

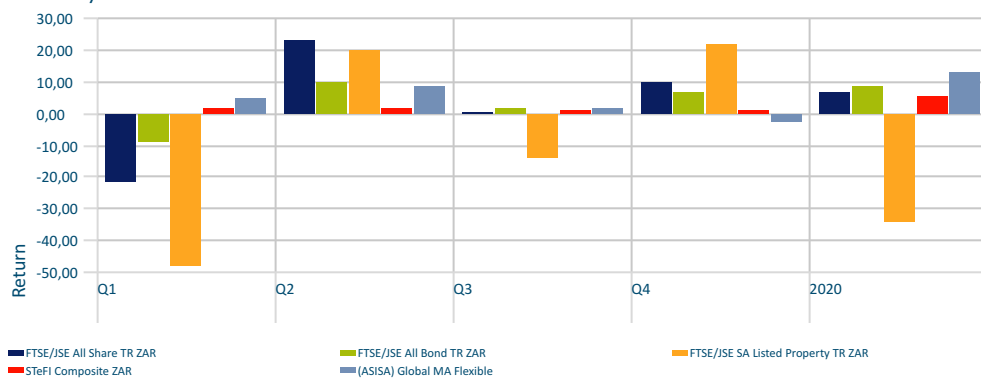
Dissecting December 2020

Markets

December brought a relatively pleasant end to a difficult year in terms of investment performance. All local asset classes added positive returns for the month, with property once again rebounding strongly. Despite positive returns from offshore investments, the average global flexible portfolio was pulled down by the strong rand appreciation over the past few months, leaving the average flexible offshore investment with a negative return for both December and the fourth quarter. The rand has now appreciated by approximately 30% since its weakest point in April. For the year 2020 most assets were able to provide inflation beating returns, with the obvious exception being local property (as indicated on the graph below).

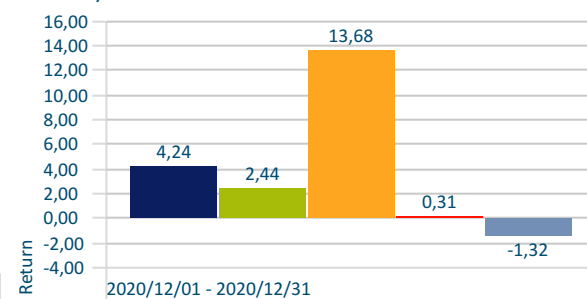
Asset Class Returns

Currency: South African Rand



Asset Class Returns

Currency: South African Rand



Calendar Year Returns - Annualised (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|----------------------------|--------|--------|--------|---------|
| SA Equity | 7,00 | 3,12 | 6,36 | 9,61 |
| SA Bonds | 8,65 | 8,88 | 10,43 | 8,24 |
| SA Property | -34,49 | -20,68 | -8,41 | 3,52 |
| STeFI Composite ZAR | 5,39 | 6,64 | 6,97 | 6,36 |
| (ASISA) Global MA Flexible | 13,15 | 10,85 | 5,57 | 13,29 |

*Annualised return is the weighted average compound growth rate over t...

Economics and Politics

As suggested in the previous month's commentary, growth in manufacturing, trade, and mining managed to drive a significant rebound in local Gross Domestic Product (GDP) for the third quarter of 2020. The real GDP growth came in at 66.1% quarter on quarter (annualized). Consumer Price Index (CPI) data released for the month of November indicated a slight slowdown from 3.3% in the previous month to 3.2% year-on-year. Other data releases included a record surplus in the local current account balance of 5.9% (the largest since 1988) for the third quarter. The trade balance benefitted from strong commodity prices and there was a significant jump in exports thanks to easing lockdown restrictions. Unfortunately, it was not all good news, as brief periods of loadshedding and various lockdown restrictions were reimposed throughout the month.

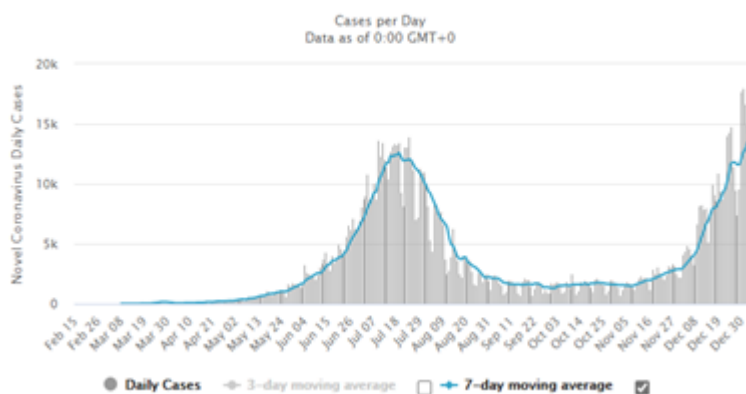
On the global front, the much-anticipated additional fiscal stimulus package in the United States (US) was finally approved. The America Federal Reserve Bank (Fed) committed to continue with its bond buying program until full employment is reached and to keep inflation at 2%. In the United Kingdom (UK), after years of negotiations and political chaos, as well as many last-minute crisis discussions between the European Union and the UK, the Brexit transition deadline of 31 December has passed. Previous agreements between the EU and UK are no longer valid. While a post-Brexit trade agreement was eventually reached, it remains to be seen how effective the agreement is and whether Prime Minister Johnson has delivered on all his promises. In Asia, indicators from China continue to support a recovery, with initial estimates pointing to a 2% growth rate for 2020. According to local comments, China's leadership plans to target an 8% real growth rate for 2021, while slowly reducing monetary and fiscal interventions used to combat the COVID-pandemic.

COVID and Vaccines

Festive moods were significantly dampened over December as infection rates skyrocketed and the second wave firmly took hold in South Africa. This led to tighter lockdown measures being reinstated first provincially and then nationally. Plans are currently being made for acquiring and distributing vaccines in South Africa. Healthcare workers expected to receive the first dosages.

While the vaccines are too late to address the second wave of infections, they could potentially halt any third wave possibilities. Furthermore, trying to vaccinate the entire population within the first half of 2021 will be impossible, but by focusing on the most vulnerable we can remove significant pressure from the healthcare systems. Recent studies also suggest that vaccinating the full population is not necessarily required to get the daily infection rate down. According to experts in the US, if 75% to 80% of citizens are vaccinated, the US should reach the herd immunity threshold a few months later. This would allow the return to some degree of normality.

Daily New Cases



Source: Daily New Cases in South Africa, Worldometers.

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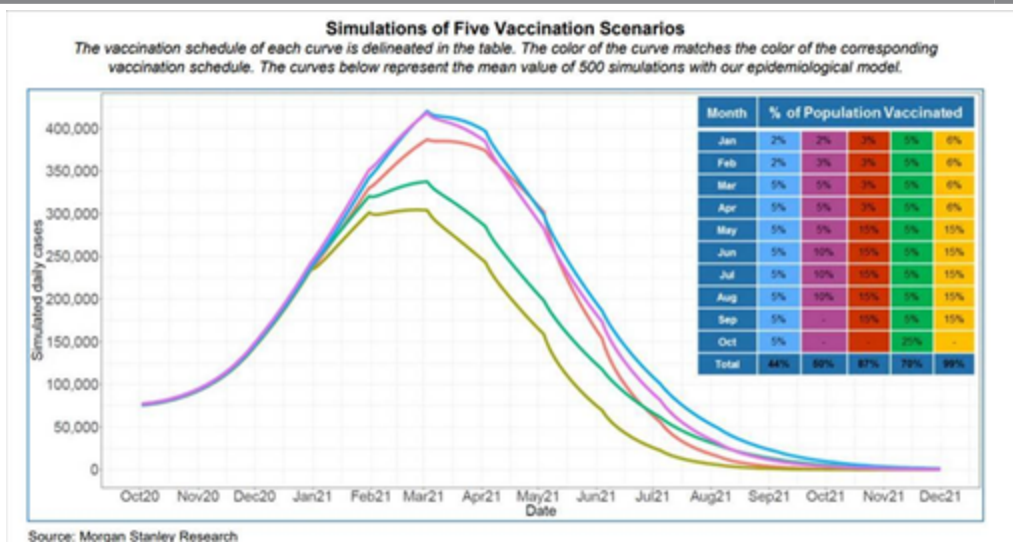
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Looking Ahead

COVID vaccines will likely be a major theme for the year. We will likely see a cyclical recovery, that will benefit Emerging Markets, on the back of reopening economies and stimulus measures put in place. It is unlikely to be a smooth ride, however. Fiscal and monetary stimulus, geopolitical risks (think US/China, UK/EU), the tech race, a potential rise of inflation, and ESG (climate change, impact investing) considerations are only a couple of other themes set to be top of mind as we go through the year and will be key determinants in our investment decisions.

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Skyblue BCI Solar Flexible Fund of Funds



Global Multi Asset Flexible Allocation - More than 85% offshore

Benchmark: (ASISA) Worldwide Multi-Asset Flexible Sector Average

Fund Commentary

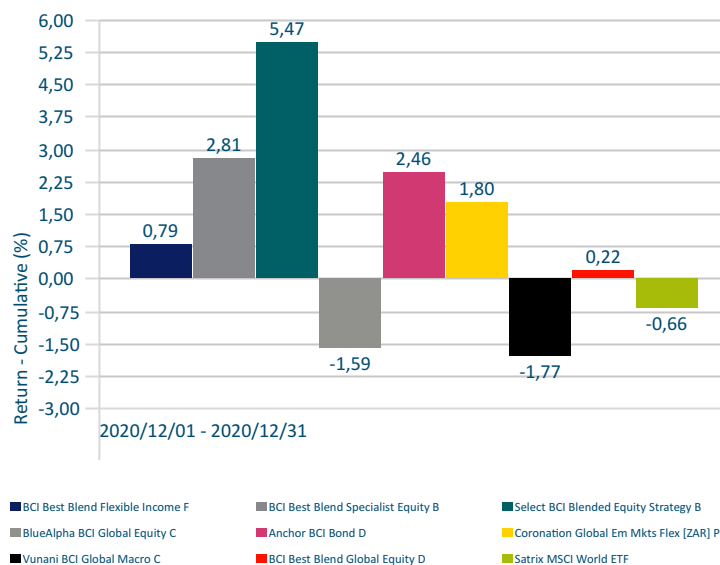
2020 certainly ended with a bang, as risky assets and most emerging markets ran up hard for most of the month. This was good news for local investors investing in Rand assets but unfortunately a risk on environment also creates exchange rate headwinds for riskier currencies such as the Rand. So our Solar investors experienced muted returns, all be they still better than the sector average by more than 1%, as currency moves negated underlying fund returns. Even taking into account these moves Solar managed to deliver 29.55% for 2020, worthwhile payback for the investors that stayed invested. This also puts Solar at the top of the ranking table when comparing it with its peers in this category of funds.

Solar delivered a negative 0.26% in December, which slightly detracted from the aforementioned 1 year return of 29.55% and the annualised 2 year return of 19.33% p.a.. The return came from most of our equity managers who added good returns, far outpacing the MSCI World index, proving that active management has a place in the investment universe. Whilst we had excellent returns from equity, our laggards were also equity managers, which again shows the diversity within the underlying managers. A great tool to have in the uncertain times.

As the world starts rolling out vaccines and the US political landscape hopefully starts settling one would expect growth and risky assets to keep on leading the pack. The one factor that might come with this growth though is inflation. We will carefully watch as this transpires throughout the year and adjust the portfolio in accordance. All the best for 2021!!

Underlying Holdings Return

Currency: South African Rand



Calendar Year Returns - Cumulative (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|-------------------------------------|--------|--------|--------|---------|
| Skyblue BCI Solar Flexible FoF | 29,55 | 50,29 | 44,49 | 186,49 |
| (ASISA) Global MA Flexible (Sector) | 13,15 | 36,20 | 31,13 | 248,44 |

Calendar Year Returns - Annualised (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|-------------------------------------|--------|--------|--------|---------|
| Skyblue BCI Solar Flexible FoF | 29,55 | 14,54 | 7,63 | 11,10 |
| (ASISA) Global MA Flexible (Sector) | 13,15 | 10,85 | 5,57 | 13,29 |

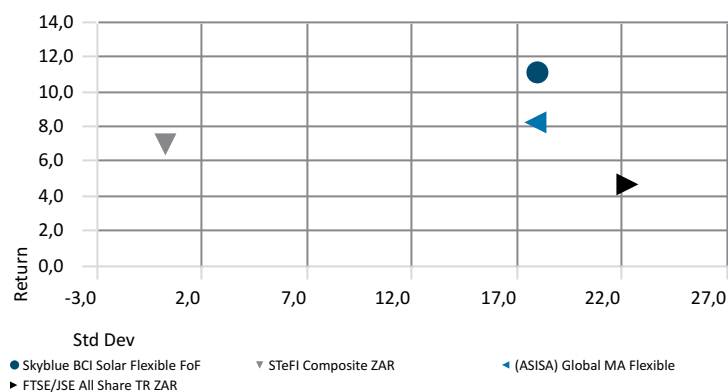
*Annualised return is the weighted average compound growth rate over the period measured.

Skyblue BCI Solar Flexible FoF - Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2020 | 5,52% | -0,07% | 5,02% | 10,88% | 1,06% | 0,88% | 3,99% | 3,75% | -2,17% | -3,77% | 2,15% | -0,26% | 29,55% |
| 2019 | -1,90% | 7,08% | 2,75% | 2,13% | -1,80% | -0,32% | 1,42% | 1,34% | 2,01% | 1,09% | -2,04% | -1,86% | 9,94% |
| 2018 | -0,06% | -5,20% | -0,37% | 6,68% | 1,01% | 5,68% | -1,44% | 10,03% | -2,60% | -1,49% | -5,27% | -0,41% | 5,51% |
| 2017 | -0,61% | -0,14% | 2,84% | 0,78% | -0,60% | 0,02% | 2,10% | -1,31% | 4,82% | 5,60% | -2,87% | -7,81% | 2,14% |
| 2016 | 1,52% | 0,44% | -6,88% | -2,94% | 10,81% | -7,14% | -1,87% | 4,04% | -4,78% | -1,20% | 3,13% | 0,22% | -5,88% |
| 2015 | 0,61% | 2,81% | 0,04% | 2,33% | 1,63% | -0,72% | 3,17% | 2,98% | 3,34% | 1,43% | 4,18% | 7,12% | 32,80% |
| 2014 | -0,52% | 2,77% | 1,51% | 1,09% | 1,17% | 1,42% | 0,76% | -1,07% | -0,47% | -0,85% | 1,71% | 0,73% | 8,49% |
| 2013 | 5,14% | -1,61% | 1,05% | -1,94% | 7,81% | -6,23% | 3,45% | 1,08% | 3,61% | 2,88% | -0,78% | 2,93% | 17,94% |
| 2012 | 4,95% | 1,59% | -0,23% | 1,41% | -2,56% | -0,16% | 1,81% | 2,50% | 1,43% | 3,34% | 1,54% | 0,90% | 17,61% |
| 2011 | -0,32% | -0,94% | 0,57% | 1,65% | -0,04% | -2,42% | -1,17% | -2,57% | -0,91% | 6,07% | 0,60% | -1,03% | -0,78% |
| 2010 | -1,74% | 0,52% | 4,67% | 0,62% | -3,96% | -0,66% | 3,38% | -2,53% | 4,90% | 2,95% | 0,39% | 2,04% | 10,64% |
| 2009 | 1,54% | -4,36% | 3,58% | 2,58% | 4,89% | -1,82% | 5,79% | 3,92% | 0,57% | 3,42% | 0,98% | 2,18% | 25,39% |
| 2008 | -3,03% | 2,54% | -0,74% | 0,89% | 1,76% | -1,44% | -4,34% | 1,73% | -5,88% | -7,37% | 0,06% | 0,47% | -14,82% |
| 2007 | | | | | | | | | | | -2,01% | -1,22% | |

Risk-Reward

Time Period: 2015/05/01 to 2020/12/31



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Skyblue BCI Cumulus Moderate Fund of Funds



South Africa Multi Asset High Equity Allocation - 0% - 75% South African Equities

Benchmark: (ASISA) South Africa Multi-Asset High Equity Sector Average

Fund Commentary

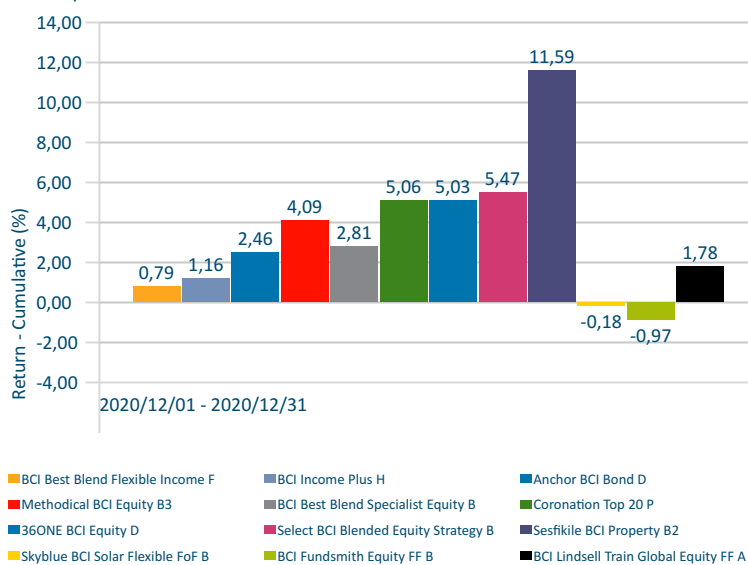
Given the relatively strong end to 2020 from local asset classes, the underlying funds performed very well in December. The local equity and property holdings were the primary drivers of performance, with many of the managers outperforming the All-Share Index. The property holding added to its strong return from November, posting another 11.6% for December. As mentioned in the market commentary segment, as well as in Solar's commentary, the strong Rand resulted in significant headwinds for offshore funds denominated in Rands, as most of their positive returns were offset by the currency appreciation. Our global managers in the fund were thus the laggards for the month, although one of the recent additions, BCI Lindsell Train Global Equity, still managed to deliver a positive return.

Cumulus delivered 3.08% for the month, beating the benchmark and ending the year on a strong foot. Over the one-year period (2020), the fund has delivered 5.60% against a benchmark of 5.19%, and outperformed both STeFI and CPI (as at November). The fund therefore protected significant capital throughout a very tough year and was able to grow client capital in real terms despite many challenges.

We expect a continuation of the pro-growth stance, based on continued accommodative policy, the further development and roll-out of COVID-19 vaccines, and a slightly more risk-on environment, while remaining wary of further shocks on the financial system.

Underlying Holdings Return

Currency: South African Rand



Calendar Year Returns - Cumulative (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|--|--------|--------|--------|---------|
| Skyblue BCI Cumulus Moderate FoF | 5,60 | 6,11 | 16,49 | 109,19 |
| (ASISA) South African MA High Equity (Benchmark) | 5,19 | 11,05 | 23,72 | 110,68 |

Calendar Year Returns - Annualised (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|--|--------|--------|--------|---------|
| Skyblue BCI Cumulus Moderate FoF | 5,59 | 2,00 | 3,10 | 7,66 |
| (ASISA) South African MA High Equity (Benchmark) | 5,18 | 3,55 | 4,35 | 7,74 |

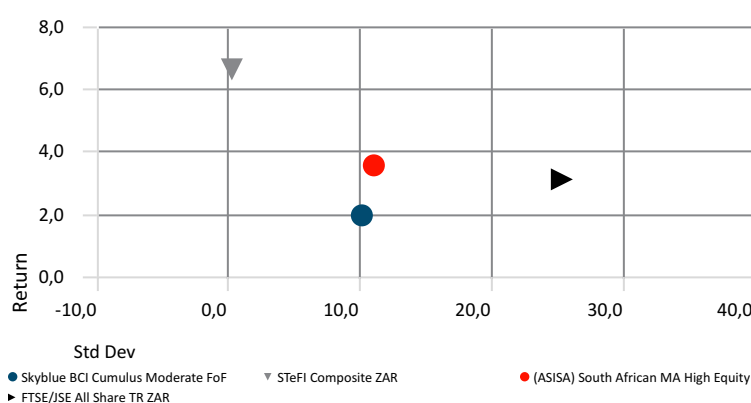
*Annualised return is the weighted average compound growth rate over the period measured.

Skyblue BCI Cumulus Moderate FoF - Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | |
|------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2020 | -0,44% | -2,48% | -11,72% | 9,71% | 0,70% | 3,11% | 3,17% | 1,61% | -1,82% | -2,75% | 4,82% | 3,08% | 5,60% | |
| 2019 | 1,93% | 1,22% | 1,14% | 2,16% | -2,32% | 0,70% | -0,93% | -2,92% | 1,53% | -0,75% | 1,57% | 3,86% | 3,86% | |
| 2018 | 0,32% | -0,62% | -1,78% | 2,90% | -1,12% | 1,27% | 0,33% | 3,55% | -2,67% | -3,28% | 0,78% | -3,25% | -3,25% | |
| 2017 | 1,50% | -0,74% | 1,53% | 1,05% | 0,06% | -2,42% | 2,82% | 0,64% | 0,34% | 3,48% | -0,51% | -2,45% | 5,24% | |
| 2016 | -1,36% | 0,35% | 1,78% | 0,84% | 2,87% | -2,07% | 0,38% | 1,41% | -0,69% | -1,55% | 1,58% | 0,82% | 4,31% | |
| 2015 | 1,62% | 2,23% | 0,44% | 1,48% | -0,46% | -0,56% | 0,86% | -0,35% | 0,22% | 2,58% | -0,12% | 0,94% | 9,19% | |
| 2014 | -0,26% | 1,52% | 1,46% | 1,40% | 0,84% | 1,29% | 0,47% | -0,99% | 0,39% | -0,25% | 1,32% | 1,12% | 8,59% | |
| 2013 | 5,39% | -0,30% | 2,00% | -0,36% | 6,83% | -3,87% | 2,79% | 1,47% | 3,08% | 2,05% | -0,52% | 2,36% | 22,51% | |
| 2012 | 2,87% | 0,71% | 0,45% | 0,93% | -1,25% | 0,65% | 1,94% | 2,87% | 0,64% | 2,47% | 2,23% | 1,01% | 16,58% | |
| 2011 | 0,45% | 0,19% | -0,22% | 0,54% | 1,07% | -1,03% | -0,52% | 0,19% | 0,34% | 3,95% | 0,79% | 0,19% | 6,05% | |
| 2010 | 0,28% | 1,39% | 1,56% | 0,83% | -1,44% | -0,12% | 1,74% | -0,33% | 1,78% | 1,26% | 0,25% | 1,25% | 8,75% | |
| 2009 | 1,03% | -1,81% | 2,41% | 1,20% | 1,22% | -0,46% | 3,63% | 2,00% | 0,05% | 2,63% | -0,32% | 1,26% | 13,48% | |
| 2008 | -1,28% | 2,27% | 0,01% | 0,22% | 0,52% | -1,02% | -1,36% | 2,04% | -1,54% | -2,51% | 1,04% | 0,22% | -1,50% | |
| 2007 | | | | | | | | | | | | | -0,75% | -0,92% |

Risk-Reward

Time Period: 2018/01/01 to 2020/12/31



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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 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 Skyblue Fund Managers (Pty) Ltd, free of charge. Performance figures quoted for the portfolios are from Morningstar, as at the date of this 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. 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. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax and is available on request. Annualised return is the weighted average compound growth rate over the period measured. Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Skyblue BCI Kimberlite Cautious Fund of Funds



South Africa Multi Asset Low Equity Allocation - 0% - 40% South African Equities

Benchmark: (ASISA) South Africa Multi-Asset Low Equity Sector Average

Fund Commentary

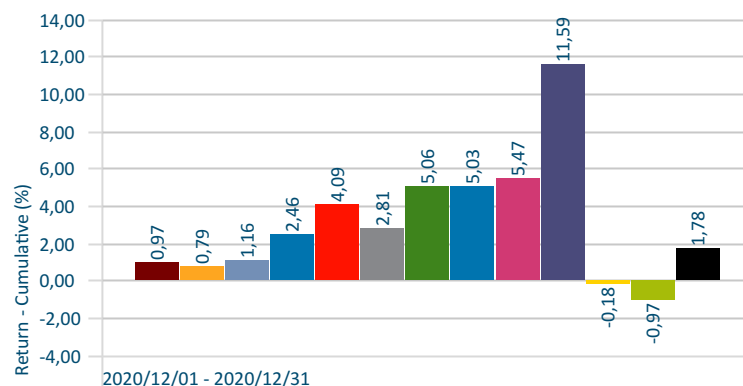
Given the relatively strong end to 2020 from local asset classes, the underlying funds performed very well in December. The local equity and property holdings were the primary drivers of performance, with many of the managers outperforming the All-Share Index. The property holding added to its strong return from November, posting another 11.6% for December. As mentioned in the market commentary segment, as well as in Solar's commentary, the strong Rand resulted in significant headwinds for offshore funds denominated in Rands, as most of their positive returns were offset by the currency appreciation. Our global managers in the fund were thus the laggards for the month, although one of the recent additions, BCI Lindsell Train Global Equity, still managed to deliver a positive return.

Kimberlite delivered 1.88% for the month, beating the benchmark and ending the year on a strong foot. Over the one-year period (2020), the fund has delivered 5.84% against a benchmark of 5.16%, and outperformed both STeFI and CPI (as at November). The fund therefore protected significant capital throughout a very tough year and was able to grow client capital in real terms despite many challenges.

We expect a continuation of the pro-growth stance, based on continued accommodative policy, the further development and roll-out of COVID-19 vaccines, and a slightly more risk-on environment, while remaining wary of further shocks on the financial system.

Underlying Holdings Return

Currency: South African Rand



Calendar Year Returns - Cumulative (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|---|--------|--------|--------|---------|
| Skyblue BCI Kimberlite Cautious FoF | 5,85 | 4,95 | 17,58 | 82,23 |
| (ASISA) South African MA Low Equity (Benchmark) | 5,17 | 15,61 | 29,81 | 103,91 |

Calendar Year Returns - Annualised (%)

| | 1 Year | 3 Year | 5 Year | 10 year |
|---|--------|--------|--------|---------|
| Skyblue BCI Kimberlite Cautious FoF | 5,84 | 1,62 | 3,29 | 6,18 |
| (ASISA) South African MA Low Equity (Benchmark) | 5,16 | 4,95 | 5,35 | 7,38 |

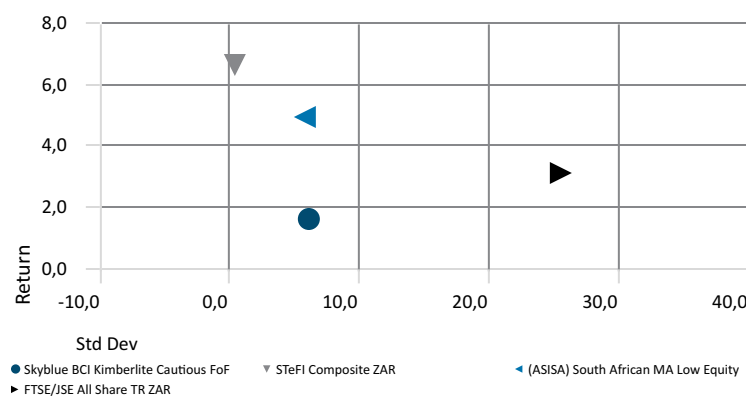
*Annualised return is the weighted average compound growth rate over the period measured.

Skyblue BCI Kimberlite Cautious FoF - Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2020 | 0,42% | -1,87% | -4,55% | 4,08% | 0,90% | 1,41% | 1,63% | 1,35% | -0,93% | -1,04% | 2,71% | 1,88% | 5,85% |
| 2019 | 1,50% | -0,10% | 0,38% | 1,49% | -1,42% | -0,20% | -0,31% | -2,53% | 0,36% | 0,92% | -0,36% | 0,34% | 0,00% |
| 2018 | 0,63% | 0,01% | -1,03% | 2,04% | -0,72% | 0,82% | 0,46% | 2,98% | -1,82% | -1,47% | -2,78% | 0,17% | -0,85% |
| 2017 | 0,93% | -0,20% | 1,15% | 0,46% | -0,27% | -1,30% | 1,96% | 0,45% | 0,99% | 2,37% | -0,57% | -1,12% | 4,86% |
| 2016 | -0,61% | 0,49% | 1,74% | 0,99% | 1,84% | -0,99% | 0,61% | 1,10% | -0,14% | -0,94% | 1,73% | 0,89% | 6,85% |
| 2015 | 0,78% | 1,26% | 0,01% | 1,10% | -0,27% | -0,68% | 0,71% | -0,64% | -0,07% | 2,08% | -0,24% | 0,98% | 5,11% |
| 2014 | 0,34% | 0,15% | 1,18% | 1,33% | 0,48% | 1,12% | 0,43% | -0,80% | -0,23% | -0,64% | 1,02% | 1,42% | 5,94% |
| 2013 | 3,70% | 0,64% | 1,96% | 1,05% | 1,89% | -1,47% | 1,06% | -0,05% | 2,03% | 1,09% | -0,13% | 1,74% | 14,28% |
| 2012 | 1,51% | 0,55% | 0,87% | 0,66% | -0,14% | 0,72% | 1,76% | 2,42% | 0,04% | 1,28% | 1,81% | 1,10% | 13,31% |
| 2011 | 0,33% | 0,09% | 0,01% | 1,13% | 0,95% | -0,56% | -0,21% | 0,62% | 1,34% | 2,24% | 1,14% | 0,18% | 7,49% |
| 2010 | 1,10% | 1,26% | 1,15% | 0,77% | -1,55% | 0,28% | 2,00% | -0,29% | 1,91% | 0,88% | 0,21% | 1,11% | 9,15% |
| 2009 | 0,91% | -1,30% | 2,50% | 1,33% | 0,83% | -0,68% | 2,99% | 0,93% | -0,41% | 2,34% | -0,75% | 1,08% | 10,11% |
| 2008 | 0,22% | 1,81% | 0,72% | -0,47% | 0,32% | -0,31% | 0,57% | 2,02% | -0,38% | -1,50% | 1,82% | 0,18% | 5,05% |
| 2007 | | | | | | | | | | | -0,21% | -0,26% | |

Risk-Reward

Time Period: 2018/01/01 to 2020/12/31



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