

### Investment Objective and Strategy

The Fund is a moderate risk multi-strategy retail investor hedge fund that aims to generate consistent absolute returns with low volatility. The Fund's long-term return target is cash (STeFI Call Deposit Index) + 3% per annum, over 3-year rolling periods, with volatility typically less than the All Bond Index. It aims to preserve capital over a one-year period. The Fund will have maximum flexibility to invest in a wide range of instruments, including, but not limited to, listed and unlisted equities, scrip loans, options, warrants, convertible debt securities, preference shares, futures, ETFs, and derivatives. The Fund will take long and short positions, and may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate, in order to maximise returns. The Fund's investment strategies will be focused on South African markets, but may be supplemented by foreign investments. The Fund may also invest in participatory interests or any other form of participation in portfolios of collective investment schemes. The use of leverage in the Fund will be limited by means of a Value at Risk (VaR) limit of 20% of NAV, measured at 99% confidence level of a month period. The Fund is not Regulation 28 compliant.

### Investor Profile

- Who aim for consistent absolute returns with low volatility
- Who want to diversify across various managers and strategies
- Who seek to invest in strategies that are fundamentally different to traditional strategies
- Who typically have an investment horizon longer than a year

### Risk Profile



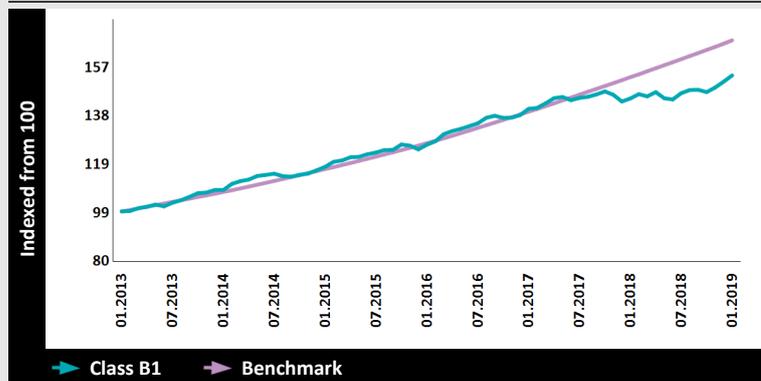
Please refer to the "Information to consider before investing" section on page 3 for further risk information.

### Performance (annualised %)

	1 Year	3 Years	5 Years	Since Inception
Class B1	6.35	6.82	7.29	7.77
Benchmark	9.57	9.77	9.33	9.05

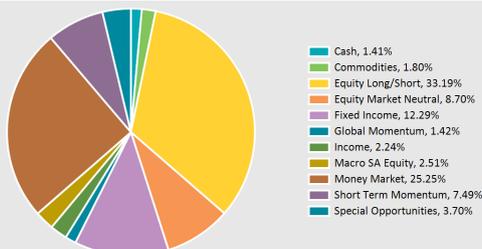
The performance of the Portfolio was based on annualised returns from a monthly return series since the inception date of the Fund (2012/12/01). Figures are calculated using lump sum investments. All returns before 2018/02/01 were in an unregulated structure. Data source: Morningstar

### Cumulative Returns



Performance figures are calculated using lump sum investments since inception (2012/12/01). All returns before 2018/02/01 were in an unregulated structure. Source: Morningstar

### Strategy Allocation



- **Equity Long/Short** strategy seeks to minimise market exposure while profiting from stock gains in the long positions and price declines in the short positions. The majority of local equity long/short funds tend to be long-biased.
- **Equity Market Neutral** strategies are often attained by taking matching long and short positions in different stocks to benefit from mispricing and delivering positive returns from both the long and short stock selections and reducing risk from movements in the broad market.

### Portfolio Facts

<b>Portfolio Manager(s)</b>	Chris Roelfse
<b>Portfolio Size</b>	R 777 million
<b>Net Asset Value (NAV)</b>	104.74 rands per unit
<b>Number of Units</b>	7 787.48 units
<b>Domicile</b>	South Africa
<b>Portfolio Classification</b>	Retail Investor Hedge Fund
<b>Legal Structure</b>	CIS Trust Structure
<b>Income Distribution</b>	Net revenue is calculated daily basis and distributed bi-annually
<b>Income Declaration</b>	30 Jun & 31 Dec
<b>Accounting Periods</b>	1 Jan - 30 Jun; 1 Jul - 31 Dec
<b>Portfolio Valuation</b>	17h00 every business day
<b>Transaction cut-off time</b>	14h00 every business day
<b>Liquidity Profile</b>	Daily liquidity
<b>Benchmark</b>	Cash (STeFI Call Deposit Index) + 3% p.a., over 3-year rolling periods
<b>Inception Date</b>	2012/12/01*
<b>Establishment of CIS Date</b>	2018/02/01**

\* This is the date on which the solution was launched on a segregated mandate.

\*\* This is the actual launch date of the CIS trust structure

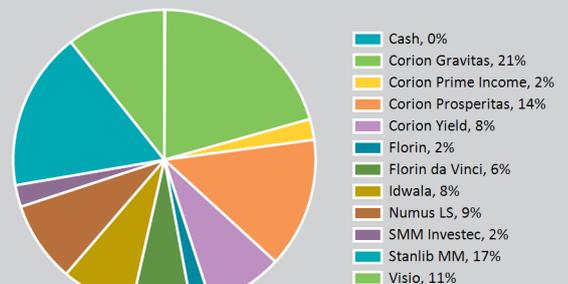
### Minimum Investment

Lump Sum	R50,000
Debit Order Per Month	R1,000
<b>ISIN No.</b>	ZAE000253522
<b>JSE Code</b>	SNMFB1

Total Investment Charge Breakdown Annualised Rolling 3 Year Period from 01/10/2015 to 31/09/2018	Class B1 3 Years
Advisor Fee	0.00
Management Fee	1.69
Underlying Fund Fees	0.00
Underlying Performance Fees <sup>1</sup>	0.73
Other <sup>2</sup>	0.03
VAT	0.37
<b>Total Expense Ratio (TER)<sup>3</sup></b>	<b>2.81</b>
<b>Transactional Costs (inc. VAT)<sup>4</sup></b>	<b>0.00</b>
<b>Total Investment Charges<sup>5</sup></b>	<b>2.81</b>

(1) Performance fees charged only at underlying investment level subject to a high watermark and a maximum of 20% on outperformance. (2) Other includes: bank charges, custody fees, sundry income, audit & trustee fees. In the first year of the CIS this is an estimated figure. (3) The 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. (4) 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. (5) The total investment charge (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. This fee class is available to both retail and institutional clients. Pls see page 3 of this document for more details on fees.

### Underlying Fund Allocation



### Income Distribution

Class B1	Declared in last 12 months	Declared during 2018
Class B1	1.56 cpu	1.72 cpu

### STATUTORY DISCLAIMER

Collective Investment Schemes should be considered a medium to long term investments. The value of units (participatory interests) may go down as well as up and past performance is not an indication of future performance. Prices are published and available on Finswitch and Morningstar at a frequency of T+5 at 10h00. The Fund is traded at ruling prices using forward pricing and can engage in leverage up to 10% of the market value of the portfolio to bridge insufficient liquidity as a result of the redemption of participatory interests and may engage in scrip lending. The Fund is subject to a maximum of 20% Value at Risk (VaR) over the following month at a 99% confidence level. Fund yield is calculated monthly based on the actual distributions declared in the last 12 months divided by the average daily net asset value, expressed as a nominal annual rate. It is provided to give an approximate of the achievable yield for an investment made at the reporting date. A schedule of fees and charges and maximum commissions is available on request from Novare CIS (RF) Pty Ltd (the Manco). Novare CIS is a full member of the Association for Savings and Investments of South Africa (ASISA).

## Quarterly Risk Reporting

	Fund	Benchmark	ALBI
Volatility (since inception)	3%	0.23%	7.89%
Lowest annual return (since inception)	-0.37%	7.79%	-5.64%
Highest annual return (since inception)	12.32%	9.97%	21.2%
Value at Risk (VaR) at 99% (at quarter-end)	-3.17%	N/A	-7.11%
Max 99% VAR (during the quarter)	-3.4%	N/A	-7.11%

**Value at Risk (VaR):** A measure of the potential loss over the following month, calculated using daily historical data to determine with a 99% confidence level that this loss will not be exceeded. A negative figure represents the loss, and a positive figure will be shown as N/A.

**The other risk statistics** are based on annualised returns from inception (2012/12/01) and calculated using a monthly data series. The investment performance is for illustrative purposes only, returns before 2018/02/01 were in an unregulated structure.

Data source: Morningstar

### Methodology for conducting stress-testing:

The methodology for market stress testing is based on a regulatory requirement to test the impact on the performance of the Portfolio under outlier events based on historical correlations. The model changes the underlying price or yield of every security in the Portfolio by various amounts and re-values each security from first principles. The methodology was applied for quarter-end period and the results are deemed satisfactory.

The methodology for liquidity stress testing is based on assessing daily volumes to establish an average daily volume per position in the Portfolio. This metric is used to calculate how many days it would take to sell out a long position and vice-versa. This number of days is weighted by the 'market volume factor', a percentage of the average daily trade assumed to be able to be commanded by the user. This weighted number of days is then used to assess what percentage of the Portfolio can be closed out within various time-bands. This methodology was applied on the Portfolio for quarter-end period and the results are deemed satisfactory in line with the daily liquidity of the Portfolio.

**Changes to liquidity risk profile:** There were no significant changes to the liquidity profile of the Portfolio, and the redemption period of the Portfolio remains daily.

**Leverage:** The Portfolio makes use of leverage through the use of derivatives and short-selling of physical stock as provided by the respective prime brokers. The use of leverage in the Portfolio will be limited by means of a Value at Risk (VaR) limit of 20% of NAV, measured at 99% confidence level of a month period. In addition, the Portfolio holds participatory interests in other collective investment schemes, and some of these underlying mandates make use of leverage through the use of derivatives and short-selling of physical stock as provided by the respective prime brokers.

**Re-hypothecation:** Re-hypothecation refers to the practice whereby the prime broker uses the securities of the Portfolio as collateral for the prime broker's own purposes. The prime brokers in the Portfolio and the underlying mandates do not permit the re-hypothecation of assets.

## Portfolio Quarterly Commentary as at 31.12.2018

2018 ended with stock markets around the world in the red for the year. Rising interest rates in the US, a stronger dollar, the trade war between China and the US, falling oil prices, Brexit and the emergence of populist leaders all weighed on markets. The local market was no exception with the FTSE JSE All Share Index depreciating by 8.5% over the year. Given the challenging environment, the Fund returned a commendable 5.6% for the year.

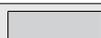
Over the last quarter, important changes to the portfolio were implemented in order to continue the journey of providing absolute alternative returns at an appropriate cost. Within this context, investments into the Abax Mosaic Fund, the Bateleur Long Short Fund and Corion MS1 (Matrix) were terminated. These decisions were made due to having identified two funds that are more aligned to our investment thesis. In addition to slightly upweighting some existing funds and strategies, the Visio Market Neutral Fund (a substitute to Abax and Bateleur) and the Idwala FI RIF were added to the portfolio.

Pleasingly, all underlying funds contributed positively in Q4 2018, with Idwala FI RIF and Corion Gravitas NCIS leading the way, both up 4.5%. The Short Term Momentum fund, Corion Prosperitas NCIS, benefited from a continued return to price volatility and delivered 4.1% for the quarter. The allocation to the Corion Multi-Strategy funds continued to be a significant contributor of performance, with the Corion Prosperitas NCIS and Corion Gravitas NCIS Funds delivering 12.4% and 5.8% respectively for the year despite very weak equity markets.

Given the difficult equity environment, performance within the Long Short Equity Funds was overall positive. The Numus Long Short Equity Fund performed well delivering a return of 2.2% for the quarter and 14% for the year, while Florin da Vinci gained 1.5% for the quarter.

## Net Monthly Performance Table

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2012</b>												0.69	0.69
<b>2013</b>	2.08	0.18	1.13	0.56	0.85	-0.71	1.42	0.96	1.29	1.39	0.24	0.97	10.85
<b>2014</b>	-0.02	2.24	0.99	0.58	1.27	0.36	0.44	-0.87	-0.17	0.63	0.45	1.14	7.24
<b>2015</b>	1.18	1.71	0.47	1.05	0.14	0.84	0.56	0.80	0.05	1.73	-0.34	-1.20	7.18
<b>2016</b>	1.49	1.08	2.24	0.95	0.66	0.81	0.83	1.64	0.60	-0.61	0.07	0.74	10.99
<b>2017</b>	1.79	0.27	1.27	1.47	0.33	-0.89	0.64	0.29	0.65	0.82	-0.93	-1.81	3.92
<b>2018</b>	0.85	1.19	-0.60	1.15	-1.66	-0.32	1.73	0.86	0.06	-0.62	1.24	1.55	5.50
<b>2019</b>	1.66												1.66



Unregulated



Regulated (CIS)

Performance figures are calculated using monthly investments since inception (2012/12/01). Returns before 2018/02/01 were in an unregulated structure. Source: Morningstar

**Information to be considered before investing**

Collective Investment Schemes (CIS) are generally medium to long term investments. The STANLIB Multi-Manager NCIS Multi-Strategy Retail Hedge Fund should be considered an investment with a time horizon longer than a year. The investment performance is for illustrative purposes only. The value of units (participatory interests) may go down as well as up and past performance is not necessarily a guide to the future performance. The investment performance is calculated by taking the actual ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. Actual investment performance will differ based on the advice fees applicable, the actual investment date, the date of reinvestment and dividend withholding tax. The Management Company does not provide any guarantee in respect of capital or the return of a portfolio. 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. This portfolio may contain offshore exposure, which 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. The Management Company has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

The portfolio was established as a Collective Investment Scheme in February 2018, 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 and its underlying strategies make use of the services of prime brokers and as a result the portfolio is exposed to the prime broker counterparty risk. In addition to holding its own instruments, the portfolio may invest in other participatory participatory interests and other forms of participation in collective investment schemes or similar schemes, including retail hedge funds - these are referred to as the underlying portfolios. The portfolio may be exposed to liquidity risk and the corresponding liquidity risk management policy is available on request, and covers investment and repurchase restrictions, both in normal and in exceptional circumstances. In extreme liquidity events, the portfolio may choose to create a side pocket or gate investors' access. 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. The Management Company has both a Conflict of Interest (COI) and a Treating Customers Fairly (TCF) Policy which respectively outline 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.

**Liquidity Profile**

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

**Hedge Funds and Risk Classification**

Investors should be aware that hedge funds can engage in leverage, short-selling, hedging, use derivatives, have counterparty exposure and other short-term investment practices that may increase investment volatility. Although the portfolio will aim to provide daily liquidity, events may arise which result in illiquidity in the portfolio. The liquidity risk management policy outlines how liquidity will be managed in such exceptional circumstances. While CIS in hedge funds differ from traditional CIS, the two may appear similar as both are subject to similar regulatory requirements. Hedge funds aim to extract positive performance in both upward and downward trending financial markets. Hedge funds tend to have low correlations to traditional portfolios.

**Risk exposure**

The portfolio is able to engage in transactions that involve counterparty exposure, short-selling, derivatives and other hedge fund activities. Risks associated with the fund activities include:

- Credit Risk - Arising from exposures to counterparties and their ability to repay loans
- Liquidity Risk - Where some of the underlying instruments may be illiquid, either in normal circumstances or specific events.
- Operational Risk - Failure of systems and/or personnel may result in losses
- Regulatory Risk - Future regulatory changes (e.g. legal, tax) could occur and may adversely affect the portfolio
- Market Risk - Arising from general movements in financial markets
- Interest Rate Risk - As a result of changes in the yield curve and other interest rate relationships
- Currency Risk - Should the value of any of the underlying positions in the portfolio be exposed to exchange rate fluctuations

**Performance Calculations**

Returns are calculated on a NAV to NAV basis and do not take any initial fees into account. Net Asset Value "NAV" is the total market value of all assets in a portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Cumulative performance figures (where quoted) are calculated assuming a lump sum investment at the start of the specified period. 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.

**Performance Fees**

In addition to charging fixed management fees, the portfolio levies performance fees based on each underlying strategy/mandate outperforming in excess of its hurdle rate. The methodology differs for each strategy, but all subject to a high watermark and a maximum of 20% on outperformance.

The performance fee methodology of the underlying manager(s) / investment(s) is incorporated in their respective mandates. More information on the underlying performance fee methodologies is available on request.

**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 most recent 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.

**Transactional 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.

**Service Providers**

<b>The Management Company (The MANCO)</b>	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: <a href="mailto:clientservice@novare.co.za">clientservice@novare.co.za</a> . Website: <a href="http://www.novare.com">www.novare.com</a>  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 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 <a href="mailto:clientservice@novare.com">clientservice@novare.com</a> Directors: Ms R Miles, Mr DA Roper, Mr L de Wit, Mr GL Carter and Mr JF Basson
<b>Investment Manager</b>	STANLIB Multi-Manager (Pty) Ltd is an authorised financial services provider in terms of section 8 of the Financial Advisory and Intermediary Services Act, 37 of 2002. FSP licence No.26/10/763.
<b>Co-Named Agreement</b>	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.
<b>Prime Brokers</b>	The Portfolio makes use of a number of prime brokers directly, and is indirectly exposed to other prime brokers through the underlying portfolios.
<b>Fund Auditor</b>	PricewaterhouseCoopers
<b>Administrator</b>	Maitland Hedge Fund Services (Pty) Limited
<b>Trustee</b>	FirstRand Bank Limited (Registration No: 1929/001225/06) Telephone: +27 11 282 8000

**STANLIB Multi-Manager does not provide financial advice**

This information does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Independent financial advice should always be sought before making an investment decision. If you appoint an adviser, advice fees are contracted directly between you and the adviser. We will facilitate the collection of advice fees (including initial advice fees of up to a maximum of 3.00%) only upon receiving your instruction. You may cancel the instruction to facilitate the payment of ongoing advice fees at any time.

**Where can I find additional information?**

Additional information such as brochures, application forms and annual or quarterly reports, can be obtained from the websites: <http://www.stanlib.com> or [www.stanlibmultimanager.com](http://www.stanlibmultimanager.com). The prices of Funds are calculated and published on each working day. These prices are also available on the websites and in South African printed news media.