

QUARTERLY RISK REPORT



RCIS Active Arbitrage RHF

31 December 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	20.00%
Value at Quarter End	7.84%
Maximum for the Quarter	9.32%

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 78% of the Fund's NAV.

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

CONTACT INFORMATION

MANAGEMENT COMPANY

RealFin Collective Investment Schemes (RF) Pty Ltd
+27 21 701 3777
clientservices@realfin.co.za
www.realfin.co.za

INVESTMENT MANAGER

Nitrogen Fund Managers Pty Ltd
+27 11 243 5046
petrid@nitrogenfm.co.za
www.nitrogenfm.co.za

TRUSTEE

FirstRand Bank Ltd
+27 87 577 8730
trusteeservices@rmb.co.za
www.rmb.co.za

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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.

LEVERAGE

Leverage is a strategy used to increase the Fund's exposure beyond the capital employed. The Fund achieves leverage by borrowing funds, using short positions and engaging in derivative transactions.

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.

The Fund's primary counterparties are disclosed below.

ABSA Bank Limited	73.77%
FirstRand Bank Limited	0.04%