

Flagship IP Global Icon Feeder Fund

Minimum Disclosure Document - 30 September 2022



Navigate Safely Forward

FUND MANAGERS

Pieter Hundersmarck | Kyle Wales

NAV 700.0c

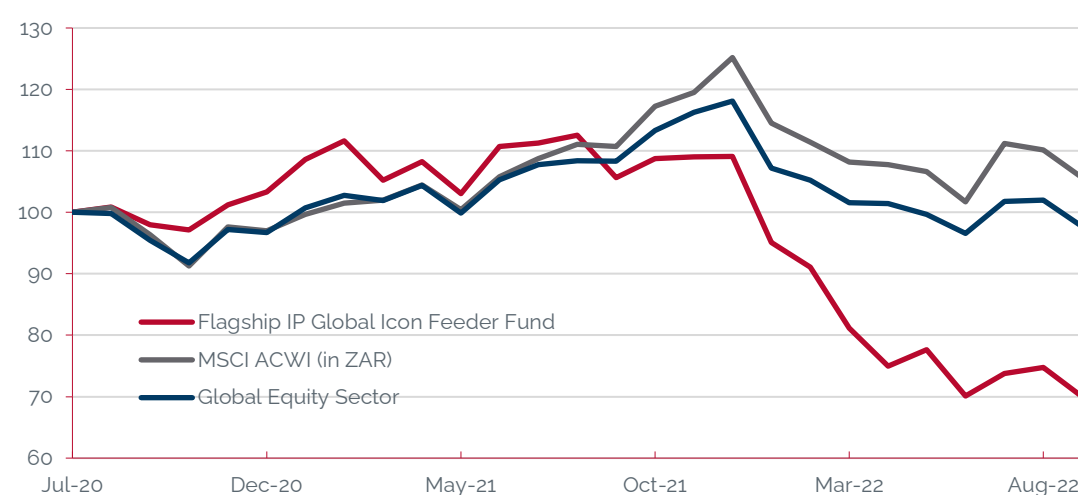
Launch date	06 August 2020
Fund type	Global equity feeder fund
Fund size	R25.6m
NAV - A Class	700.0c
Benchmark	MSCI All Country World Index (MSCI ACWI), in rands (net total return USD index, converted into ZAR)

No. of participatory interests	3 663 356
Minimum lump sum investment	R 5 000
Base currency	ZAR
Income declaration - Mar '22	0.00c
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



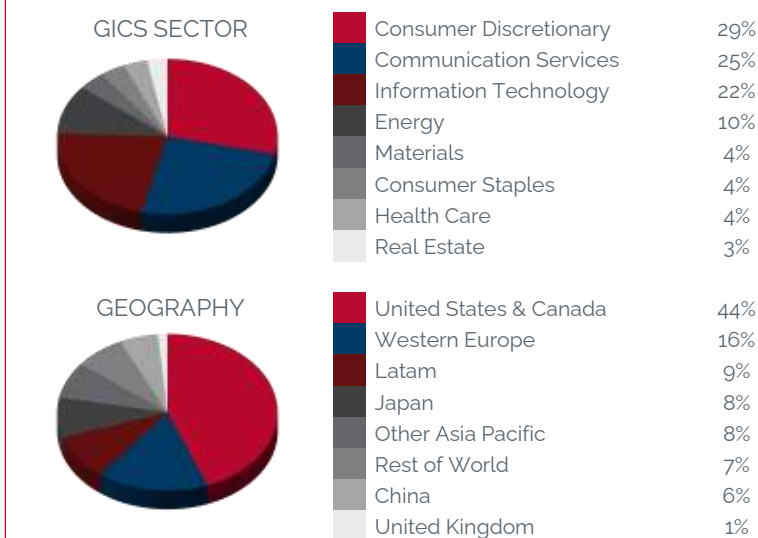
FUND EXPOSURES

Equity	96.1%
Dicks Sporting Goods	8.5%
Capri Holdings	6.3%
Square - Enix Holdings	5.9%
Applied Materials	5.6%
PagSeguro Digital Ltd	5.5%
Informa Plc	5.3%
Schlumberger	5.1%
Amazon	5.0%
Suncor Energy Inc	4.8%
Take-Two Interactive Software	4.2%
Other equity holdings	39.9%
Commodities	2.5%
Gold	2.5%
Cash	1.4%
USD	1.2%
ZAR	0.2%
Other	0.0%
TOTAL	100.0%

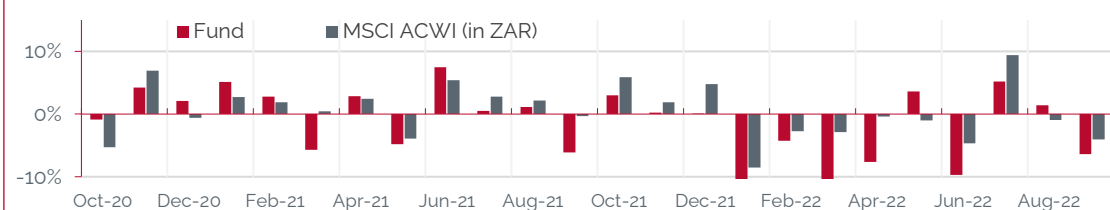
PERFORMANCE AND RISK

Annualised Performance (for periods > 1 year)	Fund	Benchmark	Sector
Since inception	-15.3%	2.6%	-1.1%
10 Years			
7 Years			
5 Years			
3 Years			
1 Year	-33.7%	-4.6%	-9.8%
6 Months	-13.8%	-2.3%	-3.8%
Year-to-date	-35.8%	-15.6%	-17.3%

EFFECTIVE EQUITY EXPOSURE



MONTHLY RETURNS



FEES

Total Expense Ratio (incl. VAT)	2.01%
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)	2.01%

FUND COMMENTARY - SEPTEMBER 2022

The Flagship IP Global Icon Feeder Fund returned -6.4% over the month, behind both its MSCI ACWI benchmark return of -4.1%, and the Global Equity sector's return of -4.2% (all in ZAR), in what was a brutal month for global equity markets. The combination of higher-than-expected inflation, higher borrowing rates, the increasing likelihood of a European energy shortage, and a worldwide recession dragged equity indices across the globe deep into the red. The biggest contributors for the month were Dick's Sporting Goods, Square Enix and Duck Creek Technologies, while the main detractors were Capri Holdings, Ubisoft Entertainment, and Adobe.

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

MARKET COMMENTARY

September saw a continuation of sharp drawdowns in global stock markets. The S&P 500 was down more than 9% for the month, and is now down 24% year-to-date. The Nasdaq fared worse, falling 10.5% for the month – now down 32% year to date. Indices outside of the US did not fare much better in September: London's FTSE was down 5.2%, the Nikkei in Japan dropped 7%, and Hong Kong's Hang Seng index closed 13.5% lower.

The catalyst for much of this was the US CPI print for August which came in at 8.3% – higher than market expectations. The Fed also strongly indicated that rates will continue to rise to get inflation under control – as was evident by another 75 basis point hike during the month. Inflation in the UK came in at 9.9%, while Eurozone inflation breached 10% for the first time on record, driven by a massive 40% increase in the energy component. The fears of an inevitable economic slowdown sent prices of Brent Crude Oil down 9% during September – now down 23% over the last 3 months.

News headlines in September were dominated by the passing of Queen Elizabeth after a reign of 70 years. Over this period, she lived through 15 prime ministers, starting with Winston Churchill, born in 1874, and ending with Lizz Truss, born in 1975, the latter enduring a torrid start to her appointment as prime minister. After announcing some of the largest tax cuts in UK history, coupled with massive fiscal spending plans, condemnation from the market for Truss's new economic policies was swift, as the Sterling almost reached parity with the dollar and UK gilts rocketed above 5%. In an embarrassing move, Truss and new Chancellor Kwasi Kwarteng were forced to backtrack on their plans within a week – in what will be seen as a substantial blow to confidence in the new leader.

South African investors also endured a red month in September, with the JSE All Share Index ending 5.2% lower. The South African Reserve Bank also increased lending rates by 75 basis points during the month, and the prime rate now sits at 9.75%. The panel was reportedly split between a 75 and a 100bp point hike – implying a hawkish tone. The bank's internal projections suggest they are near the target rate for the end of 2023 – indicating a front-loading approach in the fight against inflation, and the potential for a cooling of the hiking cycle going forward.

Politically, it was an awful month for Ramaphosa and the ANC. Ramaphosa was not selected as the preferred candidate for leadership of the ANC in KZN – with the province nominating disgraced former Minister of Health, Dr Zweli Mkize – and Gwede Mantashe was booed off the stage at Cosatu's annual conference, evidence of an increasingly fragile tri-partite alliance.

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 up 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 2021 to 30 June 2022 2.01% 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, 2.01% 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 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.

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