

December 2024

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.

Fund Performance and Attribution

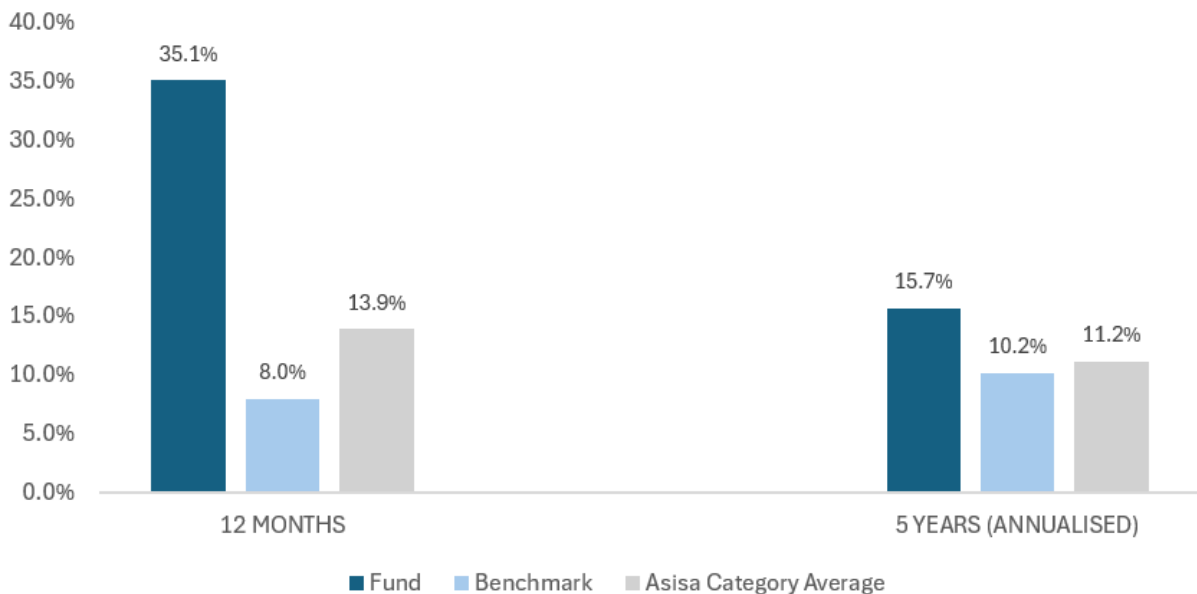
Most of the returns in 2024 were generated in the 4th quarter, on the back of a more dovish Fed, a new Trump administration and a more resilient economy than expected. Our biggest winner for the month of December was Broadcom Inc (up 43%) after the release of their Q4 results, followed by Tesla Inc (up 17%), and Palantir Technologies Inc (up 12.8%). Our laggards for December were Opendoor Technologies Inc which suffered a 31.6% pullback on more tempered views for rate cuts in 2025, followed by Hims and Hers Inc (down 25%), Sweetgreen Inc (down 21.8%) and SentinelOne Inc (down 20.6%) following the release of what seemed to be good Q3 results.

Following are the top 5 contributors and detractors of performance for the month:

TOP CONTRIBUTORS & DETRACTORS	SECTOR	%
BROADCOM INC.	SEMICONDUCTORS	43.0
TESLA INC.	AUTO MANUFACTURERS	17.0
PALANTIR TECHNOLOGIES INC.	SOFTWARE	12.8
ALPHABET INC.	ONLINE ADVERTISING	12.0
ARISTA NETWORKS INC.	COMPUTER HARDWARE	8.9
MERCADOLIBRE INC.	E-COMMERCE	-14.3
SENTINEL ONE INC.	CYBERSECURITY	-20.6
SWEETGREEN INC.	RESTAURANTS	-21.8
HIMS AND HERS HEALTH INC.	PERSONAL CONSUMER	-25.0
OPENDOOR TECHNOLOGIES INC.	REAL ESTATE SERVICES	-31.6

The fund finished up 35.1% in ZAR terms for 2024, or 32.5% in USD terms. This compares favorably to the S&P500 which was up 23.3% in USD terms for the year.

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



The longer-term track record is good, with the fund annualizing at 15.7% over the last 5 years. This is ahead of the benchmark (CPI+5%) and the peer group average (11.2%).

**Peer group is Worldwide Multi Asset Flexible category*

Unit Trust Rankings

2/109	2/109	3/107	27/97	3/80	5/70
ytd	1 year	2 years	3 years	5 years	7 years

Source: MoneyMate

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

Fund Composition

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

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.

TOP TEN HOLDINGS	ROCE	FCF MARGIN	GP MARGIN	OP MARGIN	REVENUE 3Y CAGR	DEBT/EQUITY
SOFI TECHNOLOGIES INC	0.0	-52.2	82.6	0.0	42.7	0.5
PALANTIR TECHNOLOGIES INC	7.6	37.0	81.1	13.8	22.7	0.1
TESLA INC	9.7	3.7	18.2	8.4	27.5	0.2
AMAZON.COM INC	15.0	6.9	48.4	9.8	10.6	0.6
FORTINET INC	34.7	29.1	79.7	28.2	22.2	1.2
META PLATFORMS INC	32.5	33.4	81.5	41.6	11.6	0.3
BROADCOM LTD	13.4	39.9	74.7	31.5	20.9	1.1
NVIDIA CORPORATION	107.9	49.9	75.9	62.7	67.1	0.2
ARISTA NETWORKS INC	32.6	48.1	64.4	42.1	33.6	0.0
NETFLIX INC	21.3	19.0	45.3	25.7	9.5	0.8

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 focusses 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

There were no major changes made to the fund this month. Two of the funds' holdings reported results during the month.

SentinelOne Inc.'s results saw total revenue growth of 28% YoY, with Annual Recurring Revenue (ARR) growing 29%. Gross margins expanded by 200bps to 75% and cash on the balance sheet now sits at \$1.1bn, while the business commands a market cap of c.\$7bn. This remains one of the cheapest businesses in the cybersecurity space at 8.4 times EV/Sales.

Figure 13: Potential To Re-Rate Closer To High Growth Peers

High growth Peers

Company	Ticker	11/25/2024	
		EV/Sales	Growth
Cloudflare Inc	NET	16.7x	27%
Crowdstrike Holdings Inc	CRWD	18.8x	23%
CyberArk Software Ltd	CYBR	11.0x	38%
Datadog Inc	DDOG	16.8x	19%
Palantir Technologies Inc	PLTR	43.9x	25%
Zscaler Inc	ZS	10.2x	24%
Avg:		19.6x	
SentinelOne Inc	S	8.4x	26%

Broadcom Inc. Q4 results saw total revenue growth of 51% YoY, with adjusted EBITDA margins of 65%. The business guided for this to increase to 66% in Q1 of 2025 and for revenue to continue to grow at 22% YoY. The business also crossed the \$1trillion mark when measured by market capitalisation.

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.

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