

Novare Crest Worldwide Qualified Investor Hedge Fund - A1

Quarterly General Investor Report

As at 30 September 2023

INVESTMENT OBJECTIVE

The portfolio is a qualified investor hedge fund that aims to provide investors with equity-like real returns that are uncorrelated to the returns generated by world capital markets. The benchmark of the portfolio will be the Organization for Economic Cooperation and Development (OECD) consumer price inflation + 3%.

INVESTMENT POLICY

A collective investment scheme ("CIS") can be described as an investment vehicle which 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. The portfolio has an aggressive risk/return profile and is suitable for investors with a long-term investment horizon that seek capital growth and returns uncorrelated to world capital markets, while assuming acceptable levels of risk. The portfolio will invest in both South African and foreign markets, with offshore exposure managed between 15% and 100% of the portfolio value. The investable universe of the portfolio includes listed equities, property collective investment schemes, property loan stock, real estate equity, money market instruments, bonds, fixed deposits, and other interest-bearing securities, derivatives, and assets in liquid form. The portfolio will also invest in participatory interests or any other form of participation in portfolios of collective investment schemes. The portfolio may, from time to time, invest in, or enter into, listed and unlisted financial instruments. The portfolio will be permitted to invest in offshore investments in order to achieve the portfolio's investment objective. The portfolio's leverage is limited to four times the total net asset value (NAV) of the portfolio at any given moment. As additional mandate stipulations, the portfolio provides compounded returns and aims to avoid large drawdowns. There are no additional mandate investment limitations.

INVESTMENT STRATEGY

The portfolio has an aggressive risk/return profile. Qualitative and quantitative measures are considered in constructing the portfolio to target the fund's investment objective.

SIGNIFICANT DIFFERENCES PRIOR TO, AND AFTER, CIS STRUCTURE

The portfolio was established after Board Notice 52 came in to affect and is managed within the BN52 regulatory guidelines.

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: 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 that 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 is not available to the public. Please contact Novare CIS for further details.

Total investment charge of the fee class, annualised, for a rolling 3 year period from 01 April 2020 to 31 March 2023

| | |
|--|-------|
| Underlying Portfolios TER (Included in TER) | 0.22% |
| Performance Fee (Included in TER) | 0.00% |
| Total Expense Ratio (TER) Incl. VAT | 0.99% |
| Transaction Costs (TC) Incl. VAT | 0.08% |
| Total Investment Charge (TIC) Incl. VAT | 1.06% |

Annual service charge The current annual management fee is 0.57% 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.

QUARTERLY DISCLOSURES

Leverage

Fund of Hedge Funds do not use Prime Brokers, therefore, the source of leverage derived through underlying portfolios. The portfolios achieve leverage through the use of derivatives and short selling of physical stock.

Methodology For Conducting Stress Testing

Daily stress-testing is conducted by varying input parameters for pricing purposes. These calculations are performed on the latest portfolio. Hypothetical market environments are simulated where asset prices exhibit extreme moves. The results are imported into a proprietary data warehouse from where reports are monitored by our risk management team independently of the investment team. The results are then communicated to the investment team, executive management and compliance. The methodology for conducting stress-testing is to changes the underlying price or yield of every security in the portfolio and re-values each one from first principles, according to the size of the user-defined stress.

| Conservative | Moderate | Aggressive |
|---------------------------------|--|------------|
| ABOUT THE PORTFOLIO | | |
| Portfolio classification | Qualified Investor Hedge Fund | |
| 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 | 15 February 2017 | |
| CIS launch date | 15 February 2017 | |
| Fee class inception date | 15 February 2017 | |

Risk profile

This portfolio is managed within what are regarded to be aggressive investment parameters. 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 | OECD CPI + 3% net of fees |
| Portfolio size | R 349,939,808.63 |
| NAV cents per participatory interest | 75.60 |
| Number of participatory interests | 462,866,569.14 |
| Minimum monthly investment | R 100,000.00 |
| Minimum lump sum | R 1,000,000.00 |
| Income declaration | Bi-annual (June - December) |
| Accounting period dates | 01 July - 31 December, 01 January - 30 June |

LIQUIDITY PROFILE

The portfolio provides investors with three months redemption liquidity. The liquidity of assets in the portfolio aligns to the redemption period.

INCOME DISTRIBUTION IN THE PAST 12 MONTHS

| Date of distribution | Date of payment | Amount (cents per participatory interest) |
|----------------------|-----------------|---|
| 31 December 2022 | 03 January 2023 | 0.92 |
| 30 June 2023 | 04 July 2023 | 1.82 |

EXPOSURE, LEVERAGE AND COUNTERPARTY INFORMATION

| | |
|---|---|
| Total exposure calculation method | Gross Exposure |
| Total exposure level (permitted) | 400% of net asset value |
| Total exposure level (end of period) | 98.32% |
| Total exposure level (highest during period) | 98.32% |
| Leverage use | The use of leverage in the portfolio will be limited by means of a Gross Exposure limit of 400% of NAV. |
| Counterparty exposure calculation method | As Fund of Hedge Funds do not make use of a prime broker, counterparty exposure is derived through the underlying managers. |

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.

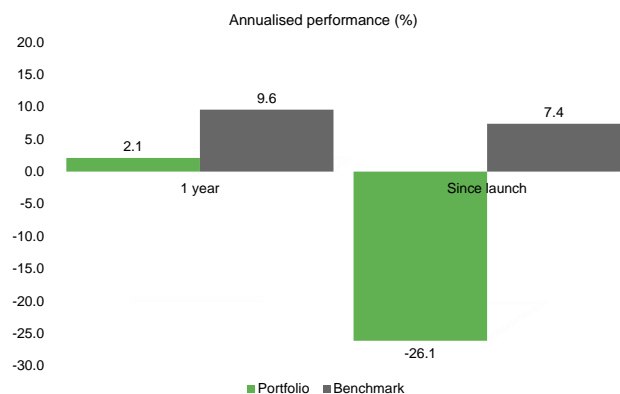
Re-hypothecation of assets

The practice by prime brokers of using, for their own purpose, assets that have been posted as collateral by the investment manager is restricted. The prime brokers do not re-hypothecate or take part in any form of re-pledging of securities forming any part of the collateral.

Changes to liquidity risk profile

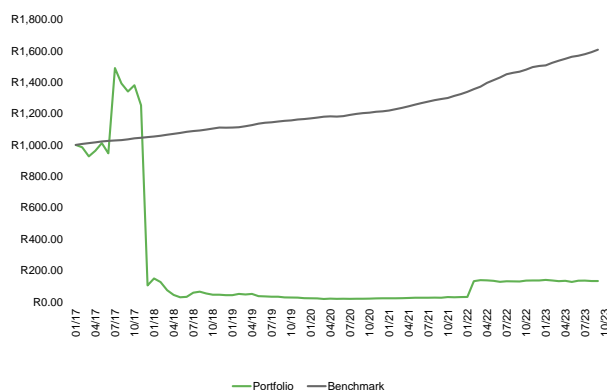
The liquidity risk profile remains unchanged and redemption requirements have been met within the prescribed time frame.

PERFORMANCE (%)



Source of performance returns: eVestment as at 30 September 2023
Returns prior to 15/02/2017 was in an unregulated structure.

GROWTH OF R1000 LUMP SUM



Returns prior to 15/02/2017 was in an unregulated structure.

PERFORMANCE BREAKDOWN

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|---------|---------|---------|---------|--------|--------|--------|---------|---------|--------|---------|---------|
| 2023 | 2.79% | -2.60% | -3.44% | 1.51% | -5.24% | 6.39% | 0.18% | -1.86% | 0.15% | | | | -2.57% |
| 2022 | 0.87% | 329.47% | 4.63% | -0.98% | -2.00% | -4.57% | 2.56% | -0.56% | -0.21% | 4.22% | 0.60% | -0.03% | 347.67% |
| 2021 | 1.95% | 0.08% | 1.22% | 9.09% | 4.91% | -0.61% | -0.20% | 2.60% | -1.07% | 15.95% | -5.63% | 5.47% | 37.32% |
| 2020 | -2.40% | -5.61% | -16.25% | 12.22% | -6.04% | 2.66% | -1.57% | 2.57% | -1.90% | 6.57% | 6.17% | 1.27% | -5.21% |
| 2019 | -0.63% | 19.36% | -7.74% | 7.56% | -28.86% | -3.68% | -5.11% | -0.16% | -13.67% | -2.47% | -2.69% | -12.43% | -45.19% |
| 2018 | 42.15% | -15.18% | -41.58% | -40.32% | -33.92% | 8.64% | 83.83% | 10.92% | -17.96% | -14.02% | -0.02% | -6.19% | -59.29% |
| 2017 | | -1.47% | -5.90% | 3.85% | 5.05% | -6.41% | 57.36% | -6.53% | -3.70% | 2.96% | -9.26% | -91.64% | -89.53% |

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

Highest calendar annual performance since launch 347.67% (in 2009)
Lowest calendar annual performance since launch -89.53% (in 2016)

ASSET ALLOCATION

| | |
|---------------------------|--------|
| Cash and Cash Equivalents | 1.76% |
| Equities | 51.99% |
| Money Market Funds | 24.82% |
| Bonds | 8.49% |
| Funds | 12.94% |

UNDERLYING TOP 5 EFFECTIVE EXPOSURES

| |
|-------------------------|
| Pepkor Holdings Limited |
| PSG Money Market Fund |
| PSG Konsult Limited |
| SPDR S&P 500 ETF Trust |
| US Treasury 0% Bond |

RISK STATISTICS

| | |
|------------------------|---------|
| Alpha | -33.52% |
| Beta | 23.49 |
| Sharpe ratio | -0.22 |
| Standard deviation (%) | 144.28% |
| Maximum drawdown | -98.79% |
| Sortino ratio | -0.66 |
| Information ratio | -0.23 |
| Tracking error | 144.06% |

Source of risk statistics: eVestment as at 30 September 2023
Risk statistics period (02/2017 - 09/2023)

FUND COMMENTARY

Global

September 2023 may be considered one of the worst months of the year. Equity markets across the globe performed poorly. Global equity markets fell for the second consecutive month, with the MSCI World index returning -4.3% for the month, resulting in a negative quarter of -3.4%. Although in negative territory, emerging market stocks outperformed their counterparts in developed markets. Emerging market (EM) stocks returned -2.5% for the month, with China being the biggest detractor. Chinese stocks listed in Shanghai, Hong Kong, and the US have all declined year-to-date in US-dollar terms. India's stock market, represented by the NSE Nifty 50 Index, was up 1.5% for the month and was the only major global equity market to produce a positive return in US-dollar terms. The market benefited from foreign investors shifting away from Chinese equities, as the latter market is still plagued by uncertainty that continues to drag down the performance of emerging market assets. Further pain was inflicted on developed market (DM) equities by China when an American multinational technology company, Apple, saw its market value plummet by US\$200 billion over two days at the beginning of September due to news that China would ban the use of iPhones in Chinese government offices. While the current decline in inflation data was in line with expectations, a rising oil price renewed concerns about inflationary pressures. The focus shifted from how much higher interest rates could go to how long rates would remain elevated and how many rate cuts might eventually come. Some major central banks, such as those in the US, Switzerland, England, and Japan, chose to keep rates unchanged in September, which may be a sign that we are approaching the peak of this hiking cycle. Brent crude oil rallied 10% during the month to reach US\$95 per barrel, leaving it 27% higher for the third quarter of 2023. This could be attributed to the Organization of the Petroleum Exporting Countries (OPEC) and their allies, including Russia (collectively known as OPEC+), continuing to restrict the oil supply. Risk aversion and rising US yields led to investors flocking to the safety of the US dollar, making it stronger against most currencies in September.

Domestic

The South African stock market followed the global equity markets lower, also for the second consecutive month, erasing all year-to-date gains. The JSE All Share (ALSI) was down -2.5% for the month in the local currency, resulting in a -3.5% decline for the third quarter of 2023. The losses were also felt in the local bond market, where the All Bond Index (ALBI) fell by 2.3% in September and -0.3% for the quarter. The local currency held up relatively well, depreciating only by -0.2% against the generally strong US dollar. Higher US yields continued to strengthen the dollar in September, while uncertainty regarding China's outlook kept emerging market assets on the back foot. South Africa successfully hosted a BRICS conference in August, even without the physical appearance of the Russian president. This was a notable relief for domestic risk assets. South Africa managed to secure a loan of \$3 billion from the New Development Bank (NDB), a BRICS-funded institution. South African inflation has been gradually decreasing in the past few months, moving towards the mid-point of the South African Reserve Bank's (SARB's) target range. This led the SARB to maintain the repo rate at 8.25% during its September meeting. Load shedding levels were erratic throughout the third quarter, intensifying at some points to Stage 6 (shedding 6000 megawatts of supply). However, Eskom provided a more positive outlook for the summer months, as units that had been on long-term planned outages were set to come back online.

DISCLOSURES

GENERAL

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.

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.

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 24 January 2017, with the conversion process being completed on 15 February 2017. 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, 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 (available one month after quarter-end)

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 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.

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. 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

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

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@mailandgroup.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. Website: 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. Website: 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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