

Fund Objective

The objective of the Financial Fitness Diversified Income IP Fund of Funds is to provide a return in excess of money market portfolios, for investors seeking to earn a reasonable level of income with low risk of capital loss.

Fund Universe

The portfolio will invest in participatory interests of underlying portfolios which provide exposure to a spectrum of equity, bond, non-equity and property markets. These underlying portfolios may have exposure to financial instruments. The Asset Allocation in the portfolio will be actively managed and the assets will be shifted between the markets and asset classes to reflect changing economic and market conditions. The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Manager Commentary

Have you played that fun after dinner game, guess the Repo Rate? If you have, I'm sure you fell asleep within a few minutes. Yes, the much watched Repo Rate is one of the more boring things you can talk about, apart from the host expanding excessively about himself, at a dinner party.

Due to the "shock" the world is still experiencing thanks to Covid-19, no one seems to know which way inflation will go next. Indeed there are on offer extreme opinions of hyper-inflation and deflation as our next economic shock but, in view of the very smart people on both sides of these arguments, the net conclusion is "no one really knows".

This reflects in our local Interest Rate policy, with Repo firmly stuck at 3.5%. Then, within the magic of Inflation Rate compilation, South Africa is, apparently, experiencing 2.9% in overall annual price increases. If you buy food, pay school fees, indulge in cigarettes or alcohol you may feel inclined to argue with that percentage. However, in many parts of South Africa, rents and other monthly costs have reduced. So, your inflation rate is a combination of your own personal circumstances.

However, in general, if you want to borrow money the Prime Rate is firmly at 7% and almost no one is offered "Prime" these days. The poor old banks are living in fear as they desperately try to calculate the full medium to long-term affects of Lockdowns and Curfews. To buy a home, these days, your bank will probably offer you a Bond rate of 7.5-8.5%. Gone are the days of Prime minus 2%!

So, all in all, the lending business has become a very tight arena, with Prime customers paying around 7.5% per annum for loans. This means that our Income Fund managers must negotiate around that level to provide one or two year loans to Blue Chip borrowers. Consequently, Income Fund returns may come in around 7-7.5% for 2021, which is obviously lower than what we have enjoyed over the past few years. As you will have gathered, it all relates back to the Repo Rate.

Nonetheless, it is "steady as we go" and this fund produced a noteworthy 8.91% over the past 12 months.

Jim Millar, Fund of Funds Manager

Fund Information

Portfolio Manager:	Financial Fitness Services (Pty) Ltd
Inception Date of Fund:	20 - Mar - 2020
Inception Date of Class:	20 - Mar - 2020
Benchmark:	STeFI (Short Term Fixed Interest Index)
Classification:	South African - Multi Asset - Income
Regulation 28 compliant:	Yes
Income distribution:	Semi-Annual
Date of income distributions:	31 March, 30 September
Date of income payment:	15th day of the following month or the next business day if the 15th does not fall on a business day
Minimum lump sum investment:	R10,000
Minimum monthly investment:	R1,000
Risk profile:	Conservative
JSE code:	FINFDF
ISIN Number:	ZAE000284881

Portfolio Income in Cents Per Unit (cpu)

	March 2021	September 2020
Income Distribution	29.3053	21.4392

Fund Net Asset Value (NAV) and Units in Issue

Fund NAV	R 163 574 139
	Class A
Units in Issue	15 318 816
Class NAV	R 163 574 139
NAV Price as at Month End	1067.79

Total Expense Ratio (TER) and Transaction Costs (TC): Jan 2018 - Dec 2020 (3 Yrs. Rolling %)

The TER and Transaction Costs cannot be determined accurately because of the short life span of the financial product. Calculations are based on actual data where possible and best estimates where actual data is not available.

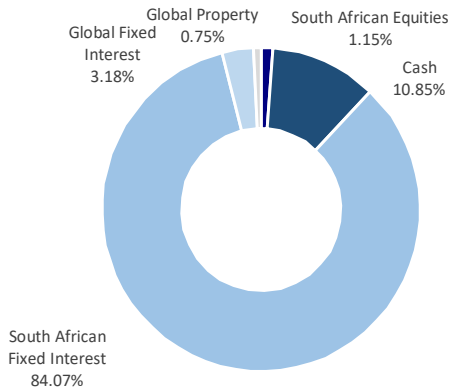
TER and TC Breakdown	Class A
Total Expense Ratio (TER)	1.04%
Transaction Costs (incl. VAT)	0.01%
Total Investment Charge (TIC)	1.05%

Fee Structure

	Class A
Annual Service fee (excl. VAT)	0.35%
Performance Fee	n/a

Initial Advice Fee and Ongoing Advisor Fee is negotiable between the Investor and Appointed Financial advisor. This is not part of the normal annual service fee charged by the fund.

Asset Allocation as at 31 March 2021



Data Source : INET/IRESS

Underlying Funds as at 31 March 2021

Anchor BCI Bond Fund
MI-PLAN IP Enhanced Income Fund
Saffron SCI Opportunity Income Fund

***Performance - Net of Fees**

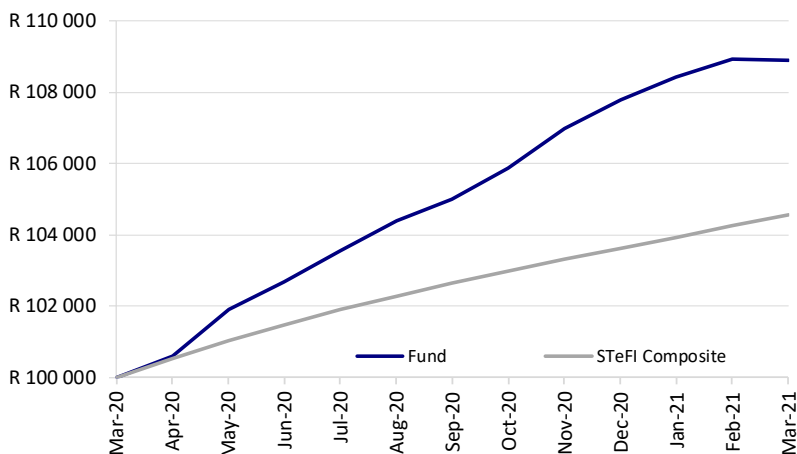
* Returns History above one year are annualised

Annualised (%)	1 Year	2 Years	3 Years	Since Inception
Fund	8.91%	n/a	n/a	8.91%
Benchmark	4.57%	n/a	n/a	4.57%

Cumulative (%)	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	Since Inception
Fund	-0.01%	1.03%	3.73%	1.03%	8.91%	n/a	n/a	8.91%
Benchmark	0.31%	0.90%	1.88%	0.90%	4.57%	n/a	n/a	4.57%

Monthly Performance	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2021	0.58%	0.46%	-0.01%										1.03%
Benchmark	2021	0.28%	0.31%	0.31%										0.90%
Fund	2020				0.60%	1.29%	0.76%	0.87%	0.82%	0.57%	0.84%	1.02%	0.78%	7.80%
Benchmark	2020				0.52%	0.50%	0.44%	0.42%	0.39%	0.35%	0.33%	0.32%	0.31%	3.63%

Growth of a R 100 000 Invested since Inception



Historical Hi / Lo Annual Return

Highest Annual Return (Mar-2021) 8.91%
Lowest Annual Return (Mar-2021) n/a

Contact Information

Investment manager	Financial Fitness Services
FSP	7858
Address	21 Stuart Lane, Morningside Manor Johannesburg 2052
Contact number	(011) 802-0888
Fax number	(011) 802-0880
Email address	info@finfit.co.za
Website	www.financialfitness.co.za
Custodian / Trustee	The Standard Bank of South Africa Limited
Management Company	IP Management Company (RF) (Pty) Ltd
Address	1st Floor Mariendahl House, Newlands on Main, Newlands, Cape Town 7700
Contact number	(021) 673-1340
Email address	clientservices@ipmc.co.za

Disclaimer and Disclosures

Collective Investment Schemes are generally medium to long term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the manager. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. Transaction cut off time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 15:00 (17h00 at quarter end) and 20:00 for fund of funds and certain funds with significant investments in CIS. Prices are published daily and available newspapers countrywide, as well as on request from the Manager. IP Management Company (RF) Pty Ltd is the authorised Manager of the Scheme – contact 021 673 1340 or clientservices@ipmc.co.za. Standard Bank is the trustee / custodian – contact compliance-IP@standardbank.co.za. Additional information including application forms, the annual report of the Manager and detailed holdings of the portfolio as at the last quarter end are available, free of charge, from clientservices@ipmc.co.za. IP Management Company is a member of ASISA. A statement of changes in the composition of the portfolio during the reporting period is available on request. The performance is calculated for the portfolio. 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 fund is invested in portfolios of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund of funds.

The portfolio may include foreign investments and the following additional risks may apply: liquidity constraints when selling foreign investments and risk of non-settlement of trades; macroeconomic and political risks associated with the country in which the investment is made; risk of loss on foreign exchange transactions and investment valuation due to fluctuating exchange rates; risk of foreign tax being applicable; potential limitations on availability of market information which could affect the valuation and liquidity of an investment. All of these risks could affect the valuation of an investment in the fund.

The total expense ratio (TER) was incurred as expenses relating to the administration of the financial product. Transaction costs (TC) relate to the buying and selling of the assets underlying the financial product. Total Investment Charge (TIC) is the value of the financial product incurred as costs relating to the investment of the financial product. 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 TER's. Transaction Costs are a necessary cost in administering the financial product and impacts the financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time such as market returns, the type of financial product, the investment decisions of the investment manager and the TER.

Annualised returns is the weighted average compound growth rate over the performance period measured. Fund returns shown are based on NAV-NAV unit pricings calculated from INET / IRESS for a lump-sum returns is the weighted average compound growth rate over the performance period measured. Fund returns shown are based on NAV-NAV unit pricings calculated from INET / IRESS for a lump-sum investment with income distribution reinvested (after fees and cost). Performance numbers and graphs are sourced from Global Investment Reporting (Pty) Ltd.

The Effective Annual Cost (EAC)

The EAC is a standard industry measure which has been introduced to allow you to compare the charges you incur and their impact on the investment returns over specific periods. You can contact clientservices@ipmc.co.za or call us on (021) 673-1340 for an Effective Annual Cost disclosure statement. Please visit <http://www.ipmc.co.za/effective-annual-cost> to address the EAC illustrator.