ANCHOR CAPITAL

ANCHOR BCI ACPI GLOBAL BALANCED FEEDER FUND| May 2018
MINIUMUM DISCLOSURE DOCUMENT

Issue Date: 08 June 2018

INVESTMENT OBJECTIVE

The Anchor BCI ACPI Global Balanced Feeder Fund aims to outperform the US dollar Libor 1-year Index by 3% p.a.

INVESTMENT PHILOSOPHY

The Anchor BCI ACPI Global Balanced Feeder Fund will, apart from assets in liquid form, invest solely in the participatory interest of the ACPI Balanced UCITS Fund.

The underlying portfolio invests in equity securities.

The fund has the ability to invest in other collective investments schemes with similar objectives.

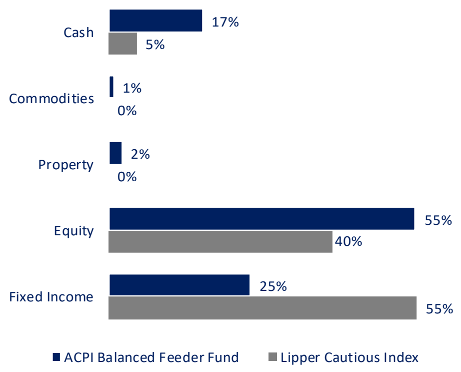
CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION

The performance will be shown once the required regulatory period has passed (12 months after inception date).

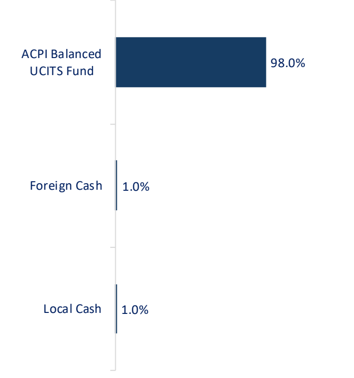
PERFORMANCE AT 31 MAY 2018

The performance will be shown once the required regulatory period has passed (12 months after inception date).

ASSET ALLOCATION AT 31 MAY 2018



TOP HOLDINGS AT 31 MAY 2018



FUND MANAGER COMMENTARY AT 31 MAY 2018

Equity attribution: +0.1% vs. 0.0% Lipper Equity Index

- At a broader portfolio level, May was a mixed month with strong alpha generation coming from our Asia (ex-Japan) managers, whilst outperformance from our Western-focused active managers was a little more challenging in relative terms. Eight out of 13 of the fund's active equity managers outperformed their respective benchmarks in May but, with headline equity indices eking out a modest 0.1% return, the overall attribution to the fund's relative returns was quite small.
- The economic and MSCI newsflow out of China provided a good backdrop for the ACPI Balanced Fund's holding in the First State China A-Shares Fund, which ended +6.0% in May. Meanwhile, at a global level, the Sector HealthCare Value Fund (+1.7%) had a relatively good month with an active position in H. Lundbeck A/S (+25.1%) being buoyed by strong 1Q18 earnings, which was a common theme across a number of the portfolio's broader holdings.
- The primary detractor in May came from the GLG Japan CoreAlpha Fund which finished -4.7% as trade war fears impacted the large cap, export-orientated segments of the market - an area to which the fund remains overweight. At this stage, we believe markets are overreacting to the threat posed here, whilst the undervaluing valuation of the portfolio at 0.8x book value provides a considerable margin of safety even in the event that those trade war fears are realised. We are, however, not dogmatic around this holding and stand to reappraise the position in the event that the facts change in the medium term.

Fixed income attribution: 0.0% vs -1.0% Lipper Fixed Income Index

- Credit held up relatively well particularly US investment grade (+0.5%), whilst shorter-duration credit, most notably high yield (flat) was also able to offset the wider decline in bonds generally.
- The ACPI Balanced Fund's ongoing underweight bias towards the asset class in general preserved capital in a relative sense, whilst the Amundi Bond Global Aggregate Fund (+0.2%) offset weakness from the Western Asset Macro Opportunities Fund (-2.6%), which was impacted by softer foreign exchange rates in emerging markets.

Portfolio changes

- We sold the Veritas Global Equity Income Fund from the portfolio in April, largely as a result of being able to find more attractive equity income alternatives elsewhere. The fund's recent allocation to the Jupiter Asian Income Fund is reflective of this view.
- We also made an initial allocation to the First State China A-Shares Fund in April as we look to broaden the portfolio's current exposure to the Asia region, thus complementing our current array of active equity specialists.

RISK PROFILE: MODERATE-HIGH

Low	Mod-Low	Mod	Mod-High	High

- This portfolio holds more equity exposure than a medium-risk portfolio but less than a high-risk portfolio. In turn, the expected volatility is higher than a medium-risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium-risk portfolio, but less than a high-risk portfolio and the expected potential long-term investment returns could therefore be higher than a medium-risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium- to long-term investment horizons.

FUND NAME
Anchor BCI ACPI Global Balanced Feeder Fund

ISIN NUMBER
ZAE000221867

INCEPTION DATE
22 June 2017

BENCHMARK
USD Libor 1-year index plus 3% p.a., calculated over a rolling 1-year period

MINIMUM INVESTMENTS
R25,000 lump sum
R1,000 monthly debit order

UNIT PRICE
R102.84

FUND CLASSIFICATION
Global Multi Asset Flexible

DISTRIBUTIONS
Semi-annually.
Declaration Date:28 Feb/31 Aug
2017 Distribution: Aug: 0
2018 Distribution: Feb: 0; May: 0

PORTFOLIO VALUE
R54.32mn

BOUTIQUE COLLECTIVE INVESTMENTS

FEES & FAIS DISCLOSURE

Initial fees (BCI) (incl VAT)	0.00%
Advisory Fee (Max) (incl VAT)	3.45%
Ongoing Advisory Fee (Max) (incl VAT)	1.15%
Annual Management Fee (incl VAT)	
Class A	0.29%
Performance fee	None
TER and Transaction Costs (incl VAT)	
Basic	-
Portfolio Transaction Cost	-
Total Investment Charge	-

A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an 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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Fund. Calculations are based on actual data where possible and best estimates where actual data is not available..

FAIS CONFLICT OF INTEREST DISCLOSURE

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

Boutique Collective Investments adopted 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

SUBSCRIPTIONS

Valuation time	15h00
Transaction cut-off time	14h00
Payment reference	Initials and Surname

Please send proof of deposit to fax (011) 263 6152 or e-mail instructions@bci-transact.co.za

MARKET COMMENTARY

- Despite still broadly robust corporate earnings numbers, markets struggled to gain momentum in May as political and trade war fears overshadowed sentiment. All eyes were back on the eurozone, specifically on Italy, after the leaders of the anti-euro Five Star Movement and the anti-immigrant League party formed a new government following the country's recent elections. However, markets took fright after the Italian President blocked the appointment of Paulo Savona, the newly elected government's proposed finance minister, due to his eurosceptic credentials. The prospect of fresh elections, and with that the possibility of the populist government gaining an even greater joint majority, shook global markets. The sell-off across the Italian fixed-income curve was quite extraordinary, drawing parallels with the eurozone crisis of 2011-2012. The yield on 10-year BTPs, for example, started the month at 1.78% before surging to 3.1% intra-month - the highest level since 2014.
- A sense of calm did manifest towards month-end following news that a more pro-Europe finance minister, Giovanni Tria, was to be appointed in the key role, whilst some of the heated rhetoric, which had earlier roiled markets, appeared to be toned down. A successful bond issue was also absorbed by the market, however, BTPs still ended the month at 2.7% (losing 6.7% in local currency terms MoM) and at their widest spread (+2.2%) relative to German 10-year bunds since 2014, whilst the MIB Index closed 9.1% lower.
- Escalating trade war fears lurked in the background in May and became particularly pivotal during the final week of the month. The US administration announced that it would immediately impose tariffs on steel (25%) and aluminium (10%) from the EU, Canada and Mexico. Reciprocal measures and/or plans were announced by each of the US' allies, with Canada saying that it would impose tariffs on $13bn worth of US imports, whilst the EU declared that it would take immediate steps to retaliate through higher tariffs on $3bn of US imports from 20 June.

FUND MANAGERS

Fund Manager - Anchor BCI ACPI Global Balanced Feeder Fund: The investment manager of this portfolio is Anchor Capital Asset Management an authorised Financial Services Provider (FSP 39834), where the Investment Managers of the underlying portfolio that the Anchor BCI ACPI Global Balanced Feeder Fund invests into is managed by ACPI Investment Managers.

Fund Manager - ACPI Balanced UCITS Fund:

Marcus Szemruk holds a BSC. in Banking and Finance from Loughborough University and holds the Securities Institute Certificate in Investment Management (CertIM). Marcus has worked in the financial services industry since 1999. Marcus joined ACPI in 2005 initially as a member of the Multi-Manager team researching external hedge fund strategies. From 2008 he has been additionally responsible for all external long-only manager research. He has been the portfolio manager of the ACPI Balanced UCITS Fund since December 2008. He previously worked at a London based fund of hedge funds and was an analyst at Philips and Drew and USB Global Asset Management.

INFORMATION AND DISCLOSURES

Investment Manager
Anchor Capital (Pty) Ltd is an authorised Financial Services Provider FSP 39834.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website (www.bcis.co.za)
- Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.
- Actual annual percentage figures are available to existing investors on request.
- Upon request the Manager will provide the investor with quarterly portfolio investment holdings reports

Management Company Information
Boutique Collective Investments (RF) (Pty) Ltd
Catnia Building
Bella Rosa Village, Bella Rosa Street
Belville, 7530
Tel: 021 007 1500/1/2 | 021 914 1220, Fax: 086 502 5319
Email: clientservices@bcis.co.za
www.bcis.co.za

Custodian/Trustee Information
The Standard Bank South Africa Ltd
Tel: 021 441 4100

DISCLAIMER

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. Performance figures quoted for the portfolio 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. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors.

A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund. Boutique Collective Investments (RF) Pty Ltd 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, BCI 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 BCI/the Manager's products.

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