

# Flagship International Flexible Fund IC Limited

Minimum Disclosure Document - 31 July 2020



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## FUND MANAGERS

Kyle Wales | Pieter Hundersmarck

NAV price per share (class 'A') | US\$ 117.8

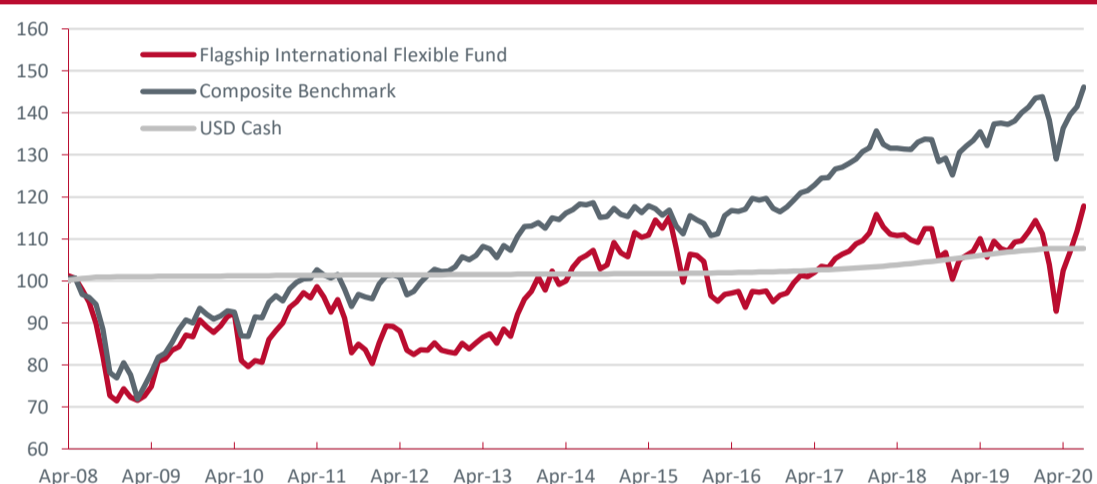
<b>Fund size</b>	\$27.6m
<b>Fund type</b>	Mixed asset fund
<b>Launch date</b>	02 April 2008
<b>Cell Manager</b>	Flagship Asset Management (Pty) Ltd
<b>Investment Manager</b>	IPFM Guernsey ICC Limited
<b>Administrator</b>	JTC Fund Solutions (Guernsey) Limited
<b>Custodian</b>	Butterfield Bank (Guernsey) 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 initial investment</b>	\$10,000
<b>Benchmark</b>	50% MSCI World Equity Index 30% JP Morgan Global Bond Index 20% US\$ Overnight Call Rate
<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 Fund is a multi-asset, globally diversified portfolio investing in equities, bonds, property, and money market instruments without restriction. It does not impose target bands across any of these classes and may deviate materially from its benchmark (50% equities, 30% bonds, and 20% money market). We seek to achieve our investment objective of long-term capital growth with an acceptable level of risk through an actively-managed portfolio of assets, spread over a broad range of asset classes, currencies, and geographies in varying proportions over time. The fund should be viewed as a medium to long term investment.

## PERFORMANCE CHART



## FUND EXPOSURES

<b>Equity</b>	<b>83.5%</b>
Alibaba	6.4%
Netease Inc	6.2%
Microsoft Corp	5.6%
Heineken Holding NV	5.5%
Zalando SE	5.3%
Booking Holdings Inc	4.1%
Alphabet (Google)	3.6%
Amazon	3.4%
Facebook	3.4%
Quilter Plc	3.3%
Hedged S&P Position	0.0%
Other equity holdings	36.7%
<b>Property</b>	<b>0.9%</b>
Unibail-Rodamco-Westfield	0.5%
Hammerson	0.5%
<b>Bonds</b>	<b>0.0%</b>
Inflation Linked Bonds	0.0%
<b>Cash and Strategic Income</b>	<b>5.8%</b>
USD cash holdings	4.8%
Diversified cash holdings	1.0%
Strategic Income	0.0%
<b>Commodities</b>	<b>9.8%</b>
Gold	9.8%
<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	1.3%	3.1%	0.6%
10 Years	7.8%	9.8%	1.3%
7 Years	5.9%	6.2%	1.2%
5 Years	0.4%	4.6%	1.1%
3 Years	3.8%	4.9%	1.6%
2 Years	3.9%	4.8%	1.6%
1 Year	9.4%	6.3%	1.0%
Year-to-date	3.1%	1.8%	0.3%

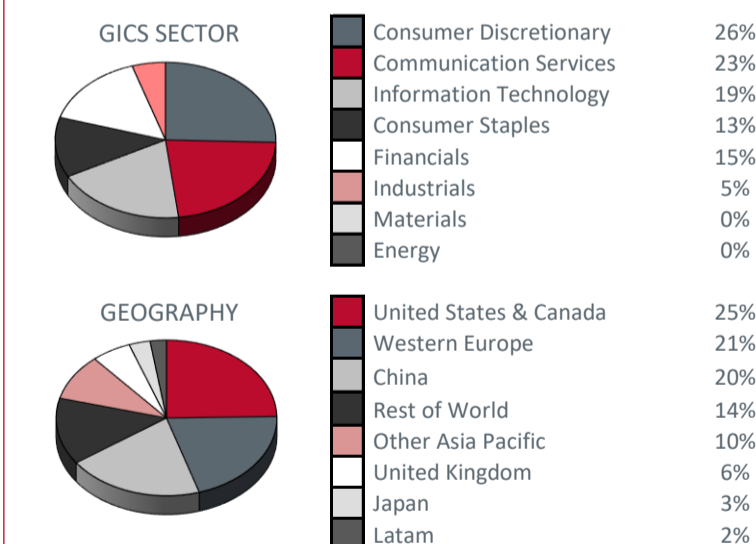
Lowest actual annual return	-27.4%	2 April 2008 to 31 March 2009
Highest actual annual return	26.2%	1 April 2009 to 31 March 2010

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.

## ANNUAL FUND PERFORMANCE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Fund</b>	19.7%	5.3%	-14.3%	3.1%	21.9%	5.7%	-1.9%	-7.2%	14.7%	-9.9%	13.9%
<b>Benchmark</b>	14.2%	6.7%	-2.4%	7.9%	10.2%	1.7%	-1.9%	3.4%	12.1%	-4.9%	14.6%
<b>USD Cash</b>	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.4%	1.0%	1.9%	2.1%

## EFFECTIVE EQUITY EXPOSURE



Source: JTC Fund Solutions (Guernsey) Limited

## FEES - CLASS A

<b>Total Expense Ratio (incl. VAT)</b>	<b>1.90%</b>
<b>Custody Fee</b>	0.05%
<b>Cell Manager Fee</b>	1.50%
<b>Management and Administration fee</b>	0.30%
<b>Other fund expenses</b>	0.05%

## FUND MANAGER COMMENTARY - JULY 2020

While one month is far too short a period over which to assess fund performance, the fund's 5.4% July return significantly outperformed its composite benchmark return of +3.3%, with the 1 year performance of 9.4% also well ahead.

The largest contributors were Alibaba, gold and Amazon. The largest detractors were British American Tobacco, Avivasa and CAE.

## INVESTMENT COMMENTARY

Global geopolitical tensions continue to rise. Following the imposition of the security law in Hong Kong, both the UK and Australia have offered a pathway to citizenship for Hong Kong residents. The US has now turned its sights on banning Chinese-owned social media app, TikTok. Despite US-China vitriol, China's economy continues to outperform those of the rest of the world and it is the only major economy expected to grow in 2020.

In Europe, a deal on the €750bn recovery fund was reached after concessions were made to the "Frugal Four" - Austria, Denmark, Netherlands and Sweden.

At Flagship, we continue to see a two-track economy. The mega cap tech stocks continue to report blockbuster results, which is in stark juxtaposition to the US economy overall, which shrank by 9.5% on a quarter-on-quarter basis in the second quarter (or 34.1% annualized). Apple, Amazon, Facebook and Google all

reported results ahead of expectations with the 25% increase in iPhone sales reported by Apple and the 40% y-o-y increase in revenues reported by Amazon being the stand-outs. Regulatory concerns continue to be the largest risk for these businesses, which is evident from the fact that all their CEOs were called to testify before Congress on anti-competitive concerns.

Last, but not least, gold is in sight of the \$2,000 per ounce mark as the dollar weakens on fears that large US budget deficits and endless money printing are debasing the currency.

Data Source: Thomson Reuters Refinitiv, Bloomberg

### Fees Applicable

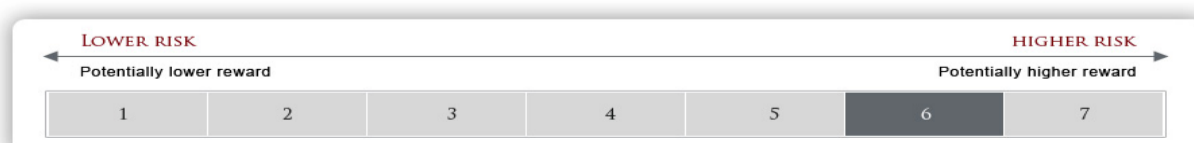
Investment management fee:	Cell manager fees:	Performance Fees
0.30%	Class A Shares: 1.50%	Class A: No performance fee is applicable
Custody fees	Class B Shares: 0.00%	Class B: No performance fee is applicable
0.05%	Class C Shares: 0.65%	Class C: No performance fee is applicable
TER	The Flagship International Flexible Fund Class A USD has a Total Expense Ratio (TER) of 1.95%. Financial year-end TER 2.00%. 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. The TER to 31 July 2020 is based on data for the period from 28 June 2019 to 30 June 2020 and the financial year-end TER is based on data for the financial year-end to 30 June 2019. 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 International Flexible Fund IC Limited is an incorporated cell (registered number 48255) of IPFM Guernsey ICC Limited, with registered number 66840.
- 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.
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### 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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