AIP CAPITAL MANAGEMENT

NOVARE CIS

AIP NCIS Concentrated Arbitrage Qualified Hedge Fund B1

MINIMUM DISCLOSURE DOCUMENT **31 October 2024**

GENERAL INFORMATION

Investment Manager	AIP Capital Management (Pty) Ltd
Management Company	Novare CIS (RF) Pty Limited
Inception Date	01-Apr-16
CIS Establishment Date	01-Apr-16
Fund Class	Class B1
Scheme name	Novare CIS in Qualified Investor Hedge Fund
Portfolio Classification	Qualified Investor Hedge Fund
Fund AUM	R249 097 092,40
Number of participatory	3 283 578,21
NAV Price (CPU)	7 586,15
ASISA Category	SA - Long Short Market Nautral Hedge Fund QIF
Legal structure	CIS trust structure
Risk Profile	High
Benchmark*	Cash (STFCAD)
Objective**	Cash (STFCAD) +4%
Minimum Lumpsum	R1 000 000,00
Minimum monthly	R50,000
Annual Service Fee	1,75%
Portfolio Currency	
Portfolio Valuation	17h00 last business day of the month
Transaction Cutt-off Time	14h00 on last business day of the month
Initial Fee	-
Annual Management Fee	1,50% (excl. VAT)
Annual Performance Fee	20.00% (excl. VAT)
Total Expense Ratio (TER)*	3,96%
Transaction Cost (TC)*	0,41%
Total Investment Charge	4,37%
Income Distribution	Last day of December and Last day of June
Value Distributed	956,76 cents (June 2024)
Administrator	Apex Fund Services South Africa Limited
Prime Broker	ABSA Bank Limited
Trustee	FirstRand Bank Limited (acting through its RMB Trustee services division
Auditor	PKF Cape Town (member of PKF South Africa Inc.

* STFCAD is the STeFi Call Deposits Index (STFCAD code from Morningstar)

**The objective is to outperform the benchmark net of the total investment charge.

RISK RATING

Less than 1 yr	1 - 3 yrs	3 - 5 yrs	5+ yrs
LOW	LOW-MED	MEDIUM	**HIGH**

HIGH: This portfolio is managed within what are regarded to be aggressive investment parameters. The objective of this portfolio is to maximise investment capital, accepting the higher level of risk associated with this strategy.

INVESTMENT OBJECTIVE & PROFILE

The objective of the AIP NCIS CONCENTRATED ARBITRAGE QUALIFIED HEDGE FUND is to provide its investors with investment gains and total return in South African Rand terms. The portfolio has a conservative risk/return profile and is an equity trading focused qualified hedge fund exploiting arbitrage and othe ractive trading opportunities in the equity markets. The Benchmark of the portfolio is SteFCAD (Stefi Call Deposit Rate).

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 portfolio. The portfolio has an aggressive risk/return profile, and is suitable for investors with a long term investment horizon, who are seeking capital growth, while assuming acceptable levels of risk. The portfolio will mainly invest in listed equities, bonds, derivatives, and futures, seeking absolute returns by exploiting investment opportunities, while protecting capital from potential financial loss. The portfolio may also invest in participatory interests or any other form of participation in portfolios of collective investment schemes. The portfolio may, from time to time, invest in, or enter into, listed and unlisted financial instruments. The portfolio may make foreign investments. The use of leverage in the portfolio will be limited by means of a Value at Risk (VaR) limit of 30% of NAV, measured at 99% confidence level of a month period. As additional mandate stipulations, the portfolio provides compounded returns and aims to avoid large drawdowns.

LIQUIDITY PROFILE

The portfolio provides investors with three monthly redemption liquidity. The liquidity of assets in the portfolio aligns to the redemption period.

MANAGEMENT COMPANY

Novare Collective Investment Scheme (RF) (Pty) Ltd

Reg No	2013/170284/07
Address	The Cliffs Office Block 1, 3 Niagara Way, Tygervalley, 7530
Tel No	27 (0) 800 668 273 (0800 Novare)
Email	clientservices@novare.com
Website	www.novarecis.com

INVESTMENT MANAGER

AIP Capital Management (Pty) Ltd FSP 48828

Reg No	2017/334425/07
Address	Unit 209, The Cliffs Office Block 2, 3 Niagara Way, Tygervalley, 7530
Tel No	021 300 7023
Email	info@aip.co.za
Website	www.aip.co.za

TRUSTEE

FirstRand Bank Limited (RMB Trustee Services)

Address	3 Merchant Place, Ground Floor, Cnr Fredman & Gwen Streets, Johannesburg, 2001
Tel No	27 (0) 87 577 8730
Email	trusteeservices@rmb.co.za
Website	www.rmb.co.za

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MONTHLY RETURNS (NET OF FEES)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	1,15%	1,13%	-0,01%	0,53%	-0,22%	2,03%	1,72%	1,34%	0,73%	0,84%			**9,61%**
2023	0,32%	0,95%	0,92%	0,66%	0,84%	0,83%	0,73%	0,86%	1,14%	0,59%	1,10%	0,49%	**9,84%**
2022	0,48%	-1,76%	3,86%	-2,35%	3,32%	0,42%	0,78%	0,75%	1,55%	1,23%	1,44%	0,55%	**10,58%**
2021	0,67%	0,41%	0,29%	-0,56%	0,66%	0,29%	0,78%	0,92%	0,84%	0,37%	0,55%	1,64%	**7,06%**
2020	0,44%	-2,35%	0,89%	5,08%	2,61%	0,53%	-2,49%	1,00%	1,99%	0,22%	0,70%	0,52%	**9,29%**
2019	1,06%	0,72%	0,95%	0,03%	0,61%	0,46%	1,25%	-0,73%	-4,40%	1,68%	2,47%	-0,17%	**3,83%**
2018							1,12%	0,08%	2,23%	1,30%	0,76%	-0,26%	**5,32%**

RETURN ANALYSIS

RETURN ANALYSIS	FUND	BENCHMARK
12 Month Return	11,36%	-0,67%
Since Inception (Annualised)*	8,77%	4,67%
Since Inception (Cumulative)	70,35%	33,49%
Sharpe ratio	0,63	-
Standard deviation	4,45%	-
Maximum monthly drawdown	-4,40%	
Sortino ratio	1,00	

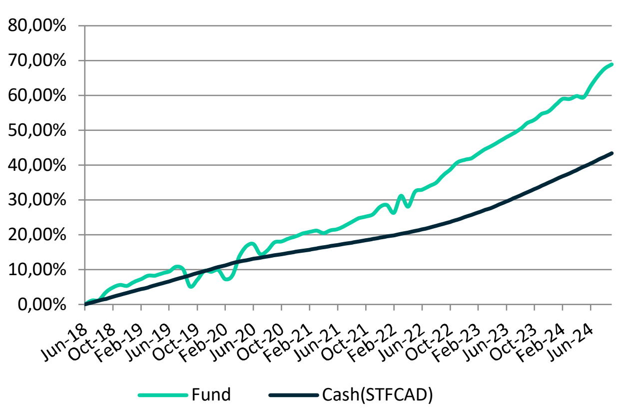
*Annualised Return - The average rate earned by the investment over a year in the period measured.
** Rolling 12 months since inception

ASSET ALLOCATION*

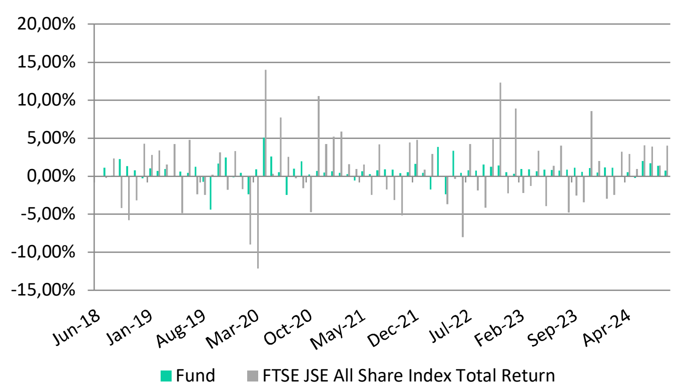
Cash	14,83%
Equities	0,11%
Equity CFDs	5,80%
Forex Futures	0,00%
Fund CFDs	0,00%
Unit Trusts	85,34%

*Net exposure as a percentage of net asset value at month end.

CUMULATIVE RETURNS SINCE INCEPTION



DOWNSIDE PROJECTION



INCOME DISTRIBUTION IN THE PAST 12 MONTHS

Distribution Date	Payment date	Cents per unit
31/12/2023	01/01/2024	185,54
30/06/2024	01/07/2024	956,76

DISCLOSURES

1.Collective Investment Schemes are generally medium to long-term investments.
2.The value of participatory interests (units) may go down as well as up.
3.Past performance is not necessarily a guide to future performance.
4.Where different classes of participatory interests apply to certain Portfolio's, they would be subject to different charges.
5.Collective investments are traded at ruling prices and can engage in borrowing and scrip lending.
6.A schedule of fees and charges and maximum commissions, is available on request from Novare CIS.
7.Novare CIS does not provide any guarantee in respect to the capital or the return of the portfolio.
8.Novare CIS may suspend repurchases for a period, subject to regulatory approval, to await liquidity.
9. Novare CIS may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists in a portfolio, or where assets cannot be released to withdraw or cancel participatory interests.
10. Novare CIS reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate.
11. Forward pricing is used.
12. In terms of the Collective Investment Schemes Control Act, No.45 of 2002 (CISCA), RMB Custody and Trustee Services (A division of FirtsRand Bank Limited) has been appointed by Novare CIS as the Trustee of **AIP Novare CIS Concentrated Arbitrage Qualified Hedge Fund**.
13. The portfolio is valued at 17H00 on the last business day of each month.
14. Investment and Redemption Instructions will be processed according to: The Transaction Cut-Off Time as well as the Subscription and Redemption guidance stipulated within the General Information section of the Minimum Disclosure Document.
15. Any capital gain realised on the disposal of a participatory interest in a collective investment scheme is subject to Capital Gains Tax (CGT).
16. A money market portfolio is not a bank deposit account. The price of a participatory interest is a marked- to-market value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument, in most cases the return will merely have an effect of increasing or decreasing the daily yield. In the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from a money market portfolio may place the portfolio under liquidity pressure and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.
17. Where foreign securities are included in a portfolio, this may impose potential constraints on liquidity and the repatriation of funds. The portfolio can be impacted by macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of the market information. Fluctuations or movements in exchange rates may cause the value of underlying offshore investments to go up or down.
18. A Fund of Funds Portfolio only invests in other portfolio's of collective investment schemes which levies its own charges, which could result in a higher cost structure for these portfolios.
19. Novare Collective Investment Schemes (RF) Proprietary Limited has entered into a co-naming agreement with and delegated the investment management function to **AIP Capital Management Pty Ltd (FSP no. 48828)**
20. Novare CIS retains full legal responsibility for **AIP NCIS Concentrated Arbitrage Qualified Hedge Fund** and performs Risk Management oversight.
21. Application forms can be obtained via the Novare CIS website www.novarecis.com and any additional information can be requested from Novare CIS at clientservice@novare.com
22. The Novare CIS complaints policy is available on the Novare CIS website www.novare.com
23. Novare CIS has a Conflict of Interest policy, Protection of Personal Information Policy and Treating Clients Fairly Policy which is available on request.
24. Annual report is available upon request.

TRANSACTION CUT-OFF TIMES

Transaction cut-off time:The monthly cut-offf or receipt of instructions is 14h00 on the last business day of the month. No instruction will be processed unless all requirements have been met and supporting documentation has been provided. Investmen tinstructions received before cut-off will be processed that day and wil lreceive the valuation day's price. Investment instructions received after cut-off will receive the next valuation day's price. Redemption instructions received before the cut-off will be processed that day and will receive the valuation day's price at the end of the 3 calendar months' noticeperiod. Redemptions are paid out within five business days after the valuation has been finalised.

PERFORMANCE CALCULATION

Lump-sum performance returns are being quoted. Income distributions, prior to 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 performance is calculated for the B1 fee class. 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.

PERFORMANCE FEES

The portfolio levies a performance fee of 20 % of the amount by which it outperforms the hurdle rate of STEFI Call Deposit Rate. The performance fee is payable quarterly and calculated daily. The High-Water Mark principle is applied in the performance fee calculation. The PERFORMANCE FEE FAQ DOCUMENT is available on request from us.

TER, TC & TIC

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 mos trecent 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, the stated performance fee percentage of the net asset value of the class of portfolio was recovered (if applicable).

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 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.

HEDGE FUND RISK DISCLOSURE

The risks and characteristics within represent some of the more general risks and characteristics prevalent in some hedge fund portfolios. The list below should not be seen as exhaustive nor should all the risks and characteristics contained herein be considered applicable to every fund as fund Investment Objectives differ. As more risks and characteristics are identified that were not initially mentioned, these will, as they become more prevalent, be included herein.

Investment strategies may be inherently risky - Hedge fund strategies may include leverage, short-selling and short-term investments. In addition, hedge fund portfolios often invest in unlisted instruments, low-grade debt, foreign currency and other exotic instruments. All of these expose investors to additional risk. However, not all hedge fund managers employ any or all of these strategies and it is recommended that investors consult their advisors in order to determine which strategies are being employed by the relevant manager and which consequent risks arise.
Leverage usually means higher volatility - Hedge fund managers may use leverage. The hedge fund manager borrows additional funds, or trades on margin, in order to amplify his investment decisions. This means that the volatility of the hedge fund portfolio can be many times that of the underlying investments. The degree to which leverage may be employed in any given hedge fund portfolio will be limited by the mandate the client has with the manager. The limits laid down by the mandate should be carefully reviewed in making an investment decision.
Short-selling can lead to significant losses - Hedge fund managers may borrow securities in order to sell them short, in the hope that the price of the underlying instrument will fall. Where the price of the underlying instrument rises, the client can be exposed to significant losses, given that the manager is forced to buy securities (to deliver to the purchaser under the short sale) at high prices.
Unlisted instruments might be valued incorrectly - Hedge fund managers may invest in unlisted instruments where a market value is not determined by willing buyers and sellers. The hedge fund manager may have to estimate the value of such instruments, and these estimates may be inaccurate, leading to an incorrect impression of the fund's value. Investors should ensure that objective valuations are performed for all instruments in a portfolio and that the manager utilises the services of a competent administrator.
Fixed income instruments may be low-grade - Hedge fund managers may invest in low-grade bonds and other fixed interest investments. These investments are more likely to suffer from defaults on interest or capital. They are also more likely to have volatile valuations when the market changes its view on credit risk. The mandate should also limit the extent (i.e. lowest acceptable rating and maximum percentage exposure) to which low-grade debt can be acquired by the client. Investors should review the mandate to gain an appreciation of the maximum possible exposure applicable to the relevant mandate.
Exchange rates could turn against the fund - A hedge fund manager might invest in currencies other than the base currency. For example, a South African hedge fund manager might invest in UK or US shares. The portfolio is therefore exposed to the risk of the rand strengthening or the foreign currency weakening.
Other complex investments might be misunderstood - In addition to the above, hedge fund managers might invest in complex instruments such as, but not limited to, futures, forwards, swaps, options and contracts for difference. Many of these will be derivatives, which could increase volatility. Many will be "over-the-counter", which could increase counterparty risk. Many exotic instruments may also be challenging for the manager to administer and account for properly. Investors should inquire into how these instruments are objectively and independently valued.
The client may be caught in a liquidity squeeze - Given their often short-term nature, hedge fund managers need to be able to disinvest from or close certain positions quickly and efficiently. But market liquidity is not always stable, and if liquidity were to decrease suddenly, the hedge fund manager might be unable to disinvest from or close such positions rapidly or at a good price, which may lead to losses.
The prime broker or custodian may default - Hedge fund managers often have special relationships with so-called "prime" brokers. These are stockbrokers that provide the required leveraging and shorting facilities. Prime brokers usually require collateral for these facilities, which collateral is typically provided using assets of the relevant client, and consequently such collateral might be at risk if the prime broker were to default in some way.
A similar situation could occur with the custodian of the client's funds.
Regulations could change - Legal, tax and regulatory changes could occur during the term of the investor's investment in a hedge fund portfolio that may adversely affect it. The effect of any future legal, tax and regulatory change or any future court decision on a hedge fund portfolio could be substantial and adverse.
Past performance might be theoretical - Hedge fund portfolios are on occasion marketed using theoretical or paper track records. Past performance is seldom a reliable indicator of future performance. Theoretical past performance is often an even less reliable indicator, and investors should place a lower significance on these.
The manager may be conflicted - The hedge fund manager might be managing other hedge fund portfolios or other traditional investment funds. The investor should ensure that sufficient controls are in place to manage any conflicts of interest between the different funds.
Hedge fund structures are often complex - As mentioned above, hedge fund structures are not fully regulated and they are often housed in legal structures not originally meant for pooled hedge funds, for example partnerships and companies. Given the many risks listed above, investors need to ensure that any structure is robust enough to contain any unlimited losses.
Manager accountability may be vague - Hedge fund portfolios are often managed by specific individuals and investors should ensure that sufficient controls are in place for the times when the manager is being covered for by colleagues. In addition, a hedge fund structure (for example, a fund of funds) and its managers or advisors may rely on the trading and/or investing expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors. This constitutes an additional risk for investors, which they must take into account.
Fees might be high - Hedge fund structures' fees may be significantly higher than the fees charged on traditional investment hedge funds. Investments should be made only where the potential returns justify the higher fees.
Fees might be performance-based - Hedge fund manager's fees are usually performance-based. This means that the managers typically get a higher fee when their portfolios outperform specified performance targets, which might lead to riskier positions being taken. Investors need to ensure that performance fees allow for a fair sharing of both the good and the bad.
Transaction costs might be high - Given the often short-term nature of investment positions, hedge fund portfolios are often traded more aggressively. This implies more stockbroking commission and charges being paid from the portfolio, which is ultimately for the client's account. Again, investments should be made only where the potential returns make up for the costs.
Transparency might be low - A hedge fund manager's performance is often the result of unique proprietary strategies or contrarian investment positions. For obvious reasons, managers will want to keep these confidential. Managers are therefore less likely to disclose trades to their investors, and holdings might be disclosed only in part or with a significant delay.
Dealing and reporting might be infrequent - A hedge fund manager's performance can often be disturbed by irregular cash flows into or out of the hedge fund structure. For this reason, hedge fund managers often limit the frequency of investments and withdrawals. Similarly, the manager may choose to report infrequently on performance and other statistics. Investors should ascertain, prior to investing, the nature and frequency of reporting.
Withdrawals might not be easy - As mentioned above, the frequency of withdrawals might be limited to monthly or quarterly dates. In addition, the manager may impose notice periods or lock-ins in order to ensure that they have the necessary time for their investment positions to deliver their desired returns.

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