

# Engelberg IP Worldwide Flexible Fund



Minimum Disclosure Document  
September 2019

**Fund objective:** The Engelberg IP Worldwide Flexible Fund is a multi-asset flexible fund, investing in all permitted asset classes. The objective of this portfolio is to achieve long term capital appreciation. There will be no geographical restrictions or limitations on the relative exposure of the portfolio to any asset class. Investments to be included in the Engelberg IP Worldwide Flexible Fund will, apart from assets in liquid form, consist of securities and listed and unlisted financial instruments across the equity, fixed interest, property and money markets, including exchange traded funds and exchange traded notes permitted by legislation from time to time. The investment manager will have complete flexibility to vary the exposure to different asset classes as economic conditions vary.

**No of participatory interests:** 10 080 893,13  
**Income declaration dates:** 31 Mar  
**Income reinvestment:** 2<sup>nd</sup> day after month end  
**Last two distributions (A class):** 10,65 cpu 29/03/2018  
 16,78 cpu 29/03/2019  
**Valuation time of fund:** 15:00  
**Trading closing time:** 14:30  
**Fund size:** R97 925 613,98  
**Trustee:** Standard Bank  
**NAV price (A class): 30/09/19** 970,96  
**Classification:** Worldwide MA Flexible  
**Risk rating:** Medium to High  
**Benchmark:** JSE All Share index  
**Launch date:** 15 November 2016  
**Opening price:** 1000,00 cents per unit

## Why choose this fund

The fund invests in a portfolio of listed instruments, aimed at outperforming inflation over the long-term. The fund is suitable for investors who are prepared to accept a high level of volatility in seeking long term capital growth. Investors in this fund should be willing to accept a higher, though calculated risk. The fund is actively managed and has exposure to foreign equity, property and cash instruments.

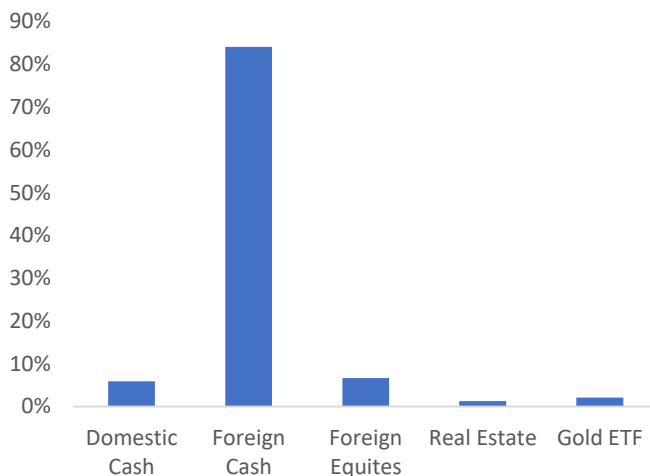
## About the portfolio manager

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

iShares Short Treasury Bonds  
 Engelberg Global  
 USD Cash

## Asset allocation



## Monthly performance returns

|      |      | Jan   | Feb   | Mar   | Apr  | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec    | Ytd    |
|------|------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| 2016 | Fund |       |       |       |      |       |       |       |       |       |       | -2,75 | -1,61  | -4,32  |
|      | BM   |       |       |       |      |       |       |       |       |       |       | -0,55 | 0,97   | 0,42   |
| 2017 | Fund | 0,13  | -0,41 | 2,71  | 0,32 | -0,52 | 0,07  | 0,58  | -0,53 | 3,47  | 3,14  | -2,27 | -10,72 | -4,70  |
|      | BM   | 4,31  | -3,11 | 2,68  | 3,64 | -0,42 | -3,49 | 7,03  | 2,65  | -0,87 | 6,26  | 1,46  | -0,34  | 20,95  |
| 2018 | Fund | -1,85 | -1,79 | 0,14  | 2,29 | -0,61 | 6,17  | -1,44 | 4,94  | -2,63 | -2,25 | -2,71 | 0,77   | 0,56   |
|      | BM   | 0,10  | -1,97 | -4,18 | 5,40 | -3,57 | 2,75  | -0,31 | 2,15  | -5,05 | -5,96 | -3,29 | 4,09   | -11,37 |
| 2019 | Fund | -0,85 | 3,02  | 0,45  | 1,24 | 1,04  | -1,87 | 0,64  | 6,33  | -0,42 |       |       |        | 9,74   |
|      | BM   | 2,69  | 3,41  | 0,82  | 3,66 | -4,92 | 4,59  | -2,44 | -2,69 | -0,79 |       |       |        | 3,96   |

# Engelberg IP Worldwide Flexible Fund



Continued

## Annualised portfolio performance

|           | 1 year | 3 years | 5 years | Since inception |
|-----------|--------|---------|---------|-----------------|
| Fund      | 5,17   | NA      | NA      | 0,22            |
| Benchmark | -1,59  | NA      | NA      | 3,67            |

\*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     |
|--------|--------|
| 7,55   | 22,54  |
| -10,90 | -15,24 |
| 51%    | 51%    |

## Fees

Annual service & fund manager fees:

Class: A 1,15% incl. VAT  
C 0,35% incl. VAT

Advisor fees 0,00% excl. VAT

Initial fees: 0%

TER: A class 1,56%  
TC: A class 0,39%  
TIC: A class 1,95%

TER: C class 0,77%  
TC: C class 0,42%  
TIC: C class 1,19%

## Total investment cost

**ENGELBERG IP WORLDWIDE FLEXIBLE FUND A CLASS:** From 16 November 2016 to 30 June 2019 1,56% (Total Expense Ratio) of the value of the financial product was incurred as expenses relating to administration of the portfolio. 0,39% (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 1,95% (Total Investment Charge) of the value of the financial product was incurred as costs relating to the investment of the financial product.

**ENGELBERG IP WORLDWIDE FLEXIBLE FUND C CLASS:** From 16 November 2016 to 30 June 2019 0,77% (Total Expense Ratio) of the value of the financial product was incurred as expenses relating to administration of the portfolio. 0,42% (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 1,19% (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](mailto:clientservices@ipmc.co.za) or call us on 021 673-1340.

## Portfolio manager's comment

Global equities rallied in September led by Japanese companies posting solid earnings. Europe and the US cut interest rates to help stimulate their respective economies on weaker than expected data. The MSCI World Index gained 2,13% and the MSCI EM Index gained 1,91%. Local indices struggled with the ALSI returning -0,79%. Cash was one of the better performing asset classes during the month. The SARB did not follow the Feds path by cutting interest rates but rather allowed the interest rate differential to widen. This makes SA bonds more attractive to foreign investors; however, despite the increase in yield, foreign investors were net sellers of SA bonds – an indication that the risk premium is not sufficient. For local investors, SA government bonds remain the most attractive asset class due to the real returns being generated in an extremely tough environment.

## Additional fund information

- The annual fees for the A class referred to above includes an annual fee of 1,15% (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](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. 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.