IP Prudential Equity Fund

(A Class) Minimum Disclosure Document
September 2019

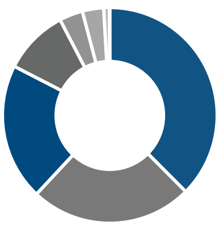
Fund Objectives, Investment Process & Policy

The IP Prudential Equity Fund is a multi-asset portfolio which aims to achieve long term capital growth, and will be a medium to high risk fund which can utilise the maximum equity exposure allowed under the prudential regulations. The asset allocation of the portfolio will be varied according to the manager's view on the macroeconomic outlook as well as the attractiveness of each asset class and may include equities, bonds, money market instruments, property and derivatives, in both local and foreign markets. The portfolio is managed to comply with the statutory investment limits set for funds in South Africa (regulation 28). This fund is suitable for the sophisticated investor who understands the risks of being exposed to Equity. The Fund will be managed using a top-down approach, taking into consideration macro-economic, fundamental, valuation and technical factors. These will serve as inputs to the managers' tactical asset allocation decisions. The managers will invest in a combination of passive ETF instruments or Index Tracking funds, and actively managed funds in core satellite approach. If direct securities are held, it will be managed on an index replication basis wherever possible. The Fund may also include participatory interests or any other form of participation in portfolios of Collective Investment Schemes or other similar schemes in the Republic of South Africa. At all times, the Fund will adhere to regulations governing retirement funds (*Regulation 28*) and any related capital control legislation as set by the South African Reserve Bank.

Investor Profile

Low Risk	Low to Moderate Risk	Moderate Risk	Moderate to High Risk	High Risk

Asset Allocation



SA Equity	37.49%
SA Bonds	24.48%
Global Equity	20.55%
SA Cash	9.81%
Global Property	3.54%
SA Property	3.21%
Global Cash	0.87%
Global Bonds	0.04%

Top Portfolio Holdings

SIM Enhanced Yield	17.40%
Standard Bank Equity Note	14.27%
iShares MSCI ACWI ETF	8.40%
NewFunds GOVI ETF	7.31%
Sasfin BCI Flexible Income	5.80%
Matrix NCIS Equity	5.64%
Laurium Prescient Equity Fund	4.59%
New Gold Issuer LTD	4.16%
Naspers ILTD-N SHS	2.92%
Sanlam Managed Risk-I USD	2.23%

Fund Information

Fund manager	 Roeloff Home Director & Head of SA Portfolio Management
Latest price	A 109.60 cents B 109.84 cents
Fund size	R 171m
Number of units	A 105 722 844.30 B 50 143 037.13
ASISA category	SA Multi Asset - High Equity
Regulation 28 compliant	Yes
Benchmark	CPI + 5%
Inception	10 March 2016
Min lump sum investment	A R10,000
Min monthly investment	A R500
Dates of income declarations	31 Mar / 30 Sept
Date of income payment	2nd day of the following month or next business day if the 2nd does not fall on a business day

Portfolio Fees

Max initial manager fee	0.00%
Annual management fee	0.75% (excl. VAT)

Total Expense Ratio (TER)[1], Transaction Costs (TC) and Total Investment Cost (TIC) (01 Jul 2016 to 30 Jun 2019)

TER*	1.52%
TC	0.28%
TIC (incl. VAT	1.80%

*Includes the annual management fee of 0.75% (VAT exclusive).

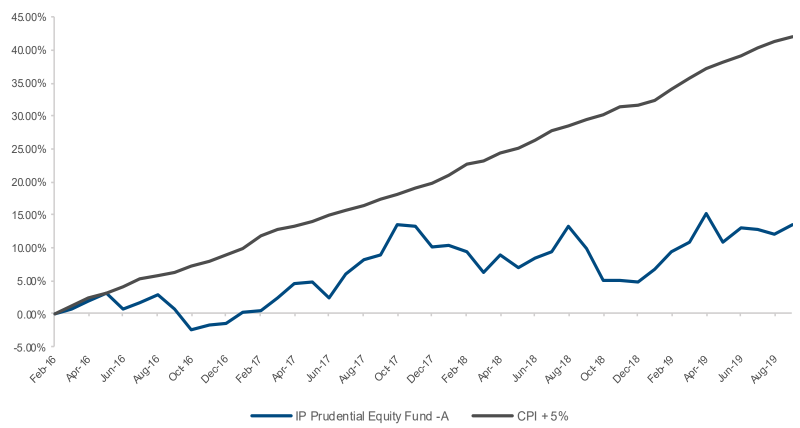
Annualised[2] Performance

Highest % (30 November 2017)	16.49%
Lowest % (30 November 2018)	-7.52%

Fund References

ISIN (A Class)	ZAE000215190
Bloomberg (A Class)	SENPRUA:SJ
JSE (A Class)	IPEFA

Fund Performance



Annualised Returns[2]	YTD	1-Year	3-Year	Since inception 10-03-2016
IP Prudential Equity Fund	8.45%	3.23%	4.12%	3.62%
Benchmark	7.91%	9.70%	10.14%	10.29%

Cumulative Returns	YTD	1-Year	3-Year	Since inception 10-03-2016
IP Prudential Equity Fund	8.45%	3.23%	12.89%	13.58%
Benchmark	7.91%	9.70%	33.61%	42.04%

Fund returns shown are based on NAV-NAV unit pricings calculated from IRESS for a lump-sum investment with income distribution reinvested (after fees and cost).

Source: IRESS.

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Quarterly Market Commentary (as at 30 September 2019)

The portfolio held up well through the volatility experienced over the past three months and returned +0.04% where SA Equity market (JSE ALSI) returned -4.75%. Our actions to reduce our SA Equity exposure during June and July and adding to SA Fixed Interest, Global Assets and Gold in most of our portfolios and funds assisted in preserving capital over the three months to end September 2019.

Markets experienced a volatile quarter, after central banks eased policy in response to slowing economic growth: both the Fed and ECB cut rates. The Fed also eased a liquidity shortage, while the ECB will restart asset purchases. Ongoing US-China trade tensions, an oil-price spike and more Brexit drama induced intra-month volatility. Local markets did not react to the SARB's expected decision to keep rates unchanged. A lot of patience is required to stay invested in capital markets when you realise that only one of the main catalysts we listed as an important market driver has been concluded positively since January 2019 when we had our annual team strategic planning session.

In no particular order, the drivers are:

- Actions to improve SA economic policy, addressing State-Owned Enterprises' (SOEs) financial conditions together with fiscal and economic stimulus to re-ignite SA GDP growth
- A deal between the US and China to end the trade war
- A definitive outcome to the UK and EU's Brexit negotiations
- Improving SA, emerging market and developed market corporate earnings.

The one catalyst that changed during 2019 is the end to of the FED's rate normalization cycle. This is one of the reasons why almost US$16 trillion of developed market bonds are trading at negative yields! The fact that developed market bond yields are at historic lows, means that global investors have very little choice in terms of 'safe', high yielding instruments. This guarantees ongoing volatility as dividends of global stocks offer enhanced value relative to global bonds and possibly cause global investors to attempt to buy low and sell high in equity markets in order to generate absolute returns over time.

There are many more factors that can and will influence capital market behavior, but until the main catalysts mentioned are resolved, investors will require a well-diversified portfolio of assets to safeguard themselves against global and local equity market volatility. The good news is that a lot of the bad news is already in the price of SA risk assets and globally the slowdown in global economic activity is a 'known known' to economic policy leaders.

We therefore expect capital markets to grind higher, but with a guarantee of ongoing volatility.

Our preferred asset classes in the short term are Fixed Income in SA for yield and Global Equities for growth. Therefore, we remain underweight on SA Equities (relative to our long-term strategic plan per portfolio) and are severely overweight on SA Fixed Interest. We have some Gold bullion exposure to safeguard us if short term global policy errors derail capital markets. Longer term, local and global equities should win the battle between asset classes as the relative value of equities remain compelling relative to other asset classes, but while the global and local catalysts remain on the sidelines, a trading strategy managed by seasoned professionals is favored while owning local or global equities in a portfolio.

Actions during the past quarter

We reduced our SA Equity exposure, added to our Gold ETF position and bought a Silver ETN. We introduced the Sygnia Japan ETF and the iShares China A Shares ETF. Late in the quarter we took profit from our large overweight in Gold and started to buy back exposure to Laurium and Matrix Equity funds on weakness in SA stocks. The current forward dividend yield in the JSE ALSI is 5% p.a. when excluding IT. As we were at the bottom of our minimum allowed SA Equity exposure, we needed to use the opportunity to buy the SA Equity market at these cheap levels and move closer to a more neutral allocation.

Relative to our long-term strategic asset allocation plan, we remain underweight SA Equity and SA Property (despite buying back some exposure) and overweight on SA Fixed Interest/Money Market. We are overweight on Global Equities and Global Property, while we remain underweight on Global Bonds and Dollar Cash.

Fund Distributions (cents per unit)

	A
30 Sep 2018	0.89
31 Mar 2019	0.59
31 Sep 2019	1.36

Foreign Disclosure

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.

FAIS Conflict of Interest Disclosure

With multi-asset portfolios the investment manager, MitonOptimal South Africa (Pty) Ltd employs an investment strategy where specific collective investment schemes across a range of asset classes are selected and grouped together. This enable the management of the units in those portfolios in a cost and tax efficient manner. The investment manager re-invests 100% of all rebates received from the underlying managers. No other FSP receives a distribution fee from the investment manager. If another intermediary FSP is used, it is their responsibility to disclose any additional fees to you as the investor. The following fees are paid out of the portfolio's service charge and range as follows (excl. VAT): IP Management Company (Pty) Ltd: Up to 0.15% p.a.; MitonOptimal South Africa: between 0.25% and 0.30%; Lisp: 0.25%. Total Service Fee: 0.75% p.a. Excluding VAT. Distributor: Signal Wealth (registered Financial Services Provider No. 45386) The distributor receives 0.25% from the management fee of the A class , 12 Green Point Mews, Main Road ,Green Point, C: +27 83 259 1019 T: +27 31 941 2933

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