



# Edge RCIS Multi Managed Alternative Alpha Retail Hedge Fund

MINIMUM DISCLOSURE DOCUMENT 31/07/2019

RETURN ANALYSIS DATA	FUND	BENCHMARK
1 Month	-0.32%	0.89%
3 Months	-0.75%	2.57%
6 Months	4.88%	5.16%
1 Year	6.41%	9.84%
Total Return Since Inception	9.25%	17.47%
Compound Annual Return	4.95%	9.18%

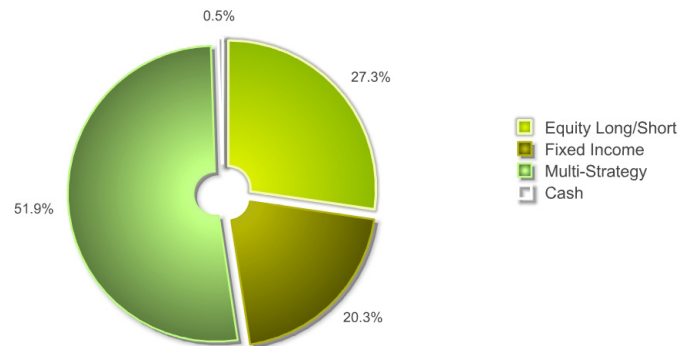
RISK ANALYSIS DATA	FUND	BENCHMARK
Standard Deviation Annualised	5.41%	0.31%
Downside Deviation Annualised	3.17%	0.00%
% Positive Months	59.09%	100.00%
Correlation	1.00	0.32
Sharpe Ratio	-0.44	N/A
Sortino Ratio	-0.53	N/A

\* BM: October 2017 to November 2018 = STEFI + 1% Index / From 1 December 2018 = 100% STEFI + 3% Index

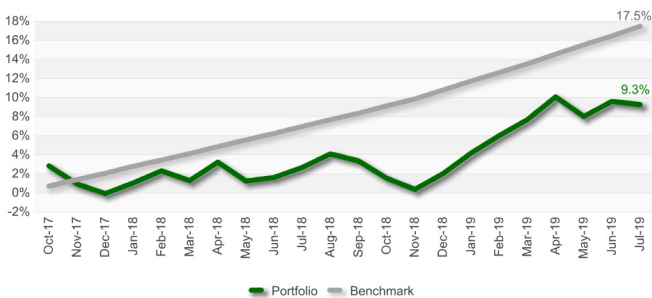
## EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector Exposure	100%
Equities	79.4%
Basic Materials	7.8%
Commodity Goods	-0.7%
Consumer Goods	4.6%
Consumer Services	1.4%
Other Equity	4.8%
Financials	7.6%
Healthcare	1.4%
Industrials	3.0%
Technology	6.2%
Special Securities	9.3%
Telecommunication	0.6%
Fixed Income	20.0%
Cash	0.5%

## Strategy Allocation



## PERFORMANCE



## TOP 10 HOLDINGS

As at 31 July 2019	% of Fund
Naspers Ltd	5.9%
R209 6.25% 03/36	3.3%
R2037	2.9%
British American Tobacco Plc	2.2%
BHP Billiton PLC	2.1%
Government of South Africa 10.5% 21/12/2027	1.7%
Assore Limited	1.5%
Standard Bank Group Ltd	1.5%
ABSA Group Ltd	1.4%
MTN Group Ltd	1.0%

## MONTHLY PERFORMANCE (NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM
2019	2.11%	1.76%	1.58%	2.22%	-1.88%	1.48%	-0.32%						7.09%	6.05%
2018	1.13%	1.25%	-1.00%	1.91%	-1.91%	0.37%	1.04%	1.37%	-0.70%	-1.76%	-1.15%	1.64%	2.10%	8.55%
2017										2.83%	-1.84%	-1.01%	-0.08%	2.03%

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## MARKET OVERVIEW

Economic indicators around the world have been weakening. General data flow for July continued to paint a picture of softness. All in all, global growth is now tracking at the 2015-16 cycle lows. Just like the data, central banks are moving back into the easing mode we last saw in 2015-16. Trade disputes and broader geopolitical tensions continued to stoke macro uncertainties, whilst the decisively dovish shift by central banks helped in extending the expansion.

South African inflation remained at the 4.5% mid-point of the target range in June. Food inflation rose to 3.7% in June, up from 3.2% in May. This was the fastest rate in nine months. Inflation was strong across all of the food subcategories, but the price of processed foods, breads and cereals rose most significantly. Transport inflation, by contrast, fell from 7.1% y/y in May to a four-month low of 5.5% y/y.

The FTSE/JSE All Share (ALSI) decreased by -2.4% on a total return basis as at 31 July 2019, whilst the All Bond Index decreased by -0.7%, and STEFI returned 0.5%. The JSE Top 40 index decreased by -2.6%, Mid-Caps decreased by -2.0%, and Small Caps increased by 0.5% during the month. The best sector performance of local equities was in Beverages (+11.9%) and Equity Inv (+10.2%). The worst performing sectors were Chemicals (-10.5%) and Pharmaceuticals (-9.0%).

In the SA bond market, non-residents remained large net sellers of local bonds. The R11bn outflow in June, followed a R16bn outflow in June. Yields across the maturity profile were under pressure, as global investors remained concerned about SA's finances, and the lack of decision making from government.

Local JSE Indices	Jul %	YTD %
All Share Index (JALSHTR)	-2.37%	9.55%
SWIX Index (JSHRALTR)	-2.21%	6.63%
SWIX40 Index (JSHR40TR)	-2.50%	6.60%
Top 40 Index (TOP40TR)	-2.63%	10.47%
Capped SWIX Index (J433TR)	-3.13%	3.52%
Capped SWIX40 Index (J430TR)	-3.96%	1.85%
Resources Index (RESI20TR)	-5.93%	12.14%
Industrials Index (INDI25TR)	1.49%	15.35%
Financials Index (FINI15TR)	-7.04%	-0.95%
Mid Cap Index (MIDCAPTR)	-1.99%	2.18%
Small Cap Index (JSMCCTR)	0.51%	-1.13%
All Bond Index (ALBTR)	-0.70%	6.85%

## FUND INFORMATION

Investment Manager:	Edge Capital (Pty) Ltd
Management Company:	RealFin Collective Investment Schemes (RF) Proprietary Limited ("RCIS")
CIS Inception Date:	1 October 2017
Fund Size:	R 818 million
Fee Class:	Class B
NAV Price:	1.0261
Fund Category:	CIS Retail Hedge Fund
Fund Status:	Restricted
Structure:	Registered SA CIS in Hedge Funds
Benchmark:	STEFI Composite plus 3%
Currency:	ZAR
JSE Fund Code:	ERMRLB1
ISIN Code:	ZAE000255881
Initial Minimum Investment:	R 1 million
Subscription:	Daily
Redemption:	Daily
Management Fee:	1.00% (excl.VAT) p.a. less any Base Fees payable to the Sub Investment Managers
Performance Fee:	20% (excl.VAT)
Valuation:	Each business day
Transaction Cut-Off Time:	12h00 on each business day
Administrator:	Prescient Fund Services (Pty) Ltd
Auditor:	Price Waterhouse Coopers
Trustee:	FirstRand Bank Limited (acting through its RMB Custody and Trustee Service Division)
Total Expense Ratio (TER):	1.39%
Transaction Cost (TC):	0.28%
Total Investment Charge (TIC):	1.93%
Income Distribution:	TER, TC and TIC as at 30 June 2019
Value Distributed per Participatory Interest:	28 February 2019 4.88

## INVESTMENT MANDATE

The portfolio may invest in securities (including, without limitation, derivative instruments), financial products and assets, participatory interests of hedge fund portfolios in any retail investor collective investment scheme ("Underlying Funds"), subject only to the requirements of the Act read with the Hedge Fund Requirements.

The portfolio is permitted to invest in offshore investments. The Manager may create leverage in the portfolio by borrowing funds, using short positions or engaging in derivative transactions.

## INVESTMENT OBJECTIVE

The portfolio is an actively managed South African multi-strategy portfolio that aims provide the investor with good capital growth over a 3 to 5 year time horizon and limited downside risks over rolling 12 month time periods, through the selection and appointment of a range of different alternative investment managers who employ a combination of long/short, market neutral and fixed income strategies, which strategies complement each other from an overall risk perspective.

The Investment Manager will entrust Portions of the Portfolio to different Sub Investment Managers which it has selected in accordance with the mandate given to it by the Manager in accordance with the Investment Management Agreement.

## 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.

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## 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 and documentation for the Edge RCIS Retail Hedge Fund, please email [edgeclientservices@realfin.co.za](mailto:edgeclientservices@realfin.co.za).

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, 4 Silverwood Close, Steenberg Office Park, 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.  
Physical Address: Edge House, 3 Heuwelkruin Close, Durbanville, 7550, Cape Town  
Postal Address: P O Box 4188, Tygervalley, 7536  
Telephone number: +2721 976 1012  
Email Address: [edgeclientservices@edge.co.za](mailto:edgeclientservices@edge.co.za)  
Website: [www.edge.co.za](http://www.edge.co.za)

### Trustee:

FirstRand Bank Limited (acting through its RMB Custody & Trustee Services Division)  
Physical Address: Cnr Jeppe & Simmonds Streets, 3 First Place, Mezzanine Floor, Bank City, Johannesburg, 2001  
Telephone number: +27 87 577 8730  
Email Address: [trusteeservices@rmb.co.za](mailto:trusteeservices@rmb.co.za)  
Website: [www.rmb.co.za](http://www.rmb.co.za)

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