

ANCHOR BCI FLEXIBLE INCOME FUND

A CLASS | January 2024

Minimum Disclosure Document | Issued 08 February 2024

ANCHOR

NAVIGATING
CHANGE

INVESTMENT OBJECTIVE

The **Anchor BCI Flexible Income Fund** is a specialist income-generating portfolio. The investment objective of the portfolio is to achieve a high level of sustainable income and stability of capital invested.

INVESTMENT PHILOSOPHY

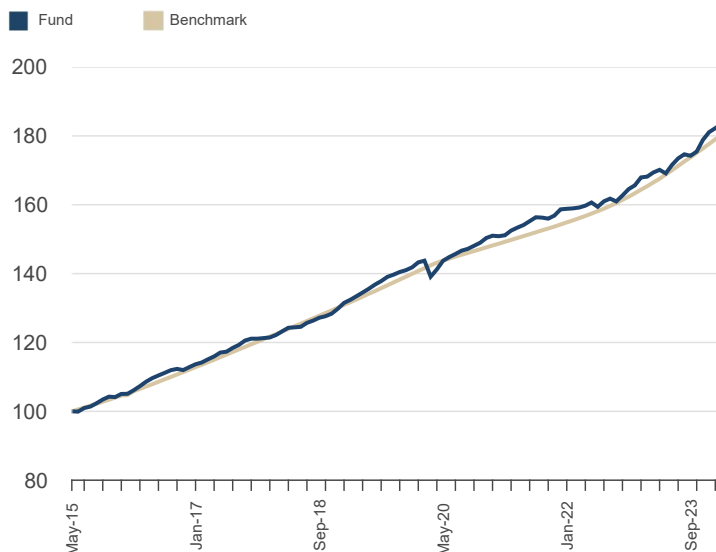
Investments to be acquired for the portfolio may include equity securities, property securities, property related securities, interest-bearing securities, non-equity securities, money-market instruments, preference shares and assets in liquid form. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may only include the following unlisted financial instruments for efficient portfolio-management purposes: forward currency, interest rate and exchange-rate swap transactions. The portfolio will comply with prudential investment guidelines to the extent allowed for by the Act. However, the portfolio's equity exposure may be as high as 10% of the portfolio's net asset value, whilst its property exposure may be as high as 25%.

MONTHLY RETURNS (%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	0.6												0.6
2023	1.4	0.1	0.7	0.4	-0.6	1.5	1.1	0.7	-0.2	0.7	1.9	1.3	9.3
2022	0.1	0.1	0.2	0.3	0.6	-0.8	1.0	0.5	-0.5	1.1	1.1	0.7	4.4
2021	0.4	-0.1	0.2	0.9	0.6	0.5	0.7	0.7	-0.1	-0.2	0.6	1.2	5.5
2020	1.0	0.3	-3.2	1.5	1.8	0.8	0.6	0.7	0.4	0.6	0.6	0.9	6.0
2019	1.3	0.7	0.8	0.8	0.8	0.9	0.7	0.9	0.5	0.5	0.4	0.6	9.3
2018	0.2	0.6	0.9	0.8	0.1	0.1	0.9	0.5	0.7	0.3	0.6	1.1	7.0
2017	0.7	0.5	0.8	0.7	1.0	0.2	0.9	0.7	1.1	0.4	0.0	0.1	7.5
2016	0.9	0.0	1.0	1.1	1.2	1.0	0.7	0.7	0.7	0.3	-0.3	0.8	8.4
2015						-0.1	1.0	0.4	0.9	1.1	0.8	-0.1	4.1

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 INFORMATION

Risk profile:

LOW LOW-MOD MOD MOD-HIGH HIGH

Inception Date 01 Jun 2015
Benchmark STeFI Call Deposit Rate +1%

Fund Classification SA Multi Asset - Income
Distributions Quarterly Declaration Date:
31 Mar/30 Jun/30 Sep/31 Dec

Fees (Incl. VAT):

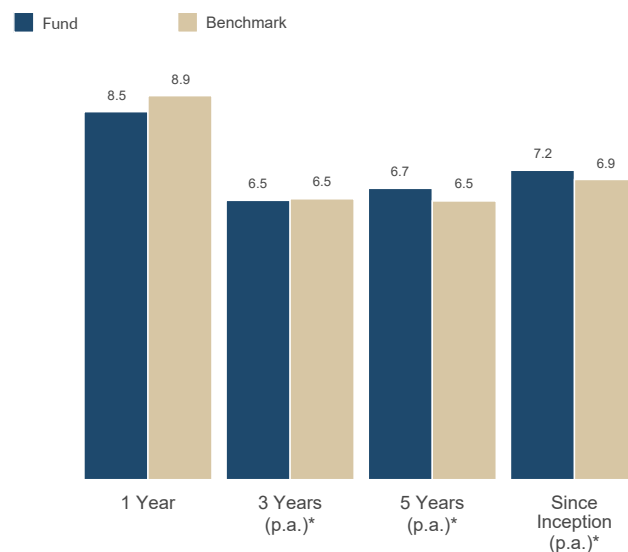
Annual Management Fee 1.15%
Total Expense Ratio (TER) Sep 23: 1.19% (PY): 1.18%

Portfolio Value R4180.81 mn
Unit Price 106.04 cpu

RISK PROFILE: LOW

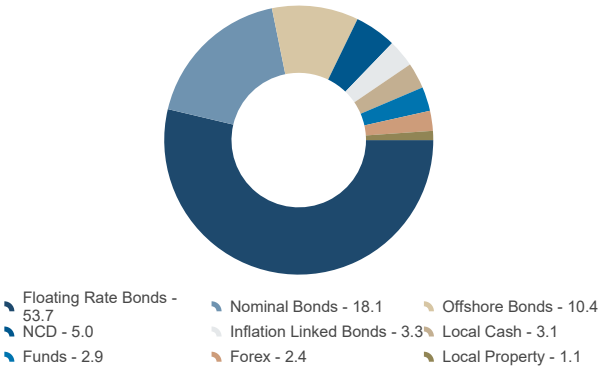
- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium-term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

FUND PERFORMANCE AT 31 JAN 2024 (%)



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

ASSET & SECTOR ALLOCATION AT 31 JAN 2024 (%)



FUND MANAGER



Nolan Wapenaar

INFORMATION & DISCLOSURES

ISIN Number	ZAE000202917
Distributions	2022 (CPU) Mar 1.41; Jun 1.57; Sep 1.65; Dec 1.76 2023 (CPU) Mar 1.84; Jun 1.91; Sep 1.98; Dec 2.03

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)
 - Valuation takes place daily and prices can be viewed on our website (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@bci-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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Email: clientservices@bcis.co.za | 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. BCI calculates the EAC as per the ASISA standard for a period of 3 years up until the most recent TER reporting period.

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. Should the portfolio invest into 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. Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily. 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. Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website (www.bcis.co.za).

TOP TEN HOLDINGS AT 31 JAN 2024 (%)

Republic Of South Africa - 2032 Bond	11.0
Investec Call	3.4
Absa Bank Limited - 2028 Bond	3.1
Absa Group Limited - 2028 Bond	2.9
Offshore Cash	2.3
Anchor BCI Global Flex Income Fund	2.2
The Standard Bank of SA - 2028 NCD	1.9
Standard Bank Group Limited - 2024 Bond	1.8
Investec Bank Ltd - 2027 NCD	1.8
FirstRand Bank Limited - 2028	1.7

FUND MANAGER COMMENTARY AT 31 JAN 2024

As the new year unfolds, headline inflation is gradually declining in many parts of the world, but core inflation remains persistently high. Anticipated economic growth in developed and emerging economies is expected to weaken this year as the aggressive monetary tightening observed over the past two years continues to filter through. In the US, economic data continues to reflect a strong economy driven by robust consumer spending and a relatively tight labour market. Consequently, this economic strength is likely to delay interest rate cuts. Central banks in many advanced economies, including the US Federal Reserve (Fed), exercise caution in reducing interest rates prematurely, emphasising the need to wait for more economic data to confirm a sustainable downward inflation trend towards the 2% target. The derivatives market anticipates US interest rate cuts to commence in the second quarter of 2024, with a total of about 150bps of cuts expected for the year, which we believe is on the aggressive side unless one assumes a hard landing scenario. Meanwhile, on the local front, the South African Reserve Bank (SARB) decided to maintain the repo rate at 8.25% at its January meeting. Expectations in the derivatives market suggest that local interest rate cuts may begin in 2H24, with a total of 75 bps of rate cuts expected for the year, a projection we also believe to be on the optimistic side unless a hard landing is anticipated. Extensive loadshedding, high social and political tensions, and credit risk remain key to the fund's positioning.

FEE DETAILS

	Class A
Initial fees (BCI) (incl. VAT)	0%
Annual Management Fee (incl VAT)	
Class A	1.15%
Performance Fee	None
TER and Transaction Cost (incl VAT)	
Basic	Sep 23: 1.19% (PY): 1.18%
Portfolio Transaction Cost	Sep 23: 0.00% (PY): 0.00%
Total Investment Charge	Sep 23: 1.19% (PY): 1.18%

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 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 30 June 2023, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 30 September 2023.

CUSTODIAN / TRUSTEE INFORMATION

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Tel: 021 441 4100