

Prizm Master Fund

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

29 July 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 (shorts are beta-adjusted around 2% weights). 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 – 29/7/2025) - 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	-4.72	-9.03						-14.74	-8.97	-2.93
With Intelligence (n=438 July 2025)	1.56	-1.03	-2.17	-0.49	2.87	2.33	0.89						3.92	24.74	7.05
Barclay Hedge (n=2595 July 2025)	1.71	-0.16	-1.55	-0.13	2.80	2.38	0.95						6.08	24.21	7.09
BLOOMBERG PEERS (n=65/71)	2.27	-0.87	-2.35	-0.37	3.01	2.60	0.21						4.63	29.52	8.51
Invesco US Market ETF	3.50	-0.61	-3.38	-2.29	4.35	3.43	0.97						5.84	31.16	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) - 30/4/2024-29/7/2025

Inception - 31/5/2022-29/7/2025

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	8.95	8.11	7.55	-27.32
Cumulative (Net) Returns				
Sharpe Ratio (Net): **	0.38	0.93	0.55	-1.96
Standard Deviation:	0.31	0.06	0.12	0.22
Correlation to SPXEWIT		0.95	0.90	-0.62
Beta to SPXEWIT		2.07	2.30	-0.36
Tracking Error:		0.16	0.16	0.27
Mean Return:	0.78	0.67	0.62	-2.16
Max Drawdown: ^	8.96	3.48	3.65	27.32
Peak-To-Valley: ^	2024/11/29-2025/4/8	2024/12/11-2025/4/8	2024/8/7-2025/7/18	2024/11/29-2025/4/8
Recovery: ^	130 Days	118 Days	345 Days	130 Days
Positive Periods: ^	144 (55.17%)		145 (56.82%)	441 (54.85%)
Negative Periods: ^	117 (44.83%)		104 (40.58%)	357 (45.15%)

^ 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 4.30% (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 June n=2755.

Of the 65 hedge funds listed by Bloomberg with an equity market neutral & geographic focus on the United States (since inception in May 2022 to July 2025) the Fund ranked 64th (in USD) or 98th percentile in the (inclusive) peer group with a loss of 8.97%. For the month of July 2025, the Fund ranked 71st (in USD) or 100th percentile in the (inclusive) peer group with a loss of 9.03%. Within the (preliminary) July 2025 Soc Gen Equity Long/Short peer group, the Fund ranked 77/77 within the comparative funds, or 100th percentile and over the TTM period the Fund ranked 115/116 within the comparative peers, or 99th percentile.

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

FUND MANAGER MONTHLY COMMENTARY | 29 JULY 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, had a poor month, declining by 9.03% as compared to the Invesco US Market ETF gain of 0.97%. Much has been made of the performance of systematic US Long/Short performance of late and we were no exception because of the animal spirits on display in often non-revenue generating businesses such as Joby (incidentally, who's market cap is now twice that of American Airlines!), QuantumScape, Rigetti, lOnQ or Nuscale to name but a few.

As of the end of July 2025, the Fund's Trailing-Twelve-Month (TTM) performance showed a 27.32% loss, contrasting with the Invesco US Market ETF's 8.95% gain. Since its inception in May 2022, the Fund has achieved a cumulative loss of 8.99%, net of all fees, trailing the 31.16% 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. Simplistically put all that we have seen this month are high short interest stocks squeezed higher at the expense of longs, a similar occurrence as seen in the last two months. Continuing the analysis the top 50 stocks by highest short interest at the end of June on average rose 9.21% (and a range of -18.12% to +84.85%).

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 4.4% for FY26), based on 1.5% (1.6% for 2026) GDP growth and 2.9% (2.8% for 2026, down from 2.9% in June) inflation. 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 2.64% year-to-date decline.

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 Industrial, Financials and Health Care, while the Short Book was (heavily) focused on Industrials,

Technology and Financials (Industrials and Technology were net short sectors, while Healthcare and Consumer Staples were net longs). July's Long book saw an average decrease of 2.43%, while the Short book saw an average increase of 7.31%.

Given the substantial short squeeze seen on the month it comes as little surprise that only four of the thirteen factors showed positive returns with Sales to Price being the largest (small) contributor. We initiate longs in those names with low Sales to Price and short those with high Sales to Price, as we consider these as "in/expensive" based on this methodology. Unsurprisingly, Price Momentum (and accordingly Beta) were the worst performing factors on the month.

Standout positives among the stocks in the Long "book" this month were, firstly, IBKR (Interactive Brokers Group, Inc.) an automated electronic broker that posted better than expected earnings and was up 18.3% over the month and now trades on a next year forward PE multiple of 31.8x. And secondly, ANF (Abercrombie & Fitch, Inc.), a worldwide omnichannel retailer offering an assortment of apparel, personal care products, and accessories for men, women, and kids that rallied 15.9% on no company specific news now trades on a next year forward EV/EBITDA multiple of 5.9x.

In the Short "book," the winners this month were CFLT (Confluent, Inc.), a cloud-based data streaming platform that reported good numbers but is facing consumption growth headwinds with a large customer reducing usage and was down 28.9%. Secondly, LMND (Lemonade, Inc.), provides various insurance products that was down 14.0% on insurance broad sector weakness.

Negatives on the Long side were CNC (Centene Corp.), a managed care (also known as an HMO) business citing an unexpected slump in commercial plans under Obamacare which serves people who don't get health insurance via their employer or through Medicaid was down 52.0% and now trades on a next year forward EV/EBITDA multiple of 14.0x. Meanwhile, CI (Cigna Group), another HMO fell in sympathy and was down 19.2% and now trades on a next year forward EV/EBITDA multiple of 7.6x.

On the Short side, negatives were JOBY (Joby Aviation, Inc.) a an EVTOL (electric vertical take-off and landing) company that is currently loss-making and rose 57.9% after announcing production expansion plans. And secondly, BE (Bloom Energy Corp.), a company that designs, manufactures, sells, and installs solid-oxide fuel cell systems for on-site power generation rallied 56.3% after announcing a large on-site power collaboration deal with Oracle and their data centres and now trades on a next year forward EV/EBITDA multiple of 35.5x.

It's worth noting the scale of recent additions to the U.S. government debt. The One Big Beautiful Bill (as Trump refers to it) has added approximately \$3.3 trillion to the national debt. For context, the various COVID-19 relief measures contributed an estimated \$5-6 trillion. This fiscal expansion is noteworthy, particularly when considering market dynamics: for example, when the Federal Reserve cut the Federal Funds Rate by 100 basis points in late 2024, the 10-year Treasury bond yield concurrently rose by 100 basis points. Ultimately, a Gordian knot awaits the current (and future) Federal Reserve Chairs. Their complex task is to serve three competing masters: satisfying the dual Fed mandates, navigating the political pressures of a capricious President, and ensuring he doesn't blow up the U.S. bond market and/or USD.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – July 2025	%
Confluent, Inc. (CFLT - Short)	- 28.9
Interactive Brokers Group, Inc. (IBKR - Long)	+ 18.3
Abercrombie & Fitch, Co. (ANF - Long)	+ 15.9
Lemonade, Inc. (LMND - Short)	- 14.0
Texas Instruments, Inc. (TXN - Short)	- 12.8

Top Detractors – July 2025	%
Joby Aviation Inc. (JOBY - Short)	+ 57.9
Bloom Energy Corp. (BE - Short)	+ 56.3
Centene Corp. (CNC - Long)	- 52.0
QuantumScape, Corp. (QS - Short)	+ 28.0
Nuscale Power, Corp. (SMR - Short)	+ 26.9

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

CONTACTS

Investment Manager



South River Asset Management Ltd.
55 Hersham Road
Walton-on-Thames, Surrey
England KT12 1LJ
United Kingdom



Investor Services & Dealing
0800 123 4567



investorservices@southriveram.com

Investment Adviser



RPMS Investments Ltd.
35 Station Approach,
West Byfleet,
Surrey KT14 6NF
United Kingdom



www.prizmfunds.com



[@southriver](https://twitter.com/southriver)



cl@southriveram.com

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