

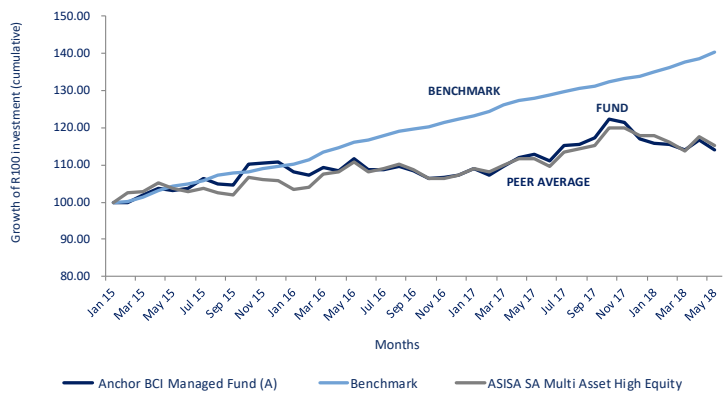
INVESTMENT OBJECTIVE

The Anchor BCI Managed Fund is a moderate-risk profile portfolio with the objective to offer investors a moderate to high long-term total return.

INVESTMENT PHILOSOPHY

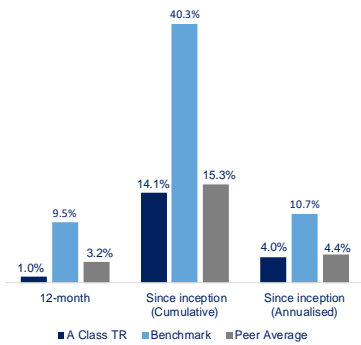
The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest-bearing securities, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. The portfolio may 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



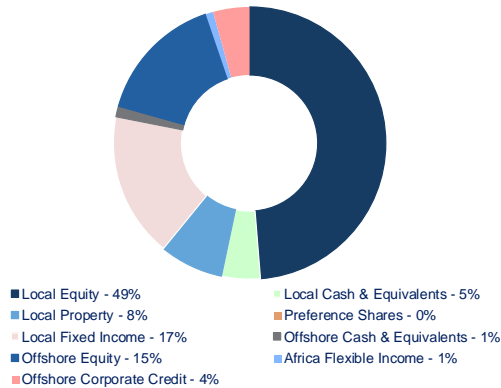
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 MAY 2018

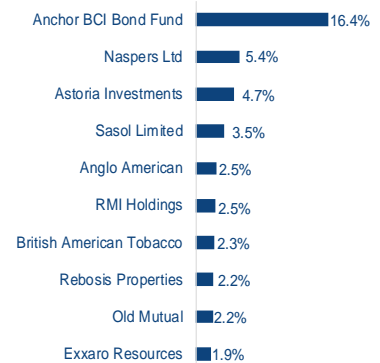


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 31 MAY 2018



TOP HOLDINGS AT 31 MAY 2018



FUND MANAGER COMMENTARY AT 31 MAY 2018

May saw most asset classes depreciating in value with the political turmoil in Italy thrusting the unity of the European Union (EU) into the spotlight once again. However, as markets tread water, global earnings growth is strong and economic growth is surprising on the upside. This bodes well for future returns but, at this late stage of the economic cycle, volatility is fairly high. Emerging markets (EMs) remained under pressure with turmoil in Turkey and the Brazilian central bank keeping rates on hold. SA Inc. shares declined sharply (e.g. Foschini, Imperial and Bidvest). The rand retreated by 1.9% (-2.6% YTD) and consumer price inflation (CPI) accelerated to 4.5% YoY from a multi-year low of 3.8% in March. Meanwhile, at its May meeting, the SA Reserve Bank (SARB) decided to keep interest rates at current levels.

The Anchor BCI Managed Fund declined 2.2%, in-line with the category average.

While the SA market has been flat, many great companies have been increasing in value and we believe several of our top holdings have the

potential for strong returns over the next 12 months. Naspers is trading at a massive discount to Tencent, BHP Billiton is generating very strong free cash flows, the Old Mutual unbundling should unlock value this month and Sasol's share price is not reflecting the future cash flows of its US-based Lake Charles project. We also have a material weighting to Rand Merchant Investment Holdings (RMI), where the implied value of its biggest asset, OUTsurance, is now at a very attractive 11x PE. The fund also has a higher property weighting compared to history.

Economic growth and inflation views remain on the high side. The US 10-year bond is currently very expensive at 2.8%, (due to the Italy risk-off event), compared to South Africa's (SA's) yield of 8.48%, which is looking cheap although not compelling enough for us to buy bonds. The yield difference between the SA 10-year bond and SA 30-year bond has been coming down since the ANC elective conference in December, which is reflective of SA's lower credit risk.

RISK PROFILE: MODERATE

	Low	Mod-Low	Mod	Mod-High	High
<ul style="list-style-type: none"> 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	2015	2016	2017	2018
High	5.4%	2.8%	4.4%	2.3%
Low	-1.2%	-2.5%	-3.7%	-2.2%

FUND NAME

Anchor BCI Managed Fund (Reg. 28 Compliant)

ISIN NUMBER

ZAE000200598

INCEPTION DATE

2 February 2015

BENCHMARK

CPI for all urban areas +5.00% p.a.

MINIMUM INVESTMENTS

R25,000 Lump sum
 R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset High Equity

UNIT PRICE

R108.07

DISTRIBUTIONS

Semi-annual Declaration Date: 28 Feb/31 Aug

2016 Distribution (cpu): Feb 0.33; Aug 0.93

2017 Distribution (cpu): Feb 1.18; Aug 1.46

2018 Distribution (cpu): Feb 1.30

PORTFOLIO VALUE

R597.87mn



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	1.44%
Performance fee: 15% of the outperformance above benchmark, calculated over a 1 year rolling period, capped at a max of 2% p.a	

TER and Transaction Cost (incl VAT)	
Basic	Mar 18: 1.70% (PY): 1.62%
Portfolio Transaction Cost	Mar 18: 0.52% (PY): 0.45%
Total Investment Charge	Mar 18: 2.22% (PY): 2.07%

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 March 2018.

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

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 fees will be calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. 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.

MARKET COMMENTARY

World markets were flat in US dollar terms (+0.3%) in May and are marginally down YTD (-0.5%), as global equities take a breather from a strong 2017. The US S&P was up 2.2% in May (+1.2% YTD), but this was offset by a stronger dollar and weaker European markets (-3.7%). It's the tech stocks that are still roaring ahead in the US, with the sector up 11% YTD.

May picked up where April left off – US interest rates continued to grind higher, with US 2-year bond yields touching levels last seen before the collapse of Lehman Brothers in 2008. The remaining 40% of S&P 500 companies, which hadn't reported earnings in April, reported in early May, keeping aggregate earnings growth above 20% YoY as a weak US dollar and lower taxes super-charged solid underlying earnings growth. Towards the end of the month, political turmoil, which had been simmering beneath the surface since the Italian election in March, boiled over disrupting global markets and thrusting the unity of the European Union (EU) into the spotlight once again.

March's inconclusive Italian elections preceded weeks of haggling amongst political parties attempting to form a coalition with a combined parliamentary majority. In May, the anti-immigrant League and the Five Star Movement, led by 31-year old Luigi Di Maio, emerged as front runners to take control of government in an uncomfortable union of parties on opposite ends of the political spectrum, united only by a shared populist and eurosceptic agenda. A last minute compromise, late on the last day of the month, salvaged the deal returning some relative calm to markets.

With EMs already under pressure from rising US rates and turmoil in Turkey, the Brazilian central bank surprised markets by keeping rates on hold in May. The rate decision was enough to halt a slide in the Brazilian real (which has fallen by 15% in 3 months), but had the opposite effect on the Brazilian stock market which ended the month down over 10% (a 17% drop in US dollar terms).

The SA All Share Index gave back its April gains in May, declining by 3.6% (-5.6% YTD). SA Inc. shares declined sharply (e.g. Foschini, Imperial and Bidvest), as the reality on the ground is not yet showing any material pick-up in consumer spending.

The rand retreated by 1.9% (-2.6% YTD) as a strong dollar rode roughshod over the local unit. The dollar reached a near 10-month high against the euro in the last week of the month. Locally, in terms of economic data, April CPI accelerated to 4.5% YoY from a multi-year low of 3.8% in March. Meanwhile, the SARB decided to keep interest rates at current levels at its May meeting.

FUND MANAGER



Peter Armitage is a CA(SA) and has worked in the local investment industry for 20 years. He ran the investment teams at Merrill Lynch and Nedcor Securities and prior to Anchor Capital was CIO of Investec Wealth & Investment. Peter is SA's most highly rated investment analyst, with 21 number one ratings in the annual Financial Mail survey. The Fund is co-managed with Peter Little.



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 and 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
 Catnia Building
 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