



management
company

IP MANAGEMENT COMPANY (RF) PROPRIETARY LIMITED

ANNUAL REPORT

31 MARCH 2019

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Managing Director's Report

I am pleased to present the Annual Report for IP Management Company and the IP Collective Investment Scheme for the year ended 31 March 2019. It is a statutory requirement that each investor receive an abridged copy of the annual financial statements. Kindly note that performance and other figures reflect the position at the year end of the scheme and thus may not be the most recent figures available.

The year ending March 2019 saw assets under management end the year at R15.5bn, representing improved market growth and investor inflows, notwithstanding the ongoing challenges experienced in financial markets. We remain optimistic for an improved trading environment based on improved political certainty now that elections are behind us.

Our ongoing objective is to provide excellent administration for investors, asset managers and advisors, and we continue to enhance and streamline our administration processes. During the year, we migrated our investor administration to a new strategic partner in the form of JTC Fund Solutions RSA, and are pleased to report, that notwithstanding normal teething issues, the migration was successful, and we look forward to ongoing process improvements and a long relationship.

Kindly note that investors can access their portfolio details and investment statements via the secure web access portal on our website: <http://www.ipmc.co.za>. Please contact our client services team at clientservices@ipmc.co.za in order to register. If you have any queries, please don't hesitate to contact us or consult your Investment Manager or Financial Advisor.

Thank you for your on-going support. I wish you all the best for the remainder of 2019.



BRETT PATON
MANAGING DIRECTOR
20 JUNE 2019

SECTION ONE

IP COLLECTIVE INVESTMENT SCHEME PORTFOLIOS

Directors' Statement

The annual financial statements are the responsibility of the directors of IP Management Company (RF) (Pty) Limited. The fund financial statements, prepared in accordance with the accounting policies as set out on pages 10 to 13 give a fair reflection of the Collective Investment Scheme portfolios' financial position and the results of their operations.

The directors are satisfied that an adequate system of internal control exists and that it is maintained on a continuous basis to ensure the completeness and the accuracy of the accounting records, to safeguard the assets and to ensure the integrity and reliability of the financial statements with reasonable assurance. In the directors' opinion, the Collective Investment Scheme portfolios are financially sound and will continue to operate as going concerns.

The annual financial statements set out on pages 14 to 70 were approved by the board of directors of the management company and are signed on their behalf by:



BRETT PATON
MANAGING DIRECTOR
20 JUNE 2019

Report of the Trustee for the IP Collective Investment Scheme

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the IP Collective Investment Scheme ("the Scheme") have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ("the Act"), for the financial year ended 31 March 2019.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with Generally Accepted Accounting Principles. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with Generally Accepted Accounting Principles and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed;



Melinda Mostert

Standard Bank of South Africa Limited



Seggie Moodley

Standard Bank of South Africa Limited

14 June 2019



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PO Box 2275, Cape Town, 8000

Independent Auditor's Report

To the unit holders of the funds managed under the IP Collective Investment Scheme.

IP Management Company (RF) (Pty) Ltd is the manager of the IP Collective Investment Scheme.

We have audited the financial statements of the funds managed under the IP Collective Investment Scheme:

Multi Asset IP Balanced Plus Fund
Multi Asset IP Balanced Fund
Multi Asset IP Balanced Defensive Fund
IP Balanced Fund
IP Global Momentum Equity Fund
Engelberg IP Flexible Fund
Engelberg IP Worldwide Flexible Fund
Engelberg IP Income Fund
Engelberg IP Balanced Fund
Financial Fitness Stable IP Fund of Funds
Financial Fitness Balanced IP Fund of Funds
Financial Fitness Flexible IP Fund of Funds
IP First Global Cautious Fund
FG IP International Flexible Fund of Funds
FG IP Jupiter Income Fund of Funds
FG IP Mercury Equity Fund of Funds
FG IP Saturn Flexible Fund of Funds
FG IP Venus Cautious Fund of Funds
FG IP Neptune Growth Fund of Funds
Flagship IP Prudential Variable Fund
Flagship IP Worldwide Flexible Fund of Funds
Flagship IP Worldwide Flexible Fund
Flagship IP Flexible Value Fund
Prosperity IP Worldwide Flexible Fund of Funds
IMI IP Equity Fund
IP Flexible Fund
Mi-Plan IP Sarasin EquiSar Feeder Fund
Mi-Plan IP Beta Equity Fund
Mi-Plan IP Inflation Plus 3 Fund
Mi-Plan IP Inflation Plus 5 Fund
Mi-Plan IP Inflation Plus 7 Fund
Mi-Plan IP Global AI Opportunity Fund

BDO Cape Incorporated

Registration number: 2010/016204/21

Practice number: 970879

VAT number: 4950256596

Directors: I.M. Scott (Managing Director) • K.M. Bowman • J.G. Glass • I. Hashim • D. Honeyball (PE) • H.C. Kilian (PE) • B.J. Lodewyk • H.J. Salmon • M.S. Willmott (PE) • M. Hanekom (PE) • J.M. Nield • B. Jackson • S.F. Cillié • F.B. Mohamed • N.I. Strybis • Y.J. Weaver-Sasman • B. van der Walt • M. Fourie • F. Rhoda • D. Forbes • J. Dhansay • K.B. Groenewald

BDO Cape Incorporated, a South African personal liability company, is an affiliated company of BDO South Africa Incorporated, a South African personal liability company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Mi-Plan IP Enhanced Income Fund
Mi-Plan IP Global Macro Fund
Mi-Plan IP Global Property Feeder Fund
Global IP Opportunity Fund
Global Marathon IP Fund
IP Diversified Income Fund of Funds
IP Flexible Fund of Funds
IP Prudential Fund of Funds
IP Worldwide Flexible Fund of Funds
IP Interest Plus Fund
IP Foreign Flexible Feeder Fund
IP ESG Balanced Fund
IP High Conviction Equity Fund
IP Active Beta Fund
IP Prudential Equity Fund
Mvunonala IP Flexible Income Fund
Mvunonala IP Balanced Fund
Pan African IP Income Hunter Fund
Rock Capital IP Top 20 Global Fund
SouthChester IP Optimum Income Fund
Thyme Wealth IP Multi-Asset Income Fund
Thyme Wealth IP Global Fund
True North IP Flexible Equity Fund
True North IP Enhanced Property Fund
Triathlon IP Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the funds set out on pages 14 to 70, which comprise the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the funds as at 31 March 2019 and its financial performance for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements and in a manner required by the Collective Investment Schemes Control Act No 45 of 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our

other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements and in a manner required by the Collective Investment Schemes Control Act No 45 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BDO Cape Incorporated
Chartered Accountants (South Africa)
Registered Auditors

Per, B van der Walt
Partner
Chartered Accountant (South Africa)
Registered Auditor

26 June 2019

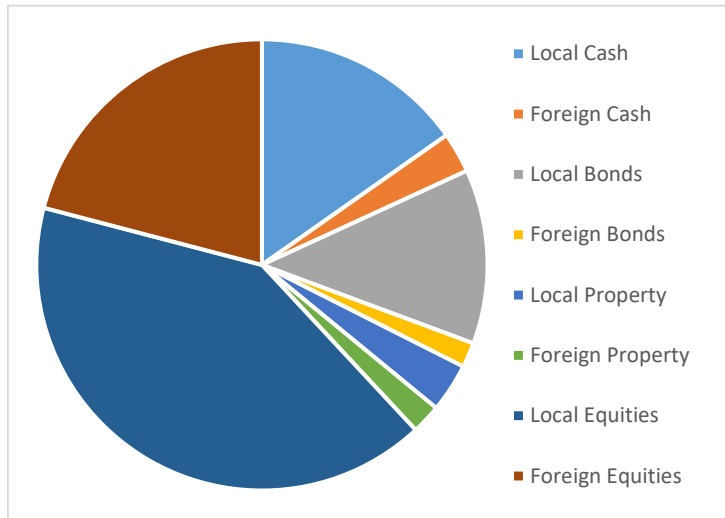
6th Floor
119-123 Hertzog Boulevard
Foreshore
Cape Town
8001

Multi Asset IP Balanced Plus Fund

Inception	22/01/2015
Benchmark	CPI + 6%
Sector	South African - Multi Asset - Medium Equity
Risk Profile	Aggressive
Income Declaration	Bi-Annual

FUND COMPOSITION

Source: GIRSA 31/03/2019



INCOME DISTRIBUTION (CPU)

	Sep-18	Mar-19
Class A	14.22	12.88
Class B1	16.80	15.39

PARTICIPATORY INTERESTS

Units ('000)	Class A	Class B1
Balance at the beginning of year	5,471	9,684
Creations	1,347	1,606
Liquidations	(446)	(2,227)
Balance at the end of the year	6,372	9,063

STATEMENT OF FINANCIAL POSITION AS AT 31/03/2019

	R'000
Assets	
Non-Current Assets	170,377
Investments at Market Value	170,377
Current Assets	4,220
Debtors & Income Accrued	357
Cash	3,863
Total Assets	174,597

Equity and Liabilities	
Capital and Reserves	174,419
Current Liabilities	178
Accrued expenses	178
Total Equity and Liabilities	174,597

STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2019

Retained earnings	
Balance at the beginning	2,000
Distribution of opening earnings	(2,000)
Net Income	4,655
Income Distribution	(2,438)
Undistributed Income at year end	2,217

Capital value of portfolio	
Balance at the beginning of year	160,731
Creation and Liquidation of participatory interests	3,029
Capital profit / (loss)	8,442
Balance at the end of the year	172,202

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2019

	R'000
Income	6,022
Dividends	2,574
Interest	3,382
Other income	87
Rebate income	0
Income adjustment due to movement of units	(21)

Expenses	1,367
Service Fees	1,278
Audit Fees	29
Bank Charges	59
Other expenses	1

Net Income	4,655
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FUND PERFORMANCE

*annualised

Period	Class A	Benchmark
1 year	7.7%	10.3%
3 year*	4.4%	10.9%
5 year*	n/a	n/a
Since Inception*	4.6%	11.7%

Source: Minimum disclosure document 31/03/2019

FEE ANALYSIS

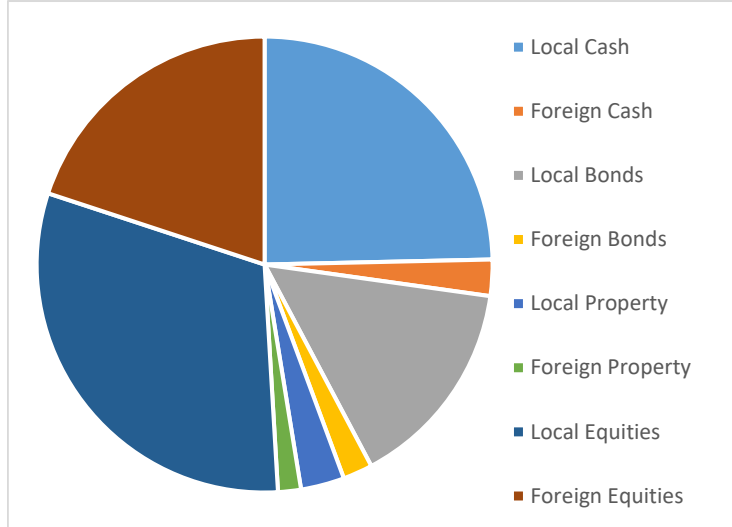
Service fees (excl VAT)	
Class A	0.90%
Class B1	0.50%

Multi Asset IP Balanced Fund

Inception	22/01/2015
Benchmark	CPI + 4%
Sector	South African - Multi Asset - Medium Equity
Risk Profile	Moderate
Income Declaration	Bi-Annual

FUND COMPOSITION

Source: GIRSA 31/03/2019



INCOME DISTRIBUTION (CPU)

	Sep-18	Mar-19
Class A	17.36	16.81
Class B1	19.90	19.30

PARTICIPATORY INTERESTS

Units ('000)	Class A	Class B1
Balance at the beginning of year	4,941	7,422
Creations	461	2,445
Liquidations	(550)	(1,159)
Balance at the end of the year	4,852	8,708

STATEMENT OF FINANCIAL POSITION AS AT 31/03/2019

	R'000
Assets	
Non-Current Assets	148,421
Investments at Market Value	148,421
Current Assets	3,591
Debtors & Income Accrued	443
Cash	3,148
Total Assets	152,012

Equity and Liabilities	
Capital and Reserves	151,892
Current Liabilities	120
Accrued expenses	120
Total Equity and Liabilities	152,012

STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2019

Retained earnings	
Balance at the beginning	2,136
Distribution of opening earnings	(2,136)
Net Income	4,983
Income Distribution	(2,478)
Undistributed Income at year end	2,505

Capital value of portfolio

Balance at the beginning of year	129,850
Creation and Liquidation of participatory interests	12,952
Capital profit / (loss)	6,584
Balance at the end of the year	149,386

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2019

	R'000
Income	6,129
Dividends	1,518
Interest	4,395
Other income	0
Rebate income	60
Income adjustment due to movement of units	156

Expenses	1,146
Service Fees	1,065
Audit Fees	25
Bank Charges	55
Other expenses	1

Net Income	4,983
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FUND PERFORMANCE

Period	Class A	Benchmark
1 year	8.1%	8.2%
3 year*	5.1%	8.9%
5 year*	n/a	n/a
Since Inception*	5.0%	9.6%

Source: Minimum disclosure document 31/03/2019

FEE ANALYSIS

Service fees (excl VAT)

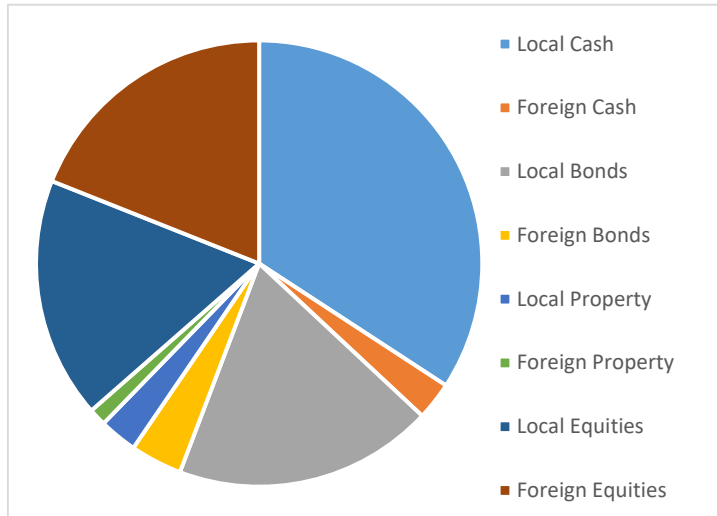
Class A	0.90%
Class B1	0.50%

Multi Asset IP Balanced Defensive Fund

Inception	22/01/2015
Benchmark	CPI + 2%
Sector	South African - Multi Asset - Low Equity
Risk Profile	Conservative
Income Declaration	Bi-Annual

FUND COMPOSITION

Source: GIRSA 31/03/2019



INCOME DISTRIBUTION (CPU)

	Sep-18	Mar-19
Class A	20.23	19.60
Class B1	22.78	22.11

PARTICIPATORY INTERESTS

Units ('000)	Class A	Class B1
Balance at the beginning of year	5,843	6,442
Creations	527	1,107
Liquidations	(464)	(1,165)
Balance at the end of the year	5,906	6,384

STATEMENT OF FINANCIAL POSITION AS AT 31/03/2019

	R'000
Assets	
Non-Current Assets	134,238
Investments at Market Value	134,238
Current Assets	3,783
Debtors & Income Accrued	495
Cash	3,288
Total Assets	138,021

Equity and Liabilities	
Capital and Reserves	137,904
Current Liabilities	117
Accrued expenses	117
Total Equity and Liabilities	138,021

STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2019

Retained earnings	
Balance at the beginning	2,599
Distribution of opening earnings	(2,599)
Net Income	5,217
Income Distribution	(2,633)
Undistributed Income at year end	2,584

Capital value of portfolio

Balance at the beginning of year	129,050
Creation and Liquidation of participatory interests	30
Capital profit / (loss)	6,240
Balance at the end of the year	135,320

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2019

	R'000
Income	6,374
Dividends	1,024
Interest	5,350
Other income	0
Rebate income	31
Income adjustment due to movement of units	(31)

Expenses	1,157
Service Fees	1,074
Audit Fees	25
Bank Charges	58
Other expenses	0

Net Income	5,217
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FUND PERFORMANCE

*annualised

Period	Class A	Benchmark
1 year	8.6%	6.2%
3 year*	5.7%	6.8%
5 year*	n/a	n/a
Since Inception*	5.7%	7.5%

Source: Minimum disclosure document 31/03/2019

FEE ANALYSIS

Service fees (excl VAT)

Class A	0.90%
Class B1	0.50%

CONTACT DETAILS

IP MANAGEMENT COMPANY

Physical: 1st Floor, Mariendahl House
Newlands on Main
Main Road
Newlands
7700

Postal: PO Box 23271
Claremont
7735

Telephone: 021 673 1340
Fax: 086 557 4848
Email: clientservices@ipmc.co.za

ALTINVEST (PTY) LTD T/A MULTIASSET FUND MANAGEMENT

Physical: 1st Floor, Mariendahl House
Newlands on Main
Main Road
Newlands
7700

Postal: PO Box 23271
Claremont
7735

Telephone: 021 657 5960
Fax: 021 657 5960
Email: info@mi-plan.co.za

Copies of the audited Annual Financial Statements of IP Management Company and all the portfolios of the IP Collective Investment Scheme are available, free of charge, on request. This abridged report only includes the abridged financial statements for the specific portfolios in which you are invested. For the latest terms and conditions applicable to your investment, kindly consult the most recent application form.