

MI-PLAN

IP ENHANCED INCOME FUND

February 2024

FUND INFORMATION

Inception date	26 March 2012	JSE Code	Annual management fee (excl. VAT)	Total expense ratio (%)*	NAV	Units in Issue
Sector	South African - Multi Asset - Income	Class A1: LISP/Clean	MIPEI	0.75%	0.88	1,041
Risk profile	Conservative	Class B1: Institutional	MPEB1	0.50%	0.59	1,041
Minimum investment	Lump sum: R10 000; Monthly: R1 000	Class B2: Admin Only	MEIB2	0.15%	0.19	1,042
Asset composition	Fixed Interest, Cash, Equity and Listed Property	From 01 Jan 2021 to 31 Dec 2023 0.88% of the value of the SBSA ITF MI PLAN IP ENHANCED INCOME FUND Class A1 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 0.88% (Total Investment Charge) of the value of the financial product was incurred as costs relating to the investment of the financial product.				243,242,514
Regulation 28	Compliant with Regulation 28	* 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				146,425,058
Benchmark	Short-term Fixed Interest Composite Index (STeFI)					2,335,478
Fund Size	R 7,104,388,009					
Income declaration	Quarterly (Mar / Jun / Sep / Dec)					
Distributions (Class A1):		CPU				
	Mar 2023	23.66				
	Jun 2023	24.50				
	Sep 2023	25.68				
	Dec 2023	25.24				

The fund's benchmark changed from STeFI Composite x 1.10 to STeFI Composite with effect from 1 February 2021, in keeping with international best practice. STeFI Composite x 1.10 remains the fund's target. The effects on the fund's performance of the ABIL Retention Fund held between 2014 and 2016 are included in the reported performance, as those effects have now dissipated to the point of being negligible.

OBJECTIVE

The objective of the portfolio is to provide a return in excess of Money Market portfolios, for investors seeking to earn a reasonable level of income with low risk of capital loss.

APPLICATION

This fund enjoys a flexible mandate, and the manager will scour opportunities within money market instruments, vanilla bonds, inflation-linked bonds and equities, including listed property. Where good value exists in suitable foreign assets, moderate use may be made of these. The basic premise is that higher returns than money market funds are available, but because the assets that generate these also incur higher risks, they will be used judiciously and cautiously.

FUND MANAGEMENT



Rowan Williams-Short

MSc. FIFM, CFA, CIPM

Portfolio Manager

Vunani Fund Managers

February was a tough month for the fund, highly reminiscent of August 2014, when African Bank was placed into Curatorship by the SARB. Your fund has exposures to Martius and Redink notes which are securitised Special Purpose Vehicles (SPVs) that have ownership of a pool of minibus taxis and a pool of lease payments (ISAs), with no overlap of underlying assets. These have performed perfectly since we first invested in June 2018, paying all coupons in full and on time each quarter. In January, the founder, CEO and largest shareholder of Bridge Taxi and its operating company Mokoro (Martin Bezuidenhout) passed away suddenly. Then we learnt that Mokoro had an overdue payment to Imperial Logistics and that there had been an underpayment of interest due in a structure outside of either Martius or Redink. Those failures caused a so-called "Event of default" under which all lenders must be informed even if their own investments have been fully serviced. Mokoro operates as service provider, doing licencing of vehicles, sales, collections, and repossessions when those become necessary. The performance of the team at Mokoro has deteriorated. We and some other lenders are looking at supplementing rather than supplanting that team.

Given the poor performance of the collections team in particular, the lease payments due to the notes held in the fund and therefore the coupons due must unfortunately be considered unlikely to be received in full at the next coupon dates. In this light, we took the difficult decision to create a retention fund ("side-pocket") to house the affected assets and to prudently impose impairments on the carrying values. As with African Bank (2014) and Land Bank (2020), we will work tirelessly towards the recovery of all assets. Meanwhile, the "Main" fund comprising some 92% of the combined fund continues to operate and perform satisfactorily.

Performance will be published on the composite portfolio (i.e. Main fund and side-pocket combined, so impairments will not be "hidden"). No management fees will be charged on the side-pocket. The impact of impairments on performance on 1st March 2024 will be -3.77%.

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 or clientservices@ipmc.co.za

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. 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. 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 the 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. The fund is invested in portfolios of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund.

Investment management has been delegated to Vunani Fund Managers (Pty) Ltd FSP number 608 and Miplan (Pty) Ltd FSP 9383.

Date of issue: 26/03/2024



Investor acknowledgement that the minimum disclosures as contained herein per BN 92:

Signature



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MI-PLAN

Asset Management
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RISK AND RETURN STATISTICS to 29 February 2024

PERFORMANCE

	A1 Class	Retention A1 **	Composite A1***	BMK
1 Month	0.4%	N/A	0.4%	0.7%
YTD	1.3%		1.2%	1.3%
1 Year	9.1%		9.0%	8.3%
3 Years *	8.3%		8.2%	6.0%
5 Years *	8.7%		8.7%	6.0%
10 Years *	8.6%		8.6%	6.5%
Since inception *	8.3%		8.3%	6.3%

	Period	Performance
Highest return	2019	11.6%
Lowest return	2014	3.3%

*Returns are annualised if period is longer than 12 months. Based on A1 class.

**The Retention Fund was created on 16 February 2024 to house certain debt securities linked to Bridge Tax Finance, where valuations and liquidity were uncertain.

*** The composite performance of the main fund and the retention fund are included for comparative purposes. Fund returns provided by Profile Data.

TOP 10 EXPOSURES

Issuer	% OF FUND	DURATION
RSA	15.6%	2.36
TRANSNET	8.5%	2.93
SCMB	6.6%	0.19
AFRICAN BANK	6.4%	0.13
TRUESOUTH	6.1%	0.04
BAYA	5.6%	1.05
ABSA	5.0%	0.13
DEV BANK SA	4.6%	0.13
NED	4.0%	0.13
NHM	3.9%	0.13

Annualised return 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) (Retention Fund composite returns provided by Profile Data.)

PORTFOLIO STRUCTURE as at 29 February 2024

EFFECTIVE ASSET ALLOCATION

	FUND	STEFI
Cash	14.7%	15.0%
0 to 3m	13.3%	30.0%
3m to 6m	4.2%	35.0%
6m to 12m	6.9%	20.0%
12m to 3y	34.8%	
3y to 10y	21.0%	
>10y	0.4%	
Domestic Equity	1.6%	
Foreign Equity	3.1%	
Foreign Cash	0.1%	

YIELD*

Description	FUND
Yield to maturity	10.29%
Modified duration	0.81

* Current

Historically, the fund fact sheet (MDD) estimated the overall yield via a weighted average that combined nominal and real yields, as well as dividend yields on equities. A preferred methodology is to adjust real yields (on inflation-linked bonds) to estimated nominal yields by adding expected inflation. This preferred methodology is reflected in this month's MDD and a historical comparison is available on request.

CONTACT DETAILS

Anton Turpin - Managing Director
info@miplan.co.za

MI-PLAN Investment Partners and IP Management Company
1st Floor Mariendahl House, Newlands-on-Main, Newlands, 7700 PO Box 23271, Claremont, 7735
Client Service (IP) T +27 21 673 1340 | Miplan +27 21 657 5960
email: clientservices@ipmc.co.za www.MI-PLAN.co.za

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No. 608

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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 49% 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 client's portfolio to their unique needs as documented at 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. The design of the MI-PLAN software is based on the premise that the 25% allocated to MI-PLAN funds that provides the client with a foundation on which to choose other funds as mapped into the MI-PLAN software. As it's important to match the choice of product with the advice benchmark included in the MI-PLAN software should less than 25% of the clients product choice be directed to funds that are not similar to the MI-PLAN suite of funds, that a risk of a disconnect exists between the benchmark created and product choice. 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.