

# FG IP Saturn Flexible Fund of Funds



FIRSTGLOBAL  
ASSET MANAGEMENT

## February 2019 Minimum Disclosure Document

**Fund objective** To provide investors with real medium to long-term capital growth from a portfolio that maintains a moderate risk profile.

**ASISA Classification:** South African – Multi Asset – Medium Equity

**Risk rating:** Medium

**Benchmark:** Average of the SA– Multi Asset – Medium Equity category

**Launch date:** 15 August 2005

**Opening price:** 1000.00 cents per unit

**Income declaration dates:** 31 March and 30 September

**Income distribution dates:** 15<sup>th</sup> working day in April & Oct (or the next business day if the 15th does not fall on a business day)

**Last two distributions:** 31/03/18: 36.67 cpu (A Class)  
30/09/18: 32.21 cpu (A Class)

**Valuation time of fund:** 20:00

**Trading closing time:** 14:30

**Fund size:** R 2 184 852 129

**Trustee:** Standard Bank of South Africa

### Why choose this Fund

The fund aims to achieve total returns in excess of the average of the SA – Multi Asset – Medium Equity Category – net of fees over the long term, while maintaining a moderate risk profile. In achieving the return objective, investors should be willing to accept short term volatility in returns. The portfolio invests in collective investment schemes investing in equities, bonds, listed property and money market instruments, both locally and abroad. This fund is ideal for investors who strive to gain broad asset class exposure but is not confident in market timing. The fund is Regulation 28 compliant.

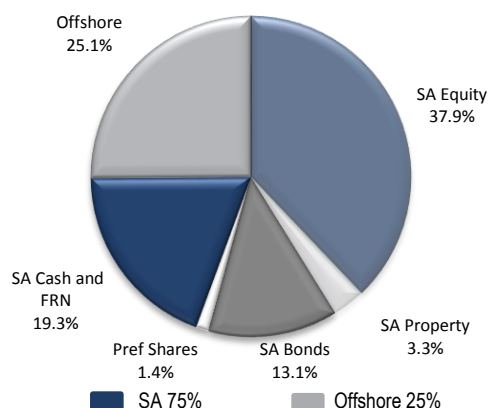
### About the Portfolio Manager

FIRSTGLOBAL Asset Management (FGAM) is a Multi-Manager specializing in the design, construction and management of investment solutions for clients of the FIRSTGLOBAL Group. The FGAM Investment Committee consists of 6 investment professionals with extensive experience in investment markets. The FGAM investment process of manager selection and monitoring is driven by the Investment Committee which includes 2 full-time analysts supported by independent economic, sector and stock market experts.

### Portfolio Detail

| Fund                                | Category                           |
|-------------------------------------|------------------------------------|
| 36ONE BCI Flexible Opportunity Fund | SA - Multi Asset - Flexible        |
| Coronation Market Plus Fund         | Worldwide - Multi Asset - Flexible |
| Investec Opportunity Fund           | SA - Multi Asset - High Equity     |
| Nedgroup Inv Opportunity Fund       | SA - Multi Asset - Medium Equity   |
| Rezco Value Trend Fund              | SA - Multi Asset - High Equity     |
| SIM Inflation Plus Fund             | SA - Multi Asset - Low Equity      |
| Matrix Defensive Balanced Fund      | SA - Multi Asset - Low Equity      |
| Truffle SCI Flexible Fund           | SA - Multi Asset - Flexible        |
| PSG Flexible Fund                   | SA - Multi Asset - Flexible        |

### Asset Allocation



### Annualised Portfolio Performance

|            | 1 year | 3 years | 5 years | Since inception |
|------------|--------|---------|---------|-----------------|
| Fund       | 3.75%  | 4.59%   | 6.36%   | 10.33%          |
| Benchmark* | 3.43%  | 4.69%   | 5.69%   | 9.05%           |

\*Source Morningstar, Returns are for A class shares  
Annualised returns are period returns re-scaled to a period of 1 year

### Portfolio Statistics

|                               | Fund    | Benchmark |
|-------------------------------|---------|-----------|
| Highest 12 month performance: | 31.40%  | 26.41%    |
| Lowest 12 month performance:  | -18.22% | -15.68%   |
| % positive months:            | 68.52%  | 66.05%    |

### Monthly Returns

|      |            | Jan    | Feb    | Mar    | Apr   | May    | Jun    | Jul    | Aug   | Sep    | Oct    | Nov    | Dec    | YTD    |
|------|------------|--------|--------|--------|-------|--------|--------|--------|-------|--------|--------|--------|--------|--------|
| 2017 | Fund       | 1.45%  | -0.01% | 1.32%  | 1.81% | 0.21%  | -1.44% | 2.74%  | 0.34% | 0.73%  | 3.57%  | -0.60% | -2.33% | 7.90%  |
|      | Benchmark  | 1.40%  | -0.49% | 1.26%  | 1.54% | 0.16%  | -1.31% | 2.89%  | 0.68% | 0.99%  | 3.18%  | 0.09%  | -1.53% | 9.21%  |
| 2018 | Fund       | 0.04%  | -1.06% | -1.62% | 3.19% | -1.35% | 2.45%  | -0.16% | 3.68% | -2.32% | -2.28% | -2.44% | 0.18%  | -1.91% |
|      | Benchmark  | -0.06% | -1.27% | -1.72% | 2.98% | -1.48% | 1.92%  | 0.13%  | 3.59% | -2.12% | -2.50% | -1.70% | 0.46%  | -1.77% |
| 2019 | Fund       | 1.33%  | 3.31%  |        |       |        |        |        |       |        |        |        |        | 4.68%  |
|      | *Benchmark | 1.48%  | 2.47%  |        |       |        |        |        |       |        |        |        |        | 3.99%  |

\*Source until 31 May 2018: MoneyMate  
Source from 30 June 2018: Morningstar





## Continued

### Portfolio Manager's Comment

The FG IP Saturn Flexible Fund of Funds returned +3.31% in February, outperforming the benchmark peer group average which returned +2.47%. The positive sentiment within global financial markets that had started in January continued into February as the progress on the China-US trade talks and the return of accommodative monetary policy from global central banks sustained market confidence. Local bonds however had a tough month as concerns over South Africa's deteriorating fiscal position came into focus with the new budget released mid-month. The ALBI (All Bond Index) declined -0.44% and the rand depreciated 5.34% relative to the US dollar. Local listed property was the worst performing local asset class, declining -5.70%. Local equities enjoyed another strong month, driven by resources which has returned over 12% year-to-date. The Investec Opportunity fund was the best performing underlying fund returning +4.67%. We reallocated 3% from SIM Inflation Plus into Matrix Defensive Balanced with the aim to improve Saturn's underlying fund diversification while maintaining overall asset allocations.

### Additional Fund Information

- The annual fees for the A class referred to above includes an annual fee of 0.58% (including VAT) payable to IP Management Company and FIRSTGLOBAL Asset Management.
- The annual fees for the B class referred to above includes an annual fee of 0.58% (including VAT) payable to FIRSTGLOBAL Asset Management and IP Management Company, an annual fee of 0.58% (including VAT) payable to the administrator, an annual fee of 1.15% (including VAT) payable to your financial advisor.
- The annual fees for the B1 class referred to above includes an annual fee of 0.58% (including VAT) payable to FIRSTGLOBAL Asset Management and IP Management Company, an annual fee of 0.288% (including VAT) payable to the administrator, an annual fee of 1.15% (including VAT) payable to your financial advisor.
- At least 70% of the assets will be invested in South Africa at all times.
- The fund will have an equity exposure of between 40% and 60% at all times.
- Up to 30% of the assets may be invested offshore at any point in time.
- The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.
- A fund of fund unit trust invests in other unit trusts, which levy their own charges, which could result in a higher fee structure for these funds.
- Please note that in most cases where the FSP is a related party to the portfolio manager, the portfolio manager and/or distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client.

### Risk Disclosures

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.

### Class Information

|          | No of participatory interests | NAV at month end | ISIN         | JSE Code |
|----------|-------------------------------|------------------|--------------|----------|
| A Class  | 58 032 185                    | 2629.53          | ZAE000172029 | FGIS     |
| B Class  | 15 887 805                    | 2608.12          | ZAE000172730 | FISFB    |
| B1 Class | 9 365 969                     | 2610.53          | ZAE000183190 | FISFB1   |

### Fees and Total Expense Ratios

Initial fees for all classes of Fund of Fund shares: FIRSTGLOBAL Asset Management: 0%, Advisor: up to 2.88% (incl VAT)

| A Class                               | B Class                               | B1 Class                              |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Annual service fees: 0.50% (excl VAT) | Annual service fees: 2.00% (excl VAT) | Annual service fees: 1.75% (excl VAT) |
| Total Expense Ratio (TER): 1.51%      | Total Expense Ratio (TER): 3.20%      | Total Expense Ratio (TER): 2.94%      |
| Transaction Cost (TC): 0.21%          | Transaction Cost (TC): 0.21%          | Transaction Cost (TC): 0.21%          |
| Total Investment Charge (TIC): 1.72%  | Total Investment Charge (TIC): 3.41%  | Total Investment Charge (TIC): 3.15%  |

From 01 Jan 2016 to 31 Dec 2018, 1.51% (A Class), 3.20% (B Class), 2.94% (B1 Class) of the value of the financial product was incurred as expenses relating to the administration of the financial product. 0.21% (A, B and B1 Class) of the value of the financial product was incurred as costs relating to the buying and selling of the assets underlying the financial product. Therefore 1.72% (A Class), 3.41% (B Class), 3.15% (B1 Class) of the value of the financial product was 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 can not be regarded as an 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 other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

### Mandatory Disclosures

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. Fund of funds invest in portfolios of other Collective Investment Schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. 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 Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. Transaction cutoff time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 20:00 for fund of funds. Prices are published daily and available 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](mailto:clientservices@ipmc.co.za). Standard Bank is the trustee / custodian – contact [compliance-IP@standardbank.co.za](mailto: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](mailto:clientservices@ipmc.co.za). IP Management Company is a member of ASISA. Financial Advisor fees as agreed between the Investor and the Advisor may apply and payment to the Advisor will be facilitated on behalf of the Investor. A statement of changes in the composition of the portfolio during the reporting period is available on request.