

FUND MANAGERS

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FUND OBJECTIVE AND PHILOSOPHY

The fund is suitable for investors whose primary focus is achieving a steady yield above inflation whilst also participating in upside with the equity market. Yield will be made up of a combination of dividends and option premium income. Capital appreciation of the underlying holdings over the long term, in addition to yield are the features the fund seeks to capitalize. The fund allows for a maximum net exposure of 75% and portfolio construction focus is to reduce both risk and volatility relative to a general equity portfolio.

FUND MANAGER COMMENTARY

The fund had a solid return of +4.95% vs. the Capped index at +1.25% & the SA all-share at +2.4%. SA inc. was the poor performer (as usual) but we had good upward pricing from Sasol, Richemont & US equities. Domestic bonds also sold off as emerging markets had their worst month in almost 2 years and the currency suffered its worst single month since 2013 owing to Turkey unravelling. Although EM equities have been selling off sharply since January, we do not yet see sufficient value in SA to commit further capital over what we already hold. Herewith an interesting snippet on the Rand: of the last 10 occasions when the currency lost 10% in a single month, the following 12 month returns were positive on 6/10 times.

That may not sound like 'good darts' but the average return on these 6 occasions was +24% and the average loss on the remaining 4 was only 5%.

Please note: The above commentary is based on reasonable assumptions and is not guaranteed to occur.

RETURNS TO END OF AUGUST 2018

	FUND	HURDLE
1 Month	4.95%	0.83%
3 Months	7.25%	2.44%
6 Months	6.35%	4.84%
12 Months	10.45%	10.00%
*Since Inception (Average Annualised)	10.46%	10.00%
*Sharpe Ratio (Since Inception)	0.61%	50.89%
Maximum Drawdown (Life of Fund)	-6.64%	
Value at Risk (VaR) 95%	4.22%	

*Returns in ZAR net of fees with distribution reinvested.

TOTAL EXPENSE RATIO

A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should not be considered in isolation as returns will be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and any performance fees. The TER is reported excluding performance fees for the first six months of the portfolio.

INCOME DISTRIBUTIONS

Declaration Frequency:	31 December
Cents per unit:	114.912 31 December 2017

FUND INFORMATION

PRIME BROKER	Rand Merchant Bank
ADMINISTRATORS	Sanne Fund Services SA (Pty) Ltd
AUDITORS	Deloitte
INVESTMENT MANAGER	BACCI Trading (Pty) Ltd
FUND LAUNCH	01 December 2010
CISCA INCEPTION	01 October 2016
FUND SIZE	R82 million
NAV PRICE (As at month end)	R 154.27
NUMBER OF UNITS	560,050.83
HURDLE	10% nominal rate p.a
MINIMUM INVESTMENT	R1 million
MANAGEMENT FEE	1% p.a
PERFORMANCE FEE (UNCAPPED)	10% with a high watermark and hurdle.
ENTRY FEE	0%
STRUCTURE	CIS Trust

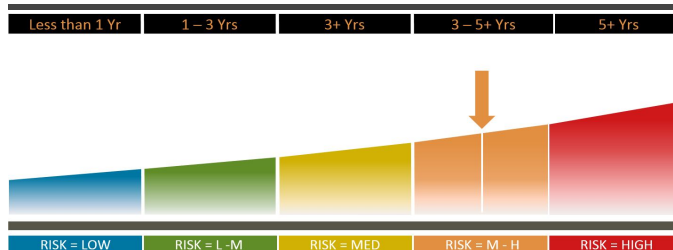
RETURNS

		HURDLE
Current 12 month rolling return	10.45%	10.00%
Best 12 month rolling return	24.49%	10.00%
Worst 12 month rolling return	-2.34%	10.00%

COST RATIOS (incl. VAT)

MANAGEMENT FEE	1.14%
ADMIN FEE	0.50%
TOTAL EXPENSE RATIO (TER%)	1.70%
TRANSACTION COSTS RATIO (TC%)	0.46%
TOTAL INVESTMENT CHARGES (TIC%)	2.16%

RISK PROFILE

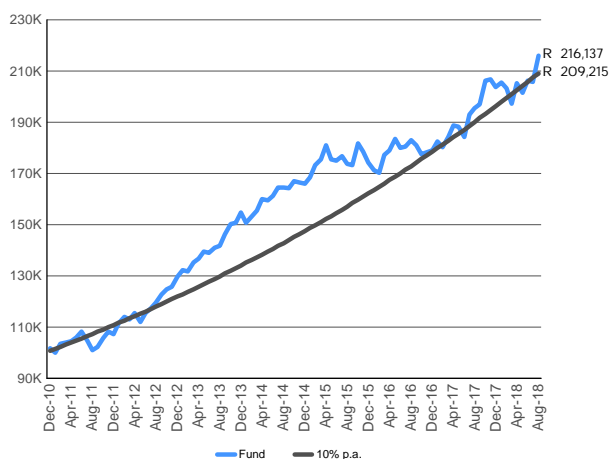


Risk = Medium - Medium High

This fund generally holds more equity exposure than low risk portfolios but lower than high risk portfolios. Expected potential long term investment returns can be lower than high risk portfolios due to lower equity exposure. In return the expected volatility is lower than a high risk.

PERFORMANCE

GROWTH OF A R100,000 INVESTMENT NET OF ALL FEES AND EXPENSES



Fund Source: Sanne Fund Services SA (Pty) Ltd August 2018

Index Source: Bloomberg as of August 2018

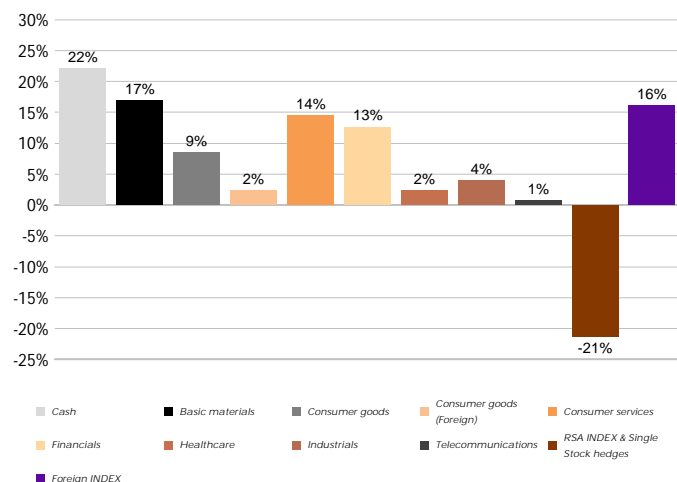
HISTORICAL PERFORMANCE (NET OF FEES)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-	-	-	-	-	-	-	-	-	-	-	1.80%	1.80%
2011	-1.81%	3.49%	0.67%	0.30%	1.58%	2.01%	-3.19%	-3.55%	1.22%	3.38%	2.32%	-0.81%	5.41%
2012	3.93%	2.23%	-0.90%	2.33%	-3.06%	3.12%	1.59%	1.77%	2.69%	1.71%	0.88%	3.01%	20.86%
2013	1.97%	-0.30%	2.66%	1.13%	1.93%	-0.41%	1.57%	0.40%	3.25%	2.80%	0.27%	2.70%	19.42%
2014	-2.65%	1.74%	1.42%	2.87%	-0.32%	1.07%	2.07%	0.06%	-0.26%	1.70%	-0.26%	-0.38%	7.17%
2015	1.50%	2.96%	1.19%	3.16%	-3.03%	-0.32%	1.11%	-1.71%	-0.40%	4.91%	-1.67%	-2.42%	5.05%
2016	-1.78%	-0.56%	4.10%	1.01%	2.46%	-1.82%	0.31%	1.32%	-1.06%	-2.01%	0.54%	0.34%	2.69%
2017	1.94%	-1.20%	2.15%	2.56%	-0.33%	-2.16%	4.85%	1.30%	0.68%	4.70%	0.25%	-1.41%	13.87%
2018	0.87%	-1.19%	-2.85%	4.00%	-1.85%	2.38%	-0.18%	4.95%	-	-	-	-	6.00%

*Historical performance prior to 1 October 2016 reflect returns achieved prior to the portfolio having been transitioned under the Collective Investment Schemes Control Act 45 of 2002. The annualised total return is the average return earned by an investment each year over a given time period, since date of the launch of the fund. Actual annual figures are available from the manager on request. The performance figure given show the yield on a Net Asset Value ("NAV") basis. The returns figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. The inception date for the portfolio is 1 December 2010. The performance figures until the end of September 2016 reflect performance achieved prior to CISA regulation. The investment performance is for illustrative purposes only. The investment performance is calculated for a lump sum investment by taking the actual initial fees and all ongoing fees into account for the amount shown; income is reinvested on the reinvestment date.

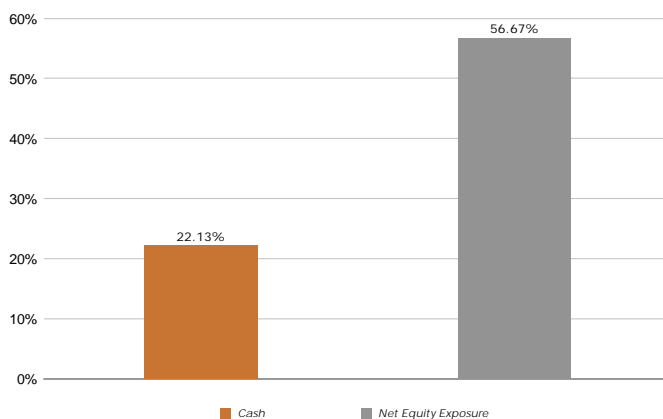
PORTFOLIO VALUATION & TRANSACTION CUT-OFF

Portfolios are valued monthly. The cut off time for processing investment subscription is 10:00am on the last day of any month prior to enable processing for investment on the first day of the following month.

NET SECTOR ALLOCATION



ALLOCATION



INVESTMENT MANAGER	MANAGEMENT COMPANY	TRUSTEE
BACCI Trading (Pty) Ltd	Sanne Management Company (RF) (Pty) Ltd	FirstRand Bank Limited, Johannesburg
Registration No: 2001/029132/07	Registration No: 2013/096377/07	Telephone: +27 87 736 1732
Bree Street Studios 17 New Church Street, Cape Town, 8001	Pier Place, Heerengracht Street, Foreshore, Cape Town, South Africa	Website: www.rmb.co.za
Telephone: +27 21 434 7455 Fax: +27 21 434 7966 Email: info@bacci.co.za	Telephone: +27 21 202 8282 Fax: +27 21 202 8282 Email: information@sannegroup.co.za	
Website: www.bacci.co.za	Website: www.sannegroup.co.za	
Directors: P Rozowsky, U Brinkmann	Directors: J F Louw (Chairman)*, L Fourie, G P Rate (Managing Director), I Burke*, H J Pienaar * <small>*Non-Executive</small>	

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Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges, and maximum commissions is available on request from the manager, as well as a detailed description of how the fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio. Portfolios may be closed to new investors in order to manage it more efficiently in accordance with its mandate. Prices are published monthly on our website. Additional information, including key investor information documents, minimum disclosure documents, as well as other information relating to the portfolio, including the basis on which the manager undertakes to repurchase participatory interests offered to it, and the basis on which selling and repurchase prices will be calculated, is available, free of charge, on request from the manager. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. Where funds are invested in off-shore assets, performance is further affected by uncertainties such as potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information. The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy. The Manager is registered and approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act 45 of 2002. BACCI Trading (Pty) Ltd (FSP No. 808 is authorised under the FAIS Act to provide discretionary investment management services to hedge funds. FirstRand Bank Limited is the appointed trustee. The Manager retains full legal responsibility for the third-party-named portfolio.