ANCHOR CAPITAL

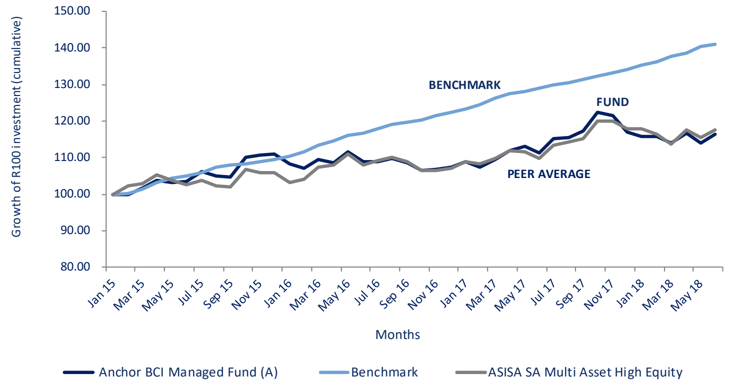
INVESTMENT OBJECTIVE

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

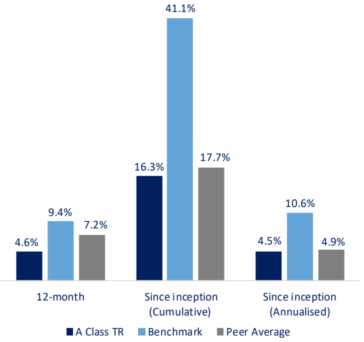
The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, 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



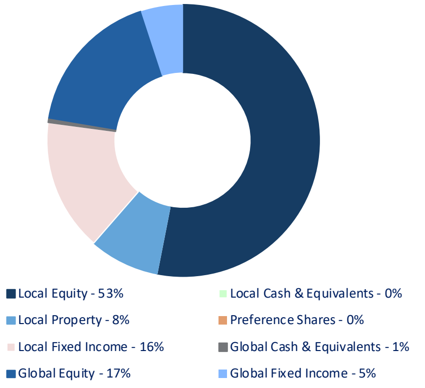
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 30 JUN 2018

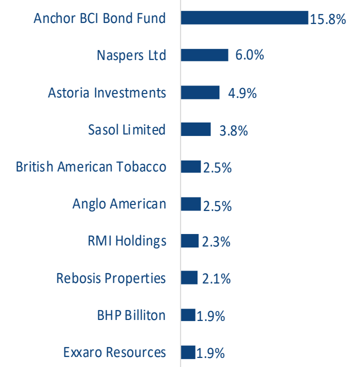


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 30 JUN 2018



TOP HOLDINGS AT 30 JUN 2018



FUND MANAGER COMMENTARY AT 30 JUNE 2018

June saw most markets retreating, with only the US eking out positive returns. Trade-war rhetoric and concerns over global growth led to a severe bout of “risk-off”, and emerging markets (EMs) across the globe have been negatively impacted. Yield has proven to be unreliable and, more importantly, EM currencies have weakened substantially, with the rand down c. 8% against the US dollar in June.

In SA, it was all about two factors – the 8% weakening of the currency and a 15% rise in Naspers (which accounts for 20% of the All Share Index). The weaker currency fed through (positively and negatively) into share prices, with the FTSE JSE All Share Index (J203) gaining 2.6% MoM (down 3.2% YTD). We remain of the view that EM fundamentals have not shifted materially, with high commodity prices (in particular oil) likely to be supportive of EMs. We also continue to believe that a stronger US (which we expect for the remainder of 2018) will provide support to EMs.

Bond yields increased during the month and are cheap relative to our fair values. In particular, we find R186 bonds to be attractive when yields are towards 9%. We expect the yield curve to remain steep although, at current prices, we view longer-dated bonds as attractive with some potential for capital gains if we continue to be patient.

This is all consistent with our view that we are unlikely to enter a full-blown EM crisis, while the US is growing solidly and commodity prices are holding up. Therefore, we think that the pessimistic mood that has pervaded markets is too negative and that sentiment will recover over time. For now, the yield on the assets in question is attractive and we are happy to just sit earning the interest and dividend income.

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	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
R110.20

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
R606.40mn

BOUTIQUE COLLECTIVE INVESTMENTS

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 March2018.

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

On the international front, the US eked out positive returns in June, while most other markets retreated. The historic meeting between North Korean leader, Kim Jong-un and US President Donald Trump took place in Singapore on 12 June and was arguably the high point of the month before the possibility of trade wars moved back into focus and spoilt the party. Central banks were also in on the action during June, with the US Federal Reserve (Fed) delivering a much anticipated 0.25% rate hike, while the European Central Bank (ECB) announced plans to wind down its quantitative easing (QE) programme by year end, but maintain rates at current levels until at least 3Q19.

EMs were in the eye of the storm during June, with the Brazilian stock market down over 5% and the Shanghai Composite Index ending the month 8% lower. To make matters worse for China, economic data released during the month was disappointing, with industrial production and fixed-asset investment both coming in below expectations (the latter coming in at its slowest pace since 1999).

Oil prices were again higher in June as large drawdowns in US oil inventories surprised markets. US equities were higher for the month, with the S&P 500 dragged upwards by the interest rate sensitive real estate and consumer staples sectors, which benefited as risk aversion kept a lid on bond yields. The US dollar was also positive against most major currencies as the country's monetary policy continues to diverge from other major developed markets.

In SA, it was all about two factors – a 8% weakening of the currency and a 15% rise in Naspers (which comprises 20% of the All Share Index). The weaker currency fed through (positively and negatively) into share prices, with the FTSE JSE All Share Index (J203) gaining 2.6% MoM (down 3.2% YTD). Financial counters felt the most pressure with the FINI-15 dropping 2.8% MoM (-9.7% YTD), while Industrials closed 4.6% higher MoM (-4.7% YTD). Resource counters performed well as a rally in some commodity prices buoyed the Resi-10 to end June 6.4% in the green (the index is now up an impressive 16.1% YTD).

JSE earnings rose over 10% in the last 12 months and we expect earnings growth of 12% and 16% over the next 12 and 24 months, respectively. If SA economic growth accelerates, 2019 could see even higher growth rates. Following the 6% decline in the Capped Swix this year, many shares and sectors have moved into attractive territory. Risks have certainly increased, but all of the factors highlighted above indicate the potential for more positive returns than we have experienced over the last few years. Earlier in the year we had nudged equities to overweight (a 14% projected return) and we retain this positioning.

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

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. Should the portfolio invest into another Anchor BCI co-named portfolio, the investing fund will be reimbursed for any net investment management fees incurred by the investment so that there is no additional fee payable to Anchor.
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.

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