

## Flagship BCI Flexible Value Fund (A1)

MINIMUM DISCLOSURE DOCUMENT | 31 MAY 2026

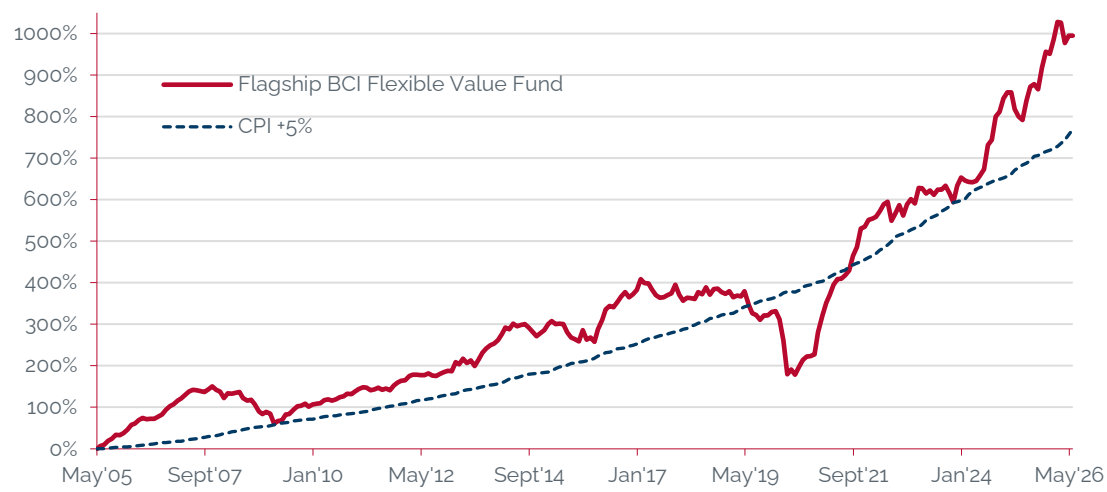
<b>Portfolio Manager</b>	<b>Niall Brown</b>
<b>Launch date</b>	04 May 2005
<b>Fund size</b>	R552m
<b>NAV - A1 Class</b>	8 763.2c
<b>Benchmark</b>	CPI +5%
<b>Fund Classification</b>	South African - Multi Asset - Flexible

<b>No. of participatory interests</b>	6 288 871
<b>Income declaration dates</b>	30 June   31 December
<b>Income declarations</b>	73.71cpu   49.42cpu
<b>Dealing   Valuation time   Transaction cut-off</b>	Daily   15h00   14h00
<b>JSE Code</b>	FIFA1
<b>ISIN</b>	ZAE000159877

### FUND OBJECTIVE

The Flagship BCI Flexible Value Fund aims to outperform both the JSE All Share Index and competing funds over the medium to long term. We rely on fundamental research to identify investments which are trading at a discount to their intrinsic value and to determine which asset classes are the most attractive. The fund will typically have a very different equity profile from that of the All Share Index. Risk is reduced through the fund's value oriented approach.

### PERFORMANCE CHART



### FUND EXPOSURES

<b>Domestic Equity</b>	<b>65.3%</b>
HCI	7.6%
Caxton	6.1%
Reinet	5.8%
Tsogo Sun	4.1%
York Timbers	4.1%
Master Drilling	3.7%
Rainbow Chicken	3.4%
E-Media Holdings	3.2%
Blue Label Unlimited	2.9%
Naspers	2.8%
Other domestic holdings	21.6%
<b>Offshore Equity</b>	<b>29.1%</b>
Contrarius Global Equity Fund	12.6%
Kraneshares Chinese Tech	4.3%
Diageo Plc	3.4%
Remy Cointreau	2.7%
Heineken	2.3%
Other foreign holdings	3.7%
<b>Cash and Strategic Income</b>	<b>4.3%</b>
Domestic	0.3%
Offshore	4.0%
<b>Commodities</b>	<b>1.3%</b>
Platinum	1.3%
Gold	0.0%
<b>TOTAL</b>	<b>100.0%</b>

### PERFORMANCE AND RISK

Performance (net of fees)	Fund	CPI +5%	Outperformance
Since inception	995.3%	769.7%	225.6%
Since inception (annualised)	12.0%	10.8%	1.2%
10 Years (annualised)	9.5%	9.9%	-0.5%
7 Years (annualised)	13.7%	9.8%	3.9%
5 Years (annualised)	16.5%	10.1%	6.5%
3 Years (annualised)	15.5%	9.3%	6.2%
1 Year	16.9%	9.4%	7.5%
Year-to-date	0.9%	4.7%	-3.7%

Rolling 12 Month Return	Highest	Lowest	Average
Since inception	92.5%	-40.1%	13.0%

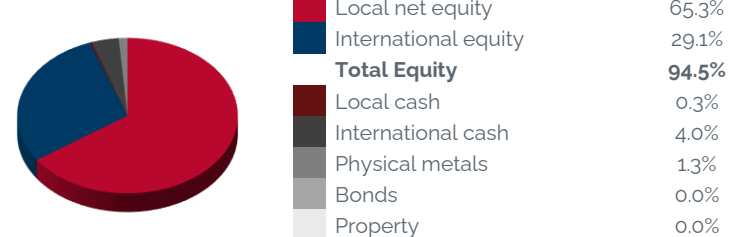
Annualised return is the weighted average compound growth rate over the period measured. Effective 19/09/2025 - CIS Manager changed from IP Collective Investment Scheme. Name change from Flagship IP Flexible Value Fund.

### ANNUAL FUND PERFORMANCE

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Fund</b>	-4.6%	30.9%	-5.4%	5.1%	-10.0%	-2.6%	55.0%	6.1%	9.1%	27.3%	13.2%
<b>CPI +5%</b>	10.2%	12.1%	10.0%	9.8%	9.1%	8.2%	11.2%	12.5%	10.5%	8.1%	8.8%
<b>Sector</b>	7.7%	2.0%	9.2%	-3.7%	8.5%	3.9%	22.1%	0.3%	11.6%	14.4%	17.7%

### ASSET ALLOCATION

#### FUND ALLOCATION



#### DOMESTIC EQUITY SECTORS



### FEES

	1 Year	3 Year
<b>Total Expense Ratio (incl. VAT)</b>	1.76%	1.76%
<b>Fund management fee (excl. VAT)</b>	1.25%	1.25%
<b>VAT on fund management fee</b>	0.19%	0.19%
<b>Fund expenses (incl. VAT)</b>	0.32%	0.32%
<b>Transaction Costs (incl. VAT)</b>	0.30%	0.30%
<b>Total Investment Charge (incl. VAT)</b>	<b>2.06%</b>	<b>2.06%</b>

### FUND COMMENTARY - MAY 2026

The fund has a significant exposure to the HCI group, which announced its results in the last week of May. This exposure comprises HCI itself, and three of its listed subsidiaries; namely Tsogo Sun, eMedia and Frontier Holdings. On a combined basis these four investments represent just over 25% of the fund's domestic equity weighting. HCI itself, reported sharply higher headline earnings, while Tsogo showed modest growth, and the other two were essentially flat. The latter three, however, are all well managed businesses generating strong cash flows and paying generous dividends. On PE ratios of around 5x and double-digit dividend yields in the case of Frontier and eMedia, we maintain our positive view on the shares. The main detractor to the fund's May performance was Reinet where the value remains intact, but the shares sold off sharply after the results statement made no mention of a widely expected value unlock.

As required by legislation, we confirm that the fund has adhered to its policy objective and strategy.

## MARKET COMMENTARY

US markets rallied for yet another strong month. The S&P 500 ended 5.3% higher, while the Nasdaq gained 8.4%. The small cap Russell 2000 was more subdued, rising by 4.4%. There was no such rally in London, as the FTSE rose by a mere 0.7%. Europe was also strong, with the Euro Stoxx gaining 2.9%. In the East, Hong Kong stands out as the lone decliner, ending 1.7% lower, while Japan's Nikkei was again the standout performer, ending the month 11.9% higher. The Nikkei is now up 32.8% so far this year. There were also notable moves in the commodity market, as Brent crude declined by 19.3% during the month. Year-to-date, however, oil is still trading 51.3% higher.

Kevin Warsh was confirmed as the next chair of the Federal Reserve and, no doubt, the market will analyse every word from his first meeting to assess the likely direction under his watch. It's unlikely he'll have much time to find his feet, as market data continues to serve a batch of mixed and volatile data – much of it heavily affected by the ongoing Middle East conflict.

Spiking energy prices have led to US CPI coming in at the highest levels since 2023. More concerning, though, is Core CPI (excluding energy and food prices) which was meaningfully higher than estimates, as higher energy prices are now filtering through to other parts of the economy. The parallels between inflation today and inflation caused by the energy crisis in the 1970's, are now starting to look concerningly eerie...

This has resulted in a global bond selloff as markets start to anticipate the probability of sustained higher inflation, which will force central banks to raise borrowing rates. US 30-year treasury yields reached their highest level since 2007, on concerns about inflation and the outlook for the US fiscus. The US market is now pricing in a 50% probability that the Fed will raise rates this year.

Higher inflation numbers are not limited to the US. In Japan, producer prices (PPI) surged in April by the most in 12 years, boosting inflationary pressures and supporting the case for the Bank of Japan to raise interest rates. Japan's 10-year yields jumped to levels last seen in 1996, while the nation's 30-year yield surged to the highest level since its 1999 debut.

Back home, the JSE All Share missed out on the strong equity rally, declining by 0.3% for the month. In bad news for local consumers, in April, inflation raced to 4.0% from 3.1% in March, driven by large jumps in energy prices brought on by the ongoing Middle East conflict. This now puts it well beyond the SARB's target of 3%, which led to the first rate increase since 2023. The SARB hinted that there might be more to come as they raised their inflation projection for 2026 to 4.4%. A welcome silver lining, though, was SA debt receiving its first credit upgrade from Moody's since 2007. While we are still two levels below investment grade, it's undoubtedly a small step in the right direction.

## Risk Considerations and Important Information

Fundrock Collective Investments (RF) (Pty) ("FR") Ltd is part of the Apex Group Ltd. FR 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 ASISA. 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. FR 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. FR 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 FR, 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 for the portfolio 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. FR 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, FR 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 FR's products. Access the FR Privacy Policy and the FR Terms and Conditions on the BCI website ([www.bcis.co.za](http://www.bcis.co.za)).

### Effective Annual Cost

- FR adopts 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). FR calculates the EAC as per the ASISA standard for a period of 3 years up till the most recent TER reporting period.

### FAIS Conflict of Interest Disclosure

- Please note that your financial advisor may be a related party to the co-naming partner and/or FR. 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 FR, 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 instances portfolios invest in other portfolios which form part of the FR Scheme. These investments will be detailed in this document, as applicable.

### Investment Manager

- Flagship Asset Management (Pty) Ltd is an authorised Financial Service Provider FSP 577.
- Additional information, including application forms, annual or quarterly reports can be obtained from FR, 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.

### Management Company Information

- Fundrock Collective Investments (RF) (Pty) Limited
- Catnia Building, Bella Rosa Village, Bella Rosa Street, Bellville, 7530
- Tel: +27 (0)21 007 1500/1/2 +
- Email: [bcis\\_clientservices@fundrock.com](mailto:bcis_clientservices@fundrock.com) + [www.bcis.co.za](http://www.bcis.co.za)

### Custodian / Trustee Information

- The Standard Bank of South Africa Limited
- Tel: 021 441 4100

## Investment Policy

The Flagship BCI Flexible Value Fund is an asset allocation portfolio. The manager, in selecting securities for the portfolio, will seek to follow an investment policy which will secure for investors an optimum overall return, that is to say the steady growth of income and the preservation of capital in real terms.

In order to achieve these main objectives the investments to be acquired for the Flagship BCI Flexible Value Fund, shall comprise a mix of securities, which may include ordinary shares, preference shares, debentures, fixed interest instruments, gilts and money market instruments as defined in the Act and the Deed, all to be acquired at a fair market value. The portfolio may also include participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes. Where the aforementioned schemes are operated in territories other than in South Africa, participatory interests or any other form of participation in these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and trustee and is of sufficient standard to provide investor protection at least equivalent to that in South Africa. The portfolio is permitted to invest in financial instruments in line with the conditions by the Registrar from time to time.

## TER and Transaction Costs

From 1 April 2023 to 31 March 2026, 1.76% of the value of the fund was incurred as expenses relating to the administration of the fund. 0.30% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund. Therefore 2.06% of the value of the fund was incurred as costs relating to the investment of the fund. 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 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. 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.

## Fund Risk Profile

- The fund is likely to have a very different equity profile to that of the All Share Index. Risk is reduced through the fund's value-orientated approach and a larger-than-average number of holdings.



- Shares are potentially volatile investments and there is a risk of capital loss over the short term.
- Foreign securities may have additional material risks, depending on the specific risks affecting that country, 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.
- Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

## Flagship Asset Management (Pty) Limited

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