

Financial Fitness Balanced IP FOF - Minimum Disclosure Document

March 2017

FUND CHARACTERISTICS

The Financial Fitness Balanced IP Fund of Funds is a multi-asset portfolio with medium to high equity exposure which will typically not be greater than 75% or the limit allowed by the relevant industry classification. The objective of the portfolio is to provide investors with moderate to high capital growth in the long term from a portfolio that maintains a moderate to high risk profile, whilst preserving capital. The portfolio will invest in participatory interests of underlying portfolios which provide exposure to a spectrum of equity, bond, non-equity and property markets. These underlying portfolios may have exposure to financial instruments. The asset allocation in the portfolio will be actively managed and the assets will be shifted between the markets and asset classes to reflect changing economic and market conditions. The portfolio will comply with all prudential requirements and regulations controlling retirement funds or such other applicable legislation as may be determined for retirement funds. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors on a date determined by the manager. This will be done in order to be able to manage the portfolio in accordance with its mandate. The manager may, once a portfolio has been closed, open that portfolio again to new investors on a date determined by the manager.

INVESTOR PROFILE

This portfolio is suitable for investors who:

- Are pensioners requiring Income
- Are prepared to accept a lower level of risk
- Prefer income over capital growth
- Have an investment time horizon of 4 years or longer

GENERAL INFORMATION

Fund Objective	The fund aims to achieve a CPI +4.00% return net of costs over a 60 month rolling period. The fund has a secondary objective to achieve these returns while minimising the risk taken.
Launch Date	14 July 2016
ASISA Classification	South African Multi Asset High Equity
Underlying Funds	MET Income Plus, Sesikile Property, Coronation Strategic Income, BCI SA Equity, Fairtree Equity MET, Triathlon IP, Global Marathon fund
Asset Managers	James Millar AFP™, MIFM Andrew Jones B.Com (Honours) CFP
Income Distributions	Distribution is bi-annually at the end of March and September. September 2016 0.60 CPU March 2017 13.51
Fund Size	R338.5 Million
No. of Participatory unit	33 366 863.18
NAV Price	1 014.45 cents
Regulation 28	The mandate complies with Regulation 28 of the Pension Funds Act and is suitable for retirement annuities, pension and provident funds as well as preservation funds.
Benchmark	CPI plus 4%

FUND COMMENTARY

The fund has made modest gains since inception against a backdrop of a flat JSE and volatile politics. This has had a negative effect on normal growth rates, which we expect to retrace over the medium term. To remain in line with our return objective, Asset Allocation percentages are closely monitored. If and when Asset Weights move more than 2% from the Standing Instruction we trigger a rebalance.

INVESTMENT COMMITTEE TEAM

James Millar
Vicky de Jongh
Andrew Jones
Rudi Nell
Izette Greyling
Financial Fitness (FSP 7858) is authorised under FAIS to act as the fund manager

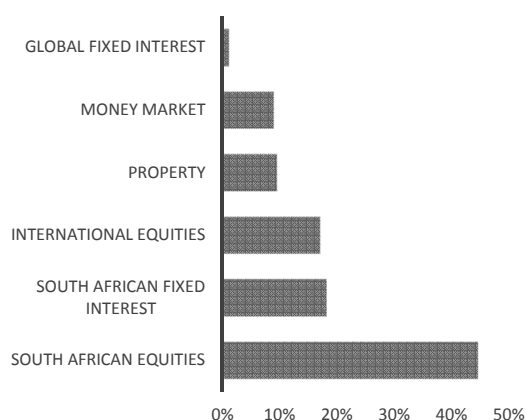
INVESTMENT RISK

Whilst the fund remains diversified, there is exposure to growth assets (such as local and offshore equities and property), which may cause significant fluctuations in value. Both the Income nor Capital of the portfolio is guaranteed.

The underlying managers may be mandated to use derivative instruments for efficient portfolio management. The investor's investment will be affected by foreign currency movements. Despite best efforts by the underlying managers, certain security issues hold default risk, such as fixed interest instruments.

ASSET ALLOCATION

Holdings as at 31/12/2016



FEES

Asset Management fee	0.35% per annum plus VAT
Underlying Fund Fees	Dependent on fund selections. A schedule of fees and charges and maximum commissions is available on request from the manager.
Total Expense Ratio	1.38%
Total Investment Cost - Disclosure	

The Total Expense Ratio (TER) and Transaction Costs cannot be accurately determined because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. From 14 July 2016 to 31 December 2016 1.38% of the value of the financial product was incurred as expenses relating to the administration of the financial product. 0.31% 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 1.69% 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 be 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.

FINANCIAL FITNESS BALANCED IP FOF PERFORMANCE - SINCE INCEPTION



14/07/2016 - 31/03/2017 Data from FE 2017

The performance source above reflects changes in an index level, which is related to a lump sum investment. Performance of monthly debit orders may differ.

DETAILED PERFORMANCE - NET OF FEES

Calendar Year		
	2017 YTD	2016
Fund	2.04%	-0.45%
Benchmark	3.59%	4.06%

	Cum. Return	Ann. Return	Benchmark
1 Month	1.59%	-	0.97%
3 Months	2.04%	-	3.59%
6 Months	1.12%	-	5.84%
Since Inception	1.58%	-	7.80%

Monthly	2017		2016	
	Fund	Benchmark	Fund	Benchmark
January	1.62%	1.00%	-	-
February	-1.16%	1.58%	-	-
March	1.59%	0.97%	-	-
April			-	-
May			-	-
June			-	-
July			-	-
August			0.81%	0.25%
September			-1.27%	0.40%
October			-1.58%	0.87%
November			0.15%	0.64%
December			0.54%	0.64%

DISCLOSURE

Collective Investment Schemes ('CIS') are generally medium to long term investments. The value of the 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. Fund of funds invest in portfolios of other Collective Investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. 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 20:00 for fund of funds. 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. 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 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.

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 in the fund.

DISCLAIMER

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