

Prizm Master Fund

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

29 August 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 – 29/8/2025) - 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	1.07					-13.84	-8.00	-2.53
With Intelligence (n=430 August 2025)	1.56	-1.03	-2.17	-0.49	2.87	2.33	0.91	2.15					6.18	27.45	7.05
Barclay Hedge (n=2645 August 2025)	1.71	-0.16	-1.55	-0.13	2.80	2.38	0.93	1.94					8.12	26.59	6.89
BLOOMBERG PEERS (n=64/66)	2.27	-0.87	-2.35	-0.32	2.94	2.64	0.36	1.77					6.66	32.30	8.99
Invesco US Market ETF	3.50	-0.61	-3.38	-2.29	4.35	3.43	0.97	2.69					8.69	34.69	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=69)	1.18	2.62	2.32	-2.25	2.54	0.94	0.92	1.72	1.22	-0.30	2.96	-2.18	11.70	24.04	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=71)	2.77	-1.09	1.20	1.08	-0.08	3.24	1.52	-0.24	-2.24	-0.84	4.06	2.50	11.90	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=64)						-4.22	3.56	-1.93	-4.07	4.24	3.17	-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) - 31/8/2024-29/8/2025

Inception - 31/5/2022-29/8/2025

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	9.15	8.41	9.60	-25.95
Cumulative (Net) Returns			34.69	32.30
Sharpe Ratio (Net): **	0.39	1.16	0.87	-1.84
Standard Deviation:	0.31	0.06	0.12	0.22
Correlation to SPXEWIT		0.96	0.93	-0.59
Beta to SPXEWIT		2.07	2.30	-0.36
Tracking Error:		0.16	0.16	0.27
Mean Return:	0.79	0.69	0.78	-1.76
Max Drawdown: ^	8.96	3.38	3.65	26.73
Peak-To-Valley: ^	2024/11/29-2025/4/8		2024/9/3-2025/7/18	2024/11/29-2025/4/8
Recovery: ^	130 Days		318 Days	118 Days
Positive Periods: ^	144 (55.17%)		119 (45.76%)	463 (54.59%)
Negative Periods: ^	117 (44.83%)		142 (54.23%)	385 (45.40%)

^ 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 4.34% (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 July n=2716.

Of the 64 hedge funds listed by Bloomberg with an equity market neutral & geographic focus on the United States (since inception in May 2022 to August 2025) the Fund ranked xxth (in USD) or xxth percentile in the (inclusive) peer group with a gain of 1.07%. For the month of August 2025, the Fund ranked 25th (in USD) or 36th percentile in the (inclusive) peer group with a gain of 1.07%. Within the (preliminary) August 2025 Soc Gen Equity Long/Short peer group, the Fund ranked XX/104 within the comparative funds, or XXth percentile and over the TTM period the Fund ranked XX/104 within the comparative peers, or XXth percentile.

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

FUND MANAGER MONTHLY COMMENTARY | 29 AUGUST 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 good month, rose by 1.07% as compared to the Invesco US Market ETF gain of 2.69%. Of note this past month was the better performance of the broader market with the US Market ETF also making all-time highs. We are arguably in the early innings of a broadening out in the market and finally seeing some rotation out of high momentum, and Mag 7 names, into other areas of the market. Notably, 66.7% of stocks within our 1000 large cap universe closed above the 200-Day moving average at month end, a sign of broadening breadth within the market.

As of the end of August 2025, the Fund's Trailing-Twelve-Month (TTM) performance showed a 25.95% loss, contrasting with the Invesco US Market ETF's 9.15% gain. Since its inception in May 2022, the Fund has achieved a cumulative loss of 8.00%, net of all fees, trailing the 34.69% 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. Continuing the analysis the top 50 stocks by highest short interest at the end of July on average rose 2.28% (and a range of -36.01% (HIMS) to +29.43% (IBP)).

Current estimates anticipate 4.4% nominal GDP growth for FY25 (and 4.5% for FY26), based on 1.6% (1.7% for 2026) GDP growth and 2.8% (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.

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, Technology and Health Care/HMOs, while the Short Book was (heavily) focused on Industrials, Technology and PE (Industrials and Technology were net short sectors, while Healthcare and HMOs were net longs). August's Long book saw an average increase of 5.92%, while the Short book saw an average increase of 3.93%. 9 of the 50 longs were down on the month while 22 of the 50 shorts were down on the month reinforcing our comment above of a broadening out in the market.

The factor with the most significant positive contribution to performance this month was the Sales to Price (P/S) factor. We initiate longs in those names with low P/S and short those with generally, very high P/S believing the stocks will either grow into its valuation or revert, in time. Eight of the thirteen factors recorded positive returns on the month.

Standout positives among the stocks in the Long "book" this month were, firstly, UNH (UnitedHealth Group, Inc.) a healthcare insurer, sometimes called an HMO, was up 24.2% over the month on the back of news that

Warren Buffett and two hedge funds have acquired stakes and now trades on a next year forward PE multiple of 19.3x. And secondly, VTRS (Viatris, Inc.), a worldwide drugs supplier that rallied 2.07% after reporting better than expected earnings and now trades on a next year forward EV/EBITDA multiple of 6.4x. As can probably be inferred from below, HMOs performed very well in August, and we were long six HMOs given they had become just too "cheap" and sentiment so poor per our methodology that it didn't take much to drive a re-rating as seen in their monthly average gain of 15.6%.

In the Short "book," the winners this month were SMR (NuScale Power Corp.), a Small Modular Reactor "play" missed revenue estimates while also seeing broker target price cuts and was down 31.0% but doesn't have any earnings with which to value the stock. Secondly, COIN (Coinbase Global, Inc.), a brokerage platform primarily aimed at crypto trading that was down 19.4% after issuing a \$2Bn convertible and weakness in Bitcoin (to which there is a very high correlation) and now trades on a next year forward EV/EBITDA multiple of 23.3x.

Negatives on the Long side were TEAM (Altassian Corp.), a collaboration software business that beat earnings estimates but provided "conservative" guidance and is being caught up in the "AI will eat Software" debate and was down 7.3% and now trades on a next year forward EV/EBITDA multiple of 28.5x. Meanwhile, META (Meta Platforms, Inc.), the owner of Facebook, was down 4.5% on possible AI exhaustion and now trades on a next year forward EV/EBITDA multiple of 14.6x

On the Short side, negatives were, BE (Bloom Energy Corp.), a company that designs, manufactures, sells, and installs solid-oxide fuel cell systems for on-site power generation rallied 41.6% after announcing better than expected earnings and now trades on a next year forward EV/EBITDA multiple of 52.9x. And secondly, AFRM (Affirm Holdings, Inc.) a "buy-now-pay-later", also known as BNPL, business reported exceptionally strong results and rose 29.0% and now trades on a next year forward EV/EBITDA multiple of 71.0x.

A key observation is that gains in July and August can be directly attributed to stronger-than-expected corporate revenue growth, as revenue in 2Q25 was 2.4% higher than originally forecast coming into reporting season. Unsurprisingly, the Technology sector led with a 3.2% beat, followed by Consumer Discretionary at 1.8% and Industrials at 1.1%. For the Technology sector this converted the revenue beat into an increase in 2Q25 EPS estimates from 12.6% to 15.6% and 2.4% to 5.0% for Consumer Discretionary (Source: Strategas). The real test will be whether these beats can continue through year-end. This is a necessary precursor to sustained market gains, absent further price-to-earnings (P/E) expansion.

Questions have been raised as to the likely returns on Invested Capital for the "Sexy Six", we do not consider Tesla in our Universe, and our analysis suggests that over the past ten years they have average 34.68% with the latest number being 49.06%, certainly a large increase especially so if NVDA is excluded (41.07%).

Looking back over the last few decades a significant portion of corporate profit growth has been driven by declining interest costs and lower taxes, driven in large part by the Tax Cuts and Jobs Act of 2017 where the corporate tax rate was cut from 35% to 21%. Furthermore, the latest Trump cuts are expected to drive this number down to ~18%. Given YTD gains in markets we must question the extent to which systemic leverage—and specifically the proliferation of Zero-Days-to-Expiry (ODTE), leveraged ETFs and ETPs—is accelerating and amplifying these gains.

MONTHLY PERFORMANCE CONTRIBUTION

Top Contributors – August 2025	%
NuScale Power, Corp. (SMR - Short)	- 31.0
UnitedHealth Group, Inc. (UNH - Long)	+24.2
Viatris, , Inc. (VTRS - Long)	+ 20.7
Coinbase Global, Inc. (COIN - Short)	- 19.4
Oscar Health Group, Inc. (OSCR - Long)	+ 18.6

Top Detractors – August 2025	%
Bloom Energy Corp. (BE - Short)	+ 41.6
Affirm Holdings, Inc. (AFRM - Short)	+ 29.0
SoundHound AI, Inc. (SOUN - Short)	+ 26.0
Applied Digital, Corp. (APLD - Short)	+ 21.6
Impinj Inc. (PI - Short)	+ 21.3

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