

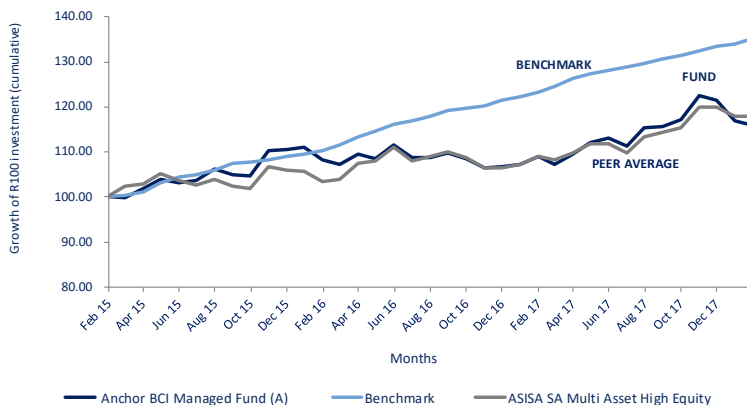
INVESTMENT OBJECTIVE

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

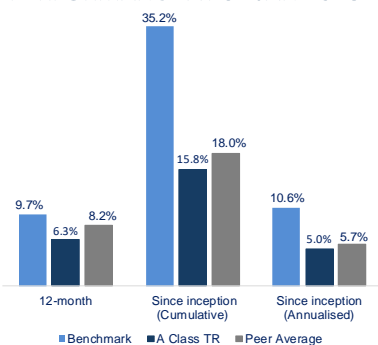
The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments,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



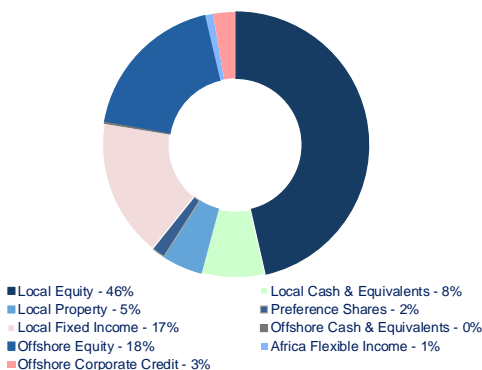
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 JAN 2018

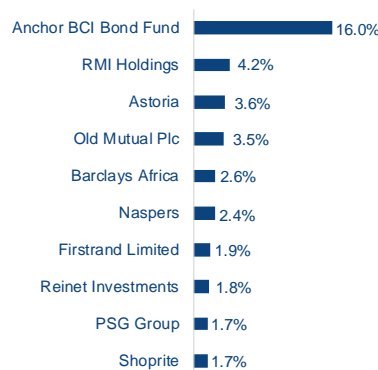


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 31 JAN 2018



TOP HOLDINGS AT 31 JAN 2018



FUND MANAGER COMMENTARY AT 31 JAN 2018

Our asset allocation did not change materially in January, but the positioning of the equity portfolio changed flavour. We are optimistic about an improving SA economy in 2018, albeit off a low base and with many structural issues to resolve. South African equities started the year off to the races in January as a rotation into pro-cyclical SA stocks, such as banks and retailers built on the momentum created in December 2017 following Cyril Ramaphosa's ANC elective conference victory. Confidence levels will improve in SA and we believe that material exposure to SA Inc. is justified. In this vein, we ended the month with significant exposure to the big-four banks, retailers and local property shares.

Just prior to month-end, the rally petered out following the sensationalist Viceroy report which was issued on Capitec alleging misrepresentation of its accounting for loan losses, as well as reckless lending practices. This resulted in Capitec and PSG's share prices tumbling and seemingly created contagion across the rest of SA Inc.

Perhaps ironically, it appears that market rumours that the Resilient Group of

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%	-1.0%
Low	-1.2%	-2.5%	-3.7%	-1.0%

listed property companies could have been the subject of the much-anticipated (dreaded?) Viceroy report, resulted in a sharp break of share price momentum in these companies. The negative share price spiral for counters such as Fortress-B, Nepi-Rockcastle and Greenbay has been compounded by their high valuations.

The fund has no exposure to these property companies at this time as we have shifted our property exposure materially in early December, when we sold out of global property shares (which dropped precipitously in January) and took 5% exposure to local property counters. We also swapped our Pick 'n Pay exposure for Shoprite and, in another significant move, we materially reduced our Naspers holding as we believed the underlying Tencent valuation had become overstretched.

Early 2018 has been characterised by volatility and increased global jitters, but looking through to the next 12 months, improving SA conditions should see a positive stock market performance. We retain some hedge against global shifts by maintaining fairly full offshore exposure - it makes sense in the long term to retain this diversification. This is not just for currency reasons, it also gives investors access to investment opportunities not available in South Africa.

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
R110.99

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
R560.40 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	0.45%
Total Investment Charge	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 30 September 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

The year started with a bang for global equities – the MSCI World Index was up 5.3%, its best January since 1994 and the fifteenth consecutive positive month. In the US, almost half of S&P 500 companies reported earnings during January, with earnings growing at around 12% relative to 4Q16. Earnings growth exceeded expectations as global earnings were boosted by a weak US dollar and synchronised global growth. A key driver of January's equity market performance was the upgrading of analyst earnings expectations. Most of the companies reporting earnings gave guidance on the likely boost from US tax cuts, which was enough to see analysts upgrade S&P 500 earnings expectations for 2018 by c. 4.5% during January. Earnings for S&P 500 companies are now expected to grow by about 26% in 2018.

Emerging markets (EMs) also continued their strong run, the MSCI Emerging Markets Index was up 37% in 2017 and added another 8% in January, with the Brazilian and Russian stock market indices rising by 15% and 11% in US dollar terms, respectively. The Hang Seng Index of Hong Kong-listed Chinese companies was also up over 15% for the month. Most major Chinese banking stocks surpassed pre-Global Financial Crisis highs in January, as well as their more recent mid-2015 highs achieved before a currency devaluation and the introduction of some clumsy regulations saw a collapse of most Chinese stock prices. The rally in Hong Kong-listed Chinese companies has been driven, at least partially, by an increase in purchases by mainland Chinese investors utilising a link to the Hong Kong Stock Exchange that Chinese authorities approved in 2014.

Bonds had their worst month since the election of US President Donald Trump in 2016 as US 10-year bond yields jumped 0.4%, putting them at levels last seen during 2014 after the "taper tantrum" (when the US Federal Reserve [Fed] surprised investors with the announcement that they'd imminently be halting bond purchases). European bond yields also spiked, but not as much as the euro, which was up over 3% in January following a 14% rally in 2017. Despite the US dollar's still-significant yield advantage, investors seem willing to look through the current low European yields with economic growth and inflation starting to exceed expectations. The British pound also had a sterling month, up 5% against the US dollar on reports that Spain and the Netherlands may be supportive of a soft Brexit deal.

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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Email: clientservices@bcis.co.za
www.bcis.co.za

Custodian/Trustee Information

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