

MAZI NCIS MARKET NEUTRAL RETAIL HEDGE FUND



31 January 2024

Fund Information

Investment Manager	Mazi Asset Management (Pty) Ltd
ASISA Classification	South African - Long Short Market Neutral Retail Investor Hedge Fund
Benchmark	STeFI
Fund Inception Date	November 2006
Fund Size	R2,8 million
Risk	Moderate
NAV PU (Class B)	8 666,35
Total Units	16 942,08
Minimum Lump Sum	R50 000
Minimum Monthly Investment	R1 000
Service Fee (Annual excl. VAT)	5,11%
Income Declaration	March, June, September, December
Leverage Ratio	Maximum of 2 times Net Asset Value
Performance Fee (excl. VAT)	20% of performance above STeFI

Fee Structure

Service Fee	0,28%
Performance Fee	0,00%
Total Expense Ratio (TER)	6,18%
Transaction Costs (TC)	0,29%
Total Investment Charge (TIC)	6,47%

The fee class is annualised, for a rolling 3 year period from 1 January 2021 to 31 December 2023

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 Objective

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

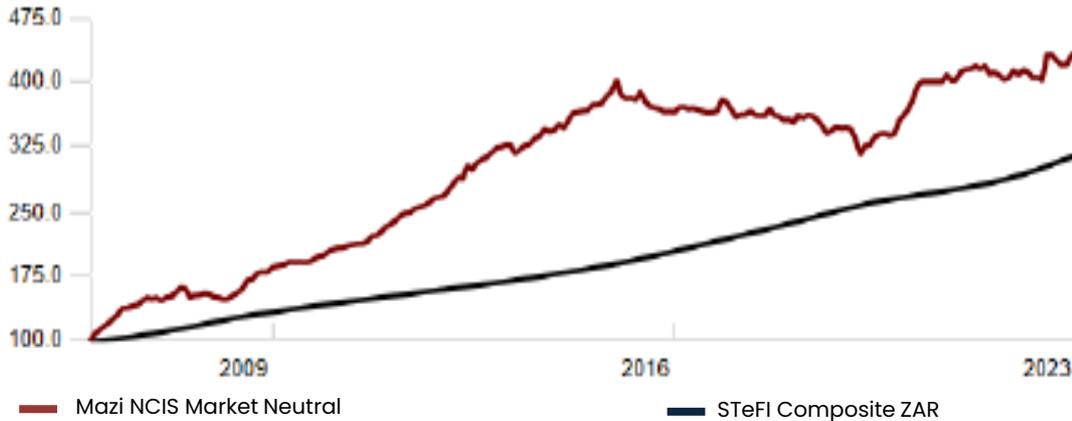
Returns

	Portfolio	Benchmark	CPI
1 Month	-0,66%	0,70%	0,09%
YTD	-0,66%	0,70%	0,09%
Rolling 12 Months	3,70%	8,18%	5,13%
Since Inception Annualized	8,78%	6,43%	5,22%
Since Inception	327,32%	184,40%	207,73%
Highest Annual Return	21,21%		
Lowest Annual Return	-8,96%		

	Long	Short	Net	Gross
Equity	26,65%	-4,05%	30,18%	22,60%
Property	4,09%	0,00%	4,09%	4,09%
Bond	0,00%	0,00%	0,00%	0,00%
	30,29	-4,05%	34,78%	26,69%

Cumulative Performance Since Inception

Time Period: 2008/11/01 to 2023/12/31



*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

Risk Statistics

	Portfolio	Benchmark
Max Drawdown	-20,98	-40,44
Standard Deviation	6,63	15,31
Sharpe Ratio	0,30	0,28
Bear Beta	0,25	1,00
Bull Beta	0,16	1,00

Income Distribution History

Declared	Payment Date*	Cents per Unit
31 December 2023	1 January 2024	0,00
30 August 2023	31 August 2023	0,00
30 June 2023	1 July 2023	0,00
31 March 2023	1 April 2023	0,00

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

Portfolio Contact Details

Investment Manager

Mazi Asset Management (Pty) Limited, Registration number: Reg no. 2012/012860/07 is an authorised Financial Services Provider (FSP: 46405) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision. Physical address: 10th floor, 117 Strand Street, Cape Town, South Africa Telephone +27 10 001 8300 Website: www.mazi.co.za

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

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.

Prime Broker	Administrator	Auditor	Trustees
Peregrine Securities	Apex Fund Services South Africa Ltd	PKF Cape Town, a member of PKF SA Inc	FirstRand Bank Ltd

Historical Performance (last 10 years)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
2024	-0,66%												-0,66%
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

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.

Quarterly Commentary

For the quarter the All Share index gained 6.9% to end the year up 9.3%, while the Capped Shareholder Weighted Index (Capped Swix) gained 8.2% to end the year in the black by 7.9%. Our fund gained 3,5% ending the year up 5,7% .

During the quarter we benefitted from a bounce in Transaction Capital, which had been a big detractor for the year. Long held positions in Telkom and Pepkor also contributed while the recently purchased Government Bonds gained from lower long-term rate expectations. The two main detractors were Sasol, which continues to disappoint, and which has now been sold and British American Tobacco following continued negative news flow around regulations in the U.S.

As the year drew to a close we maintained the fairly conservative stance we have held for much of the last 18 months and as a consequence we lost some ground to the major indices, which bounced hard into the end of the year. Looking at 2024 we expect it to be a very volatile year with the local election in May and the U.S. election at the end of the year, coupled with all the global geopolitical turmoil surrounding the ongoing conflicts in the Ukraine and Gaza. We continue to think that first rate cuts by both the U.S. Federal Reserve and our own Reserve Bank will be announced during the first half of the year. Valuations in our local market remain compelling and we continue to actively search for opportunities. At quarter end the fund's net equity exposure was 23%.

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.

Max Drawdown 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.

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.

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. This document is for information purposes only and does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Whilst reasonable care has been taken in ensuring that the information contained in this document is accurate, neither the Management Company nor the Investment Manager accept liability in respect of damages and/or loss (whether direct or consequential) or expense of any nature which may be suffered as a result of reliance, directly or indirectly, on the information in this document.