

# Flagship Global Icon Fund IC Limited

Minimum Disclosure Document - 31 October 2021



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## FUND MANAGERS

Kyle Wales | Pieter Hundersmarck

NAV price per share (class 'A') | US\$ 12.84

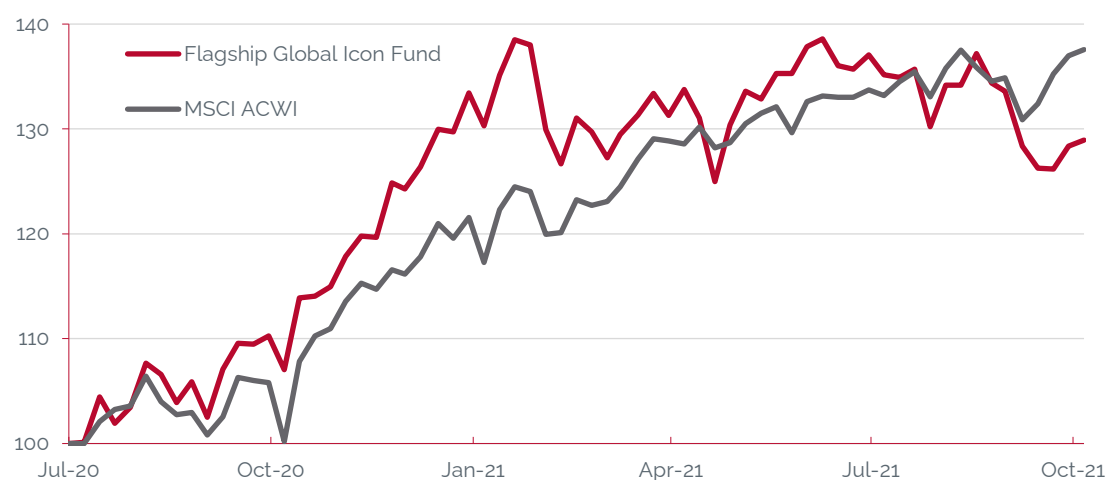
<b>Fund size</b>	\$13.9m
<b>Fund type</b>	Equity fund
<b>Launch date</b>	30 July 2020
<b>Cell Manager</b>	Flagship Asset Management (Pty) Ltd
<b>Investment Manager</b>	IP Fund Managers Guernsey Limited
<b>Administrator</b>	JTC Fund Solutions (Guernsey) Limited
<b>Custodian</b>	Butterfield Bank (Guernsey) 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 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 fund seeks to provide long-term capital appreciation and invests in high-quality companies that the Fund 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



## FUND EXPOSURES

<b>Equity</b>	<b>98.1%</b>
Zalando SE	7.4%
Microsoft Corp	6.2%
Capri Holdings	5.8%
Take-Two Interactive Software	5.7%
TCS Group Holdings	5.1%
PagSeguro Digital Ltd	5.0%
Facebook	4.9%
Endava Plc	4.4%
Applied Materials	4.0%
US Foods Holding Corp	4.0%
Other equity holdings	45.5%
<b>Cash</b>	<b>1.9%</b>
US Dollar	1.6%
Other currencies	0.3%
<b>TOTAL</b>	<b>100.0%</b>

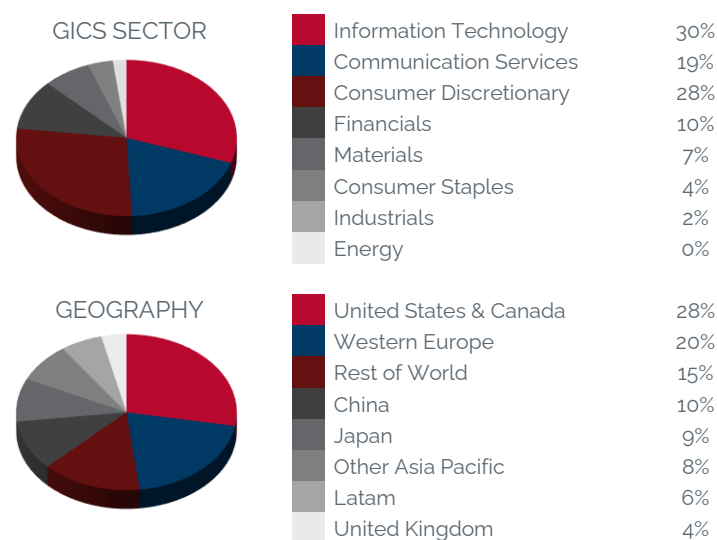
Source: JTC Fund Solutions (Guernsey) Limited

## PERFORMANCE

Annualised Performance (for periods > 1 year)	Fund	Benchmark	Outperformance
Since inception	28.4%	37.6%	-9.2%
10 Years			
7 Years			
5 Years			
3 Years			
1 Year	19.9%	37.3%	-17.3%
6 Months	-4.0%	7.0%	-11.0%
Year-to-date	1.6%	16.8%	-15.2%

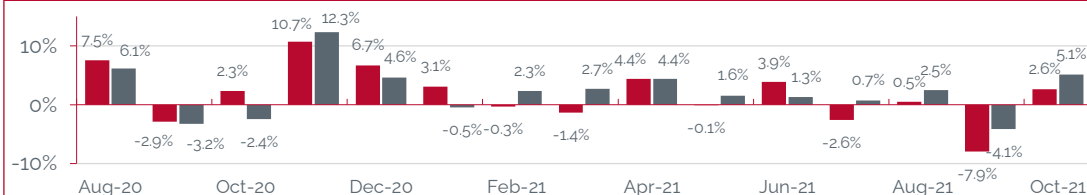
Source: JTC Fund Solutions (Guernsey) Limited. All returns have been calculated net of fees (the fees charged within the Fund and by the managers of the underlying funds are not guaranteed and may change in the future.). Past performance is not a guide to future returns.

## EFFECTIVE EQUITY EXPOSURE



Source: JTC Fund Solutions (Guernsey) Limited

## MONTHLY RETURNS



## 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 - OCTOBER 2021

The Fund generated a return of +2.6% in USD for the month, trailing its MSCI ACWI benchmark return of +5.1%.

The largest contributors for the month were Microsoft, Take-Two Interactive and TCS, while the largest detractors were Pag Seguro and Duck Creek.

## INVESTMENT COMMENTARY

Major equity indices performed well in October, led by the Nasdaq and the S&P 500, up +8.0% and +7.2% respectively. It was another weak month for bonds, with the Global Aggregate Bond Index down -0.3%. Commodities, with the exception of oil, performed poorly, with thermal coal and natural gas prices coming off from their mid-month highs. Both remain higher year-to-date.

Inflation concerns remain topical, with a number of smaller central banks, such as New Zealand, Norway, South Korea, Mexico, Brazil and Russia raising policy rates to combat intensifying domestic inflation. The ECB and the Federal Reserve have left their key policy rates unchanged, but hinted that inflation, while still transient, will remain higher for longer. Oil prices in particular will lead the way to higher inflation and, with it, higher policy rates.

The S&P 500 PE ratio, a bell weather for the valuation of global stock markets, sits at 25.9x historical earnings and 21.2x one year forward earnings. Both are meaningfully higher than they have ever been, implying poor future returns

from these levels. The catalyst will be when economic growth disappoints, or inflation increases rapidly, causing interest rates to rise. Both will end the bull market we have enjoyed since 2010.

World leaders gathered at COP26, a major climate summit, to advance the goals of the Paris Climate Agreement. There is a general consensus that words must now be followed with action, and we expect more focus from our companies on aligning their businesses to the global reality of climate change.

The results of most of our companies that reported during the month were well ahead of consensus, demonstrating how high-quality businesses continue to entrench their 'moats' and grow their markets. Microsoft and Endava in particular reported solid results, with Amazon and Duck Creek reporting tepid, but still pleasing, results for the latest quarter.

### 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 2.30%)
Custody fees	Class B Shares: 0.65%	Class B: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 1.95%)
0.05%	Class C Shares: 0.00%	Class C: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 1.30%)

### TER

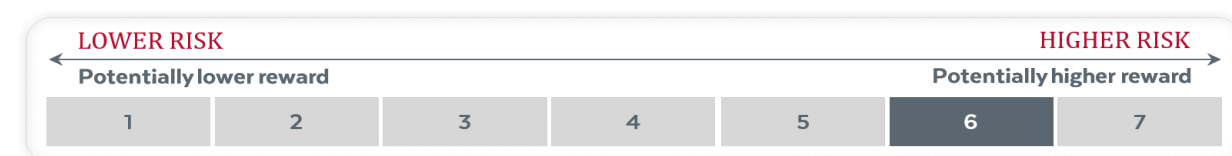
The Flagship Global Icon Fund Class A USD has an estimated Total Expense Ratio (TER) of 1.40%. The Total Expense Ratios (TERs) are the percentages of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product. A higher TER does 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 30 June 2021 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 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.
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- 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.
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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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