

Flagship IP Flexible Value Fund

Minimum Disclosure Document - 31 August 2025



Navigate Safely Forward

FUND MANAGER

Niall Brown

NAV 7 842.6c

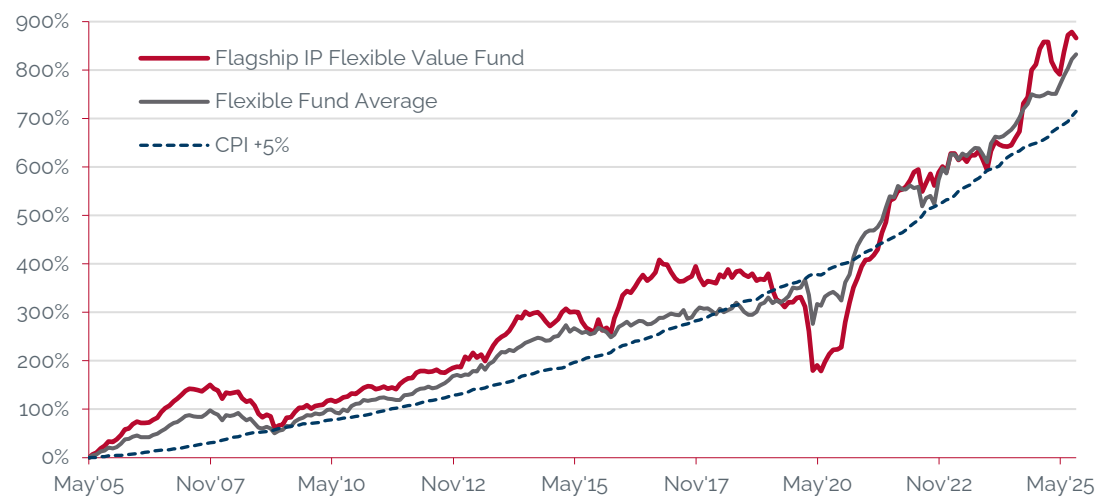
Launch date	04 May 2005
Fund size	R501m
NAV - A Class	7 842.6c
Sector	South African - Multi Asset - Flexible
Benchmark	Multi-Asset Flexible Sector Average

No. of participatory interests	6 377 859
Minimum lump sum investment	R 10 000
Base currency	ZAR
Income declaration - Mar '25	75.95cpu
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



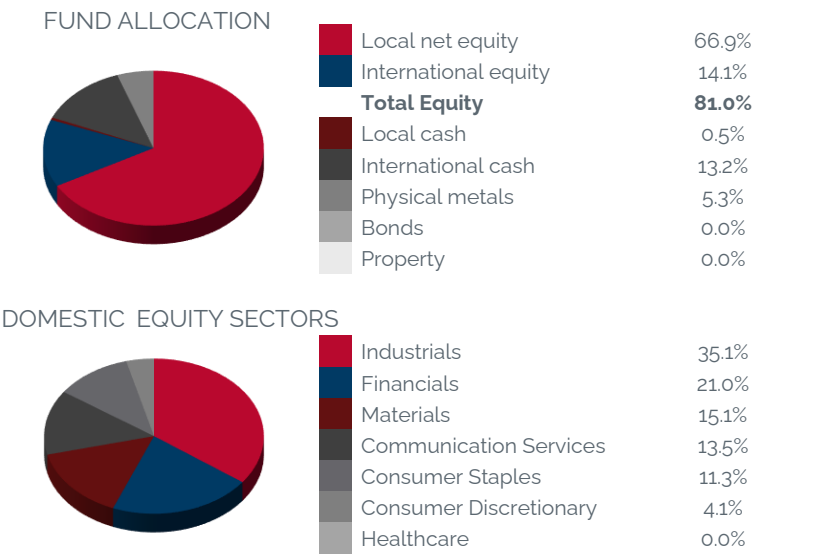
FUND EXPOSURES

Domestic Equity	66.9%
Caxton	6.7%
HCI	5.8%
Ethos Capital	5.2%
Reinet	5.1%
York Timbers	4.9%
Brait	4.0%
Master Drilling	3.9%
Glencore	3.4%
Novus	3.2%
Invicta	3.1%
Other domestic holdings	21.6%
Offshore Equity	14.1%
Contrarius Global Equity Fund	12.0%
Alibaba	2.1%
Bonds	0.0%
Domestic	0.0%
Property	0.0%
Domestic	0.0%
Cash and Strategic Income	13.7%
Domestic	0.5%
Offshore	13.2%
Commodities	5.3%
Platinum	5.2%
Gold	0.1%
TOTAL	100.0%

PERFORMANCE AND RISK

Performance (net of fees)	Fund	Benchmark	Outperformance
Since inception	866.0%	832.6%	33.3%
Since inception (annualised)	11.8%	11.6%	0.2%
10 Years (annualised)	10.3%	8.4%	1.9%
7 Years (annualised)	10.4%	9.5%	0.9%
5 Years (annualised)	24.5%	13.5%	11.0%
3 Years (annualised)	12.1%	13.6%	-1.5%
1 Year	14.4%	15.5%	-1.1%
Year-to-date	0.8%	11.5%	-10.7%
Risk Measures (since inception)			
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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund	6.7%	-4.6%	30.9%	-5.4%	5.1%	-10.0%	-2.6%	55.0%	6.1%	9.1%	27.3%
Sector	10.5%	7.7%	2.0%	9.2%	-3.7%	8.5%	3.9%	22.1%	0.3%	11.6%	14.4%

FEES

	1 Year	3 Year
Total Expense Ratio (incl. VAT)	1.71%	1.77%
Fund management fee (excl. VAT)	1.25%	1.25%
VAT on fund management fee	0.19%	0.19%
Fund expenses (incl. VAT)	0.27%	0.33%
Transaction Costs (incl. VAT)	0.19%	0.21%
Total Investment Charge (incl. VAT)	1.90%	1.98%

FUND COMMENTARY - AUGUST 2025

August was a quiet month for the fund, with no major price moves amongst the top 15 counters. HCI continued to drift lower and we added to the fund's position given our view that the shares are now very attractively priced. While the top ten share holdings are shown in the table above right, investors may be interested to know the next five largest JSE holdings. In order of size these are Rainbow Chickens, Tsogo Sun, Frontier Holdings, E Media and Sea Harvest. Over the last month Rainbow and Sea Harvest have both reported excellent results and the share prices have reacted positively. All five of these companies hold strong positions in their respective industries and are trading on mid single digit PE ratios. Also, in the case of Tsogo, Frontier and EMedia, the dividend yields range from 9 to 12% – unusually attractive yields for what we consider to be sound businesses.

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

MARKET COMMENTARY

Equity markets around the globe marched on during August. In the US, the benchmark S&P 500 was up 2.0%, while the Nasdaq gained 1.7%. The standout was the small-cap Russell 2000 index, which gained 7%. Markets in the UK and Europe also ended in the green. London's FTSE gained 1.2%, while the Euro Stoxx gained 0.6%. Looking East, there was more strong performance. Japan's Nikkei rose by 4.1%, while Hong Kong's Hang Seng climbed 1.3%. The strongest performer was in mainland China, where the Shanghai Composite ended 8.1% higher. Shanghai stocks are trading near their highest level in close to a decade as cash rich local investors increase allocation to equities while rotating out of bonds.

The strong market performance belies several concerning issues. Political pressure on the US Fed continues to increase, placing its independence under the spotlight. Treasury Secretary Scott Bessent also commented on Japan's monetary policy and "inflation problem", an almost unheard-of criticism of another independent sovereign central bank. Valuation and bubble concerns also remain. Sam Altman, one of the most influential figures in AI, stated that we are possibly in an AI bubble, while an MIT Research paper found 95% of organizations are getting zero return on their generative AI investments. Also concerning was a steep increase in PPI or "wholesale inflation", which rose at the sharpest monthly rate in three years, and could well be busy working through the supply chain until it hits CPI.

Despite these concerns, US Q2 GDP growth of 3.3% was ahead of expectations (3.1%) and Q1 (3.0%), lifted by healthy consumer spending and a booming AI sector. From a geopolitical standpoint, focus was on the Trump-Putin peace talks in Alaska. The possibility of NATO-type security guarantees for Ukraine were also discussed with European nations, but progress seems to have stalled with Kyiv being hit with some of the heaviest strikes of the war in the days following the summit. The situation in Gaza also gets more dire by the day, with Belgium becoming the latest country to indicate it will recognize a Palestinian State, while Israeli support for Nethanyhu's continued campaign also seems to be faltering.

Locally, the JSE All Share did not miss out on the action, ending the month 3.5% higher. The ZAR also had a good month against the USD, rising by 3%. Local inflation ticked up to a 10-month high during July – reducing the chance of another rate cut. Y-o-Y CPI now sits at 3.5%, still on the low end of the SARB's target range, but a meaningful uptick from the previous reading of 3%. SA scored yet another own goal on the global stage, as the head of the South African National Defence Force expressed solidarity with Iran, a blow in our attempts to reset trade relations with the US, The Presidency's admission that they were not aware of the trip and did not condone or approve of the statements, brings into question how much control Ramaphosa has over his own military.

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 ipmc_clientservices@fundrock.com or call us on 021 879 9973/9.
- 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 (RF) Pty Ltd (Reg. No. 2007/01760/07) is the authorised manager of the scheme – contact 021 879 9937/9 or ipmc_clientservices@fundrock.com, with its registered office at 4th Floor, Catnia Building, Bella Rosa Village, Bella Rosa Street, Belville, Cape Town, 7530, South Africa.
- 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 July 2022 to 30 June 2025, 1.77% 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 1.98% of the value of the fund was incurred as costs relating to the investment of the fund. Inclusive in the TER of 1.77%, 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.

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