

# Flagship International Flexible Fund IC Limited

Minimum Disclosure Document - 31 August 2021



Navigate Safely Forward

## FUND MANAGERS

Kyle Wales | Pieter Hundersmarck

NAV price per share (class 'A') | US\$ 153.4

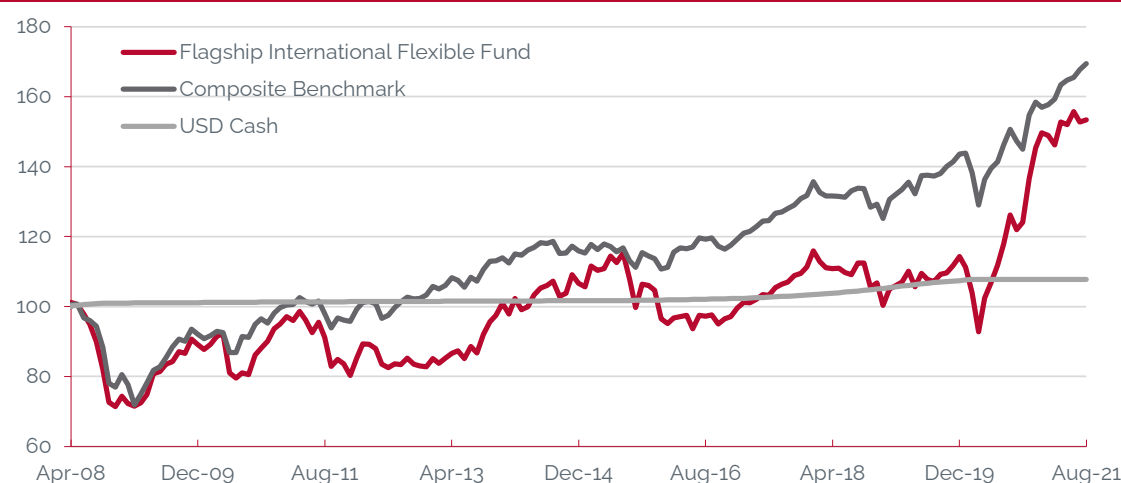
<b>Fund size</b>	\$35.6m
<b>Fund type</b>	Mixed asset fund
<b>Launch date</b>	02 April 2008
<b>Cell Manager</b>	Flagship Asset Management (Pty) Ltd
<b>Investment Manager</b>	IP Fund Managers Guernsey Limited
<b>Administrator</b>	JTC Fund Solutions (Guernsey) Limited
<b>Custodian</b>	Butterfield Bank (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>79.4%</b>
Zalando SE	6.1%
PagSeguro Digital Ltd	5.1%
Netease Inc	4.6%
Microsoft Corp	4.5%
TCS Group Holdings	4.4%
Capri Holdings	4.4%
Facebook	4.3%
Alibaba	3.7%
Take-Two Interactive Software	3.1%
Square - Enix Holdings	3.0%
Other equity holdings	36.1%
<b>Property</b>	<b>0.0%</b>
<b>Bonds</b>	<b>0.0%</b>
<b>Cash and Strategic Income</b>	<b>16.4%</b>
US Dollar	10.5%
Euros	3.8%
Other offshore cash	2.2%
<b>Commodities</b>	<b>4.1%</b>
Gold	4.1%
<b>TOTAL</b>	<b>100.0%</b>

Source: JTC Fund Solutions (Guernsey) Limited

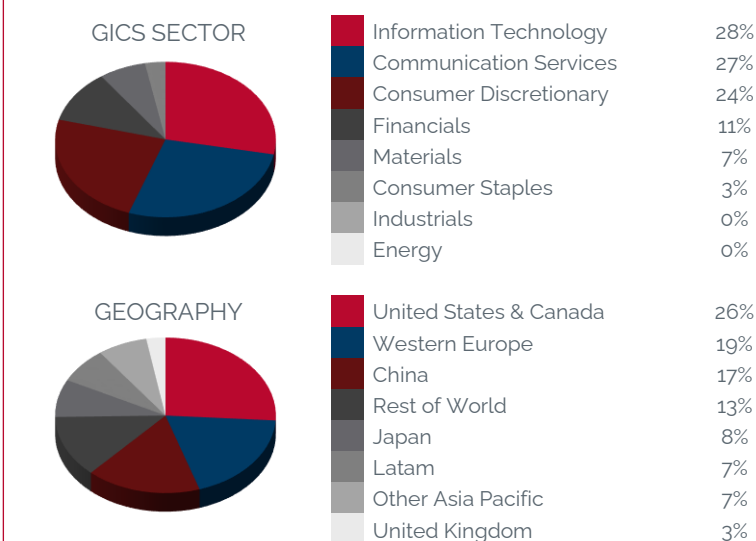
## PERFORMANCE

Annualised Performance (for periods > 1 year)	Fund	Benchmark	Outperformance
Since inception	3.2%	4.0%	-0.8%
10 Years	11.0%	11.6%	-0.6%
7 Years	7.4%	7.4%	0.0%
5 Years	9.5%	7.3%	2.3%
3 Years	10.9%	8.2%	2.7%
2 Years	19.7%	11.1%	8.6%
1 Year	21.5%	12.5%	9.1%
Year-to-date	5.6%	7.0%	-1.4%

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fund</b>	5.3%	-14.3%	3.1%	21.9%	5.7%	-1.9%	-7.2%	14.7%	-9.9%	13.9%	27.1%
<b>Benchmark</b>	6.7%	-2.4%	7.9%	10.2%	1.7%	-1.9%	3.4%	12.1%	-4.9%	14.6%	10.3%
<b>USD Cash</b>	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.4%	1.0%	1.9%	2.1%	0.3%

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.

## EFFECTIVE EQUITY EXPOSURE



Source: JTC Fund Solutions (Guernsey) Limited

## Flagship International Flexible Fund IC Limited Class A

USD |★★★★★

Morningstar Rating™ (Relative to Category)			28/02/2021
3-Year	Morningstar Return High	Morningstar Risk Above Average	Morningstar Rating™ ★★★★★
5-Year	Above Average	Above Average	★★★★★

## FEES - CLASS A

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

## FUND MANAGER COMMENTARY - AUGUST 2021

Your fund returned +0.5% in USD for the month, underperforming its composite benchmark return of +1%. The fund's 12 month return of +21.5% remains well above the benchmark's +12.5%.

The largest contributors for the month were TCS, Square Enix and Pagseguro all of which rose more than 5% each. Chinese names, lead by Alibaba, featured amongst the largest detractors.

## INVESTMENT COMMENTARY

August was a strong month for most global stock indices, with the S&P 500 up 3% for the month. Most commodity prices, with the exception of gold, weakened slightly during the month even though they remain up strongly for the year. The negative correlation between commodities and the dollar remains intact, as the US dollar appreciated slightly against most major currencies during the month

There have been a number of developments which have caused investors to reassess Chinese regulatory risk upwards. This began with the withdrawal of ANT's (an associate of Alibaba) IPO last year and has continued with, amongst other things, an investigation into anti-competitive practices of its tech titans; as well as a ban on after school tutoring; additional restrictions on computer gaming amongst children; and pressure being applied on corporates to make donations to social

causes. This has resulted in a broad-based sell-off of Chinese stocks (-12.3% year-to-date). While enhanced monitoring of regulatory risk within China is paramount, we continue to believe that China is an attractive investment destination. Consequently, in our view, the fall in share prices of Chinese stocks more than compensates for the increase in regulatory risk.

Elsewhere in the world, the withdrawal of the US from Afghanistan on August 30th took centre stage, having been involved in conflict in the country for twenty years. While the move has attracted widespread criticism, it is worth noting that the US has spent an estimated \$2 trillion on the war and experienced 6,500 casualties, with little lasting progress having been made.

Data Source: Thomson Reuters Refinitiv, Bloomberg

### Fees Applicable

#### Investment management fee:

0.30%

#### Custody fees

0.05%

#### Cell manager fees:

Class A Shares: 1.50%

Class B Shares: 0.00%

Class C Shares: 0.65%

#### Performance Fees

Class A: No performance fee is applicable

Class B: No performance fee is applicable

Class C: No performance fee is applicable

#### TER

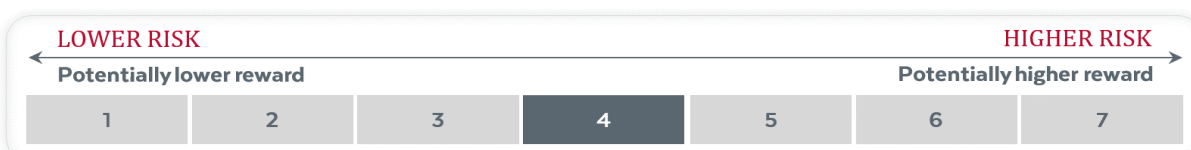
The Flagship International Flexible Fund Class A USD has a Total Expense Ratio (TER) of 1.90%. Financial year-end TER 2.00%. The Total Expense Ratios (TERs) are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial 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 May 2021 is based on data for the period from 28 June 2019 to 31 May 2021 and the financial year-end TER is based on data for the financial year-end to 30 June 2020. 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 date of reinvestment and dividend withholding tax.
- The Fund may invest in other collective investments, which levy their own charges. This could result in a higher fee structure for the Fund.
- A schedule of fees and charges and maximum commissions is available on request from the Manager.
- 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 (Bailliwick 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) Ltd 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.
- IP Fund Managers Guernsey 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.
- IP Management Company (RF) Pty Ltd - contact +27 (21) 673 1340 or [clientservices@ipmc.co.za](mailto:clientservices@ipmc.co.za) is the South African representative for the foreign collective investment scheme (FCIS) as provided for in the South African Collective Investment Schemes Control Act, 2002. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The FCIS Manager retains full legal responsibility for the Fund, subject to the terms and conditions of the Representative Agreement. IP Management Company is regulated by the Financial Sector Conduct Authority (FSCA) and is a full member of the Association for Savings and Investment SA (ASISA).
- 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

ICR House • Alphen Park • Main Road • Constantia • 7806 | Private Bag X21 • Constantia • 7848 • South Africa | Telephone +27 (21) 794 3140 • Facsimile +27 (21) 794 3135

Directors: WT Floquet CA (SA) MBA (chairman) | S de V Hudson BA LLB (ceo) | PD Floquet BCom CA (SA) CFA | NRO Brown BCom CA (SA)