

Flagship IP Global Flexible Equity Fund

Minimum Disclosure Document - 30 Sep 2021



FUND MANAGER

Flagship Asset Management

FUND OBJECTIVE

The fund is a global portfolio which aims to achieve long term capital growth by investing predominantly in equity securities and participatory interests in collective investment schemes including exchange traded funds.

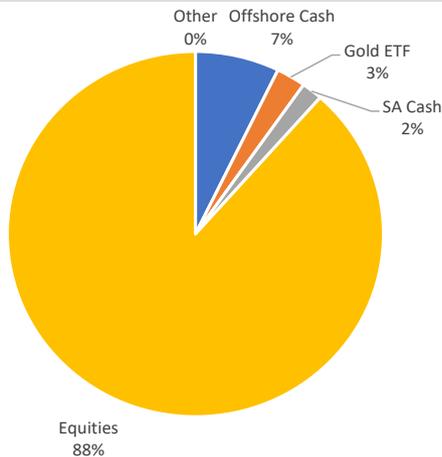
FUND UNIVERSE

The portfolio will have a minimum of 80% exposure to foreign assets and will typically have significant exposure to foreign equity but will retain the flexibility to completely reduce equity exposure at the discretion of the portfolio manager in response to changing market conditions.

FUND PERFORMANCE

Performance (net of fees)	Fund	Benchmark	Outperformance
Since inception	23.8%	15.3%	8.5%
Since inception (annualised)	13.9%	9.1%	4.8%
1 Year	10.2%	6.5%	3.7%
Year to date	4.7%	8.7%	-4.0%

ASSET ALLOCATION AS AT 30 Sep 2021



TOP HOLDINGS AS AT 30 Sep 2021

GYM GROUP PLC THE
 MADE.COM GROUP PLC
 FOMENTO ECONOMICO MEXICAN
 TCS GROUP HOLDING -REG S
 PROSUS
 ROYAL DUTCH SHELL-SPON AD
 INMODE LTD
 FACEBOOK INC-CLASS A
 SMILEDIRECTCLUB INC
 CORP AMERICA AIRPORTS SA

MARKET AND FUND COMMENTARY - September 2021

September saw the first monthly decline for equity markets this year, with the MSCI all country weighted index declining 4.1% for the month in United States Dollars. The down month also saw the leaders on the way up being leaders on the way down, with the Nasdaq 100 and S&P500 declining 5.7% and 4.8% respectively. Time will tell if this is just a small correction on the way up or if August was in fact a cyclical peak. Economic data is still strong, but inflation continues to surprise on the upside, and at levels well above central bank targets, which if remains the case will potentially box central bankers in terms of policy choice available to them, and change the tail wind to markets of low interest rates to a headwind as nominal rates will be required to be raised in order to control inflation.

On the virus front, it also seems as if the Delta variant has had it's peak with global cases again falling. Positively vaccination programs have meant hospitalizations and deaths have been less than infection rates implying that vaccines do in fact work. It looks like countries, particularly those with high vaccination rates, will continue to open up although there may still be some supply chain disruptions.

FUND INFORMATION

Portfolio Managers:	David Cook, Jason Cook
Inception Date of Fund:	07 February 2020
Inception Date of Class:	07 February 2020
Benchmark:	Avg. of Global Multi - Asset Flexible Category
Classification:	Global - Multi Asset - Flexible
Regulation 28 compliant:	No
Income distribution:	Semi - Annual
Date of income distributions:	31 March, 30 September
	2nd day of the following month or the next business day if the 2nd does not fall on a business day
Date of income payment:	business day
Min. lump sum investment:	R10,000
Min. monthly investment:	R1,000
Risk profile:	Medium
JSE code:	IPEBF
ISIN Number:	ZAE000263901

FUND NET ASSET VALUE AND UNITS IN ISSUE

Fund NAV	R71,203,662.67
	Class B
Units in Issue	59,347,302.18
Class NAV	R71,203,662.67
NAV Price as at Month End	R119.97
Income declaration - Mar '21	0.497 cpu
Income declaration - Sep '21	0.26 cpu

TOTAL EXPENSE RATIO AND TRANSACTION COSTS

Total Expense ratio	0.74%
Transaction Costs	0.15%
Total Investment Charge	0.89%
(*all items include VAT)	

FEEES

	Class A1
Annual Service fee (excl. VAT)	1.25%
Performance Fee	N/A
	Class B
Annual Service fee (excl. VAT)	0.50%
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.

Against this backdrop The Flagship IP Global Flexible Equity Fund returned a positive 0.3% for the month in South African Rands.

Notable performers in terms of value contributed for the month were the fund's energy stocks with oil and gas stocks Sasol, Shell and BP up 24%, 11% and 10% respectively on the back of oil and gas prices reaching their highest prices since 2014, and South 32 (driven by their coal division) up 14% on the back of soaring coal prices as energy companies use more coal to mitigate the impact of higher gas prices. Inmode also continued its march up again this month, returning 20%.

On the negative side there were also some sizeable detractors making this another month of two very different halves. Asos, BHP, Made.com and Alibaba Group were down 22%, 17%, 15% and 14% respectively. Although Asos reported strong earnings, their forward guidance was for earnings to fall next financial year due to higher delivery costs and supply bottlenecks. The CEO also resigned, which seems to be due to disappointing progress in markets outside the UK. BHP was down on the back of concerns around Evergrande/Chinese developer slow down. Alibaba's financial unit was told to split their lending and payment's business and Made.com sold off due to the same concerns around supply and delivery costs.

During the month we increased our stake in Made.com following the further share price weakness which we feel is unwarranted.

Looking ahead, volatile markets look set to continue with positive economic and company profit data being offset by expensive valuations on high earnings/profit margins relative to history, inflation concerns and potential tighter future monetary policy. To this end we have a 9% allocation to cash, as well as an allocation to gold and gold equities. As required by legislation, we confirm that the fund has adhered to its policy objective and strategy.

Risk Considerations and Important Information

- Collective Investment Schemes in Securities (unit trusts) are generally medium to long term investments.
- The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio.
- Unit trusts are traded at ruling prices and can engage in scrip lending subject to the limits and conditions imposed by the Act.
- The manager may borrow up to 10% of the market value of the collective investment scheme portfolio to ensure liquidity.
- Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Uncertificated Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue.
- A schedule of fees, charges and maximum commissions is available on request. Commission and incentives may be paid, and if so, are included in the overall costs.
- The unit trust portfolios are priced daily at 15h00 (quarter end 17h00), using forward pricing. Dealing cut-off time is 14h30 daily.
- Units will be repurchased by the manager at the ruling price calculated in accordance with the requirements of the Act and the relevant deeds and paid to the investor only. Subject to occurrences beyond the control of Flagship Asset Management (FAM), transaction requests received by FAM before 14h30 will be actioned at that day's price. Monies from the repurchase of units will not be paid to third party bank accounts.
- FAM reserves the right to repurchase unit balances with a market value less than the minimum monthly investment amount and close the investment account. Investors will be notified beforehand should this be contemplated.
- Portfolio performance is calculated on a NAV to NAV basis and does not take any initial fees into account. Figures quoted are from Reuters and MoneyMate for a lump sum using NAV-NAV prices with income distributions reinvested. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Investment performance calculations are available for verification upon request.
- Income distributions for the fund occur bi-annually on 31 March and 30 September.
- Annualized returns are period returns re-scaled to a period of 1 year. This allows investors to compare returns of different assets that they have owned for different lengths of time. Actual annual figures are available to investors upon request.
- SARS requires us to pay over Dividend Withholding Tax (DWT) on your behalf where applicable. We will deduct this tax before we pay any dividends to you or reinvest into your account. Unless we receive information from you indicating otherwise, we will be obliged to withhold the default DWT of 20%.
- 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. You can request an EAC calculation from clientservices@ipmc.co.za or call us on 021 673-1340
- Fund prices are published daily and available in newspapers countrywide, as well as on our website, www.flagshipsa.com. Also available on our website is additional information on the unit trust portfolio, including our **Application Form**. FAM reserves the right to only process instructions that are submitted on FAM standard transaction forms.
- Flagship Asset Management (Pty) Ltd is an authorised financial services provider (FSP 577). Trustees / custodians for the scheme are Standard Bank of South Africa Ltd – contact compliance-IP@standardbank.co.za. IP Management Company Reg. No. 2007/01760/07 is the authorised manager of the scheme – contact 021 673 1340 or clientservice@ipmc.co.za. IP Management Company (RF) (Pty) Ltd is a member of the Association for Savings & Investment SA (ASISA).
- The Manager retains full legal responsibility of the Fund, regardless of co-naming arrangements.
- Additional information including the annual report of the Manager and detailed holdings of the portfolio as at the last quarter end are available, free of charge, from info@flagshipsa.com.
- A statement of changes in the composition of the portfolio during the reporting period is available on request.
- Complaints should be in writing and clearly marked for the attention of the Compliance Officer and should be mailed to Private Bag X21, Constantia, 7848.

Investment Policy

The Flagship IP Global Flexible Equity Fund is to be a domestic, asset-allocation, prudential variable portfolio. The primary objective of the fund is to seek steady but stable growth of both capital and income through investments in a broad range of asset classes in a balanced manner. In order to achieve its objective, the investments normally to be included will comprise a combination of securities in the equity, bond and money markets. The portfolio will have an equity exposure (including international equity) between 0% and 100% at all times. Investments to be included in the Flagship IP Global Flexible Equity Fund will comprise a combination of securities and assets in liquid form which are considered consistent with the portfolio's primary objective and that the Act or the Registrar may from time to time allow, all to be acquired at fair market value. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes registered in South Africa or operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee and as legislation permits. Nothing contained in the investment policy shall preclude the manager from varying the ratio of the aforementioned securities relative to each other (except as required by the Act), or the assets themselves, to maximise capital growth and investment potential, should changing economic factors or market conditions so demand. Provided also that nothing contained in the investment policy shall preclude the Manager from retaining cash in the portfolio and / or placing cash on deposit in terms of the deed. Provided further that the Manager shall ensure that the portfolio includes securities and assets in liquid form, of at least the aggregate value required, from time to time, by the Act. The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits. The Manager will be permitted to invest on behalf of the portfolio in financial instruments as legislation permits. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the fund in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.

TER and Transaction Costs

From 1 July 2020 to 30 June 2021 0.74% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.15% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore, 0.89% of the value of the fund was incurred as costs relating to the investment of the fund. 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 fund and impacts fund 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 fund, the investment decisions of the investment manager and the TER.

Fund Risk Profile

- The fund managers seek to reduce risk by investing in a range of assets diversified across sectors and geographies, with the flexibility to vary exposures as market circumstances dictate.



- Shares are potentially volatile investments and there is a risk of capital loss over the short term.
- Foreign securities may have additional material risks, depending on the specific risks affecting that country, such as: 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.
- Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Flagship Asset Management (Pty) Limited

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