

Novare Worldwide Flexible FoF - A1

Minimum Disclosure Document

As at 30 June 2021

INVESTMENT OBJECTIVE

The portfolio is a moderate to high-risk, flexible fund of funds. There will be no limitations on the relative exposure of the portfolio to any asset class.

INVESTMENT POLICY

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 scheme. The portfolio is an aggressively managed, medium to high-risk flexible fund of funds. There will be no limitations on the relative exposure of the portfolio to any asset class. The investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes, investing in the equity, bond, property and money markets. The manager will be permitted to invest, on behalf of the portfolio, in offshore investments, as legislation permits. There are no additional mandate stipulations.

INVESTMENT STRATEGY

The investment strategy follows a bottom-up approach that focuses on both qualitative and quantitative measures in the manager research process to ensure the best possible portfolio mix to achieve the targeted return. The portfolio construction will ensure a blend that adheres to governing regulations as well as the preferred asset allocation mix for the portfolio. Tactical asset allocation actions are taken (when necessary) should potential threats or opportunities arise that can influence the portfolio's risk and return profile. Tactical asset allocation will only be implemented on the collective view of the investment committee.

TRANSACTIONS AND VALUATIONS

Redemption frequency: Daily
Redemption notice period: 14h00 each business day
Portfolio valuation: 17h00 each business day
Pricing date: 10h00 the following business day
Pricing frequency: Daily
Transaction cut-off time: The daily cut-off for receipt of instructions is 14h00. No instruction will be processed unless all requirements have been met and supporting documentation has been provided. Instructions received before the cut-off will be processed the same day and will receive the same day's price. Instructions received after cut-off will be processed the next business day. Redemptions are paid out within five business days.

FEES

Fee class	A1
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 3 year period from 01 April 2018 to 31 March 2021	
Underlying Portfolios TER (Included in TER)	0.35%
Performance Fee (Included in TER)	N/A
Total Expense Ratio (TER) Incl. VAT	0.95%
Transaction Costs (TC) Incl. VAT	0.11%
Total Investment Charge (TIC) Incl. VAT	1.05%

Annual service charge The current annual management fee is 0.6% p.a. (excl. VAT).

Performance fee Performance fees are not levied on the portfolio.

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.

	Conservative	Moderate	Aggressive
ABOUT THE PORTFOLIO			
Portfolio classification	Worldwide - Multi-Asset - Flexible		
Legal structure	CIS trust arrangement		
Scheme name	Novare Collective Investments Scheme in Securities		
Portfolio inception date	01 March 2012		
Fee class inception date	01 March 2012		
Risk profile	The portfolio is an aggressively managed multi-manager fund. The objective of this portfolio is to maximise investment capital, accepting the higher level of risk associated with this strategy.		
Investment horizon	Suitable for investors with a long-term investment horizon.		
Benchmark	CPI+ 6% net of fees		
Portfolio size		R	51,611,282.97
NAV cents per participatory interest			1,691.46
Number of participatory interests			2,087,249.05
Minimum monthly investment		R	500
Minimum lump sum		R	5,000
Income declaration			Bi-annual (June - December)
Accounting period dates	01 July - 31 December, 01 January - 30 June		

LIQUIDITY PROFILE

The portfolio is managed and constructed in a manner that makes provision for daily liquidity. The ability of the portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. Investors will be notified of any such arrangements.

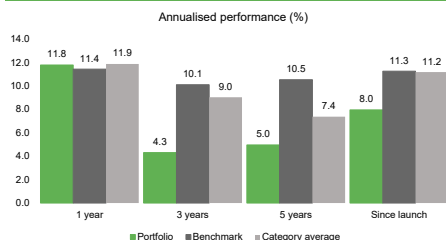
INCOME DISTRIBUTION IN THE PAST 12 MONTHS

Date of distribution	Date of payment	Amount (cents per participatory interest)
31 December 2020	01 January 2021	18.28
30 June 2021	02 July 2021	9.22

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 is the stated performance fee percentage of the net asset value of the class of portfolio that was recovered (if applicable).

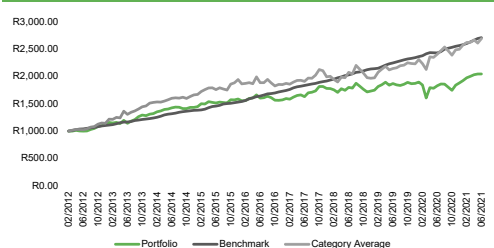
Total investment charge (TIC) TIC is the percentage of the portfolio that was incurred as costs relating to the investment of the portfolio. It is the sum of the total expense ratio (TER) and transaction costs (TC), including VAT.

PERFORMANCE (%)



Source of performance returns: eVestment as at 30 June 2021

GROWTH OF R1000 LUMP SUM



PERFORMANCE BREAKDOWN

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	2.27%	2.60%	1.43%	1.52%	0.60%	-0.01%							8.68%
2020	1.17%	-2.81%	-12.86%	11.69%	-0.59%	2.58%	1.76%	-0.13%	-3.03%	-3.18%	5.48%	2.20%	0.38%
2019	1.03%	3.70%	1.88%	2.49%	-2.83%	1.48%	-1.23%	-0.56%	1.13%	1.87%	-1.27%	0.38%	8.18%
2018	-0.22%	-1.25%	-2.73%	3.94%	-1.58%	3.14%	-0.82%	4.96%	-2.84%	-3.19%	0.99%	-2.75%	-2.75%
2017	1.84%	-0.74%	2.35%	1.98%	0.05%	-1.96%	4.19%	0.88%	1.40%	4.85%	0.02%	-1.90%	13.47%
2016	-0.02%	0.22%	2.57%	0.48%	3.48%	-3.45%	0.36%	1.76%	-1.55%	-2.87%	-0.14%	0.38%	-1.08%
2015	1.02%	3.56%	-0.36%	2.95%	-0.86%	-0.78%	1.15%	-0.55%	-0.54%	3.98%	-0.22%	1.01%	10.68%
2014	0.81%	2.52%	1.15%	1.82%	0.67%	1.50%	1.05%	-0.22%	-1.71%	0.03%	1.41%	0.07%	9.42%
2013	3.71%	-1.00%	1.00%	-2.00%	5.21%	-4.38%	3.53%	2.33%	4.35%	2.33%	-0.78%	2.10%	17.18%
2012			0.07%	1.31%	-1.26%	-0.19%	0.36%	2.55%	1.91%	3.69%	1.02%	1.81%	

Highest calendar annual performance since launch 17.2% (2013)

Lowest calendar annual performance since launch -2.7% (2018)

ASSET ALLOCATION (INCLUDING DERIVATIVE EFFECT)

	Local	Offshore	Total
Bonds	13.67%	4.05%	17.72%
Cash	7.94%	6.70%	14.64%
Commodities	0.00%	0.00%	0.00%
Equities	47.94%	13.66%	61.59%
Money market	0.00%	0.00%	0.00%
Property	5.67%	0.38%	6.05%
Participatory interests (unclassified)	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%

RISK STATISTICS

Alpha	-3.31%
Beta	0.12
Sharpe ratio	0.18
Standard deviation (%)	9.25%
Maximum drawdown	-15.31%
Sorinno ratio	0.25
Information ratio	-0.35
Tracking error (as at (03/2012 - 06/2021))	9.33%

UNDERLYING TOP 5 EFFECTIVE EXPOSURES

Matrix SCI SA Equity Fund
X-Chequer BCI Equity Fund
Ninety One Global Franchise Fund
Coronation Bond Fund
PSG Equity Fund

Source of risk statistics

eVestment as at 30 June 2021

FUND COMMENTARY

Global

Global equities rose 1.4% in dollar terms in June, adding to a positive quarter as vaccination campaigns continued to accelerate in most developed economies, especially in Europe, which is now catching up with UK and the US. Governments in most developed markets continued to ease Covid-related mobility restrictions and activity levels picked up. Economic data over the last three months has generally been very strong, especially in the US, which posted an annualised growth rate of 6.4% in the first quarter. Although the eurozone economy contracted by 0.6% in the first quarter, leading economic indicators, such as purchasing managers' index (PMI) business surveys, have reached multi-year highs in many regions. These indicators point to a strong economic rebound having taken place in Europe in the second quarter.

Sentiments remains positive that global growth will remain strong in the second half of the year. However, the reopening of economies and the quick rebound in activity that has followed has fuelled inflation in some countries. In May, the US consumer price index increased by 5.0% year on year, although some of the underlying details suggest that there are temporary factors at play, such as the rise in used car prices. While the Federal Reserve continues to see this inflation increase as transitory, it has become slightly more hawkish, acknowledging that tapering is being discussed. The Barclays all bond index and US 10-years government were both down -0.9% and -6.9% respectively. Emerging economies continued to lag on vaccination front, but cases remain very low in China and seem to have peaked in India. Emerging market equities finished the month flat returning -0.1% in dollar terms.

Domestic

On the 28th of June SA was moved to adjusted level 4 for 14 days, placing restrictions on some sectors of the economy. While the rollout of vaccines is slowly picking up momentum, with some of the public servants and the population group aged 50 years and above starting to receive the vaccine, the number of covid-19 cases continue to rise by circa 21 000 cases daily.

Equity markets ended the month on a negative note with the JSE All share total return index returning -2.4%. Financials -2.6% and resources -6.6%. The Property Index SAPY and the all-bond index (ALBI) were the only sectors that ended the month positive returning 3.4% and 1.1% respectively.

Inflation worries are likely to contribute to market jitters, but it will take a lot of bad news to shift the central banks towards a more rapid withdrawal of easy money. SA inflation rose 6 basis points for May and 4.6% year on year, and the rand took a breather from the one-way move experienced over the last several months, ending June at R14.30. While this may be around 4% weaker than at the end of May, it is still just over 5.5% stronger than it was at the end of January.

DISCLOSURES

GENERAL

Collective Investment Schemes (Unit Trusts) are generally medium to long-term investments. 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. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending of assets). The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The ability of the portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may suspend repurchases for a period, subject to regulatory approval, to avoid liquidity, and the manager must keep the investors informed about these circumstances. 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 all fees and charges, inclusive of VAT and maximum commissions, is available on request from Novare or from your financial adviser. 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.

PRICES

The latest prices and TER are published Daily in the Business Times and are made available on our website 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.

ADDITIONAL INFORMATION

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

- Application forms
- Annual report
- Fee schedule
- Performance fee FAQ (if applicable)
- Quarterly General Investor Report (if applicable)

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. 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 them more efficiently, in accordance with their mandates.

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.
E-Mail address: clientservice@novare.com. Website: 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. Website: 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

Maitland Group South Africa Limited
Registration number: 1981/009543/06
Physical address: Maitland House 1, River Park, Gloucester Road, Mowbray, 7700.
Telephone number: 021 681 8000

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.
Telephone number: 021 914 8880

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.
E-Mail address: clientservice@novare.com. Website: www.novare.com
Telephone number: 021 914 7720.

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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