

Flagship IP Global Icon Feeder Fund

Minimum Disclosure Document - 31 October 2021



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NAV 1,087.6c

FUND MANAGERS

Pieter Hundersmarck | Kyle Wales

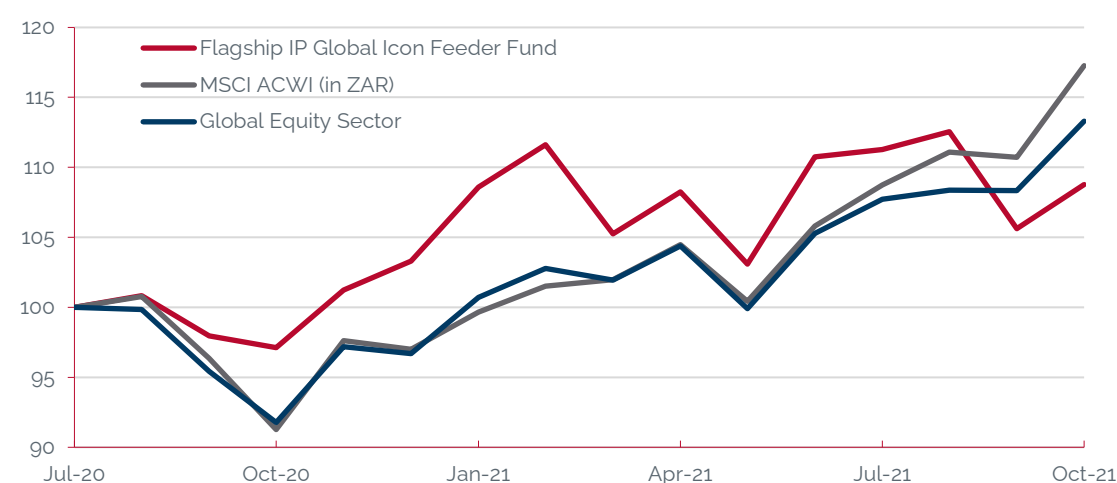
Launch date	06 August 2020
Fund type	Global equity feeder fund
Fund size	R34.9m
NAV - A Class	1 087.6c
Benchmark	MSCI All Country World Index (MSCI ACWI), in rands (net total return USD index, converted into ZAR)

No. of participatory interests	3 212 200
Minimum lump sum investment	R 5 000
Base currency	ZAR
Income declaration - Mar '21	N/A
Income declaration - Sep '21	0.00c
Dealing	Daily

FUND OBJECTIVE

The Fund invests directly into the Flagship Global Icon Fund IC Limited, registered in Guernsey. That fund seeks to provide long-term capital appreciation by investing 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



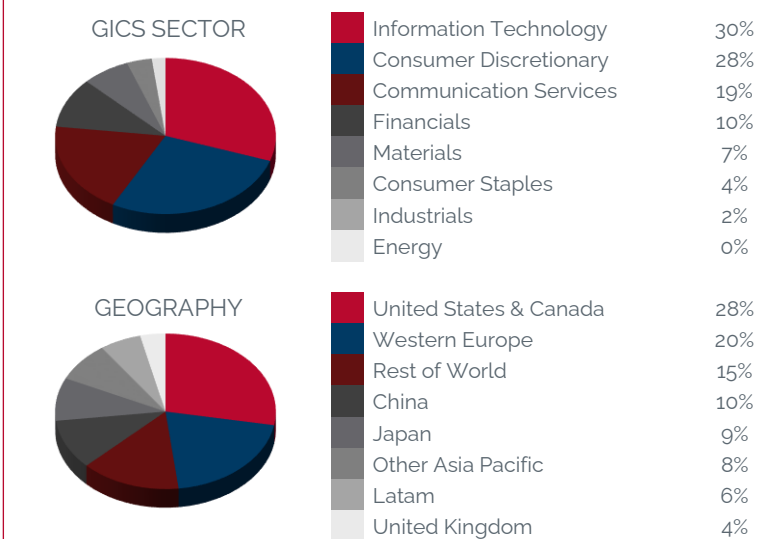
FUND EXPOSURES

Equity	97.9%
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	45.4%
Cash	2.1%
USD	1.6%
ZAR	0.2%
Other	0.3%
TOTAL	100.0%

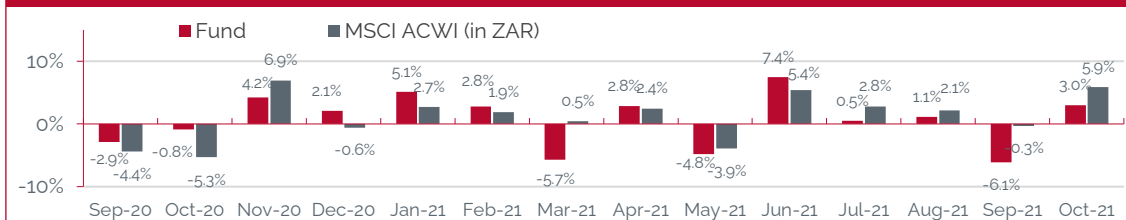
PERFORMANCE AND RISK

Annualised Performance (for periods > 1 year)	Fund	Benchmark	Sector
Since inception	8.8%	17.3%	13.3%
10 Years			
7 Years			
5 Years			
3 Years			
1 Year	12.0%	28.5%	23.5%
6 Months	0.5%	12.2%	8.5%
Year-to-date	5.3%	20.9%	17.2%

EFFECTIVE EQUITY EXPOSURE



MONTHLY RETURNS



FEES

Total Expense Ratio (incl. VAT)	1.90%
Fund management fee (excl. VAT)	0.35%
VAT on fund management fee	0.05%
Fund expenses (incl. VAT)	1.50%
Transaction Costs (incl. VAT)	0.00%
Total Investment Charge (incl. VAT)	1.90%

FUND COMMENTARY - OCTOBER 2021

The Fund generated a return of +3.0% for the month which trailed its benchmark return of +5.9%.

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

As required by legislation, we confirm that the Fund has adhered to its policy objective and strategy.

MARKET COMMENTARY

International

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.

South Africa

The JSE ALSI rose +5.2% in ZAR and +3.9% in USD during the month, the poorest showing of the global indices we follow. The Rand ended the month weaker by -3.7% against the USD, and down just over 3% year-to-date.

In September, South African business sentiment dropped to 91 from 91.9, the lowest since April 2020. In its latest World Economic Outlook, the IMF increased SA's 2021 projected growth rate to 5%, a 1% increase from what it expected in July. It sees a slowdown to 2.2% in 2022 and the long-run expectation remains muted.

Risk Considerations and Important Information

- Collective Investment Schemes in Securities (unit trusts) are generally medium to long term investments.
- The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio.
- Unit trusts are traded at ruling prices and can engage in scrip lending subject to the limits and conditions imposed by the Act.
- The manager may borrow up to 10% of the market value of the collective investment scheme portfolio to ensure liquidity.
- Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, Uncertificated Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue.
- A schedule of fees, charges and maximum commissions is available on request. Commission and incentives may be paid, and if so, are included in the overall costs.
- The unit trust portfolios are priced daily at 15h00 (quarter end 17h00), using forward pricing. Dealing cut-off time is 14h30 daily.
- Units will be repurchased by the manager at the ruling price calculated in accordance with the requirements of the Act and the relevant deeds and paid to the investor only. Subject to occurrences beyond the control of Flagship Asset Management (FAM), transaction requests received by FAM before 14h30 will be actioned at that day's price. Monies from the repurchase of units will not be paid to third party bank accounts.
- FAM reserves the right to repurchase unit balances with a market value less than the minimum monthly investment amount and close the investment account. Investors will be notified beforehand should this be contemplated.
- Portfolio performance is calculated on a NAV to NAV basis and does not take any initial fees into account. Figures quoted are from Reuters and Moneymate for a lump sum using NAV-NAV prices with income distributions reinvested. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Investment performance calculations are available for verification upon request.
- Income distributions for the fund occur bi-annually on 31 March and 30 September.
- 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.
- SARS requires us to pay over Dividend Withholding Tax (DWT) on your behalf where applicable. We will deduct this tax before we pay any dividends to you or reinvest into your account. Unless we receive information from you indicating otherwise, we will be obliged to withhold the default DWT of 20%.
- 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. Please visit <http://www.ipmc.co.za/effectiveannual-cost> to address the EAC illustrator. You can request an EAC calculation from clientservices@ipmc.co.za or call us on 021 673-1340
- Fund prices are published daily and available in newspapers, on Bloomberg (Class A: BBG00XGC3Y32 | Class B: BBG00XGC5D09), as well as on our website, www.flagshipsa.com. Also available on our website is additional information on the unit trust portfolio, including our Application Form. FAM reserves the right to only process instructions that are submitted on FAM standard transaction forms.
- Flagship Asset Management (Pty) Ltd is an authorised financial services provider (FSP 577). Trustees / custodians for the scheme are Standard Bank of South Africa Ltd – contact compliance-IP@standardbank.co.za. IP Management Company Reg. No. 2007/01760/07 is the authorised manager of the scheme – contact 021 673 1340 or clientservice@ipmc.co.za. IP Management Company (RF) (Pty) Ltd is a member of the Association for Savings & Investment SA (ASISA).
- The Manager retains full legal responsibility of the Fund, regardless of co-naming arrangements.
- Additional information including the annual report of the Manager and detailed holdings of the portfolio as at the last quarter end are available, free of charge, from info@flagshipsa.com.
- A statement of changes in the composition of the portfolio during the reporting period is available on request.
- Complaints should be in writing and clearly marked for the attention of the Compliance Officer and should be mailed to Private Bag X21, Constantia, 7848.

Investment Policy

The Flagship IP Global Icon Feeder Fund is in the Global - Equity - General sector and invests directly into the Flagship Global Icon Fund IC Limited, registered in Guernsey. That fund seeks to provide long-term capital appreciation by investing 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. The fund will, at all times, be fully invested in the master fund and, as such, does not allow for any asset allocation flexibility and will not invest in any financial instruments to implement specific investment views.

TER and Transaction Costs

From 1 July 2020 to 30 June 2021 1.90% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.00% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore, 1.90% of the value of the fund was incurred as costs relating to the investment of the fund. 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 fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. Note that as the fund has been operational for less than 1 year, the TER provided is an estimate.

Fund Risk Profile

- The fund managers seek to reduce risk by investing in a range of assets diversified across sectors and geographies, with the flexibility to vary exposures as market circumstances dictate.



- Shares are potentially volatile investments and there is a risk of capital loss over the short term.
- 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.
- Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Flagship Asset Management (Pty) Limited

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