

# ANCHOR BCI GLOBAL EQUITY FEEDER FUND

A CLASS | October 2023

Minimum Disclosure Document | Issued 10 November 2023



RAGING BULL AWARDS | 2020 WINNER

# ANCHOR

NAVIGATING  
CHANGE

## INVESTMENT OBJECTIVE

The **Anchor BCI Global Equity Feeder Fund's** objective is to provide capital growth over the long term. This is achieved through direct investment into the FSCA approved Anchor Global Equity Fund, domiciled in Ireland.

## INVESTMENT PHILOSOPHY

We aim to achieve this objective by investing in a concentrated portfolio of high-quality, growing companies that are attractively valued. These companies are selected from both developed and emerging markets (EMs).

## FUND INFORMATION

Risk profile:



Inception Date: 02 Nov 2015  
Benchmark: MSCI World All Country World Index

Fund Classification: Global Equity - General  
Distributions: Semi-annual declaration dates: 30 Jun/31 Dec

### Fees (Incl. VAT):

Annual Management Fee: 0.29%  
Total Expense Ratio (TER): Jun 23: 2.26% (PY): 2.26%

Portfolio Value: R643.98 mn  
Unit Price: 227.91 cpu

## MONTHLY RETURNS (%)

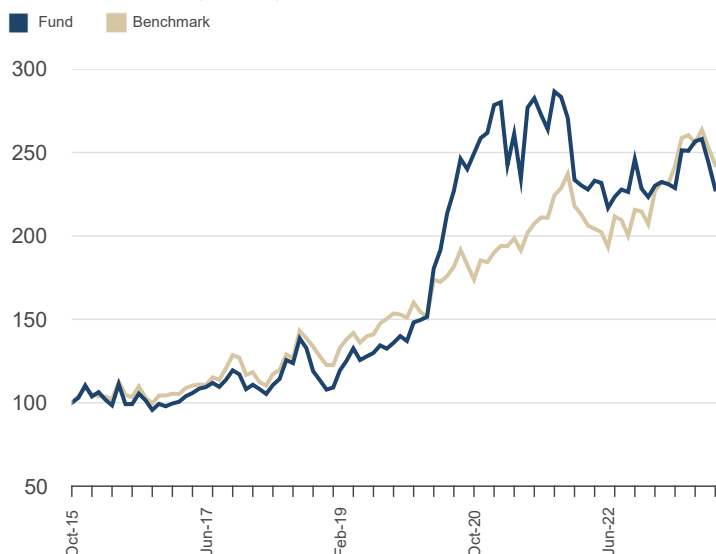
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	3.0	1.0	-0.6	-1.0	9.9	-0.1	2.3	0.6	-5.5	-6.5			2.1
2022	-13.7	-1.4	-1.1	2.3	-0.6	-6.5	3.1	1.9	-0.6	8.7	-7.2	-2.2	-17.5
2021	6.4	0.6	-13.4	7.7	-10.2	18.1	2.0	-3.5	-3.2	8.6	-1.1	-4.5	3.4
2020	8.1	1.0	1.3	19.2	6.2	11.4	6.3	8.5	-2.5	3.9	3.7	1.2	91.0
2019	1.2	9.4	4.9	5.9	-5.3	1.7	1.6	3.5	-1.4	2.6	3.0	-2.1	27.0
2018	2.5	-2.3	-2.7	5.1	3.3	9.9	-1.5	12.0	-4.2	-10.4	-4.6	-5.0	-0.2
2017	1.7	1.0	3.3	1.9	2.5	0.9	2.3	-2.1	3.9	5.0	-2.0	-7.6	10.5
2016	-6.0	2.5	-4.2	-3.3	12.9	-10.8	0.0	6.3	-3.8	-5.7	3.8	-1.5	-11.3
2015											3.1	7.1	10.4

## RISK PROFILE: HIGH

- This portfolio has a higher exposure to equities than any other risk profiled portfolio and therefore tend to carry higher volatility due to high exposure to equity markets.
- Expected potential long-term returns are high, but the risk of potential capital losses is high as well, especially over shorter periods.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- Therefore, it is suitable for long term investment horizons.

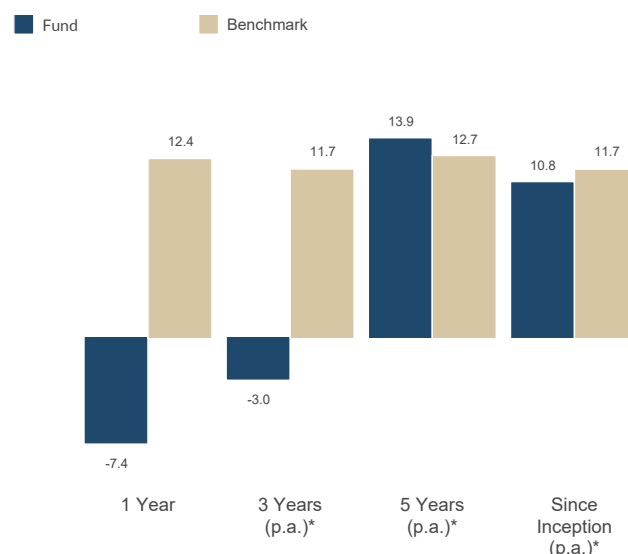
## FUND PERFORMANCE SINCE INCEPTION

Growth of R100 investment (cumulative).



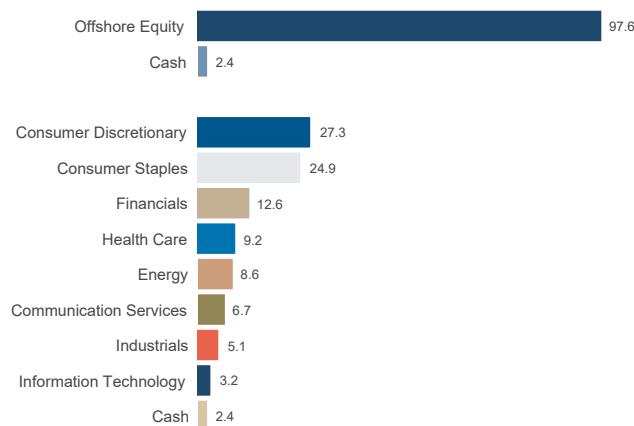
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for the amount shown with income reinvested on reinvestment date.

## FUND PERFORMANCE AT 31 OCT 2023 (%)



\*Annualised return is the weighted average compound growth rate over the period measured.

## ASSET & SECTOR ALLOCATION AT 31 OCT 2023 (%)



## FUND MANAGER



Nick Dennis, Southridge Global Capital

## INFORMATION & DISCLOSURES

ISIN Number	ZAE000209078
Distributions	2021 (CPU) Dec 0.00   2022 (CPU) Jun 0.00; Dec 0.00   2023 (CPU) Jun 0.00

## INVESTMENT MANAGER

- Anchor Capital (Pty) Ltd is an authorised Financial Services Provider FSP 39834.
- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website ([www.bcis.co.za](http://www.bcis.co.za))
  - Valuation takes place daily and prices can be viewed on our website ([www.bcis.co.za](http://www.bcis.co.za)) or in the daily newspaper.
  - Actual annual percentage figures are available to existing investors on request.
  - Upon request the Manager will provide the investor with quarterly portfolio investment holdings reports.

## SUBSCRIPTIONS

Valuation time	8h00
Transaction cut-off time	14h00
Payment reference	Initials and Surname
Minimum investment amount	None*

Please send proof of deposit to fax (011) 263 6152 or e-mail [instructions@bci-transact.co.za](mailto:instructions@bci-transact.co.za)  
 \*Fixed Administration Fee: R15 excluding VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

## MANAGEMENT COMPANY INFORMATION

Boutique Collective Investments (RF) (Pty) Ltd,  
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 Tel: 021 007 1500/1/2  
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## FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. 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 portfolio to BCI, 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. In some instance portfolios invest in other portfolios which forms part of the BCI Schemes. These investments will be detailed in this document, as applicable. Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at [www.bcis.co.za](http://www.bcis.co.za). BCI calculates the EAC as per the ASISA standard for a period of 3 years up until the most recent TER reporting period.

## DISCLAIMER

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No45 of 2002 and is a full member of the Association for Savings and Investment SA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. 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. A schedule of fees, charges and maximum commissions is available on request. BCI 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. Performance figures quoted for the portfolio are from Morningstar, 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. Actual investment performance will differ based on the initial fees 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. Should the portfolio invest into another Anchor BCI co-named portfolio, the investing fund will be reimbursed for any net investment management fees incurred by the investment so that there is no additional fee payable to Anchor.

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. A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund. Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI 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 BCI/the Manager's products. Full details and basis of the award is available from the manager. Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website ([www.bcis.co.za](http://www.bcis.co.za)).

## TOP TEN HOLDINGS AT 31 OCT 2023

(In Alphabetical Order)

- Alphabet
- Amazon
- Berkshire Hathaway
- Diageo Plc
- Exxon Mobil
- Heineken
- Keurig Dr Pepper
- Starbucks
- Visa Inc
- Waters Corp

## FUND MANAGER COMMENTARY AT 31 OCT 2023

The Food, Beverage and Restaurant sub-sectors have come under significant pressure over recent months. The primary culprit (at least in terms of the prevailing narrative) is a rapidly growing weight loss therapy called semaglutide, sold under the brand names Ozempic and Wegovy. Originally applied in treating type-2 diabetes, these drugs are taken in injectable form and act by slowing the patient's digestion and reducing appetite. Patients report up to a 30% reduction in calories consumed, with profound weight loss implications. The drugs cost around US\$1,200 per dose and up to US\$10,000 for a treatment cycle, meaning most patients are dependent on medical insurance coverage. JP Morgan estimates that the drugs' population penetration could reach between 8% and 9% in the US by 2030. Survey data from JP Morgan indicate a roughly 15% volume (not calorie) reduction in high sugar/high carbohydrate foods among patients. What is the potential impact on the affected companies held in the fund? As an example, we estimate **McDonald's** net profit could fall by c. 0.25% p.a. from 2030, assuming no offsets. We contrast this with a roughly 18% peak-to-trough drawdown in its share price over the past several months. By mid-October, McDonald's was trading roughly two standard deviations cheap based on its forward P/E, relative to its 5-year average. Consequently, we believe that fears surrounding the impact of weight loss drugs are likely over-discounted in share prices, creating a tasty long-term opportunity.

## FEE DETAILS

	Class A
Initial fees (BCI) (incl. VAT)	0%
Annual Service Fee (incl VAT)	0.29%
Underlying Investment fees (levied in the Anchor Global Equity Fund)	1.25%
Performance Fee	None
TER and Transaction Cost (incl VAT)	
Basic	Jun 23: 2.26% (PY): 2.26%
Portfolio Transaction Cost	Jun 23: 0.00% (PY): 0.00%
Total Investment Charge	Jun 23: 2.26% (PY): 2.26%

A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Transaction Costs are a necessary cost in administering the Fund and impacts Fund returns. The TIC should not be considered in isolation as returns may be impacted by many other factors including market returns, the type of Fund, the investment decisions of the investment manager and the TER. The TER and Transaction Cost calculations are based upon the portfolio's direct costs for the financial year ended 30 June 2023, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 30 June 2023.

## CUSTODIAN / TRUSTEE INFORMATION

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 Tel: 021 441 4100