

BLUEALPHA BCI BALANCED FUND – C class

MINIMUM DISCLOSURE DOCUMENT

AUGUST 2020



BLUEALPHA
INVESTMENT MANAGEMENT

INVESTMENT OBJECTIVE

The BlueAlpha BCI Balanced Fund is a managed portfolio with the objective to offer investors a moderate to high long-term total return.

INVESTMENT PHILOSOPHY

The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. The portfolio's net equity exposure will range between 0% and 75% of the portfolio's net asset value. The portfolio has the option to invest in a combination of assets in liquid form, money market instruments, interest bearing securities, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities, non-equity securities, or collective investment schemes.

FUND PERFORMANCE (NET OF FEES)

| Annualised (%) | 1 Year | Since Inception |
|-------------------------------|--------|-----------------|
| Fund | 4.4% | 2.9% |
| ASISA Category Average | 4.5% | 2.5% |

Inception Date: September 2018

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

Risk Statistics

| Fund | 1 Year | 3 Years |
|--------------------|--------|---------|
| Standard deviation | 16.1% | - |
| Maximum drawdown | -19.2% | - |

Highest and Lowest

| Calendar year performance since inception | |
|---|-------|
| High | 12.4% |
| Low | 12.4% |

MONTHLY RETURNS

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|-------------|-----|------|------|-----|------|-----|------|------|------|------|------|------|------|
| 2020 | 0.9 | -6.0 | -7.8 | 8.1 | -0.1 | 2.1 | 1.4 | 2.4 | | | | | 0.2 |
| 2019 | 2.1 | 2.6 | 1.2 | 4.4 | -3.3 | 2.0 | -0.8 | -0.4 | -0.2 | 3.4 | 1.0 | -0.0 | 12.4 |
| 2018 | | | | | | | | | | -4.1 | -0.9 | -0.8 | -6.2 |

EFFECTIVE EXPOSURE

| | Domestic % | Foreign % | Total % |
|---------------------|------------|-----------|---------|
| Equities | 40% | 38% | 78% |
| Property | 3% | 0% | 3% |
| Fixed Income | 13% | 0% | 13% |
| Cash | 2% | 4% | 6% |
| Total | 58% | 42% | 100% |

FUND INFORMATION

| | |
|------------------------------------|---|
| Portfolio Manager: | Richard Pitt, Walter Jacobs |
| Launch date: | September 2018 |
| Portfolio value: | R 68 million |
| NAV price at month end: | 98.94 cpu |
| JSE Code: | BABFC |
| ISIN Number: | ZAE000261103 |
| ASISA category: | SA Multi Asset High Equity |
| Benchmark: | Average of the SA Multi Asset High Equity ASISA category, calculated over a 1 year rolling period |
| Minimum investment amount: | None |
| Valuation: | Daily |
| Valuation time: | 15:00 |
| Transaction time: | 14:00 |
| Regulation 28 | Yes |
| Date of Income Declaration: | 30 June/ 31 December |
| Date of Income Payment: | 2 nd working day: July/ January |

INCOME DISTRIBUTION (cpu)

| Feb 2019 | Aug 2019 | Feb 2020 | June 2020 |
|----------|----------|----------|-----------|
| 0.89 | 1.47 | 1.24 | 0.85 |

FEE STRUCTURE

| | |
|---|-----------------|
| Annual Service Fee: | 0.98% incl. VAT |
| Initial, exit and switching fee: | None |
| Performance fee: | None |
| Advisory fee (max): | 0.00% |

TOTAL EXPENSE RATIO (TER)

| | |
|--------------------------------|------------------|
| Total TER: | 1.22% (PY 1.22%) |
| Transaction Cost | 0.36% (PY 0.36%) |
| Total Investment Charge | 1.58% (PY 1.58%) |

All values include VAT

RISK PROFILE



Medium Risk

- This portfolio has a balanced exposure to various asset classes. It has more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-risk portfolio. 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.
- The portfolio is exposed to equity as well as 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.

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BOUTIQUE
+ COLLECTIVE
INVESTMENTS

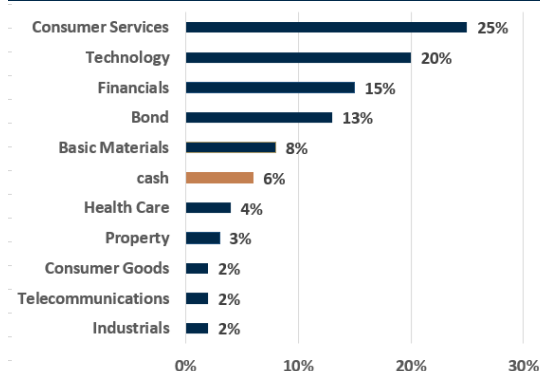


PORTFOLIO HOLDINGS

Top Holdings (%) as at 31 August 2020

| | |
|-------------------|-----|
| RSA 10.5% (R186) | 13% |
| Prosus | 4% |
| ServiceNow | 4% |
| Amazon | 3% |
| NewGold | 3% |
| Naspers | 3% |
| Anglogold Ashanti | 3% |
| Microsoft | 3% |
| Apple Inc | 3% |
| SPDR Gold Shares | 3% |

Sector Allocation (%) as at 31 August 2020



INFORMATION AND DISCLOSURES

RISK

Where foreign securities are included in the portfolio there may be 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.

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 prior year ("PY") TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 30 June 2020, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 June 2020.

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.

* **Monthly 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.

| * Total Expense Ratio (TER) | Transactional Cost (TC) | Total Investment Charge (TER & TC) |
|---|--|--|
| 1.22% | 0.36% | 1.58% |
| Of the value of the Fund was incurred as expenses relating to the administration of the Fund. | Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund. | Of the value of the Fund was incurred as costs relating to the investment of the Fund. |

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.

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.

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.

Management Company Information

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Custodian / Trustee Information

The Standard Bank of South Africa Limited – Trustee Services
Tel: 021 441 4100



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