



Mazi
Asset Management

Mazi NCIS Market Neutral Retail Hedge Fund

MINIMUM DISCLOSURE DOCUMENT

31 May 2021

Fund Information

Inception Date	November 2006
Fund Size	R1.4 million
NAV PU (Class A)	8 280.19
Total Units	16 496.04
ASISA Classification	South African - Long Short Market Neutral Retail Investor Hedge Fund
Benchmark	STeFI
Risk Profile	Moderate
Minimum Lump Sum	R50 000
Minimum Monthly Investment	R1 000
Service Fee (annual excl. VAT)	1.50%
Income Declaration	March, June, September, December
Leverage Ratio	Maximum of 2 times Net Asset Value
Performance Fee (excl. VAT)	20% of performance above STeFI

Fund Service Providers

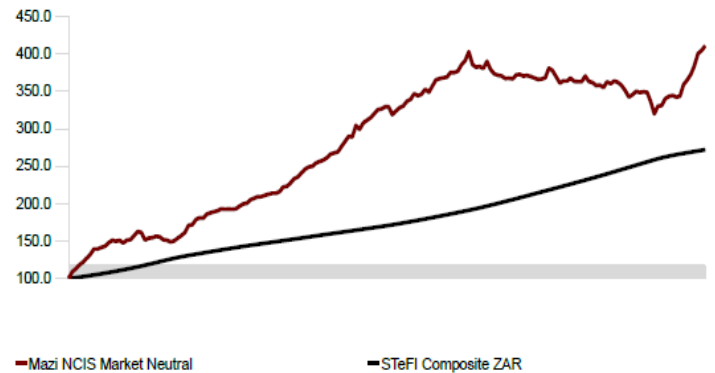
Prime Broker	Peregrine Securities
Risk Management	Novare CIS (RF) (Pty) Ltd
Administrator	Maitland Hedge Fund Services (Pty) Ltd
Auditor	PKF Cape Town, a member of PKF SA Inc
Trustees	FirstRand Bank Ltd

Fees (incl VAT)

Service Fee	1.73%
Performance Fee	0.00%
Total Expense Ratio (TER)	2.41%
Transaction Costs (TC)	0.17%
Total Investment Charge (TIC)	2.58%

*The fee class is annualised, for a rolling 3 year period from 1 April 2018 to 31 March 2021

Cumulative Performance Since Inception*



	Fund	STeFI	CPI
May 2021	1.55%	4.35%	0.08%
Year to date	12.48%	1.74%	2.47%
Rolling 12 months	20.78%	3.91%	4.61%
Since inception annualised	10.12%	7.11%	5.67%
Since inception	307.93%	272.38%	221.36%

Highest annual return:	8.96%
Lowest annual return:	-6.27%

	Long	Short	Net	Gross
Equity	46.37%	-5.39%	40.98%	51.76%
Property	3.56%	-2.58%	0.98%	6.14%
Bond	2.57%	0.00%	2.57%	2.57%
	52.50%	-7.97%	44.53%	60.47%

* 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 (Maitland Fund Services since April 2016) and Investment Manager

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 Approach

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

Historical Performance (last 10 years)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2021	2.07%	2.95%	4.30%	1.06%	1.55%								12.48%
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

Risk Statistics

	Max Drawdown	Std. Deviation	Sharpe Ratio	Bear Beta	Bull Beta
Mazi NCIS Market Neutral	-20.54%	6.73%	0.45	0.25	0.19
JSE All Share Total Return	-40.44%	15.24%	0.30	1.00	1.00

Source of Risk Statistics: Morningstar

Income Distribution History

Declared	Payment Date*	Cents per Unit
31 March 2021	1 April 2021	30.13
31 December 2020	1 January 2021	17.42
30 September 2020	1 October 2020	25.22
30 June 2020	1 July 2020	1218.50

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

Manager Commentary

The recovery which started in the fourth quarter last year on the back of vaccine news has been gaining momentum in 2021. For the quarter the Capped Shareholder Weighted Index (Capped Swix) gained 12.6%, while the All Share Index gained 13.1% in both cases more than the fourth quarter last year. Our fund gained a very pleasing 9.6% for the quarter and 4.3% for the month of March.

At the time of this writing Asia, the US and the UK among many other countries and regions are well down the road to vaccinating most of their populations and their economies are opening up and recovering. In South Africa we are off to a slow start and have only vaccinated a small minority of health care workers. We are not confident that the target of vaccinating 2/3rd of the total population by the end of 2021 will be achieved. The consequence of this being that we will be, and are, slower to recover and remain more vulnerable to further waves of infection. Despite this we are encouraged by the recovery at home to date and remain constructive on the opportunities available in the equity market. For the quarter, our best performing ideas were in the Platinum sector (Royal Bafokeng Platinum and Sibanye Stillwater), while long positions in MTN and Telkom also contributed. On a single name basis our long-held position in Renegen, the natural gas and helium producer, delivered the biggest gain. We have continued to increase exposure in the fund and both gross and net exposure are higher at the end of the period than at the beginning. We remain optimistic about the return to normal. On 31 March the net equity exposure was 41% and gross exposure 60%.

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
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 (TI)	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.

Investment Manager

Mazi Asset Management (Pty) Limited (the 'Investment Manager') incorporated under the laws of South Africa, is an authorised financial services provider (FSP 46405) under the Financial Advisory and Intermediary Services Act 37 of 2002 and has been appointed by Novare CIS as the Investment Manager of the Fund. Contact details: P.O Box 784583, Sandton, 2146, South Africa. Telephone: 010 001 8300. Email: info@mazi.co.za.

The investment manager is a member of the Association for Saving and Investment South Africa. Additional Information on the proposed investment is available on the Investments Manager's Website www.mazi.co.za

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.com

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. Maitland Hedge Fund Services is the fund administrator of the portfolio. Risk management of the portfolio is done by Novare CIS.

Should you have any queries or complaints please contact: Novare CIS (on 0800668273 (0800novare) or via email clientservice@novare.com.

Directors: Mr. DA Roper, Mr. JS du Preez, Mr. GL Carter, Mr. A du Toit, Ms. N Smith

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.

The fund is priced monthly. Prices are not published

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.

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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.

Nothing in this document will be considered to state or imply that the Fund is suitable for a particular type of investor.

The Management Company and the Investment Manager have entered into a co-naming agreement regarding the administration of the co-named Fund. The Management Company retains full legal responsibility for the co-named Fund and performs risk management over the portfolio.

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