

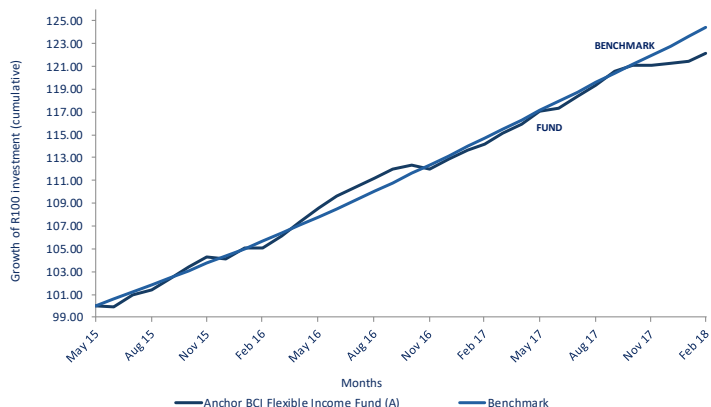
INVESTMENT OBJECTIVE

The Anchor BCI Flexible Income Fund is a specialist income-generating portfolio. The investment objective of the portfolio is to achieve a high level of sustainable income and stability of capital invested.

INVESTMENT PHILOSOPHY

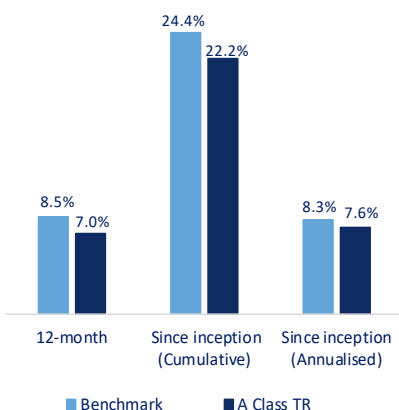
Investments to be acquired for the portfolio may include equity securities, property securities, property related securities, interest-bearing securities, non-equity securities, money-market instruments, preference shares and assets in liquid form. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may only include the following unlisted financial instruments for efficient portfolio-management purposes: forward currency, interest rate and exchange-rate swap transactions. The portfolio will comply with prudential investment guidelines to the extent allowed for by the Act. However, the portfolio's equity exposure may be as high as 10% of the portfolio's net asset value, whilst its property exposure may be as high as 25%.

CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



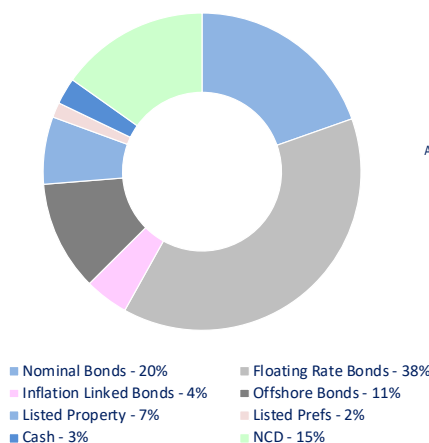
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 28 FEB 2018

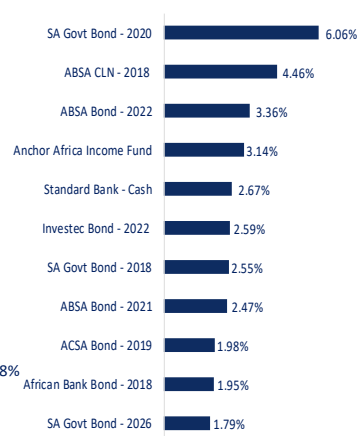


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 28 FEB 2018



TOP HOLDINGS AT 28 FEB 2018



FUND MANAGER COMMENTARY AT 28 FEB 2018

The bond rally that we spoke about last month has accelerated with the benchmark yield running all the way to 7.92% at the low point for the month.

The markets have celebrated the that President Ramaphosa was able to take over this month. Similarly the budget presented by the Finance Minister was met positively by the market. One might also argue that the cabinet shuffle was a step in the right direction. Overall there has been much good news this month

Parliament has also started the process to approve land expropriation without compensation. Arguably this is a nuclear weapon that in the wrong hands could do much damage to our country and economy. As a result, the market exuberance has faded and there is an air of caution with which we start March.

We continue to expect interest rate cuts this year, penciling in the March meeting for the first cut.

RISK PROFILE: LOW-MEDIUM

Low	Mod-Low	Mod	Mod-High	High
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- 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	2015	2016	2017	2018
High	1.1%	1.2%	1.1%	0.6%
Low	-0.1%	-0.3%	0.0%	0.2%

FUND NAME

Anchor BCI Flexible Income Fund

ISIN NUMBER

ZAE000202917

INCEPTION DATE

1 June 2015

BENCHMARK

STeFI Call Deposit rate +1%

MINIMUM INVESTMENTS

R25,000 lump sum
R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset-Income

UNIT PRICE

R104.49

DISTRIBUTIONS

Quarterly Declaration Date: 28 Feb, 31 May, 31 Aug and 30 Nov

2016 Distribution (cpu): Feb 1.34; May 1.64; Aug 1.71; Nov 1.78

2017 Distribution (cpu): Feb 1.60; May 1.84; Aug 1.72; Nov 1.87

2018 Distribution (cpu): Feb 1.68

PORTFOLIO VALUE

R1.01 billion



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	1.26%
Portfolio Transaction Cost	0.04%
Total Investment Charge	1.30%

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 31 December 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 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@bcis-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. Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily. 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.

MARKET COMMENTARY

The surprise for the month was probably the VAT hike during the February budget. Perhaps that is a realization that South African individuals are heavily taxed when compared to our emerging market peers. Notwithstanding this, there are structural challenges that remain in our economy, including a bloated and highly paid public sector. Our number of unemployed is greater than the number of unemployed in the USA. We have more people on social grants than we do taxpayers. Overall South Africa has taken some significant steps in the right direction, however, significant and worrying structural problems remain.

We think that Moody's will be aware of this when they review South Africa on the 23rd of March. They will note the positive steps that we have taken. In our view, the most likely outcome is that we have done enough to kick the can down the road. We expect that Moody's will retain the current rating, including the negative outlook and return for a review towards the end of the year. This should be enough to give the bond market a little cheer.

These structural issues that we have discussed should be enough to keep the South African bond yield curve a little steeper than it has been in the past. We see some scope for further flattening, though we think that most of this is done for now.

The VAT hike will have an impact on inflation as well. We now think that South African inflation will push up towards 5.5% in April when the VAT hike takes effect. As a result, we will see some caution with regard interest rates from the Reserve Bank at their March meeting. We still feel (as we have for some time) that South Africa's rates are too high and that a cut is warranted. We acknowledge that there remains a risk of this being pushed out again.

Overall we remain positive on bonds and are looking through the VAT hike to say that core inflation remains low and that bonds are attractive in this environment.

FUND MANAGER



Nolan Wapenaar is a CA (SA) and has a M Com degree. He has 16 years fixed-income experience, including domestically at Rand Merchant Bank and Efficient Select. His offshore experience was at Deutsche Bank. He is responsible for the Fixed Income Asset Class at Anchor Capital.

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

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Custodian/Trustee Information

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 Tel: 021 441 4100