

## INVESTMENT OBJECTIVE

The Anchor BCI ACPI Global Balanced Feeder Fund aims to outperform the USD Libor 1-year Index by 3% p.a.

## INVESTMENT PHILOSOPHY

The Anchor BCI ACPI Global Balanced Feeder Fund will, apart from assets in liquid form, invest solely in the participatory interest of the ACPI Balanced UCITS Fund.

The underlying portfolio invests in equity securities.

The fund has the ability to invest in other collective investments schemes with similar objectives.

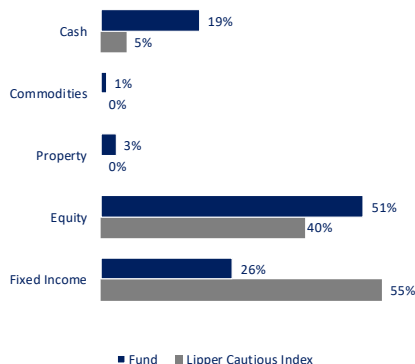
## CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION

The performance will be shown once the required regulatory period has passed (12 months after inception date).

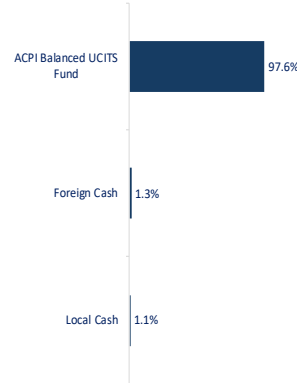
## PERFORMANCE AT 31 OCT 2017

The performance will be shown once the required regulatory period has passed (12 months after inception date).

## ASSET ALLOCATION AT 31 OCT 2017



## TOP HOLDINGS AT 31 OCT 2017



## FUND MANAGER COMMENTARY AT 31 OCT 2017

### Equity: Attribution: +1.0% vs. +0.6% Lipper Equity Index

- World equities began 4Q17 on a broadly firm footing, spurred on by global PMI data and what has historically been a strong seasonal period for risk assets. The MSCI AC World TR Index finished the month 2.1% higher to leave it with a 19.7% gain on a YTD basis. In the US, the S&P 500 Index (+2.3%) recorded its 12th consecutive monthly gain.
- At a portfolio level, strong gains are being seen within the Fund's Asia exposure, a notable laggard last month. The Hermes Asia ex-Japan Fund was up 4.8% in October (vs. +4.1% for the MSCI Asia-Pacific Ex-Japan TR Index), with its cyclical skew benefiting against a firmer risk tone generally, whilst the *Pinebridge Asia ex-Japan Small Cap Equity Fund* (+4.4%) also put in a strong performance.
- The portfolio's Japanese exposure has also been performance accretive this month, with the *GLG Japan Core Alpha Fund*, the portfolio's large-cap core holding, rising by 3% and the fund's two smaller-cap names, *Pinebridge Japan Small Cap Equity* and *Michinori Japan Equity* both increasing (by 3.4% and 3.9%, respectively).
- Elsewhere, among our global equity managers the *Fundsmith Equity Fund* had a very strong month rising by 4.8%, buoyed by a positive earnings update from Microsoft, which is one of its largest holdings.
- On the negative side, our holding in the *VanEck Oil Services ETF* finished the month down 3.8%, negatively impacted by profit taking in the sector after a very strong September. We took the opportunity to add to our position on weakness.

### Fixed Income: Attribution: 0.0% vs. -0.4% Lipper Fixed Income Index

- Bonds were mixed in October as credit markets performed relatively well against a fairly benign inflationary backdrop (outside of the UK, CPI now at 3%), still accommodative central bank speak and stability within rates collectively providing a sense of calm towards the asset class.
- The Barclays Global Aggregate Index was down marginally in October (-0.4%), whilst the higher beta ends of the global high yield (+0.4%) and emerging market debt (+0.2%) universes are slightly positive.

### Portfolio Changes None

## RISK PROFILE: MODERATE-HIGH

Low	Mod-Low	Mod	Mod-High	High
			Mod-High	

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be higher than a medium 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.
- Therefore, it is suitable for medium to long term investment horizons.

FUND NAME  
Anchor BCI ACPI Global Balanced Feeder Fund

ISIN NUMBER  
ZAE000221867

INCEPTION DATE  
22<sup>nd</sup> June 2017

BENCHMARK  
USD Libor 1 year index plus 3% p.a., calculated over a rolling 1 year period

MINIMUM INVESTMENTS  
R25,000 lump sum  
R1,000 monthly debit order  
UNIT PRICE  
R112.33

FUND CLASSIFICATION  
Global Multi Asset Flexible

DISTRIBUTIONS  
Semi-annually.  
Declaration Date: 28 Feb/31 Aug  
2017 Distribution: Aug: 0

PORTFOLIO VALUE  
R52.60 million



## FEES & FAIS DISCLOSURE

Initial fees (BCI) (incl VAT)	0.00%
Advisory Fee (Max) (incl VAT)	3.42%
Ongoing Advisory Fee (Max) (incl VAT)	1.14%

### Annual Management Fee (incl VAT)

Class A	0.29%
Performance fee	None

### TER and Transaction Costs (incl VAT)

Basic	-
Portfolio Transaction Cost	-
Total Investment Charge	-

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. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, the investment decisions of the investment manager and the TER. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Fund. Calculations are based on actual data where possible and best estimates where actual data is not available..

### 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)

## SUBSCRIPTIONS

Valuation time	15h00
Transaction cut-off time	14h00
Payment reference	Initials and Surname

Please send proof of deposit to fax (011) 263 6152 or e-mail [instructions@bci-transact.co.za](mailto:instructions@bci-transact.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, 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. 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.

## MARKET COMMENTARY

### October

Solid global PMI data underpinned risk appetite during October, overshadowing political issues in Europe surrounding Brexit and in Spain where Catalans voted to declare independence. The ramifications for asset classes are clear - on the corporate bond side of the spectrum, the BofAML US Corporate Investment Grade Index spread (94bps) is currently back to its tightest level since 2007, whilst within equities the S&P 500 Index has set a new post-global financial crisis (GFC) high of 13.2x EV/EBITDA, which has only been eclipsed once in its history during the height of the TMT bubble when it peaked at 14.3x. The S&P 500 Index rose 2.3% in October to complete a 12-month streak of positive gains for the index.

Recent economic activity data have broadly been supportive of risk, pointing to a very buoyant and, importantly, synchronised expansion in global growth, despite the persistently high degree of geopolitical noise at present.

Currently, 26 out of 27 of the world's largest economies are in expansionary mode, with PMI readings above 50, with only South Korea contracting today (49.2). The average PMI for the developed world is 54.2, a new post-GFC high, whilst for the developing world it is at 51.7.

On the activity side, the strongest reading out of the major economies has come from the US with the latest ISM Manufacturing print coming in at 60.8 - its highest reading since May 2004. The reading was up a full two points from the previous month with both New Orders (64.6) and Employment (60.3, the highest since 2011) contributing meaningfully. With the US economy at least now appearing to be at, or close to, full employment and capacity after what has been an almost steadily rising period of expansion since early 2009, this may be as good as it gets in the US and for this particular cycle. Meanwhile, data out of Asia have also been firm and, in China, official manufacturing PMI has reached a five-and-a-half-year high after the reading came in at 52.4 (vs. 51.6 expected, readings >50 signal expansion).

The euro area composite PMI was confirmed at 56.7, a four-month high, with both the manufacturing and services PMIs rising. Data out of the UK also surprised to the upside after Services PMI came in at 53.6.

However, a number of geopolitical issues have overshadowed the region. In early-October the citizens of the Catalan region voted for independence from the rest of Spain, following which Spanish PM Mariano Rajoy dismissed the Catalan President and dissolved the Catalan parliament. Although the issues are yet to be resolved, support for the independence movement does appear to have subsided somewhat and tensions lowered. The Ibx Index finished October flat.

## FUND MANAGERS

**Fund Manager - Anchor BCI ACPI Global Balanced Feeder Fund:** The investment manager of this portfolio is Anchor Capital Asset Management an authorised Financial Services Provider (FSP 39834), where the Investment Managers of the underlying portfolio that the Anchor BCI ACPI Global Balanced Feeder Fund invests into is managed by ACPI Investment Managers.

### Fund Manager - ACPI Balanced UCITS Fund:



Marcus Szemruk holds a BSC. In Banking and Finance from Loughborough University and holds the Securities Institute Certificate in Investment Management (CertIM). Marcus has worked in the financial services industry since 1999. Marcus joined ACPI in 2005 initially as a member of the Multi-Manager team researching external hedge fund strategies. From 2008 he has been additionally responsible for all external long-only manager research. He has been the portfolio manager of the ACPI Balanced UCITS Fund since December 2008. He previously worked at a London based fund of hedge funds and was an analyst at Philips and Drew and USB Global Asset Management.

## INFORMATION AND DISCLOSURES

### 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

### Management Company Information

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[www.bcis.co.za](http://www.bcis.co.za)

### Custodian/Trustee Information

The Standard Bank South Africa Ltd  
Tel: 021 441 4100