# ANCHOR BCI GLOBAL FLEX INCOME FUND

## B CLASS | March 2024

Minimum Disclosure Document | Issued 08 April 2024

ANCHOR | NAVIGATING CHANGE

## INVESTMENT OBJECTIVE

The **Anchor BCI Global Flexible Income Fund** aims to achieve a higher return than US dollar term bank deposits.

## INVESTMENT PHILOSOPHY

The Anchor BCI Global Flexible Income Fund is a global flexible income portfolio with the objective of achieving a higher return than US dollar fixed term bank deposits. Investments to be acquired for the portfolio may include equity securities, property securities, property related securities, interest-bearing securities and instruments, non-equity securities, money market instruments, preference shares and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in South Africa and other similar schemes operated in territories with a regulatory environment which is, to the satisfaction of the manager and trustee, of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective. The portfolio's maximum equity exposure will be limited to 10% of the portfolio's net asset value. The portfolio may from time to time invest in listed and unlisted financial instruments, in order to achieve the portfolio's investment objective. The manager may only include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

## MONTHLY RETURNS (%)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 2.0 | 2.4 | -1.0 | | | | | | | | | | 3.5 |
| 2023 | 3.8 | 4.2 | -2.7 | 4.2 | 7.0 | -4.3 | -5.3 | 5.4 | 0.0 | -0.5 | 2.7 | -0.5 | 14.1 |
| 2022 | -3.6 | -1.9 | -6.7 | 6.7 | -0.7 | 3.4 | 1.4 | 2.5 | 3.4 | 1.6 | -5.7 | 1.0 | 0.5 |
| 2021 | 2.6 | -1.7 | -1.4 | -1.9 | -3.8 | 3.9 | 2.8 | 0.0 | 3.2 | 0.5 | 5.0 | -0.2 | 8.7 |
| 2020 | | | | | | | | | 2.3 | -3.3 | -4.1 | -3.6 | -8.5 |

## FUND INFORMATION

Risk profile: LOW | LOW-MOD | **MOD** | MOD-HIGH | HIGH

| | |
|---|---|
| Inception Date | 14 Sep 2020 |
| Benchmark | 110% of US Secured Overnight Financing Rate - ZAR |
| Fund Classification | Global Multi Asset Income |
| Distributions | Semi-annual Declaration Date: 30 Jun/31 Dec |

### Fees (Incl. VAT):

| | |
|---|---|
| Annual Management Fee | 0.75% |
| Total Expense Ratio (TER) | Dec 23: 0.74% (PY): 0.74% |

| | |
|---|---|
| Portfolio Value | R147.92 mn |
| Unit Price | 106.49 cpu |

## RISK PROFILE: MODERATE

- This portfolio holds exposure to bonds which have credit and interest rate risks. We consider the risk to be higher than a low-risk equity portfolio, but less than that of a high risk portfolio. In turn, the expected volatility is higher than a low-risk portfolio, but less than that of a high-risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- This portfolio is exposed to potential default and interest rate risks.
- The portfolio is suitable for medium-term investment horizons.
- The probability of losses is higher than that of a low-risk portfolio, but less than a high-risk portfolio and moderate long term investment returns are expected.

## 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 MAR 2024 (%)

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

## ASSET ALLOCATION AT 31 MAR 2024 (%)

Offshore Bonds - 96.0 Cash - 2.8 Forex - 1.2

## TOP TEN HOLDINGS AT 31 MAR 2024 (%)

| | |
|---|---|
| Ebay - 2027 Bond | 5.3 |
| Goldman Sachs - 2026 Bond | 5.2 |
| Met Life - 2028 Bond | 5.1 |
| ACA Corp - 2026 Bond | 3.1 |
| Cash | 2.8 |
| Dell - 2028 Bond | 2.6 |
| T-Mobile - 2027 Bond | 2.6 |
| Lloyds - 2029 Bond | 2.6 |
| Amazon - 2027 Bond | 2.6 |
| HCA - 2025 Bond | 2.6 |

## FUND MANAGER

Nolan Wapenaar

## FUND MANAGER COMMENTARY AT 31 MAR 2024

The European Central Bank (ECB) is set to start its interest rate cutting cycle in June. The US is seeing softer wage growth, downward revisions to its January's non-farm payrolls data, and we continue to maintain that base effects will see shelter inflation recede in the coming months. June does feel like a reasonable expectation for the global interest rate-cutting cycle to start. We continue to believe that yields are approximately fair at the moment. As we see confirmation of the trajectory towards lower interest rates there is some upside in bonds. We think the US 10-year bond will trade at around a 3.75% yield in one year. That gives investors a c. 2.5% capital gain on top of the 4.3% yield. This portfolio is cautiously positioned, seeking to hold higher-quality issuers and to diversify its holdings. We think that this will be well positioned as interest rates move into their downward trend over the coming months.

## INFORMATION & DISCLOSURES

| | |
|---|---|
| ISIN Number | ZAE000288833 |
| Distributions | 2022 (CPU) Jun 1.23; Dec 1.46 \| 2023 (CPU) Jun 1.84; Dec 1.93 |

## 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)
- Valuation takes place daily and prices can be viewed on our website (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.

## FEE DETAILS

| | Class B |
|---|---|
| Initial Fees (BCI) (Incl. VAT) | 0% |
| Annual Management Fee (Incl. VAT) | |
| Class B | 0.75% |
| Performance Fee | None |
| TER and Transaction Cost (Incl. VAT) | |
| Basic | Dec 23: 0.74% (PY): 0.74% |
| Portfolio Transaction Cost | Dec 23: 0.00% (PY): 0.00% |
| Total Investment Charge | Dec 23: 0.74% (PY): 0.74% |

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 31 December 2023, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 31 December 2023.

## SUBSCRIPTIONS

| | |
|---|---|
| Valuation time | 15h00 |
| 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
*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,
Catnia Building Bella Rosa Village, Bella Rosa Street, Belville, 7530
Tel: 021 007 1500/1/2
Email: clientservices@bcis.co.za | www.bcis.co.za

## CUSTODIAN / TRUSTEE INFORMATION

The Standard Bank of South Africa Ltd
Tel: 021 441 4100

## 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. 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, No 45 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.Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily. 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. Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website (www.bcis.co.za).

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