

# ANCHOR BCI PROPERTY FUND

A CLASS | February 2020

Minimum Disclosure Document | Issued 09 March 2020



NAVIGATING  
CHANGE

## INVESTMENT OBJECTIVE

The Anchor BCI Property Fund aims to deliver both a high income yield as well as capital growth over the medium to long-term.

## INVESTMENT PHILOSOPHY

The fund aims to achieve an above-benchmark total return for investors over the medium to long-term. The portfolio will invest at least 80% of the market value of the portfolio in shares listed on the FTSE/JSE Real Estate industry group or similar sector of an international stock exchange. Up to 10% of the portfolio may be invested in shares outside the property sector in companies that conduct similar business activities in order to achieve the fund's objective. 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 Nov 2015  
Benchmark: SA Listed Property Index (J253T)

Fund Classification: SA Real Estate General  
Distributions: Quarterly Declaration Date: 28 Feb/31 May/31 Aug/30 Nov

### Fees (Incl. VAT):

Annual Management Fee: 1.44%  
Total Expense Ratio (TER): Dec 19: 1.60% (PY): 1.60%

Portfolio Value: R65.54 mn  
Unit Price: 62.87 cpu

## MONTHLY RETURNS (%)

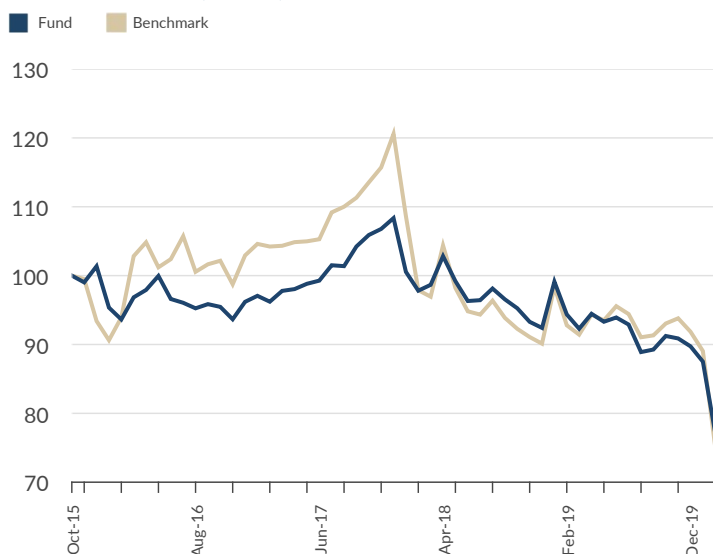
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	-2.5	-11.9											-14.1
2019	7.3	-4.8	-2.2	2.4	-1.2	0.7	-1.1	-4.3	0.4	2.2	-0.4	-1.3	-2.9
2018	-7.2	-2.7	0.9	4.2	-3.5	-2.9	0.1	1.8	-1.6	-1.3	-2.1	-0.9	-14.7
2017	0.9	-0.9	1.6	0.3	0.8	0.5	2.2	-0.1	2.8	1.6	0.8	1.5	12.6
2016	-5.9	-1.8	3.4	1.1	2.1	-3.4	-0.6	-0.8	0.6	-0.4	-1.9	2.7	-5.1
2015											-1.0	2.4	1.4

## RISK PROFILE: MODERATE-HIGH

- This portfolio carries exposure to mainly property securities.
- Property by nature is a moderate-high risk investment.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to interest rate risks and is sensitive to inflation and interest rate cycles.
- The portfolio is suitable for medium-term investment horizons.

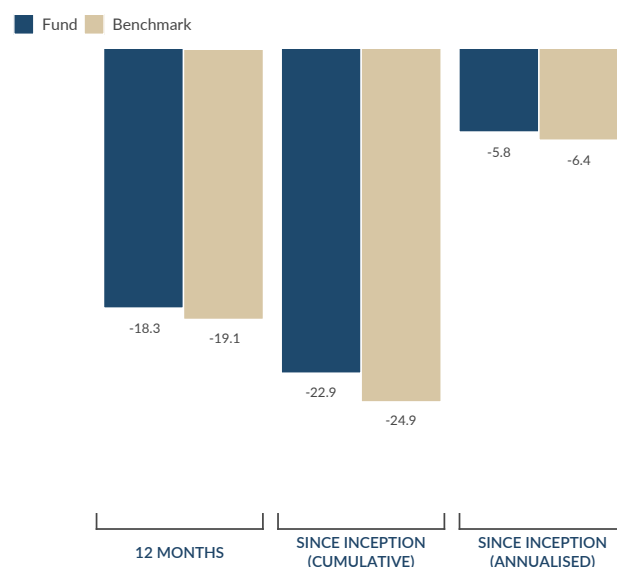
## FUND PERFORMANCE SINCE INCEPTION

Growth of R100 investment (cumulative).

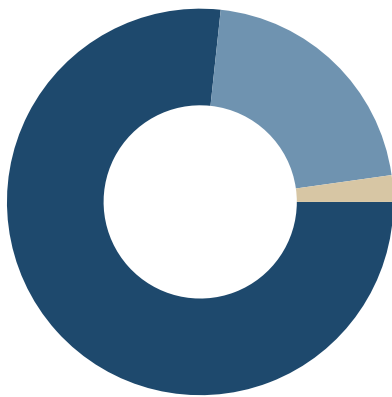


Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for the amount shown with income reinvested on reinvestment date.

## FUND PERFORMANCE AT 29 FEB 2020 (%)



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



Local Property - 76.7 Local Cash - 21.1 Offshore Property Fund - 2.2

## FUND MANAGER



Glen Baker

## INFORMATION & DISCLOSURES

ISIN Number ZAE000208369  
Distributions 2018 (CPU) May 1.86; Aug 0.58; Nov 2.31 | 2019 (CPU) Feb 0.76; May 1.82; Aug 0.78; Nov 2.01 | 2020 (CPU) Feb 0.52

## 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

\*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 | 021 914 1880 | Fax: 086 502 5319  
Email: [clientservices@bcis.co.za](mailto:clientservices@bcis.co.za) | [www.bcis.co.za](http://www.bcis.co.za)

## 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 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 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.

NEPI Rockcastle Plc	9.6
Growthpoint Properties	8.7
Resilient REIT Limited	5.5
Equites Property Fund Limited	5.1
Vukile Property Fund Limited	4.4
Redefine Properties Limited	4.2
Fortress Income Fund Limited A	3.9
Emira Property Fund Ltd	3.5
Investec Property Fund Ltd	3.2
MAS Real Estate Inc	2.4

## FUND MANAGER COMMENTARY AT 29 FEB 2020

The South African (SA) Property Index had its worst ever monthly return in February, down 15.7% MoM. Although there was significant negative global newsflow relating to COVID-19 (coronavirus), and SA's annual budget was presented in Parliament, it would appear that it is not fundamentals driving investors' exit from the listed property sector. The reason we say this is because SA companies that are reporting or supplying trading updates, although all emphasizing the difficult economic circumstances locally, do not seem under an existential threat. Apart from a small group of companies such as Rebois and Delta, dividends are also still being paid. Rather it would seem that confidence in the sector is at all-time lows and there are significantly more sellers than buyers.

The JSE ended February red across the board, with the FTSE JSE All Share Index closing the month 9.0% down. Most of this decline came in the last week of February, when fears around the impact of COVID-19 really came to the fore. However, we note that by this date the property sector was already down 10%, on the back of relentless selling across all stocks in the sector.

Although the outlook for the property sector is not positive, it would require an economic collapse for SA tenants not to pay any rent for property assets. Investors are thus advised to remain patient and calm and to take advantage of the largest yields available in the sector since the early 2000s.

## 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	Dec 19: 1.60% (PY): 1.60%
Portfolio Transaction Cost	Dec 19: 0.13% (PY): 0.22%
Total Investment Charge	Dec 19: 1.73% (PY): 1.82%

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