

True North IP Flexible Equity Fund

Minimum Disclosure Document September 2020



Strategy & Objective

The TRUE NORTH IP FLEXIBLE EQUITY FUND is a moderate to high risk, flexible 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 FLEXIBLE EQUITY FUND will, apart from assets in liquid form, consist of securities and financial instruments across the equity, fixed interest and property markets. The portfolio will typically be highly exposed to equities but the portfolio manager will have complete flexibility to vary the exposure to different asset classes as economic conditions vary.

The fund is suitable for investors who are prepared to accept a high level of volatility in seeking long term growth. Investors in this fund should be willing to accept a higher, though calculated risk.

Fund Details

ASISA Classification:	South African – Multi Asset Flexible
Risk rating:	High
Inception date:	14-Oct-13
Benchmark:	65% JSE Capped SWIX (J433T); 25% MSCI All Countries World Index; 10% STeFI
Custodian:	Standard Bank
Fund Code:	ISIN: ZAE 0001 83885 (Class A)
Fund Size:	R 31 873 041.14
Participatory Interests:	2 765 886.38
Income declaration date:	31 March (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 19.52 31 March 2020 A 17.69 31 March 2019
Portfolio Manager:	W Prinsloo, CFA

Asset Allocation

SA Equities	32.3%
SA Listed Property	9.5%
Offshore Equities	37.3%
Precious Metals	8.4%
Fixed Income	12.5%

Top 10 Equity Holdings

Cartrack Holdings	7.2%
Alibaba	7.0%
Prosus	6.5%
New Gold Issuer ETF	5.6%
Helios Towers	5.3%
British American Tobacco	3.9%
Facebook Inc	3.3%
Curro Holdings	3.0%
Santam Limited	3.0%
Newwave Silver ETF	2.9%

Investment Returns (ZAR)

	Year-to-date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception
True North IP Flexible Equity	0.6%	4.1%	3.3%	2.2%	2.1%	2.5%	2.7%
Benchmark	-0.8%	3.0%	2.3%	2.9%	4.7%	5.0%	6.8%
Excess Return	1.4%	1.1%	1.0%	-0.7%	-2.6%	-2.5%	-4.1%

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 Flexible Equity	11.7%	15.3%	-10.1%
Benchmark	16.4%	22.5%	-13.5%

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

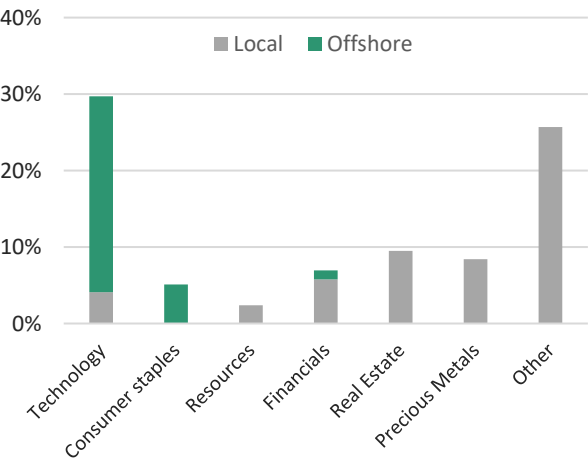
Monthly Commentary

The True North IP Flexible Equity Fund returned +5.2% in Q3 as global equity markets continued to recover from their March lows. The Fund outperformed its benchmark by +3.4% in Q3 with **Alibaba** and **Cartrack** as the top performers. The Fund has generated an alpha of +7.5% (after fees) since the 1st of January 2018 and has exhibited lower volatility compared to its benchmark.

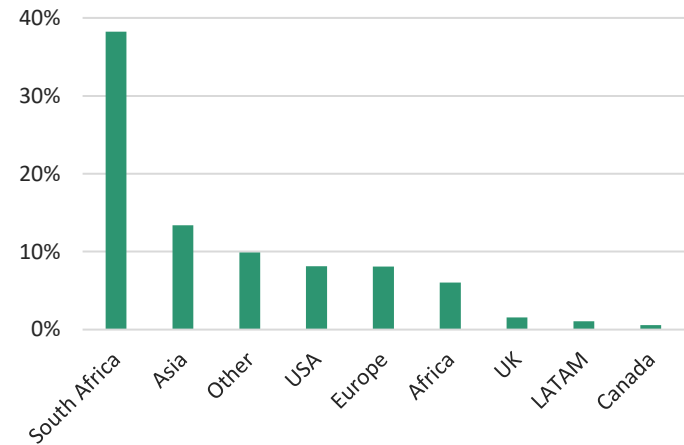
A key focus of our stock selection is to uncover companies that are expected to grow their intrinsic values at high rates of return. Compounding free cash flow at rates of 10% to 15% p.a. results in significant investment returns when held for multi-year periods. Alibaba, Facebook, Prosus (via Tencent) and Alphabet are prime examples of long-term holdings in the Fund that have provided exceptional returns.

In 2020 we initiated positions in **Cartrack** and **Helios Towers** – two new holdings that we expect to deliver exceptional returns over the long-term. Initial returns have been strong, with Cartrack up 60% and Helios Towers up 36% since our initial purchases.

Sector Allocation*



Geographic Allocation*



Excludes Fixed Income exposure.
Data updated quarterly. Based on see-through company revenue.

Fees & Charges

Fund Class	Initial Charge*	Annual Management Fee*	JSE Code	NAV Price	Participatory Interests	TER	Transaction Cost
A	0 - 2.50%	1.72%	TRIFE	1,151.95	2 268 786.50	1.98%	0.74%
B1	0 – 2.50%	1.14%	TREB1	1,154.22	497 099.88	1.40%	0.74%

Total Expense Ratio

* Exclude VAT

From 1 January 2017 to 30 June 2020 1.98% (for Class A), and 1.40% (for Class B1) of the value of the financial product was incurred as expenses relating to the administration of the financial product. 0.74% (Class A) and 0.74% (Class 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 2.71% (Class A) and 2.14% (Class 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

- The fund will have an equity exposure of at least 40% 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.
- 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.

 A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA

Funds administered by:

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