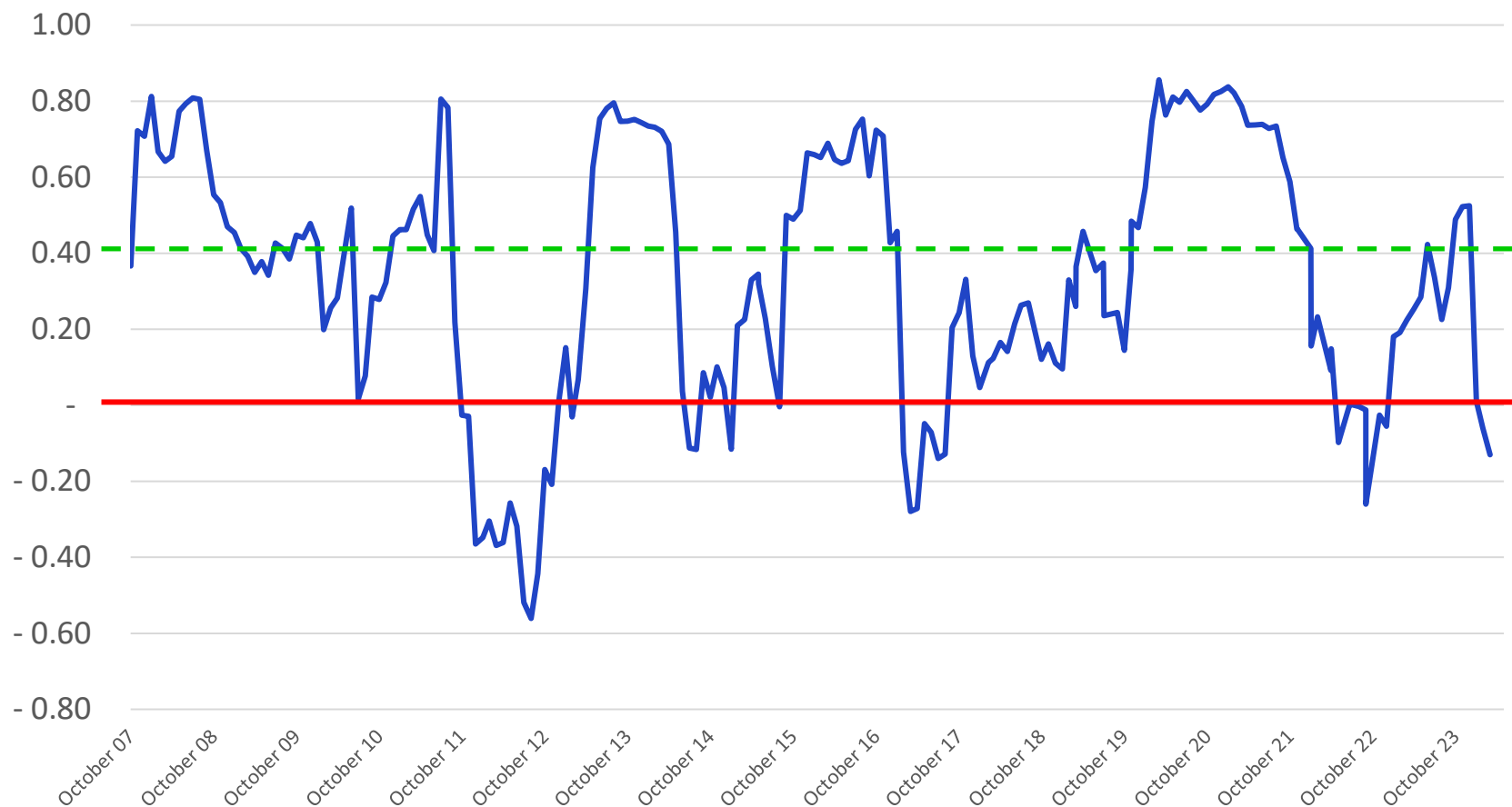


MARKET PARTICIPATION:

- Not all the upside, especially in a low net equity strategy
 - < 25% of the downside
 - Positive compounding!!!

HEDGE FUND GOAL #2: UNCORRELATED RETURN SOURCE

12 MONTH ROLLING CORRELATION



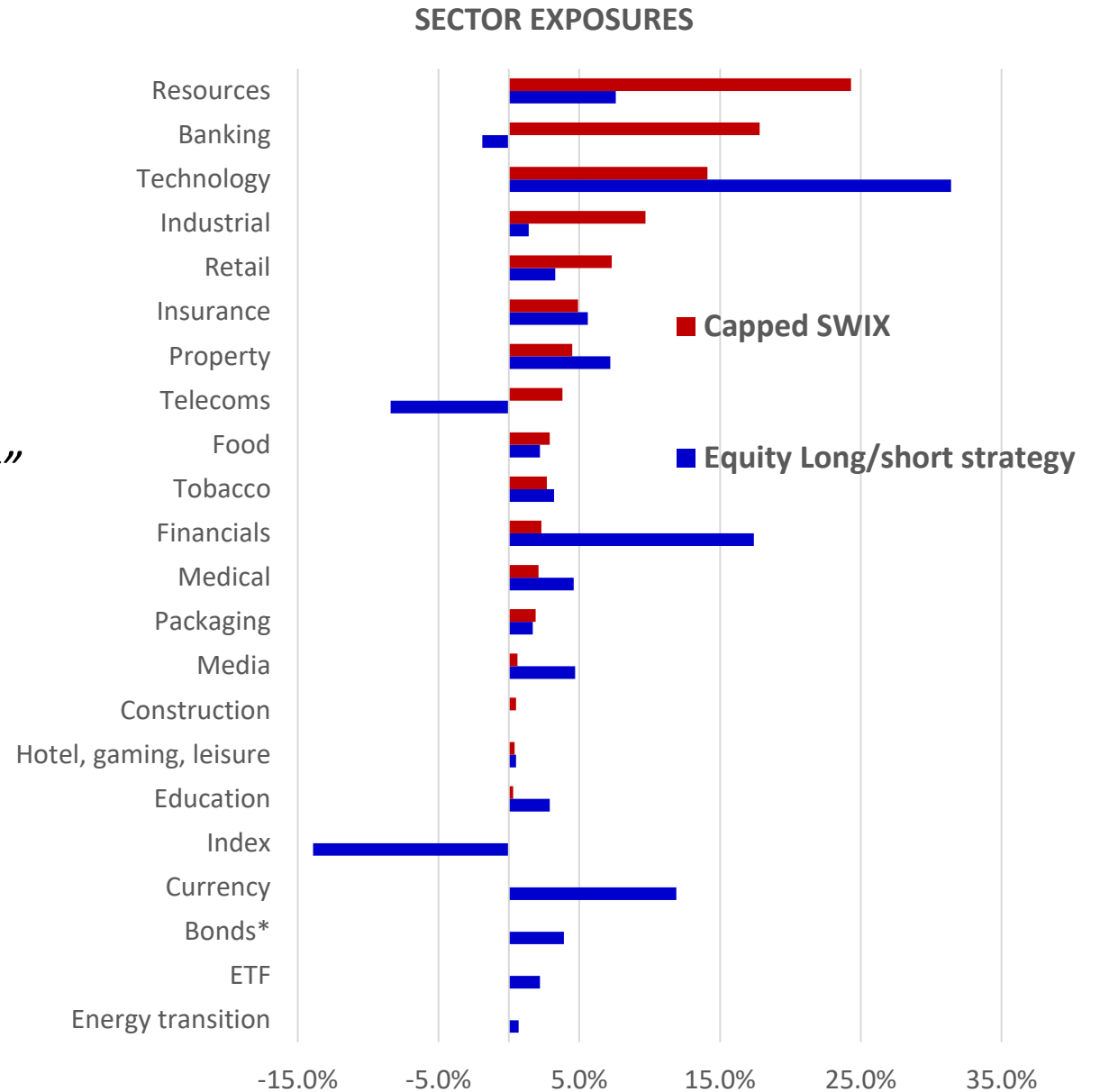
ALSI CORRELATION:

- 17-year Average: 0.40
- Source of return with low correlation to equity markets
- Achieved by managing fund equity exposures- both the mix and net equity

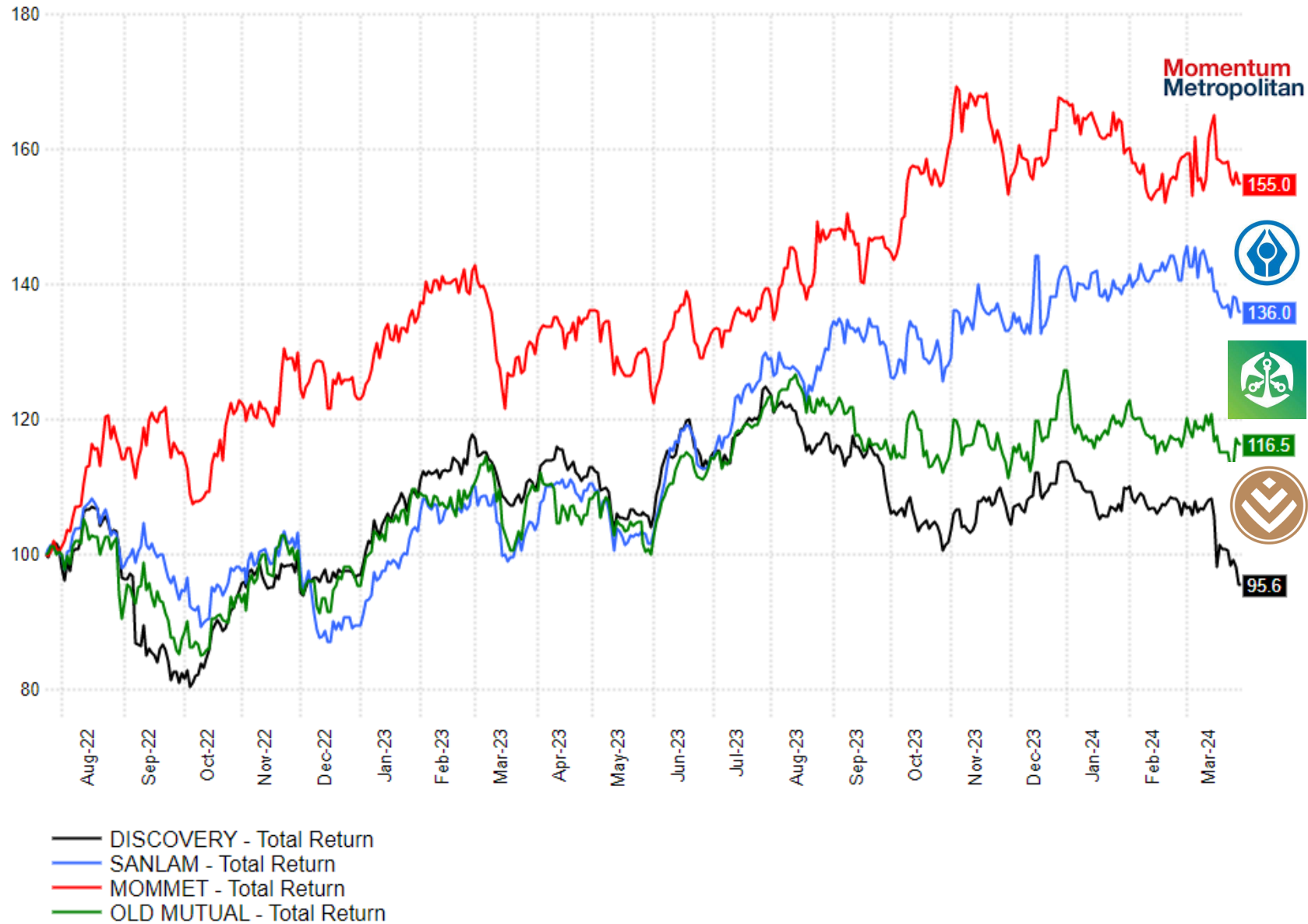
LOWERING CORRELATION

MANAGE:

- *Sector calls*
- *Asset class diversification*
- *“Off benchmark” positions*
- *Net exposure*
- *Gross exposure*
- *Hedging*
- *Derivatives*
- *FX composition*

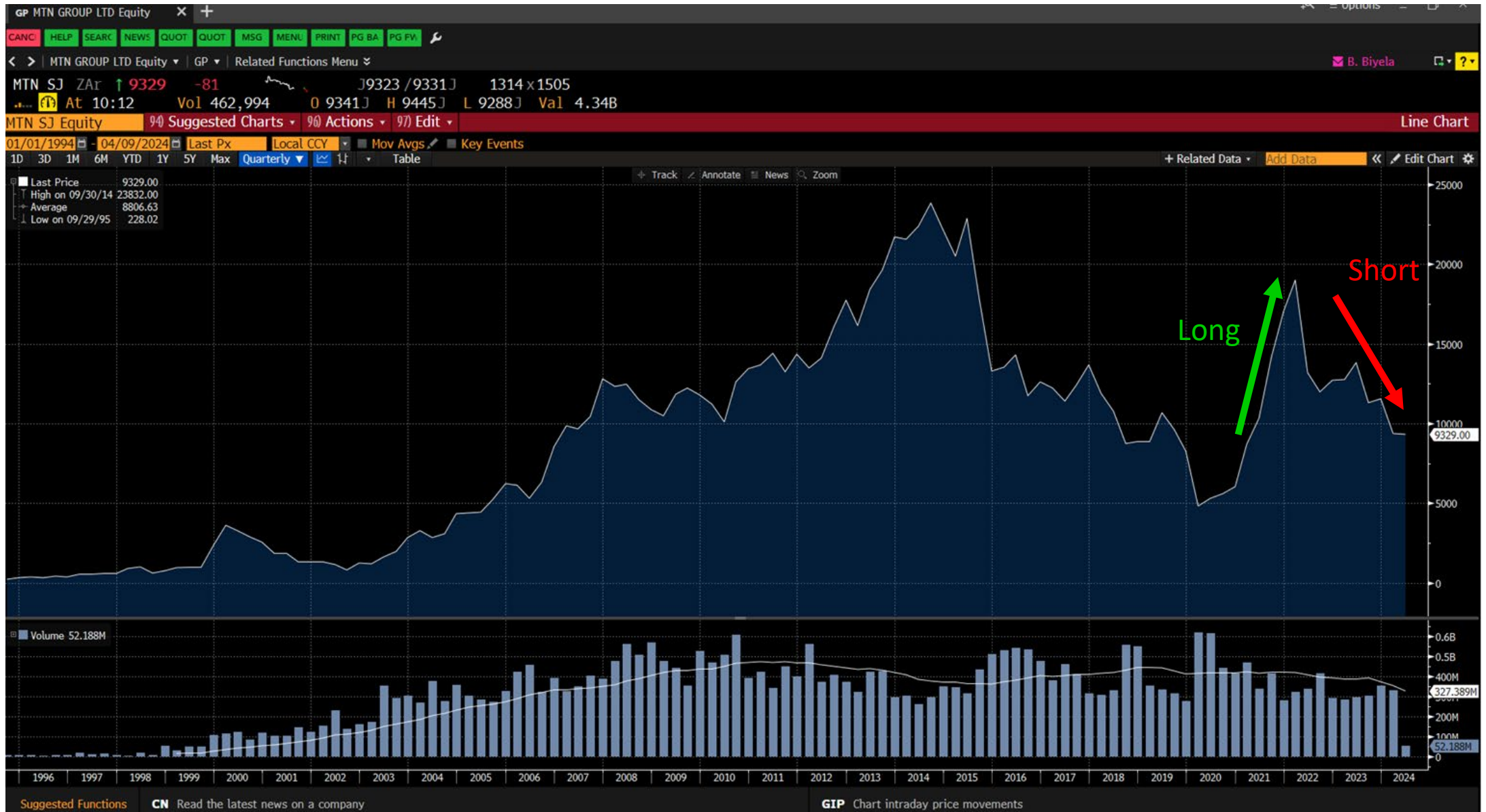


PAIR TRADE





MTN/ EXPRESS YOURSELF!



MEANINGFUL ENGAGEMENT / THE VISIO DIFFERENTIATOR

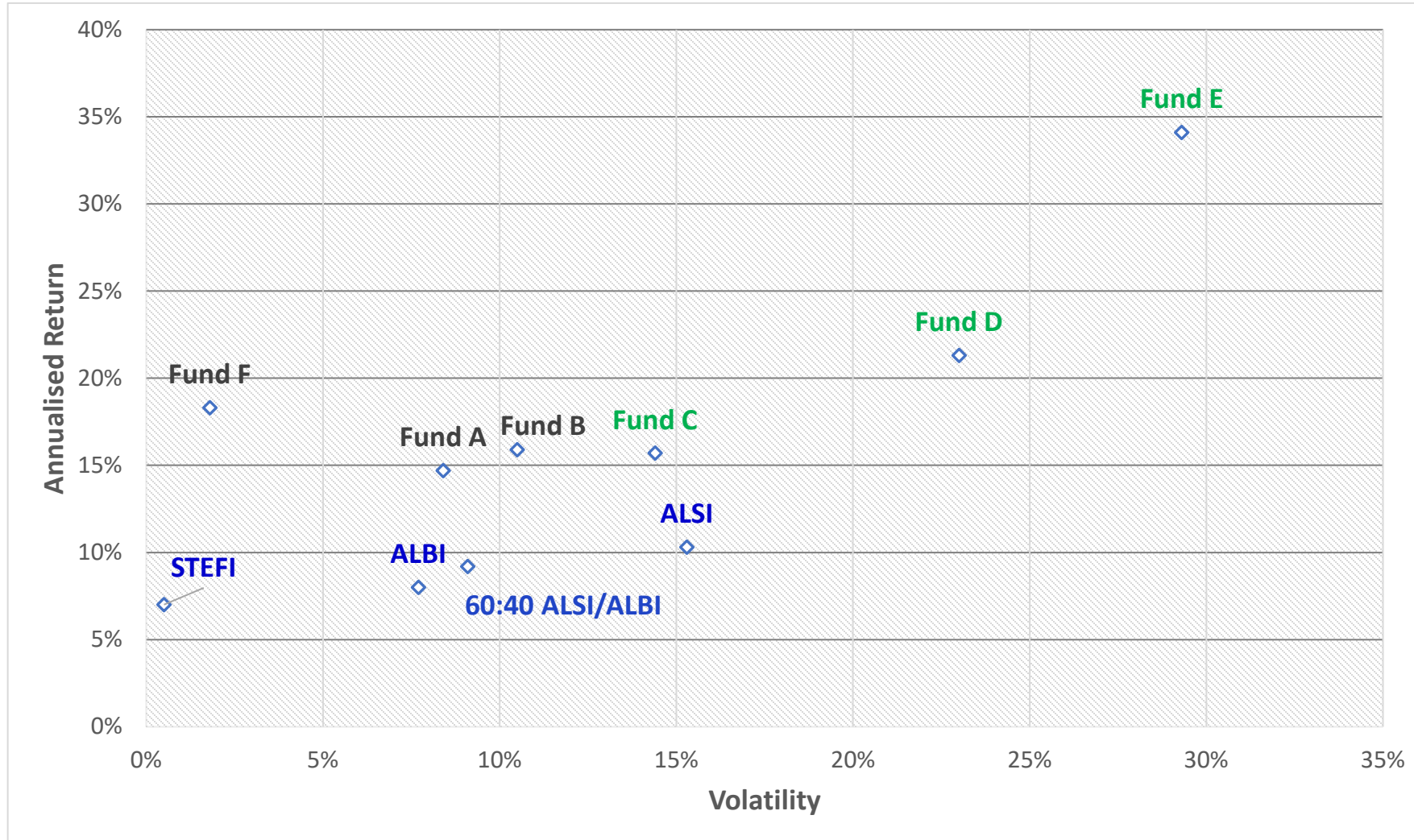
COMPANY	ISSUES	DATE	OUTCOME
COMPANY 1	Capital Allocation & returns to shareholders	2024	Ongoing Interaction
COMPANY 2	Capital allocation decision regarding RB Platinum	2023	Management terminated RB Platinum offer
COMPANY 3	Corporate action & discount to NAV	2023	Sale of AMG business & special dividend paid
COMPANY 4	Dysfunctional capital structure; Deep discount to NAV	2022	Structure simplified into single share class
COMPANY 5	Align management interests to both body of shareholders. A's and B's		Received Nepi Rockcastle shares for our FFB shares
COMPANY 6	Inadequate disclosure prior to delisting/takeover	2022	Company delisting, continued interaction with JSE
COMPANY 7	Value realisation for UK Specialist Bank	2021	Sold our position
COMPANY 8	Company disclosure & Board skills	2018 / 2020	New CEO, revitalised board, strategy improvements
COMPANY 9	Capital allocation & strategy	2020	Concluded, did not go ahead with the acquisition. Share rerated considerably. Now net cash.
COMPANY 10	Project execution, debt positioning	2019/2020	Joint CEO departure, better remuneration policy. Insufficient changes, weak management and board.
	Market communication		
COMPANY 11	Board composition; Disclosure	2017/18	New chairman, board changes.
COMPANY 12	ESG Policies - Listeriosis Outbreak	2018	No longer a position in the funds; TBS facing litigation
COMPANY 13	Executive & board under-performance	2018	Ongoing interactions
			CEO resigns in Q1 2019
COMPANY 14	Board composition - Chairmanship	2018	New board, new chairperson
COMPANY 15	Company disclosure	2018	Ongoing interaction – improving slowly
COMPANY 16	Allocation of capital & strategy re UK ops	2017	Positive outcome
COMPANY 17	Allocation of capital & strategy	2017	New CEO & Chairperson. Ongoing interaction
COMPANY 18	Capital Allocation & returns to shareholders	2017	Company declared spec dividend in 2018.
COMPANY 19	Board composition & independence	2017	Investigation complete. Claims settled.
COMPANY 20	Board composition	2015	New CEO
	Rights issue size and costs		Significant board changes

Source: VFM

HEDGE FUNDS/ HARVESTING GLOBAL OPPORTUNITIES



HEDGE SPREAD



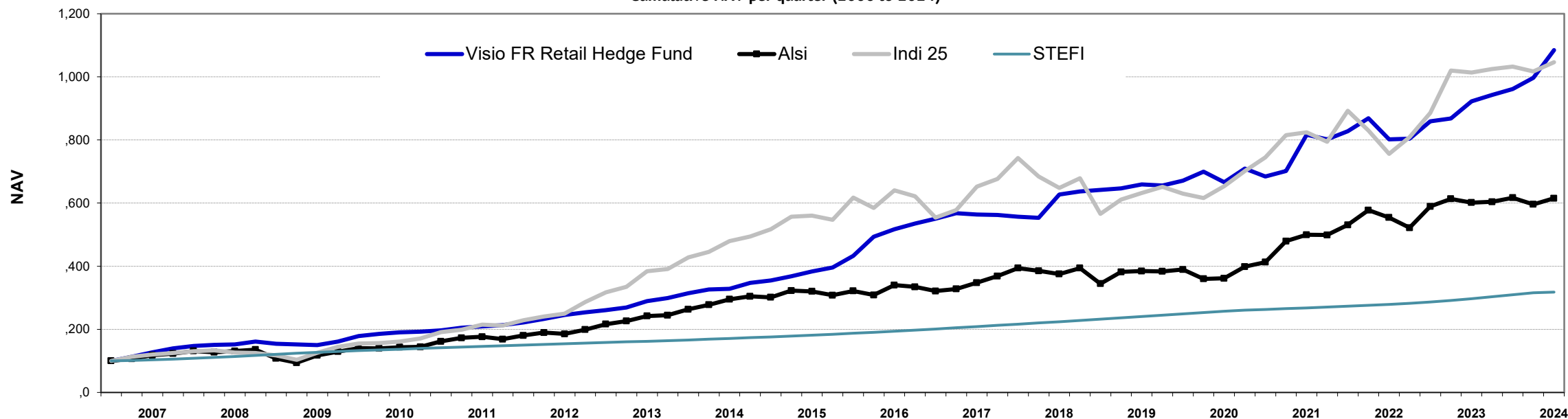
	ANNUALISED RETURN	VOLATILITY	SHARPE RATIO
Fund A	14.7%	8.4%	0.9
Fund B	15.9%	10.5%	0.9
Fund C	15.7%	14.4%	0.5
Fund D	21.3%	23.0%	0.8
Fund E	34.1%	29.3%	0.7
Fund F	18.3%	1.8%	6.8
PORTFOLIO	20.0%	14.6%	1.0
ALSI	10.3%	15.3%	0.3
ALBI	8.0%	7.7%	0.3
STEFI	7.0%	0.5%	1.8
60:40 ALSI/ALBI	9.2%	9.1%	0.4

Green = USD portfolio converted to ZAR

Source: CSF

VISIO FR RETAIL HEDGE FUND/ LONG TERM PERFORMANCE

Cumulative NAV per quarter (2006 to 2024)

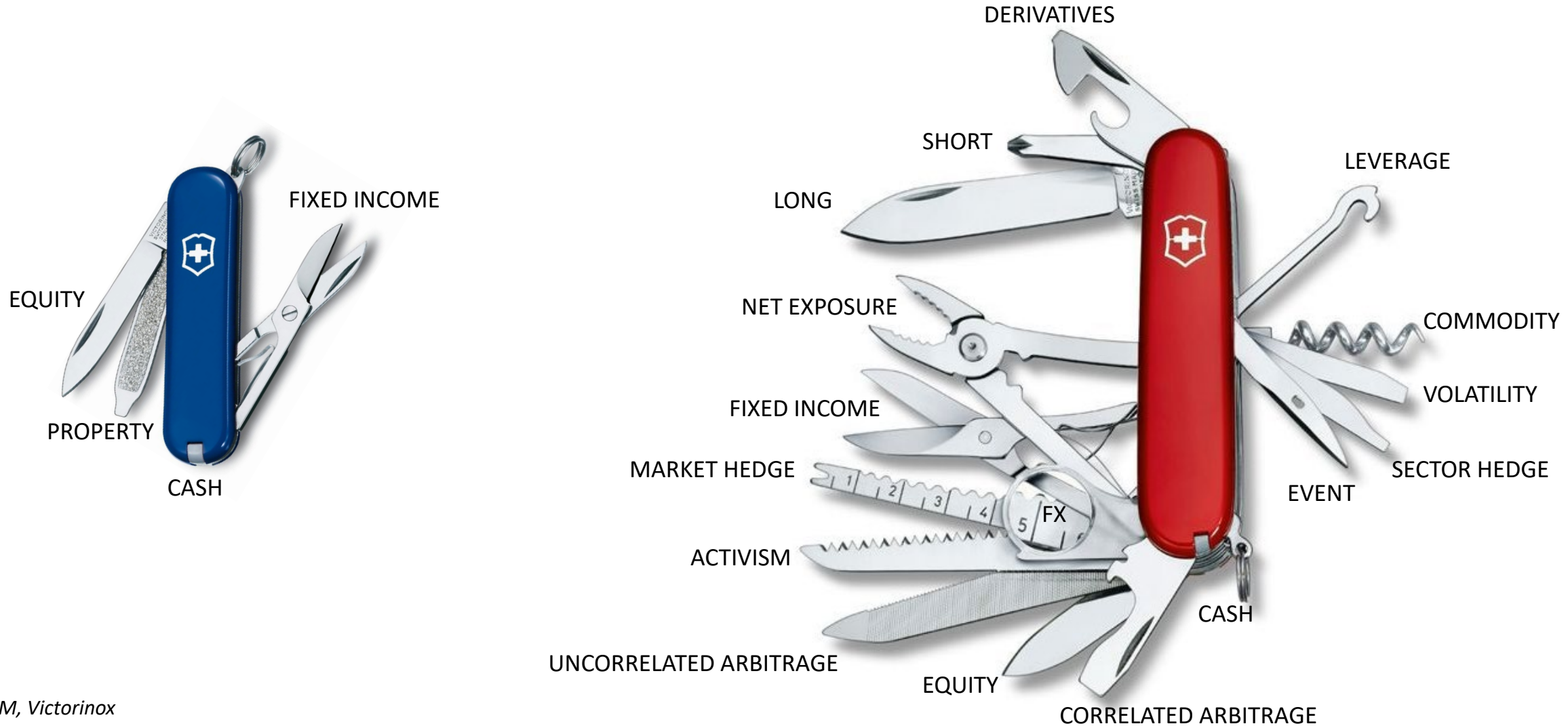


PERFORMANCE ANALYSIS	FUND	ALSI	INDI 25	STEFI
ANNUALISED RETURNS				
1 Year	17.6%	1.5%	3.3%	8.3%
3 Years	9.9%	8.1%	8.1%	6.1%
5 Years	10.5%	9.7%	10.6%	6.0%
10 Years	12.7%	8.1%	8.8%	6.5%
Since inception	14.7%	10.3%	13.9%	7.0%
Return since inception	985%	450%	863%	222%
Highest 12 month rolling return	51.1%	54.0%	53.6%	11.8%
Lowest 12 month rolling return	-3.3%	-37.6%	-25.0%	3.8%

RISK ANALYSIS	FUND	ALSI	INDI 25
Correlation		0.4	0.4
Volatility	8.4%	15.3%	14.8%
Sharpe ratio	0.9	0.0	0.3
Sortino ratio	0.9	0.0	0.4
Deepest drawdown:	-10.0%	-40.4%	-32.1%
Average loss	-1.4%	-3.2%	-2.9%
% of profitable months	74%	66%	60%

Source: VFM, Bloomberg

HF...HIGH FEES? ... OR A WORTHWHILE PREMIUM?



Source: VFM, Victorinox

Contact details



JOHANNESBURG

5th Floor, 92 Rivonia Road, Wierda Valley, Sandton, 2196

> + 27 11 245 8900 (Tel)

> +27 11 245 8915 (Fax)

> info@visiofund.co.za

FSP Licence number 49566

Company registration number: 2014/055541/07

CAPE TOWN

> First Floor Constantia Emporium, c/o Ladies Mile & Spaanschemat River Road, Constantia, 7806

> +27 10 020 6263 (Tel)

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd (“BCI”) is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager’s charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager’s products.

Visio Fund Management (Pty) Ltd is an authorised Financial Service Provider FSP 49566.

