

Prizm Master Fund

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

30 June 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 – 30/6/2025) - 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							-6.28	0.06	0.02
With Intelligence (n=405 June 2025)	1.56	-1.03	-2.17	-0.49	2.85	2.38							3.03	23.68	7.05
Barclay Hedge (n=2180 June 2025)	1.71	-0.16	-1.55	-0.13	2.79	2.40							5.09	23.05	6.96
BLOOMBERG PEERS (n=65/71)	2.27	-0.87	-2.35	-0.37	3.01	2.60							4.41	29.26	7.78
Invesco US Market ETF	3.50	-0.61	-3.38	-2.29	4.35	3.43							2.70	29.89	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) - 30/4/2024-30/6/2025

Inception - 31/5/2022-30/6/2025

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	10.45	8.81	8.53	8.13	7.78	6.32
Cumulative (Net) Returns				29.89	29.26	23.68
Sharpe Ratio (Net): **	0.49	1.04	0.71	0.12	0.16	0.17
Standard Deviation:	0.31	0.06	0.12	0.31	0.14	0.12
Correlation to SPXEWIT		0.89	0.88		0.91	0.95
Beta to SPXEWIT		2.07	2.30		2.07	2.30
Tracking Error:		0.16	0.16		0.18	0.19
Mean Return:	1.07	0.72	0.70	0.85	0.72	0.60
Max Drawdown: ^	8.96	3.48	3.65	13.74	6.52	5.26
Peak-To-Valley: ^	2024/11/29-2025/4/8	2024/12/11-2025/4/8		2024/11/29-2025/4/8		
Recovery: ^	130 Days	118 Days		130 Days		
Positive Periods: ^	145 (55.56%)		145 (56.82%)	441 (54.85%)		393 (51.75%)
Negative Periods: ^	116 (44.44%)		104 (40.58%)	357 (45.15%)		367 (48.25%)

^ 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 May n=2737.

Of the 65 hedge funds listed by Bloomberg with an equity market neutral & geographic focus on the United States (since inception in May2022 to June 2025) the Fund ranked 62nd (in USD) or 95th percentile in the (inclusive) peer group with a gain of 0.06%. For the month of June 2025, the Fund ranked 70th (in USD) or 99th percentile in the (inclusive) peer group with a loss of 4.72%. Within the (preliminary) June 2025 Soc Gen Equity Long/Short peer group, the Fund ranked 68/68 within the comparative funds, or 98th percentile and over the TTM period the Fund ranked 101/103 within the comparative peers, or 99th percentile.

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

FUND MANAGER MONTHLY COMMENTARY | 30 JUNE 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 4.72% as compared to the Invesco US Market ETF gain of 3.43%. Worthy of note is that the Invesco US Market ETF, is still down by 1.75% since November 2024.

As of the end of June 2025, the Fund's Trailing-Twelve-Month (TTM) performance showed a 17.13% loss, contrasting with the Invesco US Market ETF's 12.73% gain. Since its inception in May 2022, the Fund has achieved a cumulative gain of 0.02%, net of all fees, trailing the 29.89% 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 seen in April when the Fund was up 0.79% with markets down 11.71% on the threat of tariff wars, or exogenous shocks that may 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 1.5% (1.6% for 2026) GDP growth (revised up from 1.4% in May) and 2.9% (2.8% for 2026) inflation (down from 3.0% in May). 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.

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. 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 Health Care, Technology and Financials, while the Short Book was (heavily) focused on Industrials, Technology and Financials (Industrials and Technology were net short sectors, while Consumer Staples and Energy were net longs).

June's Long book saw an average increase of 2.95%, while the Short book saw an average increase of 9.69%.

The factor with the most significant positive contribution to performance this month was the Sales to Price factor. 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. This factor has historically been an extremely efficacious factor but, as with all Factors, doesn't work all the time. Given this month's market strength, it was evident that shorts were squeezed higher at the expense of longs (-8.48% impact), a similar occurrence as last month (-6.38% impact).

Standout positives among the stocks in the Long "book" this month were, firstly, OSCR (Oscar Health, Inc.), a healthcare company that an engagement and recommendation platform for providers and payors that rallied 55.36% after the US Senate reconciliation text was more favourable to exchanges than the House version and now trades on a next year forward EV/EBITDA multiple of 11.3x. And secondly, ANET (Arista Networks, Inc.) a network operating business focused on providing solutions for AI and data centre environments that appears to be benefitting from "everything AI" and was up 18.09% over the month and now trades on a next year forward EV/EBITDA multiple of 30.8x.

In the Short "book," the winners this month were AAON (AAON, Inc.), a roof-top air conditioning business that was down 23.41% after it took down its financial targets at an analyst's day and now trades on a next year forward EV/EBITDA multiple of 18.7x. Secondly, IOT (Samsara, Inc.), an AI based telematics, equipment monitoring, and site visibility business that highlighted extended sales cycles in their latest earnings release and fell 14.53% and now trades on a next year forward EV/EBITDA multiple of 89.9x.

Negatives on the Long side were COTY (Coty, Inc.), a packaged bakery business, and fell 5.68% on apparently no sector weakness and apparently no news and now trades on a next year forward EV/EBITDA multiple of 7.7x. Meanwhile, FLO (Flowers Foods, Inc.), a packaged bakery business, was down 5.44% on sector weakness and apparently no news and now trades on a next year forward EV/EBITDA multiple of 10.0x.

On the Short side, negatives were AVAV (AeroVironment, Inc.), which designs and builds robotic systems as well as Unmanned Aircraft Systems (UAS) and rallied 60.06% after a big beat on earnings and revenues and now trades on a next year forward EV/EBITDA multiple of 41.3x. And secondly, COIN (Coinbase Global, Inc.) a cryptocurrency exchange that was up 42.12% on the month on the back of the Stablecoin legislation (the GENIUS Act) and now trades on a next year forward EV/EBITDA multiple of 28.7x; something to consider is the sale by CEO & Chairman of COIN sold \$164m worth of stock in June.

A quote by George Bernard Shaw which goes along the lines of "the definition of a pessimist is an optimist, with experience" seems quite apt in the "FOMO" world we live in today.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – June 2025	%
Oscar Health Int'l Corp. (OSCR - Long)	+ 55.4
Aaon, Inc. (AAON - Short)	- 23.4
Weatherford Intl. (WFRD - Long)	+ 15.4
Jones Lang LaSalle, Inc. (JLL - Long)	+ 14.8
Samsara Inc. (IOT - Short)	- 14.5

Top Detractors – June 2025	%
AeroVironment, Inc. (AVAV - Short)	+ 60.1
Coinbase Global, Inc. (COIN - Short)	+ 42.1
Robinhood Markets, Inc. (HOOD - Short)	+ 41.5
Sofi Technologies, Inc. (SOFI - Short)	+ 36.9
Joby Aviation, Inc. (JOBY - Short)	+ 34.9

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

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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