

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

You would easily be forgiven for thinking that you had disappeared down the magical rabbit hole as the world seems currently awash with political and economic madness. The US, more specifically, where President Trump has picked a fight with just about everyone, continues the US-Sino trade war, which weighs on market sentiment. This is undermining the global economy which is set to see its slowest growth in nearly a decade. According to the IMF, this will impact 90% of the world. Interestingly, the secondary effects of the trade war are the loss of confidence reflecting in financial markets. This will have a far greater negative impact than the direct economic side swipe of the tariffs.

Across the pond, Brexit negotiations, under Prime Minister Boris Johnson, are on life support as things currently stand, and the UK crashing out of the EU without a deal in place is looming large. There is fear mongering from both sides on the calamities that await the UK after 31 October 2019 – a real case of the known unknown. The EU is encouraging a deal but is getting extremely frustrated by a UK leader that seems bent on Brexit at any cost.

We faced another little spat when Iran saw fit to drone-attack a Saudi oil installation. This caused a spike in the oil price but was muted as additional production was rapidly brought on line. However, tensions in the region continue to be placed under suspicion and strain. The Hong Kong demonstrations (the term “riot” carries a 10 year jail sentence) have reached fever pitch as protestors continue to hold an opposing stance against a very powerful government. The rhetoric and actions of the Chinese government are becoming increasingly harsh. This is adding additional negative pressure to the overall Chinese economy.

Looking at the domestic market the Minister of Finance, Tito Mboweni, has called for a series of “deliberate and concerted actions” to raise SA’s moribund GDP growth rate by the heady target of 3% per year. The current projected growth rate, for 2019, is around 0.7%! The long-needed transformation outlined in his economic policy paper is sound theory, but unpopular within factions of the ANC. Without government support for implementation of structural reforms the country continues to face the triple threat of stagnating economic growth, rising unemployment and high crime rates.

Thankfully, despite all of the above, the Financial Fitness Flexible Fund has returned +11.72% year to date, as the portfolio lowered its risk by holding no domestic property and was underweight domestic equity, while holding full value in offshore equity and property.

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)

	March 2019	September 2019
Income Distribution	4.8980	23.1329

Fund Net Asset Value (NAV) and Units in Issue

Fund NAV	R 93 599 958
	Class A
Units in Issue	7 615 258
Class NAV	R 93 599 958
NAV Price as at Month End	1229.11

Total Expense Ratio (TER) and Transaction Costs (TC): July 2016 - September 2019 (3 Yrs. Rolling %)

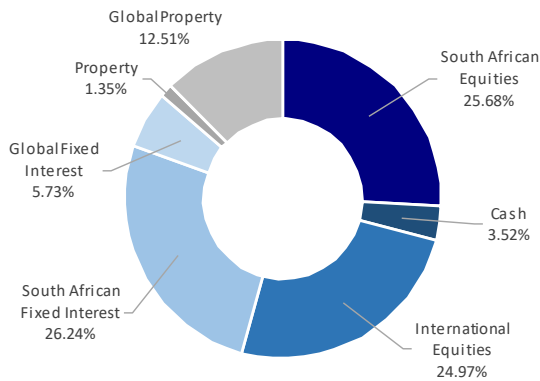
TER and TC Breakdown	Class A
Total Expense Ratio (TER)	1.35%
Annual Service Fee	0.35%
Performance Fees	n/a
Other costs excluding TC	0.82%
VAT	0.18%
Transaction Costs (incl. VAT)	0.26%
Total Investment Charge (TIC)	1.61%

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 September 2019



Data Source : INET/IRESS

Underlying Funds as at 30 September 2019

- Global Marathon IP fund
- Triathlon IP Fund
- Fairtree Equity Prescient Fund
- Fairtree SMB Prescient Fund
- Fairtree Flexible Income Plus Prescient Fund
- Sesfikile BCI Global Property Fund
- MI-PLAN IP Enhanced Income Fund
- Saffron SCI Opportunity Income

***Performance—Net of Fees**

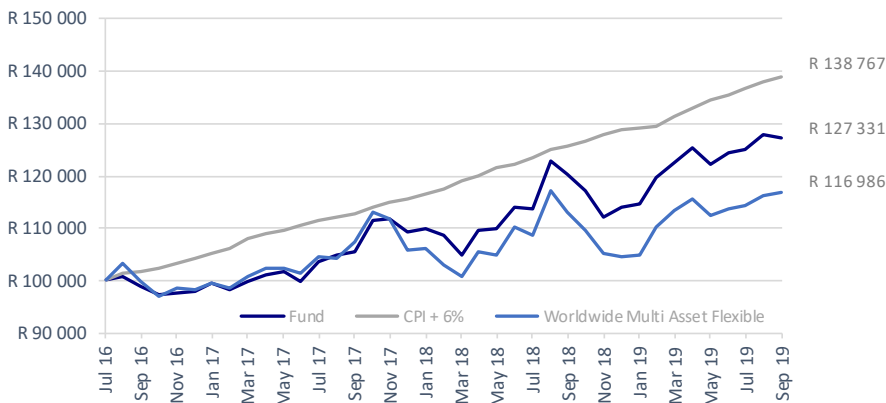
* Returns History above one year are annualised

Cumulative (%)	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	Since Inception
Fund	-0.36%	2.23%	3.86%	11.72%	5.87%	20.74%	28.77%	n/a	27.33%
Benchmark	0.68%	2.42%	5.71%	7.75%	10.53%	22.92%	36.42%	n/a	38.77%

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	n/a	5.87%	9.88%	8.79%	n/a	7.93%
Benchmark	n/a	n/a	n/a	n/a	10.53%	10.87%	10.91%	n/a	10.90%

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%	0.33%	2.26%	-0.36%				11.72%
Benchmark	2019	0.30%	0.30%	1.31%	1.30%	1.12%	0.76%	0.84%	0.88%	0.68%				7.75%
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
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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, Newlands on Main, Newlands, 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.