

### Fund Objective

The fund is a flexible portfolio with a high risk profile. The objective of the portfolio is to maximise investor return by varying the exposure to various asset classes in response to changing market conditions.

### Fund Universe

The portfolio will invest in participatory interests of underlying portfolios which provide exposure to a spectrum of equity, bond, non-equity and property markets. These underlying portfolios may have exposure to financial instruments. The asset allocation in the portfolio will be actively managed and the assets will be shifted between the markets and asset classes to reflect changing economic and market conditions. There will be no limitations on the relative exposure to any asset class. The Manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

### Manager Commentary

The second quarter of 2019 has been nothing short of a rollercoaster. The Trump effect continued to cause significant tensions within the global economy. The trade dispute with China was central to investor fears but the end-June G20 summit and meeting between President Xi and President Trump encouraged renewed hope with an easing in the trade war pressures. Trump succeeded in pushing the Mexican government to agree to police their own border in exchange for imposing no new trade tariffs. However, the geopolitical risk between the US and Iran continued to escalate (the British were also drawn in when an Iranian oil tanker was seized by the Royal Marines in Gibraltar for allegedly shipping oil to Syria), coupled with this was the agreement between Russia, Saudi Arabia and Iran to extend the supply cut agreement for a further six to nine months which drove oil prices, tipping at USD66.30 per barrel. The ECB president Draghi indicated the potential for further quantitative easing and interest rate cuts. The UK is facing a Tory leadership battle with the resignation of Theresa May with the sentiment of a hard Brexit priced into the currency and economic forecasts. President Ramaphosa did little to encourage local enthusiasm with his 7-point SONA address, focussing on growth and reform. The Rand, interestingly enough, finished the quarter in the same range as the beginning of March. However, there was significant volatility over the early to mid-June period as the market was spooked. Reviewing all market dynamics in play currently, the market is pricing in for a 0.25% rate cut come the July MPC meeting.

### Fund Information

|                               |   |
|-------------------------------|---|
| Portfolio Manager:            | Financial Fitness Services (Pty) Ltd  |
| Inception Date of Fund:       | 14-Jul-2016   |
| Inception Date of Class:      | 14-Jul-2016   |
| Benchmark:                    | CPI plus 6%   |
| Classification:               | Worldwide - Multi Asset - Flexible  |
| Regulation 28 compliant:      | No  |
| Income distribution:          | Semi-Annual   |
| Date of income distributions: | 31 March, 30 September  |
| Date of income payment:       | 15th day of the following month or the next business day if the 15th does not fall on a business day. |
| Minimum lump sum investment:  | R10,000   |
| Minimum monthly investment:   | R1,000  |
| Risk profile:                 | High  |
| JSE code:                     | FINFF   |
| ISIN Number:                  | ZAE000218590  |

### Portfolio Income in Cents Per Unit (cpu)

|                     | September 2018 | March 2019 |
|---------------------|----------------|------------|
| Income Distribution | 10.4666        | 4.8980     |

### Fund Net Asset Value (NAV) and Units in Issue

|                           |                |
|---------------------------|----------------|
| Fund NAV                  | R 79 620 068   |
|                           | <b>Class A</b> |
| Units in Issue            | 6 622 621      |
| Class NAV                 | R 79 620 068   |
| NAV Price as at Month End | 1202.24        |

### Total Expense Ratio (TER) and Transaction Costs (TC): Apr 2016 - Mar 2019 ( 3 Yrs Rolling %)

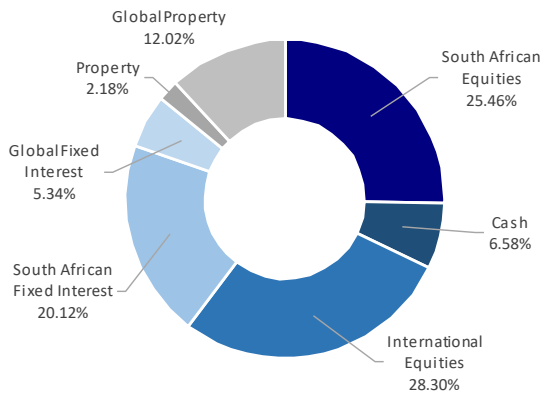
| TER and TC Breakdown          | Class A |
|-------------------------------|---------|
| Total Expense Ratio (TER)     | 1.36%   |
| Annual Service Fee            | 0.35%   |
| Performance Fees              | n/a     |
| Other costs excluding TC      | 0.83%   |
| VAT                           | 0.18%   |
| Transaction Costs (incl. VAT) | 0.28%   |
| Total Investment Charge (TIC) | 1.64%   |

### Fee Structure

|                                | Class A |
|--------------------------------|---------|
| Annual Service fee (excl. VAT) | 0.35%   |
| Performance Fee                | n/a     |

Initial Advice Fee and Ongoing Advisor Fee is negotiable between the Investor and Appointed Financial advisor. This is not part of the normal annual service fee charged by the fund.

**Asset Allocation as at 30 June 2019**



Data Source : INET/IRESS

**Underlying Funds as at 30 June 2019**

- Global Marathon IP fund
- Triathlon IP Fund
- Fairtree Equity Prescient Fund
- Fairtree MET Smart Beta
- Fairtree Flexible Income Plus Prescient Fund
- Sesfikile BCI Global Property Fund

**\*Performance—Net of Fees**

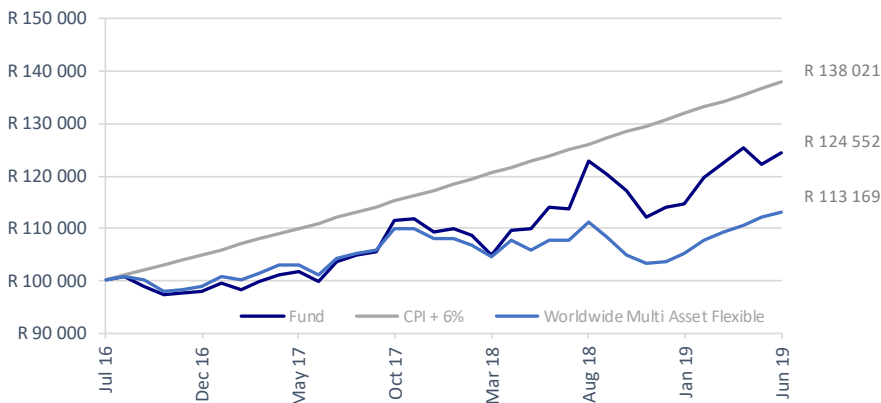
\* Returns History above one year are annualised

| Cumulative (%) | 1 Month | 3 Months | 6 Months | YTD   | 1 Year | 2 Years | 3 Years | 5 Years | Since Inception |
|----------------|---------|----------|----------|-------|--------|---------|---------|---------|-----------------|
| Fund           | 1.88%   | 1.59%    | 9.28%    | 9.28% | 9.11%  | 24.75%  | n/a     | n/a     | 24.55%          |
| Benchmark      | 0.91%   | 2.75%    | 5.59%    | 5.59% | 11.48% | 24.32%  | n/a     | n/a     | 38.02%          |

| Annualised (%) | 1 Month | 3 Months | 6 Months | YTD   | 1 Year | 2 Years | 3 Years | 5 Years | Since Inception |
|----------------|---------|----------|----------|-------|--------|---------|---------|---------|-----------------|
| Fund           | n/a     | n/a      | n/a      | 9.28% | 9.11%  | 11.69%  | n/a     | n/a     | 7.82%           |
| Benchmark      | n/a     | n/a      | n/a      | 5.59% | 11.48% | 11.50%  | n/a     | n/a     | 11.68%          |

| Monthly Performance | Year | Jan   | Feb    | Mar    | Apr   | May    | Jun   | Jul    | Aug   | Sep    | Oct    | Nov    | Dec   | YTD    |
|---------------------|------|-------|--------|--------|-------|--------|-------|--------|-------|--------|--------|--------|-------|--------|
| Fund                | 2019 | 0.59% | 4.32%  | 2.50%  | 2.21% | -2.44% | 1.88% |        |       |        |        |        |       | 9.28%  |
| Benchmark           | 2019 | 0.91% | 0.91%  | 0.91%  | 0.91% | 0.91%  | 0.91% |        |       |        |        |        |       | 5.59%  |
| Fund                | 2018 | 0.59% | -1.23% | -3.48% | 4.52% | 0.22%  | 3.85% | -0.30% | 7.92% | -2.08% | -2.59% | -4.34% | 1.70% | 4.16%  |
| Benchmark           | 2018 | 0.91% | 0.91%  | 0.91%  | 0.91% | 0.91%  | 0.91% | 0.91%  | 0.91% | 0.91%  | 0.91%  | 0.91%  | 0.91% | 11.48% |

**Growth of a R 100 000 Invested since Inception**



**Historical Hi / Lo Annual Return**

|                                  |        |
|----------------------------------|--------|
| Highest Annual Return (Aug-2018) | 17.03% |
| Lowest Annual Return (Nov-2018)  | 0.36%  |

### Contact Information

|                     |  |
|---------------------|--|
| Investment manager  | Financial Fitness Services   |
| FSP                 | 7858   |
| Address             | 21 Stuart Lane, Morningside Manor<br>Johannesburg 2052                       |
| Contact number      | (011) 802-0888   |
| Fax number          | (011) 802-0880   |
| Email address       | info@finfit.co.za  |
| Website             | www.financialfitness.co.za   |
| Custodian / Trustee | The Standard Bank of South Africa Limited                                    |
| Management Company  | IP Management Company (RF) (Pty) Ltd   |
| Address             | 1st Floor Mariendahl House,<br>Newlands on Main, Newlands,<br>Cape Town 7700 |
| Contact number      | (021) 673-1340   |
| Email address       | clientservices@ipmc.co.za  |

### Disclaimer and Disclosures

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 Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. Transaction cut off time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 15:00 (17h00 at quarter end) and 20:00 for fund of funds and certain funds with significant investments in CIS. 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. A statement of changes in the composition of the portfolio during the reporting period is available on request. 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. 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 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 total expense ratio (TER) was incurred as expenses relating to the administration of the financial product. Transaction costs (TC) relate to the buying and selling of the 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 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 such as market returns, the type of financial product, the investment decisions of the investment manager and the TER.

Annualised returns is the weighted average compound growth rate over the performance period measured. Fund returns shown are based on NAV-NAV unit pricings calculated from INET / IRESS for a lump-sum returns is the weighted average compound growth rate over the performance period measured. Fund returns shown are based on NAV-NAV unit pricings calculated from INET / IRESS for a lump-sum investment with income distribution reinvested (after fees and cost). Performance numbers and graphs are sourced from Global Investment Reporting (Pty) Ltd.

#### The Effective Annual Cost (EAC)

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. You can contact clientservices@ipmc.co.za or call us on (021) 673-1340 for an Effective Annual Cost disclosure statement. Please visit <http://www.ipmc.co.za/effective-annual-cost> to address the EAC illustrator.