Long Short Hedge Fund

1. **What is the fund's objective?**

The All Weather H4 Performance Retail Hedge Fund is a long/short equity South African retail hedge fund.

The fund seeks to deliver equity-like returns at below equity levels of risk. It targets absolute, risk-adjusted returns over the medium term, regardless of market direction.

The strategy aims to:

- Deliver returns above cash (STeFI benchmark)
- Maintain low correlation to broad equity markets
- Provide lower volatility and lower drawdowns than the South African equity market

Although the fund is benchmarked against the Short-Term Fixed Interest Composite Index (STeFI), the objective is not to track cash, but rather to generate superior risk-adjusted returns above cash through active long/short equity positioning

2. **What does the fund invest in?**

The fund follows a fundamentally driven long/short equity strategy, primarily investing in listed equities.

Investment decisions are based on deep fundamental research and may include:

- Individual long positions
- Individual short positions
- Arbitrage trades
- Correlated and uncorrelated pair trades

- Event-driven trades
- Other opportunistic strategies where appropriate

3. Important portfolio characteristics and risks

The fund seeks to balance return generation and capital preservation through disciplined risk management and exposure control.

Key portfolio characteristics include:

- Active long and short equity exposure
- Tactical management of net exposure
- Use of relative value and pair trades
- Focus on stock selection alpha

Key risks include:

- Equity market risk (through net exposure)
- Short-selling risk (including short squeezes)
- Leverage risk (as exposure can exceed NAV)
- Counterparty risk
- Liquidity risk
- General market and macroeconomic risk

4. How long should investors stay invested

The fund is designed to deliver consistent, risk-adjusted returns across market cycles.

Investors should ideally remain invested for at least 3–5 years to allow long/short alpha and relative value opportunities to compound and to smooth short-term volatility.

The fund's risk profile is classified as moderate, and it is best suited to investors with a long-term investment horizon

5. **Who should consider investing in the fund**

This fund may be suitable for investors who:

- Seek equity-like returns with lower volatility than traditional long-only equity funds
- Want exposure to a professionally managed long/short strategy
- Are comfortable with hedge fund structures, including leverage and shorting
- Want diversification away from pure market beta
- Value capital preservation alongside return generation

The strategy can serve as a complementary allocation within a broader multi-asset or alternatives portfolio.