

SALVO NCIS INCOME FUND

Minimum Disclosure Document

As of 2018/02/28

INVESTMENT OBJECTIVE

The Salvo NCIS 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.

INVESTMENT PROFILE

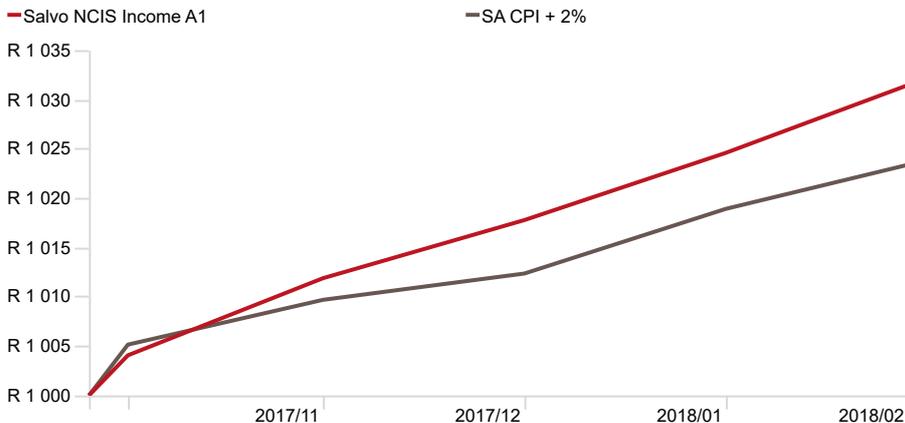
A collective investment scheme ("CIS") can be described as an investment vehicle which allows investors to pool their money together into a portfolio, sharing in the risk and return of the portfolio in proportion to their participatory interest in the scheme. The Salvo NCIS Income Fund is allowed to invest in other collective investments, these are referred to as the underlying managers. 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% (equities are considered to have the potential for the highest return, but with a higher level of risk over the short term) necessary to grow capital over the long term, bonds (lower risk than equities because the holder of a bond has the security of knowing that the bond will be repaid in full by government or semi-government authorities at a specific time in the future) and offshore (Offshore exposure could result in additional material risks – 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). Returns are likely to be less volatile than those of an equity-only fund. The fund adheres to ASISA Classification limits in line with Regulation 28.

ABOUT THE PORTFOLIO

Risk profile	Conservative	Moderate	Aggressive
Inception Date	2017/10/31		
Portfolio Class	A1		
AUM	R 144 590 003.56		
NAV per unit (RPU)	R 10.26		
Number of participatory interest	14 098 784		
ASISA Classification	(ASISA) South African MA Income		
Benchmark*	CPI + 2% net of fees		
Objective**	CPI + 2% over rolling 5 year periods (net of fees)		
Minimum lump sum	R 5 000		
Minimum monthly investment	R 500		
Annual Management Fee	1.16%		
Income declaration	Bi-annual (June, December)		
Transaction cut-off time	14:00 every business day		
Portfolio Valuation	15:00 every business day		
TER***	Available after 12 months		
VAT	—		
TC (incl. VAT) (%)	—		
TIC (%)****	—		
Fund Manager	Salvo Investment Managers		
	T : 051 401 8200		
	F : 086 530 3282		
Management Company	Novare CIS		
	T: 080 066 8273		
	F: 086 066 8273		

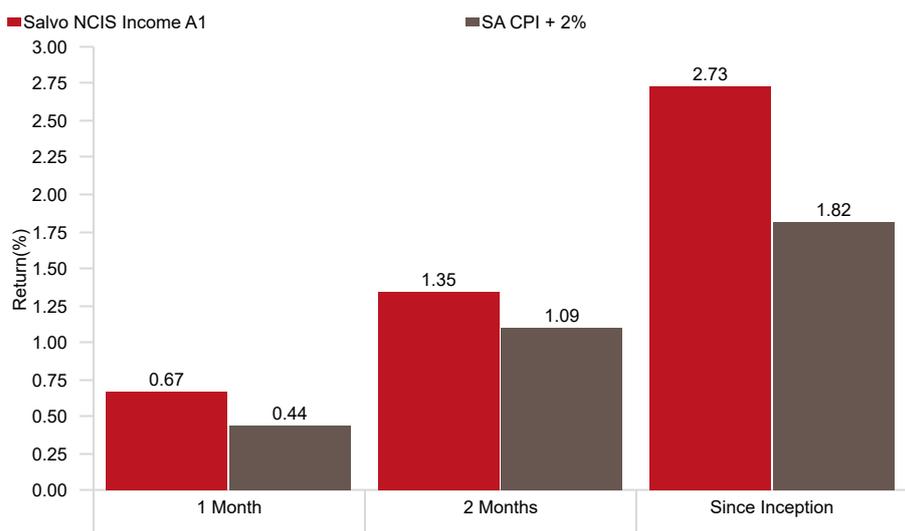
CUMULATIVE FUND PERFORMANCE

Time Period: 2017/10/26 to 2018/02/28



FUND vs OBJECTIVE

As of Date: 2018/02/28



PERFORMANCE CALCULATIONS

The investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

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 in this document. 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.

COSTS

The Salvo NCIS Income Fund are allowed to invest in other collective investments, which levy their own charges, which could result in a higher fee structure for the Expense Ratio (TER) of the weighted average underlying manager funds plus the Salvo asset management fee totals will be available after 12 months from the establishment of the CIS portfolio. The underlying managers may charge performance fees and these will be subject to the fee structure approved by Salvo Investment Managers. There are no performance fees charged at the fund level but some underlying managers may charge performance fees.

FUND COMMENTARY

Domestic

February was an eventful month on the political front. The State of Nation Address (SONA) was postponed as the National Executive Committee (NEC) decided to recall Jacob Zuma as the country's president. At the eleventh hour, Jacob Zuma reluctantly resigned as the President of South Africa, just hours before a motion of no confidence was due to be held in the National Assembly.

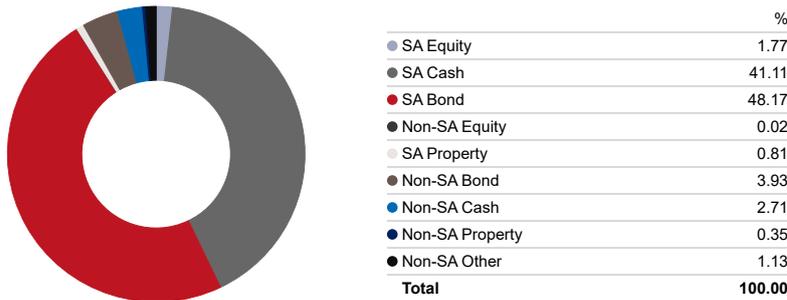
The rand was the second best performing emerging market currency and appreciated 0.6% against the greenback in February, supported by the dramatic changes in South Africa's political leadership and a sounder national budget. The markets believed this ought to convince Moody's to preserve South Africa's investment-grade risk rating and thereby ensure the country's place in Citi's World Government Bond Index. Positive emerging market risk appetite and a much weaker U.S. dollar also supported the local unit. For the month, the JSE ALSI total return was -1.9%, however, on a 12-month rolling basis, it returned 17.4%. Local bonds were the best performers for the third month running, with the All Bond Index generating 3.9%. Cash returned 0.5%, while property remained the worst-performing asset class for a second month running, giving up -9.9% for the month.

International

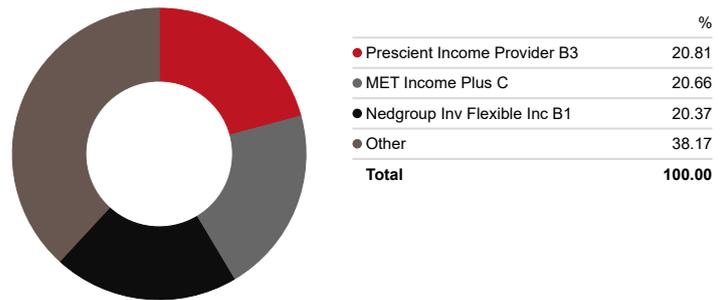
Some volatility hit global financial markets early in February as indications of rising wage and price pressures in the U.S. rattled investors. This caused concern regarding current market valuations and asset allocations. Market participants became worried that with rising bond yields (driven by higher inflation), interest rates would be raised more aggressively than anticipated. In addition, key global central banks threw their support behind the global deflation outlook. The combination of these factors saw sentiment being swayed away from risky assets as global equity markets traded in negative territory.

The MSCI Emerging Market index fell 4.6% in February, marginally underperforming the MSCI World index which returned negative 4.1% due to the sharp market correction that occurred in the month. On Wall Street, the S&P 500 and the tech-heavy Nasdaq gave up -3.8% and 1.7% respectively. In Europe, the FTSE 100 was down -3.4%. Global bond indices felt the pressure of higher bond yields, as was reflected in the Barclays Global Bond Index, which gave up -0.8% for the month. On the commodities front, despite the recovery in the second part of the month, Brent Crude ended February down 6.1% as the slump in oil prices was driven by rising rig count and crude oversupply in the U.S.

ASSET ALLOCATION



UNDERLYING EXPOSURE



ACTUAL PERFORMANCE FIGURES

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	0.67	0.67											1.35
2017	—	—	—	—	—	—	—	—	—	—	0.78	0.58	—

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 Services Board of South Africa. Contact details: P.O. Box 4742, Tyger Valley, 7736, South Africa. Call Centre: 0800 669 273 (0800 Novare). Email: clientservice@novare.co.za. Website: www.novare.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 portfolio. Maitland 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.

Investment Manager

Salvo Investment Managers (the 'Investment Manager') incorporated under the laws of South Africa, is an authorised financial services provider (FSP 47740) 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 44221, Brandwag, Bloemfontein, 9301, South Africa. Telephone: 051 401 8200. Website: www.salvoinvest.com. Additional information on the proposed investment is available on the Investment Manager's website at www.salvoinvest.com Source: Benchmark data, obtained from INet, together with portfolio performance. Additional information on the proposed investment may be obtained free of charge on the Investment Manager's website at www.salvoinvest.com, it includes information regarding the management processes, any annual or yearly reporting.

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. Salvo 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. Salvo 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. Salvo Investment's schedule of fees and charges is available on request. Prices are available on all unit trust fund data information websites. The portfolio will not change its investment strategy or investment policy without prior approval from the Financial Services Board and investors. The liquidity risk management policy is available on request. Nothing in this document will be considered to state or imply that the Fund is 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.

Date Published: 2018-03-16

RISK STATISTICS

Time Period: 2018/01/01 to 2018/02/28

	Portfolio	Objective
Best Month	0.67	0.65
Worst Month	0.67	0.44
Sharpe Ratio*	—	—
Std Dev**	—	—

*The Sharpe ratio measures the risk-adjusted annualised returns based on the average excess return above the risk-free rate per unit of risk. The risk-free rate was based on the default rate provided by Morningstar.

**This is standard deviation of the fund's monthly returns. This is a measure of how much the investment's return varies from its average annualised return since inception.

INCOME DISTRIBUTION

All income from the underlying funds such as dividends income or interest income which have been declared over the investment period. Re-investment date of each distribution will be the 15th day of the following month or the next business day if the 15th does not fall on a business day. Income distributions in the current year - Cents per Unit

INCOME DISTRIBUTION IN THE PAST 12 MONTHS

Declaration Date	Payment	Cents per unit
—	—	—
—	—	—