

**January 2025**

## **RCI BCI Worldwide Flexible Growth Fund**

The RCI BCI Worldwide Flexible Growth Fund is a solution for those looking to achieve higher long-term returns, albeit with the possibility of short-term volatility. The fund was specifically created to give clients who wish to focus on long-term capital growth by giving them access to some of the world's most exciting, high growth businesses that we currently have on our radar. The fund focusses on US listed equities and aims to give exposure to businesses that do and should continue to exhibit high levels of growth over the long term. There is a focus on high-growth tech and digital platform businesses, that provide services consumers are using daily as a growing part of their lives. Many of the businesses included in the fund, have, or are currently, sowing their way into the social fabric of our lives. Some of the sectors/themes focused on are: Artificial Intelligence, Cloud Software, eCommerce, Fintech Payments, Big Data, Cyber Security, Online Streaming & Gaming, Digital Healthcare, and more.

## **Monthly Performance Attribution**

Below were the top 5 contributors and detractors of performance for the month:

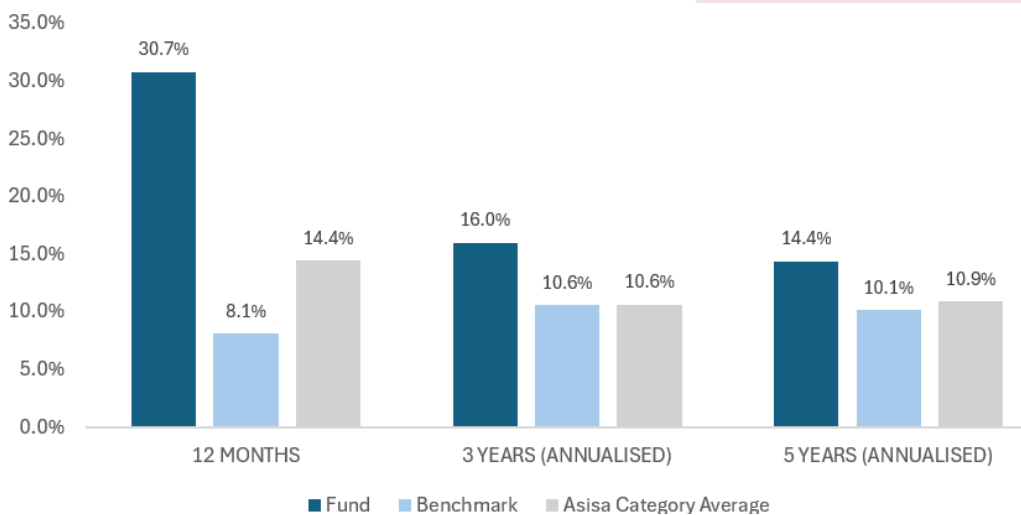
<b>TOP CONTRIBUTORS &amp; DETRACTORS</b>	<b>SECTOR</b>	<b>%</b>
HIMS & HERS HEALTH INC	PERSONAL HEALTHCARE	40.0
META PLATFORMS INC	COMMUNICATION SERVICES	14.0
NETFLIX INC	ENTERTAINMENT	10.9
LAM RESEARCH CORP	SEMICONDUCTORS	7.9
DUOLINGO INC	SOFTWARE	7.0
BROADCOM INC	SEMICONDUCTORS	-4.9
SERVICE NOW INC	SOFTWARE	-5.2
DECKERS OUTDOOR CORP	FOOTWEAR	-14.4
NVIDIA CORP	SEMICONDUCTORS	-16.9
E.L.F. BEAUTY INC	COSMETICS	-20.3

The fund was up 2.1% for the month in ZAR. This hindered by a 1.8% strengthening of the ZAR against the USD. This meant the fund was up 3.9% in USD for the month. This compares favorably with the S&P500 which was up 2.7%. The **fund ended 2024 up 35.12%** in ZAR, ahead of benchmark and ranked 2<sup>nd</sup> in the Worldwide Multi Asset Flexible category out of 109 funds.

Our biggest winner for January was Hims & Hers Inc (up 40%) although we only added this midway through the month, followed by Meta Platforms Inc (up 14%), and Netflix Inc (up 11%). Our laggards were Elf Beauty Inc which suffered a 20% pullback on no specific news, followed by Nvidia Corp (down 17%) on the reveal of DeepSeek's free AI-powered chatbox which was allegedly built for as little as \$6million (a fraction of the cost of training other LLM's), and Deckers Outdoor Corp (down 14%) on what seemed to be a strong set of results.

### Historical Returns (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2025</b>	2.1												<b>2.1</b>
<b>2024</b>	5.5	8.8	-2.5	-6.7	0.7	3.6	-7.1	1.6	1.0	6.9	14.6	6.2	<b>35.1</b>
<b>2023</b>	12.3	1.7	0.1	3.9	11.4	3.0	-0.2	-0.6	-5.0	-3.5	13.6	5.3	<b>48.1</b>
<b>2022</b>	-16.3	-3.8	-1.8	-5.0	-3.8	-5.0	3.2	-1.0	-4.3	5.7	-6.2	-3.9	<b>-36.0</b>
<b>2021</b>	1.7	2.0	-5.4	2.3	-5.0	8.6	0.7	1.8	-4.3	7.3	0.2	-4.3	<b>4.7</b>
<b>2020</b>	8.2	-1.6	-0.9	14.4	-0.5	8.0	7.9	4.1	-2.7	-2.4	5.6	5.8	<b>54.7</b>
<b>2019</b>	1.5	6.4	3.6	5.6	-4.3	1.9	-0.2	-0.6	-1.9	6.4	0.9	0.4	<b>21.1</b>



#### Unit Trust Rankings

<b>39/115</b>	<b>4/109</b>	<b>3/107</b>	<b>5/97</b>	<b>7/81</b>	<b>3/70</b>
ytd	1 year	2 years	3 years	5 years	7 years

Source: MoneyMate

*\*Past performance is not necessarily an indicator of future returns*

Most of the returns in 2024 were generated in the 4<sup>th</sup> quarter, on the back of a more dovish Fed, a new Trump administration and a more resilient economy than expected. The fund finished up 35.1% (ZAR) for 2024, or 32.5% (USD). This compares favorably to the S&P500 which was up 23.3% for the year.

The longer-term track record is good, with the fund annualizing at 14.4% over the last 5 years, this is ahead of the benchmark (CPI+5%) and the peer group average (10.9%).

*\*Peer group is Worldwide Multi Asset Flexible category*

## Fund Composition

TOP TEN HOLDINGS	SECTOR	ABSOLUTE WEIGHT (%)
SOFI TECHNOLOGIES INC	FINANCIAL SERVICES	6.6
META PLATFORMS INC	SOFTWARE	5.8
AMAZON.COM INC	AUTO MANUFACTURERS	5.7
FORTINET INC	E-COMMERCE	5.3
TESLA INC	CYBER SECURITY	5.0
PALANTIR TECHNOLOGIES INC	ONLINE ADVERTISING	4.9
SALESFORCE INC	SEMICONDUCTORS	4.3
NVIDIA CORPORATION	SEMICONDUCTORS	4.3
NETFLIX INC	COMPUTER HARDWARE	3.7
BROADCOM LTD	ENTERTAINMENT	3.7
<b>TOTAL EQUITY CONTENT OF FUND</b>		<b>96.3</b>

The top 10 holdings can be seen above, and account for 49.3% of the fund. The total equity content of the fund sat at 96.3%, with 3.7% held in cash. Changes in the top 10 for the month were brought about by market movements.

## Key Operating Metrics (Top 10 Holdings)

TOP TEN HOLDINGS	SECTOR	ABSOLUTE WEIGHT (%)	ROCE	FCF MARGIN	GP MARGIN	OP MARGIN	REVENUE 3Y CAGR	DEBT/EQUITY
SOFI TECHNOLOGIES INC	FINANCIAL SERVICES	6.6	0.0	-42.4	82.5	0.0	39.3	0.5
META PLATFORMS INC	SOFTWARE	5.8	31.8	32.9	81.7	42.4	11.7	0.3
AMAZON.COM INC	AUTO MANUFACTURERS	5.7	15.0	6.9	48.4	9.8	10.6	0.6
FORTINET INC	E-COMMERCE	5.3	34.7	29.1	79.7	28.2	22.2	1.2
TESLA INC	CYBER SECURITY	5.0	10.4	3.7	17.9	7.2	22.0	0.2
PALANTIR TECHNOLOGIES INC	ONLINE ADVERTISING	4.9	7.6	37.0	81.1	13.8	22.7	0.1
SALESFORCE INC	SEMICONDUCTORS	4.3	9.7	31.9	76.9	19.7	14.2	0.2
NVIDIA CORPORATION	SEMICONDUCTORS	4.3	107.9	49.9	75.9	62.7	67.1	0.2
NETFLIX INC	COMPUTER HARDWARE	3.7	23.3	17.7	46.1	26.7	9.5	0.7
BROADCOM LTD	ENTERTAINMENT	3.7	13.9	37.6	75.2	30.1	23.4	1.0
<b>TOTAL EQUITY CONTENT OF FUND</b>		<b>96.3</b>						

The top 10 holdings exhibit strong or improving returns on capital. Many of the businesses are software or cloud platform businesses and as such they also exhibit strong margins. The fund tries to focus on scalable businesses with strong margins, and healthy balance sheets. The free cashflow margins of our top 10 holdings are very healthy.

## Changes During the Month

During the month of January, the fund opened new positions in Grab Holdings Limited, CyberArk Software Ltd and Hims & Hers Health Inc. To fund these positions, we trimmed positions in Palantir Technologies Inc, Apple Inc and Tesla Inc.

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Tesla Inc reported Q4 results for 2024 that were substantially below estimates, missing on almost every metric. Total revenue grew 2% YoY, but auto revenues fell 8% YoY. Gross margins contracted from 17.6% to 16.3% on the back of a reduction in average annual selling prices. EPS on a GAAP basis contracted sharply YoY. The silver lining was the strong growth in the Energy Generation and Storage business which saw revenue grow 113%. This division now accounts for almost 40% of Tesla's gross profits.

We still believe in the potential for Tesla to solve the greater autonomy puzzle. Elon Musk cited significant advancements in full self-driving technology predicting that 'Tesla could become the most valuable company in the world largely due to autonomous vehicles and robots'

### [Tesla Inc 4Q Results](#)

Netflix Inc reported their Q4 results for 2024, and they beat on every metric. Netflix added a record 18.91mil new net subscribers for the quarter. Revenue growth also reaccelerated to 16% YoY, with operating margins expanding to 22.2% from 16.9% the same time last year. The business raised guidance for the it Q1 2025 with revenue growth expected to accelerate to 28.2% YoY, and operating margins expanding to a record 28.2%.

### [Netflix Inc Q4 Results](#)

*We hope you find these insights useful. If you require any further detail regarding the fund, please see our official BCI Fund Factsheet available on the BCI website, otherwise please feel free to contact us.*

**Eric Lappeman, CFA**

Robert Cowen Investments (Pty.) Ltd.  
25 Culross Road | Cnr. Main Road,  
Bryanston, Johannesburg 2191, South Africa.  
P.O. Box 784, Saxonwold, 2132.  
**T:** +27 11 591 0585  
**F:** 086 689 6562  
[www.rcinv.co.za](http://www.rcinv.co.za)

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Directors: D.L. Haiden, M.R Gresty, A.O. Lawson, B Gace\*

\*Non-executive directors