

# ANCHOR BCI AFRICA FLEX INCOME FUND

A CLASS | September 2024

Minimum Disclosure Document | Issued 10 October 2024

# ANCHOR

NAVIGATING  
CHANGE

## INVESTMENT OBJECTIVE

The **Anchor BCI Africa Flexible Income Fund's** objective is to maximise income for investors by investing in mainly African interest-bearing securities.

## INVESTMENT PHILOSOPHY

In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, bonds, debentures, convertible securities, cash deposits, corporate debt, listed property, preference shares, non-equity securities, equity securities and any other securities which are considered to be consistent with the portfolio's primary objective and the Act my allow from time to time. The portfolio may, from time to time, 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. The maximum effective equity exposure (including international equity) will be 10% and a maximum effective property exposure (including international property) of 25%. The portfolio's African exposure, excluding South Africa, will always exceed 80% of the portfolio's asset value.

## FUND INFORMATION

Risk profile:



Inception Date	08 Mar 2016
Benchmark	SteFI Composite Index +2% p.a. over a rolling 1-year period
Fund Classification	Regional - Interest - Bearing - Variable
Distributions	Quarterly Declaration Date: 31 Mar/30 Jun/30 Sep/31 Dec
<b>Fees (Incl. VAT):</b>	
Annual Management Fee	0.81%
Total Expense Ratio (TER)	Jun 24: 1.90% (PY): 1.67%
Portfolio Value	R238.40 mn
Unit Price	117.29 cpu

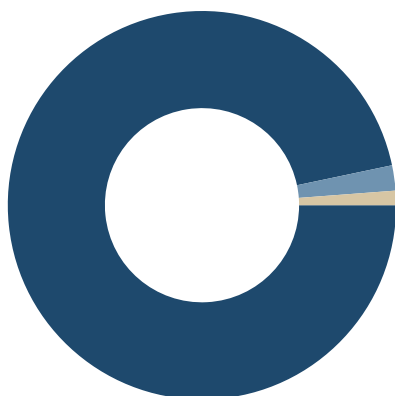
## MONTHLY RETURNS (%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	0.1	2.8	1.4	-1.8	0.6	-3.6	1.7	-0.4	-0.4				0.3
2023	4.0	1.3	-2.9	1.0	4.8	0.3	-0.5	-0.4	-0.8	-0.5	5.4	6.3	19.1
2022	-1.7	-3.5	-2.6	0.4	-1.3	-5.6	1.1	4.4	-2.6	3.4	5.3	0.4	-2.8
2021	1.2	-0.7	-2.3	1.0	-0.8	1.7	1.5	0.6	0.3	-1.1	-0.8	2.2	2.9
2020	4.3	0.9	-12.7	2.7	7.0	4.3	0.1	1.9	-1.7	0.9	2.4	0.6	9.8
2019	0.0	3.8	2.5	0.8	1.3	1.4	1.4	3.5	0.1	0.6	-1.4	-0.2	14.5
2018	-1.2	-1.3	0.4	2.2	0.2	2.9	0.9	3.4	0.4	0.3	-3.2	2.5	7.4
2017	-1.8	-0.1	1.0	1.1	0.8	-0.3	1.5	1.4	1.7	2.7	-1.1	-3.3	3.5
2016			-0.5	0.1	3.3	0.1	-0.3	4.1	-1.5	-1.6	-1.3	0.9	3.1

## RISK PROFILE: MODERATE

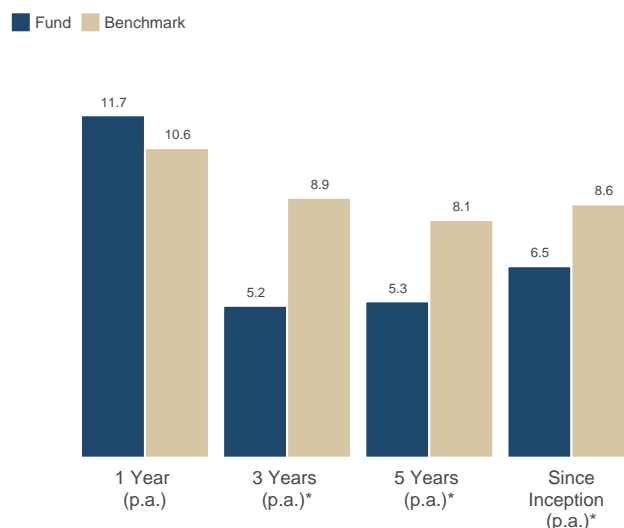
- This portfolio holds exposures to bonds which have credit and interest rate risks. We consider the risk to be higher than a low risk equity portfolio, but less than that of a high risk portfolio. In turn, the expected volatility is higher than a low-risk portfolio, but less than that of a high risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- This portfolio is exposed to potential default and interest rate risks.
- The portfolio is suitable for medium-term investment horizons.
- The probability of losses is higher than that of a low-risk portfolio, but less than a high-risk portfolio and moderate long term investment returns are expected.

## ASSET & SECTOR ALLOCATION AT 30 SEP 2024 (%)



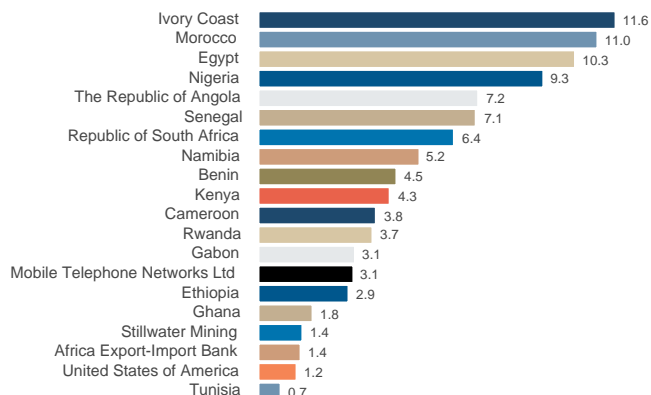
African Bonds - 96.7 Local Cash - 2.1 Offshore Cash - 1.2

## FUND PERFORMANCE AT 30 SEP 2024 (%)



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

## COUNTRY ALLOCATION AT 30 SEP 2024 (%)



## FUND MANAGER



Nolan Wapenaar

## INFORMATION & DISCLOSURES

ISIN Number ZAE000212882  
 Distributions 2022 (CPU) Dec 1.61 | 2023 (CPU) Mar 1.87; Jun 1.92; Sep 0.92; Dec 1.37 | 2024 (CPU) Mar 1.34; Jun 0.95; Sep 1.87

## 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 monthly investment None\*

Please send proof of deposit to fax (011) 263 6152 or e-mail [instructions@bci-transact.co.za](mailto: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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## 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 instances 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). 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) ("BCI") Ltd is part of the Apex Group 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 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](http://www.bcis.co.za)).



## TOP TEN HOLDINGS AT 30 SEP 2024 (%)

Morocco - 2042 Bond	10.8
Nigeria - 2033 Bond	6.8
Ivory Coast - 2033 Bond	6.2
Namibia - 2025 Bond	5.1
SOAF 6.25% 080341	4.8
Egypt - 2031 Bond	4.3
Kenya - 2034 Bond	4.2
Senegal - 2033 Bond	3.8
Cameroon - 2025 Bond	3.7
Rwanda - 2031 Bond	3.6

## FUND MANAGER COMMENTARY AT 30 SEP 2024

The interest rate-cutting cycle in the US has started. Markets have responded well to the cuts, with derivatives now pricing a further 2% of interest rate cuts beyond what we saw in September. This is a positive development for the bond market and risk assets, which have seen their prices rise in response. Credit spreads are well supported at this time as global economic growth is expected to hold up. China's recent stimulus measures have also been well received by the market, and further tightening of credit spreads is a reasonable expectation for this asset class. While fiscal, economic and monetary measures are all supportive, we are watchful of geopolitical developments as tensions flare up in the Middle East, threatening disruptions of oil supply and a further polarisation of the globe. Our initial assessment is that this will more likely than not de-escalate. We have therefore treated the softness in the market as a buying opportunity while remaining watchful of further developments.

## FEE DETAILS

	Class A
Initial fees (BCI) (incl. VAT)	0%
Annual Management Fee (incl VAT)	
Class A	0.81%
Performance Fee	15% of outperformance of benchmark over a rolling 1 year capped at 1.0% p.a.
TER and Transaction Cost (incl VAT)	
Basic	Jun 24: 1.90% (PY): 1.67%
Portfolio Transaction Cost	Jun 24: 0.00% (PY): 0.00%
Total Investment Charge	Jun 24: 1.90% (PY): 1.67%
Performance fee incl in TER	Jun 24: 1.00% (PY): 0.78%

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 December 2023, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 30 June 2024.

## CUSTODIAN / TRUSTEE INFORMATION

The Standard Bank of South Africa Ltd  
 Tel: 021 441 4100