



BCI - GinsGlobal Equity Index Fund



Myth of Stock-Picker's market

- Most Active Managers underperform 3yr+
 - Lack of Active Consistency; Higher costs.
- Indexing Diversified: Core vs Explore
- MSCI World Index: 1500+ shares
- Indexing is Low Cost (37 bps).

BCI – GinsGlobal Equity Index Fund

- AUM ~R1bn since April launch. (ZAR Fund)
- State Street - Global Index Leader (\$2.7 trillion)
- Small Tracking Error vs others.
- 20yr+ Track Record

MYTH: INDEXING vs ACTIVE MANAGERS

% Active Funds beating Passives

Source: AJ Bell, Morningstar. Data to 30/6/22 (UK)

IA Sector (UK)	First half 2022	Last 5 years	Last 10 years	2021
Asia Pacific ex-Japan	27%	47%	59%	26%
Europe ex-UK	49%	46%	57%	53%
Global (MSCI World)	31%	26%	28%	25%
Global Emerging Markets	21%	37%	42%	50%
Japan	40%	43%	51%	4%
North America	40%	25%	28%	19%
UK All Companies	12%	31%	63%	41%
Total	30%	33%	45%	34%

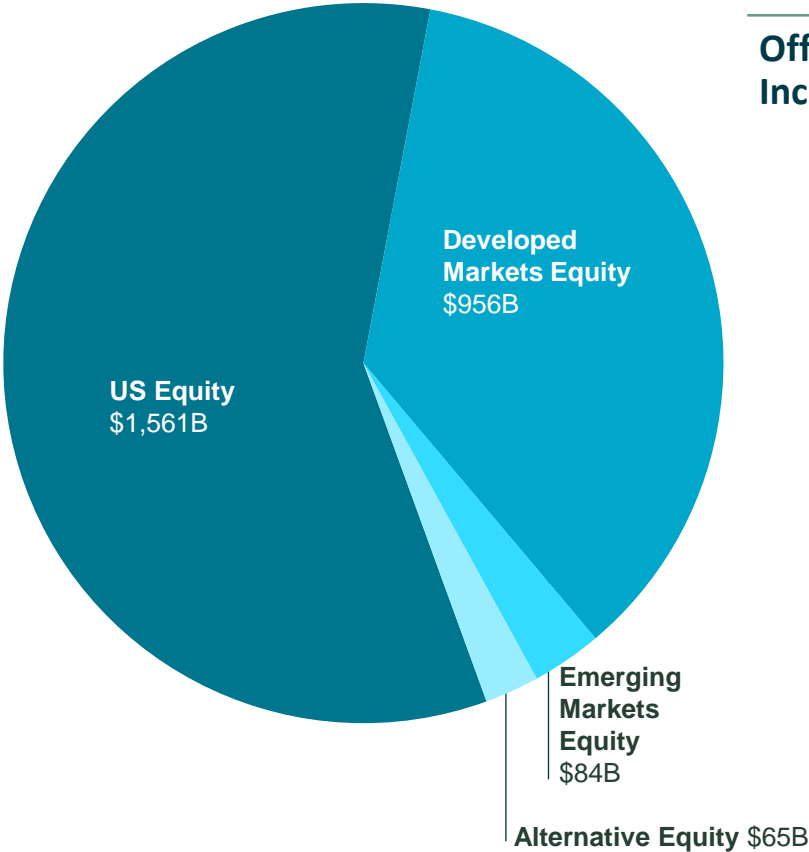
MYTH: Indexing beats Global Equity

	1yr	3yr	5yr	10yr	20yr
Global (vs. S&P Global 1200)	84.1%	65.6%	69.2%	84.8%	85.3%
Global (ex US) (vs. S&P 700)	49.7%	60.2%	68.9%	78.1%	90.4%
Large-cap (vs. S&P 500)	85.1%	67.9%	74.1%	83.1%	94.1%
Emerging Markets (vs. S&P/IFCI Composite)	64.6%	56.3%	74.7%	79.8%	93.4%

Source: Standard & Poors, Year-End 2021 SPIVA Scorecard (US)

Broad Index Offering in AUM

Supported by \$2.67 Trillion



Offerings Include:

Cap Weighted

- US, Developed ex US, Emerging Markets
- Large, Mid & Small Cap
- Sector/ Industry Specific

ESG & Smart Beta

- Low Carbon & Climate
- Screened Solutions
- Broad ESG
- Single Factor, Tilted & Multi-Factor

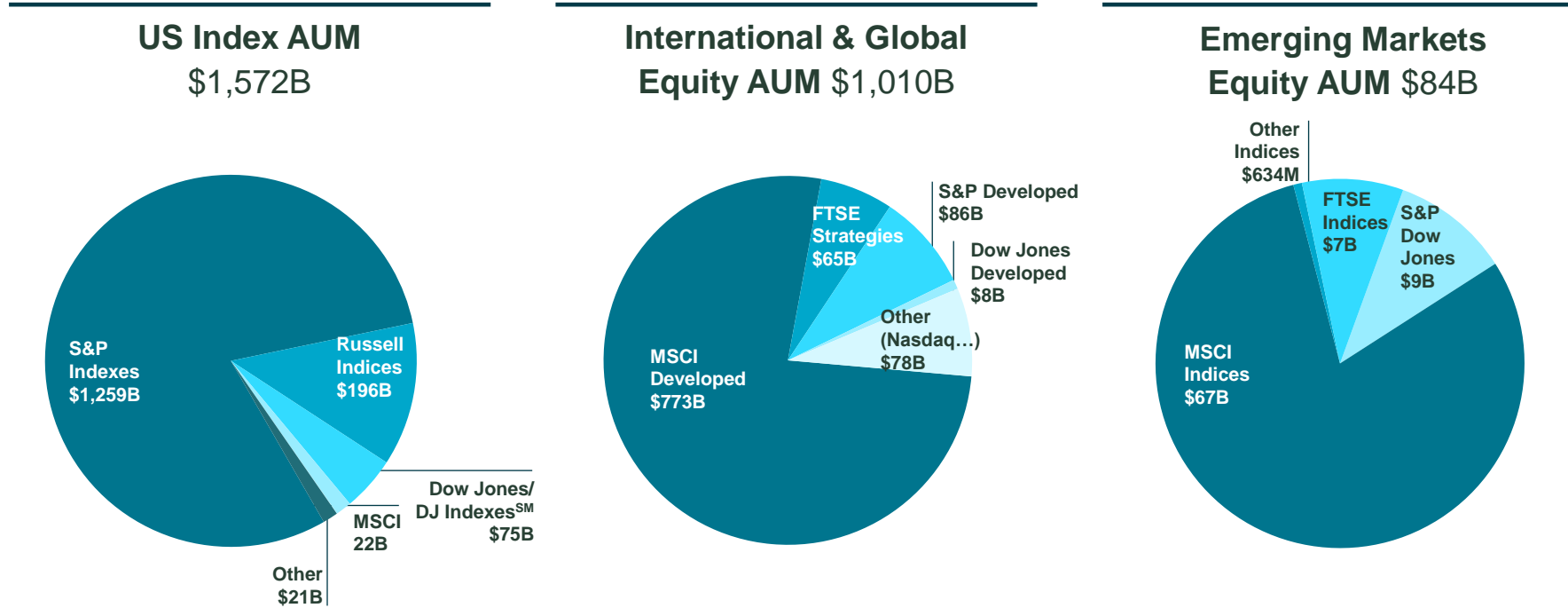
Alternatives

- Commodity
- REITs
- Infrastructure
- Natural Resources

Source: State Street Global Advisors. Exclusive of Emerging Markets Equities invested in other MSCI-benchmarked strategies such as MSCI ACWI and MSCI ACWI ex-US. Data as of December 31, 2021.

A Leading Manager of Global Indexed Assets

Total Global Equity Beta Solutions Assets Under Management: \$2.67 Trillion (USD) as of December 31, 2021



Source: State Street Global Advisors. As of December 31, 2021.
 Exclusive of Emerging Markets Equities invested in other MSCI-benchmarked strategies such as MSCI ACWI and MSCI ACWI ex-US.

Why Choosing The Right Index Manager Matters?

Indexes make numerous assumptions, which can lead to tracking error (+/-), and wealth erosion if not managed with precision and skill	Index Assumptions	Reality
	No transaction costs	Effective implementation techniques can minimize implicit and explicit costs (i.e., internal crossing)
	All trades executed at market on close	Trading strategies can reduce turnover and improve execution
	Dividends reinvested at ex date — before cash received	Equitize cash with futures when possible to minimize cash drag
	Maximum foreign dividend withholding tax rate	Investors realize different withholding tax rates relative to the index, resulting in income via tax reclaims
	Assumed corporate action elections	Multiple options may exist presenting opportunities to add value
	Dividends are the only income source	Income from securities litigation payments or securities lending can help offset negative tracking*

* Other sources of tracking deviation may include but are not limited to transactions costs, other taxes, cash drag, futures tracking versus the benchmark or securities mis-weights.

A Long History of Indexing Innovation

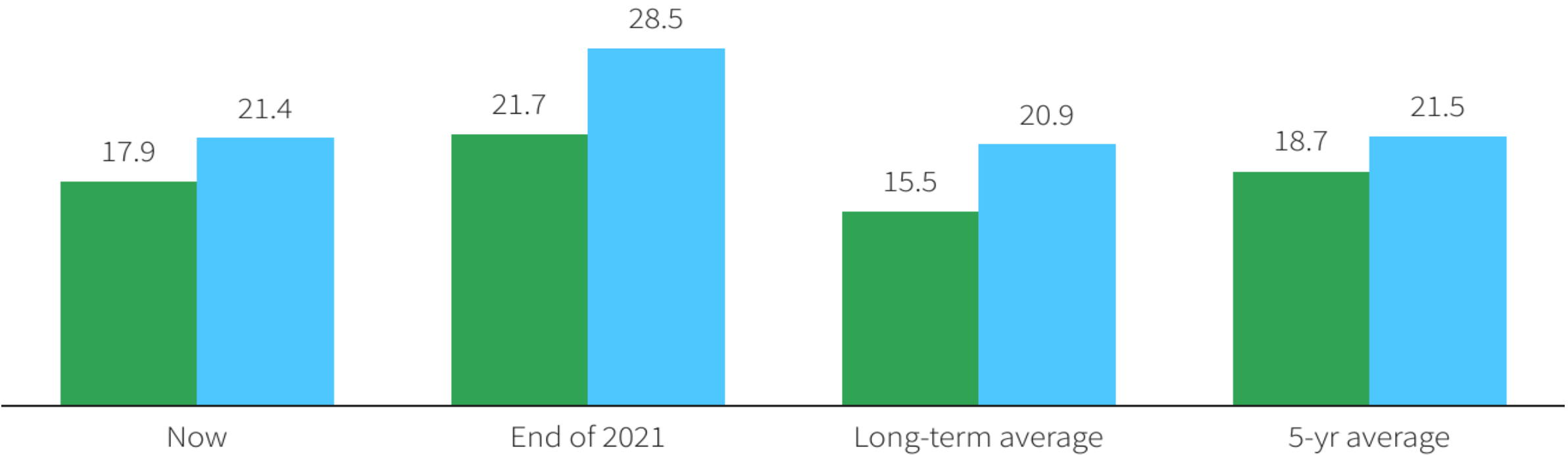
	1970s	1990s	2000s	2010-20
Standard Indices	Launched International Index and S&P Strategies (1979)	First equity index ESG mandate (1990) First US listed ETF launch (1993)	S&P HY Div Aristocrats (2005) FTSE RAFI US 1000 (2006)	FTSE EPRA Nareit Liquid (2007) Nikkei 225 (2008) FTSE RAFI ALL World 3000 MSCI Min Volatility (2010) MSCI World Equally-weighted (2011) RAFI Low Vol (2012) MSCI Quality Mix Series (2014) FTSE EDHEC Risk Efficient EM Russell 1000 Factors (2015)
Proprietary Indices and Strategies		SSGA S&P 500 Equal Weighted (1993)	SSGA US Valuation-Tilted (2005) SSGA Global Size & Global Valuation Tilted Strategies (2009)	SSGA Europe Managed Volatility (2010) SSGA Dividend Tilted (2012) SSGA Global & US Multi-factor (2015) Gender Diversity Index (2015) Core Factors (2017) US Cap Weighted Self Indices (2017) International Cap Weighted Self Indices (2019) Sustainable Climate Strategy (2020) ex Fossil Fuels Strategy (2020)

Source: State Street Global Advisors, as of December 31, 2021. Inception date of select portfolios.

U.S. stock market valuations

forward price-to-earnings ratios

● S&P 500 ● S&P 500 tech sector



Note: Data as of May 6, 2022

Source: Refinitiv Datastream

Global Market Outlook

- US Inflation set to decline.
- US to recover faster than Europe.
- Expect US stock market recovery 4th Qtr.
- 75% of S&P 500 companies beat 2nd Qtr earnings.
- US Election outcome.

Big Tech – 2nd Qtr Earnings

- Amazon, Microsoft & Google – Resilient
 - Cloud Revenue 33%, 40% & 36% up.
- Apple, Tesla & Netflix positive results.
- Majority of IT Spend to Cloud - 2025
 - \$1.3tn IT costs moving (2025).

Conclusion

- Myth of Stock-Picker's market
- Most Active Managers underperform
- Indexing Diversified: Core vs Explore
- State Street – Global Index Leader
- Indexing = Low Cost (37 bps).

Disclaimer:

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