



NEWS RELEASE

3 June 2011

NOVARE LAUNCHES FIRST UNIT TRUST-BASED FUNDS OF FUNDS FOR THE RETAIL MARKET

Novare Investments, the specialist independent investment manager focused on Africa, has announced its expansion into the retail investment market with the launch of two new unit trust-based funds of funds.

Funds of funds are collective investment portfolios that invest in a range of other collective investment portfolios, in this case unit trusts offered by various portfolio management companies. The main benefit of funds of funds is diversification of risk, but they also offer improved regulatory oversight as well as increased levels of disclosure and reporting to investors.

According to Marius Kilian, Chief Executive of Novare Investments, the new funds of funds are intended to allow clients to easily tailor investments to suit their unique risk profile. "In an increasingly volatile environment investors should articulate their desired outcomes clearly and then seek to achieve the required return at appropriate risk. Avoiding deep draw-downs is paramount, and the power of compounding will take care of the rest."

Francois Cilliers, Head of Multi-Management at Novare Investments, explained that after a decade of successful independently managed and advised multi-manager portfolios for pension funds and institutional clients, Novare had embarked on providing this expertise to the broader independent financial adviser (IFA) and retail market.

"In addition to a dedicated asset management team and function, Novare are also truly independent in as much as we do not have any single manager funds of our own. We also bring the same pricing power obtained on behalf of our institutional clients to bear within these retail offerings, and 100% of these cost savings are passed on to our end clients."

According to Cilliers, investors and financial advisers increasingly appreciate the level of dedicated manager due diligence, portfolio construction and ongoing risk management

expertise that is required to maintain appropriately risk-tailored portfolios, and that these are most suitably accommodated for within a dedicated multi-manager framework.

Novare Investments has for much of its history managed a range of wrap funds, in addition to now making this offering available in unit trust form with the launch of two new fund of funds: the Novare IP Capital Preserver Fund of Funds, and Novare IP Wealth Accumulator Fund of Funds. These are the first products in its retail product range.

“Accurate assessment of the client’s true risk tolerance, combined with appropriate levels of liquidity and asset class diversification are key components to risk reduction. Risk changes over time. In the short term risk is essentially market price movements, or volatility, while the long term shortfall risk is inflation,” said Kilian.

ends

Notes

- Novare was founded in October 2000 as an independent investment management business in South Africa. In 2006 the group began expanding into Africa where it has built an extensive network and gained invaluable experience and insight into investing on the continent.
- After a decade in the business, Novare has over 200 years of collective experience in the investment industry. Pioneers in investment management in Africa, Novare aspires to provide innovative solutions based on fundamental research in the fields of asset management, investment advice, implemented consulting, alternative investments, and private equity.
- Novare has offices in South Africa, Botswana, Mauritius and Nigeria. South African services include implemented investment consulting, multi management and alternative investments. Services offered in Africa comprise private equity, actuarial consulting, pension fund asset management and investment management.