

IP Worldwide Flexible Fund of Funds

(A & B2 Class) Minimum Disclosure Document

March 2019



Fund Objectives, Investment Process & Policy

The IP Worldwide Flexible Fund of Funds is a flexible worldwide Fund of Funds. The investment objective of the Fund is to maximize long-term total returns. It will invest in a broad range of participatory interests and other forms of participation in schemes covering a broad range of investment philosophies in order to achieve a portfolio that reflects the investment objectives of the Fund. The Fund aims to outperform CPI+6% p.a. over a rolling 5 - year period by investing in SA and international assets. The Fund invests in SA and international equities, bonds, listed property and money market unit trusts and aims to limit volatility to between 12 - 15% p.a. standard deviation. This Fund is suitable for moderately aggressive investors, with a bias towards investments with high growth potential, which are globally diversified. The Fund has a predetermined risk budget per asset class to allow the Managers to vary exposure between asset classes, whilst respecting the Fund's strategic asset allocation benchmarks. The Managers consider tactical asset allocations between asset classes and sectors after a team process has determined a risk score by considering the global and local leading economic indicators, asset class valuations, fundamental research, independent liquidity analysis and technical analysis.

Investor Profile

Low Risk Low to Moderate Risk Moderate Risk Moderate to High Risk High Risk



Asset Allocation

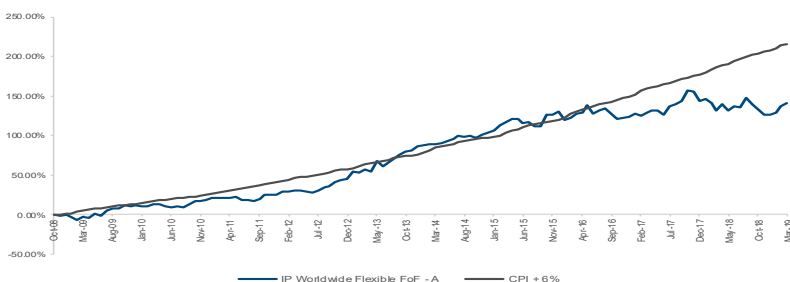


| | |
|----------------------|--------|
| Offshore Equity | 38.49% |
| Local Equity | 37.29% |
| Offshore Cash | 6.15% |
| Offshore Bond | 5.96% |
| Local Cash | 3.67% |
| Local Bond | 3.56% |
| Offshore Property | 3.1% |
| Offshore Commodities | 1.77% |

Top Portfolio Holdings

| Top Portfolio Holdings | Percentage | Top Securities | Percentage |
|--|------------|-------------------------|------------|
| IP High Conviction Equity Fund | 26.37% | Naspers Ltd | 4.10% |
| IP Foreign Flexible Feeder Fund | 19.66% | Anglo American Plc | 2.74% |
| MitonOptimal International Managed Flexible | 15.65% | Sasol Ltd | 2.40% |
| IP Active Beta Fund | 8.53% | Standard Bank Group Ltd | 2.32% |
| SIM Global Emerging Markets Fund | 7.07% | BHP Group Plc | 2.23% |
| PSG Equity | 6.63% | ABSA Group Ltd | 2.05% |
| Gryphon All Share Tracker Fund | 3.14% | South32 Limited | 1.69% |
| Laurium Prescient Equity | 3.12% | Old Mutual Ltd | 1.50% |
| Coronation Global Emerging Markets Flexible [ZAR] Fund | 2.81% | Mondi Plc | 1.34% |
| Satrix Nasdaq 100 Feeder Fund | 2.20% | Barlworld Ltd | 1.18% |

Fund Performance



Source: Bloomberg.

Fund Objectives, Investment Process & Policy

Fund Managers



Roeloff Horne
Director & Head of SA
Portfolio Management



Scott Campbell
Group MD & Chief
Investment Officer

Latest Price

A 230.79 cents

B2 231.35 cents

Fund Size

R 243 m

Number of Units

A 3 459 397.71

B2 101 550 061.04

ASISA Category

Worldwide Multi Asset - Flexible

Regulation 28 Compliant

Benchmark

CPI + 6% p.a

Inception

A 01 October 2008

B2 03 October 2011

Min lump sum Investment

R 10 000

Min monthly investment

A R500

Dates of income declarations

31 Mar / 30 Sept

Date of income payment

15th day of the following month or next business day if the 15th does not fall on a business day

Portfolio Fees

Max initial manager fee

A 1.00% p.a.

B2 0.75% p.a.

Max initial adviser fee

2.00% (excl. VAT)

Annual management fee

A 1.00% (excl. VAT)

B2 0.75% (excl. VAT)

Total Expense Ratio (TER)¹ and Transaction Costs (TC): Apr 2016 - Dec 2018 (3 Year %)

| | A | B |
|-----------------|-------|-------|
| TER* | 2.39% | 2.1% |
| TC | 0.27% | 0.27% |
| TIC (incl. VAT) | 2.66% | 2.37% |

*Includes the annual management fee of 1.00% (VAT exclusive).

Annualised² Performance

| | |
|-----------------------|---------|
| Max (Rolling 12 Mths) | 30.15% |
| Min (Rolling 12 Mths) | -11.85% |

Fund References

| | | |
|-----------|----------------|-----------------|
| ISIN | A ZAE000140927 | B2 ZAE000159174 |
| Bloomberg | MITWWFA:SJ | MITWWFB:SJ |
| JSE | SEWFF | SEOB2 |

| Annualised Returns ² | YTD | 1-Year | 3-Year | 5-Year | Since inception |
|---------------------------------|-------|--------|--------|--------|-----------------|
| IP WW Flexible FoF | 6.09% | 3.64% | 1.84% | 4.99% | 11.35% |
| Benchmark | 2.77% | 10.52% | 11.17% | 11.35% | 15.13% |
| Cumulative Returns | YTD | 1-Year | 3-Year | 5-Year | Since inception |
| IP WW Flexible FoF | 6.09% | 3.64% | 5.61% | 27.59% | 140.55% |
| Benchmark | 2.77% | 10.52% | 37.40% | 71.18% | 216.10% |

Quarterly Market Commentary (as at 31 March 2019)

The Fund recovered well this quarter after the previous quarter's disappointing performance when 2018 ended dismally for investors and global stocks booked the worst year since the financial crisis and the worst December since 1931. The JSE All Share Index also recorded its worst calendar year return since 2008 despite a surprisingly good December. Fortunately, mainly due to adapted rhetoric on US interest rates by the US Fed, capital markets recovered in the first quarter of 2019.

The main reasons for the behavior of equity markets across the globe can be attributed to a combination of the following factors:

- the fear of continued Global Trade War between the US and China; it appears that a deal between the 2 countries are imminent. The recent equity recovery indicates that some good news is expected.
- continued interest rate hikes in the US: which have now been tempered by a more 'dovish' Fed being increasingly data dependent, mild inflation and slower US and global growth which have weakened the case for more rate hikes;
- China has announced over \$370bn in tax cuts and infrastructure spending to stimulate their economy;
- the European Central Bank's Mario Draghi said it would be open to resuming quantitative easing if needed.

Because of the extent of the poor returns suffered by nearly all investors, many equity market valuations are now at attractive levels relative to their long-term history. The facts are that although corporate earnings in the US have contracted, it is still healthy. Global economic growth also contracted lower, but is expected to grow by 3% p.a. The sentiment toward equity markets can shift quickly if or when the US and China agree to a trade truce and Brexit talks are finalized favourably in Europe. If this happens, Emerging Market (EM) currencies and equities should benefit.

The JSE also recovered in the first quarter on the back of a global risk on recovery in equity markets. The SA economy experienced a renewed Eskom shock as power outages surprised in the 2nd week of February. The SA Economy is on tenterhooks as we await the outcome of an election in May. We expect ongoing volatility over this period, as the market is waiting to see if/how the Ramaphosa government will continue to address state capture, corruption, SOE re-structuring and potential new stimulus for the SA economy. The SA equity market remains cheap (dividend yields of more than 4.2% p.a. and valuations are attractive), which means that any form of improved sentiment (locally and globally) can provide us with double digit returns in 2019 and into the long term. We feel the pain of the disappointing returns in 2018 with our clients, as we remain invested alongside them for the long term.

Activity in the past quarter- IP Worldwide Flexible FOF

- We reduced SA Equity exposure during a 1st quarter rally by reducing PSG Equity as it under-performed dramatically the past 5-6 months. We added to our existing offshore exposure proportionately.
- Our purchases/sales are made after careful deliberation of the long-term fair value of each asset class, index or security.

Fund Distributions (cents per unit)

| | A | B2 |
|---------------|------|------|
| 31 March 2017 | 0.00 | 0.00 |
| 30 Sept 2017 | 0.00 | 1.06 |
| 31 Marc 2018 | 0.00 | 0.00 |
| 30 Sept 2018 | 0.70 | 0.02 |
| 31 Mar 2019 | 0.00 | 0.00 |

FAIS Conflict of interest Disclosure

With multi-asset portfolios the investment manager, MitonOptimal South Africa (Pty) Ltd employs an investment strategy where specific collective investment schemes across a range of asset classes are selected and grouped together. This enable the management of the units in those portfolios in a cost and tax efficient manner. The investment manager re-invests 100% of all rebates received from the underlying managers. No other FSP receives a distribution fee from the investment manager. If another intermediary FSP is used, it is their responsibility to disclose any additional fees to you as the investor. The following fees are paid out of the portfolio's service charge and range as follows (excl VAT): IP Management Company (RF) (Pty) Ltd: Up to 0.15% p.a.; MitonOptimal South Africa: between 0.25% and 0.30%; LISP Fee: 0.25%; Total Service Fee: 1.00% p.a. Excluding VAT.

Foreign Disclosure

The portfolio may include foreign investments and the following additional risks may apply: liquidity constraints when selling foreign investments and risk of non-settlement of trades; macroeconomic and political risks associated with the country in which the investment is made; risk of loss on foreign exchange transactions and investment valuation due to fluctuating exchange rates; risk of foreign tax being applicable; potential limitations on availability of market information which could affect the valuation and liquidity of an investment. All of these risks could affect the valuation of an investment in the fund.

Contact Information

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¹Please note: The total expense ratio (TER) of the value of the financial product was incurred as expenses relating to the administration of the financial product. Transaction costs (TC) relate to the buying and selling of the assets underlying the financial product. Total Investment Charge (TIC) is the value of the financial product incurred as costs relating to the investment of the financial product. 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 Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. 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/effective-annual-cost> to access the EAC calculator. You can request an EAC calculation from clientservices@ipmc.co.za or call us on 021 673-1340. ²The average return on an investment each year over a given time period. Collective Investment Schemes are generally medium to long term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the manager. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager retains full legal responsibility for the fund, regardless of Co-Naming arrangements. Transaction cut off time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 15:00 (17h00 at quarter end). Fund prices at 15:00 daily. Prices are published daily and are available in newspapers countrywide, as well as on request from the Manager. IP Management Company (RF) Pty Ltd is the authorised Manager of the Scheme – contact 021 673 1340 or clientservices@ipmc.co.za. Standard Bank is the trustee / custodian – contact compliance-IP@standardbank.co.za. Additional information including application forms, the annual report of the Manager and detailed holdings of the portfolio as at the last quarter end are available, free of charge, from clientservices@ipmc.co.za. IP Management Company is a member of ASISA. A statement of changes in the composition of the portfolio during the reporting period is available on request. The performance is calculated for the portfolio. The individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The Performance Fee Frequently Asked Questions (FAQ) document may be found on www.ipmc.co.za