

SESIKILE BCI PROPERTY FUND

Minimum Disclosure Document (Fund Fact Sheet)



FUND OBJECTIVE

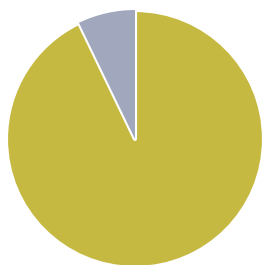
The Sesfikile Boutique Collective Investments Property Class A Fund is a portfolio which aims to deliver both a high income yield as well as capital growth over the medium to long term. Our objective is to deliver total returns (consisting of income and capital) that outperform the FTSE/JSE Listed Property index ("SAPY Index") over a 3 to 5 year investment horizon. The fund is suitable for investors who are looking for a viable property component to a balanced portfolio; or alternatively an investor looking for a growing income stream, but is willing to be exposed to an element of capital volatility.

FUND INFORMATION

ASISA Fund Classification	South African - Real Estate - General
Fund Managers	Evan Jankelowitz, Mohamed Kalla and Kundayi Munzara
Risk profile	Moderate/Aggressive
Benchmark	FTSE/JSE JSAPY Index (J253T)
ISIN number	ZAE000160677
JSE code	SSPF1
Portfolio launch date	01 November 2011
Minimum investment	Class A: Lump sum R25,000 / Debit order R1000 p.m.
Fees	Initial Fee: nil Annual Service Fee: Class A 1.27% (incl. VAT) Performance Fee: nil
Portfolio size	R 1 684 836 845.40
Total Expense Ratio*	1.28% (incl. VAT)
Distribution frequency	Quarterly
Income distribution dates	28 Feb/31 May/31 Aug/30 Nov
Income payment date	Second working day after declaration
Income Distribution	31/08/17: 9.01 cents per unit 30/11/17: 39.28 cents per unit 28/02/18: 8.66 cents per unit 31/05/18: 45.47 cents per unit
Month-end fund price	1,962.20 cents per unit
Portfolio valuation time	15h00
Transaction cut off time	14h00
Daily price information	Local newspaper and www.bcis.co.za
Issue date	12 June 2018

This Fund Fact Sheet should be viewed in conjunction with the Fund Information Sheet and the Portfolio Manager Commentary Sheet |

ASSET ALLOCATION



- SA Listed Property (92.85%)
- Cash (7.15%)

TOP 10 HOLDINGS

Growthpoint Properties
Redefine Properties Ltd
NEPI Rockcastle Plc
Vukile Property Fund
Hyprop Investments Ltd
Mas Real Estate Inc
Echo Polska Properties
Investec Property Fund
Equites Property Fund Ltd
Arrowhead Properties Ltd

Top 10 holdings as at 31 March 2018

ROLLING ANNUALISED FUND PERFORMANCE AS AT 31 MAY 2018

	Fund A (after fees)	SAPY Benchmark	Peer Average
1 year	0.23%	-6.45%	-5.59%
3 years	5.86%	2.00%	1.86%
Since inception	15.72%	12.27%	11.98%

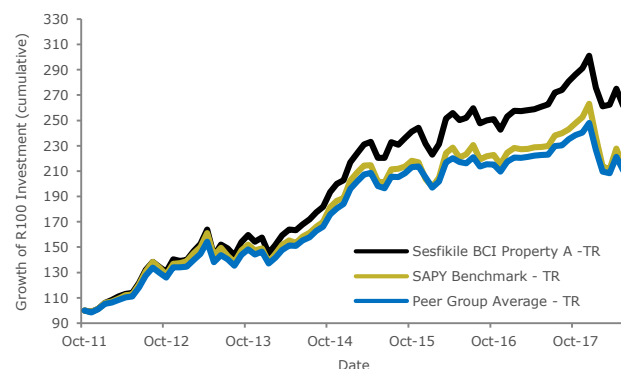
Annualised return is the weighted average compound growth rate over the period measured

HIGHEST AND LOWEST ANNUAL RETURNS

Highest (2015)	31.35%
Lowest (2017)	4.24%

The highest and lowest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

PERFORMANCE (NET OF FEES)



Source: I-Net Bridge, Morningstar Research Fund performance to 31 May 2018

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

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FUND STRATEGY

This fund aims to outperform the benchmark by investing in listed property companies with sustainable income growth underpinned by strong property fundamentals. In addition to these core holdings, the fund makes use of tactical stock selection to capitalise on short-term market mispricing and corporate action opportunities.

INVESTMENT POLICY

The policy is to invest in JSE listed Real Estate Investment Trusts ("REITs") or listed property companies. The investment manager will also be allowed to invest in financial instruments (derivatives) and cash as allowed by the act from time to time in order to achieve its investment objective. Furthermore, and as legislation permits, the manager shall be permitted to invest in offshore listed property investments on behalf of the Sesfikile BCI Property Fund.

WHY CHOOSE THIS FUND

The fund offers active best of breed management within a sector that offers income and capital growth over time:

- All shares are subject to rigorous, in-depth research; while ultimate portfolio construction adheres to Sesfikile's unique "Four D" approach:
 - Our passion for direct property,
 - Getting stuck in the detail,
 - Understanding the broader drivers of property investment,
 - Taking views on corporate action deals and finding the hidden potential in the sector.
- Through extensive experience in the listed property sector, we believe our team has the ability to identify the key differentiators to performance and ultimately the factors that impact total returns for clients. Importantly, given our commitment to capping the total size of assets under management we will remain nimble enough to execute on investment ideas effectively over the medium to long term.
- Since inception, our investment process has been able to deliver consistent low-risk outperformance of the benchmark on an after fee basis. Although this is no guarantee of future performance, we are confident in our robust investment and risk management process and alignment of interest with clients will consistently steer us towards identifying value added investment opportunities.



Evan Jankelowitz
BCom (Hons), CFA



Mohamed Kalla
BCom, CFA



Kundayi Munzara
BSc (Hons), CFA

FUND MANAGER INFORMATION

The three founding directors, Evan Jankelowitz, Mohamed Kalla and Kundayi Munzara co-manage the Sesfikile BCI Property Fund. Evan previously co-managed the award winning Stanlib Property Income Fund which he left as the best performing fund in the sector. Mohamed was a top rated sell-side analyst at BJM Securities while Kundayi was previously Head of Research at Investec Property. The three managers have a combined investment experience of over 35 years in the SA listed property sector making them one of the most experienced teams in the market.

MARKET REVIEW

After the +7.7% bounce in April the SAPY gave back -5.9% in May taking the sector to a disappointing -18.6% return year-to-date. Equity and bonds also weakened by -3.5% and -2.0% respectively as the positive momentum of 'Ramaphoria' started to ease with the reality of a struggling economy and pressures from an increasing global interest rate environment starting to take centre stage. The US 10-year treasury pushed through 3% to peak at 3.11%, and while it finished the month lower at 2.86%, it was strong signal that we are likely to see global bond yields take an upward trajectory for the rest of the year and likely into 2019 as well. South African yields also saw the initial push higher, but instead of retreating in line with global counterparts, pushed higher into month end.

Local fundamentals are also likely to provide headwinds as the austere budget has weakened the consumer further resulting in a weak retailing environment, while office struggles from the lack of any meaningful GDP growth to support the sector. Industrial assets are still proving to be the most resilient in the current market, but supply pressures are keeping rental growth subdued. Throughout recent results management teams have been consistent in tempering bullish views with regards to the recent political changes and have noted that the economy is still weak.

We expect distribution growth to be softer over the upcoming 12 months as a result of a combination of the weaker operating environment coupled with several companies unwinding non-recurring income streams from their distributions. This low growth expectation is however reflected in valuations and we see the sector as fair value, however we caution downside risk to our forecast premised on further bond yield expansion and potential retail tenant failures.

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SESIKILE CAPITAL
Listed Property Investments

TER AND TRANSACTION COST (INCL. VAT)

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 31 August 2017, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 31 December 2017.

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Class	Total Expense Ratio (TER)	Transaction Cost(TC)	Total Investment Charges (TER+ TC)
A1	1.28%	0.23%	1.51%
	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 buying and selling of assets underlying the fund	Of the value of the fund was incurred as costs relating to the investment of the fund

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.

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 that he/she receives from any related party. The portfolio's TER includes all fees paid by the 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.

RISK DISCLOSURE

- This portfolio carries exposure to mainly property securities.
- Property by nature is a moderate risk investment.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to interest rate risks and is sensitive to inflation and interest rate cycles.
- The portfolio is suitable for medium term investment horizons

INVESTMENT MANAGER

Sesfikile Capital (Pty) Ltd is an authorised Financial Service Provider FSP 39946.

- 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.sesfikilecapital.com.
- Valuation takes place daily and prices can be viewed on 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.

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 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 minimum disclosure 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. 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. 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.

Trustee Information

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