

NOVARE[®]

UNIT TRUSTS 101

NOVARE UNIT TRUST
PRODUCT OFFERING



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CONTENTS

PRODUCT OFFERING

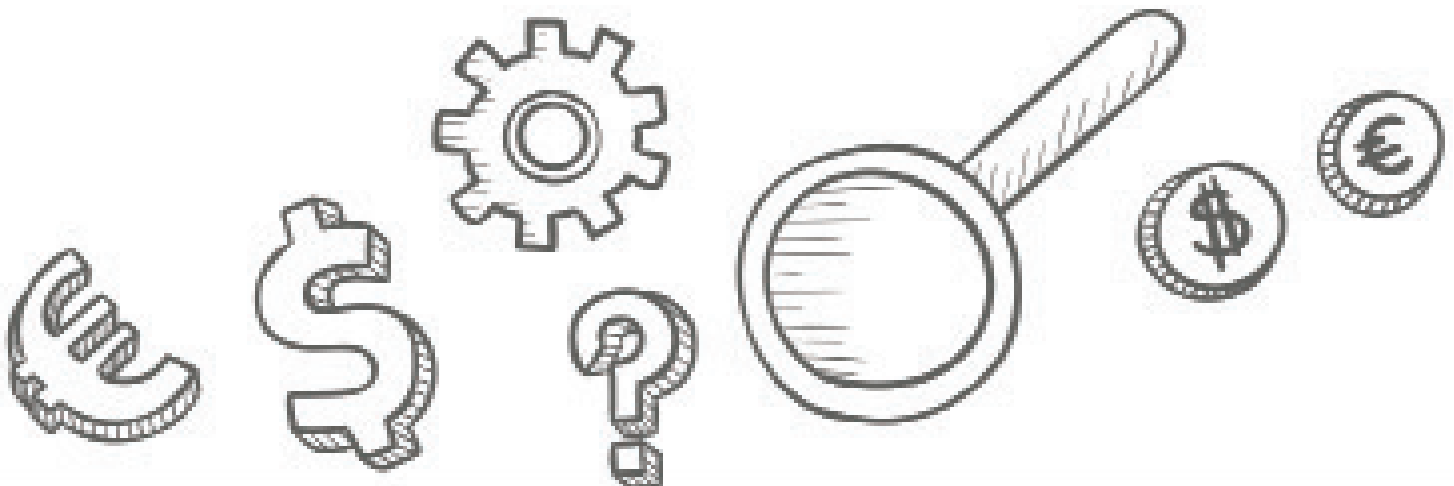
4

PRODUCT SPECIFICS

10

DISCLAIMER

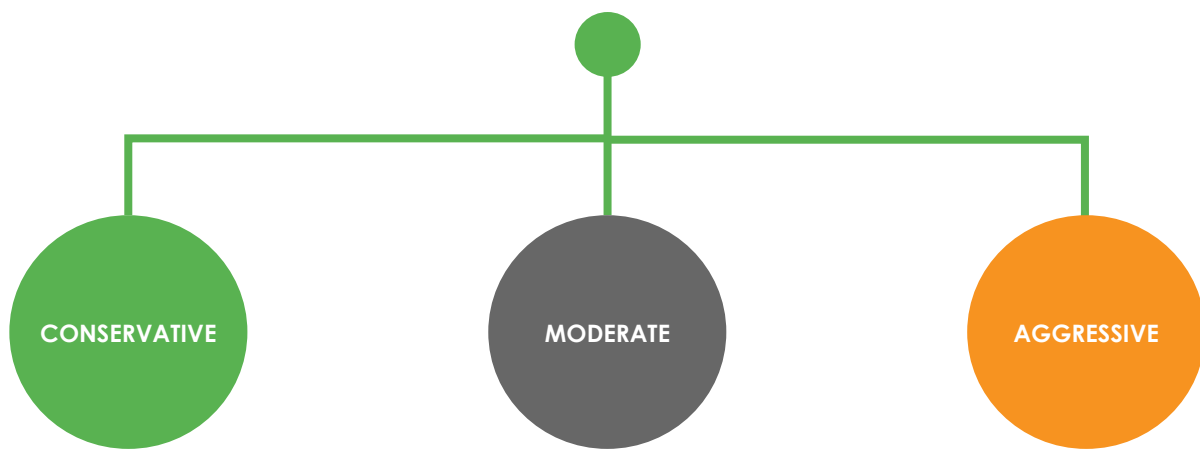
11



PRODUCT OFFERING

To grow your wealth and achieve financial security, you need to invest for the future. If you have been delaying investing because you don't know which funds to invest in, multi-manager funds can help set you on your way. Multi-manager funds offer diversification in a

single investment and remove the pressure of having to find, as well as monitor individual fund managers. We provide investors with a selection of multi-manager funds which can form part of your medium to long-term investment portfolio.



CONSERVATIVE	
	NOVARE CAPITAL PRESERVER FUND OF FUNDS
Fund Objective	<p>The Novare Capital Preserver fund of funds is a conservatively managed fund of funds. The objective of this portfolio is to achieve steady capital growth over the medium to long-term combined with a reasonable level of income.</p> <p>This portfolio is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 10%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 2 % over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	Investors who need to draw an income and have a medium-term investment horizon.
Minimum Investments	R 5 000 minimum lump sum R 500 minimum monthly investment

CONSERVATIVE	
	NOVARE MONEY MARKET FUND
Fund Objective	<p>The Novare Money Market Fund aims to deliver a higher level of income than fixed deposits and call deposits over time. The primary goal of the fund is capital preservation.</p> <p>The Novare Money Market Fund is a local money market portfolio. The investment objective is to provide a medium whereby investors can obtain participation in a diversified portfolio of money market instruments, interest rate swaps and assets in liquid form. Capital gains will be of an incidental nature. The Novare Money Market Fund is not a bank deposit account. The portfolio may only invest in money market instruments with a maturity of less than 13 months. The average duration of the portfolio may not exceed three months while the average maturity of the portfolio may not be greater than four months.</p>
Return Objective	<p>The fund targets a return objective of Cash over rolling 3 year periods (net of fees). The benchmark is the STeFI Composite Index.</p> <p>The STeFI component of the benchmark is based on the STeFI composite (STFCAD code from the INAT BFA data).</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	Highly risk-averse investors who seek returns higher than bank deposits and require monthly income distributions.
Minimum Investments	R 5 000 minimum lump sum R 500 minimum monthly investment

CONSERVATIVE	
	NOVARE STABLE FUND
Fund Objective	<p>The Novare Stable Fund aims to provide investors with a high level of income and stable capital growth. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed by the Act.</p> <p>This portfolio is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 60%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 3% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	Investors who need to draw an income and have a medium-term investment horizon.
Minimum Investments	R 5 000 minimum lump sum R 500 minimum monthly investment

CONSERVATIVE

CONSERVATIVE	
	NOVARE INCOME FUND
Fund Objective	<p>The Novare Income Fund is a conservatively managed fund. The objective of this portfolio is to achieve steady capital growth over the medium to long-term combined with a reasonable level of income.</p> <p>This portfolio is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 10%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 2% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	Investors who need to draw an income and have a medium-term investment horizon.
Minimum Investments	R 5 000 minimum lump sum R 500 minimum monthly investment

MODERATE

MODERATE	
	NOVARE BALANCED FUND
Fund Objective	<p>This is a medium-risk portfolio that aims to deliver income and capital growth over the medium to long-term. This portfolio is designed to minimise volatility and aims to cultivate a smooth return profile whilst minimising drawdowns.</p> <p>This portfolio is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 60%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 4% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	Medium to longer-term investment horizon, looking for moderate returns, but who are also mindful of capital preservation.
Minimum Investments	R 5 000 minimum lump sum R 500 minimum monthly investment

MODERATE	
NOVARE WEALTH ACCUMULATOR FUND OF FUNDS	
Fund Objective	<p>This is a medium-risk portfolio that aims to deliver income and capital growth over the medium to long-term. This portfolio is designed to minimise volatility and aims to cultivate a smooth return profile whilst minimising drawdowns.</p> <p>This portfolio is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of between 40% and 65%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 4% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	<p>Medium to longer-term investment horizon, looking for moderate returns, but who are also mindful of capital preservation.</p>
Minimum Investments	<p>R 5 000 minimum lump sum R 500 minimum monthly investment</p>

MODERATE	
NOVARE INFRASTRUCTURE BALANCED FUND	
Fund Objective	<p>This is a specialist portfolio investing in a broad spectrum of South African and offshore securities which include equity, bonds, property and money market instruments with a sole focus on opportunities in the infrastructure space. Infrastructure investments offer long-term real growth and (potentially) low correlation to traditional assets.</p> <p>The Novare Infrastructure Balanced Fund can invest directly into infrastructure assets or in other collective investments. It aims to achieve moderate capital growth with reasonable levels of income whilst being mindful of capital preservation, as well as providing compounded returns and avoiding large drawdowns.</p> <p>The Fund will invest in a broad range of participatory interests and other forms of participation in collective investment schemes or similar schemes.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 3% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges</p>
Suitable Investors	<p>The fund is suitable for investors with a medium to longer term investment horizon.</p>
Minimum Investments	<p>R 5 000 minimum lump sum R 500 minimum monthly investment</p>

AGRESSIVE

NOVARE WORLDWIDE FLEXIBLE FUND OF FUNDS

Fund Objective	<p>This is an aggressively managed portfolio that aims to deliver capital growth over the medium to long-term. This portfolio is designed to minimise volatility and aims to cultivate a smooth return profile whilst minimising drawdowns.</p> <p>This fund is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 75%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 6% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	<p>Longer-term investment horizon and an acceptance of market volatility (short-term fluctuations in the market).</p>
Minimum Investments	<p>R50 000 minimum lump sum R 1 000 minimum monthly investment</p>

AGRESSIVE

NOVARE FLEXIBLE FUND

Fund Objective	<p>The Novare Flexible Fund 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.</p> <p>The Novare Flexible Fund invests in other collective investments and other financial market instruments managed in segregated portfolios. The objective of this portfolio is to achieve capital appreciation over the medium to long-term. Given the capital growth nature of the portfolio, it does not actively avoid market volatility.</p> <p>It will invest in a broad range of participatory interests and other forms of participation in collective investment schemes or go directly into the market to seek opportunities.</p> <p>There will be no limitations on the relative exposure of the portfolio to any asset class.</p>
Return Objective	<p>The fund targets a return objective of CPI + 5% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	<p>Longer-term investment horizon and an acceptance of market volatility (short-term fluctuations in the market).</p>
Minimum Investments	<p>R50 000 minimum lump sum R 1 000 minimum monthly investment</p>

AGRESSIVE

NOVARE WORLDWIDE FLEXIBLE FUND

Fund Objective	<p>The Novare Worldwide Flexible Fund 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.</p> <p>The Novare Worldwide Flexible Fund invests in other collective investments and other financial market instruments managed in segregated portfolios. The objective of this portfolio is to achieve capital appreciation over the medium to long-term. Given the capital growth nature of the portfolio, it does not actively avoid market volatility. It will invest in a broad range of participatory interests and other forms of participation in collective investment schemes or go directly into the market to seek opportunities.</p> <p>There will be no limitations on the relative exposure of the portfolio to any asset class.</p>
Return Objective	<p>The fund targets a return objective of CPI + 5% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	The fund is suitable for investors with a medium to longer term investment horizon.
Minimum Investments	R50 000 minimum lump sum R 1 000 minimum monthly investment

AGRESSIVE

NOVARE MANAGED GROWTH FUND

Fund Objective	<p>The Novare Managed Growth Fund is an aggressively managed fund. The objective of this portfolio is to maximise investment capital, accepting the higher level of risk associated with this strategy</p> <p>This fund is diversified across all major asset classes and offers real (after inflation) returns but with lower volatility. The portfolio has exposure to risky asset classes, including equity exposure of a maximum of 75%, which is necessary to grow capital over the long-term.</p> <p>The portfolio adheres to ASISA Classification limits and is in line with Regulation 28.</p>
Return Objective	<p>The fund targets a return objective of CPI + 6% over rolling 5 year periods (net of fees).</p> <p>The CPI component of the benchmark is based on the South African Headline Consumer Price Index.</p> <p>The objective is to outperform the benchmark net of the total investment charge including the underlying managers' respective total investment charges.</p>
Suitable Investors	The fund is suitable for investors with a medium to longer term investment horizon.
Minimum Investments	R50 000 minimum lump sum R 1 000 minimum monthly investment

PRODUCT SPECIFICS

Collective investment scheme (“CIS”)

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. Collective Investments are generally medium to long-term investments. Collective Investments Schemes trade at ruling prices and can engage in borrowing and scrip lending.

Management Company

The Novare portfolios are owned by Novare CIS (RF) (Pty) Limited (Novare CIS) Registration No.2013/191159/07, an authorised Management Company registered according to the Collective Investment Schemes Control Act (CISCA) and regulated by the Financial Sector Conduct Authority (FSCA) of South Africa.

Investment strategy

Novare portfolios will not change its investment strategy or investment policy without prior approval from the Financial Sector Conduct Authority and investors. The ballot procedure as indicated in CISCA will be followed.

Performance Calculations

The actual investment performance of a fund will differ based on the initial fees applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investment performance is for illustrative purposes only. The investment performance is calculated by taking the initial fees and all ongoing fees into account for the amount shown on Novare Minimum Disclosure Documents (MDDs).

Returns are calculated at a NAV to NAV basis and do not take any initial fees into account. This method is applicable to all returns presented on Novare’s MDD documents.

Annualised performance measures the total return of an investment over a period of time, reflected as a time-weighted annual return. Income distributions, prior to deduction of applicable taxes, are included in the performance calculation. Actual annual figures are made available daily in most leading newspapers and Finswitch.

NAV refers to Net Asset Value. This is the value per share of a fund on a specific date or time. The value per share amount is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

Fund Performance

The actual investment performance of a fund will differ based on the initial fees applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

The value of participatory interests may go down as well as up and past performance is not necessarily an indication of future performance.

Costs

Novare funds invest in other collective investments, which levy their own charges, which could result in a higher fee structure for the portfolio. The underlying managers may charge performance fees and these will be subject to the fee structure approved by Novare Investments. Novare CIS’s schedule of fees and charges is available on request. Prices are available on all unit trust fund data information websites.

Total Expense Ratio (TER)

The total expense ratio (TER) is a measure of the total costs associated with managing and operating an investment fund. A higher Total Expense Ratio (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.

Standard deviation

This is a measure of how much the investment’s return varies from its average annualised return since inception.

Income Distribution

This refers to all income from underlying funds, such as dividends income or interest income, which have been declared over the investment period.

Redemption

A redemption is the repayment of bonds or other securities on or before their maturity date by the debtor.

MANAGEMENT COMPANY

The portfolios are 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 Services Board of South Africa. Contact details: P.O. Box 4742, Tyger Valley, 7736, South Africa. Call Centre: 0800 668 273 (0800 Novare). Email: clientservice@novare.co.za. Website: www.nova-re.com. First Rand Bank Limited Registration No.1929/001225/06 is the appointed trustee, contact number: 011 282 8000. PricewaterhouseCoopers is the auditor for the portfolios. Maitland is the fund administrator of the portfolios. Risk management of the portfolios 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: Ms R Miles, Mr DA Roper, Mr L de Wit, Mr GL Carter and Mr JF Basson.

INVESTMENT MANAGER

Novare Investments (Pty) Limited (the 'Investment Manager'), registration no: 2000/018539/07, incorporated under the laws of South Africa, is an authorised financial services provider (FSP 757) under the Financial Advisory and Intermediary Services Act 37 of 2002 and has been appointed by Novare CIS as the Investment Manager of the portfolio. Contact details: P.O. Box 4742, Tyger Valley, 7736, South Africa. Telephone 021 914 7730 Website: www.novare.com The Investment Manager is a member of the Association for Savings and Investment South Africa. Additional information on the proposed investment is available on the Investment Manager's website at www.novare.com

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 facilitates the issue and sale of the participatory interest in the portfolio. 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 in order 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 Holdings (Pty) Ltd has both a Conflict of Interest (COI) and a Treating Customers Fairly (TCF) Policy which respectively outlines the manner in which conflicts of interest are managed and customers are treated fairly, copies of the COI and TCF Policies are available on request. Novare CIS's schedule of fees and charges is available on request. Prices are available on all CIS information websites. The portfolios were established as a Collective Investment Schemes, all information prior was in an unregulated environment. The portfolios will not change its investment strategy or investment policy without prior approval from the Financial Services Board and investors. The ballot procedure as indicated in CISCA will be followed. Counterparty exposure is introduced in the portfolio through the use of a prime broker. The level of counterparty exposure is restricted to funds that are administered by Novare Capital (Pty) Ltd and the respective prime brokers of the underlying portfolio. The liquidity risk management policy is available on request, and covers all repurchase and redemption restrictions, both in normal and in exceptional circumstances. Quarterly reports will be distributed to clients via electronic communication, a month following quarter end. Annual reports will be made available upon request. Nothing in this document will be considered to state or imply that the Funds are suitable for a particular type of investor unless specifically indicated as such. The information contained in this report is provided in good faith and has been derived from sources believed to be reliable and accurate. However, no representation or warranty, express or implied, is made in relation to the accuracy or completeness of this information. The Financial Services Board (FSB) has officially taken up its new mandate as the Financial Sector Conduct Authority (FSCA), effective 1 April 2018. This marks the formal implementation of the Twin Peaks model of financial sector regulation, as envisaged in the Financial Sector Regulation Act 2017 (FSRA). The FSB will henceforth be known as the FSCA.

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