



# Southern Charter

## FUND MANAGERS

### Southern Charter BCI Defensive Fund of Fund as of 28 February 2019

#### 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 Low Equity  
Launch date: 25 October 2007  
Size of fund: R161.0 M  
Benchmark: CPI + 3%  
Average Fund: ASISA Multi Asset Low Equity  
Fund Category Average

#### Minimum Investment

Minimum lump sum: None#  
Minimum monthly investment: None

#### Income distribution

Income distribution Feb 2019: 1.46 cents  
Income distribution Nov 2018: 1.98 cents  
Income distribution Aug 2018: 1.12 cents  
Income distribution May 2018: 2.37 cents  
Income distribution Feb 2018: 1.41 cents

Declaration date : Quarterly  
Payment date 2nd working day of March /  
September  
Valuation time 08h00 (T + 1)  
Transaction time 14H00

#### Total Expense Ratio (TER)

Total Expense Ratio: Sept 2018: 1.72%  
(PY): 1.76%  
Performance fee included in TER: -  
Portfolio Transaction Cost: Sept 2018: 0.13%  
(PY): 0.11%  
Total Investment Charge: Sept 2018: 1.85%  
(PY): 1.87%

#### Fees including VAT

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

#### Performance Fee

Southern Charter does **NOT** charge any performance fees.

#### Investment Objective

The Southern Charter BCI Defensive Fund of Funds is a cautious managed fund of funds. The primary investment objective of the portfolio is to provide the investor with a high level of income and stable capital growth. The Fund aims to provide investors with capital growth above inflation by investing in a combination of asset classes including local and international equities, fixed interest, property and cash. The Fund looks to provide capital stability and is ideal for investors with a shorter investment horizon, who seek capital growth and who are within 5 years of 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 0% to 40%, depending on economic conditions with neutral weighting of 20%. The balance is allocated to the other asset classes. The allocation to assets other than equities, aims to reduce the risk of capital loss in the portfolio.

#### Cumulative Fund Performance (net of all fees)

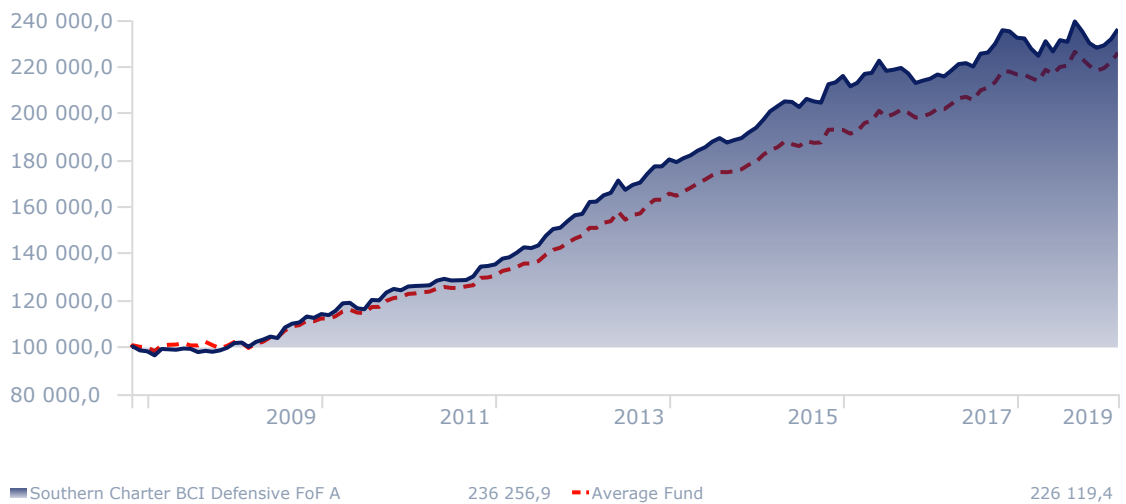
	10 Years	5 Years	3 Years	1 Year
Southern Charter BCI Defensive FoF A	135,6%	30,6%	10,8%	3,6%
Average Fund	126,6%	35,7%	17,5%	5,0%
Benchmark	124,7%	48,8%	26,4%	7,1%

#### Annualised Fund Performance (net of all fees)

Southern Charter BCI Defensive FoF A	8,9%	5,5%	3,5%	3,6%
Average Fund	8,5%	6,3%	5,5%	5,0%
Benchmark	8,4%	8,3%	8,1%	7,1%

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

#### Growth of R100 000 (Since Inception)



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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High	3,8%	2,5%	2,4%	3,9%	1,3%	3,3%	2,9%	3,2%	3,4%	4,4%
Low	-2,2%	-1,2%	-2,1%	-1,2%	-1,0%	-2,3%	-0,2%	-0,5%	-2,0%	-1,8%

Administrators

**BOUTIQUE**  
COLLECTIVE  
INVESTMENTS

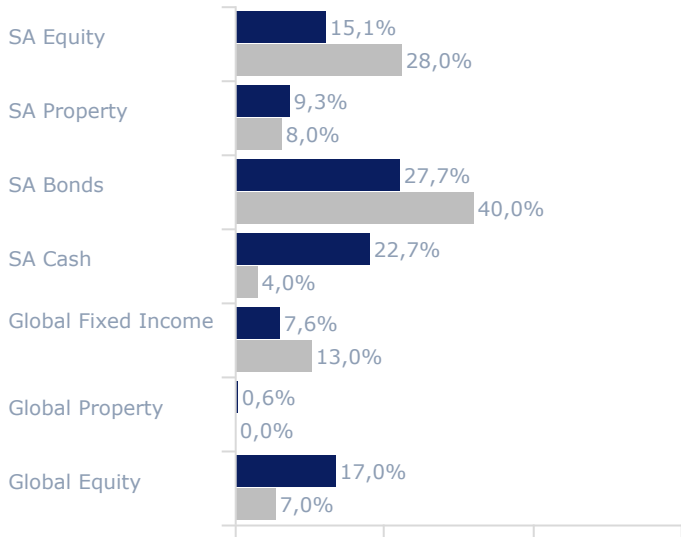


# Southern Charter

FUND MANAGERS

Southern Charter BCI Defensive Fund of Fund as of 28 February 2019

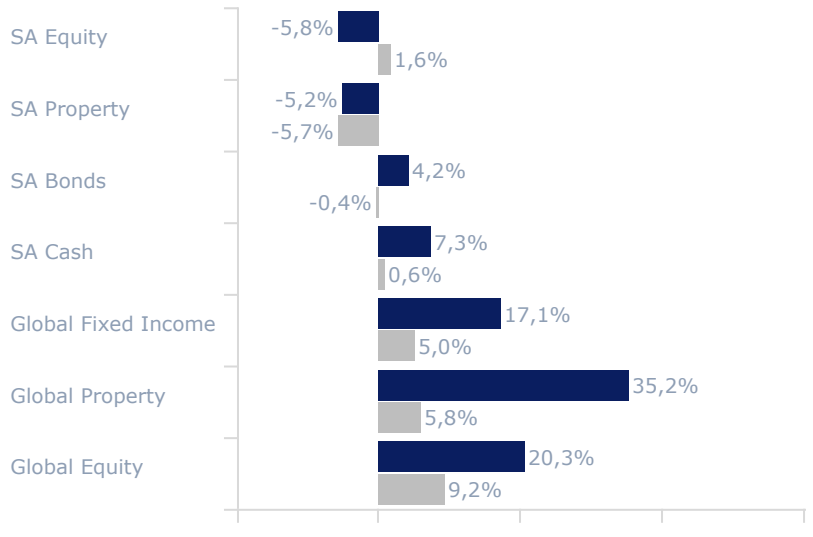
## Asset Allocation



■ Fund

■ Benchmark

## Asset Class Performance

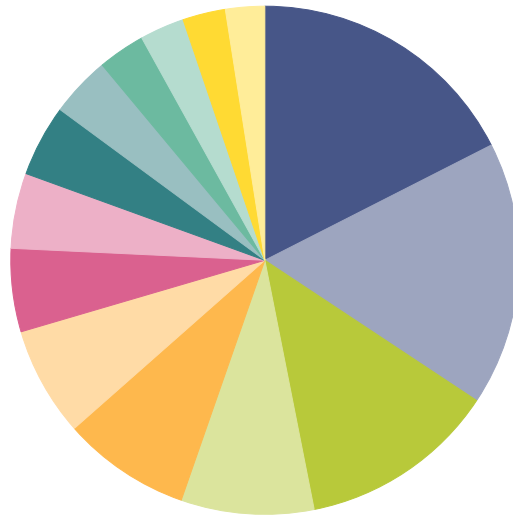


■ 1 Year

■ 1 Month



## Manager Selection



Manager	%
Coronation Strategic Income P	17,5
BCI Money Market B	16,8
Coronation Bond P	12,6
STANLIB Flexible Income B1	8,5
Investec Global Multi-Asset Income FF H	8,2
Investec Global Franchise FF A	7,0
Prudential Enh SA Prop Tracker D	5,3
Satrix Divi Plus ETF	4,8
Prudential Core Value F	4,6
Allan Gray Equity C	3,8
Allan Gray - Orbis Global Equity FF	3,0
Sygnia Itrix S&P 500 ETF	2,8
Coronation Global Em Mkts Flex [ZAR] P	2,7
Investec SA Equity G	2,5
<b>Total</b>	<b>100,0</b>

## Top 10 Equity Holdings (% of Total Equity)

Holding	Fund Weight	Holding	Fund Weight
Naspers	4,3%	Visa	1,6%
Standard Bank	2,8%	Anglo American	1,5%
Sasol	2,3%	Microsoft	1,3%
ABSA	1,9%	Verisign	1,3%
British American Tobacco	1,8%	Booking Holding	1,1%



# Southern Charter

## FUND MANAGERS

Southern Charter BCI Defensive Fund of Fund as of 28 February 2019

---

### Fund Commentary

Global markets were largely upbeat in February as earnings results boosted sentiment, and the Federal Reserve's newly dovish tone reassured investors. US inflation remains muted and global growth is starting to show signs of slowing albeit remains above trend. More than half of S&P 500 companies reported 4Q18 earnings during February with an aggregate earnings growth of around 11.8%. Most earnings results did enough to appease investors, as the S&P Index ended the month up 3.2%, affirming the fund's allocation to the Sygnia S&P 500 index ETF.

The JSE picked up nicely, along with several other emerging markets, on the back of hopes for a positive outcome on trade talks between the US and China. Resources gained 8.0%, substantially outperforming the All Share Index advancing only 3.4%, which bode well for the fund's exposure to the Coronation Resources fund. The Rand weakened 6% vs the USD as Eskom's woes weighed heavily on the economy. The All Bond Index closed marginally lower by 0.4% as the bond market came under some pressure. While the Government Budget was seen as reasonable considering limited room for manoeuvring, at the end of the day, the bond market took its lead from a softer Rand. The SA Listed Property sector declined due to rising bond yields and a muted domestic economic and earnings environment, closing 5.7% lower for the month. Global equities continued their run, albeit at a more muted pace, the MSCI World registered a 9.2% (3.1% in USD) gain for the month, as the likelihood of resolutions surrounding a trade war and Brexit boosted major indices.

---

### Fund Codes

JSE : MSCS  
ISIN : ZAE000103842  
Bloomberg : SOUCHF : SJ

---

### Low | Low-Moderate Risk

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.

---

### Total Expense Ratio (TER)

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 2018, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 31 December 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](http://www.bcis.co.za).

#Fixed Administration Fee: R10 excluding VAT. (Applies to all accounts with balances of less than R100 000 at month end)

---

### 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](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 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](mailto:clientservices@bcis.co.za) | [www.bcis.co.za](http://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.