

BCI Digital Global Investment Conference

LIBERATE THE FUTURE

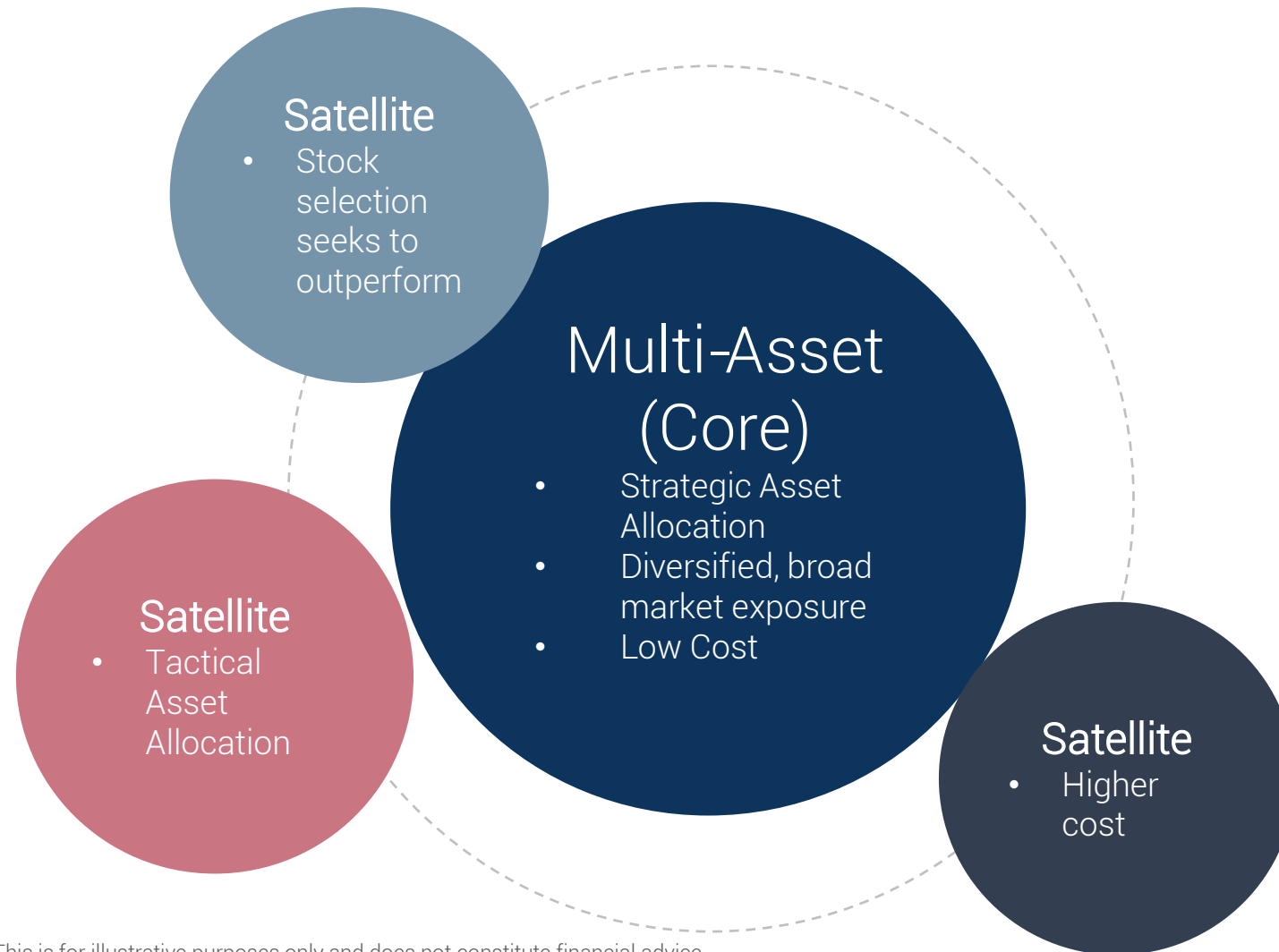
Chris Rule, CFA, CAIA



CORESHARES
INVESTMENT MANAGERS

Core-Satellite




Index Multi-Asset fund in the Core



Source: CoreShares Investment Managers. This is for illustrative purposes only and does not constitute financial advice.

Core-Satellite

Index Multi-Asset fund in the Core

- 01** **Alignment with Client Goals**
Strategic Asset Allocation
Increased probability of achieving return targets 
- 02** **Lower Average Costs**
More return for clients
High touch advice retains margin, investment vehicle costs 
- 03** **More predictability**
Well diversified
Multiple return drivers
Less client noise 

Turn down the noise: 1 Year Calendar Returns

Source: Morningstar. All returns are calendar year returns in ZAR. SA Property = FTSE/JSE SAPY TR Index, SA Equity = FTSE/JSE All Share TR Index, SA Bonds = FTSE/JSE ALBI TR Index, SA cash = STFI Comp TR Index, Global Property = S&P Global Property 40 GR Index, Global Equity = MSCI World GR Index, Global Bonds = FTSE G7 GR Index. Past performance is not indicative of future performance.

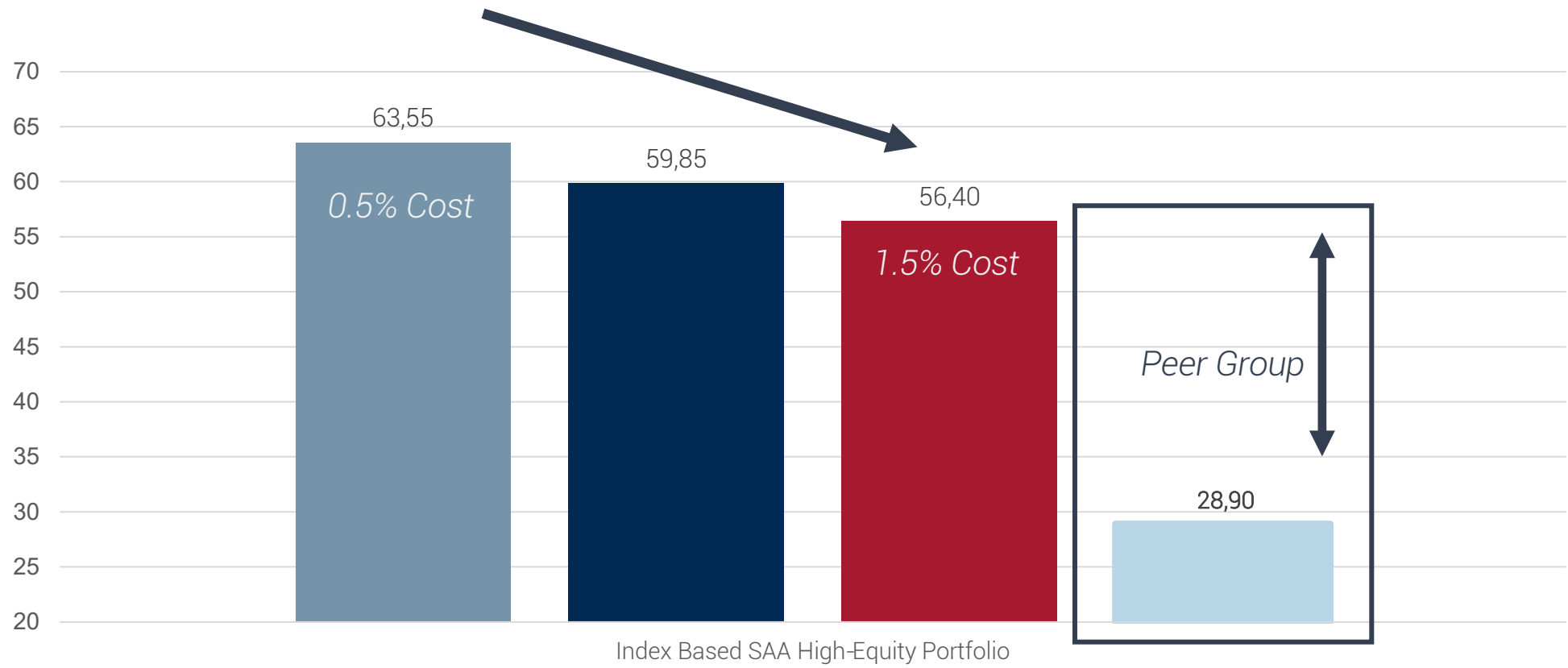
Key	Rank	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SA Property	1	41%	50%	62%	27%	52%	32%	30%	30%	36%	57%	28%	41%	15%	21%	16%	25%	22%	42%
SA Bonds	2	25%	47%	41%	19%	17%	14%	19%	19%	35%	29%	27%	34%	10%	17%	11%	15%	15%	37%
SA Equity	3	15%	30%	34%	9%	12%	9%	15%	16%	27%	21%	17%	31%	7%	11%	8%	12%	9%	33%
SA Cash	4	15%	24%	28%	7%	-4%	4%	11%	9%	22%	17%	11%	8%	3%	10%	7%	10%	7%	29%
Global Property	5	8%	11%	17%	6%	-19%	4%	7%	9%	16%	8%	10%	6%	-5%	8%	7%	7%	5%	8%
Global Equity	6	-3%	7%	7%	4%	-23%	-1%	1%	6%	6%	5%	10%	5%	-10%	1%	-9%	3%	-1%	4%
Global Bonds	7	-8%	5%	5%	-6%	-25%	-19%	-4%	3%	5%	1%	6%	-4%	-12%	-4%	-25%	2%	-34%	2%

Focus on the client goals: Strategic AA, 10 Year returns

Source: Morningstar. All returns are 10 Years annualised until the corresponding year end year returns in ZAR. SA Property = FTSE/JSE SAPY TR Index, SA Equity = FTSE/JSE All Share TR Index, SA Bonds = FTSE/JSE ALBI TR Index, SA cash = STFI Comp TR Index, Global Property = S&P Global Property 40 GR Index, Global Equity = MSCI World GR Index, Global Bonds = FTSE G7 GR Index. Past performance is not indicative of future performance.

Key	Rank	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SA Property	1	26.08%	22.80%	21.47%	17.54%	15.76%	14.87%	15.60%	17.37%	19.66%	21.31%
SA Equity	2	18.93%	19.46%	18.00%	17.34%	11.57%	12.10%	15.27%	16.74%	15.43%	17.46%
Global Property	3	13.07%	15.19%	16.46%	15.43%	10.50%	11.19%	12.62%	10.83%	10.62%	12.17%
Global Equity	4	10.79%	12.51%	14.56%	14.09%	10.43%	10.67%	12.09%	10.78%	9.61%	8.20%
SA Bonds	5	8.29%	9.03%	10.71%	13.14%	10.22%	9.03%	7.68%	8.85%	8.24%	7.89%
SA Cash	6	7.96%	8.77%	8.54%	7.32%	7.97%	8.58%	6.70%	8.66%	6.37%	6.17%
Global Bonds	7	5.71%	7.59%	7.38%	7.00%	7.31%	7.14%	6.08%	6.52%	3.52%	5.92%

High Equity Client Experience: AA Stress Test, the chance of achieving CPI +5 over 5 years



Source: Morningstar, DMS Data, CoreShares

1. Historic success rate of the , of Index based Strategic Asset Allocation framework and (ASISA) Peer Group Average achieving CPI +5% over the past 15 years. Source Morningstar. Past Performance is not indicative of future performance,

Core + Enhancement

01

Strategic Asset Allocation

Dimson, Staunton & Marsh. Triumph of the Optimist
Strategic Asset Allocation: Brinson et al.

02

Diversification

"Diversification is the only free lunch in investing" Harry Markowitz, Nobel Memorial Prize winner

03

Costs

"The single largest determinant of a fund's future success is the costs it charges" Morningstar Research (Local and Global)

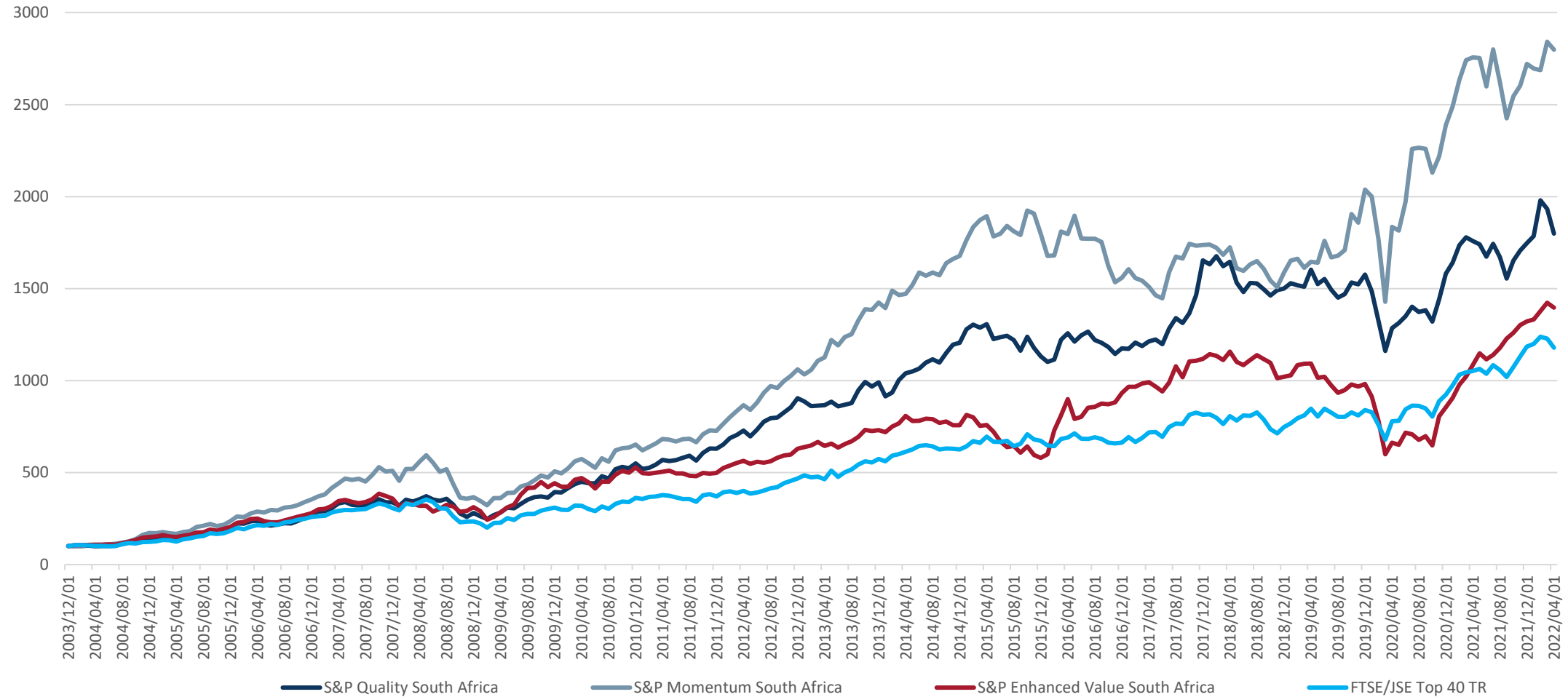
04

Factors

Fama-French (2015),
Ang et al. (2009) &
Frazzini-Pedersen (2013)

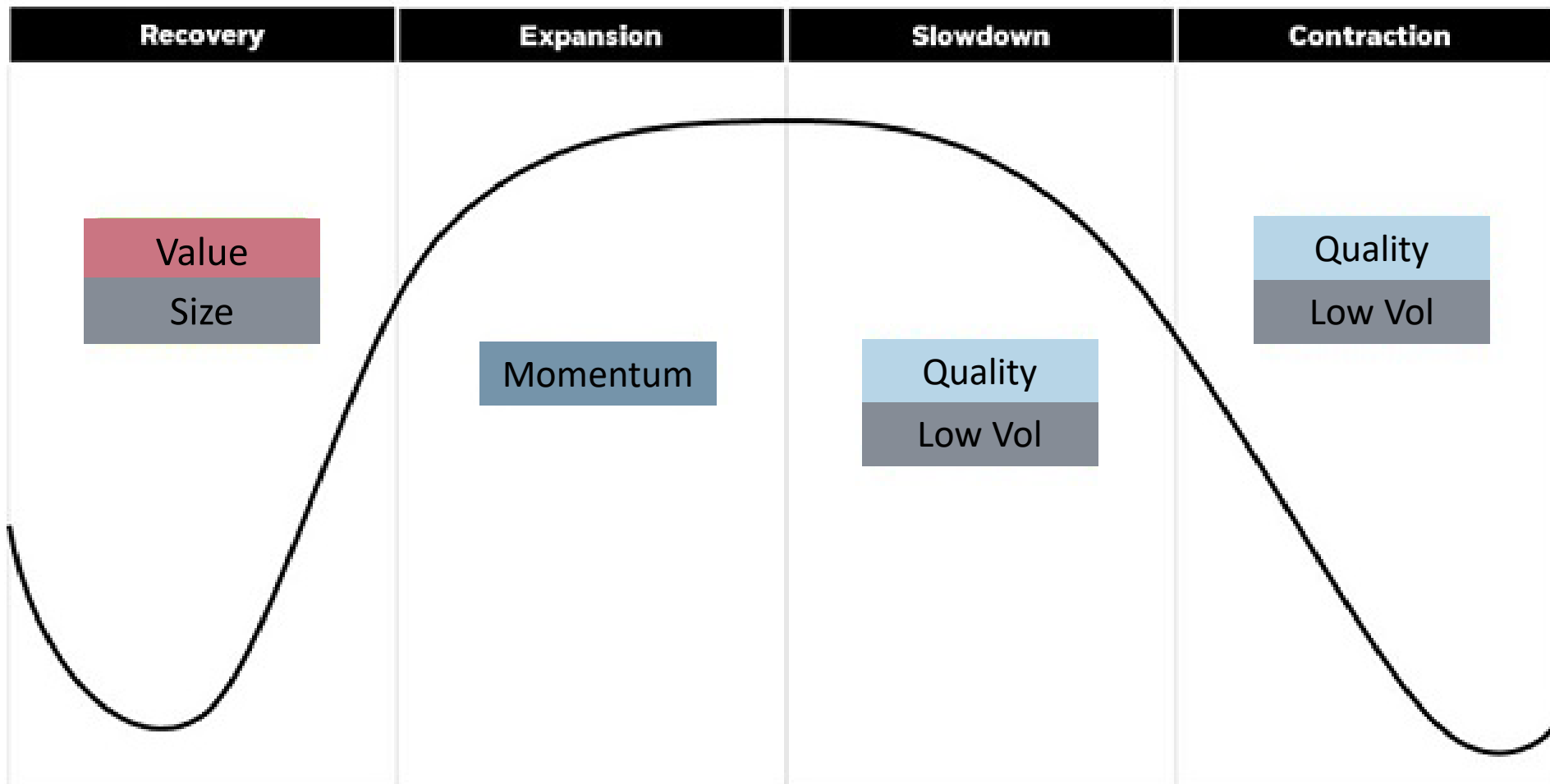
Using “enhanced” equity solutions: The promise

Source: Morningstar. All returns are calendar year returns in ZAR. SA Property = FTSE/JSE SAPY TR Index, SA Equity = FTSE/JSE All Share TR Index, SA Bonds = FTSE/JSE ALBI TR Index, SA cash = STFI Comp TR Index, Global Property = S&P Global Property 40 GR Index, Global Equity = MSCI World GR Index, Global Bonds = FTSE G7 GR Index. Past performance is not indicative of future performance.



Source: Morningstar, S&P Dow Jones Indices and CoreShares, cumulative total return from the period 01/01/2014 until 31 April 2022.. Past Performance is not indicative of future performance.

Factors are cyclical



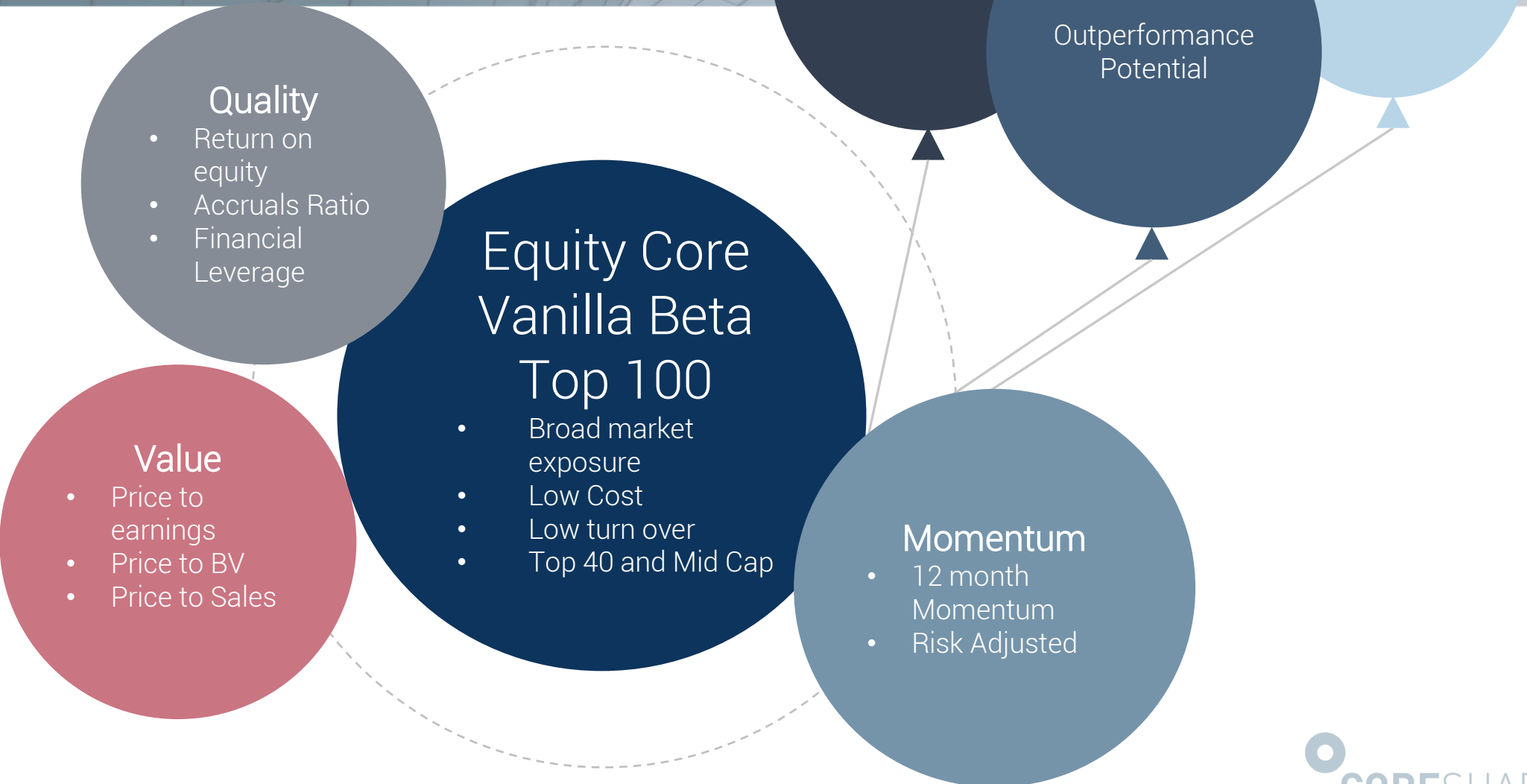
Using “enhanced” equity solutions: The cyclical challenge

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
S&P Momentum South Africa	48%	50%	44%	-13%	42%	39%	15%	46%	34%	22%	8%	61%	41%	-8%	28%	17%	55%
S&P Enhanced Value South Africa	46%	41%	29%	-17%	41%	29%	12%	43%	23%	18%	7%	4%	23%	-9%	12%	10%	28%
S&P Quality South Africa	38%	36%	24%	-24%	38%	19%	2%	26%	16%	9%	-6%	-2%	20%	-9%	5%	0%	14%
FTSE/JSE Top 40 TR	37%	34%	19%	-28%	32%	17%	-6%	26%	10%	4%	-23%	-13%	11%	-9%	-4%	-13%	11%

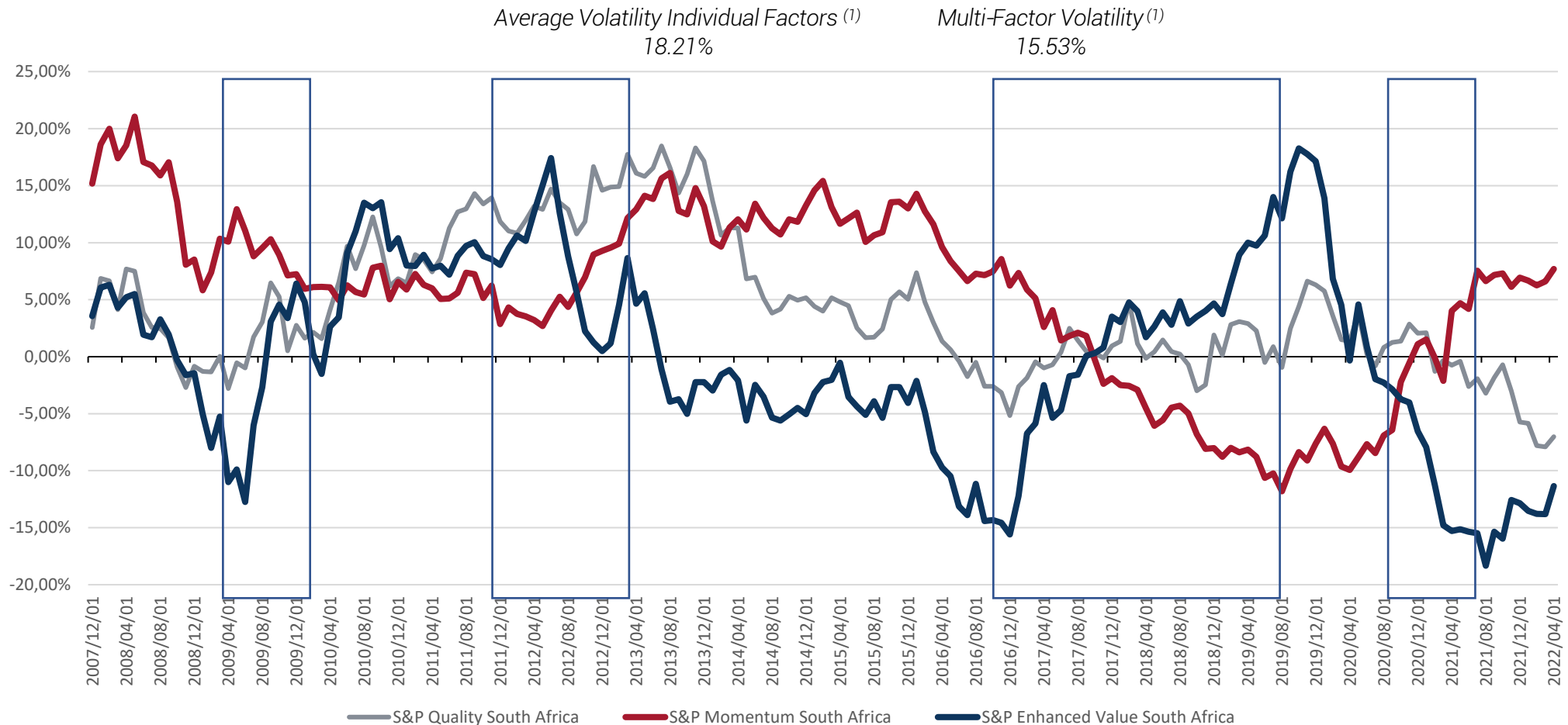
Source: Morningstar, S&P Dow Jones Indices and CoreShares, calendar year total return from the period 01/01/2014 until 31 April 2022.. Past Performance is not indicative of future performance.

Core-Satellite

Core Beta , Multi-Factor



Using “enhanced” equity solutions: Diversified return drivers



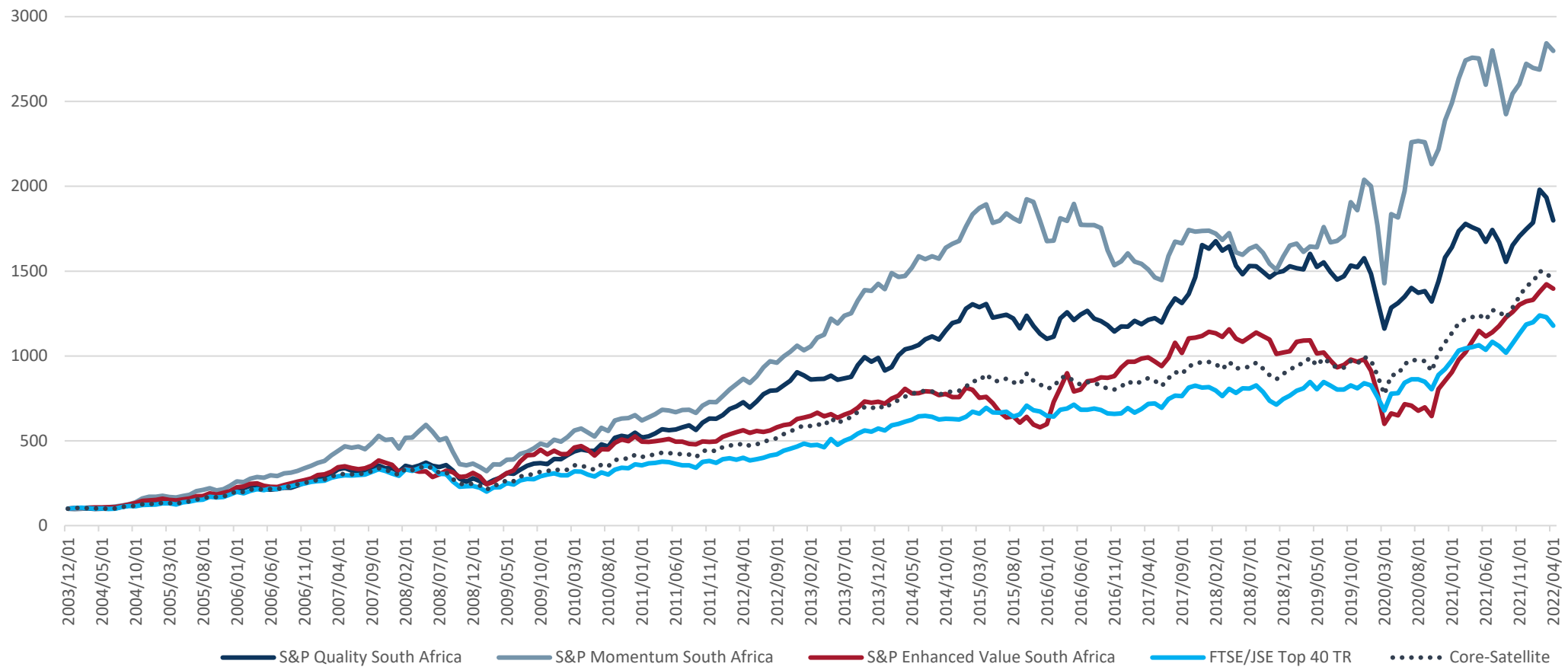
Source: Morningstar, S&P Dow Jones Indices and CoreShares, the graph includes every 5-year rolling return stepped monthly relative to the FTSE/SJE Top 40 TR Index from the period 01/01/2004 until 31 April 2022.. Past Performance is not indicative of future performance.

1. Volatility measured by monthly standard deviation annualized since common inception of 01/01/2004

Using “enhanced” equity solutions: Blending for consistency

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
S&P Momentum South Africa	48%	50%	44%	-13%	42%	39%	15%	46%	34%	22%	8%	61%	41%	-7%	28%	17%	55%
S&P Enhanced Value South Africa	46%	41%	29%	-17%	41%	29%	12%	43%	23%	18%	7%	4%	23%	-8%	12%	10%	30%
Core-Satellite	46%	41%	24%	-22%	38%	25%	5%	30%	23%	12%	5%	-1%	20%	-9%	11%	9%	28%
S&P Quality South Africa	38%	36%	21%	-24%	34%	19%	2%	26%	16%	9%	-6%	-2%	19%	-9%	5%	0%	14%
FTSE/JSE Top 40 TR	37%	34%	19%	-28%	32%	17%	-6%	26%	10%	4%	-23%	-13%	11%	-9%	-4%	-13%	11%

Using “enhanced” equity solutions: The promise



Source: Morningstar, S&P Dow Jones Indices and CoreShares, cumulative total return from the period 01/01/2014 until 31 April 2022.. Core-Satellite portfolio relates to a portfolio that holds 52% in FTSE/JSE top 40, 11% in FTSE/JSE Md Cap Index and 37% in S&P South Africa Composite QVM Index. Past Performance is not indicative of future performance.

Select BCI Enhanced Core Range

Strategy	Category
Select BCI Enhanced Core Equity Fund	(ASISA) SA General Equity
Select BCI Enhanced Core Global Equity Fund of Funds	(ASISA) Global General Equity
Select BCI Enhanced Core Balanced Fund	(ASISA) SA Multi Asset High Equity
Select BCI Enhanced Core Cautious Fund	(ASISA) SA Multi Asset Low Equity

DISCLAIMER

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