

Abax Bao NCIS Market Neutral

Retail Hedge Fund: Class B



Minimum Disclosure Document, 31 October 2023

NOVARE[®]

Investment objective

* Abax Bao NCIS Market Neutral RIF's (herein referred to as "Abax Bao") objective is to provide consistently superior, risk-adjusted absolute returns to investors, primarily through exploiting stock based opportunities in the South African listed markets. The portfolio aims to exhibit low correlation between its investment performance and that of the SA stock market. In addition capital preservation and the avoidance of negative compounding are primary investment objectives. The portfolio is a market neutral hedge fund and specialises in equity and derivative trading in the South African equity market. The portfolio aims to outperform its cash benchmark.

Investment Policy

The portfolio will have maximum flexibility to invest in a wide range of instruments, including equities, options, warrants, convertible debt securities, contracts for difference, futures, and equity derivatives. The portfolio will take long and short positions, and may also retain amounts in cash or cash equivalents, including short term fixed deposits, corporate paper, and preference shares pending reinvestment, in order to maximise returns.

The portfolio's equity exposure will generally be confined to equities listed or traded on the JSE. The portfolio may also invest in participatory interests or any other form of participation in the portfolios of collective investment schemes.

The portfolio may from time to time, invest in, or enter into, listed and unlisted financial instruments (derivatives).

The use of leverage in the portfolio will be limited by means of a Value at Risk (VaR) limit of 20% of NAV, measured at 99% confidence level of a month period. As additional mandate restrictions, the fund will limit VaR to 3% of NAV, measured at 95% confidence interval.

Net exposure will be limited to between -20% and +20%. Individual long and short positions will be limited to 10%. Position size per individual equity will be limited to 5 days average daily volume calculated using the last 60 trading days. There are no additional mandate investment limitations.

About the Portfolio

The portfolio is managed by Abax Investments (Pty) Limited. The Lead Portfolio Manager is Wallie van der Walt.

Novare CIS (RF) (Pty) Limited is responsible for the overall management, compliance and administration of unit holders' investments in the portfolio.

Portfolio details

Establishment of CIS Date and Fee Class Launch Date	01/03/2016
Inception Date	01/04/2011
Fund Size (Rm)	195
Total Strategy Size (Rm)	415
Unit Price (Cents)	15,984.00
Number of Participatory Interests	964,248.0
VAR(%)***	0.82
Benchmark	STeFi Call deposit + 1%
Minimum Initial Investment (R)	1,000,000
Portfolio Classification	Retail Investor Hedge Fund
ASISA Classification	SA - Long Short Market Neutral Hedge Fund
Prime Broker	RMB
Administrator	Apex
Management Fee (%)	1.075
Performance Fee** (excl.VAT)(%)	20.0

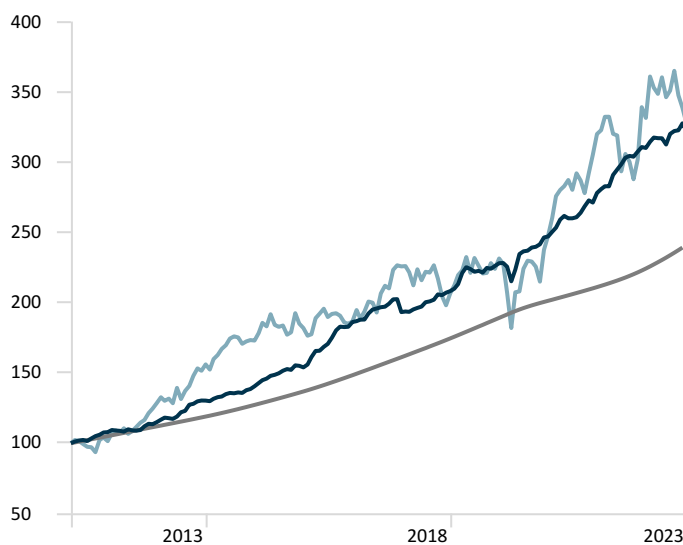
Total expense ratio and transaction cost breakdown - 30 September 2023

Service Fee (excl. VAT)(%)	1.075
Performance Fee (excl. VAT)(%)	0.08
VAT(%)	0.19
Other Costs(%)	0.08
Underlying Funds' TER(%)	0.07
Total Expense Ratio (incl.VAT)(%)	1.49
Transaction Costs (incl.VAT)(%)	0.06
Total Investment Charges (incl.VAT)(%)	1.55

Income distributions (cpu)

Distribution Frequency	Semi Annually
Declaration Dates	30 Jun; 31 Dec
Payment Dates	01 July; 01 Jan
Latest Distributions	275.30; 262.38

Investment growth of a R100 investment****



— Abax Bao* — STeFi Call deposit + 1% — ALSI (J203T)

Returns (% annualised)

	1 yr	3 yrs	5 yrs	10 yrs	Incep.
Abax Bao*	4.7	10.1	9.4	9.5	9.7
STeFi Call deposit + 1%	—	—	—	—	—
All Share Index	8.3	15.0	9.8	7.9	9.9

Risk (annualised since inception)

	Std Dev	Sharpe Ratio	Max Drawdown
Abax Bao*	4.3	—	-5.7
STeFi Call deposit + 1%	—	—	—
All Share Index	13.8	—	-21.7

Exposure Breakdown

Asset Class	% of NAV
Equities	2.5
Equity CFDs	38.5
Equity Futures and Options	0.0
Index Futures	-22.9
Bonds	0.0
Net Equity Exposure	18.1
Fund Investments	
Abax Diversified Income Fund	71.81

Monthly returns*****

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	1.4	1.0	-0.1	0.0	-1.4	2.4	0.6	0.2	1.5	-1.7			3.8
2022	1.0	0.7	0.0	2.9	1.3	1.3	1.6	0.4	-0.2	1.2	1.1	-0.2	11.5
2021	1.4	1.2	2.3	1.0	-0.7	0.0	0.3	1.2	1.7	1.6	-0.6	2.5	12.5
2020	0.0	-1.1	-4.6	3.8	5.0	0.8	0.2	0.9	0.2	0.7	2.0	0.3	8.3
2019	0.8	1.5	3.7	1.8	-0.6	-0.9	0.3	-0.5	1.5	-0.3	0.9	0.9	9.6
2018	0.2	-0.1	0.9	0.5	0.5	1.6	0.3	0.6	1.9	-0.3	0.8	0.5	7.7
2017	0.4	0.5	0.1	2.3	1.5	0.4	0.4	0.2	1.1	1.6	0.1	-4.6	3.8
2016	1.3	3.4	2.7	0.1	1.7	1.3	2.6	3.0	1.5	-0.2	0.1	1.8	21.0
2015	1.6	1.4	0.8	1.3	0.5	0.7	1.2	0.8	-0.4	2.1	-0.2	-0.7	9.6
2014	-0.3	1.3	0.9	0.3	1.3	0.6	-0.2	0.4	-0.3	1.4	0.6	1.4	7.8
2013	1.5	1.3	-0.3	-0.4	1.4	2.6	0.8	3.6	0.5	1.4	0.4	0.0	13.3
2012	1.4	-0.3	-0.2	-0.5	1.6	-0.7	-0.2	0.4	2.4	1.6	-0.3	1.3	6.6
2011	—	—	—	1.2	0.8	0.3	-0.8	1.9	1.6	0.9	1.5	0.2	—

Best and worst periods (%)

Best 12-months (2016)

20.95

Best and worst periods (%)

Worst 12-months (2020)

-2.7

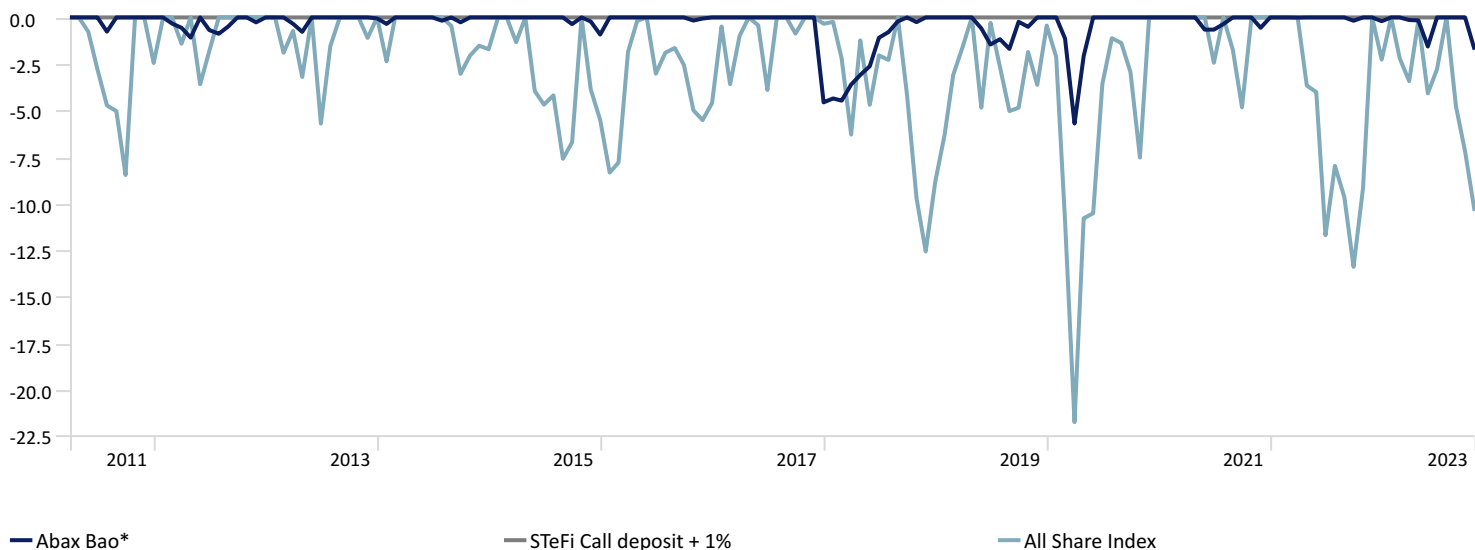
Best calendar year (2016)

21.0

Worst calendar year (2017)

3.8

Drawdown



Investment manager

Investment Manager: Abax Investments Proprietary Limited, Registration number: 2000/008606/07 is an authorised Financial Services Provider (FSP856) 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: 2nd Floor, Colinton House, The Oval, 1 Oakdale Road, Newlands. Postal address: Postnet Suite #255, Private Bag X1005, Claremont, 7735 Telephone number: 021 670 8960. Website: www.abax.co.za

Management company and Trustee

The portfolio is administered by Novare CIS (RF) (Pty) Limited (Novare CIS) Registration No.2013/191159/07, an authorized Management Company registered according to the Collective Investment Schemes Control Act (CISCA) and regulated by the Financial Sector Conduct Authority (FSCA) of South Africa. Contact details: P.O. Box 4742, Tyger Valley, 7736, South Africa. Call Centre: 0800 668 273 (0800 Novare). Email: clientservice@novare.co.za. Website: www.novarecis.co.za
Directors: Mr DA Roper, Mr JS du Preez, Mr GL Carter, Mr A du Toit and Ms N Smith.

First Rand Bank Limited Registration No.1929/001225/06 is the appointed trustee, contact number: 011 282 8000. PKF Cape Town is the auditor for the portfolio. Apex Fund Services South Africa Ltd is the fund administrator of the portfolio. Risk management of the portfolio is done by Novare CIS. Should you have any queries or complaints please contact: Novare CIS (on 0800668273 (0800novare) or via email clientservice@novare.com.

Definitions

Annualised performance - Annualised performance show longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return - The highest and lowest returns for any 1 year over the period since inception have been shown. NAV - The net asset value represents the assets of a Fund less its liabilities.

Sharpe Ratio - The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.

Standard Deviation - The deviation of the return stream relative to its own average. **Max Drawdown** - The maximum peak to trough loss suffered by the Fund since inception.

Important information

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.

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently 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) is the percentage of the value (NAV) of the portfolio that was incurred as expenses to the administration (charges, levies and fees) of the portfolio. TER is calculated over a rolling three-year period (or since inception, where applicable) to the most recent calendar quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Inclusive in the TER, the stated performance fee percentage of the net asset value of the class of portfolio was recovered. During the phase in period TER's do not include information gathered over a full year. Transaction Costs(TC) is the percentage of the value of the portfolio that was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction costs are a necessary cost in administering the Fund and impacts returns. It should not be considered in isolation, as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The total investment charge (TIC) is the percentage of the portfolio that was incurred as costs relating to the investment of the portfolio. It is the sum of the total expense ratio (TER) and transaction costs (TC), including VAT. Fund 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. ** Performance fee is based 20% (excluding VAT) of out-performance of hurdle rate (STeFI +1%), subject to high water mark. Full performance calculations are available from the manager on request.

The portfolio was approved by the FSCA as a CIS on 27/11/2015 and established as a CIS on 01/03/2016, all information prior was in an unregulated environment.

The portfolio will not change its investment strategy or investment policy without prior approval from the Financial Sector Conduct Authority (FSCA) and investors. The portfolio does use the services of a prime broker and as a result the fund is exposed to the prime broker counterparty risk. The liquidity risk management policy is available on request.

The Manager retains full legal responsibility for any third-party-named portfolio. 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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Investing: hedge fund applications are processed on a monthly basis.

Prices are calculated on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the fund. The Fund is priced every business day at 15h00. Instructions must be received before 14h00 to receive that day's price. Prices are available from the Manager upon request. Collective Investment are traded at ruling prices and can engage in borrowing and scrip lending. The Fund distributes income on the last business day of June and the last business day of December. Re-investment of each distribution is on the first business day of July and January. Annualised performance measures the total return on an investment over a period of time, reflected as a time weighted annual return.

For additional information on the portfolio, refer to the following documents, available free of charge on www.novarecis.co.za: Application forms; Annual report; Fee schedule; Quarterly General Investor Report; complaints policy and procedure and conflicts of interest management policy. Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager.

****The illustrative investment performance which is shown is for illustrative purposes only and 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. ***** Returns prior to 01 March 2016 are before the fund was established as a regulated Collective Investment Scheme.

Source: Abax, Bloomberg and Morningstar.

Risk Disclosures

The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

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.

Default risk: The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Derivatives risk: The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

Developing Market (excluding SA) risk: Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

Foreign Investment risk: Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations.

Interest rate risk: The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.

Property risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

Currency exchange risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

Geographic / Sector risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

Derivative counterparty risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

Liquidity risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected.

Equity investment risk: Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

Value-at-Risk (VaR): Value at Risk is widely used technique used to measure the risk of loss, or to estimate the probability of portfolio losses, based on the statistical analysis of historical price trends and volatilities. VaR is the expected maximum loss that a portfolio can realize at a given level of confidence. Regulation in BN52 states that VaR be calculated as an historical calculation at a 99% confidence level.

*** The Portfolio uses the VaR approach in measuring the portfolio's risk. The maximum level is 20% potential loss measured at 99% confidence level over a one month holding period.

Gross Exposure: The Portfolio's gross exposure excluding all delta neutral option positions will not exceed 250% of the Net Asset Value, measured at 95% confidence interval. Market neutral volatility exposure is limited to the extent that the total Portfolio Value at Risk ("VaR") is less than 3% of the Portfolio's NAV.