

GLOBAL MARATHON IP FUND

May 2018

FUND INFORMATION

Inception date	16 October 2015
Sector	Global - Multi-Asset - Flexible
Risk profile	Aggressive
Minimum investment	Lump sum: R10 000; Monthly: R500
Asset composition	Equity, Fixed Interest and Cash
Benchmark	80% MSCI, 15% S&P Developed Property Net Return Index, 5% STeFI
Fund Size	R 143,051,925
Income declaration	Annual (March)
Distributions (Class A1):	Mar 2018 8.46 (cpu)

FUND OBJECTIVE

The GLOBAL MARATHON IP FUND is a multi-asset flexible fund, investing primarily in foreign markets. The objective of this portfolio is to achieve long term capital appreciation. There will be no limitations on the relative exposure of the portfolio to any asset class, but the portfolio will typically have significant exposure to foreign equity and property securities.

APPLICATION AND INVESTOR PROFILE

The Fund is suitable for investors:

- * With a longer term investment horizon who are comfortable with shorter term volatility and risk associated with a fund mandated to achieve long term capital growth.
- * As part of their long term growth assets as determined by their financial analysis.
- * Seeking actively managed exposure to global equity opportunities whilst seeking to mitigate downside risk that undermines the long term growth objective.

FUND MANAGER



Tony Bell
BCom (Hons), MBA
 CIO / Portfolio Manager
 Vunani Fund Managers

TOTAL EXPENSE RATIO

	JSE Code	Annual mngmnt fee (excl. VAT)	Total expense ratio(%)*	NAV	Units in Issue
Class A1: (LISP)	GMIPF	0.70%	1.09	1,299	11,016,573

* From 16 October 2015 to 31 Dec 2017 1.09% of the value of the GLOBAL MARATHON IP FUND Class A1 was incurred as expenses relating to the administration of the financial product. 0.06% of the value of the financial product was incurred as costs relating to the buying and selling of the assets underlying the financial product. 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.

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 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.

FUND MANAGER COMMENTARY

Equity markets around the world have paused over the last while with emerging markets decidedly weaker. Bond yields in the US have strengthened over the month while European yields have weakened. The same picture is evident in currency markets with the dollar appreciating against most currencies on a trade weighted basis. What has changed from a quarter ago when the world appeared to be on a synchronized growth path? The answer appears to be a combination of Trump's slow but inexorable disruption of global trade flows, structural agreements, and regulatory shifts that negatively impact the rest of the world while putting America first through deregulation of the local market and a rather large tax rebate. The net result is slower emerging market growth, preference for the dollar as investors move to the US in search of growth and returns, and a mini blow out in the marginal European bond markets where yields have been suppressed for far too long as a result of the ECB's extended QE program. In short: the world is likely to grow at a much slower pace with heightened levels of structural risk as equilibrium levels are reset.

The performance of domestic stocks and bonds have mirrored the trend in emerging markets. A number of positive developments are evident within the political arena. Sadly, SA has too much ground to catch up and it is too late in the cycle for any meaningful input from external growth sources. Time will tell whether the deregulation cycle improves as a result of foreign direct investment. The interest is evident, but the commitment is still fragile. Foreigners have been net buyers of SA bonds but net sellers of SA equity.

Against this background we have maintained a defensive position in your portfolio with higher than average cash levels. We see this defensive position as prudent within the current environment as central banks move further to "taper" and growth vectors shift lower.

An analysis of factors affecting the adherence to the policy objective is contained in the fund manager commentary. A detailed listing of changes from the previous quarter is available on request from info@miplan.co.za or clientservices@ipmc.co.za

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 cutoff time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 15:00 (17h00 at quarter end). Prices are published daily and available in 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.

GLOBAL MARATHON IP FUND

May 2018

RISK AND RETURN STATISTICS to 31 May 2018

PERFORMANCE

	Fund	Benchmark
1 Year	12.7%	8.2%
3 Years *	n/a	n/a
5 Years *	n/a	n/a
Since inception *	11.0%	9.4%
Information ratio	0.2	
Active returns (since inception)	1.5%	

	Period	Performance
Highest return	2017	9.5%
Lowest return	2016	-8.8%

* Returns are annualised if period is longer than 12 months.
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 for a lump-sum investment with income distribution reinvested (after fees and cost).

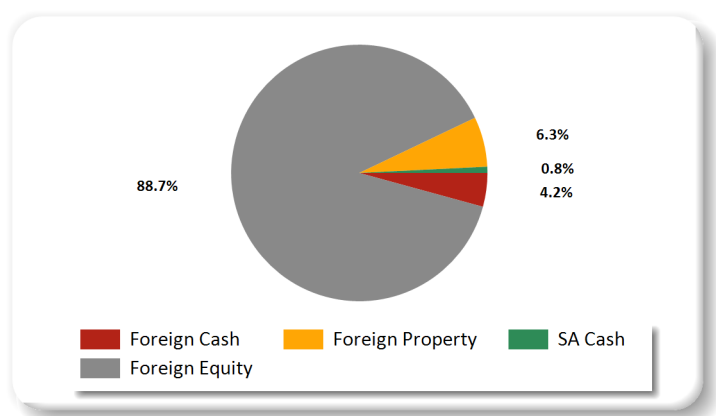
TOP 15 HOLDINGS

	% OF MARKET VALUE
AMAZON.COM INC	6.6%
ADOBE SYSTEMS INC	5.5%
AAXJ US Equity	4.8%
APPLE INC	4.8%
BOEING US	4.7%
MASTERCARD INC-CLASS A	4.7%
EZU US Equity	4.6%
VISA INC	4.4%
JP MORGAN CHASE	4.3%
MSFT (MICROSOFT CORPORATION)	4.2%
BHP Billiton Ltd	4.1%
NVIDIA CORP	3.5%
ALPHABET INC - CL A	3.5%
3M CO	3.2%
FACEBOOK INC-A	3.1%

INVESTMENT THEME & REVENUE DRIVERS

Within the current macro environment we remain focused on those companies that are adaptive to a very rapidly changing environment and who are able to survive. Those that don't will unquestionably flounder, with the downside to shareholder value and drawdown risk at asset class level being much greater than many expect. In this context we see companies in the consumer staple, healthcare, technology, consumer discretionary and industrial sectors as the primary drivers of this fund. We see these industries as demonstrating the sort of earnings power we are looking to invest in. In investing in these industries and the companies chosen for the fund, we look to establish a position in the leading players coupled with positions in stocks within the sector that may have a more specialist focus. The assessment of free cash flow, balance sheet strength and margin stability form an important part of the research process. Our assessment of value is based on the degree to which the market has priced in future growth prospects where our investment horizon is typically the next 12 to 36 months. In terms of geographic diversification, our preference at the moment is the US where we see the Fed's policy of accommodative monetary as an underpin to equity values as the economy transitions from central bank support to real earnings growth.

EFFECTIVE ASSET ALLOCATION



CONTACT DETAILS

Anton Turpin - Managing Director

info@miplan.co.za

MI-PLAN Investment Partners and IP Management Company

3rd Floor, Letterstedt House & 1st Floor Mariendahl House, Newlands-on-Main, Newlands, 7700 PO Box 23271, Claremont, 7735

Client Service (IP) T +21 21 673 1340 | Miplan T +27 21 657 5960

email: clientservices@ipmc.co.za www.MI-PLAN.co.za

ASISW A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA



MI-PLAN (Pty) Ltd (Reg. No 2008/001568/07) is a licensed Financial Services Provider No. 9383

IP Management Company (RF) Pty Ltd (Reg. No 2007/017601/07)

Vunani Fund Managers (Pty) Ltd (Reg. No 1999/015894/07) is a licensed Financial Services Provider No. 608

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.

Disclosure: MI-PLAN has a 37% ownership interest in IP Management Company (RF) (Pty) Ltd. IP Management is a registered Collective Investment Manager in terms of CISA and performs administrative functions on co-branded MI-PLAN IP unit trusts for which it receives contracted fees. In terms of its licence, IP Management Company may not conduct any other business other than the business of running a Collective Investment scheme. Accordingly, all intermediary service and advice where applicable, is provided by MI-PLAN in terms of its licence for which remuneration is paid from the fees mandated in the supplemental deed and disclosed herein. MI-PLAN offers investors a unique liability matching offering that matches the clients portfolio to their unique needs as documented at www.miplan.co.za. The complexity and uniqueness of this process and variability of each client's needs, required that technology be used to embed MI-PLAN's intellectual property in the financial service offering. In delivering this financial service, software is provided by MI-PLAN to advisers that determines a liability matched asset allocation, constructed using MI-PLAN IP funds. The design of the MI-PLAN software is based on the premise that the 25% allocated to MI-PLAN funds that provides the client with a foundation on which to choose other funds as mapped into the MI-PLAN software. As it's important to match the choice of product with the advice benchmark included in the MI-PLAN software should less than 25% of the clients product choice be directed to funds that are not similar to the MI-PLAN suite of funds, that a risk of a disconnect exists between the benchmark created and product choice. No fee is charged for the software and no obligation is placed on the advisor to offer, continue to offer, or offer to a minimum number of clients, this financial service. There are no other conditions placed on the advisors for the continued use of such technology that may influence the objective performance of the advisor. The advisor's obligations to render unbiased, fair advice in the best interests of you, the client, remains with your advisor. Your advisors obligation is to compare this financial offering against all others and ensure it is the most appropriate for your needs.