



WHAT IS A HEDGE FUND?

<https://www.freepik.com/>

South African Hedge Funds are classified as Collective Investment Schemes and are regulated by the Financial Services Conduct Authority. Hedge funds aim to deliver absolute returns despite what happens in the market. This means that they aim to deliver a profitable return regardless of the overall market conditions.

In order to participate in the upside (a rising market) whilst limiting the downside (a falling market) hedge funds employ various strategies that traditional long only funds do not. These include the use derivatives and investment strategies such as leveraging and short selling to achieve uncorrelated returns and to unlock diversification opportunities.

ABOUT MITONOPTIMAL

MitonOptimal is an independent, owner-managed investment management business delivering focused investment solutions and support to enable advisers to meet their clients' investment objectives.

We partner with advisers, sharing the investment decision-making and administration with them. This partnership affords advisers time – time to focus on the critical aspects of their business – whilst the investment research, due diligence, implementation, administration and reporting is conducted by a dedicated team of specialists.

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