

Flagship IP Flexible Value Fund

Minimum Disclosure Document - 31 December 2024



Navigate Safely Forward

FUND MANAGER

Niall Brown

NAV 7 862.7c

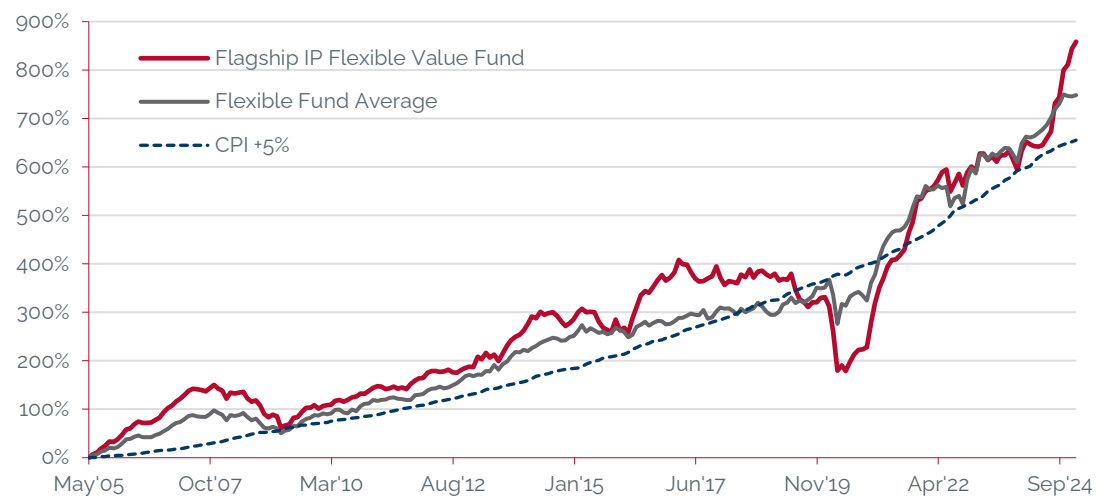
Launch date	04 May 2005
Fund size	R502m
NAV - A Class	7 862.7c
Sector	South African - Multi Asset - Flexible
Benchmark	Multi-Asset Flexible Sector Average

No. of participatory interests	6 365 069
Minimum lump sum investment	R 10 000
Base currency	ZAR
Income declaration - Mar '24	131.29cpu
Dealing	Daily

FUND OBJECTIVE

The Flagship IP Flexible Value Fund aims to outperform both the JSE All Share Index and competing funds over the medium to long term. We rely on fundamental research to identify investments which are trading at a discount to their intrinsic value and to determine which asset classes are the most attractive. The fund will typically have a very different equity profile from that of the All Share Index. Risk is reduced through the fund's value oriented approach.

PERFORMANCE CHART



FUND EXPOSURES

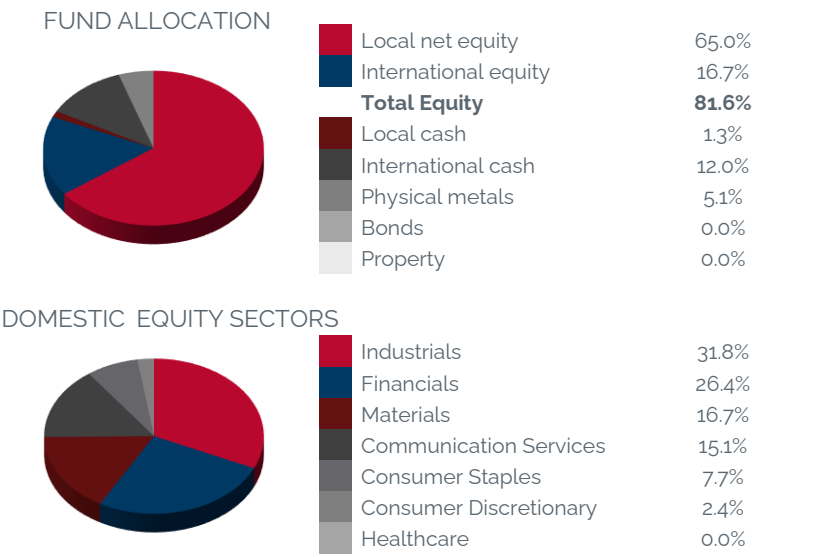
Domestic Equity	65.0%
Brait	7.3%
Caxton	7.0%
Ethos Capital	5.6%
York Timbers	5.4%
Novus	3.8%
Master Drilling	3.7%
HCI	3.4%
Invicta	3.3%
Frontier Transport	3.2%
Reinet	3.0%
Other domestic holdings	19.3%
Offshore Equity	16.7%
Contrarius Global Equity Fund	15.1%
Alibaba	1.6%
Bonds	0.0%
Domestic	0.0%
Property	0.0%
Domestic	0.0%
Cash and Strategic Income	13.3%
Domestic	1.3%
Offshore	12.0%
Commodities	5.1%
Platinum	3.8%
Gold	1.4%
TOTAL	100.0%

PERFORMANCE AND RISK

Performance (net of fees)	Fund	Benchmark	Outperformance
Since inception	858.5%	748.5%	110.0%
Since inception (annualised)	12.2%	11.5%	0.7%
10 Years (annualised)	9.5%	7.7%	1.8%
7 Years (annualised)	11.2%	8.4%	2.8%
5 Years (annualised)	17.3%	10.6%	6.7%
3 Years (annualised)	13.8%	8.8%	5.0%
1 Year	27.3%	14.4%	12.9%
Year-to-date	27.3%	14.4%	12.9%

Risk Measures (since inception)	Fund	Benchmark
Annualised monthly volatility	13.2	9.7
Sharpe ratio	0.11	0.14
Maximum drawdown	-47.5%	-24.6%
Lowest actual annual return	-28.0%	4 May 2008 to 3 May 2009
Highest actual annual return	75.4%	4 May 2005 to 3 May 2006

ASSET ALLOCATION



ANNUAL FUND PERFORMANCE

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fund	26.0%	6.7%	-4.6%	30.9%	-5.4%	5.1%	-10.0%	-2.6%	55.0%	6.1%	9.1%
Sector	19.5%	10.5%	7.7%	2.0%	9.2%	-3.7%	8.5%	3.9%	22.1%	0.3%	11.6%

FEES

	1 Year	3 Year
Total Expense Ratio (incl. VAT)	1.70%	1.69%
Fund management fee (excl. VAT)	1.25%	1.25%
VAT on fund management fee	0.19%	0.19%
Fund expenses (incl. VAT)	0.26%	0.25%
Transaction Costs (incl. VAT)	0.18%	0.25%
Total Investment Charge (incl. VAT)	1.88%	1.94%

FUND COMMENTARY - DECEMBER 2024

December was another positive month for the fund, leading to a 27.3% return for the year. We are also delighted to report that the fund ranked first over five years amongst more than 700 funds in the five large equity related domestic unit trust categories. These include general equity funds and four multi-asset groups of funds, namely high, medium and low equity, plus the flexible category in which your fund sits. (SOURCE: FUND FOCUS).

After the previous decade's sub-par performance, during which time value funds were on the back foot as Naspers drove the JSE ever higher, it is gratifying that our disciplined value approach has resulted in a material out-performance over the last five years. As the fund approaches its 20 year anniversary in May, we will continue with this strategy.

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

MARKET COMMENTARY

2024 proved to be another blockbuster year for US markets, but the absence of a December 'Santa rally' left investors slightly disappointed. The benchmark S&P 500 declined 2.4% during the month, while the small-cap Russell 2000 declined over 8%. The tech-heavy Nasdaq held up surprisingly well, ending 0.6% higher. Elsewhere, London's FTSE lost 1.3%, the Euro Stoxx increased 1.9%, Japan's Nikkei rose 4.5%, while the Hang Seng also ended 3.3% higher.

The US job market once again proved to be remarkably strong, with December's print of 256,000 new jobs much stronger than the 155,000 jobs expected. This was the 48th consecutive month of net hiring – the second longest streak on record. The last time the US economy experienced a loss of jobs was December 2020. The latest US inflation print was slightly less rosy, and improvement appears to have stalled as the numbers continue to be above the Fed's 2% target. This, along with the blowout jobs report, gave the Fed the data it needed to change their interest rate outlook for the year ahead.

The Fed's hawkish message that followed made it clear that the rate-cut-party will not continue, with the previous expectation of four cuts in 2025 now pulled back to no more than two. This cloudy outlook sent major indices down more than 3% in one trading session and turned out to be the main factor behind a lacklustre month of returns for US markets.

December saw a myriad of geopolitical events, and the increased market volatility saw the VIX index spike 30% during the month. In South Korea, President Yoon briefly tried to enforce Martial Law, but parliament quickly intervened and voted 190-0 against the decree. Yoon now faces impeachment proceedings. In Syria, President Bassar Al Assad's regime crumbled spectacularly as rebel forces took Aleppo and Damascus in a matter of days, bringing an end to the brutal Assad era. Lastly, Canadian Prime Minister Trudeau stepped down, as support for his vision of Canada within his own party waned. Canada has seen a steep rise in housing costs, rising unemployment and an increase in the number of Canadians visiting food banks.

The JSE ended the year with a negative print, declining 0.3% for the month in ZAR, but significantly worse in USD, at -4.9%, as the ZAR weakened by 4.4% against the USD. Both the resources and financials indices also closed in the red, declining 5.4% and 1.3% respectively. In a hammer blow to the local industrial sector, ArcelorMittal will be closing their steel operations in Newcastle and Vereeniging at the end of January, which will lead to the loss of 3,500 jobs. Industry experts have warned that the ripple effects of this could be profound. Having to import certain products that were previously produced locally will make other industries, such as auto manufacturing, uncompetitive, leading to further industrial declines and job losses.

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 ipmc_clientservices@fundrock.com. 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 ipmc_complaints@fundrock.com.

Investment Policy

The Flagship IP Flexible Value Fund is an asset allocation portfolio. The manager, in selecting securities for the portfolio, will seek to follow an investment policy which will secure for investors an optimum overall return, that is to say the steady growth of income and the preservation of capital in real terms. In order to achieve these main objectives the investments to be acquired for the Flagship IP Flexible Value Fund, shall comprise a mix of securities, which may include ordinary shares, preference shares, debentures, fixed interest instruments, gilts and money market instruments as defined in the Act and the Deed, all to be acquired at a fair market value. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes. Where the aforementioned schemes are operated in territories other than in South Africa, participatory interests or any other form of participation in these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and trustee and is of sufficient standard to provide investor protection at least equivalent to that in South Africa. The portfolio is permitted to invest in financial instruments in line with the conditions by the Registrar from time to time.

Performance Fees

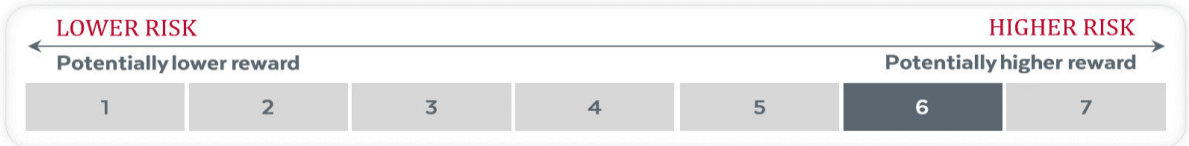
Performance Fee benchmark:	Median of the Domestic Asset Allocation Flexible Unit Trust Sector			
Base Fees:	1.25% per annum	Fee at Benchmark:	1.25% per annum	Fee Hurdle: Average of the South African Multi-Asset Flexible Unit Trust Sector
Sharing Ratio:	10%	Minimum Fee:	1.25% per annum	Maximum Fee: No maximum
Fee Example:	0.1% for each 1% outperformance of portfolio benchmark on a high water mark basis			
Method of Calculating:	If the fund underperforms the Fee Hurdle, then only the base fee is accrued until the high water mark is again reached.			
The Performance Fee Frequently Asked Questions (FAQ) document may be found on www.ipmc.co.za				

TER and Transaction Costs

From 1 October 2021 to 30 September 2024, 1.69% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.25% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore 1.94% of the value of the fund was incurred as costs relating to the investment of the fund. Inclusive in the TER of 1.69%, a performance fee of 0% of the Net Asset Value of the class of Financial Product was recovered. 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 is likely to have a very different equity profile to that of the All Share Index. Risk is reduced through the fund's value-orientated approach and a larger-than-average number of holdings.



- 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.

Flagship Asset Management (Pty) Limited

ICR House • Alphen Park • Main Road • Constantia • 7806 | Private Bag X21 • Constantia • 7848 • South Africa | Telephone +27 (21) 794 3140 • Facsimile +27 (21) 794 3135

Directors: WT Floquet CA (SA) MBA (chairman) | S de V Hudson BA LLB (ceo) | PD Floquet BCom CA (SA) CFA | NRO Brown BCom CA(SA)

www.flagshipsa.com | info@flagshipsa.com