

Flagship IP Worldwide Flexible Fund of Funds

Minimum Disclosure Document - 31 May 2022



Navigate Safely Forward

FUND MANAGERS

Flagship Global Investment Team

NAV 916.7c

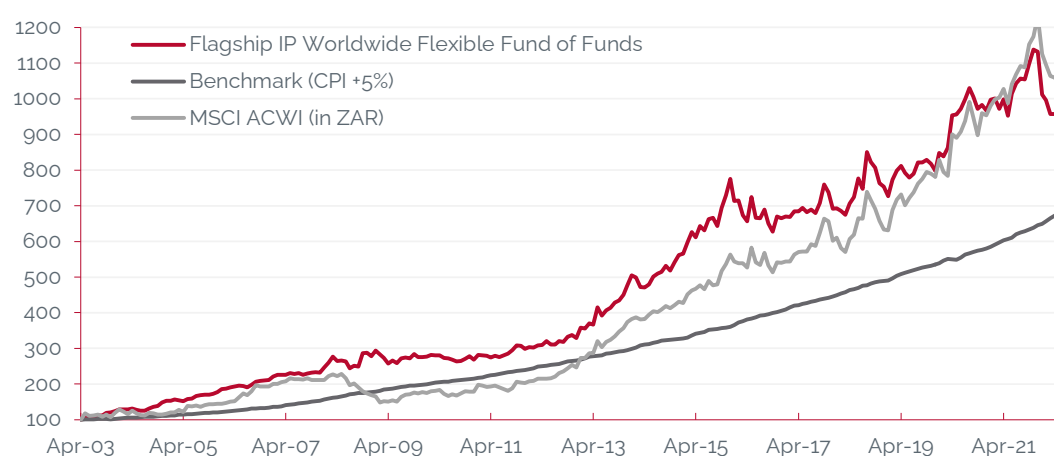
Launch date	03 April 2003
Fund size	R293m
NAV - A Class	916.7c
Benchmark	CPI +5%
Dealing	Daily

No. of participatory interests	31 766 095
Minimum lump sum investment	R 5 000
Base currency	ZAR
Income declaration - Mar '22	0.00cpu
Income declaration - Sep '21	0.00cpu

FUND OBJECTIVE

The objective of the Flagship IP Worldwide Flexible Fund of Funds is to deliver long term capital growth by investing in a focused portfolio of stringently selected global equity fund managers. Investments, on a see-through basis, will be diversified across geographic regions, in both developed and emerging markets, and diversifies single manager and single style risk associated with investing through one asset manager only. The fund may invest across all asset classes, but, through the cycle, equity exposure will be maintained at around 80%, with the objective to outperform the MSCI World Index (in rands) over the long term (5 years). Our formal benchmark is CPI +5% and the fund is classified in the Worldwide - Multi Asset - Flexible sector.

PERFORMANCE CHART



FUND EXPOSURES

Global Equity Funds	41.1%
GQG Partners Global Equity Fund	14.7%
Benchmark: MSCI World Index Style: Quality	
Lindsell Train Global Equity Fund	13.1%
Benchmark: MSCI World Index (Developed Markets) Style: Quality	
Sands Capital Global Growth Fund	1.9%
Benchmark: MSCI World Index Style: Growth	
Other Funds	11.4%
Exchange Traded Funds	13.4%
TOTAL EQUITY EXPOSURE	54.5%
Commodities	2.9%
Gold	2.9%
Bonds	7.2%
Satrix Govi SA Bonds	7.2%
Cash	35.3%
Domestic	0.1%
Foreign	35.3%
TOTAL PORTFOLIO	100.0%

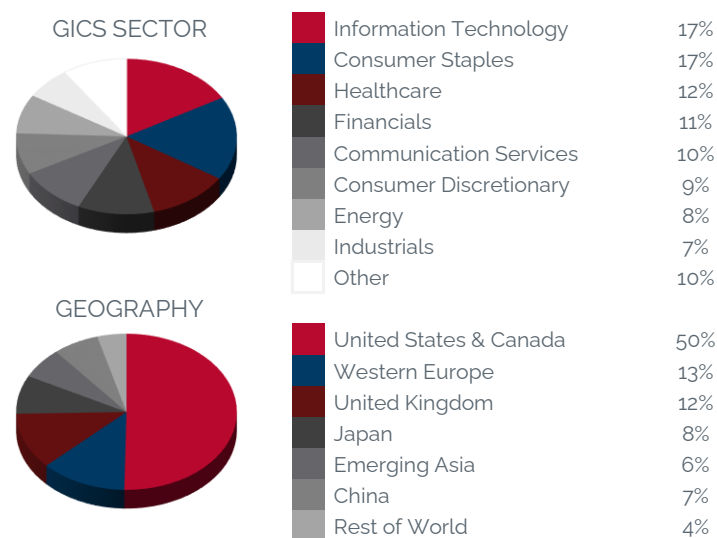
PERFORMANCE AND RISK

Performance (net of fees)	Fund	Benchmark	Outperformance
Since inception	891.2%	571.7%	319.5%
Since inception (annualised)	12.7%	10.4%	2.3%
10 Years (annualised)	11.5%	10.4%	1.1%
7 Years (annualised)	5.8%	10.2%	-4.4%
5 Years (annualised)	6.6%	9.8%	-3.2%
3 Years (annualised)	6.4%	9.8%	-3.4%
1 Year	0.1%	11.3%	-11.2%
Year-to-date	-15.7%	5.2%	-20.9%

Risk Measures (since inception)

Annualised monthly volatility	13.3	2.9
Sharpe ratio	0.11	0.37
Maximum drawdown	-20.2%	-0.8%
Lowest actual annual return	-0.1%	2 April 2010 to 1 April 2011
Highest actual annual return	+30.1%	2 April 2003 to 1 April 2004

EFFECTIVE EQUITY EXPOSURE



ANNUAL FUND PERFORMANCE

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund	11.1%	10.4%	44.7%	18.0%	37.8%	-14.2%	4.0%	4.9%	5.9%	21.1%	17.0%
CPI +5%	11.5%	11.0%	10.7%	11.2%	10.1%	12.0%	10.0%	9.8%	8.8%	8.4%	10.8%

FEES

	1 Year	3 Year
Total Expense Ratio (incl. VAT)	2.37%	2.22%
Fund management fee (excl. VAT)	1.50%	1.50%
VAT on fund management fee	0.23%	0.23%
Fund expenses (incl. VAT)	0.65%	0.50%
Transaction Costs (incl. VAT)	0.04%	0.09%
Total Investment Charge (incl. VAT)	2.41%	2.31%

FUND COMMENTARY - MAY 2022

The Flagship IP Worldwide Flexible Fund of Funds returned -0.4% for the month, below the fund's CPI +5% benchmark return. Global markets were seemingly less volatile in May, with most indices ending marginally in the green. However, beneath the surface it was another volatile month, characterized by wild swings and large intraday price moves. Inflation continues to be the main issue in most economies, with rates now surpassing 8% in the US, UK and the Eurozone.

The biggest contributor for the month was the GQG Global Equity Fund, while the biggest detractor was the Lindsell Train Global Equity Fund.

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

MARKET COMMENTARY

On the surface, May brought with it what seemed to be a sense of calm and normality to the markets. Both the S&P 500 and MSCI ACWI Indices were up 0.2%, while the MSCI Emerging Markets Index rose 0.5%. Even the under-fire Chinese Hang Seng Index rose 2.2% for the month.

However, the tech-heavy Nasdaq had a bumpier ride, falling close on 2%, while also experiencing its biggest 1-day decline since the COVID shock of March 2020. The trend of expensive, high growth companies being punished for signs of weak earnings or guidance continued, and nowhere was this clearer than with Snapchat – which fell 43% after releasing earnings, now down 83% since its peak in September 2021.

Economic storm clouds are brewing, with the president of the World Bank stating a global recession is inevitable given the steep increase in food, energy and fertilizer prices. Inflation numbers continue to rise, spreading across the globe. In the US, prices rose 8.3% year-on-year, while inflation in the UK came in at more than 9%, causing consumer confidence to deteriorate to levels not seen in the last 50 years. The Eurozone was not spared – inflation for the block was 8.1% – led by Germany where prices rose 8.7%. In response, the US Federal Reserve raised rates by another 50 basis points, while expectations call for more of these hikes in the months ahead. Australia

followed suit, implementing their first rate hike in more than 11 years.

The conflict in Ukraine marches on, with Russian forces now focussing their efforts in the eastern Donbas region, after Ukrainian resistance recaptured the north. Putin's efforts to deter NATO influence in the region has backfired badly, with both Sweden and Finland accelerating their applications to join NATO, potentially lengthening Russia's direct border with the security alliance. This led to oil and natural gas prices rising with both up more than 12% in May, and are now up more than 70% over the last 6 months.

South Africa was not spared from global inflationary pressures. Motorists have had to endure another steep fuel price increase, while SA's largest consumer goods company, Tiger Brands, warned consumers that there will be steep price hikes on staples such as bread and baking flour in the months to come.

In political news, disgraced former Minister of Health, Zweli Mkhize, has announced that he intends to run for the position of ANC president in December. Meanwhile, current Minister of Sports, Arts and Culture, Nathi Mthethwa, has come under fire for his plan to erect a 100-metre-high flagpole that would have cost the taxpayer more than R22 million – showing how out of touch the governing party is with the mood of most South Africans.

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 countrywide, 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 Worldwide Flexible Fund of Funds is a Worldwide-Asset Allocation portfolio in the Flexible Portfolio Sector. The primary objective of the portfolio is to offer medium to long-term capital growth. The portfolio will invest in a range of participatory interests in equity, bond, money or property markets, in portfolios of collective investment schemes.

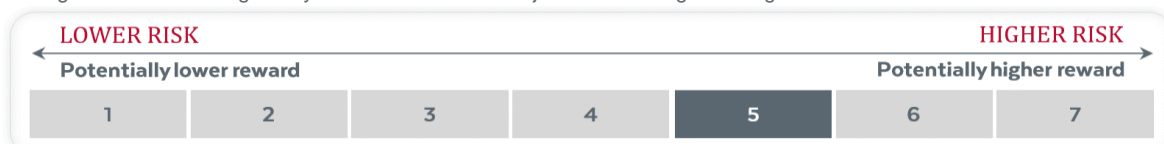
In order to achieve its objective, the investments normally to be included in the Flagship IP Worldwide Flexible Fund of Funds will, apart from assets in liquid form, consist of participatory interests of portfolios of collective investment schemes or other similar schemes, in equity, bond, money or property markets, registered in the Republic of South Africa, or of portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee, and comply with the requirements of the Act and any regulations thereto.

TER and Transaction Costs

From 1 April 2019 to 31 March 2022 2.22% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.09% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore, 2.31% 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.

Fund Risk Profile

- The investment philosophy is medium to long term in nature but with a conservative bias. The use of several managers diversifies the single-manager and single-style risk associated with investing through one asset manager only. Asset allocation is adjusted according to changes in market conditions..



- 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.

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