



Southern Charter

FUND MANAGERS

Southern Charter BCI Growth Fund of Fund as at 30 June 2018

Risk Profile



Morningstar Rating ★ ★ ★

Portfolio Manager

Ursula Maritz / Mark Thompson

First Floor, Silverberg Terrace
Steenberg Office Park
Steenberg Road
Tokai, 7945

Authorised Financial Services Provider
Southern Charter Fund Managers (Pty) Ltd FSP
No. 740

Contact: Mark Thompson / Ursula Maritz
Telephone: (021) 7001000
Web: <http://www.southerncharter.co.za>

Portfolio Details

Sector: SA Multi Asset High Equity
Launch date: 25 October 2007
Size of fund: R797.5M
Benchmark: Composite *
Composition: 60% FTSE/JSE Swix J403T
15% All Bond Index
10% SA Listed Property

J253T
0% SteFI
5% JPM Global Bond Index
10% MSCI World Index

Minimum Investment

R25 000 Lump sum or R1000 monthly debit order

Income Distribution

Income distribution Feb 2018: 2.13 cents
Income distribution Aug 2017: 1.99 cents
Income distribution Feb 2017: 1.32 cents

Declaration date 28 Feb, 31 Aug
Payment date 2nd working day of March/
September
Valuation time 08h00 (T + 1)
Transaction time 14H00

Total Expense Ratio (TER)

Total Expense Ratio: March 2018: 1.72%
(PY): 2.07%
Performance fee included in TER: -
Portfolio Transaction Cost: March 2018: 0.20%
(PY): 0.21%
Total Investment Charge: March: 1.92%
(PY): 2.28%

Fees including VAT

Manager's upfront charge (max) 0.00%
FSP upfront commission (max) 0.00%
Annual management fee 0.86%

Performance Fee

None.

Investment Objective

The Southern Charter BCI Growth Fund of Funds is an aggressively managed fund of funds. The primary investment objective of the portfolio is to provide the investor with a relatively high long term total return. The Fund aims to provide investors with capital growth of 7% above inflation over the longer term by investing in a combination of asset classes including local and international equities, fixed interest, property and cash. As the Fund has a high allocation growth assets, it is ideal for investors with a long investment horizon, who seek capital growth and who are at least 10 years from retirement. The fund is Regulation 28 compliant.

Strategy

The Fund is actively managed with a value bias. By focusing on macro themes, the Fund looks to exploit valuation discrepancies in asset classes when they occur. The allocation to equities will range from 60% to 75%, depending on economic conditions with neutral weighting of 70%. The balance is allocated to the other asset classes.

Cumulative Fund Performance (net of all fees)

	1 Year	3 Years	5 Years	10 Years
Southern Charter BCI Growth FoF A	5,32	10,88	44,30	148,19
CPI + 7%	11,68	43,21	82,67	237,34
Benchmark*	9,83	20,65	67,96	207,80

Annualised Fund Performance (net of all fees)

	1 Year	3 Years	5 Years	10 Years
Southern Charter BCI Growth FoF A	5,32	3,50	7,61	9,52
CPI + 7%	11,68	12,72	12,81	12,93
Benchmark*	9,83	6,46	10,93	11,90

**Annualised return is the geometric average growth rate earned each year compounded over the period measured.

Growth of R100 000



■ Southern Charter BCI Growth FoF A 236 227,7 ■ Average Fund 218 546,1

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

Highest and Lowest Monthly Figures per Calendar Year

Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High	4,53%	3,57%	5,98%	1,84%	5,33%	3,45%	5,82%	5,68%	7,32%	5,82%
Low	-2,59%	-3,32%	-2,37%	-1,33%	-3,12%	-1,74%	-1,11%	-3,90%	-5,50%	-5,68%

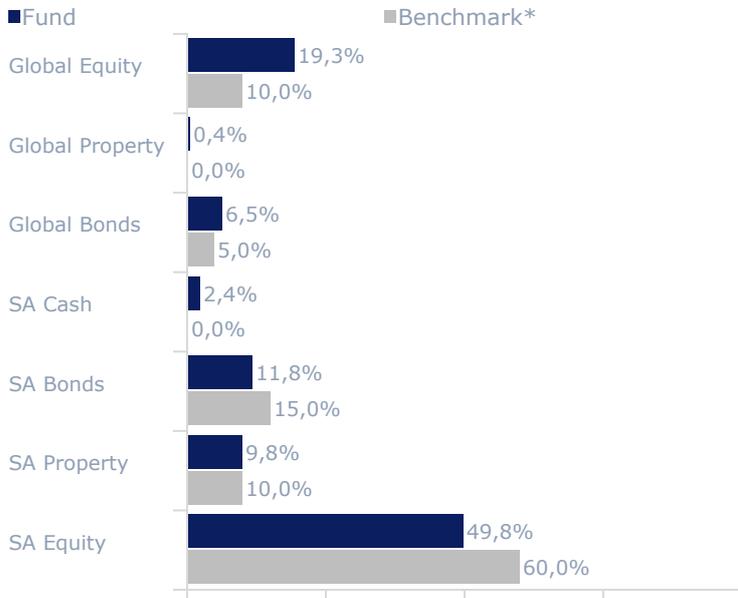


Southern Charter

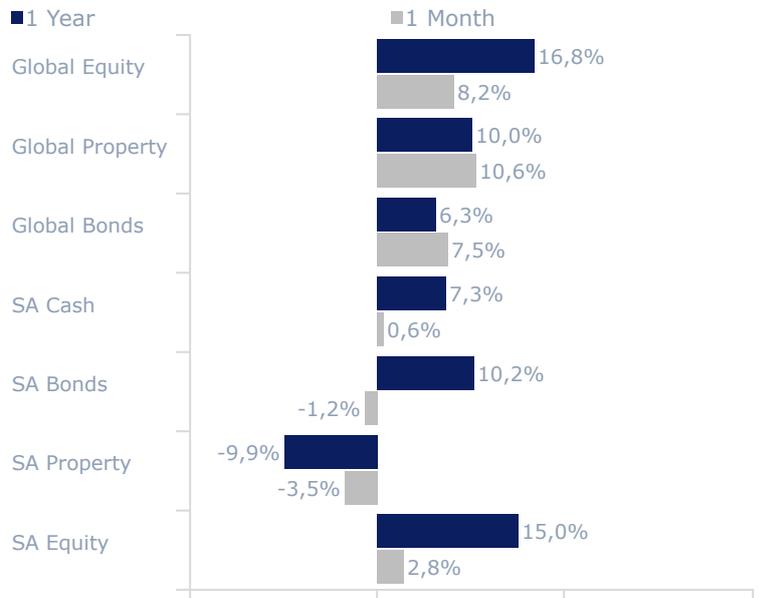
FUND MANAGERS

Southern Charter BCI Growth Fund of Fund as at 30 June 2018

Asset Allocation



Asset Class Performance



Manager Selection



Manager	%
Investec SA Equity G	14,1
Satrix Divi Plus ETF	13,7
Prudential Core Value F	12,6
Coronation Resources P	10,1
Coronation Bond P	10,0
Investec Global Multi-Asset Income FF H	8,5
Coronation Global Em Mkts Flex [ZAR] P	6,6
Prudential Enh SA Prop Tracker D	6,5
Investec Global Franchise FF A	6,2
Allan Gray - Orbis Global Equity FF	5,6
Other	6,2
Total	100,0



Raging Bull Award 2013
Southern Charter Growth Fund

Best Performing Fund on a risk adjusted basis over five years
Prudential High Equity Category

Administrators
BOUTIQUE
+ COLLECTIVE
INVESTMENTS

Top 10 Equity Holdings

Holding	Fund Weight	Holding	Fund Weight
Anglo American	5,80%	Standard Bank	3,03%
Sasol	5,32%	Exxaro	2,38%
Naspers	4,42%	British American Tobacco	2,27%
Mondi	3,56%	First Rand	2,23%
BHP Billiton	3,20%	Richemont	1,92%



Southern Charter

FUND MANAGERS

Southern Charter BCI Growth Fund of Fund as at 30 June 2018

Fund Commentary

Trade war concerns continued to dampen sentiment in global markets as China vowed to retaliate against any additional tariffs by the USA. The initial USD34 billion of US tariffs on Chinese goods was expected to be implemented in early July, leaving market participants worried that this would prompt further retaliation from China. The effects of the trade war concerns were evident in the Chinese Shanghai Composite Index, which was down 8.08% month on month (MoM) and is now -13.9% year on year (YoY). The FOMC also met during the month and increased the federal funds rate by a largely expected 25 basis points and indicated that they would hike rates at least twice again before the end of 2018. The prospect of higher US rates, together with uncertainty over global trade continued to weigh in on emerging market (EM) sentiment.

Despite the noise, market returns benefitted from the weaker rand (-8.1% vs USD), with Global equities returning 8.2% MoM (in ZAR) and Global properties 10.6% MoM (in ZAR) on the back of continued positive sentiment in the sector. On the local front, South African (SA) equities returned a decent 2.8% MoM (in ZAR). The rebound in the equity market performance from the previous month was driven by a weaker rand as rand hedges benefitted from this currency tailwind. Naspers returned an impressive 15.2% MoM (in ZAR) as the company reported that it would consider returning cash to shareholders if it did not find good opportunities to invest its cash pile. Firm commodity prices continued to provide an underpin for Resources, whilst SA Bonds suffered from the EM sell-off. SA property was down 3.5% MoM (in ZAR) on the back of weak sector sentiment and the prospect of rising yields.

Fund Codes

JSE : MSCR

Medium| Medium - High Risk

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 reflect 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.

TER Disclaimer

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 prior year ("PY") 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 31 March 2018.

Effective Annual Cost

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.

FAIS 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.

Additional Information

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 performance figures are available to existing investors on request.

Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

Custodian: The Standard Bank of South Africa Limited: Tel (021) 441-4100. Boutique Collective Investments (RF) (Pty) Limited, Catnia Building,

Bella Rosa Village, Bella Rosa Street, Bellville, 7530. Tel: 021 007 1500/1/2 | Fax: 086 502 5319 | Email: clientservices@bcis.co.za | www.bcis.co.za. Registration No 2003/024082/07. 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. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance figures quoted for the portfolio is 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. 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. A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure. The advertisement discloses that the full details and basis of the award are available from the manager.