

Prizm Master Fund

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

30 May 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 – 30/5/2025) - 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	-4.67								-1.64	5.02	3.28
With Intelligence (n=442 May 2025)	1.56	-1.03	-2.17	-0.48	2.90								0.70	20.87	7.05
Barclay Hedge (n=2631 May 2025)	1.71	-0.16	-1.55	-0.13	2.80								2.64	20.18	5.34
BLOOMBERG PEERS (n=66/72)	2.27	-0.87	-2.35	-0.40	3.01								1.73	25.94	7.99
Invesco US Market ETF	3.50	-0.61	-3.38	-2.29	4.35								1.34	25.58	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=506)	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=72)	1.17	2.59	2.31	-2.27	2.48	0.98	0.85	1.75	1.17	-0.31	2.95	-2.19	11.49	23.79	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=506)	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=74)	2.77	-1.09	1.18	1.08	-0.08	3.22	1.53	-0.25	-2.23	-0.88	4.06	2.50	11.81	10.74	6.78
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=506)						-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=66)						-4.20	3.56	-1.93	-3.92	4.24	3.08	-1.90	-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) - 30/4/2024-30/5/2025

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

Portfolio Risk Stats	INVESCO US ETF	BLOOMBERG PEERS *With Intelligence. NA **PRIZM MASTER FUND	INVESCO US ETF	BLOOMBERG PEERS * With Intelligence. NA ** PRIZM MASTER FUND
Annualised Returns (Net) of Fees	8.50	7.27	6.10	-12.62
Cumulative (Net) Returns				
Sharpe Ratio (Net): **	0.33	0.65	0.31	-1.11
Standard Deviation:	0.31	0.06	0.12	0.19
Correlation to SPXEWIT		0.91	0.90	-0.50
Beta to SPXEWIT		2.07	2.30	-0.36
Tracking Error:		0.16	0.16	0.27
Mean Return:	0.75	0.58	0.51	-0.28
Max Drawdown: ^	8.96	3.51	3.64	17.62
Peak-To-Valley: ^	2024/11/29-2025/4/8	2024/12/11-2025/4/8	2024/8/7-2024/12/6	2024/11/29-2025/4/8
Recovery: ^	130 Days	118 Days	110 Days	130 Days
Positive Periods: ^	141 (54.02%)		145 (56.82%)	426 (54.41%)
Negative Periods: ^	120 (45.97%)		104 (40.58%)	357 (45.59%)

^ 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 4.32% (month end). **With Intelligence NA (n=506) 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 April n=2805.

Of the 66 hedge funds listed by Bloomberg with an equity market neutral & geographic focus on the United States (since inception in May 2022 to May 2025) the Fund ranked 63rd (in USD) or 95th percentile in the (inclusive) peer group with a gain of 5.02%. For the month of May 2025, the Fund ranked 71st (in USD) or 100th percentile in the (inclusive) peer group with a loss of 4.67%. Within the (preliminary) May 2025 Soc Gen Equity Long/Short peer group, the Fund ranked 85/87 within the comparative funds, or 98th percentile and over the TTM period the Fund ranked 113/118 within the comparative peers, or 96th percentile.

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

FUND MANAGER MONTHLY COMMENTARY | 30 MAY 2025

Market and performance review

The Prizm Large Cap US Equities Long/Short Fund (the Fund, which now has a live three-year track record), which aims for capital preservation and positive returns across diverse market conditions, often exhibiting negative correlation, had a poor month, declining by 4.67% as compared to the Invesco US Market ETF gain of 4.35%. Worthy of note is that the Invesco US Market ETF, is still down by 5.01% since November 2024. It's important to note that in a strong "upward trending market" as seen since "Liberation Day" this product is unlikely to outperform. This product is here for the times when shocks, such as tariff wars are started or exogenous shocks hit US and/or global markets.

As of the end of May 2025, the Fund's Trailing-Twelve-Month (TTM) performance showed a 12.62% loss, contrasting with the Invesco US Market ETF's 8.50% gain. Since its inception in May 2022, the Fund has achieved a cumulative gain of 5.02%, net of all fees, trailing the 27.65% gain of the Invesco US Market ETF. It's important to note that in a strong "upward trending market" as seen since "Liberation Day" this product is unlikely to outperform. This product is here for the times when shocks, such as tariff wars are started or exogenous shocks hit the US and/or global markets.

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 4.4% nominal GDP growth for FY25 (and 4.3% for FY26), based on 1.4% GDP growth (revised down from 2.3% in February) and 3.0% inflation (down from 3.2% in April). 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 3.31% 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 increased by 1.34%. 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.

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 Consumer Discretionary, Technology and Energy, while the Short Book was (heavily) focused on

Industrials, Financials and Technology (Industrials and Financials were net short sectors, while Consumer Discretionary and Energy were net longs). May's Long book saw an average increase of 4.09%, while the Short book saw an average increase of 10.39%.

The factor with the most significant positive contribution to performance this month was the Historical Growth factor. We initiate longs in those names with high Historical Growth and short those with low Historical Growth, as we consider these as "expensive" based on this methodology. This factor has a very low coefficient but is included as a means of lowering volatility given its three lookback at fundamentals such as sales and cashflow growth. It's noteworthy that CTA Funds (often known as Trend Following strategies) also struggled MTD and YTD with returns of -0.89% and -4.95%. This performance goes some way in explaining our own weakness MTD given our high weighting to Price Momentum.

Part of the reason for the poor monthly performance can be ascribed to the fact that only two of the thirteen factors recorded positive returns on the month. Given market strength it was evident that shorts were squeezed higher at the expense of longs, a similar occurrence as seen in November 2024. Continuing the analysis the top 50 stocks by highest short interest at the end of April on average rose 9.75% while the equivalent stocks ranked by highest beta were up an astounding 16.48%.

Standout positives among the stocks in the Long "book" this month were, firstly, CRC (California Resources Corp.), an energy and carbon management company that rallied 28.0% after reporting excellent numbers. And secondly, ETSY (Etsy, Inc.) an online buyer and seller marketplace business that reported poor results but was arguably already reflected in its valuation (something the process is often good at doing) and was up 27.3% over the month.

In the Short "book," the winners this month were AUR (Aurora Innovations Inc.), a self-driving technology business that was down 16.3% after Uber offered \$1 billion of exchangeable bonds linked to its stake in the company. Secondly, CPRT (Copart, Inc.), an online auctions and global vehicle remarketing reciprocal business that missed revenue estimates and fell 15.6%.

Negatives on the Long side were (again) UNH (United Health Group Inc.), a managed care business, or HMO, that was hit by the surprise resignation of its CEO and a Dept. of Justice (DoJ) fraud investigation and fell 26.6%. Meanwhile ICON (Icon PLC.), a clinical research organization (or CRO) business, was down 14.0% on sector weakness and poor visibility into future earnings.

On the Short side, negatives were IONQ (IonQ, Inc.), a quantum computing play, rose after the CEO called the company the "Nvidia of Quantum Computing" and was up 46.9%. And secondly, NET (Cloudflare, Inc.) an integrated cloud-based security solution business that reported inline numbers but saw multiple price target upgrades offset but substantial insider selling and was up 37.3% on the month. Worthy of note was JOBY (Joby Aviation, Inc.) an EVTOL (electric vertical take-off and landing) company that is currently loss-making and rose 28.78% on the confirmation of a capital raise (and dilution) already announced some time ago. You know "things" are getting silly when market sentiment has become so detached from fundamentals. JOBY ultimately rose 24.1% on the month.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – May 2025	%
California Resources, Corp. (CRC - Long)	+ 28.0
Etsy, Inc. (ETSY - Long)	+ 27.3
PVH Corp. (PVH - Long)	+ 21.4
Chewy, Inc. (CHWY - Long)	+ 20.7
Mattel, Inc.- (MAT - Long)	+ 19.2

Top Detractors – May 2025	%
IonQ, Inc. (IONQ - Short)	+ 46.9
Cloudflare, Inc. (NET - Short)	+ 37.3
Robinhood Markets, Inc. (HOOD - Short)	+ 34.7
SiTime Corp., Inc. (SITM - Short)	+ 33.5
Snowflake, Inc. (SNOW - Short)	+ 29.0

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