

Engelberg IP Income Fund



Minimum Disclosure Document
June 2020

Fund objective: The Engelberg IP Income Fund is an income fund, investing in all permitted asset classes. The objective of this portfolio is to maximise income by investing in a spectrum of securities across the various asset classes. Long term capital appreciation will be a secondary objective. Investments to be included in the Engelberg IP Income Fund will, apart from assets in liquid form, consist of securities predominantly of an income nature such as fixed interest, bonds, property and may also include equity securities. The investment manager will have complete flexibility to vary the exposure to different asset classes as economic conditions vary.

No of participatory interests: 13 981 682,21
Income declaration dates: Mar and Sep
Income reinvestment: 2nd day after month end
Last two distributions (A class): 34,27 cpu 30/09/2019
 35,91 cpu 31/03/2020
Valuation time of fund: 15:00
Trading closing time: 14:30
Fund size: R142 701 917,36
Trustee: Standard Bank
NAV price (A class): 30/06/20 1020,40
Regulation 28: Compliant
Classification: South African MA Income
Risk rating: Low
Benchmark: CPI
Launch date: 15 March 2017
Opening price: 1000,00 cents per unit

Why choose this fund

The fund consists of a portfolio of fixed income funds, aimed at outperforming inflation over the long-term and maximizing income generation. The fund is suitable for risk averse investors, seeking stable returns and capital preservation. Long term capital appreciation is a secondary objective.

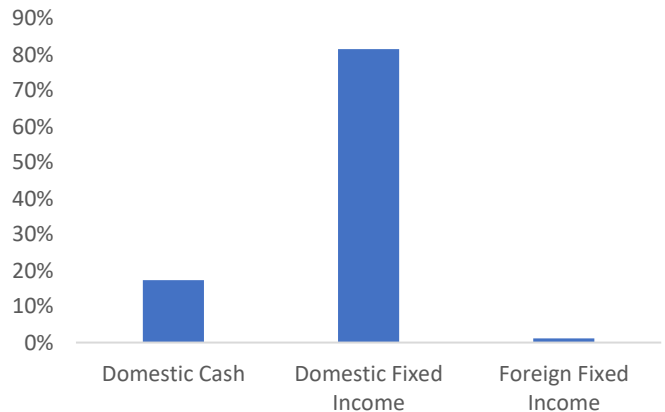
About the portfolio manager

The fund manager is Jacques Hattingh, a key individual and representative, registered with the Financial Services Board. The manager has 20 years experience in the financial services industry and has been managing money for more than 20 years. Engelberg is the financial services provider authorised by the Financial Advisory and Intermediary Services Act. FSP nr 46401.

Top holdings

Miplan IP Enhanced Income Fund
 Prescient Income Provider Fund
 Momentum Income Plus Fund
 Stanlib Bond Fund

Asset allocation



Monthly performance returns

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
2018	Fund	0,64	0,72	0,64	0,56	0,63	0,55	0,65	0,65	0,53	0,64	0,63	0,66	7,77
	BM	0,29	0,76	0,38	0,75	0,19	0,37	0,84	-0,10	0,46	0,46	0,18	-0,18	4,49
2019	Fund	0,72	0,52	0,51	0,71	0,61	0,61	0,65	0,70	0,58	0,67	0,56	0,69	7,79
	BM	-0,18	0,82	0,82	0,63	0,27	0,36	0,36	0,27	0,27	0,00	0,09	0,26	4,02
2020	Fund	0,76	0,60	-4,01	1,81	2,49	0,36							1,89
	BM	0,26	0,96	0,35	-0,52	-0,61	*NA							0,44

*Please note that the CPI benchmark disclosed is as at 31/05/2020 as CPI for June has been delayed.



Engelberg IP Income Fund

Continued



Annualised portfolio performance

	1 year	3 years	5 years	Since inception
Fund	5,86	7,01	NA	6,93
Benchmark	2,05	3,63	NA	3,51

* Source: Profile Fund's Data, performance for A class shares.
Annualised returns are period returns re-scaled to a period of 1 year.
Fund returns shown are based on NAV-NAV unit pricings calculated from Profile for a lump-sum investment with income distribution reinvested (after fees and cost).

Portfolio statistics

Highest 12 month performance
Lowest 12 month performance
% Positive months

Fund	BM
7,91	5,18
3,05	2,05
97%	84%

Fees

Annual service & fund manager fees:

Class:	A	0,58% incl. VAT
	B	0,29% incl. VAT
Advisor fees		1,00% excl. VAT
Initial fees:		0%
TER:	A class	1,15%
TC:	A class	0,00%
TIC:	A class	1,15%
TER:	B class	0,81%
TC:	B class	0,00%
TIC:	B class	0,81%

Total investment cost

ENGELBERG IP INCOME FUND A CLASS: From 15 March 2017 to 31 March 2020 1,15% (Total Expense Ratio) of the value of the financial product was incurred as expenses relating to administration of the portfolio. 0,00% (Transaction Costs) of the value of the financial product was incurred as costs relating to the buying and selling of the asset underlying the portfolio. Therefore 1,15% (Total Investment Charge) of the value of the financial product was incurred as costs relating to the investment of the financial product.

ENGELBERG IP INCOME FUND B CLASS: From 15 March 2017 to 31 March 2020 0,81% (Total Expense Ratio) of the value of the financial product was incurred as expenses relating to administration of the portfolio. 0,00% (Transaction Costs) of the value of the financial product was incurred as costs relating to the buying and selling of the asset underlying the financial product. Therefore 0,81% (Total Investment Charge) of the value of the portfolio 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 the 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.

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.

Portfolio manager's comment

The easing of lockdown restrictions in June saw risk assets move higher. Emerging markets outperformed developed markets with the MSCI EM Index gaining 7.35% for the month compared to the MSCI World Index gaining 2.54%. China and Brazil contributed the most to the emerging market rally. The CSI300, representing the top 300 stocks in China rallied approximately 8% for the month only to continue into July, while the BOVESPA Index gained approximately 8.6%. The rand appreciated against the US dollar and government bond yields fell back to pre-Covid levels, only to sell-off once again from 11 June. Government bonds are providing a risk premium of approximately 5,5% over cash but for good reason - the outlook for South Africa remains bleak. Tito Mboweni outlined two scenarios in the supplementary budget speech on 23 June, the first is a passive scenario where government fails at any significant reform and debt: GDP escalates to 120% in 5 years and SA going into default. The active scenario will require immense political will to tackle the structural socio-economic issues.

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 Engelberg.
- The fund can move freely between different asset classes.
- 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.

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 this fund.

Mandatory disclosures

Collective investments are generally medium to long-term investments. The value of participatory interests or the investments may go down as well as up. Past performance is not necessarily a guide to the future performance. Collective investments 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 fund is invested in portfolios of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund of funds. 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 cutoff time is 14:30 daily. Each portfolio may be closed for new investments. Valuations time is 15:00 (17:00 at quarter end). Prices are published daily and available newspapers countrywide, as well as on request from the Manager. IP Management (RF) Pty Ltd is the authorized 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. Performance shown is for the portfolio. Individual investor performance may differ due to initial fees, actual investment date, re-investment date and withholding taxes. Annualised returns are period returns re-scaled to a period of 1 year. Actual annual figures are available to the investor on request.