

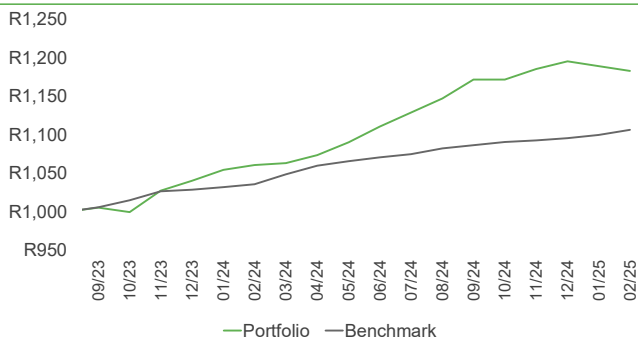
### INVESTMENT OBJECTIVE

The long-term return objective of the portfolio is to achieve CPI + 3.5% over a rolling three-year period. This objective is also considered the portfolio's benchmark and hurdle rate. This will be achieved through diversified asset management with an emphasis on investment in hedge funds, absolute return funds and long-only funds.

### INVESTMENT POLICY AND STRATEGY

The portfolio will typically invest in South African domiciled hedge funds across various strategies and asset classes, including equity long/short, equity market neutral and fixed income hedge funds. Volatility in monthly returns will be lower than the All Bond Index. The investment manager follows a multi-manager, multi-strategy approach with the aim of diversifying the assets of the portfolio amongst strategies and investment styles. The investment manager aims to capitalise on investment opportunities across asset classes, investment strategies and sectors. The portfolio aims to preserve capital by not producing a negative return over a 36-month period while maintaining a low correlation with the JSE All Share Index and the All Bond Index. Investments of the portfolio must be allocated to a minimum of eight underlying funds and an allocation to an underlying fund may not exceed 20% of the NAV of the total portfolio. The investment manager may make foreign investments. The portfolio does not use leverage but the underlying portfolios may apply leverage.

### GROWTH OF R1000 LUMP SUM



### PERFORMANCE (%)

	Fund	Benchmark
1 Year	11.55%	6.84%
Since Inception	11.87%	9.14%

Source of performance returns:

eVestment as at 28 February 2025

### RISK STATISTICS

Alpha	4.89%
Beta	0.01
Sharpe ratio	0.98
Standard deviation (%)	3.31%
Maximum drawdown	-1.04%
Sortino ratio	1.79
Information ratio	1.39
Tracking error	3.51%

Source of risk statistics:

eVestment as at 28 February 2025

Risk statistics period

(09/2023 - 02/2025)

Conservative Moderate Aggressive

### ABOUT THE PORTFOLIO

Portfolio classification	Qualified Investor Hedge Fund of Funds
ASISA classification	South African - Multi-Strategy Qualified Investor Fund
Legal structure	CIS trust structure
Scheme name	Novare CIS in Qualified Investor Hedge Funds
Portfolio inception date	01 April 2003
CIS launch date	01 September 2023
Fee class inception date	01 September 2023
Investment Manager	Novare Investments (Pty) Limited
Benchmark	CPI + 3.5% net of fees
Portfolio size	R 694,863,143
NAV cents per participatory interest	11,375
Number of participatory interests	2,862,486
Minimum monthly investment	R 100,000
Minimum lump sum	R 1,000,000

### INCOME DISTRIBUTION IN THE PAST 12 MONTHS

Income declaration	Bi-annual (June - December)
Accounting period dates	01 July - 31 December, 01 January - 30 June
Date of distribution:	Amount (CPU):
31 December 2024	53.35
30 June 2024	366.55

### TRANSACTIONS AND VALUATIONS

Redemption frequency:	Monthly
Redemption notice period:	Three calendar months
Portfolio valuation:	17h00 last business day of the month
Pricing date:	17h00 last business day of the month
Pricing frequency:	Monthly

### FEES

Fee class	B5
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The fee class can be accessed directly via the Management Company, Novare CIS. Please contact Novare CIS for further details.

Total investment charge of the fee class, annualised, for a rolling 1 year period from 01 September 2023 to 31 December 2024	
Underlying Portfolios TER (Included in TER)	2.78%
Service Fee (Included in TER) Incl. VAT	0.75%
Performance Fee (Included in TER) Incl. VAT	0.18%
Other Expenses (Included in TER) Incl. VAT	0.03%
Total Expense Ratio (TER) Incl. VAT	3.74%
Transaction Costs (TC) Incl. VAT	0.53%
Total Investment Charge (TIC) Incl. VAT	4.27%

### EXPOSURE, LEVERAGE

Total exposure calculation method	Value At Risk
Total exposure level (permitted)	30% of net asset value
Total exposure level (end of period)	3.24%
Total exposure level (highest during period)	3.68%

## PERFORMANCE BREAKDOWN

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	-0.52%	-0.52%											-1.04%
2024	1.34%	0.59%	0.26%	0.96%	1.54%	1.88%	1.65%	1.64%	2.13%	0.02%	1.18%	0.81%	14.90%
2023									0.53%	-0.56%	2.80%	1.25%	4.05%

## ASSET ALLOCATION

Fixed Income	0.00%
Cash	0.00%
Commodities	0.00%
Equities	0.00%
Property	0.00%
Participatory interests	100.00%
Other	0.00%

## STRATEGY ALLOCATION

Cash	0.21%
Equity long/short	47.02%
Equity market neutral	23.14%
Fixed income arbitrage	21.86%
Multi-strategy	7.64%
Multi-Asset Income	0.12%

## MARKET COMMENTARY

### Global Overview (all returns in USD)

The year got off to a strong start for investors in January, but the same cannot be said for February. President Trump's tariffs continued to steal the show. President Trump imposed tariffs on Mexico, China and Canada which will be implemented from the 4th of March 2025. There are still significant risks that these countries will retaliate with tariffs of their own, possibly causing inflation to soar even higher.

Growth stock struggled during the month, investors were selling down tech related stocks due to tariff uncertainty and the emergence of Chinese firms in the AI race. Bearish investor sentiment remains heightened due, in part, to the aforementioned factors and investors are starting to seek out diversification in non-US assets. This could however create many opportunities in global equity markets. On the other side of the world, the Chinese government announced that it will be supporting its technology companies. The news together with the launch of DeepSeek saw China performing well in February.

Global markets were a mixed bag in February as the US and India struggle while the rest of Asia-Pacific as well as Europe performed well. The S&P 500 Index decreased by 1.3% in February, as the market experienced bouts of heightened volatility. The NASDAQ Composite was also down 3.91%, while the Dow Jones 30 was down 1.6%. European equities performed well, with the MSCI Europe ex-UK Index gaining 3.46% for the month and in the UK, the FTSE 100 returned 3.11%. Chinese equities were the flavour of the month, with the MSCI China Index returning an incredible 11.74% for February. Emerging markets outperformed developed markets, with the MSCI Emerging Markets Index returning 0.5% in February. This was largely due to the great performance by China. Fixed income markets continued with the momentum it got in January, as the Bloomberg Aggregate Bond Index increased by 1.43% in February 2025.

### Domestic Overview

South Africa's real GDP expanded by 0.6% in Q4, with annual growth being 0.6% for 2024. The outlook of South Africa's economy follows closely to global trends. South Africa still has domestic challenges including loadshedding and some political instability that both weigh heavily on growth and sentiment. Inflation rose to 3.2% in January 2025, below expectations of 3.3%. South Africa's inflation reached a four-month high in January 2025 but is still below the South African Reserve Bank's midpoint target of 4.5%. Key contributors included housing and utilities, food and beverage costs, as well as restaurants and hotel costs.

Although the JSE All Share Index (ALSI) was flat for the month, February was a difficult period as the country saw the return of loadshedding, furthermore, the budget speech was postponed due to a disagreement regarding a proposed 2% VAT increase. The loadshedding concerns seems temporary and hopefully the VAT increase issue will be resolved as the GNU work together toward a solution that would please all parties involved. Local equities were flat for the month, with the ALSI returning -0.01%, while the Capped SWIX Index rose 0.24% in February. The FTSE Africa Resources 10 Index fell a staggering 6.17% in February, after its impressive performance in January, the index is up 10.64% YTD. The FTSE Africa Financial 15 Index recovered by 0.82% in February following a tough January, bringing its YTD figure to -1.9%.

Fixed income markets were flat in February, with the All-Bond Index (ALBI) returning 0.07% for the month bringing its YTD figure to 0.51%. Cash, as measured by the Stefi Index, outperformed bonds, returning 0.59% in February and 1.25% YTD.

**DISCLOSURES**

**GENERAL**

A collective investment scheme ("CIS") can be described as an investment vehicle that allows investors to pool their money into a portfolio, sharing in the risk and return of the portfolio in proportion to their participatory interest in the portfolio. Collective Investments (Unit Trusts) are generally medium to long-term investments, but a hedge fund may have short-term strategies and practices. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Hedge funds trade at ruling prices and prices may fluctuate post-publication. Hedge funds can engage in scrip borrowing and scrip lending. The manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges, with maximum commissions, is available on request from us or from your financial adviser. Hedge fund of funds invest into other portfolios of collective investment schemes, and the underlying portfolios may levy their own charges, which could result in a higher fee structure for the hedge fund of funds. Forward pricing is used. For portfolios that include derivatives, there is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management process, to oversee and manage derivative exposures within a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived. Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: 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. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk. Hedge funds are collective investment schemes with a strategy that allows for leveraging and short selling strategies. Hedge fund strategies can result in losses greater than the market value of the fund, but investors' losses are limited to the value of the investment or contractual commitments. Hedge funds can also invest in illiquid instruments. While CIS in hedge funds differ from CIS in securities (long-only portfolios) the two may appear similar, as both are structured in the same way and are subject to the same regulatory requirements. The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may, in exceptional circumstances, suspend repurchases for a period, subject to regulatory approval, to await liquidity and the manager must keep the investors informed about these circumstances. Further risks associated with hedge funds include: investment strategies may be inherently risky; leverage usually means higher volatility; short-selling can lead to significant losses; unlisted instruments might be valued incorrectly; fixed income instruments may be low-grade; exchange rates could turn against the fund; other complex investments might be misunderstood; the client may be caught in a liquidity squeeze; the prime broker or custodian may default; regulations could change; past performance might be theoretical; or the manager may be conflicted. For a detailed description of these risks, please refer to the HEDGE FUND RISK DISCLOSURE DOCUMENT, available on our website [www.novarecis.co.za](http://www.novarecis.co.za).

**ANNUAL SERVICE CHARGE**

The current annual management fee is 0.65% p.a. (excl. VAT).

**PERFORMANCE FEE**

The portfolio charges a performance fee of 13.16% of the amount by which it outperforms the hurdle rate (CPI + 3.5% net of fees). The performance fee is payable monthly and calculated over a rolling 12 month period. The PERFORMANCE FEE FAQ DOCUMENT is available on request from us, or is available on our website [www.novarecis.co.za](http://www.novarecis.co.za)

**TRANSACTIONS 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 is the percentage of the value 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) and annualised 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 TERs. Inclusive in the TER, the stated performance fee percentage of the net asset value of the class of portfolio was recovered (if applicable).

**TOTAL INVESTMENT CHARGE (TIC)**

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.

**TRANSACTION CUT-OFF TIME**

Transaction cut-off time: The monthly cut-off for receipt of instructions is 14h00 on the last business day of the month. No instruction will be processed unless all requirements have been met and supporting documentation has been provided. Investment instructions received before cut-off will be processed that day and will receive the valuation day's price. Investment instructions received after cut-off will receive the next valuation day's price. Redemption instructions received before the cut-off will be processed that day and will receive the valuation day's price at the end of the 3 calendar months' notice period. Redemptions are paid out within five business days after the valuation has been finalised.

**BORROWING HEDGE FUNDS**

The qualified investor hedge funds can borrow up to 0% of the value of the portfolio, for redemptions of participatory interests.

**COMMODITIES**

For hedge funds that include commodity securities the extent of exposure to physical delivery is 0%.

**PRICES**

The latest prices and TER are made available on our website [www.novarecis.co.za](http://www.novarecis.co.za).

**PERFORMANCE RETURNS**

The performance is calculated for the fee class, not the portfolio. Lump-sum performance returns are being quoted. Income distributions, prior to the deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the Manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request.

**STRUCTURE OF THE PORTFOLIO**

The portfolio was established as a collective investment scheme trust arrangement on 27 November 2015, with the conversion process being completed on 01 September 2023. All prior information 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 ballot procedure, as prescribed in CISCA and the Deed, will be followed.

**ADDITIONAL INFORMATION**

For additional information on the portfolio, refer to the following documents, available on our website [www.novarecis.co.za](http://www.novarecis.co.za), from your financial adviser, or on request from the Manager, free of charge.

- Application forms
- Annual report
- Daily Prices
- Fee schedule
- Performance fee FAQ (if applicable)
- Quarterly General Investor Report (available one month after quarter-end)

## DISCLOSURES CONTINUED

### COMPLAINTS AND CONFLICTS OF INTEREST

The complaints policy and procedure as well as the conflicts of interest management policy are available on our website [www.novarecis.co.za](http://www.novarecis.co.za). Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager.

### CLOSURE OF THE PORTFOLIO

The manager has the right to close certain portfolios to new investors in order to manage it more efficiently and in accordance with their mandates.

### COUNTERPARTIES AND PRIME BROKERS

As Fund of Hedge Funds do not make use of a prime broker, counterparty exposure is derived through the underlying managers, furthermore, there are no collateral or asset-reuse arrangements in place.

### FUND OF FUNDS

A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds.

### LEVERAGE USE

The use of leverage in the portfolio will be limited by means of a Value at Risk (VaR) limit of 30% of NAV, measured at 99% confidence level of a month period (21 days).

### MANAGEMENT COMPANY

Novare CIS (RF) (Pty) Limited  
Registration number: 2013/191159/07  
Physical address: 3rd Floor, The Cliffs Office Block, 1 Niagara Way, Tyger Falls, Carl Cronje Drive, Bellville, 7530.  
Postal address: P.O. Box 4742, Tyger Valley, 7736, South Africa.  
Telephone number: 0800 668 273 (0800 Novare). E-Mail address: [clientservice@novare.com](mailto:clientservice@novare.com). Website: [www.novarecis.co.za](http://www.novarecis.co.za)  
Directors: Mr DA Roper, Mr JS du Preez, Mr GL Carter, Mr A du Toit, Ms N Smith

The manager is registered as a manager of collective investment schemes, in terms of the Collective Investment Schemes Control Act. The manager is a member of the Association for Savings and Investment South Africa (ASISA).

### TRUSTEE/CUSTODIAN/DEPOSITORY

FirstRand Bank Limited  
Registration number: 1929/001225/06  
Physical address: 1st Floor, Nr.3 Jeppe Place, Bank City, Corner of Jeppe and Simmonds Streets, Johannesburg, 2000.  
Postal address: 1st Floor, Nr.3 Jeppe Place, Bank City, Corner of Jeppe and Simmonds Streets, Johannesburg, 2000.  
Telephone number: 011 282 8000. E-Mail address: [Trusteeservices@rmb.co.za](mailto:Trusteeservices@rmb.co.za). Website: [www.rmb.co.za](http://www.rmb.co.za)

The trustee/custodian is registered as a trustee of collective investment schemes, in terms of the Collective Investment Schemes Control Act.

### ADMINISTRATOR

Apex Fund Services South Africa Limited  
Registration number: 1981/009543/06  
Physical address: Apex House 1, River Park, Gloucester Road, Mowbray, 7700  
Postal address: PO Box 3149, Cape Town, 8000, South Africa.  
Telephone number: 021 681 8000. E-Mail address: [kams@maitlandgroup.co.za](mailto:kams@maitlandgroup.co.za). Website: <https://www.apexgroup.com>

### AUDITOR

PKF Cape Town, a member of PKF South Africa Inc.  
Registration number: 2013/188449/07  
Physical address: Tyger Forum A, 2nd Floor, 53 Willie van Schoor Avenue, Tyger Valley, Cape Town, South Africa  
Postal address: P.O. Box 5700, Tyger Valley, 7536.  
Telephone number: 021 914 8880. E-Mail address: [inge.potgieter@pkf.co.za](mailto:inge.potgieter@pkf.co.za). Website: [www.pkf.co.za/capetown](http://www.pkf.co.za/capetown)

### INVESTMENT MANAGER

Novare Investments (Pty) Limited  
Registration number: 2000/018539/07. FSP number: 757  
Physical address: 3rd Floor, The Cliffs Office Block, 1 Niagara Way, Tyger Falls, Carl Cronje Drive, Bellville, 7530.  
Postal address: P.O. Box 4742, Tyger Valley, 7736, South Africa.  
Telephone number: 021 914 7730. E-Mail address: [clientservice@novare.com](mailto:clientservice@novare.com). Website: [www.novare.com](http://www.novare.com)

The investment manager is an authorised Financial Services Provider (FSP), as an investment manager and/or a hedge fund FSP, in terms of Section 8 of the Financial Advisory and Intermediary Services Act (FAIS). This information is not advice, as defined in FAIS. Please be advised that there may be representatives acting under supervision.

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