

IP Diversified Income Fund of Funds

(A & B2 Class) Minimum Disclosure Document

June 2020



Fund Objectives, Investment Process & Policy

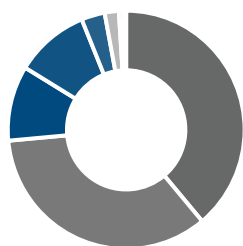
The IP Diversified Income Fund of Funds is an income generating South Africa based Fund of Funds. The investment objective of the Fund is to achieve a high level of sustainable income and stability of capital invested. It will invest in a broad range of participatory interests and other forms of participation in collective investment schemes (CISs) or similar schemes. The Fund aims to provide investors with a high level of income and low risk capital growth to outperform CPI + 2% p.a. over a rolling 2-year period. The Fund is diversified between asset classes with a high allocation to assets that generate income. It is managed according to the Prudential Regulation 28 guidelines of the Pension Fund Act. This Fund is suitable for conservative investors with the priority to safeguard assets in a tax efficient manner, whilst satisfying a need for income. The Fund has a predetermined risk budget per asset class to allow the manager 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



SA Cash	38.29%
SA Bonds	36.89%
Global Equity	9.57%
SA Equity	8.92%
Global Bonds	3.24%
Global Cash	2.22%
SA Property	0.51%
Global Property	0.36%

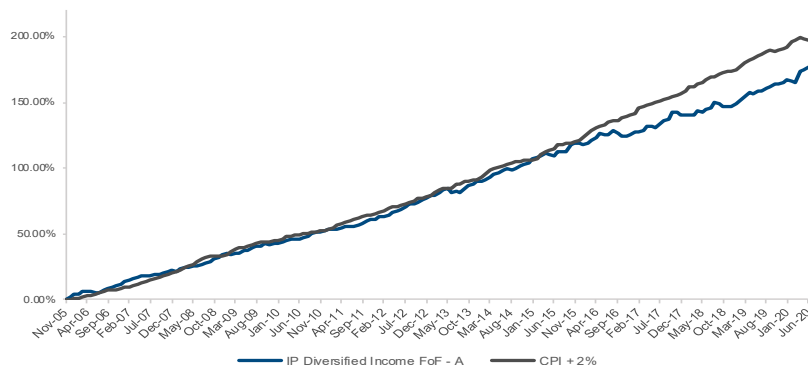
Top Portfolio Holdings

IP Interest Plus Fund	51.01%
IP Active Beta Fund	19.57%
MitonOptimal International Managed Flexible	8.22%
RMI Specialist Managers Unconstrained Fixed Interest Fund	7.76%
IP Prudential Equity Fund	3.46%
Ashburton Inflation ETF	3.35%
Sharetel BCI Income Plus Fund	2.50%
MitonOptimal IP High Conviction Equity Fund	1.58%
Standard Bank Current Account	1.21%
PSG Equity B	0.75%

Top Securities

Standard Bank of South Africa	16.64%
South Africa, Republic of	10.23%
Nedbank LTD	9.27%
RMB Bank LTD	7.76%
Investec Bank LTD	6.66%
Firststrand Holdings LTD	3.81%
Absa Bank LTD	2.85%
KAP Industrial Holdings LTD	2.04%
NASPERS	1.81%
Clindeb Investments (Pty) LTD	1.66%

Fund Performance



Source: IRESS

Fund Information

Fund managers



Roeloff Horne
Director & Head of SA
Portfolio Management



Scott Campbell
Group MD & Chief
Investment Officer

Latest price

A 151.95cents
B2 152.10.cents

Fund size¹

R 205 m

Number of units

A 11 477 879.53
B2 123 384 808.38

ASISA category

SA Multi Asset - Low Equity

Regulation 28 compliant

Yes

Benchmark

CPI + 2%

Inception

A 21 November 2005
B2 03 October 2011

Min lump sum investment

R10,000

Min monthly investment

A R1,000

Dates of income declarations

31 Mar / 30 Jun / 30 Sept / 31 Dec

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	0.00%
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)², Transaction Costs (TC) and Total Investment Cost (TIC) (01 Apr 2017 to 31 Mar 2020)

	A	B2
TER*	1.99%	1.71%
TC	0.08%	0.08%
TIC (incl. VAT)	2.07%	1.79%

*Includes the annual management fee of 1.00% for class A and 0.75 for class B2 (VAT exclusive).

Annualised³ Performance (A Class)

Highest % (31 July 2007)	12.38%
Lowest % (30 November 2018)	1.75%

Fund References

	A	B2
ISIN	ZAE000140919	ZAE000159166
Bloomberg	SENDIVE: SJ	MITDIB2: SJ
JSE	SEDIF	SEDB2

Annualised Returns ³	YTD	1-Year	3-Year	5-Year	Since inception 21-11-2005
IP Diversified Income FoF	4.46%	7.04%	6.19%	5.71%	7.22%
Benchmark	2.1%	4.17%	5.94%	6.68%	7.75%
Cumulative Returns	YTD	1-Year	3-Year	5-Year	Since inception 21-11-2005
IP Diversified Income FoF	4.46%	7.04%	19.73%	32.03%	176.49%
Benchmark	2.1%	4.17%	18.89%	38.17%	197.13%

Fund returns shown are based on NAV-NAV unit pricings calculated from IRESS for a lump-sum investment with income distribution reinvested (after fees and cost).

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Quarterly Market Commentary (as at 30 June 2020)

During the quarter we used a weak Rand to sell some offshore risk asset exposure. We used the proceeds to increase SA Equity exposure – mainly Rand hedges and Gold stocks. Late in the quarter we reduced our SA Government Bond holdings to take profit after a rally since March lows.

Fund Distributions (cents per unit)

	A	B2
30 Jun 2019	1.64	1.75
30 Sep 2019	1.49	1.60
31 Dec 2019	1.74	1.85
31 Mar 2020	1.66	1.77
30 Jun 2020	1.58	1.68

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 0.55% and 0.60%; Lipp 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

Management Company

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Fund Management Company

MitonOptimal South Africa (Pty) Limited
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¹Fund size is of the A Class launched on 21/11/2005 and the B2 Class launched on 03/10/2011 combined. ²Please 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. The Transaction Costs (TC) relate to the buying and selling of 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 TERs. 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. ³The 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 Fund is invested 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 Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. Each portfolio may be closed for new investments. Transaction cut-off time is 14:30 daily. Valuation time is 20h00 for Fund of Funds. Prices are published and calculated daily, they 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. MitonOptimal South Africa (Pty) Limited is the Fund Manager and is regulated by the Financial Sector Conduct Authority, FSP 28160. We advise that you consult a Qualified Independent Financial Advisor to ensure that the Fund is appropriate in terms of the investor's risk tolerance and appetite. Collective Investment Schemes prices are calculated on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the portfolio. Graphs and performance figures are sourced from IRESS for lump sum investments including income distribution, at NAV to NAV basis and do not take any initial fees into account. Income is reinvested on the ex-dividend date. Performance shown is for the portfolio. Individual investor performance may differ due to initial fees, actual investment date, re-investment date and withholding taxes. MitonOptimal South Africa (Pty) Limited is authorised to act as a Fund Manager in terms of FAIS. 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.