

Prizm Master Fund

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

31 March 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. S&P500 EQUAL WEIGHTED (TR) & PEERS

From Inception (31/5/2022 – 31/3/2025) - 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										5.94	13.11	4.44
WITH INTELLIGENCE North America **	1.56	-1.02	-2.07										-1.56	18.17	6.07
Barclay Hedge (n=2700, March 2025)	1.71	-0.16	-1.55										-0.03	17.06	5.72
BLOOMBERG PEERS (n=67/74)	2.31	-0.80	-2.30										-0.84	22.83	7.53
S&P500 Equal Weighted (TR)	3.50	-0.61	-3.38										-0.60	23.17	7.63
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 North America **	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	-2.24	11.38	23.87	8.64
S&P500 Equal Weighted (TR)	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 North America **	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
S&P500 Equal Weighted (TR)	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 North America **						-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
S&P500 Equal Weighted (TR)						-8.25	9.22	-4.08	-9.21	8.10	5.59	-5.76	-6.14	-6.14	-10.24

Trailing Twelve Months (TTM) - 31/3/2024-31/3/2025

Inception - 31/5/2022-31/3/2025

Portfolio Risk Stats	S&P500 EW TR	BLOOMBERG PEERS *	EUREKA NA **	PRIZM MASTER FUND	S&P500 EW TR	BLOOMBERG PEERS *	EUREKA NA **	PRIZM MASTER FUND
Annualised Returns (Net) of Fees	4.09	5.08	3.73	-4.13	7.63	7.53	6.07	4.44
Cumulative (Net) Returns					23.17	22.83	18.17	13.11
Sharpe Ratio (Net): **	-0.02	0.18	-0.10	-0.57	0.11	0.10	0.15	0.01
Standard Deviation:	0.31	0.06	0.12	0.18	0.31	0.13	0.12	0.18
Correlation to SPXEW		0.92	0.92	-0.47		0.90	0.96	-0.13
Beta to SPXEW		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:	0.41	0.38	0.32	1.96	0.77	0.63	0.51	0.41
Max Drawdown: ^	6.83	3.08	3.07	17.62	13.74	6.40	5.26	17.62
Peak-To-Valley: ^	2024/11/29-2025/1/10	2024/7/12-2025/11/25	2023/12/21-2024/1/3	2024/8/7-2024/12/6	2022/8/16-2022/9/30	6/2/23-10/8/2024	2022/9/7-2022/9/23	2024/8/7-2024/12/6
Recovery: ^	42 Days			110 Days	45 Days			110 Days
Positive Periods: ^	145 (55.55%)	8 (66.66%)	232 (88.6%)	132 (50.57%)	393 (54.73%)	20 (62.50%)	546 (78.2%)	372 (53.3%)
Negative Periods: ^	116 (44.44%)	4 (33.33%)	30 (11.4%)	129 (49.43%)	325 (45.27%)	12 (37.50%)	152 (21.8%)	326 (46.7%)

** Eureka Hedge North America ((NA) now renamed With Intelligence NA) March 2025 returns are based on ~100% of funds reported by 7/5/2025.

^ Source: South River AM risk statistics are net returns unless otherwise stated & are against the S&P 500 Equal Weighted total return index. 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 4.29% (month end). ** With Intelligence/Eureka Hedge performance data are frequently updated, sometimes years back & adding to survivor bias. ^ Bloomberg Peer performance and risk stats are monthly. Equal Weighted (EW) & Total Return (TR). Barclay H Feb n=2765.

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 March 2025) the Fund ranked 55th (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 8th (in USD) or 11th percentile in the (inclusive) peer group with a gain of 1.04%. Within the (preliminary) March 2025 Soc Gen Equity Long/Short peer group, the Fund ranked 18/104 within the comparative funds, or 24th percentile and over the TTM period the Fund ranked 90/104 within the comparative peers, or 90th percentile. Since the end of November 2024, the Fund ranked 3rd with a return of 9.63%.

Prizm Master Fund - Large Cap US Equities Long / Short Market Neutral Strategy

FUND MANAGER MONTHLY COMMENTARY | 31 MARCH 2025

Market and performance review

The Prizm Large Cap US Equities Long/Short Fund (the Fund), was a **top decile performing fund in March at 1.04% and the third best performing fund in the last four months at 9.63%** as compared to our 74 listed Bloomberg peers. The Fund is designed to preserve capital by delivering positive returns in most market environments and is often negatively correlated should be compared to the S&P500 equal weighted **decline of 6.83% since November**. At the end of March 2025, the Fund delivered a Trailing-Twelve-Month (TTM) loss of 4.13%, against the S&P 500 equal-weighted total return (TR) index's 4.09% gain.

Looking at the largest 1000 stocks in our universe, specifically the top 50 stocks with the highest beta at the beginning of March we saw an average decline of 11.76% (ranging from -30.96% to +10.19%). In other words, and unsurprisingly, high beta stocks were pressed lower on the back of weaker markets with the S&P500 equal weighted index down 3.38%.

Since inception in May 2022, the Fund has seen a cumulative gain of 13.11%, net of all management and performance fees, behind the 22.21% gain of the S&P 500 equal-weighted index, US 3–5-year bonds of 7.80% and cash gains of 13.40%. The equal-weighted S&P 500 TR index is a more appropriate comparator to the Prizm Fund, because at the start of every month the Fund's 50 longs/shorts are re-weighted to 2% position sizes – without intra-month adjustments – to avoid any undue influence from larger-cap stocks as is often seen with the traditional S&P 500 index.

At the end of March, the consensus is looking for 9.96% growth in 2025 S&P 500 fiscal year earnings, down from 12.20% at year-end 2024, reaching \$269.90 per share and a price-to-earnings (P/E) ratio of 20.79x (Source: Bloomberg). By comparison, 2025 year-end estimates for the S&P 500 equal-weighted index suggest a more modest increase of 6.63%, with projected earnings of \$416.62 per share and a P/E ratio of 16.86x. The 2025 S&P 500 equal-weighted index revenue estimates assume 2025 growth of 1.29% down from 3.31% last month. These estimates should be considered in the context of an estimated 5.0% **nominal** GDP growth for FY25, based on 2.0% GDP growth (down from 2.3% last month) and 3.0% inflation (up from 2.8% last month). Also, worth highlighting is that historically, “stagflation” is the single worst environment for equities. EBITDA margins for the S&P 500 equal-weighted index were 15.14% in FY24, are forecast to be 17.42% for FY25, 18.13% for FY 2026, and 18.57% for FY27. Noteworthy is that between 2000 to 2019 ~50% of margin expansion has come because of interest rate declines (Source: Empirical Research). Also, of note is that the S&P 500 currently trades at a 2025 Price/Cashflow multiple of 15.2x, a significant increase from the 10.3x multiple observed when FY25 estimates were first published. This contrasts with the MSCI World Ex USA, which trades at a 2025 Price/Cashflow multiple of 8.50x. The median CY EPS revisions going back to 2010 EPS is -7.4% from start/initial estimates to final and needs to be considered against the 0.8% decline we have seen YTD. If we were to revert to historical median EPS revisions this would imply FY25 EPS of ~\$250.

The team's analysis finds that since 1950 the average drawdown of the S&P 500 index after two consecutive years of double-digit increases (n=18) is in the region of 16%, a seemingly high probability event given issues surrounding climate-related food price inflation, trade, geo-political (especially Taiwan) and cyber-security. Year-to-date we have seen the S&P 500 index decline 4.27%. Indeed, Goldman Sachs suggests there is an 80% probability of a 10% decline in the S&P 500 when valuations are “high” and given 60% of 2024 returns came from P/E expansion.

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 the business, the competence of its leadership or its business offering. Rather, it signals/questions if the current market valuation accurately reflects the prevailing company “story”, and whether it is undervalued or excessively overvalued. And of course, stocks can always get more expensive or indeed cheaper. At its core, this product is about capital preservation, when you need it most, namely in market drawdowns.

Sector exposure of the Long Book was focused on Technology, Healthcare, Financials and Industrials and the Short Book was (heavily) focused on Industrials followed by Financials and Technology (Industrials and Financials were net shorts sectors while Healthcare and Technology were net Longs). March's Long book saw an average decline of 5.50% whilst the Short book saw an average decline of 7.71%.

The factor with the most significant positive contribution to performance this month was the Operating Cashflow (CFO) to Enterprise Value factor. We initiate longs in those names with high valuation support and short those we consider are expensive on this methodology. Nine of the thirteen factors recorded positive returns on the month.

Standout positives among the stocks in the Long “book” this month were, firstly, UNH (United Health Group, Inc.), a healthcare services business, or HMO, that rallied 10.3% after a very weak December through February and was a safe haven in turbulent markets. Secondly, ELV (Elevance Health, Inc.), another HMO, that also became too cheap according to our methodology and was up +9.6%.

In the Short “book,” the winners this month were UPST (Upstart Holdings, Inc.), a “AI play” on consumer loans for autos & home equity lines of credit (HELOCs) was down 29.6% on tariff concerns. Secondly, AFRM (Affirm Holdings, Inc), a Buy-Now-Pay-Later (BNPL) business that fell 29.6% after Walmart moved its business to a competitor.

Negatives on the Long side were ANF (Abercrombie & Fitch Co.), a clothing retailer that reported in-line numbers but provided a poor outlook and fell 29.5%. Meanwhile, PRIM (Primoris Services Corp.), an infrastructure focused engineering & construction (E&C) business fell 20.0% on questions surrounding Trumps green agenda and after the CEO abruptly resigned.

On the Short side, negatives were KTOS (Kratos Defense & Security Solutions, Inc.), a drone manufacturer & defense business that has seen earnings estimates come down since its last earnings release but is to be added to the S&P600 Small cap 600 Index and was up 12.5%. Meanwhile, RYAN (Ryan Specialty Holdings, Inc.), a solutions provider for insurance brokers that saw broker upgrades and was up 5.7%.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – March 2025	%
Upstart Holdings, Inc. (UPST - Short)	- 31.0
Affirm Holdings, Inc. (AFRM - Short)	- 29.6
Confluent, Inc. (CFLT - Short)	- 26.2
SoundHound AI, Inc. (SOUN - Short)	- 25.1
Cloudflare, Inc.- (NET - Short)	- 22.4

Top Detractors – March 2025	%
Abercrombie & Fitch Co. (ANF - Long)	- 25.9
Primoris Services Corp. (PRIM - Long)	- 20.0
UniFirst, Inc. (UNF - Long)	- 19.1
Wix.com Ltd. (WIX - Long)	- 18.6
Arista Networks, Inc. (ANET - Long)	- 18.6

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