

## 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.

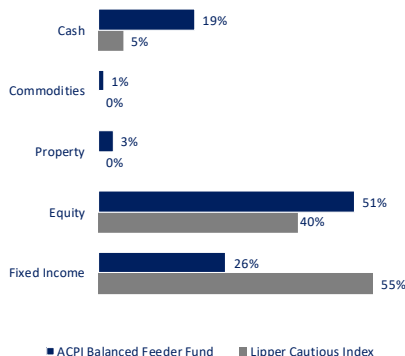
## CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION

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

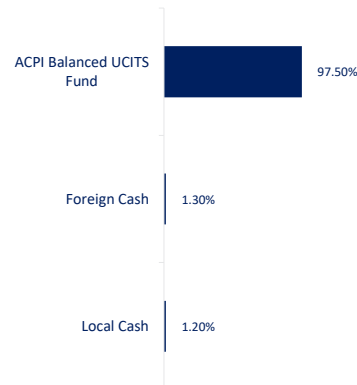
## PERFORMANCE AT 31 DEC 2017

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

## ASSET ALLOCATION AT 31 DEC 2017



## TOP HOLDINGS AT 31 DEC 2017



## FUND MANAGER COMMENTARY AT 31 DEC 2017

### Equity: Attribution: +1.1% vs. +0.6% Lipper Equity Index

- World equities (MSCI AC World TR Index +1.6%) continued to grind steadily higher over December with records being set as a result. In the US, the S&P 500 TR Index finished +1.1% in December, which means that the index was positive in every calendar month in 2017 (inclusive of dividends) - the first time in its history that this has happened.
- In global equity allocation, a good performance from the Morgan Stanley Global Brands Income Fund (+2.3% vs. +1.6% MSCI AC World TR Index) also incrementally drove performance following news that Twenty-First Century Fox's (+9.5%) entertainment assets are to be acquired by The Walt Disney Co. for \$52bn. The stock is a 4.7% position in the Fund.
- The VanEck Vectors Oil Services ETF (+5.9%) also had a strong finish to the end of 2017, as a resurgent oil price (+5.3% to \$60.4/bbl) and a heavily underweight institutional community underpinned sentiment within the broader energy sector.
- Overall, 2017 was a mixed year for the Balanced Fund's array of active equity managers with 7 out of 14 managers outperforming their respective benchmarks. 2017 has been characterised by a strong factor and momentum-driven market environment; valuations have arguably gone out of the window within some regions and broader fundamentals have taken something of a back seat - the classic hallmarks of a late-stage bull market.

### Fixed Income: Attribution: +0.1% vs. +0.3% Lipper Fixed Income Index

- Core rates traded moderately flat in December despite a minor sell-off during the first half of the month against a somewhat benign inflationary backdrop. The Citi WGBI finished 0.2% higher, whilst performance on the corporate side was modestly better with the relative yield pick-up and modest spread tightening driving overall returns; the Barclays Global Aggregate Corporate TR Index finished +0.8%.
- Although only modest, the ACPI Balanced Fund's fixed-income portfolio held up well due to its exposure to investment grade and high-yield credit expressions via the Kames Global HY Fund (+1.1%) and the Western Macro Bond Opportunities Fund (+1.0%).

### 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  
R100.32

FUND CLASSIFICATION  
Global Multi Asset Flexible

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

PORTFOLIO VALUE  
R46.98 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

The calendar was busy in December, with US tax reform, central bank activity and data on inflation all taking centre stage. More broadly, measures on global economic activity continued to illustrate a global economy still expanding at a very decent rate of growth with very little sign (so far) of a pick-up in inflationary pressures. On this, Manufacturing PMI data just out for December has shown readings from Europe (ex-UK) at their highest levels (60.6) since records began in 1997 whilst the US is also experiencing a new cyclical high in activity at 55.1 (readings >50 signal expansion).

In Asia, PMI data out of China show the manufacturing sector slowing slightly (51.6 vs. 51.8 previous), although this is being offset by better-than-expected growth from the non-manufacturing sector (55.0 vs. 54.7 expected) as the country continues to make a steady transition from a manufacturing-led economy to one driven more broadly by consumption.

On the pricing side of the equation, inflation data out of the US came in quite modestly with the recent surge in the price of oil impacting the headline figure and the consumer price index (CPI) rising 0.4% MoM (+2.2% YoY). However, when stripping out the more volatile food and energy components, the core reading was a modest +0.1% MoM (+1.7% YoY). Core PCE, the US Federal Reserve's (Fed's) preferred measure of inflation is +1.4%.

Despite the perceived tightness in the US labour market, inflationary pressures here have also remained relatively benign with real average weekly earnings growing by 0.8% YoY.

As forecast, the Fed increased rates by 25bps with a 7-2 majority vote, whilst also raising the growth outlook. The median dots in the summary of economic projections continued to show three more rate increases for 2018 and two for 2019. Following the increase in the Fed Funds target rate to 1.25%-1.5%, there is now a very modest yield pick-up in real terms in short-term deposit rates for the first time since the global financial crisis of 2008, so this is quite a pivotal moment for savers in the US.

Newsflow surrounding tax reform in the US was also plentiful and after much debate the Senate finally approved a final tax bill which can now be signed by the President to enact.

## 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

Boutique Collective Investments (RF) (Pty) Ltd  
Catnia Building  
Bella Rosa Village, Bella Rosa Street  
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Email: [clientservices@bcis.co.za](mailto:clientservices@bcis.co.za)  
[www.bcis.co.za](http://www.bcis.co.za)

### Custodian/Trustee Information

The Standard Bank South Africa  
Ltd  
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