



INTEGRATED MANAGED INVESTMENTS (PTY) LTD

IP FLEXIBLE FUND



Minimum Disclosure Document (MDD)

June 2019

Date of Issue : 19 July 2019

## Fund Objective

The fund is a South African, multi-asset flexible fund, investing in all permitted asset classes. The objective of this portfolio is to achieve long term capital appreciation. The generation of income will be of secondary importance. There will be no limitations on the relative exposure of the portfolio to any asset class. Geographical restrictions will be as per the defined industry classification, as amended from time to time.

## Fund Universe

Investments to be included in the fund will, apart from assets in liquid form, consist of securities and listed and unlisted financial instruments across all permitted asset classes, including exchange traded funds and exchange traded notes as permitted by legislation from time to time. The investment manager will have complete flexibility to vary the exposure to different asset classes as economic conditions vary. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes in the Republic of South Africa. Where the aforementioned schemes are operating in territories other than South Africa, participatory interests or any other form of participation in these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and the trustee as provided for in the legislation from time to time.

## Manager Commentary

With the escalation of the trade wars between the United States and China, the Fed surprised markets at its June meeting when it opened the door for interest rate cuts. Global trade tensions have moderated growth prospects, with an increase in volatility.

The SA equity market has returned a solid 10% for the first six months of the year, although we note that the market has still not recovered from the losses incurred in 2018. This return has been on the back of the recovery of share prices of Naspers and the general mining sector.

This past quarter (2Q19) has seen the much-anticipated SA general election come and go without too much of an impact on the market. The country remains in the throes of political instability, with the industrial, retail and property sectors all showing signs of strain.

The IP Flexible Fund performance was flat, owing to its exposure to certain illiquid small/mid-cap counters. We continue to be Rand defensive in our approach and stock specific in our application. We favour companies that exhibit a clear advantage in their core sectors with clear earnings visibility, good cash flow, growing dividends and attractive valuations relative to earnings outlook.

Owing to continued negative investor sentiment towards emerging markets, the Fund is expected to perform in line with the JSE over the medium to longer term.

## Fund Information

Portfolio Manager:	Integrated Managed Investments (Pty) Ltd
Inception Date of Fund:	27-Feb-2017
Inception Date of Class:	27-Feb-2017
Benchmark:	CPI + 4%
Classification:	South African - Multi Asset - Flexible
Regulation 28 compliant:	No
Income distribution:	Annual
Date of income distributions:	31 March
Date of income payment:	2nd day of the following month or the next business day if the 2nd does not fall on a business day
Min. lump sum investment:	R10,000
Min. monthly investment:	R1,000
Risk profile:	High
JSE code:	IPFXF
ISIN Number:	ZAE000240560

## Portfolio Income in Cents Per Unit (cpu)

Income Distribution	Class A	Class B
31 March 2019	7.5225	6.1142

## Fund Net Asset Value (NAV) and Units in Issue

Fund NAV	R 39 348 294	
	Class A	Class B
Units in Issue	4 571 106	1 445 464
Class NAV	R 29 901 540	R 9 446 755
NAV Price as at Month End	654.14	653.54

## Total Expense Ratio (TER) and Transaction Costs (TC): Apr 2016 - Mar 2019 ( 3 Yrs Rolling %)

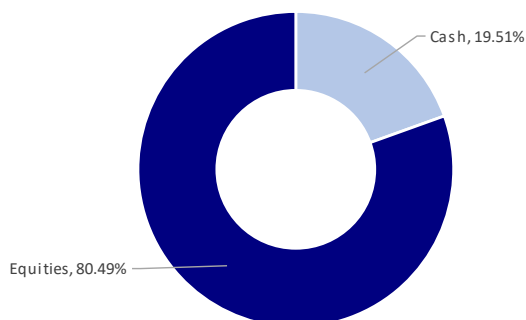
TER and TC Breakdown	Class A	Class B
Total Expense Ratio (TER)	1.03%	1.60%
Annual Service Fee	0.75%	1.25%
Performance Fees	n/a	n/a
Other costs excluding TC	0.15%	0.14%
VAT	0.13%	0.21%
Transaction Costs (incl. VAT)	0.67%	0.67%
Total Investment Charge (TIC)	1.70%	2.27%

## Fee Structure

	Class A	Class B
Annual Service fee (excl. VAT)	0.75%	1.25%
Performance Fee	n/a	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 30 June 2019



Data Source : INET/IRESS

### Top Holdings — % Exposure as at 30 June 2019

OXFORD BIOMEDICA PLC	7.07%
NASPERS	6.18%
VUNANI LTD	5.79%
AFRICAN EQUITY EMPOWERMENT INVSTMT LTD	5.65%
DISCOVERY LTD	5.44%
MTN GROUP LTD	5.10%
WESCOAL HOLDINGS LTD	4.92%
PICK N PAY STORES LTD	4.91%
METROFILE HOLDINGS LTD	4.18%
ASPEN PHARMACARE HOLDINGS LTD	3.97%

### \*Performance—Net of Fees

\* Returns History above one year are annualised

Cumulative (%)	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	Since Inception
Fund	-1.80%	-4.45%	-10.54%	-10.54%	-23.82%	-27.70%	n/a	n/a	-30.50%
Benchmark	0.67%	2.31%	4.84%	4.84%	8.74%	18.32%	n/a	n/a	21.31%

Annualised (%)	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	Since Inception
Fund	n/a	n/a	n/a	n/a	-23.82%	-14.97%	n/a	n/a	-14.44%
Benchmark	n/a	n/a	n/a	n/a	8.74%	8.77%	n/a	n/a	8.63%

Monthly Performance	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2019	-1.32%	-3.38%	-1.80%	-2.39%	-0.32%	-1.80%							-10.54%
Benchmark	2019	0.15%	1.16%	1.15%	0.98%	0.63%	0.67%							4.84%
Fund	2018	-2.13%	-2.22%	-0.64%	-3.14%	0.13%	-1.97%	-3.39%	-1.21%	-7.11%	-6.55%	3.16%	-0.37%	-23.02%
Benchmark	2018	0.62%	1.10%	0.71%	1.09%	0.52%	0.71%	1.17%	0.24%	0.79%	0.79%	0.52%	0.15%	8.73%

### Risk Statistics

Risk Metrics	Fund	Benchmark
Volatility *	8.69%	0.99%
Tracking Error *	9.31%	
Information Ratio	-2.48	
Correlation	-0.41	
Beta	1.00	
Sharpe Ratio *	-2.56	
Highest Annual Return (Mar-2018)	-2.45%	
Lowest Annual Return (Oct-2018)	-27.07%	
Alpha *	-21.06%	

\* Annualised

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Tracking error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

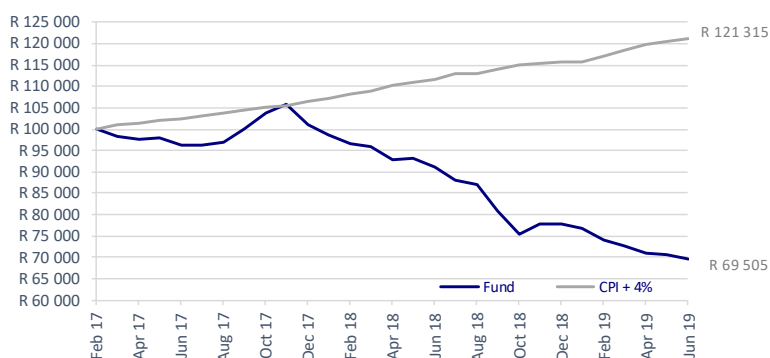
Information ratio, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark.

Sharpe Ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Alpha is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.

### Growth of a R 100 000 Invested since Inception





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## Contact Information

Investment manager	Integrated Managed Investments (Pty) Ltd
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Fax number	(088) 011 447 9100
Email address	info@imi.co.za
Website	www.imi.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). 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 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.