



# Edge RCIS Matador Retail Hedge Fund

MINIMUM DISCLOSURE DOCUMENT (Class F) 31/08/2018

## RETURN ANALYSIS DATA

### FEE CLASS

### BENCHMARK

1 Month	2.72%	1.15%
3 Months	4.94%	4.03%
6 Months	2.64%	5.88%
Total Return Since Inception	2.64%	5.88%
Compound Annual Return	N/A	N/A

## RISK ANALYSIS DATA

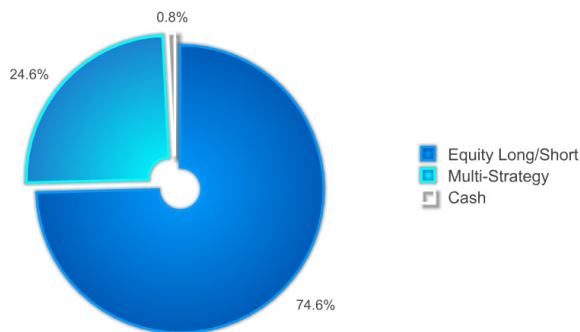
### FEE CLASS

### BENCHMARK

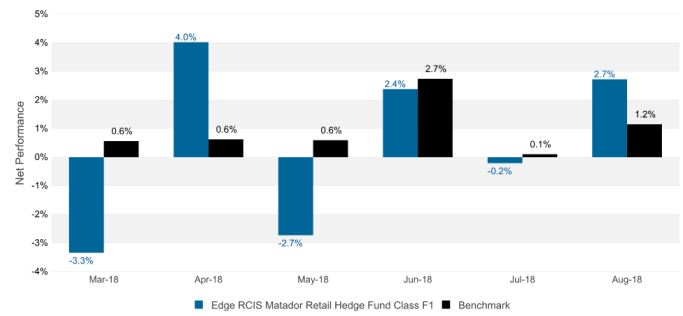
Standard Deviation Annualised	10.56%	3.23%
Downside Deviation Annualised	6.69%	0.00%
Correlation Coefficient	1.00	0.41
Sharpe Ratio	-0.18	N/A
Sortino Ratio	-0.24	N/A

\* BM: March 2018 to May 2018 = STEFI Index / From 1 June 2018 = SWIXTR Index

## STRATEGY ALLOCATION



## FUND PERFORMANCE



\* Benchmark: March 2018 to May 2018 = STEFI Index / From 1 June 2018 = SWIXTR Index

## MONTHLY RETURNS (NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM
2018			-3.34%	4.02%	-2.73%	2.38%	-0.21%	2.72%					2.64%	5.88%

## MANAGER'S COMMENT

The Edge RCIS Matador Retail Hedge Fund returned 2.72% for August, relative to the SWIXTR index return of 1.15%. This brings the Fund's YTD return to 2.6%, relative to the SWIXTR index YTD decline of -1.8%, since March 2018.

The FTSE/JSE All Share (ALSI) increased by 2.3% on a total return basis in August 2018, whilst the All Bond Index declined by 1.9%. Cash returned 0.59%. The JSE Top 40 index increased by 2.4%, whilst Mid-Caps increased by 1.5% and Small Caps increased by 1.2% during the month. The performance of local equities was driven by increases in basic materials (5.6%), consumer goods (6.8%) and healthcare (11.3%). The worst performing sectors were telecommunications (-17.0%) and technology (-2.6%). Non-residents maintained their net-seller position in relation to South African equities, with an outflow of R13.2bn during the month. MTN Nigeria's US\$8bn regulatory fine for alleged improper dividend repatriation forced the share price down over 22% for the month. South African government bonds decreased in August by 1.9%. Foreigners were net sellers of SA bonds totalling R19.7bn, bringing year-to-date sales to a total of R54.3bn. Yields rose on average by 33 basis points across all local government tenors.

From an attribution perspective, our equity long/short and multi-strategy managers were the main contributors to the solid performance. Overweight positions in selected resources, global defensive shares and property exposures were the best performers. Our fixed income manager slightly detracted from performance, as the portfolio had some directional exposure for lower yields. There were no trades at month-end.

Rising macro uncertainty, higher interest rates and a strengthening US dollar have led to a modest tightening of global financial conditions. This has laid bare vulnerabilities that had, until recently, been masked by plentiful global liquidity. Countries reliant on external borrowing to fund growth and large current account deficits, have suffered the most and remains the biggest risk. Competition for capital from cash-like assets has pushed up the compensation investors' demand for risk. This creates uncertainty in areas with weak fundamentals or political uncertainty.

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## FUND INFORMATION

Investment Manager:	Edge Capital (Pty) Ltd
Management Company:	RealFin Collective Investment Schemes (RF) Proprietary Limited ("RCIS")
Fund Inception Date:	May 2004 (initial)
CIS Establishment Date:	1 October 2016 (regulated under CISCA)
Fee Class Inception Date:	1 March 2018
Fund Size:	R 231 million
Fee Class:	Class F
NAV Price:	103.8249
Fund Category:	CIS Retail Hedge Fund
Structure:	Registered SA CIS in Hedge Funds
Benchmark:	SWIXTR Index
Currency:	ZAR
Initial Minimum Investment:	R 100 000
Subscription:	Monthly
Redemption:	1 Calendar Month's Notice
Management Fee:	1.75% (excl.VAT) p.a.
Performance Fee:	20% (excl.VAT) p.a.
Valuation:	23h00 of the last day of each month
Transaction Cut-Off Time:	14h00 on the 2nd last business day of the month
Administrator:	Prescient Fund Services (Pty) Ltd
Auditor:	Price Waterhouse Coopers
Trustee:	FirstRand Bank Limited (acting through its RMB Custody and Trustee Service Division)
TER (Annualised):	2.06% (Fund level TER for the Quarter ended 30 June 2018)
Income Distribution:	28 February 2018
Value Distributed per Participatory Interest:	0.00

## INVESTMENT MANDATE

The portfolio may invest in the participatory interests of hedge fund portfolios in any retail investor collective investment scheme; in any other securities (including, without limitation, derivative instruments), financial products and assets, subject only to the requirements of the Act read with the Hedge Fund Requirements. The Portfolio is permitted to invest in offshore investments. The Portfolio may invest in other portfolios of The RCIS Retail Hedge Fund, provided that neither the Manager nor the Investment Manager accrues fees in respect of such investment by the Portfolio in such RCIS Retail Hedge Fund. The Manager may create leverage in the Portfolio by borrowing funds, using short positions or engaging in derivative transactions.

## INVESTMENT OBJECTIVE

The objective is to identify and invest in a combination of underlying funds whose mandate is to seek out absolute returns. Whilst it is envisaged that the underlying funds will be predominately established and domiciled in South Africa, the Portfolio may, from time to time, subject to applicable exchange control regulations, invest in funds established and domiciled outside South Africa, where in the opinion of the Investment Manager, such funds will ultimately enhance the absolute return of the Portfolio.

## RISK PROFILE

LOW

MEDIUM

HIGH

**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.

## INFORMATION AND DISCLOSURES

Collective Investment Schemes are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists. A schedule of fees and charges and maximum commissions, is available on request from RCIS.

Annualised performance figures represent the geometric average return earned by the fund over the given time period expressed as a percentage. Cumulative performance figures have been used to present fund performance. Fund performance has been disclosed monthly and compounded annually. Fund performance is expressed in a percentage format.

RCIS does not provide any guarantee in respect to the capital or the return of the portfolio. 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. 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. Forward pricing is used.

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.

The Portfolios are third-party named portfolios, managed by Edge Capital Proprietary Limited, an authorised financial services provider. RCIS retains full legal responsibility for these Portfolios as manager in terms of CISCA.

Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Where you select a Portfolio which is a fund of funds portfolio, please note that a fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. Excessive withdrawals from the fund may place the fund 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 all required documentation is not received before the stated cut off time RCIS shall not be obliged to transact at the net asset value price as agreed to. Funds are priced monthly depending on the nature of the Fund. Prices are published monthly and are available on the RCIS website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

The investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. Other fees include the permissible deductions of brokerage, STT, VAT, bank charges, trustees and custodian fees incurred in the ordinary course of running the Fund. Further information on the Edge RCIS Retail Hedge Fund can be found on RCIS website ([www.realfin.co.za](http://www.realfin.co.za)) including brochures, application forms and annual and half-yearly annual reports.

RealFin Collective Investment Schemes (RF) Proprietary Limited is registered and approved by the Financial Sector Conduct Authority as a manager of Collective Investment Schemes approved in terms of the Collective Investment Schemes Control Act and has delegated the investment management function to Edge Capital Proprietary Limited an authorised financial services provider (FSP 882) in terms of the FAIS Act, a category IIA financial services provider.

## CONTACT DETAILS

Management Company:

RealFin Collective Investment Schemes (RF) Proprietary Limited, Company Registration Number: 2013/170284/07 Physical Address: 1st Floor, Silverberg Terrace, Steenberg Office Park, Silverwood Close, Tokai, Cape Town, 7945 Postal Address: Suite 25, Private Bag X16, Constantia, 7848, Cape Town  
Telephone number: +2721 701 3777 Email Address: [edgeclientservices@realfin.co.za](mailto:edgeclientservices@realfin.co.za) Website: [www.realfin.co.za](http://www.realfin.co.za)

Investment Manager:

Edge Capital (Pty) Ltd, Company Registration Number: 1999/022409/07 an authorised Financial Services Provider (FSP 882) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision.  
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