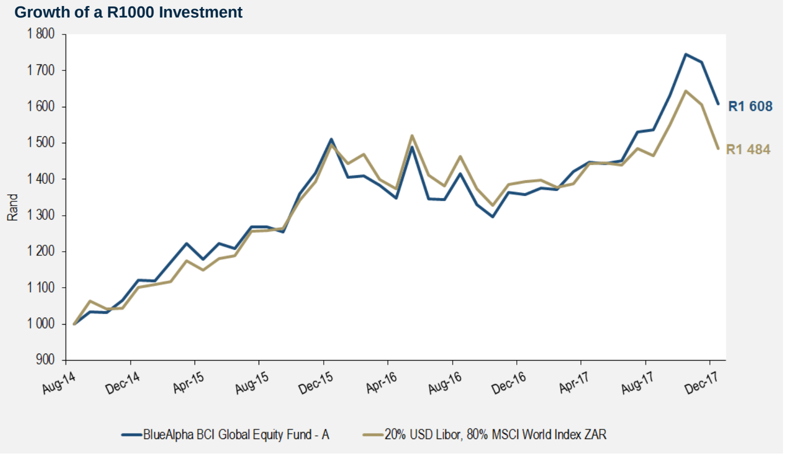
BLUE ALPHA BCI GLOBAL EQUITY FUND
MINIMUM DISCLOSURE DOCUMENT
DECEMBER 2017

BLUE ALPHA INVESTMENT MANAGEMENT

INVESTMENT OBJECTIVE
The primary objective of the BlueAlpha BCI Global Equity Fund is to offer investors a high long term total return by investing across global equity markets.

INVESTMENT PHILOSOPHY
The fund is primarily focused on investing in developed market equities. The investment style is to invest in dominant, high quality businesses which have a history of developing both growth and real economic value. The portfolio's exposure to assets outside of South Africa will be in excess of 80% of the portfolio's net asset value. In addition, the portfolio's exposure to equity securities will always exceed 80% of the portfolio's net asset value and may hold offshore equities, preference shares, money market instruments, property shares and property related securities. The Portfolio may also hold unlisted instruments; namely forward currency, interest rate and exchange rate swap transactions.

CUMULATIVE PERFORMANCE COMPARISON



Source: Bloomberg

FUND INFORMATION

Portfolio Manager:	Richard Pitt, Gary Quinn
Launch date:	September 2014
Portfolio value:	R 150 Million
NAV price at month end:	160.83 cpu
ASISA category:	Global Equity - General
Benchmark:	80% MSCI World Index and 20% US Libor rate calculated Over a rolling 1 year period
Minimum Lump sum:	R 25,000
Minimum monthly investment:	R 1000
Date of Income Declaration:	28 Feb/ 31 Aug
Date of Income Payment:	2nd working day: Mar/Sep
Income Distribution Aug'16:	A Class: 0.00 cpu D Class: 0.28 cpu
Income Distribution Feb'17:	A Class: 0.00 cpu C Class: 0.00 cpu
Income Distribution Aug'17:	A Class: 0.00 cpu C Class: 0.00 cpu
JSE Code:	BGFFA
ISIN Number:	ZAE000193272
Valuation:	Daily
Valuation time:	15:00
Transaction time:	14:00

ASSET & SECTOR ALLOCATION / TOP TEN HOLDINGS

Cash	6%	Tencent	6%
Equity Exposure	94%	MasterCard	5%
Technology	27%	Fiat Chrysler	5%
Consumer Goods	15%	Boeing	5%
Consumer Services	18%	FedEx	4%
Financials	8%	Continental AG	4%
Industrials	13%	Facebook	4%
Health Care	12%	United Health	4%
Other	1%	ServiceNow	4%
		Abbvie	4%

FEE STRUCTURE

Annual Service Fee:	1.43% incl. VAT
Initial fee:	0.00%
Performance fee: 15% excess performance above benchmark, calculated over 1 year rolling period, capped at a maximum of 3% p.a.	
Advisory fee (max):	0.00%

RETURN SUMMARY (Net of Fees)

Performance %	FUND	BENCHMARK	OUT PERFORMANCE
1 year	18.4%	6.5%	11.9%
3 years (annualised)	12..8%	10.4%	2.4%
Since Inception* (annualised)	15.3%	12.5%	2.8%

Source: MoneyMate
*Inception Date: September 2014.

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

TOTAL EXPENSE RATIO (TER)

Total TER	1.73%
Transaction Cost	0.17%
Performance Fee included in TER	0.21%
Total Investment Charge	1.90%

HIGHEST AND LOWEST MONTHLY FIGURES PER CALENDAR YEAR

YEAR	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
HIGH	10.4%	8.4%	5.2%							
LOW	-9.6%	-3.5%	-0.3%							

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BOUTIQUE COLLECTIVE INVESTMENTS

Date of Issue: 08/01/2018

BLUE ALPHA
INVESTMENT MANAGEMENT

Commentary for the Quarter ended 31 December 2017

Global Macro

A year ago, the Fed had just started with its rate hiking cycle, which caused much investor angst at the time. We viewed this change in policy positively, as it confirmed a robust economic climate. This indeed, seems to have been the case, given the 3 rate hikes enacted thus far. Politically, the year proved to be quite volatile – with European political tensions, both in Germany (collapse of coalition talks) & Spain (Catalonian independence referendum); a US president whose intelligence, temperament and even sanity have been publicly questioned, with frequent calls for impeachment; and perhaps most importantly, the imminent risk of a nuclear event on the Korean Peninsula. Notwithstanding this risky backdrop, an acceleration of synchronized global growth proved to be the key force driving company earnings revisions upward, which in turn, led to strong price performance in global equities.

Regional performance in USD terms, largely followed the same pattern for the year, with Asia ex-Japan ending up 38% and Emerging Markets up 34% - significantly ahead of the World Index and the clustered returns of Europe, the US and Japan. In terms of industry performance, Software (+41.9%), Tech Hardware (+36.1%) and Materials (+26.7%) were the best performing sectors in 2017, while Energy (+3.4%) and Telecoms (+4.2%) performed the worst. A key feature of last year's returns, particularly in the US, is not simply the strength of performance but also the consistency of returns and lack of volatility. Not since 1958, have US equities posted a positive return every single month of any year until now. The market was also benign, from a drawdown perspective, the largest decline in the index being 3% - compared to an average intra-year drawdown of 14%. We have argued in the past that low volatility is perhaps less a sign of complacency, as is often argued - but rather a sign of managers underweight position in equities. This view seems to be supported by the lack of significant drawdowns during the year.

Looking ahead, while valuations appear to be on the upper end of historical ranges, we do not necessarily view them as stretched, given the strength and breadth of earnings revisions across the world. Growth is strong, monetary policy is benign and political risk in the form of US tax cuts has surprised on the upside. Importantly, strong returns for risk assets in the mature phase of a bull market are the norm and not the exception. Given these factors we remain constructive on global equities, notwithstanding the strong market performance over the last year.

Portfolio

For the year, the fund returned 31.3% in USD (18.4% in ZAR) and was the top performing fund in the Global Equity category. The fund returned 7.7% in USD over the quarter, ahead of the world index return of 5.6%. The ZAR quarterly return of -1.4% was as a result of a 9% appreciation in the currency following the ANC elective conference. Sector exposure to consumer discretionary and technology added to performance (as did having no exposure to utilities), while healthcare detracted from returns. Regional exposure did not benefit returns, with no exposure to Japan (+8.7%) and only limited emerging market exposure (+7.5%). As such excess returns were largely a function of specific stock picks. At a stock level, our top contributors to performance were Tencent (+21%), Boeing (+17%) and Home Depot (+17%). Boeing and Home Depot are longstanding investments and Tencent was added in early 2017. The worst detractors from performance were Blackstone, Bayer and Priceline – though it should be noted that their returns were only marginally negative in the low single digit range. Bayer was sold during the quarter. One of the attractions for us was the hidden value of the Pharma business, however with a huge focus on closing the Monsanto deal, and a decline in earnings expectations, the risk-reward no longer appeared attractive to us. The single biggest detractor from performance was the loss on hedging through owning PUT options on the S&P500. This is no great tragedy and is tantamount to the "loss" one feels on a no-claim risk insurance. As useful as it is to have insurance, ideally it is better not to have to collect on it.

While we remain constructive on equities we have bought more downside protection via options on the Nasdaq 100. Our reasoning remains identical to last quarter - strong fund returns, almost uninterrupted gains in shares prices, and very low levels of volatility – provide an opportunity to buy "cheap" protection, and it seems pragmatic to do so.

As mentioned, the fund is the top performer in the Global Equity category for the year, and delivered double the return of the average fund. Over the 3 years since launch, we remain in the top 10% of funds. We believe this result bears testimony to the logic of our investment approach – namely to invest in high quality growers, or what we would term "compounding machines". This approach does naturally skew us towards high return industries and away from capital intensive, defensive and highly regulated businesses. While this does create sectoral risk exposure, over time, we believe it is the most sensible way to invest. As such, we will remain focused on investing in high quality businesses with good growth prospects.

BLUE ALPHA
INVESTMENT MANAGEMENT

INFORMATION AND DISCLOSURES

Investment Manager: BlueAlpha Investment Management Pty (Ltd) is an authorized Financial Service Provider FSP number 118

- 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.bci.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 performance figures are available to existing investors on request.
- Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

BOUTIQUE COLLECTIVE INVESTMENTS

Management Company Information
Boutique Collective Investments (RF) (Pty) Limited | Cantina Building Bella Rosa Village, Bella Rosa Str, Belville, 7530
Tel: 021 007 1500/1/2 | 021 914 1880 + Fax: 086 502 5319 | Email: clientservices@bcis.co.za + www.bcis.co.za.

Custodian / Trustee Information
The Standard Bank of South Africa Limited – Trustee Services
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.

TOTAL EXPENSE RATIO (TER)

Please note: 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 cost calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2017, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2017.

EFFECTIVE ANNUAL COST (EAC)

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.

PERFORMANCE REPORTING

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

RISK PROFILE

Aggressive | High Risk

- This portfolio holds more equity exposure than any other risk profiled portfolio and therefore tend to carry higher volatility due to high exposure to equity markets.
- Expected potential long term returns could be higher than other risk profiles and in turn the risk of potential capital losses is higher.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks
- Therefore, it is suitable for long term investment horizons.