

Novare Worldwide Flexible Fund - B1

Minimum Disclosure Document

As at 30 September 2019

INVESTMENT OBJECTIVE

This is a flexible fund that aims to maximise returns over the long-term with the risk of greater short-term volatility of capital values.

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 multi-manager portfolio. The portfolio will invest in a combination of investments in the equity, bond, money and property markets. The portfolio will invest in both South African and foreign markets, with offshore exposure managed between 15% and 100% of the portfolio value. Investments to be included in the portfolio will, apart from assets in liquid form, also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The portfolio will be permitted to invest in offshore investments, as legislation permits. As additional mandate stipulations, an additional objective of the portfolio is to maximise investment capital, accepting the higher level of risk associated with this strategy. 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 B1

The fee class can be accessed directly via the Management Company, Novare CIS and independent service providers. Please contact Novare CIS for further details.

Total investment charge of the fee class, annualised, for a rolling 3 year period from 14 October 2016 to 30 June 2019

Annual service charge	1.17%
Underlying fund charge	0.92%
Performance Fee	0.00%
VAT	0.34%
Other charges	-0.25%
Total expense ratio (TER) incl. VAT	2.18%
Transaction costs (TC) incl. VAT	0.08%
Total investment charges (TER + TC)	2.25%

Annual service charge The current annual management fee is 1.17% 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 September 2016		
Fee class inception date	14 October 2016		
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 + 5% net of fees		
Portfolio size	R	483,056,297.21	
NAV cents per participatory interest			1,103.51
Number of participatory interests			8,654,865.20
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 2018	02 January 2019	2.27
30 June 2019	02 July 2019	5.76

Total expense ratio (TER)

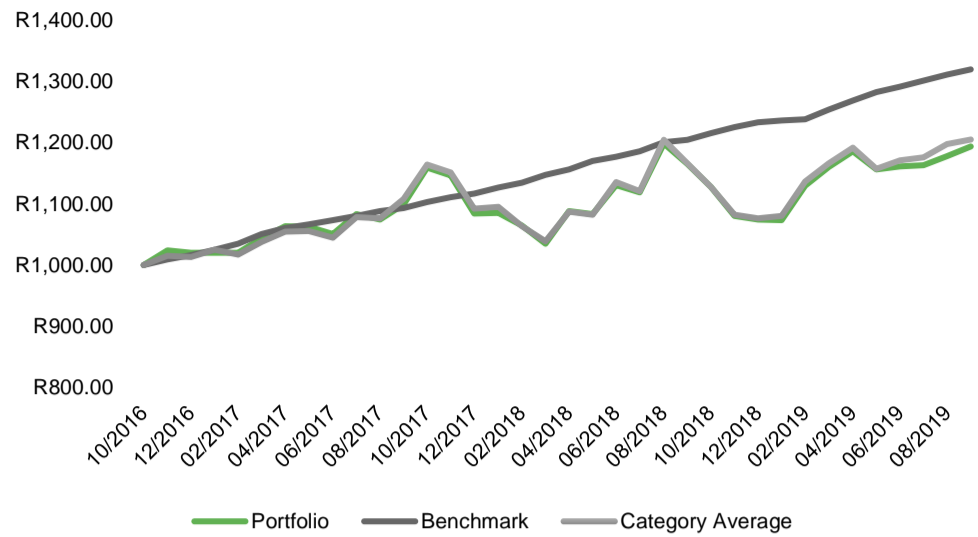
TER is the percentage of the value of the portfolio that was incurred as expenses to the administration (charges, levies and fees) of the portfolio. TER is calculated over a rolling three-year period (or since inception, where applicable) and annualised to the most recent calendar quarter. A higher TER 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 (%)
Annualised performance (%)


Source of performance returns: eVestment as at 30 September 2019

GROWTH OF R1000 LUMP SUM

PERFORMANCE BREAKDOWN

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-0.18%	5.32%	2.70%	2.15%	-2.51%	0.47%	0.14%	1.27%	1.35%				11.02%
2018	0.09%	-1.98%	-2.70%	5.14%	-0.46%	4.38%	-1.10%	7.14%	-2.77%	-3.24%	-4.15%	-0.53%	-0.90%
2017	-0.02%	0.01%	2.34%	1.84%	-0.10%	-1.13%	3.12%	-0.77%	2.25%	5.51%	-1.14%	-5.36%	6.29%
2016											2.40%	-0.36%	

Highest calendar annual performance since launch: 6.29% (2018)

Lowest calendar annual performance since launch: -0.90% (2017)

ASSET ALLOCATION (INCLUDING DERIVATIVE EFFECT)

	Local	Offshore	Total
Bonds	6.69%	5.41%	12.10%
Cash	9.37%	3.24%	12.61%
Commodities	0.00%	0.00%	0.00%
Equities	28.70%	30.40%	59.10%
Money market	0.00%	0.00%	0.00%
Property	2.25%	2.97%	5.22%
Participatory interests (unclassified)	10.94%	0.00%	10.94%
Other	0.00%	0.00%	0.00%

RISK STATISTICS

Alpha	-3.72%
Beta	1.40
Sharpe ratio	-0.12
Standard deviation (%)	9.88%
Maximum drawdown	-10.69%
Sortino ratio	-0.17
Information ratio	-0.38
Tracking error (as at 11/2016 - 09/2019)	9.78%

Source of risk statistics

eVestment as at 30 September 2019

UNDERLYING TOP 5 EFFECTIVE EXPOSURES

Novare Flexible Fund
Stonewood Global Adventurous Fund
36ONE BCI Flexible Opportunities Fund
Vulcan Value Equity Fund
Rubric Global Credit Fund

FUND COMMENTARY
Domestic

In terms of monetary policy, the South African Reserve Bank (SARB), also kept rates on hold as it remained focused on fiscal and rating downgrade risks. The weaker rand, higher oil price and the need for high real rates did not support a move for another rate cut. In other emerging markets, the central bank of Brazil cut the Selic rate by 50 basis points to a new all-time low of 5.5%. Similarly, the Indonesian central bank cut the benchmark rate by 25 basis points to 5.25%. This is the third consecutive month of policy rate reduction.

On the data front, the consumer price index (CPI) rose by more than expected in August as food prices grew at the fastest pace in more than a year. CPI inflation measured 4.3% year-on-year in August, up from the 4% measured in July and marginally higher than market expectations of 4.2%. Meanwhile, in the third quarter, the RMB/BER Business Confidence Index plunged to a 20-year low. After remaining at 28 for the first two quarters of the year, the BCI dropped to 21. Eighteen months ago, the index was at 44. The current reading indicates that eight out of 10 respondents are unsatisfied with prevailing business conditions, and that this is the lowest level of the BCI since the 1998-1999 emerging market debt crisis. Confidence collapsed in four of the five sectors making up the BCI. This was on the back of lower activity and, importantly, a downscaling of expectations for future operating conditions.

FTSE/JSE All Share Index rose marginally by 0.1% for the month. The Resources 20 Index and the Industrial 25 Index declined by -0.4% and -0.9% respectively. The Financial 15 Index was positive for the month, up 3.4%. The S.A. Listed Property Index was up 0.3%. During September, the All Bond Index and cash both returned 0.5% for the month. On the currency front, the rand appreciated 0.3% against the U.S. dollar in September.

International

Global equity markets came under pressure as U.S. political turmoil, concerns about Brexit and continued uncertainty over the U.S./China trade dispute all added to the cocktail of worries. Later in the month, news that the Democrats had initiated a process to impeach President Donald Trump sent global equity markets lower after the release of a whistle-blower complaint. Meanwhile, concerns about geopolitical risks on the back of the drone strike on the Saudi Arabian oil production facility dampened investor sentiment. As the month drew to a close contradicting reports surfaced over the future of the U.S. and China trade deal. Some reports stated that the White House was not contemplating blocking Chinese companies from listing shares on U.S. exchanges, while earlier reports stated that the U.S. administration was considering de-listing Chinese companies from U.S. stock markets. The impeachment news and trade headlines impacted markets, which were already on edge due to signs of slowing global economic growth. This led to volatility with global equity markets oscillating between gains and losses.

Ultimately, global stocks managed to finish the month in positive territory, thanks to easier monetary policy by some major central banks. Global equity markets received a boost after the European Central Bank (ECB) announced a new quantitative easing program, which entails \$21.9 billion a month of net purchases - for as long as ECB deems necessary. The central bank also cut its main deposit facility to -0.5%, a new record. Meanwhile, the U.S. Federal Reserve instituted another 25-basis point "insurance" policy rate cut. The Fed's new dot plot median indicated no further rate cuts for the remainder of the year or next year, although the market still expects additional easing. The Bank of Japan (BOJ) decided to leave rates unchanged, as did the Bank of England which adopted a wait-and-see approach as uncertainties over Brexit remained.

For the month, the MSCI Global Equity Index was up 2.1%, while emerging market equities were up 1.9% as mirrored in the MSCI Emerging Market Equity Index. On Wall Street, the S&P 500 gained 1.7%, while the tech-heavy Nasdaq finished 0.5% firmer. In the UK, the FTSE 100 also ended the month stronger, up 2.7%. The Barclays Global Aggregate Bond Index declined -1.0% with global bonds weaker as yields ticked up. On the commodities front, the yellow metal's safe-haven appeal lost its shine as the gold price fell -1.9% for the month. Meanwhile Brent crude gained 3.1%.



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 await 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.novare.com.

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.novare.com, 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.novare.com. 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.
Telephone number: 0800 668 273 (0800 Novare). E-Mail address: clientservice@novare.com. Website: www.novare.com
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

PricewaterhouseCoopers South Africa (PWC)
Registration number: 1998/012055/21
Physical address: 4 Lisbon Lane, Waterfall City, Jukskei view, 2090, South Africa.
Telephone number: 011 797 4000

INVESTMENT MANAGER

Corion Capital (Pty) Limited
Registration number: 2007/002166/07. FSP number: 44523
Physical address: The District, Block B, 6th Floor, 41 Sir Lowry Road, Woodstock, 7925.
Postal address: The District, Block B, 6th Floor, 41 Sir Lowry Road, Woodstock, 7925.
Telephone number: 021 831 5400. E-Mail address: info@corion.co.za. Website: www.corion.co.za

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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