

# ANCHOR BCI MANAGED FUND

A CLASS | February 2020

Minimum Disclosure Document | Issued 09 March 2020



NAVIGATING  
CHANGE

## INVESTMENT OBJECTIVE

The Anchor BCI Managed Fund is a moderate-risk profile portfolio with the objective to offer investors a moderate to high long-term total return.

## INVESTMENT PHILOSOPHY

The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest-bearing securities, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. The portfolio may invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange-rate swap transactions for efficient portfolio management purposes.

## FUND INFORMATION

Risk profile:



Inception Date	02 Feb 2015
Benchmark	ASISA SA Multi Asset High Equity Category Average
Fund Classification	SA Multi Asset High Equity
Distributions	Semi-annual Declaration Date: 28 Feb/31Aug
<b>Fees (Incl. VAT):</b>	
Annual Management Fee	1.44%
Total Expense Ratio (TER)	Dec 19: 1.59%
Portfolio Value	R443.38 mn
Unit Price	105.31 cpu

## MONTHLY RETURNS (%)

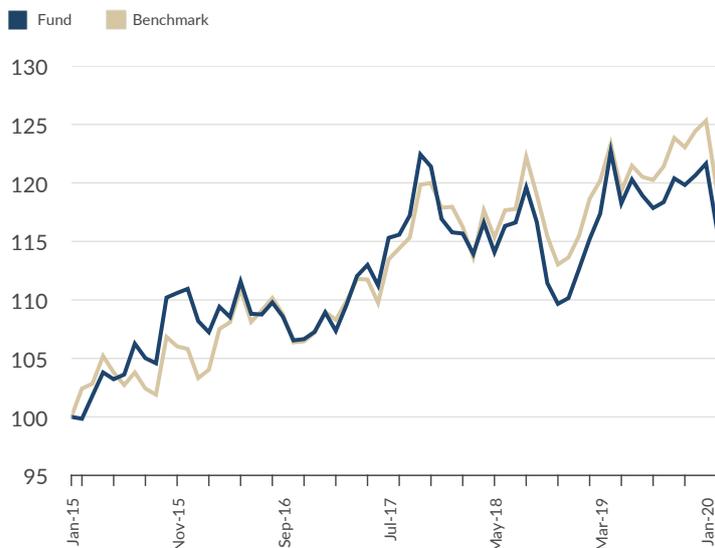
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	0.8	-4.5											-3.7
2019	2.3	2.3	1.9	4.5	-3.6	1.7	-1.1	-0.9	0.4	1.7	-0.5	0.7	9.5
2018	-1.0	-0.1	-1.5	2.3	-2.2	2.0	0.3	2.6	-2.5	-4.5	-1.6	0.5	-5.8
2017	1.5	-1.4	2.0	2.3	0.9	-1.5	3.7	0.2	1.4	4.4	-0.9	-3.7	9.0
2016	-2.5	-0.9	2.0	-0.8	2.8	-2.5	-0.1	0.9	-1.1	-1.9	0.1	0.6	-3.3
2015		-0.2	2.0	1.9	-0.6	0.4	2.5	-1.2	-0.4	5.4	0.4	0.3	10.9

## RISK PROFILE: MODERATE

- This portfolio has a balanced exposure to various asset classes. It has more equity exposure than a low-risk portfolio but less than a high-risk portfolio. In turn, the expected volatility is higher than a low-risk portfolio, but less than a high-risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as 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.

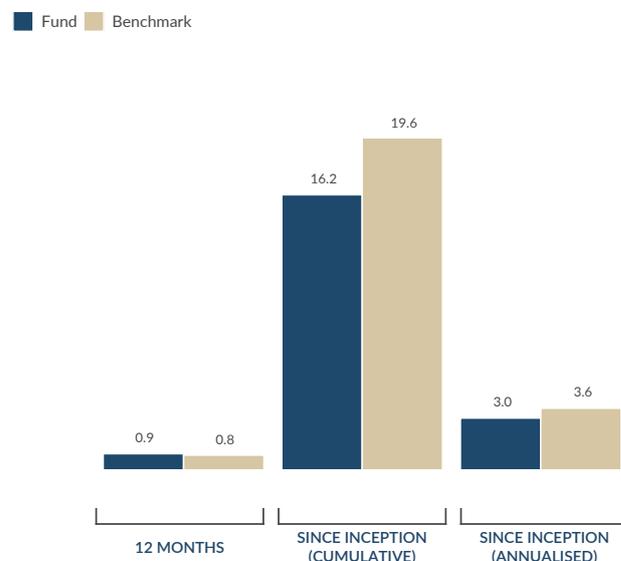
## FUND PERFORMANCE SINCE INCEPTION

Growth of R100 investment (cumulative).



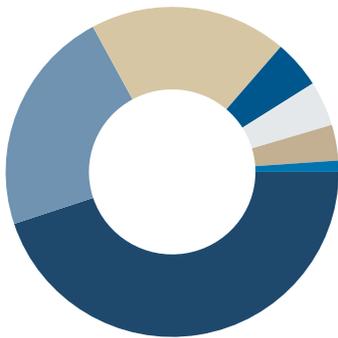
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for the amount shown with income reinvested on reinvestment date.

## FUND PERFORMANCE AT 29 FEB 2020 (%)



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

## ASSET ALLOCATION AT 29 FEB 2020 (%)



- Local Equity - 44.9
- Local Bonds - 22.2
- Offshore Equity - 19.2
- Local Cash - 4.7
- Offshore Bonds - 4.4
- Offshore Cash - 3.5
- Local Property - 1.1

## FUND MANAGER



Peter Little



Peter Armitage

## INFORMATION & DISCLOSURES

ISIN Number ZAE000200598  
 Distributions 2018 (CPU) Aug 1.79 | 2019 (CPU) Feb 1.47; Aug 1.61 | 2020 (CPU) Feb 2.11

## 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 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@bcis-transact.co.za](mailto:instructions@bcis-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 | 021 914 1880 | Fax: 086 502 5319  
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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).

## 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 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 in 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. 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.

## TOP TEN HOLDINGS AT 29 FEB 2020 (%)

Naspers Limited	6.0
SA Govt - 2030 Bond	2.5
Prosus	2.3
Standard Bank Group Limited	2.3
SA Govt - 2026 Bond	2.1
Anglo American Plc	2.0
SA Govt - 2032 Bond	2.0
Exxaro Resources	2.0
SA Govt - 2031 Bond	1.9
Investec Limited	1.8

## FUND MANAGER COMMENTARY AT 29 FEB 2020

The Anchor BCI Managed Fund ended February down 4.5% - in line with the category average. Unfortunately, the much-anticipated budget speech, which generally exceeded expectations, was delivered against a backdrop of global risk aversion related to the economic impact of the new coronavirus and the ensuing global sell-off overwhelmed any positive impact that the budget may have had on local asset prices. The rand continued to sell off with other emerging market currencies, ending the month 4% weaker against the US dollar (the rand is now down 10.6% YTD vs the greenback). A slew of top-40 companies reported earnings in February, most of them mining companies. These mining company earnings were generally disappointing, weighed down by either commodity prices or, in the case of iron ore and platinum group metals, where commodity prices were strong, volumes generally disappointed. Woolworths and Shoprite also reported results in February and both showed decent results in their SA food businesses with satisfactory food price inflation. However, their offshore businesses continued to disappoint. The Property Index recorded its worst-ever monthly return and, although the outlook for the property sector is not positive, it would require an economic collapse for SA tenants to not pay any rent for property assets. Thus, we advise some patience and calm to take advantage of the largest yields in the sector since the early 2000s. In the domestic bond space, this asset class is cheap and although it is highly plausible that things might get worse before they get better, our perspective is that we should lock-in the 10% yields available on domestic duration assets, which this will deliver over time.

## FEE DETAILS

	Class A
Initial fees (BCI) (incl. VAT)	0%
Advisory Fee (Max) (incl VAT)	0%
Ongoing Advisory Fee (Max) (incl VAT)	1.15%
Annual Management Fee (incl VAT)	
Class A	1.44%
Performance Fee	None
TER and Transaction Cost (incl VAT)	
Basic	1.59%
Portfolio Transaction Cost	0.20%
Total Investment Charge	1.79%

A higher TER ratio 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 TER's. 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 over me 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 August 2019, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 31 December 2019.

## CUSTODIAN / TRUSTEE INFORMATION

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

