

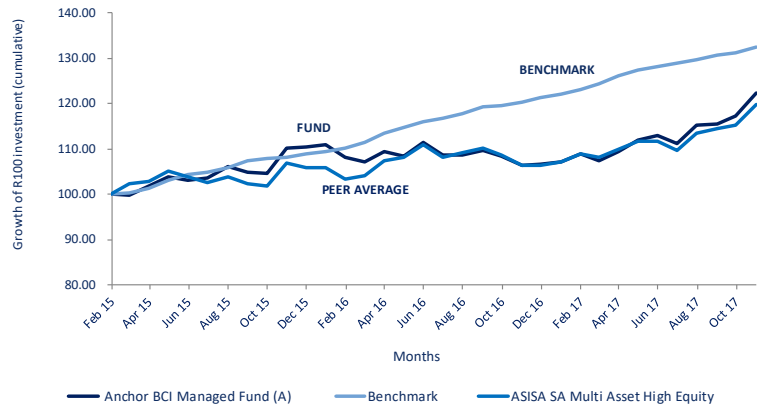
INVESTMENT OBJECTIVE

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

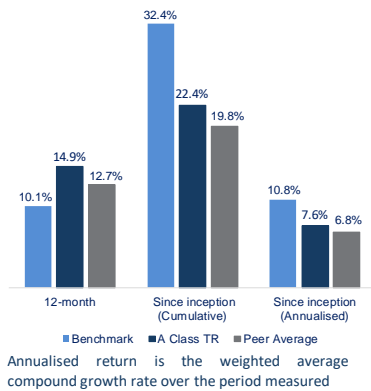
The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments,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

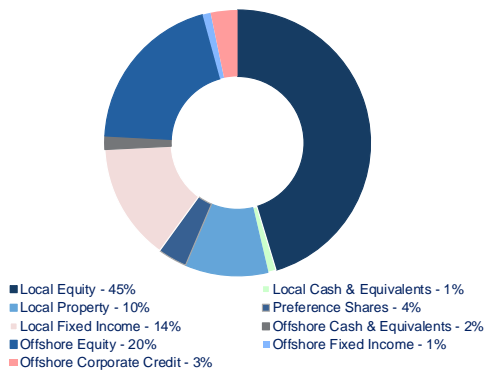


Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

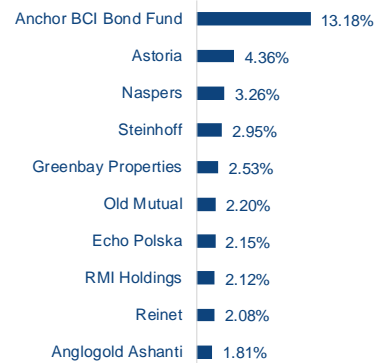
PERFORMANCE AT 31 OCT 2017



ASSET ALLOCATION AT 31 OCT 2017



TOP HOLDINGS AT 31 OCT 2017



FUND MANAGER COMMENTARY AT 31 OCT 2017

Finance Minister, Malusi Gigaba's maiden medium-term budget policy statement (MTBPS) in October, confirmed the status of South Africa's dire fiscal situation. While the current fiscal metrics should not come as a major surprise, it was the lack of any coherent plan and the seeming abandoning of a fiscal consolidation path which shocked the markets. Both the rand and bond markets sold off, with the currency losing 4.2% during the month. Local indices performed strongly with the SWIX delivering a return of 6.5% although, importantly, Naspers accounted for over half of this return. Global markets (MSCI World) were up 1.9%.

The fund's holding in local fixed income was better positioned than most for this event and the bond portfolio held up. However, in this context, we have no choice but to be negative on South African duration assets and feel we should be underweight bonds and, as such, downweighted our holding towards the end of the month. The fund returned 4.4% for October and is up 14.1% YTD, ahead of the peer average.

The key positive contributors to performance during October were Naspers, Astoria and diversified miners. Our direct offshore holdings contributed meaningfully, with PayPal, Apple and Facebook featuring.

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
High	5.4%	2.8%	4.4%
Low	-1.2%	-2.5%	-1.5%

FUND NAME

Anchor BCI Managed Fund (Reg. 28 Compliant)

ISIN NUMBER

ZAE000200598

INCEPTION DATE

2nd February 2015

BENCHMARK

CPI for all urban areas +5.00% per annum

MINIMUM INVESTMENTS

R25,000 lump sum
 R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset High Equity

UNIT PRICE

R117.37

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

PORTFOLIO VALUE

R567.03 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	1.43%
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	1.62%
Portfolio Transaction Cost	0.59%
Total Investment Charge	2.21%

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 were calculated based upon figures for the past financial year ended 31 August 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

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

US Companies started reporting 3Q17 earnings in October, with 60% of S&P 500 companies reporting by month-end. Earnings were about 5% ahead of expectations for those companies reporting - they delivered c. 8% of earnings growth, in aggregate. Tech companies led the way with the FAANG companies (Facebook, Apple, Amazon, Netflix and Google) and Microsoft contributing more than half of the S&P 500 returns in October (and 90% of the NASDAQ's October returns). Amazon, Microsoft, Netflix and Google all reported stellar 3Q17 earnings, leaving their shares up 15%, 12%, 8% and 6%, respectively, for the month. Despite Apple not yet releasing its results, it was up 10% in October on the back of reports that orders for its new iPhone X were extremely strong. Oil continued to grind higher, breaching \$ 60/bbl late in the month (for the first time since mid-2015). Interest rates also pushed higher in the month as market participants speculated on who would be chairing the US Federal Reserve (Fed) next year, with concerns that they might not be as accommodative as current Fed Chair, Janet Yellen has been. Higher US rates also pushed the dollar higher. US Investment-grade credit spreads dropped below 1% in October, reaching levels not seen since before the 2008 global financial crisis, but this was offset by rising interest rates that left most global bond indices flat for the month.

Japan was comfortably the leading global equity market, with the Nikkei Index up over 8% in the month. Prime Minister Shinzo Abe successfully negotiated another general election, winning his fourth term at the helm in Japan and comfortably maintaining his supermajority in congress. The victory should allow him to ensure that loose monetary conditions remain and that structural reforms are accelerated, both of which seem to be having some success in spurring the Japanese economy back to life. In emerging markets (EMs), the BRICs lead switched hands again as last month's winners (Brazil and Russia) were comfortably eclipsed by India and China, whose equity indices were both up over 5% in October. Indian markets found some support from their large concentration of oil companies and some corporate activity in the telecoms sector. In Europe, the European Central Bank (ECB) announced during the month that it would start tapering its quantitative easing (QE) programme next year, halving the amount of bonds it buys each month to EUR30bn from January, but maintaining the buying until at least September and probably beyond that. This was better than the markets had been hoping for, expectations were that the bond buying would end much sooner and European bonds rallied on the announcement, pushing the euro lower against most currencies. Late in October, the US released 3Q17 GDP growth of 3% YoY (higher than the 2.6% expected by economists), largely shrugging off the impact of hurricanes during the quarter.

FUND MANAGER



Peter 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. Fund is co-managed with Tamzin Nel

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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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

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Tel: 021 441 4100