

# IP Active Beta Fund

## (A Class) Minimum Disclosure Document

August 2023



### 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

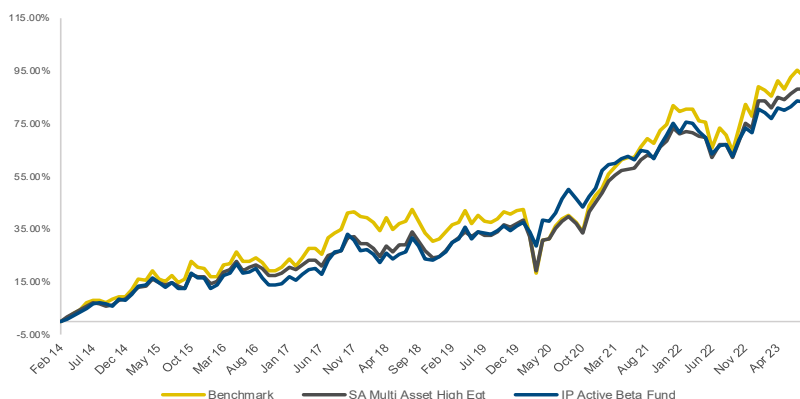


SA Equity	34.20%
Global Equity	22.12%
SA Cash	19.79%
SA Bonds	16.18%
Global Bonds	5.27%
SA Property	1.58%
Global Cash	0.44%
Global Property	0.41%

### Top Portfolio Holdings

Inv Cap Swx Top40 010925	13.17%
Psg Diversified Income Fund	7.40%
Satrix Bond Index A2	6.43%
Stanlib Enhanced Multi Style Equity Fund B1	6.36%
Satrix Capped Swix All Share Index Fund	5.85%
Investec S&P 500 Digital Plus	4.44%
IP Interest Plus Fund	4.37%
Ubs CCMGCZ 301127	4.08%
Coreshares Gbl Div Trax	3.25%
iShares Core S&P 500 Etf	3.25%

### 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

1 477.07 cets

#### Fund size

R 542 m

#### Number of units

36 692 454.75

#### 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 Jul 2020 to 30 Jun 2023)

TER*	0.91%
TC	0.34% (incl. VAT)
TIC (incl. VAT)	1.25% (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
<b>IP Active Beta Fund</b>	6.95%	9.73%	6.90%	6.83%	6.64%
Sector	8.56%	12.75%	10.45%	7.02%	8.04%
Benchmark	8.49%	13.05%	11.22%	6.28%	8.36%
<b>Cumulative Returns</b>	YTD	1-Year	3-Year	5-Year	Since inception 25-02-2014
<b>IP Active Beta Fund</b>	6.95%	9.73%	22.16%	39.14%	83.12%
Sector	8.56%	12.75%	34.73%	40.41%	87.99%
Benchmark	8.49%	13.05%	37.58%	35.58%	92.69%

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 30 June 2023)

During the quarter we sold the Satrrix MSCI World Equity Index and replaced it with a new Investec Structured Note that is linked to the S&P 500 Equity Index.

The ETN (Note) is a 3.5-year ZAR investment linked to the performance of the S&P 500 Index. The fund will earn a minimum 40% digital return in Rand if the market value of the Index is flat or positive by up to 40% at maturity, PLUS uncapped upside above 40%. The note offers 100% capital protection in Rand provided the index has not fallen by more than 30% from the Initial Index Level to maturity (the barrier level). We had two objectives with this purchase:

- To protect the value of the portfolio if the rand strengthens in the next 3 years while holding the S&P 500 Index.
- To capture any potential upside from the S&P 500 without potential currency risks and use the attractive SA Bond yields to purchase ZAR protection.

We also reduced SA Equity exposure by selling the Satrrix Capped SWIX ALSI Index Fund. We increased exposure to SA Bond ETFs and the PSG Diversified Income Fund to benefit from higher SA Bond yields in the future.

Please see [www.mitonoptimal.co.za](http://www.mitonoptimal.co.za) for a full review of our Q2/Q3 asset class views.

**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.

**Fund Distributions (cents per unit)**

31 March 2022	16.93
30 Sep 2022	22.07
31 March 2023	28.06

**Contact Information**

**Management Company**

IP Management Company (RF) Pty Limited  
Registration No. 2007/017601/07  
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Newlands, 7700, PO Box 23271, Claremont, 7735

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f: 086 557 4848

**Fund Management Company**

MitonOptimal South Africa (Pty) Limited  
Registration No. 2005/032750/07  
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<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.