

Prizm Master Fund

A Large Cap U.S. Equities Long / Short Market Neutral Strategy

30 April 2025

FUND FACTS

Launch Date	31 May 2022
Domicile	UK
Fees	1.5% & 20%
Denominations	USD
Liquidity/Dealing	Monthly
Year End	31 January
ISIN	KYG724AP1013
Minimum Investment	\$100,000

OVERVIEW

Investment Objectives

The Funds objective is to provide highly uncorrelated returns against the market and peers while aiming to achieve positive returns, irrespective of market direction. Whilst performance is an important consideration a core tenet of the strategy is capital preservation.

Investment Approach

The strategy employs a fully systematic fundamentally driven process centred around the 1000 largest US stocks by market capitalisation. The process, structured in a market-neutral framework, adopts a fundamental, valuation driven approach focused on 50 longs and 50 shorts rebalanced back to 2% each month. The valuation driven methodology ranks the universe utilising a systematic 13-factor approach, aiming to generate alpha from both sides of the book.

PRIZM MASTER FUND PERFORMANCE vs. INVESCO US MARKET ETF & PEERS

From Inception (31/5/2022 – 30/4/2025) - Net Performance %

PERIODS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year-to-Date (Net)	Cumulative (Net) Since Inception	Cumulative (Annualised) Net
PRIZM MASTER FUND - 2025	0.17	4.67	1.04	-2.60									3.18	10.17	3.38
With Intelligence (n=435 April 2025)	1.56	-1.03	-2.12	-0.45									-2.06	17.56	7.05
Barclay Hedge (n=2493 April 2025)	1.71	-0.16	-1.55	-0.18									-0.21	16.85	5.48
BLOOMBERG PEERS (n=67/74)	2.27	-0.87	-2.35	-0.40									-1.24	22.42	7.18
Invesco US Market ETF	3.50	-0.61	-3.38	-2.29									-2.88	27.65	6.55
PRIZM MASTER FUND - 2024	5.66	-2.19	2.06	0.78	1.08	0.47	3.72	-0.80	-1.68	-3.69	-12.30	3.48	-4.56	6.77	2.57
With Intelligence (n=435 April 2025)	0.66	2.49	2.16	-1.74	1.79	0.02	1.79	0.26	0.89	-0.07	3.70	-1.27	11.05	20.04	7.31
BARCLAY HEDGE	0.44	1.94	1.91	-1.10	1.69	0.45	1.46	0.71	1.62	-0.59	2.07	-1.25	9.68	17.09	6.29
BLOOMBERG PEERS (n=73)	1.18	2.52	2.29	-2.25	2.48	0.98	0.90	1.75	1.16	-0.32	2.94	-2.17	11.45	23.97	8.64
Invesco US Market ETF	1.68	5.34	3.22	-4.08	4.96	1.41	1.22	2.43	2.14	-0.91	5.87	-2.38	13.01	23.92	8.64
PRIZM MASTER FUND - 2023	-1.34	0.83	-2.29	2.98	-0.11	2.24	1.19	3.69	1.56	1.23	-1.53	-2.25	6.13	11.86	7.34
With Intelligence (n=435 April 2025)	3.50	-0.77	-0.07	0.20	-0.32	2.58	1.83	-0.66	-1.44	-1.40	3.64	3.35	10.70	8.09	5.03
BARCLAY HEDGE	3.36	-1.08	0.05	0.40	-0.63	2.18	1.69	-0.61	-1.27	-1.61	3.82	2.81	0.00	6.76	4.21
BLOOMBERG PEERS (n=69)	2.73	-1.09	1.19	1.09	-0.08	3.20	1.52	-0.24	-2.22	-0.84	4.04	2.45	11.76	10.89	6.88
Invesco US Market ETF	6.28	-2.44	3.67	1.56	0.43	6.61	3.21	-1.59	-4.77	-2.10	9.13	4.54	26.29	18.54	11.37
PRIZM MASTER FUND - 2022						-0.90	1.46	-2.87	0.85	4.13	1.88	0.88	5.40	5.40	9.44
With Intelligence (n=435 April 2025)						-4.04	3.06	-0.63	-3.60	2.72	1.98	-1.62	-2.36	-2.36	-4.00
BARCLAY HEDGE						-3.85	2.58	-0.38	-3.94	1.86	2.89	-1.24	-2.30	-2.30	-3.89
BLOOMBERG PEERS (n=67)						-4.16	3.41	-1.86	-3.77	4.34	3.02	-1.85	-0.86	-0.86	-1.48
Invesco US Market ETF						-8.25	9.22	-4.08	-9.21	8.10	5.59	-5.76	-6.14	-6.14	-10.24

Trailing Twelve Months (TTM) - 30/4/2024-30/4/2025

Inception - 31/5/2022-30/4/2025

Portfolio Risk Stats	INVESCO US ETF	BLOOMBERG PEERS *	EUREKA NA **	PRIZM MASTER FUND	INVESCO US ETF	BLOOMBERG PEERS *	EUREKA NA **	PRIZM MASTER FUND
Annualised Returns (Net) of Fees	6.91	6.11	5.25	-7.35	6.56	7.17	7.05	3.38
Cumulative (Net) Returns					25.65	22.38	17.81	10.17
Sharpe Ratio (Net): **	0.22	0.45	0.19	-0.78	0.07	0.10	0.13	-0.05
Standard Deviation:	0.31	0.06	0.12	0.19	0.31	0.13	0.12	0.19
Correlation to SPXEWIT		0.91	0.90	-0.43		0.90	0.96	-0.12
Beta to SPXEWIT		2.08	2.30	-0.36		2.08	2.30	-0.21
Tracking Error:		0.16	0.16	0.27		0.18	0.19	0.26
Mean Return:	0.62	0.54	0.44	0.82	0.68	0.60	0.49	0.33
Max Drawdown: ^	8.96	3.44	3.36	17.62	13.74	6.40	5.26	17.62
Peak-To-Valley: ^	2024/11/29-2025/4/8	2024/7/12-2024/12/20		2024/8/7-2024/12/6	2024/11/29-2025/4/8	2023/2/7-2024/8/23		2024/8/7-2024/12/6
Recovery: ^	130 Days	116 Days		110 Days	130 Days	300 Days		110 Days
Positive Periods: ^	141 (54.02%)	152 (59.61%)	145 (56.82%)	128 (49.04%)	413 (54.27%)	434 (57.11%)	393 (51.75%)	406 (53.3%)
Negative Periods: ^	120 (45.97%)	104 (40.78%)	104 (40.58%)	133 (50.96%)	348 (45.73%)	326 (42.89%)	367 (48.25%)	355 (46.7%)

** Eureka Hedge North America ((NA) now renamed With Intelligence NA) & Barclay Hedge (H) April 2025 returns are based on 85.97% & 89.48% of funds reported by 27/5/2025.

^ Source: South River AM risk statistics are net returns unless otherwise stated & are against the Invesco US Market ETF. Performance numbers have been independently verified by EisnerAmper (Auditors) to March 2024. Net returns are after 1.5% management and 20% performance fees. Risk Free Rate/SOFR 4.2% (month end). **With Intelligence/Eureka Hedge performance data are frequently updated, often years back & adding to survivor bias. *Bloomberg Peer performance and risk stats are monthly. Total Return = TR. Barclay H March n=2757.

Of the 68 hedge funds listed by Bloomberg with an equity market neutral & geographic focus on the United States (since inception in May 2022 to April 2025) the Fund ranked 54th (in USD) or 81st percentile in the (inclusive) peer group with a gain of 13.11%. For the month of March 2025, the Fund ranked 7th (in USD) or 9th percentile in the (inclusive) peer group with a gain of 1.04%. Within the (preliminary) April 2025 Soc Gen Equity Long/Short peer group, the Fund ranked 61/70 within the comparative funds, or 87th percentile and over the TTM period the Fund ranked 99/107 within the comparative peers, or 93rd percentile. YTD with a return of 3.18% the Fund ranked 38/108 within the comparative funds or 35th percentile.

FUND MANAGER MONTHLY COMMENTARY | 30 APRIL 2025

Market and performance review

The Prizm Large Cap US Equities Long/Short Fund (the Fund), which aims for capital preservation and positive returns across diverse market conditions, often exhibiting negative correlation, experienced a highly volatile month, declining by 2.60%. This disappointing performance should be considered against a backdrop of four consecutive months of gains for the Fund, contrasting with only one gain for the market since November. Despite this recent setback, the Fund remained the third-best performer among 72 listed Bloomberg peers over the last four months, achieving a 6.78% gain, significantly outperforming the Invesco US Market ETF, which declined by 8.96% over the same period.

Following Trump’s “Liberation Day” announcement, markets plummeted, reaching lows of -11.71% in April, while the Fund was UP 0.79% (net). This exemplifies the Hedge Fund’s core principle: preserving capital during periods of stress, often termed “crisis alpha.” However, the subsequent strong rally from these lows (10.67%) meant we gave back all our gains by month-end, as Long Managed Care (HMOs) and Energy names were significantly impacted (see below commentary).

Tariffs and oil prices dominated the month’s narrative. Intriguingly, if Trump adheres to his election pledge of lowering taxes, tariffs appear to be a crucial tool. Given that the Saudi production increase coincided with the Trump tariff announcements, we find it more than coincidental that its implementation aids Trump in his inflation targeting while also negatively affecting Russian and Iranian oil revenues. This also allows the Administration to cheaply replenish the Strategic Petroleum Reserves (where feasible) – or are we being overly Machiavellian?

As of the end of April 2025, the Fund’s Trailing-Twelve-Month (TTM) performance showed a 7.35% loss, contrasting with the Invesco US Market ETF’s 6.91% gain. Since its inception in May 2022, the Fund has achieved a cumulative gain of 10.16%, net of all fees, trailing the 13.56% gain of the Invesco US Market ETF, the ~7.90% gain of US 3–5-year bonds, and the ~14% gain of cash.

We have historically provided insights based on trends in S&P Indices. However, due to “evolving licensing requirements” for the publication of S&P data, it is disappointing that we will no longer be able to share this information.

Current estimates anticipate 4.6% nominal GDP growth for FY25, based on 1.4% GDP growth (revised down from 2.3% in February) and 3.2% inflation (up from 3.0% in February). Notably, historically, “stagflation” represents the most challenging environment for equities. Empirical Research suggests that approximately 50% of margin expansion between 2000 and 2019 resulted from interest rate declines. Interestingly, the median CY EPS revisions since 2010 historically see a -7.4% decline from initial to final estimates, which should be considered against the 2.54% year-to-date decline.

The team’s analysis revealed that since 1950, the average drawdown of widely followed indices following two consecutive years of double-digit increases (n=18) was around 16.3%, a figure now observed from the peak on 19th February at -15.95%, and -12.24% from year-end. Year-to-date, the Invesco US Market ETF has declined by 2.88%. History suggests that policy shifts often have enduring, unintended, and frequently unexpected consequences that permeate markets as participants take time to digest their impact. Given very large European defense and deficit spending announcements of late, this suggests there may well be alternatives to the US market enhanced by USD weakness and bond pricing. Once unleashed, these seismic shifts may be difficult to reverse through policy actions.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – April 2025	%
Amphenol, Corp. (APH - Long)	+ 17.3
Starbucks Corp. (SBUX - Short)	- 18.4
Erie Indemnity, Co. (ERIE - Short)	- 14.4
JBT Marel, Corp. (JBT - Short)	- 13.9
Ryan Specialty Holdings, Inc.- (RYAN - Short)	- 11.3

Fundamentally, the Fund is committed to authentic valuation-driven stock picking without the need for any leverage to “make it work”. Our methodology does not reflect the intrinsic quality of a business, the competence of its leadership, or its business offering. Rather, it signals/questions whether the current market valuation accurately reflects the prevailing company “story” and whether it is undervalued or excessively overvalued. And of course, stocks can always become more expensive or indeed cheaper. At its core, this product is about capital preservation when you need it most, namely during market drawdowns.

Sector exposure of the Long Book was focused on Technology, Healthcare, and Industrials, while the Short Book was (heavily) focused on Industrials, followed by Financials and Technology (Industrials and Financials were net short sectors, while Healthcare and Technology were net longs). April’s Long book saw an average decline of 3.30%, while the Short book saw an average increase of 0.19%.

The factor with the most significant positive contribution to performance this month was the Asset Turnover factor. We initiate longs in those names with high asset turns and short those with low asset turns, as we consider these as “expensive” based on this methodology. It’s noteworthy that CTA Funds (often known as Trend Following strategies) also struggled MTD and YTD with returns of -2.60% and -4.14%. This performance goes some way in explaining our own weakness MTD given our high weighting to Price Momentum. Eight of the thirteen factors recorded positive returns on the month.

Standout positives among the stocks in the Long “book” this month were, firstly, APH (Amphenol Corp.), an electronics and fibre optic connectors company that rallied 17.3% after reporting excellent numbers and increased guidance. Secondly, VRSN (VeriSign, Inc.), a domain registry business, was up 11.1% after reporting very good numbers.

In the Short “book,” the winners this month were SBUX (Starbucks Corp.), a coffee/restaurants business that was down 18.4% after missing earnings estimates. Secondly, ERIE (Erie Indemnity, Co.), a reciprocal insurer that writes property and casualty (P&C) insurance, missed earnings estimates and fell 14.4%.

Negatives on the Long side were SM (SM Energy Co.), an E&P energy business that was hit by a very weak oil price (down 19.25% in April) and fell 23.9%. Similarly, CIVI (Civitas Resources, Inc.), another E&P energy business, was down 21.9% on oil price weakness.

On the Short side, negatives were AVAV (AeroVironment, Inc.), which designs and builds robotic systems as well as Unmanned Aircraft Systems (UAS) and rallied on the back of a possible big boost in defense spending as part of the fiscal 2026 federal budget, increasing by 27.1%. Meanwhile, IONQ (IonQ, Inc.), a quantum computing play, rose on a new DARPA initiative announcement and was up 24.4%.

Top Detractors – April 2025	%
AeroVironment, Inc. (AVAV - Short)	+ 27.1
IonQ, Inc. (IONQ - Short)	+ 24.4
SM Energy Comp. (SM - Long)	- 23.9
Civitas Resources, Inc. (CIVI - Long)	- 21.9
United Health Group (UNH - Long)	- 21.4

INVESTMENT TEAM LEAD



Robert Sellar
With a rich background encompassing both hedge funds and long only investing, Robert Sellar embarked on his investment career in 1982.

His impressive career includes Founder and Hedge Fund manager of the South River/Prizm Large Cap North American Equities Long/Short Fund, London.

- Hedge Fund Portfolio Manager and Partner at Cameron Capital Management LLC, PA, (CCM was a long/short market neutral fund which was successfully sold to Valley Forge Advisors, USA)
- Co-managed the BP Pension Fund North American fund (\$5Bn AUM), London
- Head of North American equities and top decile PM for Aberdeen Asset Management (\$3Bn AuM) in London and Philadelphia (where he lived for ~seven years)
- Robert also managed the Aberdeen Asset Management Global Technology Fund (\$100mm AuM), London
- Co-managed the British Steel European equities fund (\$1Bn AuM), London
- Worked for both BZW and UBS on the sell side.
- Robert is a member of a five-man team within South River AM
- Robert was born in New Zealand

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PLEASE NOTE: SOUTH RIVER ASSET MANAGEMENT LTD IS THE FCA REGULATED HOSTING PLATFORM TO THE NEWLY NAMED PRIZM MASTER FUND SOON TO BE LAUNCHED CAYMAN FUND. INCEPTION NET FUND RETURNS DO NOT YET INCLUDE FUND EXPENSES AHEAD OF LAUNCH.

IMPORTANT INFORMATION

This factsheet is not an invitation to subscribe and is for information purposes only. The systematic process is based on the long-term track record of PRIZM back tested market neutral process which dates back to January 1999 with all factors and coefficients fixed since inception and going forward. Please note that the value of funds and assets (and the income from them) may go down as well as up and may be affected by, amongst other things, changes in rates of exchange. Please note the information in this factsheet does not form an invitation to buy or sell units or shares and must not be distributed without the express permission of South River Asset Management Ltd.

The above numbers are from a Separate Managed Account invested using the Factors to be used in the upcoming Prizm Master Fund. These returns have been reviewed by the funds' auditor, EisnerAmper