

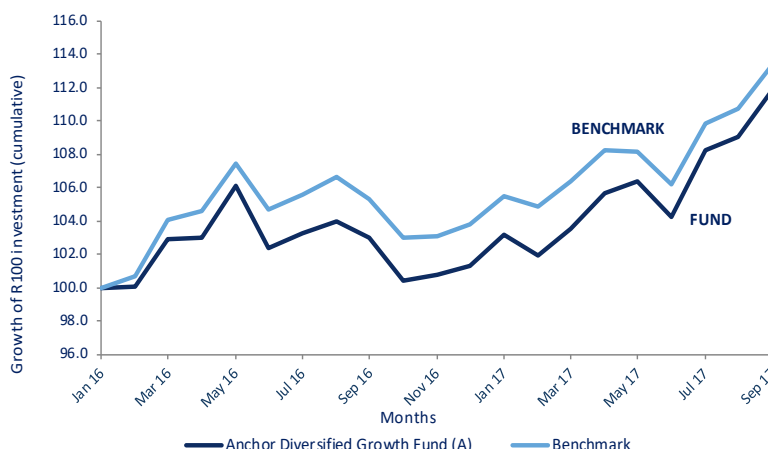
## INVESTMENT OBJECTIVE

The Anchor BCI Diversified Growth Fund is a multi-managed portfolio with a moderate to aggressive risk profile that aims to provide investors with a high long-term total return. This Fund is appropriate for clients who want exposure to Anchor's capabilities in a solution that is appropriately blended and diversified with other offerings to ensure a more consistent return profile.

## INVESTMENT PHILOSOPHY

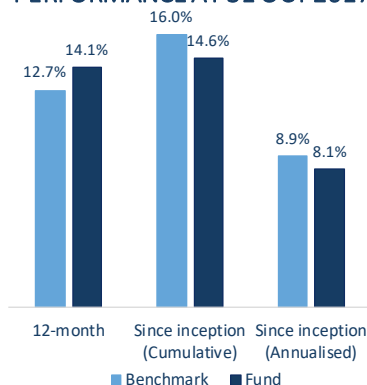
The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. The portfolio's equity exposure is limited to a maximum of 75% of the portfolio's net asset value. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest-bearing securities, bonds, debentures, corporate debt, equity securities, other interest-bearing securities, property securities, preference shares, convertible equities and non-equity securities. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange-rate swap transactions for efficient portfolio management purposes.

## CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



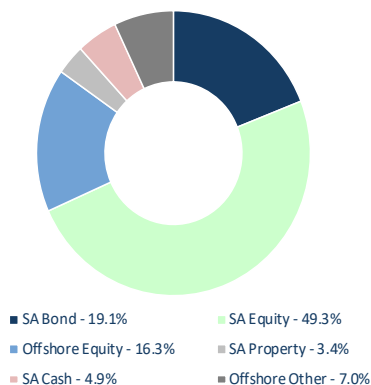
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

## PERFORMANCE AT 31 OCT 2017

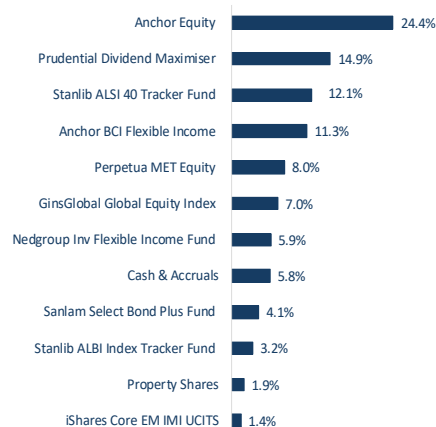


Annualised return is the weighted average compound growth rate over the period measured

## ASSET ALLOCATION AT 31 OCT 2017



## HOLDINGS AT 31 OCT 2017



## MARKET COMMENTARY AT 31 OCT 2017

### Asset class returns

The equity market continued its strong rally since the middle of the year, adding 6.3% in October, and 15.7% from June. Bonds depreciated by 2.3% and the rand weakened 4.2% in the wake of Finance Minister Malusi Gigaba's maiden medium-term budget policy statement. Meanwhile, property and cash returned 2.0 and 0.6% for the month, respectively.

### Drivers of returns:

The Industrial sector was the best-performing sector in October, returning 8.1% and bringing the YTD performance to 29.5%. Resources gained 6.4%, whilst Financials appreciated by 2.6%.

The depreciation of the rand meant that the best-and worst-performing shares can generally be identified by their rand-hedge characteristics. There were two notable exceptions to this trend: Capitec shrugged off the domestic newsflow and gained 10.0% for the month, while Mondi dropped 6.2% after a trading update that was below expectations.

## RISK PROFILE: MODERATE-HIGH

Low	Mod-Low	Mod	Mod-High	High
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- 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 Diversified Growth Fund

### ISIN NUMBER

ZAE000210621

### INCEPTION DATE

1st February 2016

### BENCHMARK

ASISA SA Multi Asset High Equity Category Average

### MINIMUM INVESTMENTS

R25,000 lump sum  
R1,000 monthly debit order

### FUND CLASSIFICATION

SA Multi Asset High Equity

### DISTRIBUTIONS

Semi-annual Declaration Date:  
28 Feb/31 Aug

2016 Distribution (cpu): Feb 1.34; Aug 0.38

2017 Distribution (cpu): Feb 0.79; Aug 0.95

### PORTFOLIO VALUE

R73.13 million

### UNIT PRICE

R110.74

## HIGH / LOW MONTHS BY YEAR

Dates	2016	2017
High	3.0%	4.5%
Low	-3.5%	-2.1%

## FEES & FAIS DISCLOSURE

Initial fees BCI (incl VAT)	0.00%
Advisory Fee (Max) (incl VAT)	3.42%
Ongoing Advisory Fee (Max) (incl VAT)	1.14%

<b>Annual Management Fee (incl VAT)</b>	
Class A	1.43%
Performance fee	None

<b>TER and Transaction Cost (incl VAT)</b>	
Basic	2.19%
Portfolio Transaction Cost	0.69%
Total Investment Charge	2.88%

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. The TER and Transaction cost were calculated based upon figures for the past financial year ended 31 August 2017.

## 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 the 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 form 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](http://www.bcis.co.za).

## SUBSCRIPTIONS

<b>Valuation time</b>	15h00
<b>Transaction cut-off time</b>	14h00
<b>Payment reference</b>	Initials and Surname

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

## 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. 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.

## FUND MANAGER COMMENTARY

The Anchor Diversified BCI Growth Fund gained 4.6% in October, outperforming the category average which advanced by 3.9%. YTD, the fund has appreciated by 13.1%, outperforming the category average by 1.3%.

On the back of strong local and global equity markets, the Prudential Dividend Maximiser Fund was the top performer in the portfolio, rallying 6.5%. The Stanlib Alsi-40 tracker delivered a similar return, up 6.4%. The Anchor Equity segregated mandate gained 6.0%, whilst the Perpetua MET Equity Fund returned 3.9%. The peer group, on average, returned 5.1%.

The GinsGlobal Global Equity Index Fund advanced by 1.8% in US dollar terms and the iShares Core MSCI Emerging Markets ETF rallied 3.5%. The rand depreciated by 4.2%, thereby pushing the rand return of the foreign investments to 6.6% and 8.4%, respectively.

The All Bond Index fell 2.3% in October. The STANLIB ALBI Bond Index Tracker return was in-line with the index, also down 2.3%. The Sanlam Select Bond Plus depreciated by 2.0%, but still managed to outperform the index.

Among the income funds, the Nedgroup Investments Flexible Income Fund was the best performer in the portfolio, returning 0.9%. The Anchor BCI Flexible Income Fund gained 0.5%, marginally behind cash, which yielded 0.6%.

## FUND MANAGER



David Bacher has a B Com, PDM and is a CFA charter holder. He has extensive experience in the financial markets, having worked at Caveo Fund Solutions as a founding director and at Investment Solutions as a member of the investment team. David is CIO of the fund of hedge fund business at Corion.

## INFORMATION AND DISCLOSURES

### Investment Manager

Anchor Capital (Pty) Ltd is an authorised Financial Services Provider FSP 39834. Outsourced to Anchor Multi Management FSP 46549

- 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](http://www.bcis.co.za))
- Valuation takes place daily and prices can be viewed on our website ([www.bcis.co.za](http://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 portfolio quarterly investment holdings reports

### Management Company Information

Boutique Collective Investments (RF) (Pty) Ltd  
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 Bella Rosa Village, Bella Rosa Street  
 Belville, 7530  
 Tel: 021 007 1500/1/2 | 021 914 1880, Fax: 086 502 5319  
 Email: [clientservices@bcis.co.za](mailto:clientservices@bcis.co.za)  
[www.bcis.co.za](http://www.bcis.co.za)

### Custodian/Trustee Information

The Standard Bank South Africa Ltd  
 Tel: 021 441 4100