

# IP Active Beta Fund (A Class) Minimum Disclosure Document

February 2024



## Fund Objective and Investment Process

The primary objective of this Fund is to target a total return of inflation +5% over rolling four-year periods. In so doing, the Fund will aim to outperform a fixed asset allocation benchmark, over the same rolling period, through active asset allocation. Given the nature of the Fund, a secondary objective is to keep the Total Expense Ratio (TER) as low as possible to ensure that unnecessary costs do not hinder performance. This Fund is suitable for the moderate investor with a long term view, who want reasonable but relatively stable growth, and are cost sensitive.

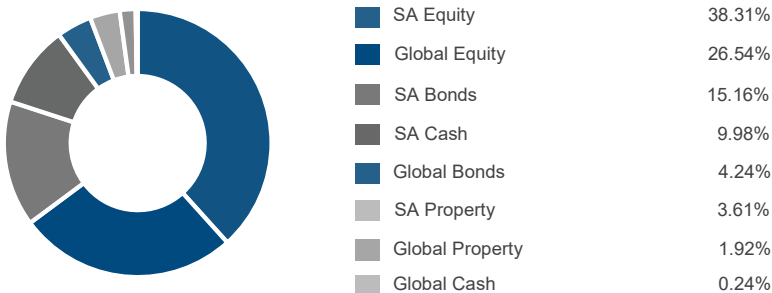
The Fund will be managed using a top-down approach, taking into consideration macro-economic, fundamental, valuation and technical factors. These will serve as inputs to the managers' tactical asset allocation decisions. The managers will invest in a combination of passive ETF instruments or Index Tracking Funds, up to a maximum of 80% of the Fund, and the balance in direct Equities, Bonds, Money Market and Property securities. The direct holdings 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



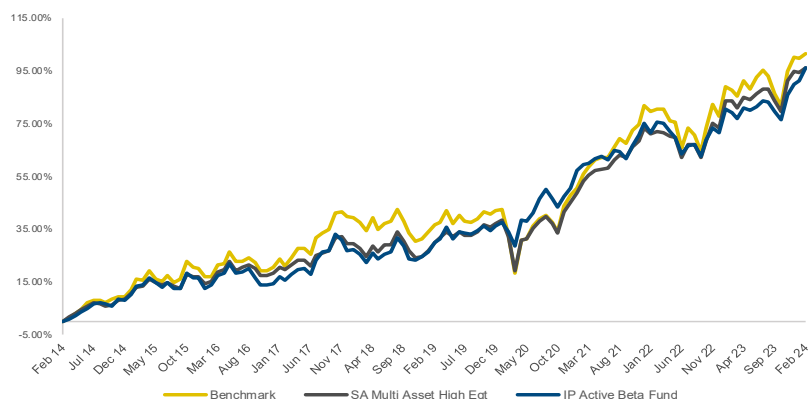
## Asset Allocation



## Top Portfolio Holdings

Inv Cap Swx Top40 010925	12.43%
Granate - Granate Sci Flexible A	9.50%
Satrix Capped Swix All Share Index Fund	7.64%
Psg Diversified Income Fund	7.42%
Stanlib Enhanced Multi Style Equity Fund B1	7.32%
South Rc Bci Gqg Emeq F C	4.84%
Investec S And P500 Dig Plus	4.78%
Ubs Ccmgcz 301127	4.65%
Satrix Bond Index A2	4.18%
Miplan Ip Global Macro Fund	3.23%

## Fund Performance



Source: IRESS

ASISA Member of the Association for Savings & Investment SA

## Fund Information

### Fund manager



Roeloff Horne  
Director & Head of SA  
Portfolio Management

### Latest price

1 563.43 cents

### Fund size

R 567 m

### Number of units

36 240 030.07

### ASISA category

SA Multi Asset - High Equity

### Regulation 28 compliant

Yes

### Benchmark

FTSE JSE SWIX All Share Index (55%)  
MSCI World Index (17%)  
FTSE JSE All Bond Index (12.5%)  
FTSE JSE SA Listed Property Index (7.5%)  
Citi World Government Bond Index (2%)  
3 Months JIBAR (6%)

### Inception

25 February 2014

### Min lump sum investment

R10,000

### Min monthly investment

R1,000

### Dates of income declarations

31 March / 30 September

### 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%
Max initial adviser fee	2.00% (excl. VAT)
Annual management fee	0.525% (excl. VAT)

## Total Expense Ratio (TER)<sup>1</sup>, Transaction Costs (TC) and Total Investment Cost (TIC) (01 Jan 2021 to 31 Dec 2023)

TER*	0.96%
TC	0.28% (incl. VAT)
TIC (incl. VAT)	1.24% (incl. VAT)

\*Includes the annual management fee of 0.525% (excl. VAT).

## Annualised<sup>2</sup> Performance

Highest % (31 March 2021)	24.51%
Lowest % (31 October 2018)	-6.89%

## Fund References

ISIN (A Class)	ZAE000183901
Bloomberg (A Class)	MITACBA:SJ
JSE (A Class)	MIABF

Annualised Returns <sup>2</sup>	YTD	1-Year	3-Year	5-Year	Since inception 25-02-2014
IP Active Beta Fund	3.33%	9.52%	7.20%	8.59%	7.42%
Sector	0.73%	6.92%	8.58%	8.57%	8.59%
Benchmark	0.55%	7.28%	8.90%	8.08%	8.95%
Cumulative Returns	YTD	1-Year	3-Year	5-Year	Since inception 25-02-2014
IP Active Beta Fund	3.33%	9.52%	23.19%	50.97%	96.21%
Sector	0.73%	6.92%	28.03%	50.82%	96.02%
Benchmark	0.55%	7.28%	29.13%	47.51%	101.33%

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



**Quarterly Market Commentary** (as at 31 December 2023)

After reducing risk in the 3<sup>rd</sup> quarter, we started to add risk asset exposure within the fund from late October into early November. We added to the Satrix Capped SWIX ALSI ETF early in November but reduced the position on 22 December to take profit after a 2-month rally in SA Equities. We also increased exposure to Stanlib Enhanced Multi Strategy Equity during the quarter.– this took the fund to a temporary neutral SA equity allocation. We also introduced the Satrix Property ETF during October to start the process of adding to SA Property.

By the end of the quarter, we were back to underweight SA equities, but introduced more SA and global property exposure by including Sesfikile BCI Property and Sesfikile BCI Global Property into the fund to benefit from the prospect of lower interest rates globally and locally – a 2.5% allocation. The higher US Bond yields also allowed us to buy iShares Bond 20 Yr Treasury Bond ETFs.

We also started to introduce more emerging market equity within the portfolio by including the Southern Right Capital BCI Emerging Market Equity Fund and the Riscura BCI Emerging Market Equity Feeder Fund. GQG – a US based global asset manager manages the Southern Right Capital Fund and has outperformed the Emerging Market Equity Index by large margins since inception. Riscura is a SA & Global Multi Manager and we trust that we will benefit from their skills to appoint local emerging market equity managers to exploit the opportunities within a broad spectrum of Emerging Market Sectors & Countries.

We also decided to rotate away from the CoreShares Global Dividend Aristocrat ETF and the iShares Russell 1000 Value ETF and opt for three active global equity managers. We introduced Ranmore BCI Global Equity as a Global Value Manager and a global asset allocation specialist in IP Global Macro – managed by award winning Tony Bell. We also introduced the Glacier Global Long Term Global Feeder Fund that is managed by Baillie Gifford – a quality/growth orientated global equity manager with a volatile but good long-term track record. These three managers use different investment philosophies and should benefit the fund through the business cycle. We intend to increase the exposure to these three managers if opportunities present themselves.

Please see [www.mitonoptimal.co.za](http://www.mitonoptimal.co.za) for a full review of our Q4 2023/Q1 2024 asset class views.

Foreign Disclosure		Fund Distributions (cents per unit)	
<p>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.</p>		30 Sep 2022	22.07
		31 Mar 2023	28.06
		30 Sep 2023	17.66

Contact Information	
<p><b>Management Company</b> IP Management Company (RF) Pty Limited Registration No. 2007/017601/07 1st Floor, Mariendahl House, Newlands on Main, Main Road, Newlands, 7700, PO Box 23271, Claremont, 7735</p> <p><b>t:</b> +27 21 673 1340 <b>f:</b> 086 557 4848</p>	<p><b>Fund Management Company</b> MitonOptimal South Africa (Pty) Limited Registration No. 2005/032750/07 2nd Floor, Suite 202, South Wing, Great Westerford, 240 Main Road, Rondebosch, 7700.</p> <p><b>t:</b> +27 (0) 21 689 3579 <b>f:</b> +27 (0) 21 685 6944</p>

<sup>1</sup>Please note: The Total Expense Ratio (TER) of the value of the financial product was incurred as expenses relating to the administration of the financial product. The Transaction Costs (TC) relate to the buying and selling of 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 TERs. 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 factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. 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. Please visit <http://www.ipmc.co.za/effective-annual-cost> to access the EAC illustrator. You can request an EAC calculation from [clientservices@ipmc.co.za](mailto:clientservices@ipmc.co.za) or call us on 021 673-1340. The average return on an investment each year over a given time period. 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. Transaction cut off time is 14:30 daily. Each portfolio may be closed for new investments. Valuation time is 20h00. 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](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. 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 a portfolio of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund. MitonOptimal South Africa (Pty) Limited is the Fund Manager and is regulated by the Financial Sector Conduct Authority, FSP 28160. We advise that you consult a Qualified Independent Financial Advisor to ensure that the Fund is appropriate in terms of the investor's risk tolerance and appetite. Collective Investment Schemes prices are calculate on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the portfolio. Graphs and performance figures are sourced from IRESS for lump sum investments including income distribution, at NAV to NAV basis and do not take any initial fees into account. Income is reinvested on the ex-dividend date. Performance shown is for the portfolio. Individual investor performance may differ due to initial fees, actual investment date, re-investment date and withholding taxes. MitonOptimal South Africa (Pty) Limited is authorised to act as a Fund Manager in terms of FAIS.