

INVESTMENT OBJECTIVE

The IFM Income Fund is a multi-managed fund whose primary objective is to provide a higher level return than money market and other income funds by investing in bonds, fixed deposits, other money market instruments, listed debentures, preference shares of an income nature and listed property shares.

INVESTMENT PHILOSOPHY

In order to achieve its objective, the IFM Income Fund will invest in a diversified portfolio of income oriented assets. In addition to participation in portfolios of collective investment schemes, the portfolio's investment universe may consist of equity securities, exchange traded funds, preference shares, debentures, debenture bonds, money market instruments, property shares and property related securities listed on exchanges and assets in liquid form. The IFM Income Fund's equity exposure will never exceed 10% of the portfolio's net asset value.

RISK PROFILE: LOW



- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to default and interest rate risks.
- The portfolio is suitable for medium term investment horizons.
- The potential long term investment returns are expected to be lower than higher risk portfolios.

INFORMATION AND DISCLOSURES

FUND NAME
IFM Income Fund

MINIMUM INVESTMENTS
Not Applicable

ISIN NUMBER
ZAE000259909

FUND CLASSIFICATION
SA Multi-Asset Income

INCEPTION DATE
1 August 2018

UNIT PRICE
R104.45

BENCHMARK
SteFI Composite Index

PORTFOLIO VALUE
R489.49 million

DISTRIBUTION
Quarterly declaration dates: 31 Dec, 31 Mar, 30 June and 30 Sept

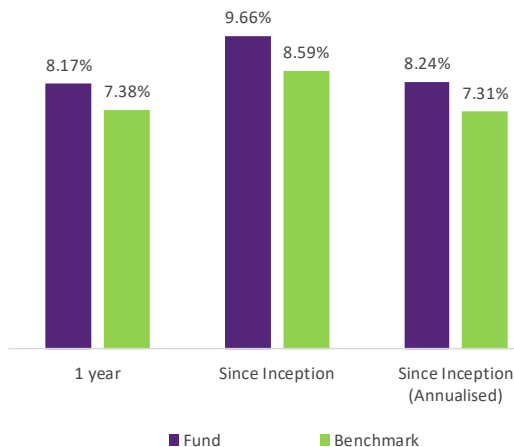
TOTAL EXPENSE RATIO
June 2019: 0.86%

INVESTMENT MANAGER
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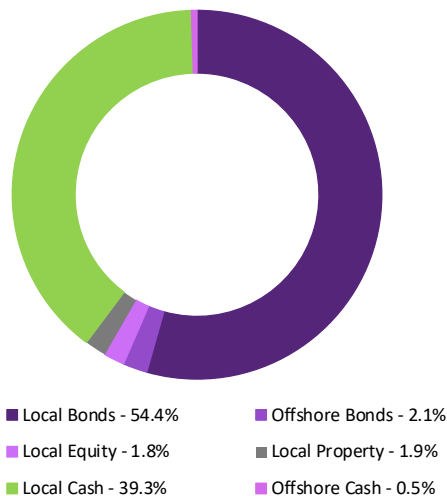
MANAGEMENT COMPANY
Itransact Fund Managers (RF) (Pty) Ltd
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CUSTODIAN/TRUSTEE INFORMATION
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Tel: 011 282 8000

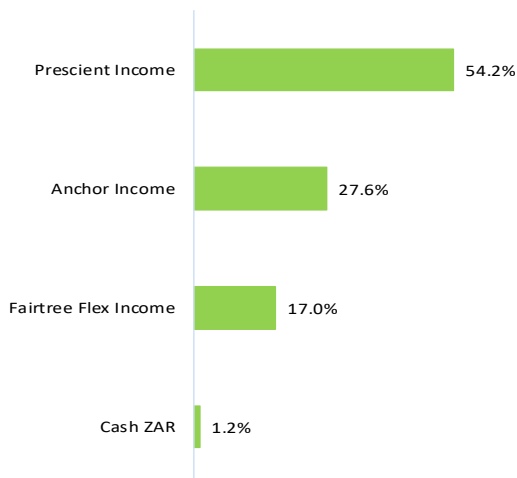
PERFORMANCE VS. BENCHMARK



ASSET ALLOCATION



TOP COUNTERPARTIES



FUND MANAGER COMMENTARY

The industry fixed income benchmark, the Short-Term Fixed Interest Composite Index (STeFI), returned 0.6% for the month. All three fixed income mandates outperformed the benchmark by investing in a combination of mostly bank and corporate paper, as well as some property shares.

The Prescient and Anchor segregated mandates returned 0.8% and 0.7% respectively whilst the Fairtree Flexible Income Plus Prescient fund 0.7%. All three mandates managed to return more than 2.0% during the quarter against 1.8% for the benchmark.

MARKET COMMENTARY

The protracted US-China trade war had a seesaw effect, on both local and global markets, during September. Early in the month, equity markets and emerging economy currencies rallied on the expectation of a trade deal, when it was announced that a delegation of low-level officials from both countries will meet to discuss details around a possible deal. However, news that Democrats were launching an impeachment probe into President Trump unravelled the expectations of a deal. Consequently, equity markets reversed most of the gains made earlier in the month, but still managed to outperform bonds and cash.

The Federal Reserve's Open Market Committee decided to cut interest rates by 0.25% in response to a slowdown in global growth and the effect of the trade war. Fed Chair Jerome Powell promised to act appropriately should further economic developments require it. Elsewhere, the Bank of England, Bank of Japan and the European Central Bank kept rates unchanged at record lows (and negative in some cases).

Locally, Governor Kganyago announced that the Monetary Policy Committee decided that the repo rate will remain unchanged. The Committee judged that either a material slowdown in growth or an increase in inflation could cause interest to be cut or hiked respectively.

ACCESS TO INFORMATION

- Additional information, including application forms, annual or quarterly reports can be obtained from IFM, free of charge or can be accessed on our website (www.itransactfm.co.za).
- Valuation takes place daily and prices can be viewed in the daily newspaper.
- Upon request the Manager will provide the investor with quarterly portfolio investment holdings reports.

FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that your financial advisor may be a related party to IFM. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by the portfolio to IFM, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/ managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable.

DISCLAIMER

Itransact Fund Managers (RF) (Pty) Ltd ("IFM") is a registered Manager of the IFM Unit Trust Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002. Collective Investment Schemes in securities are generally medium to long term investments. The value of the participatory interests (units) may go down as well as up and past performance is not necessarily a guide future performance. Performance is calculated for the portfolio. Individual investor performance may differ as a result of the actual investment date, the date of re-investment and withholding taxes. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending, however IFM does not currently engage in scrip lending. A schedule of fees, charges and maximum commissions is available on request. IFM reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently in accordance with its mandate. Performance figures quoted for the portfolio are from Morningstar and the Fund Administrator, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date and may be subject to mandatory withholding taxes. Actual investment performance will differ based on the initial fee charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. This fund may invest into other Collective Investment Schemes, which may levy their own charges, which could result in a higher fee structure for these portfolios.

Certain investments, including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, IFM does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the Manager's products.

FEES AND FAIS DISCLOSURE

| | |
|---------------------------------------|-------|
| Initial Fees (IFM) (Incl VAT) | 0.00% |
| Initial Advisory Fee (Max) (Incl VAT) | 3.45% |
| Ongoing Advisory Fee (Max) (Incl VAT) | 1.15% |

| | |
|-----------------------------------|-------|
| Annual Management Fees (Incl VAT) | 0.86% |
| Performance Fee | None |

TOTAL EXPENSE RATIO (TER) & TRANSACTION COST

| | |
|----------------------------|-------|
| Basic | 0.86% |
| Portfolio Transaction Cost | - |
| Total Investment Charge | 0.86% |

A Total Expense Ratio (TER) is a measure of a portfolio's annual expenses, fees and charges, expressed as a percentage of the average daily value of the portfolio. These expenses include the annual management fees, VAT, audit fees, bank charges and costs incurred in any underlying funds. A higher TER ratio does not necessarily imply a poor return, nor does a low TER ratio imply a good return. The current TER ratio cannot be regarded as an indication of future TER ratios. Performance return information and prices are always stated net of the expenses, fees and charges included in the TER ratio.

The TER and Transaction Costs cannot be determined accurately because of the short lifespan of the Fund. Calculations are based on actual data where possible and best estimates where actual data is not available.

FUND MANAGERS



David Bacher has a B Com, PDM and is a CFA charter holder. He has extensive experience in the financial markets, having worked at Caveo Fund Solutions as a founding director and at Investment Solutions as a member of the investment team. David is CIO of the fund of hedge fund business at Corion.



Simon du Plooy has a MSc Financial Mathematics degree. He spent five years in the banking industry, at Absa and RMB, where he conducted risk analysis for trading desks and hedge funds. He joined Corion in 2009 as part of the investment team and in 2013 took on the role as Portfolio Manager.

SUBSCRIPTIONS

| | |
|--------------------------|--|
| Valuation time | 17h00 |
| Transaction cut-off time | 16h00 |
| Payment reference | Initials & Surname / Account Number |

Please send proof of deposit to fax (011) 561 6812 or e-mail: admin@itransactfm.co.za