

GLOBAL MARATHON IP FUND

September 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 187,785,748
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%	1.12	1,552	12,102,182

* From 16 October 2015 to 30 Jun 2018 1.12% 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 1.18% (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 are grappling with two conflicting vectors. The first is the trajectory of global growth. The second the future trajectory of company earnings. We assess the risk to rising inflation driven by an oil price shock as having a greater impact than Trump's policy framework. While trade protectionism is a big deal the shortages developing within the oil market and the impact that this will have on US economic growth is more significant. The objective of a trade war with China can therefore not be to win but rather to negotiate a range of concessions to open Chinese markets to US companies. China may relinquish a bit of control but not much. Instead we see a heightened risk of it devaluing its currency and with it the broader global economy. For these reasons we remain conservatively positioned in both stock selection and asset allocation.

The portfolio has a high level of cash providing a degree of hedging in a weak month. However, the portfolio also contains shares that have performed creditably over the month. The most attractive returns were more among the traditional companies rather than the technology companies such as Amazon and Apple. Boeing was the standout performer, returning 8.5 percent for the portfolio, while BHP returned 3.8 percent. The US-China trade tensions are unlikely to significantly impact Boeing as it has large backlogs, revealing its defensiveness in a time of uncertainty. The transactions processors – Visa and Mastercard – also had returns of 2.2 percent and 3.3 percent respectively, reflecting their relative lack of exposure to the US-China dispute.

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.

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RISK AND RETURN STATISTICS to 30 September 2018

PERFORMANCE

	Fund	Benchmark
1 Year	26.0%	15.4%
3 Years *	n/a	n/a
5 Years *	n/a	n/a
Since inception *	16.5%	13.6%
Information ratio	0.4	
Active returns (since inception)	2.6%	

	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).

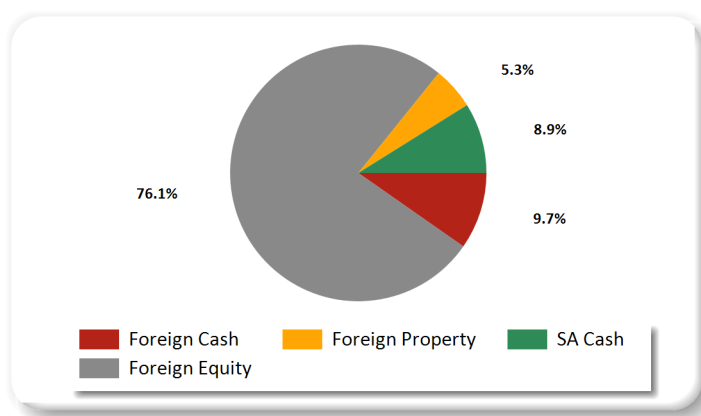
TOP 15 HOLDINGS

	% OF MARKET VALUE
AMAZON.COM INC	6.4%
ADOBE SYSTEMS INC	4.9%
APPLE INC	4.7%
MASTERCARD INC-CLASS A	4.5%
VISA INC	4.1%
BOEING US	4.1%
MSFT (MICROSOFT CORPORATION)	4.0%
JP MORGAN CHASE	3.7%
BHP Billiton Ltd	3.4%
NVIDIA CORP	3.1%
INTUITIVE SURGICAL	3.1%
ALPHABET INC - CL A	2.9%
3M CO	2.8%
THERMO FISHER SCIENTIFIC INC	2.5%
NIKE INC -CL B	2.4%

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

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

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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.