

*Nitrogen is a chemical element which has the symbol N and atomic number 7 in the periodic table. Elemental nitrogen is a colourless, odourless, tasteless and mostly inert diatomic gas at standard conditions, constituting 78.08% percent of Earth's atmosphere.*

## GENERAL INFORMATION - CLASS A1

Unit Price (cpu)*:	135.16
Fee Class Units:	8,678,500
Fund Category:	CIS Retail Investor Hedge Fund
Investment Manager:	Nitrogen Fund Managers
Fund Manager:	Rowan Williams
Structure:	BSc (Hons) Mphil (Cantab) CFA Registered SA CIS in Hedge Funds
Domicile:	South Africa
Risk Profile:	Medium
CIS Establishment Date:	1-Nov-17
Fund Inception Date:	1-Aug-06
Management Company:	Realfin Collective Investment Schemes (RF) Proprietary Limited
Fund Size:	R457.3 Million
Benchmark:	Short-term Fixed Interest Call Deposit Index (SteFOCAD)
Currency:	ZAR
Minimum lump sum:	R 100,000.00
Additional lump sum:	R 20,000.00
Initial fees:	None
Management Fee:	1.50% (ex VAT) p.a.
Performance Fee:	20% (ex VAT) p.a.
Subscriptions:	Monthly
Redemptions:	1 calendar month notice
Portfolio Valuation:	23h00 on the last business day of each month
Transaction cut-off time:	12h00 on the 2nd last business day of the month
Total Expense Ratio (TER)**:	3.01%
Transaction Cost (TC)**:	0.36%
Total Investment Charge (TIC)**:	3.38%
Income Distribution:	First business day of March each year
Value Distributed:	R 1.84 - 1 March 2025
Administrator:	Apex Fund Services South Africa Limited
Prime Broker:	ABSA & Morgan Stanley
Trustee:	FirstRand Bank Limited (acting through its RMB Trustee Services Division)
Auditor:	PricewaterhouseCoopers
ISIN number:	ZAE000271003
JSE Code:	NNRA1

\* Pricing is made available via Finswitch on a T + 1 basis

\*\* The TER, TC and TIC as at 31 March 2025

## FUND OBJECTIVE

The Nitrogen Nitrogen RCIS RHF is a low volatility long/short equity hedge fund, managed on a fundamental basis with a value bias. The fund consists of two books; a risk arbitrage book and an arbitrage book. The risk arb book takes advantage of risk arbitrage opportunities where the manager views stocks as mispriced. The arbitrage book takes advantage of arbitrage opportunities using a range of trading strategies. The fund's investment universe includes JSE listed stocks (including derivatives on these) as well as other Global listed equities.

## FUND STRATEGY

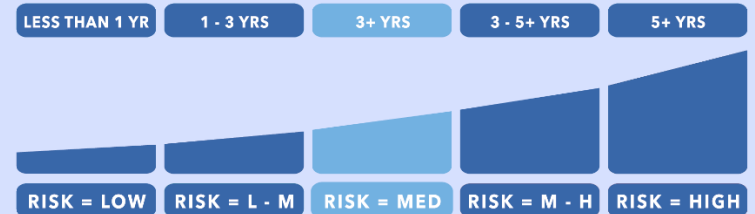
The fund targets a low volatility with a maximum 42% net market exposure. The ratio of gross asset to net asset value shall not exceed 2.5:1

Exposure to a single security shall not exceed 30% of the net asset value of the Portfolio where hedged with associated or linked share. Exposure to a single security will not exceed 15% of the net asset value where unhedged. Gross exposure of futures and options shall not exceed 60% of the gross asset value of the Portfolio. Net exposure of illiquid, unlisted and OTC Instruments shall not exceed 10% of the net asset value of the Portfolio. The portfolio may only be long unlisted equities.

## FUND RESTRICTIONS AND LIMITS

Value At Risk approach will be used to calculate total exposure. The calculation will be determined with a 99% confidence level that the potential loss over the following month will not exceed 20% of the Portfolio's net asset

## RISK RATING



## Medium

- These portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios.
- In turn the expected volatility is higher than low risk portfolios, but less than high risk portfolios.
- The probability of losses are higher than that of the low risk portfolios, but less than high risk portfolios.
- Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

### Realfin Collective Investment Schemes (RF) (Pty) Ltd

Registration Number	2013/170284/07
Physical Address	347 Main Road, Kenilworth, Cape Town, 7945
Telephone Number	+27 21 701 3777
Email Address	clientservices@realfin.co.za
Website	www.realfin.co.za

### Nitrogen Fund Managers (Pty) Ltd

Registration Number	1998/018686/07
Physical Address	1st Floor, Illovo Edge Corner, Harries and Fricker Road, Illovo, Sandton
Postal Address	PO Box 7651688, Benmore, 2010
Telephone Number	+27 11 243 5046
Email Address	petrid@nitrogenfm.co.za
Website	www.nitrogenfm.co.za
FSP Number	3983

### FirstRand Bank Limited (RMB Trustee Services Division)

Physical Address	3 Merchant Place, Ground Floor, Cnr Fredman & Gwen Streets, Johannesburg, 2001
Telephone Number	+27 87 577 8730
Email Address	trusteeservices@rmb.co.za
Website	www.rmb.co.za

Global equity markets largely extended their recovery in May from April lows, driven by improved consumer sentiment and subsiding recession fears. This positive shift was primarily fueled by easing trade tensions, specifically the pause in planned US tariff hikes, which created room for negotiations. The US spearheaded global equity gains, with the S&P 500 advancing 6.3% and the tech-heavy NASDAQ outperforming with a 9.1% return. Other major markets also saw significant gains: the UK's FTSE 100 rose 3.8%, while Europe's EURO STOXX 50 gained a strong 4.9%. In Asia, a welcome de-escalation in the US-China tariff war boosted confidence, with China's CSI 300 ending 2.1% higher, Hong Kong's Hang Seng Index achieving a 5.9% gain, and Japan's Nikkei 225 managing a 5.3% increase. Consequently, the MSCI Emerging Markets Index gained 4.0%, while the MSCI World Index saw a 5.7% increase. Locally in South Africa, equities registered a 3.1% gain in March, buoyed by a 25 basis point rate cut announced at the South African Reserve Bank's Monetary Policy Committee and the approval of the National Budget, which passed without the contentious VAT hike. Most major sectors ended the month in positive territory. The INDI25 gained 3.9% for the month, the FINI15 rose by 2.0% while the RESI20 continued its surge to gain 2.3%. The JSAPY index also ended the month up 2.3%. The Rand gained ground against most major currencies, ending the month 3.2% stronger to the U.S. Dollar at R18/USD. It also gained 2.3% against the British Pound and 3.1% against the Euro. The Nitrogen Fund posted a 1.6% gain in May as the arbitrage book continued to make solid gains, including from several cash merger arbitrage positions, complemented by a strong performance from selected positions in the risk arbitrage book.

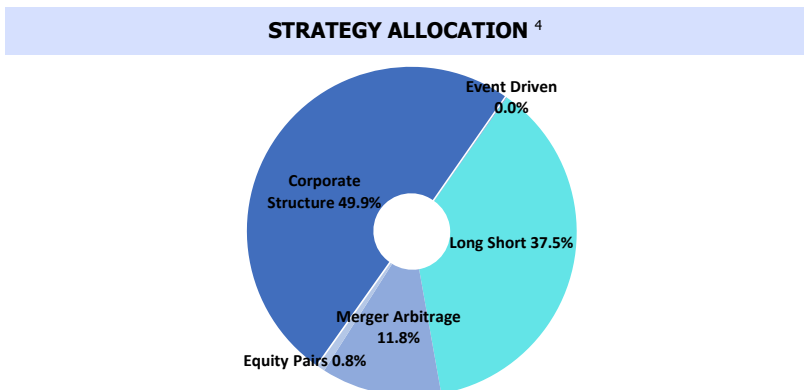
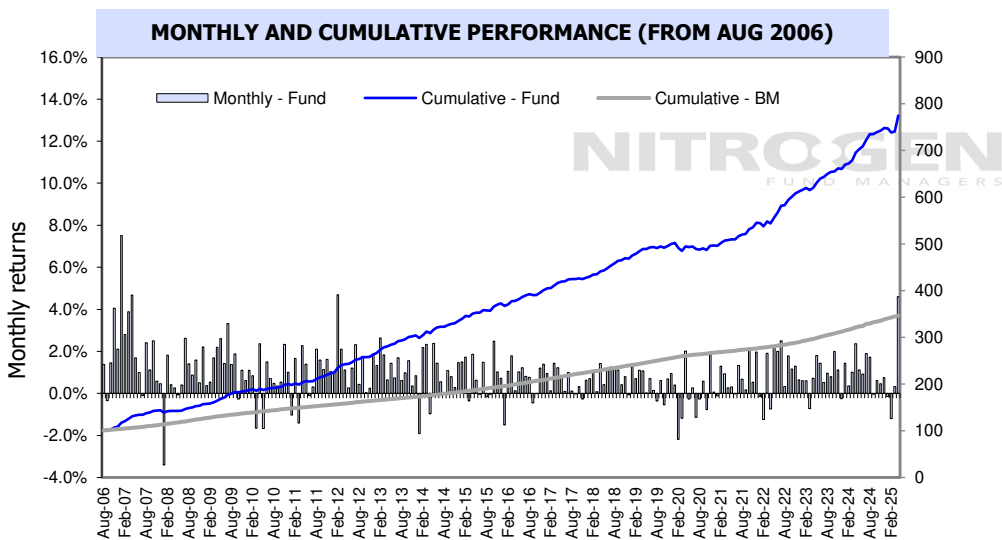
CALENDER YEAR RETURNS													
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (YTD to 31/10/2017)	
Fund	8.89%	32.36%	8.82%	18.12%	8.14%	11.00%	18.37%	15.64%	9.98%	11.28%	7.64%	6.18%	
BM	3.25%	9.35%	11.69%	9.13%	6.93%	5.71%	5.55%	5.18%	5.90%	6.46%	7.42%	6.30%	

\* The performance figures reported up until 1 November 2017 were achieved prior to the portfolio being regulated under CISCA  
 \*\* BM is Benchmark

MONTHLY FUND RETURNS (SINCE INCEPTION OF CIS)														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	BM
2017											-0.27%	0.60%	0.33%	1.06%
2018	0.70%	1.01%	0.08%	1.43%	0.42%	1.08%	1.25%	1.13%	1.11%	0.41%	0.79%	-0.07%	9.73%	6.61%
2019	1.42%	0.71%	1.11%	1.07%	0.02%	0.70%	0.10%	-0.35%	0.61%	-0.54%	0.69%	0.95%	6.65%	6.64%
2020	0.40%	-2.19%	-1.18%	2.01%	-0.27%	0.26%	-1.14%	-0.27%	0.59%	-0.77%	1.90%	0.07%	-0.68%	4.52%
2021	-0.11%	1.30%	0.93%	0.26%	0.31%	-0.03%	1.33%	0.69%	0.17%	2.08%	0.53%	1.97%	9.81%	3.53%
2022	-0.15%	-1.24%	1.90%	-0.74%	2.23%	2.0%	2.50%	0.32%	1.78%	1.16%	1.30%	0.64%	12.28%	4.90%
2023	0.62%	0.60%	-0.72%	0.72%	1.80%	1.43%	0.52%	0.96%	0.79%	0.02%	1.12%	-0.25%	7.84%	7.79%
2024	1.44%	0.36%	1.00%	2.37%	1.12%	0.91%	1.90%	1.73%	-0.04%	0.61%	0.45%	0.75%	13.32%	8.21%
2025	-0.15%	-1.19%	0.33%	4.61%	1.60%								5.2%	3.02%

RETURN STATISTICS			
Return measure	Fund	ALSI	Cash
One month	1.60%	3.14%	0.59%
Three months	6.63%	11.44%	1.80%
YTD	5.20%	14.02%	3.02%
One year	11.99%	27.30%	7.83%
Since inception <sup>2</sup>	687.08%	717.70%	248.40%
Highest Annual Return <sup>6</sup>	39.14%	53.98%	11.80%
Lowest Annual Return <sup>6</sup>	-1.18%	-37.93%	3.50%
RISK STATISTICS <sup>3</sup>			
Risk measure	Fund	ALSI	Cash
Standard dev.	4.17%	14.86%	0.54%
Sharpe ratio	0.5672	0.2503	NA
Sortino ratio	1.3905	0.4775	NA
Max drawdown	-3.40%	-45.40%	NA
Correl. to ALSI	28.19%	100.00%	-12.56%
Net exposure	43.5%	NA	NA
Gross exposure	99.24%	NA	NA

- Notes:
- Including non-fee paying accounts.
  - The inception date for this portfolio is August 2006. ALSI statistics includes dividends which are reinvested.
  - Risk statistics are from inception to date since August 2006.
  - As percentage of gross exposure (ex-cash) as at month end – may not reflect average strategy allocation for the month.
  - Net exposure as a percentage of net asset value at month end.
  - Highest and Lowest annual return refer to the highest and lowest rolling 12 month return for the portfolio since inception.
  - Net exposure includes cash merger arbitrage positions.
  - Actual annual figures are available to the investor on request.



## ADDITIONAL RISK DISCLOSURES AS AT THE LAST QUARTER END 31 MARCH 2025

As required in terms of Section 27 of Board Notice 52. Any questions pertaining to the technical nature of the disclosures may be directed to [clientservices@realfin.co.za](mailto:clientservices@realfin.co.za).

RISK METRICS	
Leverage	The fund achieves leverage by borrowing funds, using short positions and engaging in derivative transactions.
VAR (limit 20%)	6.12%
Max VAR for quarter	7.57%
Assets encumbered as collateral	100.00%
Re-hypothecation of assets	There were no re-hypothecated securities at quarter end.
Changes in liquidity	The fund's redemption period remained unchanged.
Stress testing	Stress testing was conducted to assess the fund's sensitivity to stressed market conditions.
Counterparty exposure (Top 5)	Absa Bank Ltd 89.4%

### DEFINITIONS AND METHODOLOGIES

**Collateral** - Collateral is the placement of an asset with a counterparty in order to secure an obligation.

**Counterparty exposure** - Counterparty (credit) exposure represents the potential loss the Fund would experience in the event a counterparty defaults on its obligations.

**Leverage** - Leverage is a strategy used to increase the Fund's exposure beyond the capital employed.

**Re-hypothecation** - Re-hypothecation is the re-use of collateral by the prime broker.

**Stress testing** - To assess the fund's sensitivity to various market conditions, stress scenarios are created by simulating the impact of historic financial crises, increasing investor repurchase levels and decreasing liquidity of the fund's underlying assets.

**VAR** - Value at risk (VAR) is a statistical measure of a fund's financial risk over a specific period. VAR is calculated using historical data to determine the maximum potential loss over a month, 99% of the time.

### IMPORTANT INFORMATION

RealFin Collective Investment Schemes (RF) Proprietary Limited ("RCIS") is registered and approved by the Financial Sector Conduct Authority (FSCA) as a manager of Collective Investment Schemes approved in terms of the Collective Investment Schemes Control Act. This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. The information contained in the MDD does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, and should be read in conjunction with the **RCIS Fund Information Document** which can be found on the RealFin website [www.realfin.co.za](http://www.realfin.co.za). Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information

### DISCLOSURES

- Collective Investment Schemes are generally medium-to long-term investments.
- Nitrogen Nitrogen RCIS Retail Hedge Fund** should be considered an investment with a time horizon of longer than a year.
- The value of participatory interests (units) may go down as well as up.
- Past performance is not necessarily a guide to future performance.
- Where different classes of participatory interests apply to certain Portfolio's, they would be subject to different charges.
- Collective investments are traded at ruling prices and can engage in borrowing and scrip lending.
- A schedule of fees and charges and maximum commissions, is available on request from RCIS.
- RCIS does not provide any guarantee in respect to the capital or the return of the portfolio.
- RCIS may suspend repurchases for a period, subject to regulatory approval, to avoid liquidity.
- RCIS may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists in a portfolio, or where assets cannot be released to withdraw or cancel participatory interests.
- RCIS reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate.
- Forward pricing is used.
- In terms of the Collective Investment Schemes Control Act, No.45 of 2002 (CISCA), RMB Custody and Trustee Services (A division of FirstRand Bank Limited) has been appointed by RCIS as the Trustee of **Nitrogen Nitrogen RCIS Retail Hedge Fund**
- The portfolio is valued at **23H00 on the last business day of each month.**
- Investment and Redemption Instructions will be processed according to: The transaction cut-off time as well as the Subscription and Redemption guidance stipulated within the General Information section of the Minimum Disclosure Document.
- Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gain Tax (CGT).
- A money market portfolio is not a bank deposit account. The price of a participatory interest is a marked- to-market value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument, in most cases the return will merely have an effect of increasing or decreasing the daily yield. In the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from a money market portfolio may place the portfolio under liquidity pressure and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.
- Where foreign securities are included in a portfolio, this may impose potential constraints on liquidity and the repatriation of funds. The portfolio can be impacted by macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of the market information. Fluctuations or movements in exchange rates may cause the value of underlying offshore investments to go up or down.
- A Fund of Funds Portfolio only invests in other portfolio's of collective investment schemes which levies its own charges, which could result in a higher cost structure for these portfolios.
- RealFin Collective Investment Schemes (RF) Proprietary Limited has entered into a co-naming agreement with and delegated the investment management function to **Nitrogen Fund Managers Proprietary Limited (FSP 3983)**
- RCIS retains full legal responsibility for **Nitrogen Nitrogen RCIS Retail Hedge Fund** and performs Risk Management oversight.
- Application forms can be obtained via the RCIS website [www.realfin.co.za](http://www.realfin.co.za) and any additional information can be requested from RCIS at [manco@realfin.co.za](mailto:manco@realfin.co.za)
- Should you have any complaints please send an email to [complaints@realfin.co.za](mailto:complaints@realfin.co.za). Our Complaints Policy is available on our website: [www.realfin.co.za](http://www.realfin.co.za).
- RCIS has a Conflict of interest policy, Protection of Personal Information Policy and Treating Clients Fairly Policy which is available on request.

### HEDGE FUND RISK DISCLOSURE

The risks and characteristics within represent some of the more general risks and characteristics prevalent in hedge fund portfolios. The list below should not be seen as exhaustive. As more risks and characteristics are identified that were not initially mentioned, these will, as they become more prevalent, be included herein.

**Investment strategies may be inherently risky** - Hedge fund strategies may include leverage, short-selling and short-term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisors in order to determine which strategies are being employed by the relevant manager and which consequent risks arise.

**Leverage usually means higher volatility** - Hedge fund managers may use leverage. This means that the hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the manager. The limits laid down by the mandate should be carefully reviewed in making an investment decision.

**Short-selling can lead to significant losses** - Hedge fund managers may borrow securities in order to sell them short, in the hope that the price of the underlying instrument will fall. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices.

**Unlisted instruments might be valued incorrectly** - Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the fund's value. Investors should ensure that objective valuations are performed for all instruments in a portfolio and that the manager utilises the services of a competent administrator.

**Fixed income instruments may be low-grade** - Hedge fund managers may invest in low-grade bonds and other fixed interest investments. These investments are more likely to suffer from defaults on interest or capital. They are also more likely to have volatile valuations when the market changes its view on credit risk. The mandate should also limit the extent (i.e. lowest acceptable rating and maximum percentage exposure) to which low-grade debt can be acquired by the client. Investors should review the mandate to gain an appreciation of the maximum possible exposure applicable to the relevant mandate.

**Other complex investments might be misunderstood** - In addition to the above, hedge fund managers might invest in complex instruments such as, but not limited to, futures, forwards, swaps, options and contracts for difference. Many of these will be derivatives, which could increase volatility. Many will be "over-the-counter", which could increase counterparty risk. Many exotic instruments may also be challenging for the manager to administer and account for properly. Investors should inquire into how these instruments are objectively and independently valued.

**Exchange rates could turn against the fund** - A hedge fund manager might invest in currencies other than the base currency. For example, a South African hedge fund manager might invest in UK or US shares. The portfolio is therefore exposed to the risk of the rand strengthening or the foreign currency weakening.

**The client may be caught in a liquidity squeeze** - Given their often short-term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.

**The prime broker or custodian may default** - Hedge fund managers often have special relationships with so-called "prime" brokers. These are stockbrokers that provide the required leveraging and shorting facilities. Prime brokers usually require collateral for these facilities, which collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way. A similar situation could occur with the custodian of the client's funds.

### TRANSACTION CUT-OFF TIMES

In order for a monthly **Investment Instruction** to be processed, your Investment form must be sent before **12h00 on the 2nd last business day of the month ("Cut Off Date")** for your Investment application to be processed on the **1st business day of the following month**. Your funds need to be reflecting in our bank account **before 12h00 ("Cut off")** on the **1st business day** of the preceding month and proof of payment sent to [clientservices@realfin.co.za](mailto:clientservices@realfin.co.za). Any funds received after the Cut Off shall be retained by the Manager in a separate account and shall be invested (together with any interest which has accrued thereon) on the next available Investment Date.

In order for your participatory interests in the Portfolio to be redeemed at the relevant request date ("**Redemption Date**"), your Redemption instruction must be submitted to RCIS **before 12h00 on the 2nd last business day of the month** for processing at the **end of the following calendar month** (For Hedge Funds which have a **1 Calendar month's notice period**) such date being the **Redemption Date**. Hedge fund redemptions are processed at the end of each month. All redemptions must be submitted in writing and will be executed following receipt and acceptance of such instruction. Please note in the case of Monthly traded Hedge Fund redemptions, settlement may take up to **15 business days**.

### PERFORMANCE CALCULATION

CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Performance has been calculated using NAV to NAV figures with actual portfolio ongoing fees taken into account. Income is reinvested at the reinvestment date. Different classes of participatory interests apply to these portfolio's and are subject to different fees and charges. Actual Investment performance will differ based on the initial advice fee, ongoing advice fee, investment date, the date of reinvestment of distributions and dividend withholding tax. Initial advice fees have not been taken into account. Cumulative performance figures are calculated using lump sum investment amounts. Income distributions, prior to the deduction of applicable taxes, are included in the performance calculation. Performance calculations are available on request from RCIS.

### PERFORMANCE FEES

Performance fees shall be calculated separately for each class at each Valuation Point. Performance fees are accrued and are payable at the end of the relevant Performance Fee Measurement Period. The calculation is based on whether the respective Class has achieved a return greater than the Fee Hurdle and where applicable, above the high watermark. A detailed description of how performance fees are calculated and applied for this portfolio is available on request from RCIS.

### TER

The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Calculations are based on actual data where possible and best estimates where actual data is not available.

### TC

Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

**Regulations could change** - Legal, tax and regulatory changes could occur during the term of the investor's investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse.

**Past performance might be theoretical** - Hedge fund portfolios are on occasion marketed using theoretical or paper track records. Past performance is seldom a reliable indicator of future performance. Theoretical past performance is often an even less reliable indicator, and investors should place a lower significance on these.

**The manager may be conflicted** - The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. The investor should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.

**Hedge fund structures are often complex** - As mentioned above, hedge fund structures are not fully regulated and they are often housed in legal structures not originally meant for pooled hedge funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.

**Manager accountability may be vague** - Hedge fund portfolios are often managed by specific individuals and investors should ensure that sufficient controls are in place for the times when the manager is being covered for by colleagues. In addition, a hedge fund structure (for example, a fund of funds) and its managers or advisors may rely on the trading and/or investing expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors. This constitutes an additional risk for investors, which they must take into account.

**Fees might be high** - Hedge fund structures' fees may be significantly higher than the fees charged on traditional investment hedge funds. Investments should be made only where the potential returns justify the higher fees.

**Fees might be performance-based** - Hedge fund manager's fees are usually performance-based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken. Investors need to ensure that performance fees allow for a fair sharing of both the good and the bad.

**Transaction costs might be high** - Given the often short-term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stockbroking commission and charges being paid from the portfolio, which is ultimately for the client's account. Again, investments should be made only where the potential returns make up for the costs.

**Transparency might be low** - A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.

**Dealing and reporting might be infrequent** - A hedge fund manager's performance can often be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, hedge fund managers often limit the frequency of investments and withdrawals. Similarly, the manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.

**Withdrawals might not be easy** - As mentioned above, the frequency of withdrawals might be limited to monthly or quarterly dates. In addition, the manager may impose notice periods or lock-ins in order to ensure