

FUND OBJECTIVE

The Sesfikile BCI Global Property Fund is a global property portfolio which focus on predominantly developed property markets with an objective to provide the investor with income as well as capital growth. The portfolio may from time to time invest in listed and unlisted financial instruments, including forward currency, interest rate and exchange rate swap transactions. The portfolio's global property exposure will always exceed 80% of the portfolio's asset value. Up to 10% of the portfolio may be invested in shares outside the property sector in companies that conduct similar business activities.

FUND INFORMATION

ASISA Fund Classification	Global Real Estate - General
Fund Managers	Evan Jankelowitz, Mohamed Kalla and Kundayi Munzara
Risk profile	Moderate/ Aggressive
Benchmark	FTSE EPRA/NAREIT Developed Rental Index Net Total Return
ISIN number	ZAE000216495
JSE code	SPFA1
Portfolio launch date	1 June 2016
Minimum investment	Class A1: Lump sum: nil / Debit order: nil
Fees	Initial Fee: nil Annual Service Fee: Class A1 1.15% (incl. VAT) Performance Fee: nil
Portfolio size	R 498 695 991
Total Expense Ratio*	31/03/2019: 1.27% Prior Year(PY):1.29%
Distribution frequency	Quarterly
Income distribution dates	28 Feb/31 May/31 Aug/30 Nov
Income payment date	Second working day after declaration
Income Distribution	31/05/19: 0.39 cents per unit 28/02/19: 0.21 cents per unit 30/11/18: 0.18 cents per unit 31/08/18: 0.43 cents per unit
Month-end fund price	94.40 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 July 2019

TOP 10 HOLDINGS*

Alexandria Real Estate
Americold Realty Trust
Avalonbay Communities Inc
Deutsche Wohnen
Host Hotels & Resorts
Invitation Homes Inc
Prologis Inc
Regency Centers
Simon Property Group
Store Capital Corp

Top 10 holdings as at 30 June 2019

ROLLING ANNUALISED FUND PERFORMANCE AS AT 30 JUNE 2019

	Fund A1 (after fees)	Benchmark*
1 year	7.93%	8.66%
Since inception (Annualised)	-0.36%	1.15%

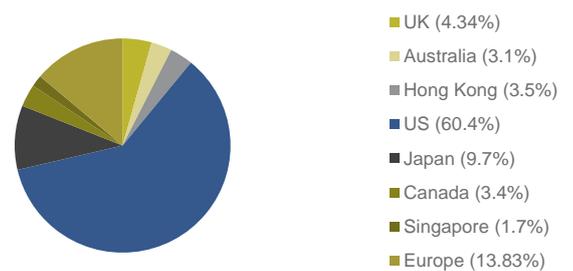
Annualised return is the weighted average compound growth rate over the period measured.

HIGHEST AND LOWEST ANNUAL RETURNS

Highest (2018)	8.15%
Lowest (2017)	-2.34%

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.

REGIONAL OR COUNTRY ALLOCATION



ASSET ALLOCATION



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



FUND STRATEGY

The Fund's objective is to deliver USD total returns that outperform the FTSE EPRA/NAREIT Developed Rental Net Index ("Index") over a 3 to 5 year investment horizon. Our macro-economic views inform our regional allocations while our sector themes inform our stock picking to deliver outperformance without exposing clients to unnecessary risk.

INVESTMENT POLICY

The policy is to invest in globally 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 Global Property Fund**.

WHY CHOOSE THIS FUND?

The Fund offers investors:

- The ability to access the most sought after real estate in via investment in blue-chip listed property companies or REITs in developed markets including:
 - Northern America (USA and Canada)
 - Europe
 - United Kingdom
 - Japan
 - Hong Kong
 - Singapore
 - Australia
- Geographical and sector diversification with low asset concentration risk
- Cost effective offshore solution managed by an experienced team
- Liquidity as investors are able to access US Dollar Returns by investing Rands while enjoying the usual benefits of a Collective Investment Scheme which include daily pricing and 48-hour liquidity.

FUND MANAGER INFORMATION

The three founding directors, Evan Jankelowitz, Mohamed Kalla and Kundayi Munzara co-manage the Sesfikile BCI Global Property Fund. The Sesfikile Investment Team, which consists of five individuals, boasts combined experience of almost 60 years in the listed property sector, and an average of 8 years' experience in global (ex. SA) REIT investing, making them amongst the most experienced teams in the market.

FUND MANAGERS



Evan Jankelowitz, CFA®
Portfolio Manager &
Analyst



Mohamed Kalla, CFA®
Portfolio Manager &
Analyst



Kundayi Munzara, CFA®
Portfolio Manager &
Analyst

MARKET REVIEW

Global REITs (as per EPRA/NAREIT Developed Rental Index Net TR, USD; "Benchmark") closed the month up 1.09% (-2.37% in ZAR), underperforming US equities (S&P 500), global equities (MSCI World Index) and global bonds (FTSE World Government Bond Index) which achieved returns of 7.1%, 6.6% and 2.3%, respectively. The US 10-year bond yield started the month at 2.13%, dropping to a 33-month low of 2.00% at the end of June. By region Singapore REITs finished tops closing the month 9.8% higher, followed by Australian REITs achieving a 6.0% total return. European and US REITs performed the worst, returning -1.0% and 1.3% respectively.

In June, New York's newly elected Democratic legislator signed into legislation the Housing Stability and Tenant Protection Act of 2019. Most notable changes include the repeal of vacancy decontrol which effectively means that rent stabilised apartments will remain regulated into perpetuity. Furthermore, landlords are now not allowed to significantly increase rents on vacancy of the rent stabilised unit and annual rent increases will be determined by the Rent Guidelines Board. Finally, in the past landlords could pass the cost of improving a unit to the tenant by increasing rental, this will now be limited to a 2% increase. On the opposite side of the US, California (another Blue state) passed the Assembly Bill 1482 which imposes state-wide rental caps of inflation plus 7% on lease renewals. However, landlords are still allowed to increase rents to market if a tenant vacates. This seems to be a good compromise as apartment and single family residential rental growth in California is not expected to exceed the cap in the near term. The risk remains whereby politicians abruptly amend the cap to something lower.

On 5 June 2019 Berlin senator Lompscher released a draft to enact "Mietendeckel", which is a five-year rental freeze for all landlords, implemented retroactively from 1 June 2019 but effected 1 January 2020. On 18 June the senate voted in favour of the draft with a few minor amendments. Although this sent shares of listed German residential property companies 11% lower over the month, the story remains complicated as a few more representations must be made between professional bodies and the senate, and as some have deemed it unconstitutional. The legislative timetable has scheduled the matter to be resolved by 10 January 2020.

Last quarter we noted that we may be entering what some call the 'goldilocks scenario' for global real estate as fundamentals have been strong and bond yields have fallen faster than anticipated. June was marked by a total capitulation or reversal by the previously hawkish Fed that hiked four times in 2018, then indicated cutting rates in last month's meeting. The ECB followed suit earlier in the month by stating that Europe was likely in need of more quantitative easing. Again, a reversal after stating last year that they would likely start tapering in the fourth quarter of 2019.

What is encouraging is that direct property fundamentals in major economies like the US, some parts of Europe, Asia and Australia are likely to improve over the next two years which will translate into higher like-on-like rental growth and bottom line FFO or EPS growth. Importantly, compared to widely tracked indices such as the S&P500, the earnings growth gap has converged with REITs and equities expected to show around 4% core earnings growth for 2019. The defensive qualities of REIT earnings relative to general equities makes a better risk adjusted proposition at this point in the cycle. In absolute terms, even after delivering a strong 14.5% total return in the first half of the year, global REITs trade at a forward dividend yield of 3.9% which is a 2.3% positive yield carry to bonds versus the long-term average carry of 1.2%. Importantly, corporate credit spreads have narrowed which is often a more direct relationship with REIT returns. These factors coupled with dividend pay-out ratios in the region of 75%, balance sheets with 35-45% loan to value (LTV), strong access to (now cheaper) capital and expanded acquisition opportunities. We expect REITs to potentially deliver a further 8-9% from these levels.

SESIKILE BCI GLOBAL PROPERTY FUND

Minimum Disclosure Document (Fund Fact Sheet)

TER AND TRANSACTION COST (INCL. VAT)

Please note: 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 2018, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 31 March 2019.

SESIKILE BCI GLOBAL PROPERTY FUND

Class	Total Expense Ratio (TER)	Transaction Cost(TC)	Total Investment Charges (TER+ TC)
A1	1.27%	0.46%	1.73%
	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.

MONTHLY FIXED ADMINISTRATION FEE

R10 excluding VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless the investor transacts on-line, in which case no such fee will be levied

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, under lying 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 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 fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. Performance figures quoted are 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. 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.

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