



Mazi NCIS Market Neutral Retail Hedge Fund

MINIMUM DISCLOSURE DOCUMENT

31 May 2025

Fund Information

Inception Date	November 2006
Fund Size	R2.9 million
NAV PU (Class B)	9 057,98
Total Units	16 942,08
ASISA Classification	South African - Long Short Market Neutral Retail Investor Hedge Fund
Benchmark	STeFI
Risk Profile	Moderate
Minimum Lump Sum	R50 000
Minimum Monthly Investment	R1 000
Service Fee (annual excl. VAT)	1,50%
Income Declaration	March, June, September, December
Leverage Ratio	Maximum of 2 times Net Asset Value
Performance Fee (excl. VAT)	20% of performance above STeFI

Fund Service Providers

Prime Broker	Peregrine Securities
Risk Management	Novare CIS (RF) (Pty) Ltd
Administrator	Apex Fund Services South Africa Ltd
Auditor	PKF Cape Town, a member of PKF SA Inc
Trustees	FirstRand Bank Ltd

Fees (incl VAT)

Service Fee	0,29%
Performance Fee	0,00%
Total Expense Ratio (TER)	6,23%
Transaction Costs (TC)	0,25%
Total Investment Charge (TIC)	6,48%

Cumulative Performance Since Inception*

Time Period: 2006/11/01 to 2025/05/31



	Fund	STeFI	CPI
May 2025	-1,03%	0,10%	0,20%
Year to date*	-1,21%	3,17%	2,00%
Rolling 12 months	4,13%	8,14%	2,83%
Since inception annualised	8,39%	6,68%	5,00%
Since inception	346,63%	205,74%	188,03%
Highest annual return:	21,21%		
Lowest annual return:	-8,96%		

	Long	Short	Net	Gross
Equity	27,72%	-4,58%	23,18%	32,30%
Property	2,77%	0,00%	2,77%	2,77%
Fund	30,49%	-4,58%	25,90%	35,07%
	60,98%	-9,16%	51,85%	70,14%

* For illustrative purposes only, the above graph illustrates cumulative growth per R100 invested since inception, net of annual fees and with distributions reinvested. Performance since April 2016 was when the portfolio was established as a CIS** (previously in an unregulated structure).

** CIS is an abbreviation for "Collective Investment Scheme", which is a pooled investment scheme registered with the FSCA ("Financial Services Conduct Authority").

Source(s) of Return: STeFI and CPI - Bloomberg; Fund - fund administrators Apex Fund Services South Africa Ltd since April 2016) and Investment Manager

*The fee class is annualised, for a rolling 3 year period from 1 April 2022 to 31 March 2025

Investment Objective

The fund is a Retail Investor Hedge Fund aiming to provide investors with long term positive real returns that are uncorrelated to the South African Capital markets. The benchmark for the portfolio is the STeFI composite index. The Fund can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally. The Fund's absolute equity exposure is limited to 200% (2x gearing) of the total net asset value of the portfolio. The fund may invest in derivative instruments.

Investment Approach

The investment approach is rooted in detailed fundamental analysis of the underlying investments focusing on: sustainability of the business model, quality of management, corporate governance, predictability of cashflows, Balance Sheet strength and a compelling valuation.

Historical Performance (last 10 years)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2025	-1,21%	0,06%	-0,25%	1,23%	-1,03%								-1,21%
2024	-0,66%	-0,54%	0,11%	0,23%	0,57%	1,44%	0,98%	0,81%	1,45%	-0,63%	0,48%	0,77%	5,10%
2023	1,21%	-0,72%	-1,67%	0,16%	-0,79%	6,97%	0,03%	-1,54%	-1,22%	-0,01%	2,24%	1,14%	5,65%
2022	0,51%	0,10%	0,70%	-0,77%	0,65%	-2,09%	0,29%	-0,85%	-1,19%	0,30%	2,06%	-1,08%	-1,44%
2021	2,07%	2,95%	4,30%	1,06%	0,00%	0,00%	0,00%	0,00%	2,03%	-1,53%	0,11%	2,24%	13,90%
2020	-0,18%	-3,50%	-4,88%	3,21%	0,24%	2,74%	0,92%	0,34%	-0,61%	0,33%	4,49%	1,77%	4,57%
2019	-0,99%	2,22%	-0,71%	0,97%	-0,44%	-1,15%	-1,90%	-2,51%	0,94%	1,30%	-0,45%	0,24%	-2,56%
2018	-2,29%	0,83%	-0,02%	1,01%	-1,15%	-0,12%	-0,02%	2,10%	-1,95%	-0,40%	-1,13%	0,23%	-2,96%
2017	1,45%	0,19%	-0,60%	0,19%	-0,35%	-0,53%	-0,51%	0,12%	0,45%	3,49%	-0,83%	-2,21%	0,76%
2016	-4,22%	-0,93%	0,25%	-0,65%	2,48%	-2,78%	-1,56%	-0,49%	-0,24%	-0,93%	0,09%	-0,22%	-8,96%
2015	-1,11%	2,23%	2,44%	0,39%	0,36%	0,19%	1,69%	-0,01%	0,52%	2,28%	1,35%	3,05%	14,14%
2014	0,90%	-0,02%	-3,20%	1,51%	1,37%	0,70%	1,90%	0,78%	2,22%	-0,78%	0,55%	1,96%	8,05%
2013	2,72%	2,30%	2,45%	-0,32%	5,32%	-1,71%	2,84%	1,19%	1,07%	1,74%	1,62%	0,33%	21,21%
2012	1,08%	2,13%	2,18%	1,18%	0,38%	1,69%	0,86%	0,71%	1,24%	1,86%	0,52%	0,62%	15,42%
2011	0,99%	0,95%	0,05%	0,87%	0,69%	0,57%	0,01%	1,03%	2,86%	0,40%	1,88%	2,59%	13,64%

Shaded performance returns indicate performance returns before the completion of the conversion to the CIS structure

Risk Statistics

	Max Drawdown	Std. Deviation	Sharpe Ratio	Bear Beta	Bull Beta
Mazi NCIS Market Neutral	-20,98	6,47	0,28	0,25	0,16
JSE All Share Total Return	-40,44	14,90	0,34	1,00	1,00

Source of Risk Statistics: Morningstar

Income Distribution History

Declared	Payment Date*	Cents per Unit
31 December 2024	1 January 2025	0,00
31 March 2024	1 April 2024	0,00
30 June 2024	1 July 2024	0,00
30 September 2024	1 October 2024	0,00

*Actual cash payment date to investor differ (if applicable), pending finalisation of the monthly valuation of the portfolio.

Manager Commentary

For the quarter the fund was down 1,4% while the All Share and Capped Swix indices were both up 5,9%. Moves in the broader indices were very concentrated in precious metals, two areas where we had very little exposure on business fundamental grounds. Only one third of the constituents were up for the quarter. The balance of the index constituents, those that are more exposed to the South African economy and that had benefitted from the formation of the Government of National Unity underperformed substantially. Our portfolio was, and remained at quarter end, tilted toward the latter group. We continue to think the GNU will hold and the outlook for our economy continues to improve. This admittedly has been a very difficult in recent weeks and may still turn out to be wrong.

The initial days of the Trump presidency has introduced tremendous uncertainty about the future of the post- World War II global order as he and his team moved to “rebalance” what they perceive to be an unbalanced trade and security position. We had thought the initial period of his second term would be volatile, but nothing like what has transpired.

We have not made drastic changes to the fund as the portfolio is constructed from the bottom up in businesses we believe to be attractive on a fundamental basis. During the quarter our long positions in Naspers and British American Tobacco, our two biggest positions added to performance, while our positions in consumer facing (Truworths, Pepkor and SuperGroup) and industrial businesses (Bidvest, Hudaco and Reunert) detracted.

At quarter end the fund’s net equity exposure was 24%, while gross exposure was 36%.

Glossary

Performance fee	The fund charges a performance fee of 20% of the amount by which it outperforms the hurdle rate, STeFI. The performance fee is payable quarterly in arrears. A high water mark principle is applied in the performance fee calculation.
Transaction costs (TC)	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.
Total expense ratio (TER)	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 current TER cannot be regarded as an indication of future TER's.
Total investment charge (TIC)	The sum of the TER and transaction costs is shown as the Total Investment Charge. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. The maximum loss from a peak to a trough before a new peak is attained. Maximum Drawdown (MDD) is an indicator of downside risk over a specified time period
Max Drawdown	
Standard Deviation (Std Dev)	A measurement of dispersion of a dataset relative to its average. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.
Sharpe Ratio	A measure of risk-adjusted performance. Calculated by dividing the annualized excess returns over the risk-free rate by Std Dev.
Beta (Bear and Bull)	Bear/(Bull) Beta is a relative measure of the sensitivity of the fund’s return to negative/(positive) changes in the benchmark return. It shows to what extent negative/positive periods of performance of the fund are reflected by corresponding negative/positive periods of performance in the benchmark.

Investment Manager

Mazi Asset Management (Pty) Limited (the 'Investment Manager') incorporated under the laws of South Africa, is an authorised financial services provider (FSP 46405) under the Financial Advisory and Intermediary Services Act 37 of 2002 and has been appointed by Novare CIS as the Investment Manager of the Fund. Contact details: P.O Box 784583, Sandton, 2146, South Africa. Telephone: 010 001 8300. Email: info@mazi.co.za.

The investment manager is a member of the Association for Saving and Investment South Africa. Additional Information on the proposed

Management Company

The portfolio is owned 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 of South Africa. Contact details: P.O. Box 4742, Tyger Valley, 7736, South Africa. Call Centre: 0800668 273 (0800 Novare). Email: clientservice@novare.co.za. Website: www.novarecis.co.za

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.

Pricing and Trading

Prices are calculated on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the portfolio. Applications to invest are processed monthly. The application must be submitted to Novare CIS before 14h00 2 business days prior to the end of the month and the proof of payment must be submitted before 14h00 on the last business day of the month. Applications are processed on the first of the month following receipt of the proof of payment and application.

Redemptions are processed the end of each month and we require a month's notice. In order to receive month end prices the redemption documentation must be submitted to Novare before 14h00 on the last business day of the preceding month.

Disclaimer

Collective Investments are generally medium to long term investments. Actual investment performance will differ based on the initial fees applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Novare CIS does not provide any guarantee in respect of capital or the return of a portfolio. The value of participatory interests may go down as well as up and past performance is not necessarily an indication of future performance.

Collective Investments Schemes trade at ruling prices and can engage in borrowing and scrip lending. Commentary or any forecasts contained in this document are not guaranteed to occur.

Novare CIS has the right to close the portfolio to new investors to manage it more efficiently in accordance with its mandate. The higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Novare CIS's schedule of fees and charges is available on request.

The portfolio was established as a Collective Investment Scheme in April 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 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.

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