

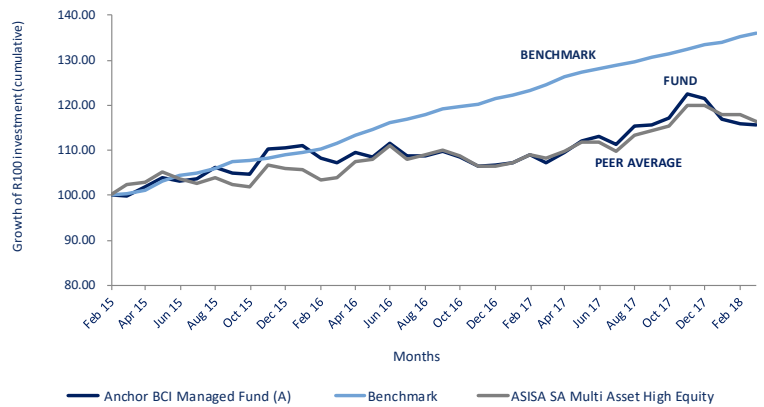
INVESTMENT OBJECTIVE

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

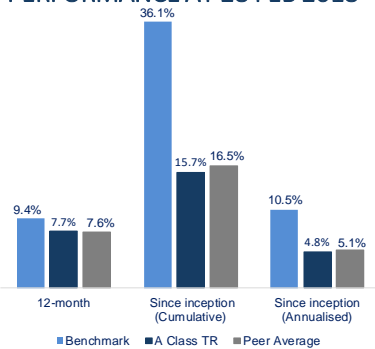
The fund will be managed in compliance with Regulation-28 investment guidelines. The net equity exposure will range between 0% and 75%. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments,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



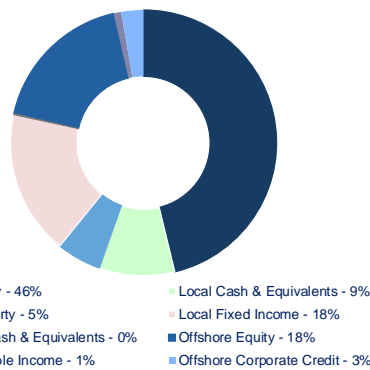
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 28 FEB 2018

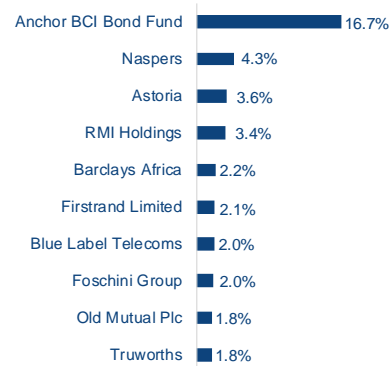


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 28 FEB 2018



TOP HOLDINGS AT 28 FEB 2018



FUND MANAGER COMMENTARY AT 28 FEB 2018

The Anchor BCI Managed fund celebrated its third birthday in February and since inception the fund has returned 15.86% (5.03% on an annualised basis) which compares to a 13.29% (4.25% annualised) category average and puts the fund in the top quartile since inception.

Although early 2018 has been characterised by volatility and increased global jitters, looking through to the next 12 months, improving SA conditions should see a positive stock market. This was seen as South African equities started the year off to races in January as a rotation into cyclical SA stocks such as banks and retailers built on the momentum created in December 2017 following Cyril Ramaphosa's ANC elective victory. The resignation of Jacob Zuma as president of South Africa mid-month in February and the re-appointment of Nhlanhla Nene as Finance Minister and Pravin Gordhan as minister of public enterprise was welcome and seen as assisting Ramaphosa's government clean-up. The Budget Speech was, for the most part, seen as a ratings-agencies position. The Rand firmed and the local bourse was buoyed further but by month-end the global market-sell off dragged our market lower by 2%.

As mentioned last month, the overall asset allocation has not changed materially although the positioning within some of the sectors has changed flavour. We are optimistic about an improving SA economy in 2018 off a low base and with many structural issues to resolve. Confidence levels will improve in SA and we believe that material exposure to SA Incorporated is justified. In this vein, we keep our exposure to the big 4 banks, retailers and local property shares. We retain some hedge against global shifts by maintaining fairly full offshore exposure as it makes sense in the long term to retain this diversification.

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%	-0.1%
Low	-1.2%	-2.5%	-3.7%	-1.0%

This is not just for currency reasons, it also gives investors access to investment opportunities not available in South Africa.

Locally the fund has an almost 17% exposure to fixed income and the positive political news and economic data (January consumer price inflation (CPI) data showed that inflation dropped to its lowest level since March 2015 - down to 4.4% YoY vs December 2017's 4.7%) helped bonds surge to levels last seen in 2015. The SA 10 year government bond is trading at a yield to maturity of 8.09% and bonds have certainly moved faster and harder than expected in the last two months. The Rand was at 14.50 to the dollar just three months ago and we have seen 20% strength since then. A strong rand is expected to keep South African inflation subdued, even in the face of VAT hikes, and we have been calling for rate cuts for some time. With the budget likely to stay Moody's hand and keep our rating steady (with a negative outlook retained) we expect that the SARB will be nudged into cutting rates again. With regard to our Fixed income asset allocation, we argue that South African bonds still have some space for gains.

The Resilient group of listed properties continued to come under significant pressure (down another 20-50% during the month) and dragged the property index lower. As mentioned in last month's commentary, the sharp break of share price momentum in these companies on the market rumours that they could have been the subject of the anticipated (dreaded?) Viceroy report was exacerbated by their high valuations. The vulnerability of trading at significant premiums to NAV suggests an inability to raise further capital to sustain their model of growth and the corporate governance questions marks raised via recent reports analysing inter-group share dealings and the accounting treatment of BE trust non-consolidation. The fund still has no exposure to these property companies following our material property exposure shift during December and January.

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
R110.89

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
R559.63 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	1.70%
Portfolio Transaction Cost	0.53%
Total Investment Charge	2.23%

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, contact your EAC calculator please visit our website at www.bcis.co.za.

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

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 (S&P500: -3.9%). 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.

On the domestic front, while the JSE was sharply higher and the rand firmed mid-February following the resignation of Jacob Zuma, the selloff in global equities also engulfed the local market, resulting in the All Share Index ending the month 2.0% lower. Market heavyweights, British American Tobacco, Naspers, and BHP Billiton, which together account for c. 33% of the JSE's total market cap, dropped by 13%, 7% and 3%, respectively. A decrease in resources prices also pulled the Resi-10 4.9% down for the month, while Industrials closed 3.5% in the red. On the flipside, Financials, dragged lower in January by the fallout from the Viceroy report on Capitec, ended February 5.1% in the green.

The rand ended February 0.5% higher after strengthening to a three-year high of R11.52/\$1 leading up to Ramaphosa's Cabinet reshuffle. The re-appointment of Nhlanhla Nene as finance minister and Pravin Gordhan as minister of public enterprises was welcomed and seen as assisting Ramaphosa's government clean-up. However, there were also concerns around some of the appointments, in what is widely seen as a compromise cabinet. The Budget speech was for the most part ratings-agencies positive (Moody's is expected to maintain its rating on 23 March), with news of the first VAT hike (to 15%) since 1993 a consensus expectation (and necessary move given the fiscal position).

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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Custodian/Trustee Information

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