

# Flagship IP Global Icon Feeder Fund

Minimum Disclosure Document - 31 July 2024



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## FUND MANAGERS

Philip Short B.Sc (Maths), CFA | James Hayward B.Eng, CFA

NAV 871.4c

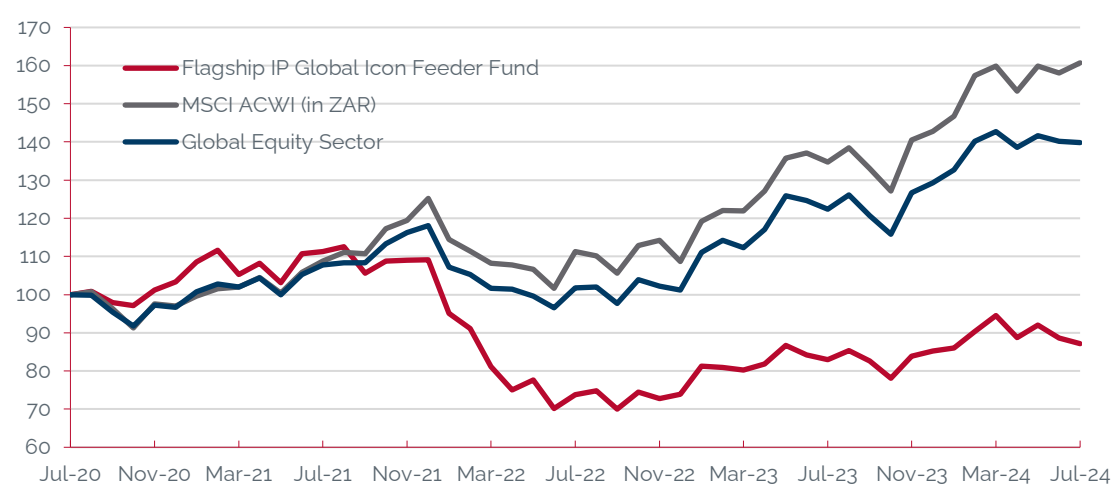
Launch date	06 August 2020
Fund type	Global equity feeder fund
Fund size	R62.4m
NAV - A Class	871.4c
Benchmark	MSCI All Country World Index (MSCI ACWI), in rands (net total return USD index, converted into ZAR)

No. of participatory interests	7 129 109
Minimum lump sum investment	R 5 000
Base currency	ZAR
Income declaration - Mar'24	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



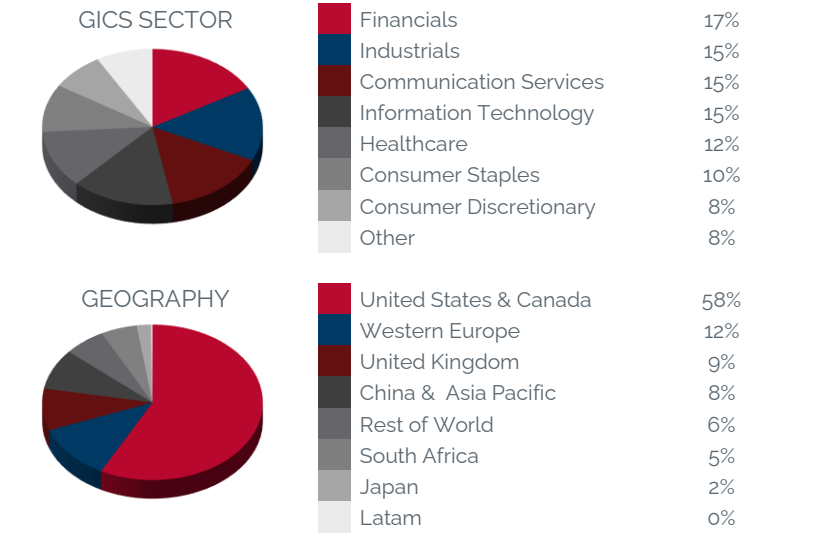
## PERFORMANCE AND RISK

Annualised Performance (for periods > 1 year)	Fund	Benchmark	Sector
Since inception	-3.4%	12.6%	8.8%
10 Years			
7 Years			
5 Years			
3 Years	-7.8%	13.9%	9.1%
1 Year	5.0%	19.3%	14.3%
Year-to-date	2.2%	12.6%	8.1%
6 Months	1.3%	9.6%	5.3%

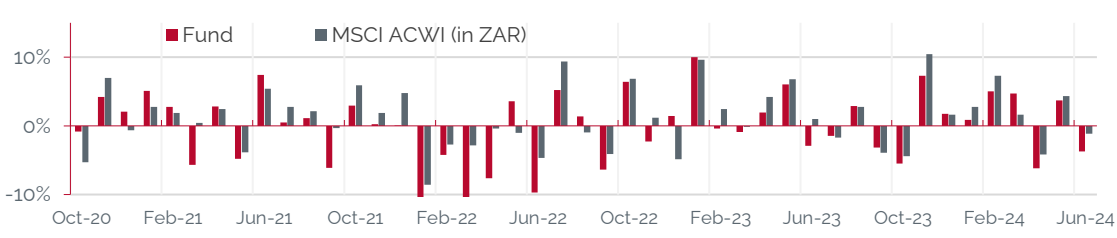
## FUND EXPOSURES

<b>Equity</b>	<b>93.5%</b>
Kaspi	3.9%
Blue Label Telecoms	3.7%
British American Tobacco Ltd	3.1%
Sprouts Farmers Market Inc	2.9%
Eli Lilly	2.6%
Intesa Sanpaolo	2.5%
Alphabet (Google)	2.5%
Royal Caribbean Group	2.3%
Euronext	2.2%
Newmont Corp	2.2%
Other equity holdings	65.8%
<b>Cash</b>	<b>6.5%</b>
USD	1.7%
ZAR	0.3%
Other	4.5%
<b>TOTAL</b>	<b>100.0%</b>

## EFFECTIVE EQUITY EXPOSURE



## MONTHLY RETURNS



## FEES

	Retail	Institutional
Total Expense Ratio (incl. VAT)	1.58%	1.35%
Fund management fee (excl. VAT)	0.35%	0.15%
VAT on fund management fee	0.05%	0.02%
Fund expenses (incl. VAT)	1.18%	1.18%
Transaction Costs (incl. VAT)	0.00%	0.00%
Total Investment Charge (incl. VAT)	1.58%	1.35%

## FUND COMMENTARY - JULY 2024

The Flagship IP Global Icon Feeder Fund returned -1.6% vs +1.7% for the MSCI ACWI (both in ZAR), during a month in which contradicting economic data led to markets struggling for direction.

The biggest contributors for the month were Sprouts Farmers Market, Howmet Aerospace, and Blue Label Telecoms, while the main detractors were Novo Nordisk, Eli Lilly, and Crocs.

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

MARKET COMMENTARY

After months of seemingly plain sailing for US large caps and tech, July saw some volatility being thrown into the mix as earnings season got underway. The S&P 500 dropped 2.3% in a single day, breaking a 365-day streak without a 2% move or greater. Notably, this was the longest such streak since 2007 when the S&P notched a 943-day streak without a >2% move. At month-end, the S&P notched a 1.2% gain, while the Nasdaq declined by 0.7%. The Russell 2000 came roaring back to life with a 10.1% gain. In the UK, the FTSE 100 gained 2.5%, but European shares slipped, with the Euro Stoxx declining by 0.4%. Asian markets struggled, with both Japan's Nikkei and Hong Kong's Hang Seng indices closing in the red.

July delivered a myriad, and often contradicting, set of data points for the market to digest. The Federal Reserve's Jerome Powell initially indicated that inflation data was improving, but would not commit to September rate cuts. This, coupled with robust jobs data (at the time), and very strong US advance GDP numbers (2.8% vs estimates of 2.0%), hinted that the Fed might have pulled off the ultimate soft-landing. Fast forward two weeks, and cautious commentary on consumer softness, together with weaker than expected US jobs data, threw a spanner in the works of the Fed's Goldilocks-scenario.

Stepping away from economics and into politics, July was basically one, big

highlight reel. Joe Biden stubbornly clung to his position as presumptive Democratic nominee and Donald Trump was millimetres away from being assassinated as US politics entered a dark, new era. Biden then relinquished his grip of the Democratic Party, paving the way for VP Kamala Harris to be the new presidential nominee, injecting some life into a particularly dull US Presidential race. In France, the centre-left coalition barely managed to keep Marine le Pen's "Far right" National Rally out of power, while in the UK, the incumbent Conservative Party suffered its worst defeat in more than 130 years as the Labour Party took control of the House of Commons.

On the local front, investors had an excellent month. The ALSI returned 3.9%, while the JSE Resources index and JSE Financials index both returned more than 5% for the month.

Local inflation, though still high, also came in at a 6-month low of 5.1%, more or less in line with expectations and within the SARB's target range.

There was more good news in July, as South Africa passed the mark of 100 days without loadshedding. Eskom states that this is due to an aggressive maintenance plan that was started in March 2023. Andre de Ruyter left in February 2023. Something smells cyanide-y...

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 annually on 31 March.
- 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](mailto: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](http://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](mailto: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](mailto: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](mailto: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 or emailed to [complaints@ipmc.co.za](mailto:complaints@ipmc.co.za).

Investment Policy

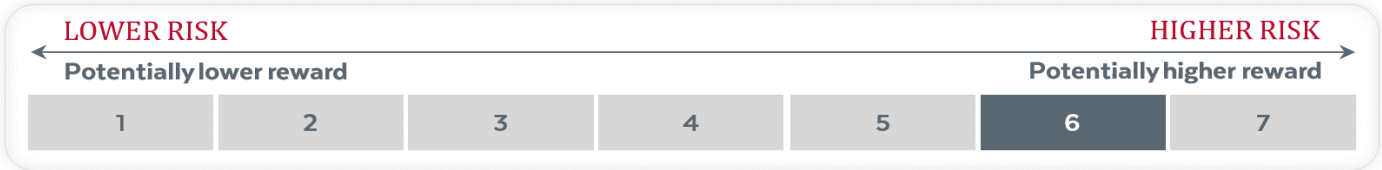
The Flagship IP Global Icon Feeder Fund is in the Global - Equity - General sector and invests directly into the Flagship Global Icon Fund IC Limited, registered in Guernsey. That fund seeks to provide long-term capital appreciation by investing in high-quality companies that the Fund Manager believes 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 April 2021 to 31 March 2024 1.58% 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, 1.58% 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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