Flagship IP Balanced Fund

Minimum Disclosure Document - 31 August 2024

FLAGSHIP ASSET MANAGEMENT

Navigate Safely Forward

FUND MANAGER

Paul Floquet CA(SA), CFA

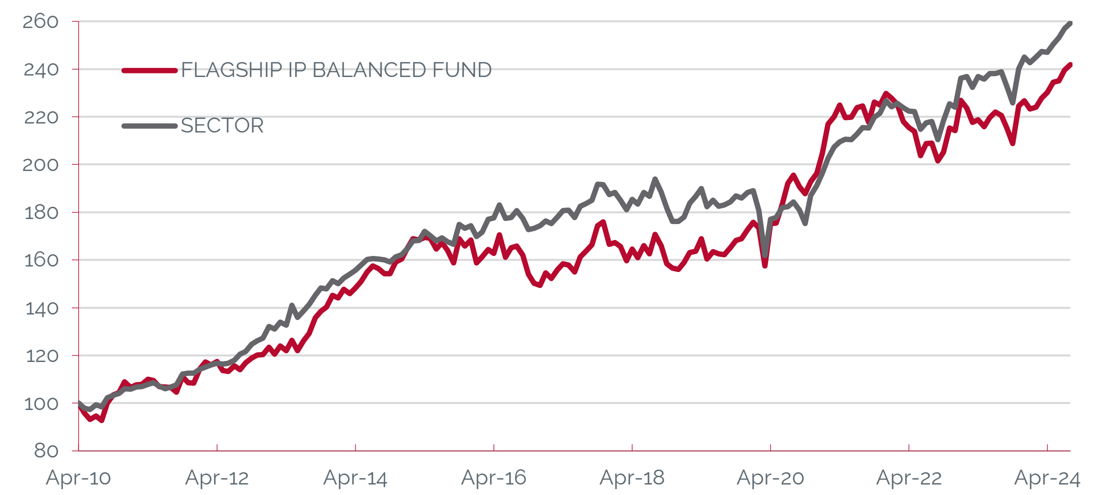
NAV 297.6c

Launch date	19 April 2010	**No. of participatory interests**	77 470 391
Fund size	R231m	**Minimum lump sum investment**	R 5 000
NAV - A Class	297.6c	**Base currency**	ZAR
Benchmark	Sector Average [Multi Asset - High Equity Index]	**Mar'24 income decl.** [CLASS A]	0.73cpu
Fund Classification	Multi Asset - High Equity	**Sep'23 income decl.** [CLASS A]	3.22cpu

FUND OBJECTIVE

The objective of the Flagship IP Balanced Fund is to seek steady growth of both capital and income through investments in a broad range of asset classes in a balanced manner. This Regulation 28 managed fund is classified as South African - Multi Asset - High Equity and aims to maximize returns over the medium to long term utilising flexible asset allocation strategies taking active decisions in accordance with current and projected economic and market conditions. The fund invests in equities, bonds, property and money market and is restricted to maximum limits in accordance with prudential regulations which, inter alia, provide that equity, held both locally and abroad, will not exceed 75% of the fund and offshore investment is restricted to 30% of the fund. Out-performance is targeted through aggressive asset allocation and focused stock selection based on in-house proprietary models and extensive internal and external research. The portfolio uses financial instruments only to the extent permitted by legislation.

PERFORMANCE CHART



FUND EXPOSURES

Domestic Direct Equity	**31.5%**
Prosus	4.7%
Naspers	3.2%
Shoprite	2.0%
First Rand	2.0%
Mondi Plc	1.8%
Sasol	1.8%
Sappi	1.8%
Other domestic holdings	14.3%
International Direct Equity	**6.6%**
Tencent	2.3%
Amazon	1.9%
Other international holdings	2.4%
Global Equity Funds	**7.2%**
Flagship Global Icon Fund A	7.2%
Capital Protected Exchange Traded Notes	**26.1%**
Environmental World Index Digital Plus	7.9%
S&P500 Digital Plus	7.1%
MSCI Emerging Markets Digital Plus ETN	5.4%
Rand Euro Stoxx 50 Autocall	5.6%
Property	**7.7%**
Direct Property Holdings - Sirius, Nepi Rockcastle	4.1%
Offshore - Clearance Camino Fund	3.6%
Physical Commodities	**1.6%**
Platinum	1.6%
Rhodium	0.0%
Domestic Bonds	**13.7%**
Domestic Cash	**5.4%**
International Cash	**0.2%**
TOTAL	**100.0%**

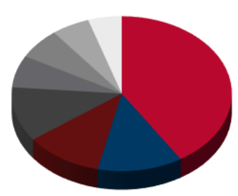
PERFORMANCE AND RISK

Performance (net of fees)	**Fund**	**Benchmark**	**Outperformance**
Since inception	141.8%	159.3%	-17.4%
Since inception (annualised)	6.3%	6.9%	-0.5%
10 Years (annualised)	4.5%	4.9%	-0.5%
7 Years (annualised)	5.7%	5.1%	0.7%
5 Years (annualised)	8.3%	7.2%	1.1%
3 Years (annualised)	2.5%	6.4%	-3.8%
1 Year	9.7%	8.5%	1.1%
Year-to-date	6.7%	5.8%	0.8%

Risk Measures (since inception)		
Annualised monthly volatility	11.4	8.6
Sharpe ratio	0.06	0.11
Maximum drawdown	-20.5%	-22.3%
Lowest actual annual return	+1.9%	19 April 2012 to 18 April 2013
Highest actual annual return	+28.1%	19 April 2020 to 18 April 2021

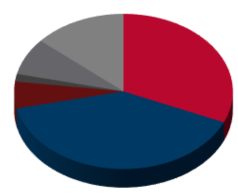
ASSET ALLOCATION

EQUITY SECTORS



Equity Linked Notes	26%
Media	8%
Financials	7%
Global Equity Funds	7%
Technology	4%
Consumer	4%
Paper & Packaging	4%
Gold Mining	3%
Other Sectors	8%

FUND ALLOCATION



Local net equity	32%
International equity	40%
Total Equity	**71%**
Cash	6%
Physical Commodities	2%
Local & offshore property	8%
Local bonds	14%

ANNUAL FUND PERFORMANCE

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	10.5%	4.9%	-11.3%	11.6%	-6.3%	10.7%	13.6%	17.0%	-6.7%	5.8%
Sector	7.2%	7.5%	-0.1%	7.5%	-6.0%	6.9%	1.5%	18.6%	-1.1%	9.3%

FEES

	Retail	**Institutional**
Total Expense Ratio (incl. VAT)	2.21%	1.35%
Fund management fee (excl. VAT)	1.75%	1.00%
VAT on fund management fee	0.26%	0.15%
Fund expenses (incl. VAT)	0.20%	0.20%
Transaction Costs (incl. VAT)	0.21%	0.21%
Total Investment Charge (incl. VAT)	**2.42%**	**1.56%**

FUND COMMENTARY - AUGUST 2024

The Flagship IP Balanced Fund returned 0.9% for the month, in line with the sector average benchmark, but slightly behind the JSE AllShare's 1.2%. What appears to be a common trend for the JSE over the last few months, the return dispersion for the underlying sectors has been at extreme levels – in August, Financials and Industrials provided healthy gains of +5.7% and +4.0% respectively, while the Resources index was hammered 9.7% (with some painful falls for the likes of Goldfields (-22.3%) and Northam (-26.1%)). For the fund itself, healthy gains were provided by SA Midcap counters Blue Label (+16.0%), Growthint (+14.9%) and Aveng (+14.4%), while fund detractors included Sappi (-13.7%) and Glencore (-7.2%). As required by legislation, we confirm that the fund has adhered to its policy objective and strategy.

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Issue date: 3 September 2024

MARKET COMMENTARY

After a fairly volatile July, the start of August saw more of the same, before relative calm returned to markets late in the month. The US unemployment rate climbing for the 4th month in a row sent markets into freefall over fears that the Fed might have left interest rates too high, for too long – effectively steering the economy into a recession. These fears proved temporary, though, and markets clawed back some of the losses. At month end, the S&P 500 had rallied to gain 2.4% for the month, outpacing its tech-heavy Nasdaq peer, which return 0.7%. The small-cap Russell 2000 declined, giving up 1.5% during the month. In Europe, the Stoxx 50 gained 2.4%, while London's FTSE 100 advanced by 0.8%. Indices in the East were mixed, with Japan's Nikkei losing 1.1%, while the Hang Seng index had a strong month, returning 3.9%.

CPI numbers in the US came in below 3% for the first time in nearly 3.5 years. This, along with a downward revision of jobs data, basically guaranteed rate cuts were on the way, and all eyes turned to the Fed's Jackson Hole symposium where Chairman Jerome Powell delivered the strongest confirmation yet that borrowing rates would be reduced at the next Federal Reserve meeting in September.

On the geopolitical front, the situation in the Middle East remains tense after Iran vowed retaliation against Israel after a political assassination, prompting the US to send an aircraft carrier and submarines to the region. Russia received somewhat of a bloody nose as Putin was forced to divert troops from his Ukrainian invasion back to Russia to defend the motherland after Ukraine made strong advances in their counter-attack in the Kursk region. Putin and the Kremlin were outraged, calling it a major provocation. Quite rich.

The ongoing global conflicts, coupled with US debt breaching $35 trillion, meant investors still sought out safety in gold. The metal hit several record highs during the month, gaining 3.8% and closing above $2,500 per ounce. This means one standard bar of gold is now worth more than $1 million.

Local investors experienced another strong month with the JSE All Share index gaining 1.4%. while the financials index gained 5.3%. Resources had a tough month, though, closing down 10.2%. The Rand also had a strong month, gaining 2.8% against the dollar. The Rand is now more than 7% stronger over the last 6 months. Consumers also received some good news, as local inflation surprised on the downside, coming in at 4.6%, its lowest level since 2021.

In local politics, Floyd Shivambu caused a stir, ditching the EFF and longtime ally Julius Malema, for Jacob Zuma's MK Party, the latest in a long line of events revealing the factions and infighting in local politics.

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 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 or emailed to complaints@ipmc.co.za.

Investment Policy

The Flagship IP Balanced Fund is to be a domestic, asset-allocation, prudential variable portfolio. The primary objective of the fund is to seek steady but stable growth of both capital and income through investments in a broad range of asset classes in a balanced manner. In order to achieve its objective, the investments normally to be included will comprise a combination of securities in the equity, bond, property and money markets. The portfolio will have an equity exposure (including international equity) between 0% and 75% at all times. Investments to be included in the Flagship IP Balanced Fund will comprise a combination of securities and assets in liquid form which are considered consistent with the portfolio's primary objective and that the Act or the Registrar may from time to time allow, all to be acquired at fair market value. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes registered in South Africa or operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee and as legislation permits. Nothing contained in the investment policy shall preclude the manager from varying the ratio of the aforementioned securities relative to each other (except as required by the Act), or the assets themselves, to maximise capital growth and investment potential, should changing economic factors or market conditions so demand. Provided also that nothing contained in the investment policy shall preclude the Manager from retaining cash in the portfolio and / or placing cash on deposit in terms of the deed. Provided further that the Manager shall ensure that the portfolio includes securities and assets in liquid form, of at least the aggregate value required, from time to time, by the Act. The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits. The Manager will be permitted to invest on behalf of the portfolio in financial instruments as legislation permits. The portfolio will be managed so as to comply with prudential requirements with which a pension fund investment strategy must comply in terms of applicable legislation. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the fund in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.

TER and Transaction Costs

From 1 July 2021 to 3o June 2024 2.21% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.21% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore, 2.42% 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.

LOWER RISK Potentially lower reward						HIGHER RISK Potentially higher reward
1	2	**3**	4	5	6	7

- 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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management company