

True North IP Enhanced Property Fund



Minimum Disclosure Document September 2020

Strategy & Objective

The TRUE NORTH IP ENHANCED PROPERTY FUND is a moderate to high risk, property fund. The objective of this portfolio is to achieve capital appreciation over the medium to long term.

Investments to be included in the TRUE NORTH IP ENHANCED PROPERTY FUND will, apart from assets in liquid form, consist of securities and financial instruments listed across SA and International property markets. The portfolio will typically be highly exposed to the larger capitalized property stocks with added exposure to smaller property companies that offer better growth opportunities over the longer term.

The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes in the Republic of South Africa. The manager of the fund will aim to keep the fund's exposure to offshore property between 10% and 20%.

The fund is suitable for investors who are prepared to accept a moderate to high level of volatility in seeking medium to long term growth and expanding their allocation to fixed property as an asset class.

Fund Details

| | |
|---------------------------|---|
| ASISA Classification: | South African – Real Estate – General |
| Risk rating: | Moderate - High |
| Inception date: | 03-Nov-14 |
| Benchmark: | 75% JSE All Property Index (J803T) 25% FTSE EPRA NAREIT Developed Index |
| Custodian: | Standard Bank |
| Fund Code: | ISIN: ZAE 0001 95855 (Class A) |
| Fund Size: | R9 221 891.68 |
| Participatory Interests: | 1 018 321.22 |
| Income declaration date: | 31 March, 30 September (or the next business day if the 31st does not fall on a business day) |
| Income distribution date: | 2nd working day of the following month |
| Valuation time of fund: | 15:00 |
| Trading closing time: | 14:30 |
| Opening price: | 1000.00 cents per unit |
| CPU Distribution: | A 5.62 30 September 2020 A 24.15 31 March 2020 |
| Portfolio Manager: | W Prinsloo, CFA |

Asset Allocation

| | |
|---------------------|-------|
| SA Property | 56.7% |
| Offshore Property | 30.2% |
| Cash & Fixed Income | 13.1% |

Top 10 Property Holdings

| | |
|----------------------------|------|
| Sirius Real Estate | 8.0% |
| Clearance Camino Fund | 7.1% |
| Storagevault Canada | 6.3% |
| Equites Property Fund | 6.0% |
| Fairvest Property Holdings | 5.4% |
| NEPI Rockcastle | 5.1% |
| Spear REIT Ltd | 5.2% |
| Stenprop Ltd | 5.0% |
| Safestore Holdings | 4.8% |
| LEG Immobilien AG | 4.5% |

Investment Returns (ZAR)

| | Year-to-date | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | Since Inception |
|---------------------------------|--------------|--------|---------|---------|---------|---------|-----------------|
| True North IP Enhanced Property | -16.0% | -12.5% | -3.8% | -2.5% | -0.2% | -2.1% | -0.1% |
| Benchmark | -38.3% | -38.3% | -21.7% | -19.1% | -12.8% | -13.2% | -8.8% |
| Excess Return | +22.3 | +25.8% | +17.9% | +16.7% | +12.6% | +11.1% | +8.7% |

Source: Thomson Reuters, Annualised returns are period returns re-scaled to a period of 1 year

Risk Measures

| | Volatility (Past 3 years) | Highest Annual Return | Lowest Annual Return |
|---------------------------------|------------------------------|--------------------------|-------------------------|
| True North IP Enhanced Property | 14.4% | 14.9% | -14.2% |
| Benchmark | 27.6% | 20.2% | -39.0% |

Source: Thomson Reuters, Annualised returns are period returns re-scaled to a period of 1 year

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Monthly Commentary

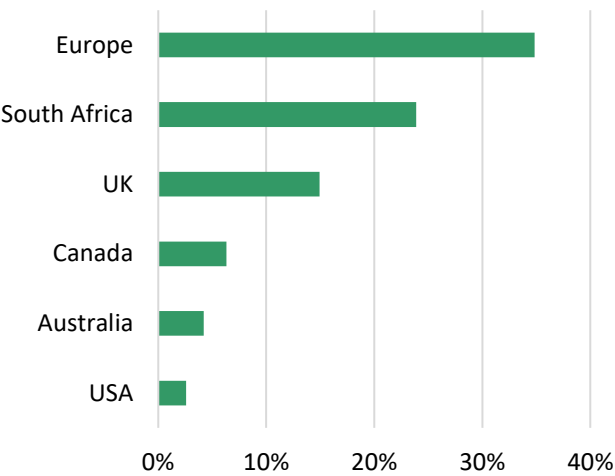
The True North IP Enhanced Property Fund declined by 3.4% in September, taking its return for the year-to-date to -16%. The fund continues to hold-up well relative to the 38% decline by its benchmark for the year.

NepiRockcastle (-9%) and EPP NV (-26%) performed poorly in September as a second wave of COVID-19 saw cases climbing sharply across Europe. Our top performers in a weak overall month for listed property were Spear REIT (+6.6%) and Storagevault Canada (+2.5%)

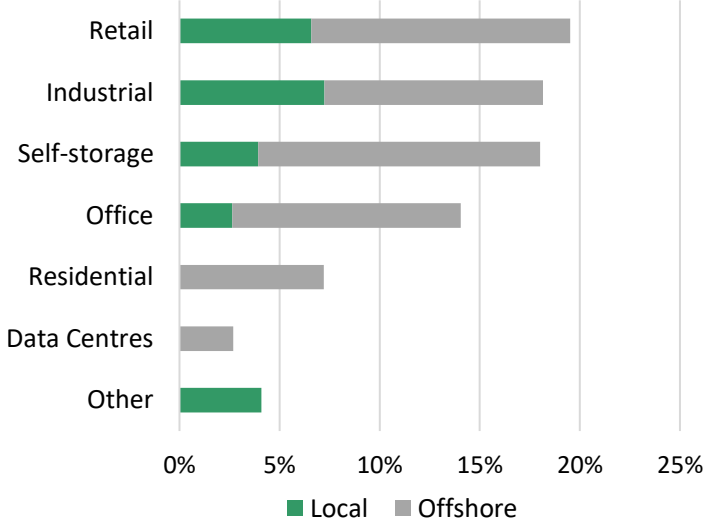
We added 3 new holdings to the portfolio during the month:

- **Front Yard Residential:** An opportunistic play on the Single Family Rental sector in the US.
- **Capital & Counties:** Owner of one of the best located portfolios in London.
- **Satrix Property ETF:** Broad exposure to the SA Listed Property Index

Geographic Allocation*



Sector Allocation*



**Based on the underlying property exposure of each holding. Excludes exposure to Fixed Interest assets.
Data updated quarterly.*

Fees & Charges

| Fund Class | Initial Charge* | Annual Management Fee* | JSE Code | NAV Price | Participatory Interests | TER | Transaction Cost |
|------------|-----------------|------------------------|----------|-----------|-------------------------|-------|------------------|
| A | 0 - 2.50% | 1.72% | TNICA | 904.92 | 338 953.63 | 2.11% | 0.42% |
| B | 0 - 2.50% | 1.14% | TNICB | 905.94 | 616 065.45 | 1.52% | 0.42% |
| B1 | 0 - 2.50% | 1.14% | TRPB1 | 905.81 | 63 302.14 | 1.52% | 0.42% |

* Exclude VAT

Total Expense Ratio

From 1 January 2017 to 30 June 2020 2.11% (for Class A), and 1.52% (for Class B & B1) of the value of the financial product was incurred as expenses relating to the administration of the financial product. 0.42% (Class A, B, B1) 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 2.53% for Class A and 1.94% for Class B & B1 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 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 other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

Additional Information

- Up to 20% of the assets may be invested in a single Collective Investment Scheme. Additionally, up to 30% of assets may be invested in offshore markets.
- 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.

Disclosure

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. 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. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. The fund is invested in a portfolio of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. 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. Valuation time is 15:00 (17h00 at quarter end). 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. 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. 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.

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.

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.

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ASISA A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA

Funds administered by:

IP
management
company