ANCHOR BCI GLOBAL CAPITAL PLUS FEEDER FUND A CLASS | February 2018
MINIMUM DISCLOSURE DOCUMENT
Issue Date: 08 March 2018

INVESTMENT OBJECTIVE

Achieve maximum long-term returns with diversification of risk.

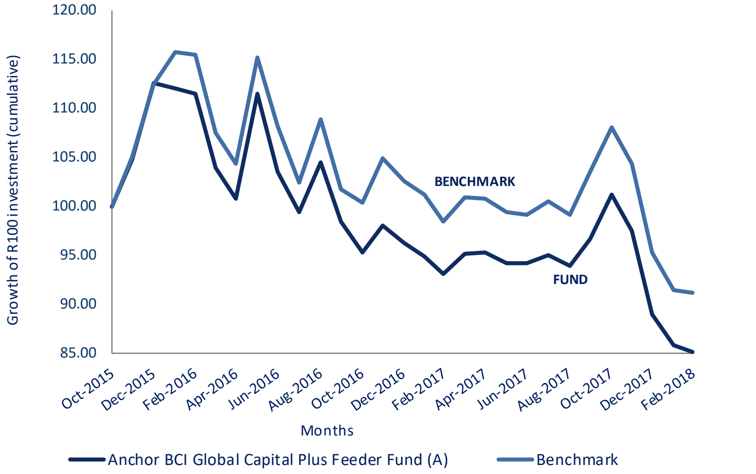
INVESTMENT PHILOSOPHY

The fund aims to achieve maximum long-term return with diversification of risk. The Fund will invest solely in the participatory interests of the Anchor Global Capital Plus fund.

The Anchor Global Capital Plus fund is a multi-asset class portfolio which invests in bonds, stocks, listed real estate and commodities (occasionally using ETFs and other collective investment funds with similar objectives). The portfolio is constructed from the top down, focussing on macro-economic trends to identify asset classes and regions that are most likely to benefit from prevailing economic conditions.

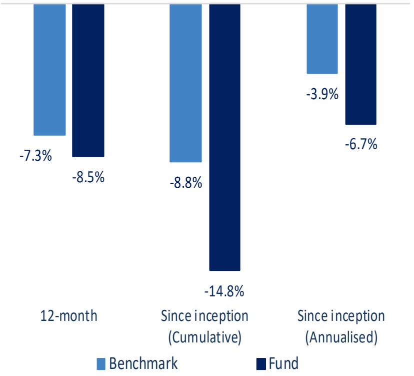
The fund will invest most of its assets in bonds and aims to generate moderate to low capital growth with a focus on capital preservation. The fund will invest primarily in large developed markets, specifically avoiding assets that are most likely to be correlated with South African domestic investments. The fund will make extensive use of diversification as well as quantitative and qualitative risk management to achieve capital preservation and is able to use financial derivative instruments for hedging or investment purposes (but not to gain leverage). The fund can invest in other collective investment schemes and exchange-traded funds.

CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



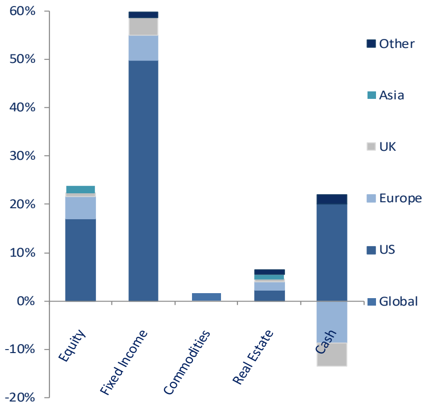
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

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 THEMES AT 28 FEB 2018

EQUITY	US	17.5%
	EU	4.7%
	Asia	1.6%
FIXED INCOME	US	51.2%
	EU	5.4%
	UK	3.7%
OTHER	Euro	-8.9%
	US REITs	2.3%
	GBP	-5.0%

FUND MANAGER COMMENTARY AT 28 FEB 2018

The fund was down 0.8% in February, with the feeder fund down 0.7% in USD and the South African Rand 0.5% stronger against the US dollar. The sell-off in equities allowed us an opportunity to bring the fund's equity exposure from underweight to marginally overweight by topping up many of the individual stock positions and adding some generic US equity exposure. The extreme spikes in volatility also created an opportunity to earn some extra yield for the fund by temporarily selling protection at the peak of the panic. During the month we unwound a trade which had benefitted from the narrowing of spreads between French and Italian yields – as the Italian elections approach, this trade seems less attractive. During the month we also added some US 1- & 2-year government bonds with those yields now comfortably above 2%, they provide a compelling yield relative to already high rate hike expectations.

Global listed property, global stocks and global bonds were down 6.5%, 4.1% & 0.9% respectively in February, but the fund's conservative positioning allowed it to outperform all three of those asset classes. Property was the worst affected sector and also the fund's biggest underweight, but still cost the fund about 0.3%, the majority of the remaining negative performance was from the equity exposure and for the first time in a long while the fund's strategy of hedging all non-USD exposure was a positive contributor.

RISK PROFILE: MODERATE

Low	Mod-Low	Mod	Mod-High	High

- This portfolio has a balanced exposure to various asset classes. It has more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-risk portfolio.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to equity as well as default and interest rate risks.
- The portfolio is suitable for medium term investment horizons
- The probability of losses is higher than that of a low risk portfolio, but less than a high-risk portfolio and moderate long term investment returns are expected.

HIGH / LOW MONTHS BY YEAR

Dates	2016	2017	2018
High	10.7%	4.8%	-0.8%
Low	-7.1%	-8.6%	-3.5%

FUND NAME
Anchor BCI Global Capital Plus Feeder Fund

ISIN NUMBER
ZAE000209086

INCEPTION DATE
2 November 2015

BENCHMARK
Composite benchmark of 50% USD 3-month LIBOR and 50% 3-month EURIBOR plus 2.5% p.a. calculated over a rolling 1-year period (converted to rand)

MINIMUM INVESTMENTS
R25,000 lump sum
R1000 monthly debit order

FUND CLASSIFICATION
Global Multi-Asset Flexible

UNIT PRICE
R85.17

DISTRIBUTIONS
Semi-Annual Declaration Date: 28 Feb/31 Aug

2016 Distribution (cpu): Feb: 0; Aug: 0

2017 Distribution (cpu): Feb 0; Aug 0

2018 Distribution (cpu): Feb 0

PORTFOLIO VALUE
R15.42 million

BOUTIQUE COLLECTIVE INVESTMENTS

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	0.29%
Performance fee	None
TER and Transaction Cost (incl VAT)	
Basic	2.40% *
Portfolio Transaction Cost	0.00%
Total Investment Charge	2.40%

*A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

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@bci-transact.co.za

MARKET COMMENTARY

Global markets were jolted out of their complacency in February. The S&P 500 Index experienced its worst day since the haggling over their debt ceiling in 2011 cost the US a ratings downgrade. Though markets recovered some of the early losses into month end, they still had their worst month in over two years. The catalyst for the February sell off was January payroll data, which showed a continued march higher in the number of US employees, but this time finally accompanied by surprisingly strong growth in wages which had the market in panic about the prospects of rising inflationary pressure. Expectations for US rate hikes in 2018 continued to rise, with markets pricings in a 40% probability of at least four rate hikes in 2018 (up from a 12% probability at the beginning of the year).

The US dollar, which has been under pressure since early 2017, finally found some support in February thanks to its haven status and increasingly attractive yields. The spectre of upcoming Italian elections and Brexit negotiations (which remain fraught with complexity) put the Euro & British Pound under pressure, but the Japanese Yen was stronger, also a beneficiary of its haven status.

The VIX Index, a measure of implied volatility of the S&P 500 Index, loosely interpreted as the level of market uncertainty was perhaps the clearest indication of the violence of the market reaction in February. The VIX Index reached levels in February seen less than a handful of times in the last decade.

Data released in early February showed the US is now producing more than 10 million barrels of oil per day, a similar output to the Saudi's and not far behind the world's biggest producer, the Russians. The increasing US supply along with some US dollar strength was enough to derail the rally in crude oil prices, which ended the month almost 5% down.

S&P 500 companies wrapped up their 4th quarter earnings releases in February, with the remaining 40% of companies that reported in February largely continuing the trend of strong results reported in January - leaving earnings up 15% in aggregate for the quarter. Some of the major US tech companies, including Amazon, Apple and Mastercard, were among the companies reporting surprisingly strong earnings. They helped the S&P 500 tech sector become the only sector with a positive return in February. The collapse in oil prices left the energy sector down over 10% for the month, while the rate sensitive consumer staples and real estate sectors were also laggards. Real estate companies have had a dismal year, caught between rising interest costs and slowing growth as they approach peak occupancy levels. Emerging markets were also weak in February, with China and India worst affected, while commodity exporters, Brazil and Russia, fared much better, held up by their commodity companies which are starting to show decent earnings at current commodity price levels.

FUND MANAGER

Peter Little has a B Com degree and is a CFA charter holder. He has worked in the financial services industry for more than 20 years, on both the buy and sell side, in London for the first 8 years and New York for the next 8 years before moving to Anchor Capital in 2013. He has worked for a number of global investment banks, Including JP Morgan, RBS & Barclays Capital. Most recently Peter was at Credit Suisse Asset Management in New York where he was head of portfolio management for the systematic hedge funds.

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
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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
www.bcis.co.za

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

DISCLAIMER

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