

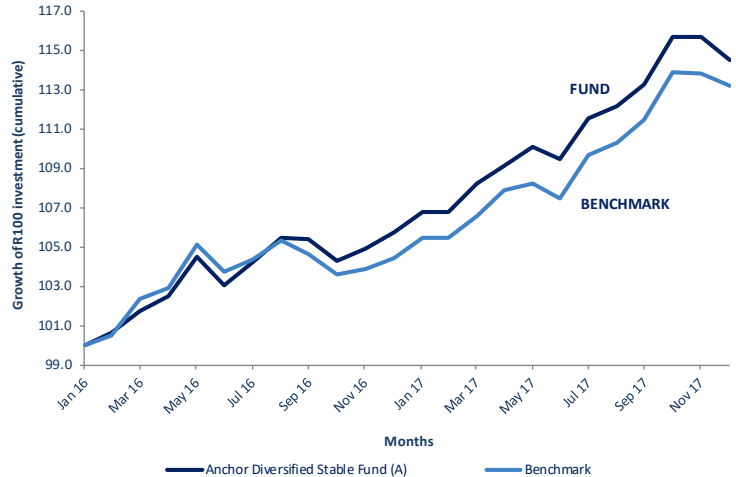
INVESTMENT OBJECTIVE

The Anchor BCI Diversified Stable Fund is a multi-managed cautious risk profile portfolio with the objective being to provide investors with a high level of income and capital stability. 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

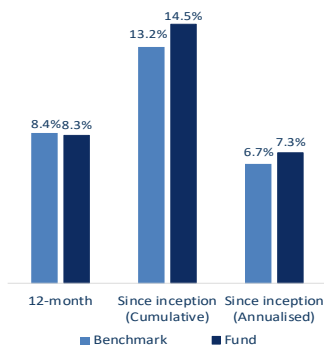
The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. To provide a limited level of capital protection, the portfolio's equity may be as high as 40% of the portfolio's net asset value. In order to achieve 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



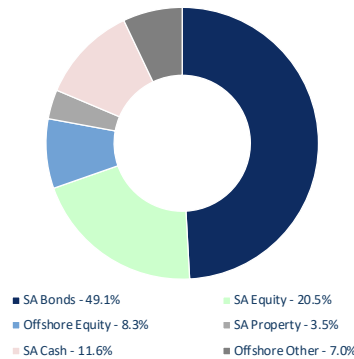
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 DEC 2017

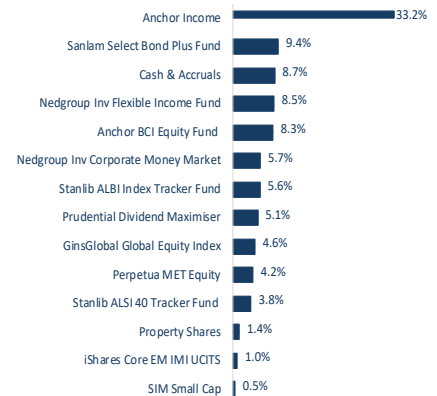


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 31 DEC 2017



HOLDINGS AT 31 DEC 2017



MARKET COMMENTARY AT 31 DEC 2017

The theme of benign volatility in 2017 came to an abrupt end in December, driven by two major events: the dramatic and largely unanticipated fall from grace of Steinhoff and the election of Cyril Ramaphosa as the new president of the ANC after a closely run race with Nkosazana Dlamini-Zuma.

The latter event caused a strong rally in the rand, driving equity sectors linked to the local economy higher. This rally offset the precipitous loss caused by Steinhoff, one of the largest stocks on our exchange. Equities ended the month down 0.3%, having been as much as 4% lower intra-month. Bonds and property rallied in-line with the prospects of a Ramaphosa presidency, ending up 5.7% and 4.2%, respectively. December's bond returns accounted for more than half of the year's gains. Cash returned 0.6%.

RISK PROFILE: MODERATE-LOW

Low	Mod-Low	Mod	Mod-High	High
	Mod-Low			

- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

HIGH / LOW MONTHS BY YEAR

Dates	2016	2017
High	2.00%	2.1%
Low	-1.4%	-1.0%

Drivers of returns

The Financial sector, once again, was the star performer, returning 9.8% on the month and taking 4Q17 gains to a stellar 19.2%. Industrials were the laggards, ending down 4.7%, mostly due to Steinhoff. Resources depreciated by 1.1% MoM.

The corporate debacle around Markus Jooste and Steinhoff International resulted in an unprecedented fall of 91.7% for the share MoM. Steinhoff Africa Retail was down 37.1%. Other large losers in December were resource counters, with the likes of Impala and Sibanye down 16.6% and 16.0%, respectively. Two of South Africa's largest retailers led the charge for the winners. Massmart was up 24.2%, while Foschini was up 24.4% MoM.

FUND NAME

Anchor BCI Diversified Stable Fund

ISIN NUMBER

ZAE000210589

INCEPTION DATE

1st February 2016

BENCHMARK

ASISA SA Multi Asset Low Equity Category Average

MINIMUM INVESTMENTS

R25,000 lump sum
R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset Low Equity

UNIT PRICE

R105.74

DISTRIBUTIONS

Quarterly Declaration Date:

28 Feb/31 May/31 Aug/30 Nov

2016 Distribution (cpu): Aug 1.08; Nov 1.28

2017 Distribution (cpu): Feb 1.11; May 1.26; Aug 1.07; Nov: 1.38

PORTFOLIO VALUE

R58.57 million

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%

Annual Management Fee (incl VAT)	
Class A	1.14%
Performance fee	None

TER and Transaction Cost (incl VAT)	
Basic	1.43%
Portfolio Transaction Cost	0.08%
Total Investment Charge	1.51%

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 calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2017, whilst the underlying portfolio's ratio and cost calculations are based upon their most recent published figures, being 30 September 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.

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@bc-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 Stable Fund depreciated by 1.0% in December, trailing the category average, which depreciated by 0.6%. For the year the fund appreciated by 8.3%, trailing the category average by 0.1%.

The return of general equity funds was largely driven by their exposure to Steinhoff but also to banking and retail stocks, which rallied following the result of the ANC elective conference. The FTSE/JSE All Share Index depreciated by 0.3%. The Perpetua MET Equity Fund was the best-performing fund, gaining 3.3%. The Prudential Dividend Maximiser Fund declined by 1.6%, whilst the Stanlib Alsi-40 Tracker was down 1.8%. The Anchor BCI Equity Fund, which had significant exposure to Steinhoff, lost 5.0%.

The GinsGlobal Global Equity Index Fund gained 1.5% in US dollar terms and the iShares Core MSCI Emerging Markets ETF returned 3.7%. However, the rand appreciated by 9.4%, negatively affecting the rand return of foreign investments. Hence, the foreign investments declined by 7.9% and 5.9%, respectively.

The All Bond Index gained 5.7%, mostly due to the result of the ANC elective conference. The STANLIB ALBI Bond Index Tracker appreciated by 5.4%, whilst the Sanlam Select Bond Plus, which was positioned defensively, gained 5.0%.

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.



Simon du Plooy has a MSc Financial Mathematics degree. He spent five years in the banking industry, at Absa and RMB, where he conducted risk analysis for trading desks and hedge funds. He joined Corion in 2009 as part of the investment team and in 2013 took on the role as Portfolio Manager.

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)
- 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

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