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Signature



# MI-PLAN IP SARASIN EQUISAR FEEDER FUND

September 2018 (Quarterly)

**MI-PLAN**  
Asset Management  
Retirement Partners | Analytics

## FUND INFORMATION

|                                  |   |
|----------------------------------|---|
| <b>Inception date</b>            | 9 July 2008   |
| <b>Underlying Fund</b>           | Sarasin IE Global Equity Opportunities Fund   |
| <b>Sector</b>                    | Global - Equity - General   |
| <b>Risk profile</b>              | Aggressive  |
| <b>Minimum investment</b>        | Lump sum: R10 000; Monthly: R500  |
| <b>Asset composition</b>         | Equities and Cash   |
| <b>Income Payment</b>            | 2nd day of the following month or the next business day if the 2nd does not fall on a business day. |
| <b>Benchmark</b>                 | 95% MSCI World Equity Index; 5% Short Term Fixed Interest Index (STeFI)                             |
| <b>Fund Size</b>                 | R 117,526,250   |
| <b>Income declaration</b>        | Bi-annual (Mar / Sep)   |
| <b>Distributions (Class B5):</b> | Mar 2018 0.00<br>Sep 2018 0.00  |

## OBJECTIVE

The objective of the MiPlan IP SARASIN EQUISAR FEEDER FUND is to offer investors the opportunity for offshore diversification and exposure to global equity markets. The objective of the underlying fund is to achieve long term capital growth through an internationally diversified portfolio of equities and other instruments.

## FUND APPLICATION

The fund is suitable for use by investors with a long term investment horizon who are comfortable with shorter term volatility as well as the risk associated with a fund mandated to achieve real long term growth.

## FUND MANAGER

|                             |   |                                     |
|-----------------------------|---|-------------------------------------|
| <b>Vunani Fund Managers</b> | : | <b>Tony Bell</b>                    |
| <b>Feeder Fund</b>          | : | <b>Alex Hunter &amp; Guy Monson</b> |

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

An analysis of factors affecting the adherence to the policy objective is contained in the fund manager commentary together with performance as reported. A detailed listing of changes from the previous quarter is available on request from [info@miplan.co.za](mailto:info@miplan.co.za) or [clientservices@ipmc.co.za](mailto:clientservices@ipmc.co.za)

## FEES

|  |  |
|--|--|
| <b>Maximum initial fee</b>                           | 3.25%  |
| <b>Annual management fee (excluding VAT)</b>         | Class A1: 1.25% (LISP)<br>Class B2: 0.35% (Pension fund)<br>Class B4: 2.25% (Allinshare class)<br>Class B5: 0.75% (Retail and Clean class) |
| <b>Underlying fund management institutional fee:</b> | 0.65%  |

|   | TER(%)     | NAV   | Units in Issue |
|---|------------|-------|----------------|
| <b>Class B5: (Retail &amp; Clean Class)</b> | PSFB5 1.49 | 2,738 | 1,020,691      |

\* From 01 Jul 2015 to 30 Jun 2018 1.49% of the value of the MI-PLAN IP SARASIN EQUISAR FEEDER FUND Class B5 was incurred as expenses relating to the administration of the financial product. 0% 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 1.49% (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.

## METHODOLOGY

The Fund aims to achieve capital growth through investment in an internationally diversified portfolio of equities. In recognition of the limitations of geographically determined asset allocations in today's global economy, the Fund's assets are allocated by global themes which track long term worldwide growth trends that are largely independent of any on region or market. The Fund then invests in companies that fit these themes.

| FUND PERFORMANCE* | FUND | BENCHMARK   |
|-------------------|------|-------------|
|                   | Year | Performance |
| Highest return    | 2013 | 48.7%       |
| Lowest return     | 2016 | -11.9%      |

Returns are annualised \*

(\*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). Based on B5 class.

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. Feeder funds invest in portfolios of other Collective Investment Schemes that levy their own charges, which could result in a higher fee structure for the feeder fund. 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](mailto:clientservices@ipmc.co.za). Standard Bank is the trustee / custodian – contact [compliance-ip@standardbank.co.za](mailto: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](mailto:clientservices@ipmc.co.za). IP Management Company is a member of ASISA. 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.

Date of issue: 10/15/2018



# MI-PLAN IP SARASIN EQUISAR FEEDER FUND (Quarterly)



Asset Management  
Retirement Partners | Analytics

## Underlying Fund: Sarasin IE Global Equity Opportunities Fund

### FUND MANAGER COMMENTS

US markets were fairly consistent over the year's third quarter, with the US posting strong economic data and a robust currency for the three months. Brexit talks in the UK made little progress, though it seemed otherwise at some points. Nonetheless, sterling was faced with the uncertainty around the nation's future with the EU. July was a better month for the eurozone as trade worries receded, however August brought political concerns from Italy and Turkey.

Despite the strength in the US, Japanese healthcare stock Shionogi was the fund's overall top performer after progress was achieved with its new flu pill. The drug has already been accepted in Japan, and recently beat the placebo and rival Tamiflu when tested. Taiwan Semiconductor also had a strong month despite negative guidance for Q3 revenues. The company had very positive signals for its new processor, which will bring an array of new customers as well as the return of some older ones.

Brazilian aerospace manufacturer Embraer was the fund's worst performer. The company has always been highly successful at engineering aircraft but has been hampered by being based in Brazil. This is highlighted in the company's recent on-off deal with Boeing. The deal makes a lot of sense for Embraer but is being held up by the Brazilian elections with Bolsonaro favouring a deal whilst Haddad opposes the deal. Elsewhere, Associated British Foods performed badly due to a period of sugar oversupply and cannibalisation in its Primark business.

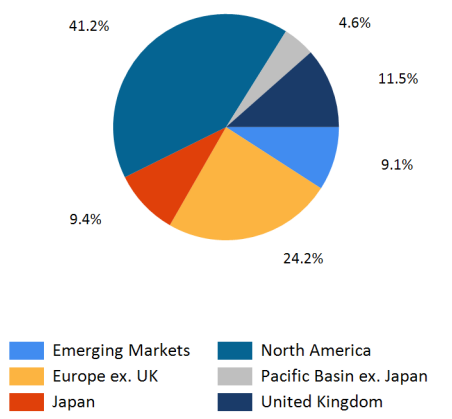
There were a number of changes in the portfolio over the quarter, as we took up positions in Erste Group Bank, Marriott International and Rio Tinto. We sold our remaining shares in Lloyds Banking Group and trimmed our position in Glencore.

Despite protectionist rhetoric from the US, slowing growth in China, and markets being spooked by political uncertainty in Europe, the IMF still projects that the world economy will grow by 3.9% this year and next, citing momentum from US tax cuts and global economic activity. Looking beyond this, however, we feel that the underlying fundamentals and macro backdrop will be less supportive for global equities.

Following an extended period during which global economic growth has surprised on the upside, inflation has been benign, and monetary policy has been supportive of markets, the environment is beginning to shift. We have previously stated that, while multiples of the major equity markets (excluding the US) remain palatable, the support from ultra-low interest rates is slowly starting to fade. Risk-free rates are rising and, although we do not expect an aggressive upward shift in yields over the medium term, we need to be wary of the impact yields will inevitably have on equity market multiples.

With risk premiums under pressure and absolute valuations in line with historic averages, equity returns rely more heavily on economic and earnings growth at a time when the current economic cycle already appears extended. We therefore continue to focus on selecting good quality companies that are valued at a fair price, operate in the right areas of the economy, and represent attractive opportunities for our strategy.

### GEOGRAPHICAL EQUITY ALLOCATION



### TOP TEN HOLDINGS

| Company                      | % of Fund |
|------------------------------|-----------|
| JPMORGAN CHASE & CO          | 4.4%      |
| CITIGROUP INC                | 4.1%      |
| TAIWAN SEMICONDUCTOR-SP ADR  | 3.9%      |
| ROYAL DUTCH SHELL PLC-B SHS  | 3.9%      |
| TOTAL SA                     | 3.8%      |
| ALPHABET INC-CL C            | 3.3%      |
| SHIONOGI & CO LTD            | 2.7%      |
| ASSOCIATED BRITISH FOODS PLC | 2.6%      |
| AMGEN INC                    | 2.5%      |
| AIA GROUP LTD                | 2.5%      |

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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 Cisca 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](http://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. While the MI-PLAN IP funds are specially designed to match this liability matched asset allocation, the advisor may select up to 75% of the portfolio in other funds. 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 advisor's obligation is to compare this financial offering against all others and ensure it is the most appropriate for your needs.