IP Worldwide Active Beta Fund

(A & B Class) Minimum Disclosure Document

November 2021

Fund Objective and Investment Process

The primary objective of this Fund is to target a total return of inflation plus 5% over rolling 4-5 year periods with a total TER of below 1%. The fund has no constraints and is not Regulation 28 compliant.

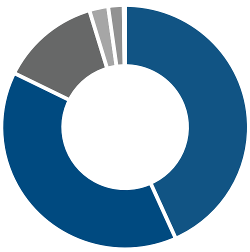
The primary objective of the portfolio will be to outperform its benchmark through active asset allocation. The portfolio will be aggressively managed with assets being shifted between the various markets and asset classes to reflect changing economic and market conditions to maximise total returns over the long term.

The fund will be managed using a top-down approach, taking into consideration macro-economic, fundamental, valuation and technical factors. These will serve as inputs to the managers' tactical asset allocation decisions. The managers will invest in a combination of ETF instruments or Index Tracking Funds, up to a maximum of 80% of the Fund. The balance may be invested in direct equities, exchange traded notes, bonds, money market and property securities. The fund may also include participatory interests or any other form of participation in portfolios of Collective Investment Schemes. The fund has no Neutral Asset Allocation benchmark as it is unconstrained and will reflect the global house view of the manager for SA Rand investors.

Investor Profile

Low Risk	Low to Moderate Risk	Moderate Risk	Moderate to High Risk	High Risk
				↓

Asset Allocation



Global Equity	43.29%
SA Equity	39.01%
SA Cash	13.03%
SA Property	2.47%
Global Property	2.02%
Global Bonds	0.10%
Global Cash	0.07%
SA Bonds	0.01%

Top Portfolio Holdings

UBS Abspa 110624 ETN	12.57%
Satrix MSCI WEIF A2	10.96%
NF Equity Value ETF	8.48%
Newfunds Equity Momentum (Price Momentum Top 40 ETF)	7.62%
Satrix MSCI Emerging Markets	6.65%
ETF Sygnia Itrix FTSE100	5.63%
IB Top 40 Tr2 ETN Oct22	5.27%
Mi-Plan IP Beta Equity Fund D	4.34%
Satrix RESI	4.12%
CoreShares Global Div Trax	3.50%

Fund Information

Fund manager

Roeloff Horne
Director & Head of SA
Portfolio Management

Latest price	A 1 226.73 cents B 1 226.56 cents
Fund size	R 146 m
Number of units	A 8 842 957.17 B 3 066 294.66
ASISA category	SA Worldwide Multi Asset Flexible
Regulation 28 compliant	No
Benchmark	CPI +5% p.a. over 4-5 year rolling periods
Fund Inception	20 January 2020
Min lump sum investment	A R10,000 B R25,000,000
Min monthly investment	A R1,000 B N/A
Dates of income declarations	31 March & 30 September
Date of income payment	

2nd day of the following month or next business day if the 2nd does not fall on a business day

Portfolio Fees

	A	B
Max initial manager fee	0%	0%
Max initial adviser fee	2.00%(excl. VAT)	2.00%(excl.VAT)
Annual management fee	0.525% (excl. VAT)	0.35%(excl. VAT)

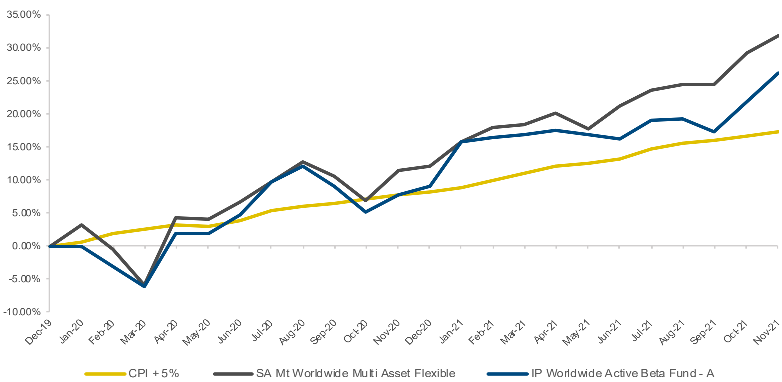
Total Expense Ratio (TER)1, Transaction Costs (TC) and Total Investment Cost (TIC) as at 30 September 2021

	A	B
TER*	0.98%	0.87%
TC	0.73%	0.73%
TIC (incl. VAT)	1.71%	1.60%

Fund References

ISIN	ZAE000282299	ZAE000282281
Bloomberg	TBC	TBC
JSE	IPWWAB	IPWAB

Fund Performance



Annualised Returns [2]	YTD	1-Year	3-Year	Since inception 20-01-2020
IP Worldwide Active Beta Fund	15.73%	17.27%	NA	12.93%
Sector	17.68%	18.41%	NA	15.60%
Benchmark	8.30%	8.83%	NA	8.67%

Cumulative Returns	YTD	1-Year	3-Year	Since inception 20-01-2020
IP Worldwide Active Beta Fund	15.73%	17.27%	NA	16.83%
Sector	17.68%	18.41%	NA	32.03%
Benchmark	8.30%	8.83%	NA	17.28%

Fund returns shown are based on NAV-NAV unit pricings calculated from IRESS for a lump-sum investment with income distribution reinvested (after fees and cost).

Quarterly Market Commentary (as at 30 September 2021)

Capital markets experienced a sell-off in September due to factors including inflation fears, China corporate bond payment defaults, higher US bond yields and a developed market energy crisis.

Global inflation remains elevated with signs of a slowdown in the US, China and Japan. The marginal easing is due to lower food, medical care, used-car, tobacco and services inflation in August. As a result of lowering inflationary pressures and a continued focus on economic stimulation, we expect most developed markets to keep rates low and postpone hikes further into the future. This seems less likely for emerging markets as some countries have already started hiking rates, and South Africa is looking at a hike as early as November 2021. We do, however, think that the inflation debate is not as straight forward as "transitory vs structural". We've got so many moving parts here, it's oversimplistic to suggest that it's fully structural or fully transitory. The fact of the matter is that a lot of the things that are pushing inflation numbers around are a mixture of both. So, the conclusion from all of this is that, yes, you are going to see higher inflation with a structural element to that. But that doesn't mean that you are going to have a run-away inflation rate, the truth is probably somewhere in between.

The combination of worries about China corporate bond payments, higher energy prices, potential tapering of bond buying in the US have all led to higher US bond yields. This, combined with more foreign selling of SA Bonds impacted the direction of the R186 and R2030 yield curves negatively. We are keeping a close eye on these yields to see if they break through March 2021 highs, which could signal immense pressure in our bond market.

We are aware of the potential negative consequences of 'higher for longer' energy/gas prices but believe these are part of the imbalances created by the events of the past 20 months. We are of the opinion that OPEC and shale gas operators will get production going again.

The risk-off forex environment (i.e US Dollar strength) is playing through into Rand weakness versus all other currencies. We feel that the Rand is probably close to fair value now but could range between 14.30 and 15.40 to the Dollar in the medium term. We are, however, cognizant that a breakthrough the 15.40 resistance level could cause increased weakness for the Rand.

Investors must be mindful of the facts that will support global economic growth and will support equities as an asset class. Developed market interest rates remain low and are negative after fees and inflation. US equity valuations are now less demanding – S&P 500 trading below 20 X 2022 forward estimate earnings. Vaccination success in developed economies is making it possible for economic activity to normalize despite supply imbalances caused by Covid-19 disruptions (e.g. the global semiconductor shortage). Earnings growth (8-10% p.a in developed markets) is being supported by pent-up consumer demand. Another positive is the need to rebuild inventories and supply chain stretching out the demand cycle from here. There is $2.5 trillion of excess savings in US household balance sheets. A lot of pent-up demand!

From a JSE perspective, these factors continue to bode well for selected Resource counters. The cyclical nature of these resource counters does increase volatility in our portfolios. We also find value in SA Banks as better than expected earnings growth and improved balance sheet risks make the sector more attractive as we can expect small interest rate hikes in November and into 2022.

Actions in the IP Worldwide Active Beta Fund

The following changes were actioned within the IP Worldwide Active Beta Fund during the quarter:

- We sold smaller equity components (most of which were short term trading opportunities) within the fund which included Naspers, DRD Gold and the Sygnia Itrix Japan ETF.

- We reduced exposure to the Satrix RESI ETF after a significant rally.

- We reduced exposure to the Gryphon All Share Index Fund to eliminate some Naspers/Prosus risk before the events of a restructure of the two holdings, imminent Index weighting changes and Chinese regulatory influences. Despite the appropriate timing of the changes, the weighting in our Beta indices to Naspers and other Resource stocks contributed negatively in absolute and relative terms.

Our overweight SA Resource and Commodity exposure hurt the relative performance of the fund during the quarter. We used the weakness in Resource prices to increase exposure to Sibanye Stillwater, and to introduce Royal Bafokeng. The timing of these trades also reflected negatively for the quarter, but at the time of writing have rallied well to be 'in the money' with these short-term trades in the fund.

From a strategic perspective we rebalanced the SA equity component to have a larger factor / smart beta exposure by re-balancing the NewFunds Momentum and NewFunds Value ETFs in equal proportion to represent 36% of the SA equity component. The Value ETF has delivered stellar low volatility returns for the past year since we introduced it into the fund.

We have also increased our SA property exposure marginally to be closer to Neutral by adding to the Satrix SA Property ETF. Within the SA equity component, we remain overweight SA Resources at the expense of an underweight in the Media/Technology Sector. Due to changes in the components of the two factor index ETFs, we now hold a higher allocation to SA Mid Cap stocks facing the SA economy.

The recent action to increase SA equity exposure was due to the more attractive valuations in Media/Technology and Resource sectors after a significant sell-off. The ALSI Index had a correction of more than 11% by the middle of September.

The fund managed to generate a positive return over the past quarter despite a negative JSE and poor SA Bond performance over the period.

Fund Distributions (cents per unit)

	A	B
31 Mar 2021	2.96	4.06
30 Sept 2021	8.05	9.20

Foreign Disclosure

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.

Contact Information

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The fund size is that of the A Class (Retail investors) and B Class (Institutional investors) launched on the 15.01.2020. *Fund inception was 15.01.2020 and we are required to provide this figure on MDDs quarterly per BN92. *This Fund falls into the quarter ending 31.03.2020, thus no TER is required on the MDD at this stage. 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. Please visit http://www.ipmc. co.za/effective-annual-cost to address the EAC illustrator. 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 (17:00 at quarter end). Fund prices at 15:00 daily. Prices are published daily and are available in 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 a portfolio of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund.