

# Flagship Global Icon Fund IC Limited

Minimum Disclosure Document - 31 August 2020



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## FUND MANAGERS

Kyle Wales | Pieter Hundersmarck

NAV price per share (class 'A') | US \$10.77

<b>Fund size</b>	\$6.6m
<b>Fund type</b>	Equity fund
<b>Launch date</b>	30 July 2020
<b>Cell Manager</b>	Flagship Asset Management (Pty) Ltd
<b>Investment Manager</b>	IPFM Guernsey ICC Limited
<b>Administrator</b>	JTC Fund Solutions (Guernsey) Limited
<b>Custodian</b>	Butterfield Bank (Guernsey) Limited
<b>Dealing</b>	Daily
<b>Valuation point</b>	12.00pm (Guernsey time) on the relevant Dealing Day
<b>Dividend policy</b>	Distribute all income annually

<b>Minimum investment</b>	\$10,000
<b>Minimum Additional Subscription</b>	\$5,000
<b>Benchmark</b>	MSCI All Country World Index (MSCI ACWI) (net total return USD index)
<b>Domicile</b>	Guernsey
<b>Subscriptions cut-off time</b>	The application form to subscribe must be completed and received, with cleared funds, by the Administrator by no later than 12.00 noon (Guernsey time) on the relevant Dealing Day.
<b>Redemptions cut-off time</b>	Written notice to redeem must be received by the Administrator by no later than 12.00 noon (Guernsey time) one Business Day before the relevant Dealing Day.

## INVESTMENT OBJECTIVE

The Cell seeks to provide long-term capital appreciation. The Cell invests in high-quality companies that the Cell Manager believes will generate superior returns over the long-term. Such companies typically have a franchise in the form of a hard-to-replicate intangible asset (such as a brand, culture or intellectual property) that leads to an enduring competitive advantage and a dominant market position.

## PERFORMANCE CHART

To comply with regulatory requirements, performance is not provided until the fund has been operational for a period of at least six months.

## FUND EXPOSURES

<b>Equity</b>	<b>90.0%</b>
Alibaba	6.4%
Netease Inc	6.3%
Zalando SE	5.6%
Microsoft Corp	5.5%
Heineken Holding NV	4.5%
Booking Holdings Inc	4.6%
Facebook	4.3%
Amazon	3.4%
Alphabet (Google)	3.4%
HDFC Bank Ltd	3.4%
Other equity holdings	42.6%
<b>Cash and Strategic Income</b>	<b>1.4%</b>
USD cash holdings	1.4%
<b>Commodities</b>	<b>8.6%</b>
Gold	8.6%
<b>TOTAL</b>	<b>100.0%</b>

Source: JTC Fund Solutions (Guernsey) Limited

## PERFORMANCE

Annualised Performance (for periods > 1 year)	Fund	Benchmark	USD Cash
Since inception			
10 Years			
7 Years			
5 Years			
3 Years			
2 Years			
1 Year			
Year-to-date			

To comply with regulatory requirements, performance is not provided until the fund has been operational for a period of at least six months.

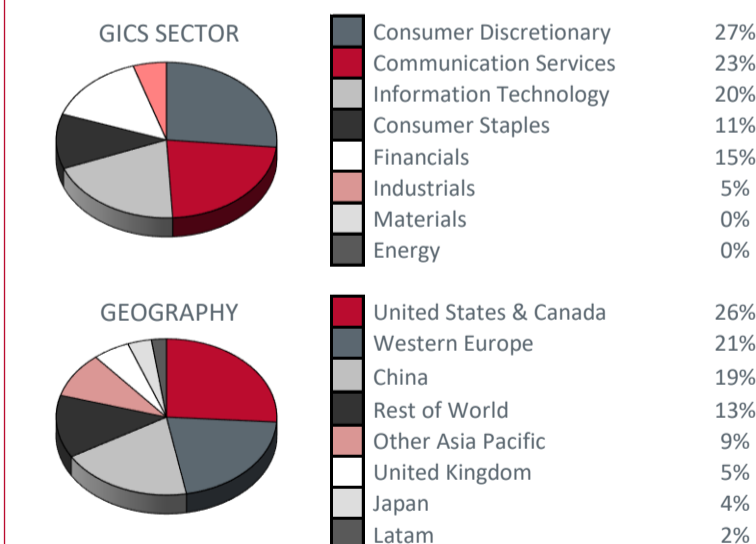
Lowest actual annual return  
Highest actual annual return

Source: JTC Fund Solutions (Guernsey) Limited. All returns have been calculated net of fees (the fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.). Past performance is not a guide to future returns.

## MONTHLY RETURNS

To comply with regulatory requirements, performance is not provided until the fund has been operational for a period of at least six months.

## EFFECTIVE EQUITY EXPOSURE



Source: JTC Fund Solutions (Guernsey) Limited

## FEES - CLASS A

<b>Total Expense Ratio</b>	<b>1.40%</b>
<b>Custody Fee</b>	0.05%
<b>Cell Manager Fee</b>	1.00%
<b>Management and Administration fee</b>	0.30%
<b>Other fund expenses</b>	0.05%

Note that as the fund has been operational for less than 1 year, the TER provided is an estimate.

## FUND MANAGER COMMENTARY - AUGUST 2020

Your fund ended it's first month up a very handsome +7.5%, ahead of its MSCI ACWI benchmark return of +6.1%. The top three largest share price moves for the month were Trupanion (+34.5%) Square Enix (+27.8%) and Zalando (+27%). The underperformers for the month were Heineken Holding (-7%), Aviva SA (-5.2%) and Quilter (-2.9%). We initiated a new position in Global Payments (GPN), a US-based payments processor. We believe GPN is a high-quality business that will benefit from tech-enabled transformation that will drive low double-digit revenue and mid to high teen EPS growth over a three-to-five-year cycle.

## INVESTMENT COMMENTARY

Equities and selected commodities continued their rise in August. The S&P 500 ended the month at 3580, its 22<sup>nd</sup> record close for 2020 while the Nasdaq ended at 12,056, its 43<sup>rd</sup> record close. The gold price ended the month down 1.7%, but still up nearly 28% year-to-date as fears of monetary debasement, and associated higher inflation, continue to rise.

The S&P 500 trailing 12-month PE Ratio ended the month at 30.3x, nearly double its average of 15.8x. Forward looking estimates for the market as a whole stand at 26.7x. While optically expensive, equities remain the only alternative for market participants to achieve growth and inflation protection.

U.S. government debt is set to exceed the size of the economy in 2021 for the first time since World War II. The U.S. passed the 100% debt-to-GDP mark,

measured on a quarterly basis, in the April to June quarter, when government spending surged to combat the new coronavirus and tax revenue plunged.

The US 10-year treasury yield traded at a mere 65bp yield at month end as the bond market responded to the Fed chairman's promise to keep rates lower for longer.

Financial markets continue to anxiously watch the US presidential race. A Fox poll showed Joe Biden leads Donald Trump in three swing states: Arizona, Wisconsin and North Carolina, the survey taken after party conventions indicated the Democratic nominee is being buoyed by women and suburban voters. A democratic win will see a change in US foreign policy, as well as social programs at home.

Data Source: Thomson Reuters Refinitiv, Bloomberg

### Fees Applicable

Investment management fee:	Cell manager fees:	Performance Fees
0.30%	Class A Shares: 1.00%	Class A: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 3.00%)
<b>Custody fees</b>	Class B Shares: 0.65%	Class B: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 3.00%)
0.05%	Class C Shares: 0.00%	Class C: No performance fee is applicable

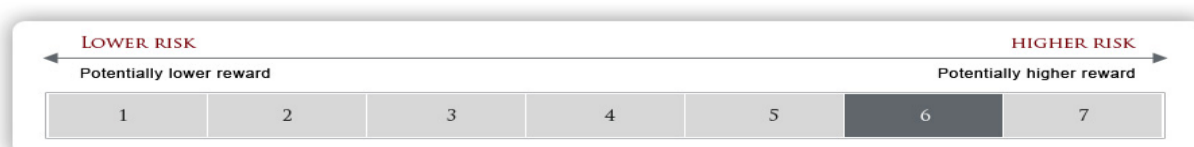
**TER**  
The Flagship Global Icon Fund Class A USD has an estimated Total Expense Ratio (TER) of 1.40%. The Total Expense Ratios (TERs) are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. A current TER may not necessarily be an accurate indication of future TERs. As the fund has been operational for a period of less than one year, the TER to 31 August 2020 is based on estimated data on costs and actual fees incurred. Cost ratios are calculated using historical actual and/or estimated data and are provided solely as an indication/guide as to the annual expenses/costs that could be incurred. These ratios do not represent any current/actual charges or fees.

### Risk Considerations and Important Information

- Collective investments are generally medium to long term investments. The value of units may go down as well as up, and past performance is not necessarily a guide to the future. Investment in the Fund entails risks which are detailed in The Supplement.
- Fund share prices per class are calculated on a net asset value basis, which is the total value of all assets in the portfolio attributable to a share class including any income accruals and less any permissible deductions (such as brokerage, taxation, auditor's fees, bank charges, director and custodian fees and the annual management fee) from the portfolio, divided by the number of Fund shares of the class in issue.
- Portfolio performance is calculated on a NAV to NAV basis. Dividends will be paid in accordance with the Scheme and Cell Particulars.
- Collective investments are traded at ruling prices. Commission and incentives may be paid. All performance is calculated Total Return, Net of all fees and commissions and in US dollar terms. Forward pricing is used. Up to date Fund prices per share are available on [www.bloomberg.com](http://www.bloomberg.com) or upon request from the Manager or Administrator.
- Annualised 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. Investment performance calculations are available for verification upon request. The performance is calculated for the Fund. The individual investor performance may differ, as a result of various factors, including the actual investment date.
- The Fund may invest in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund.
- Fluctuations in the value of the underlying assets and the income from them and changes in interest rates mean that the value of the Fund and any income arising from it may fall, as well as rise, and is not guaranteed.
- Deductions of charges and expenses mean that you may not get back the amount you invested.
- The fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.
- Notwithstanding ongoing monitoring of the underlying assets within the Fund, there can be no assurance that the performance of the Fund will achieve its stated objectives.
- The Fund may contain shares or units in underlying funds that do not permit dealing every day. Investments in such funds will only be realizable on their dealing days. It is not possible to assess the proper market price of these investments other than on the fund's dealing days.
- No borrowing will be undertaken by the Fund save for the purpose of short term liquidity requirements. Borrowings will not exceed 10% of the NAV of the Fund. For such purpose the securities of the Fund may be pledged. No scrip borrowing will be allowed.
- The Manager has the right to close the Fund to new investors, in order to manage it more efficiently, in accordance with its mandate.
- Investment in the Fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.
- Investors are reminded that any forecasts and/or commentary included in this MDD are not guaranteed to occur, and merely reflect the interpretation of the public information and propriety research available to the Investment Manager at a particular point in time.
- This Report should be read in conjunction with the Scheme Particulars of IPFM Guernsey ICC Limited and the Fund Supplement, in which all fees and fund facts are disclosed.
- Copies of these Scheme Particulars, including the Fund Supplement, and the annual accounts of the Scheme, which provide additional information, are available, free of charge, upon request from IPFM Guernsey ICC Limited, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT.
- This Report should not be construed as an investment advertisement, or investment advice or guidance or a proposal or recommendation in any form whatsoever, whether relating to the Fund or its underlying investments. It is for information purposes only and has been prepared and is made available for the benefit of the investors in the Fund.
- Whilst all care has been taken by the Cell Manager in the preparation of the information contained in this Report, neither the Investment Manager nor Cell Manager make any representations or give any warranties as to the correctness, accuracy or completeness of the information, nor does either the Investment Manager or Cell Manager assume liability or responsibility for any losses arising from errors or omissions in the information.
- IPFM Guernsey ICC Limited is an incorporated cell company governed by the provisions of the Companies (Guernsey) Law 2008 as amended. It is authorised as an open-ended Collective Investment Scheme of Class B by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. In giving this authorisation the Guernsey Financial Services Commission do not vouch for the financial soundness of IPFM Guernsey ICC Limited or for the correctness of any of the statements made or opinions expressed with regard to it.
- Flagship Global Icon Fund IC Limited is a registered incorporated cell of IPFM Guernsey ICC Limited, with registered number 66856.
- JTC Fund Solutions (Guernsey) Limited is the Fund Administrator, licensed by the Guernsey Financial Services Commission, with its registered office at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT.
- IPFM Guernsey ICC Limited is the appointed Investment Manager of the fund and is authorised and regulated by the Guernsey Financial Services Commission, with its registered address at Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT.
- Flagship Asset Management (Pty) Ltd is an Affiliate member of the Association of Savings and Investments SA (ASISA) and is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act No.37 of 2002 in South Africa.
- Butterfield Bank (Guernsey) Limited is the Custodian, licensed by the Guernsey Financial Services Commission, with its registered office at PO Box 25, Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 3AP.
- IPFM Guernsey ICC Limited does not provide any guarantee, either with respect to the capital or the return of the Fund.
- This Report may not be circulated or copied where it may constitute an infringement of any local laws or regulations. This Report is for the sole use of the intended recipient and may not be reproduced or circulated without the prior written approval of the Manager.

### Fund Risk Profile

- Higher risk investments may be subject to sudden and large falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies, even in developed markets, investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt.
- The Fund will contain shares or units in underlying funds that invest internationally. The value of your investment and the income arising from it will therefore be subject to exchange rate fluctuations.
- 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.



### Flagship Asset Management (Pty) Limited

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