

# Flagship Global Icon Fund IC Limited

Minimum Disclosure Document - 30 June 2022



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## FUND MANAGERS

Kyle Wales | Pieter Hundersmarck

NAV price per share (class 'A') | US\$ 7.64

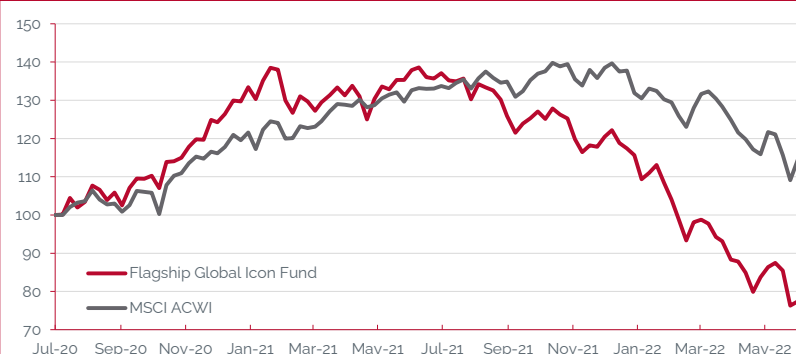
Fund size	\$8.1m
Fund type	Equity fund
Launch date	30 July 2020
Cell Manager	Flagship Asset Management (Pty) Ltd
Investment Manager	IP Fund Managers Guernsey Limited
Administrator	JTC Fund Solutions (Guernsey) Limited
Custodian	Butterfield Bank (Guernsey) Limited
Dealing	Daily
Valuation point	12.00pm (Guernsey time) on the relevant Dealing Day
Dividend policy	All income will be accumulated and invested

Minimum investment	\$10 000
Minimum Additional Subscription	\$5 000
Benchmark	MSCI All Country World Index (MSCI ACWI) Net total return USD index
Domicile	Guernsey
Subscriptions cut-off time	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.
Redemptions cut-off time	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>91.0%</b>
Capri Holdings	6.1%
Applied Materials	5.6%
Square - Enix Holdings	5.5%
Informa PLC	5.4%
Suncor Energy Inc	5.4%
Dicks Sporting Goods	5.2%
Schlumberger	4.7%
International Flavors & Fragrances Inc	4.4%
Take-Two Interactive Software	4.4%
Amazon	4.3%
Other equity holdings	40.0%
<b>Commodities</b>	<b>2.4%</b>
Gold	2.4%
<b>Cash</b>	<b>6.6%</b>
US Dollar	3.0%
Other currencies	3.6%
<b>TOTAL</b>	<b>100.0%</b>

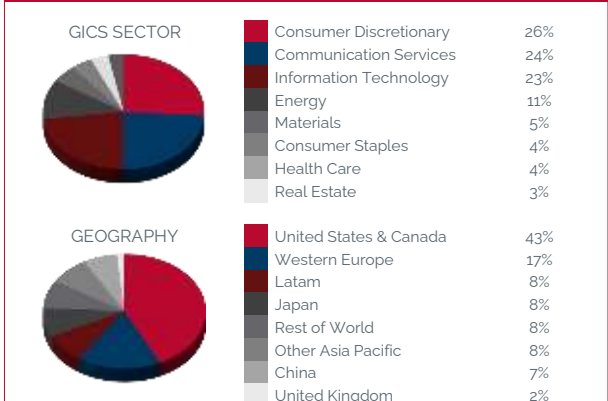
Source: JTC Fund Solutions (Guernsey) Limited

## PERFORMANCE

Performance	Fund	Benchmark	Outperformance
Since inception	-23.6%	11.4%	-35.0%
10 Years			
7 Years			
5 Years			
3 Years			
1 Year	-44.9%	-15.8%	-29.2%
6 Months	-37.4%	-20.2%	-17.2%
Year-to-date	-37.4%	-20.2%	-17.2%

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

Total Expense Ratio	1.40%
Custody Fee	0.05%
Cell Manager Fee	1.00%
Management and Administration fee	0.30%
Other fund expenses	0.05%

Note that as the fund has been operational for less than 1 year, the TER provided is an estimate.

## FUND MANAGER COMMENTARY - JUNE 2022

The Flagship Global Icon Fund had a poor month, underperforming its MSCI ACWI benchmark during a month that saw most global equity indices deep in red territory as well as the S&P 500 officially entering a bear market. Rising inflation prints and interest rates remain in the spotlight, fuelling fears of a global recession.

The biggest contributor for the month was Alibaba – while the main detractors were Zalando and PagSeguro.

## INVESTMENT COMMENTARY

There was no shortage of headline-grabbing news items in June. Global equity markets continued their downward trend, with the S&P 500, Nasdaq and MSCI ACWI all down more than 7% for the month. In fact, the only meaningful indices with positive returns were in the East, with both Hong Kong's Hang Seng index and China's Shanghai composite ending in the green. The S&P also entered bear-market territory, as it is now down more than 20% from its highs in January, and has endured its worst 6-month start to a year in 52 years. The P/E ratio of the S&P 500, on a 12 month forward basis, has now contracted 26% for the year.

In the US, May CPI came in at 8.6%, another 40-year high, and above the forecasted 8.3%. The persistent high levels of inflation forced the Federal Reserve's hand, as they responded by pushing the lending rate up by 75 basis points, the steepest increase since 1994. In response, US consumer confidence levels are continuing to track lower.

While there is little consensus in the market over whether a recession is imminent, companies certainly seem to be preparing for a hard landing, with many indicating they will be downsizing or implementing a hiring freeze.

In other parts of the world: the UK May inflation number also came in at a 40-year high of 9.1%; the European Central Bank joined the rate-hiking party (although they are very late to it); the World Bank issued a warning about the possibility of stagflation; and European nations are firing up their disused coal plants and searching for alternative energy supplies after Russia drastically reduced gas supplies to the bloc.

Lastly, Russia seems to be making some gains in eastern Ukraine, and they are now mostly in control of the Luhansk region. However, on the western side, both Sweden and Finland have officially been invited to join NATO, in effect doubling the length of the defensive alliance's border with Russia. Best believe Putin is not pleased.

### Fees Applicable

#### Investment management fee:

0.30%

#### Custody fees

0.05%

#### Cell manager fees:

Class A Shares: 1.00%

Class B Shares: 0.65%

Class C Shares: 0.00%

#### Performance Fees

Class A: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 2.30%)

Class B: 20% of the Cell's performance relative to the benchmark (maximum total annual fee of 1.95%)

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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