

**EDGE RCIS MATADOR RETAIL HEDGE FUND**

30 June 2019

**VALUE AT RISK**

**Value at risk (VAR)** is a statistical measure of a fund's financial risk over a specific period. The VAR of the Fund is calculated using historical data to determine the maximum potential loss over a month, 99% of the time. Such loss is expressed as a percentage of the Fund's net asset value.

Mandate limit	20%
Maximum for the quarter	8%
Value at quarter end	7%

**COUNTERPARTY CREDIT EXPOSURE**

**Counterparty credit exposure** represents the potential loss the Fund would experience in the event a counterparty defaults on its obligations and is expressed as a percentage of the Fund's net asset value. At quarter end, there was Rnil counterparty credit exposure.

**LEVERAGE**

**Leverage** is a strategy used to increase a fund's exposure beyond the capital employed. At quarter end, there was no leverage at the Fund level.

**LIQUIDITY**

The Fund's redemption period remained unchanged. Liquidity stress testing was conducted throughout the quarter to assess the Fund's ability to meet its repurchase requests in varying market conditions. Stress scenarios included increasing investor repurchase levels and decreasing liquidity of the Fund's underlying assets.

**COLLATERAL ASSETS**

**Collateral** is the placement of an asset with a counterparty in order to secure an obligation. At quarter end, the value of assets encumbered as collateral was Rnil.

**Re-hypothecation** is the re-use of collateral by the prime broker. Re-hypothecation of the Fund's assets is prohibited.

**PORTFOLIO STRESS TESTING**

**Portfolio stress testing** was conducted throughout the quarter to assess the Fund's sensitivity to stressed market conditions. Stress scenarios were created by simulating the impact of historic financial crises.

## EDGE RCIS MATADOR RETAIL HEDGE FUND

30 June 2019

### CONTACT INFORMATION

#### MANAGEMENT COMPANY

RealFin Collective Investment Schemes (RF) Proprietary Limited	
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
Telephone Number	+27 21 701 3777
Email Address	clientservices@realfin.co.za
Website	www.realfin.co.za

#### INVESTMENT MANAGER

Edge Capital Proprietary Limited	
Registration Number	1999/022409/07
Physical Address	Edge House, 3 Heuvelkruin Close, Durbanville, Cape Town, 7550
Postal Address	PO Box 4188, Tyger Valley, Cape Town, 7536
Telephone Number	+27 21 976 1012
Email Address	edgeclientservices@edge.co.za
Website	www.edge.co.za
FSP Number	882

#### 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
Website	www.rmb.co.za

#### IMPORTANT INFORMATION

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. 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 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. Calculations are based on actual data where possible and best estimates where actual data is not available.

RealFin Collective Investment Schemes (RF) Proprietary Limited 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.

#### DISCLAIMER

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. 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.