**FUND INFORMATION**

**Fund Managers:** Simon Rivett-Carnac, Phil Collins & Raymond Lahaut (Sarasin); Tony Bell (Vunnani)

**Inception date:** 31 May 2013

**Underlying Fund:** Sarasin IE Sustainable Global Real Estate Equity Fund

**Sector:** Global - Real Estate - General

**Risk profile:** Aggressive *

**Minimum investment:** Lump sum: R10 000; Monthly: R1 000

**Asset composition:** Property, Equities and Cash

**Income Payment:** 2nd day of the following month or the next business day if the 2nd does not fall on a business day.

**BENCHMARK:** 5% Cash & 95% S&P Developed Property Net TR (USD)

**Fund Size:** R86,466,880

**Income declaration:** Bi-annual (Mar / Sep)

Distributions (Class J):

* The fund is suitable for use by investors with a long term investment horizon who are comfortable with shorter term volatility as well as the risk associated with a fund mandated to achieve real long term growth.

**FUND OBJECTIVE**

The objective of the MIPLAN IP GLOBAL PROPERTY FEEDER FUND is to offer investors the opportunity for offshore diversification and exposure to global listed real estate. The investment objective of the underlying portfolio is to achieve long term capital growth.

**THE INVESTMENT CASE**

- Exposure to the world’s best real estate let to leading companies
- REIT’s and property companies managed by the leading operators
- It is a way of diversifying risk exposure to 15+ countries and 8+ sectors
- Switches between regions and sectors are easily achieved to take advantage of changes in local market fundamentals, which is not possible in a fund that invests directly in bricks and mortar.

**BACKGROUND**

- The Mi-Plan IP Global Property Feeder Fund invests in the Sarasin IE Real Estate Equity Fund. It invests in listed property companies and REIT’s (real estate investment trusts). It seeks to achieve long-term capital growth through a diversified quality portfolio in this real estate asset class.
- The fund has no holding in direct property or any unlisted vehicle and trades only on leading exchanges: OECD countries plus Hong Kong and Singapore
- The fund offers accumulation units, daily liquidity and price transparency - without penalties or lock-ins
- The Manager has access to research from c. 50 global and regional research teams.
- The fund is monitored by a risk team led by an independent person.

**THE INVESTMENT PROCESS**

- Listed real estate is fully integrated into our investment process, benefiting from in-depth in house equity research and the expertise of our macro team. We also draw on the insights of Jones Lang LaSalle, one of the world’s leading property consultants.
- We identify themes that are shaping the property landscape over the longer term, looking broadly across the property industry considering both macro and micro factors. We invest across three key pillars:
  1. Core
  - The core pillar of the portfolio (c.40-50%) gives exposure to the best real estate assets around the world managed by the best management teams. This provides a stable and growing dividend income stream.
  2. Value
  - The value-add pillar (c.40-50%) gives exposure to the long-term themes that we believe will drive above industry growth rates (such as mobility of population, ageing population, e-commerce).
  3. Opportunistic
  - This pillar (c.20%) gives exposure to companies which have stock-specific issues that we believe are being – or are capable of being – resolved (e.g. special situations, turnaround stories).

We are stewards of our clients’ assets, and aim to own, rather than trade, well-run companies that will create long-term value for shareholders.

**FUND PERFORMANCE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund Return (%)</th>
<th>Benchmark Return (%)</th>
</tr>
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<tbody>
<tr>
<td>1 Year</td>
<td>7.9%</td>
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Highest return 2015 34.9%

Lowest return 2016 -12.8%

*Annualised returns is the weighted average compound growth rate over the performance period measured.*

**CONTACT DETAILS**

**MI-PLAN Investment Partners and IP Management Company**

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P.O. Box 23227, Claremont, 7735,

Client Service (IP) T +27 673 1340 | MiPLAN T +27 21 657 5960

e-mail: clientservices@ipmc.co.za www.MI-PLAN.co.za

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IP Management Company (RF) (Pty) Ltd (Reg. No 2007/017601/07)

**FEES**

**Maximum initial fee:** Class B1: 0.33% (Pension fund)

**Annual management fee:** Class B5: 0.50% (Retail and Clean class)

**Underlying fund management institutional fee:** 0.65%

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Underlying Fund: Sarasin IE Global Real Estate Equity Fund

FUND MANAGER COMMENTS

Real estate companies were up in Q2 2020. The fund was up during the quarter, outperforming the benchmark.

The second quarter saw a remarkable recovery of listed real estate. With COVID-19 and the global lockdown an entrenched reality, markets started to look towards the long-term impact of the pandemic. The realisation that global central banks are taking decisive action to support the financial system, cutting interest rates and providing liquidity facilities, and the fact that REIT balance sheets are significantly stronger today – with leverage near historical lows – than they were during the global financial crisis back in 2008, resulted in a rebound from the losses seen in the first quarter of the year.

We gained relative performance on our overweight position in our digitalisation theme, with companies like Equinix and American Tower continuing to perform well. We remain positive on the sector as we expect the longer-term theme of digitalisation to provide a tailwind for the sector. COVID19 has resulted in more people working from home and we believe this trend will remain.

The relative performance of the fund was also helped by our overweight in the German residential sector. We own companies like Deutsche Wohnen and LEG Immobilien in that space, both of which performed well in the reporting period. And finally, on the positive side, our underweight position in the retail and hotel sectors helped. The total lockdown in most countries resulted in the closure of shops, hotels and the like across the world and it was no surprise that REITs in those two sub-sectors performed poorly.

During the reporting period we made a number of changes to the portfolio. ADO properties was sold. With a new CEO, ADO Properties changed from being a low-levered company with a focus on Berlin residential into a highly levered German wide investor and developer. We had many discussions with management and urged them to walk away from this proposed merger but they did not.

We also decreased our European retail exposure – Unibail and Klepierre – and bought retail real estate company LINK Reit in Hong Kong.

**TOP TEN HOLDINGS**

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<th>Holding</th>
<th>% of Fund</th>
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<tr>
<td>PROLOGIS INC</td>
<td>8.2%</td>
</tr>
<tr>
<td>EQUINIX INC</td>
<td>6.5%</td>
</tr>
<tr>
<td>GOODMAN GROUP</td>
<td>5.5%</td>
</tr>
<tr>
<td>MITSUBISHI ESTATE CO LTD</td>
<td>4.6%</td>
</tr>
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<td>DEUTSCHE WOHNEN SE</td>
<td>4.5%</td>
</tr>
<tr>
<td>CK ASSET HOLDINGS LTD</td>
<td>4.1%</td>
</tr>
<tr>
<td>LEG IMMOBILIEN AG</td>
<td>3.9%</td>
</tr>
<tr>
<td>EQUITY RESIDENTIAL</td>
<td>3.8%</td>
</tr>
<tr>
<td>MITSUI FUDOSAN CO LTD</td>
<td>3.8%</td>
</tr>
<tr>
<td>AVALONBAY COMMUNITIES INC</td>
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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 37% 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 the availability of such 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. While the MI-PLAN IP funds are specially designed to match this liability-matched asset allocation, the advisor may select up to 75% of the portfolio in other funds. 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 advisor 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 obligations to compare this financial offering against all others and ensure it is the most appropriate for your needs.

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/effectiveannual-cost to address the EAC Illustrator.

You can request an EAC calculation from clientservices@ipmc.co.za or call us on 021 673-1340.