

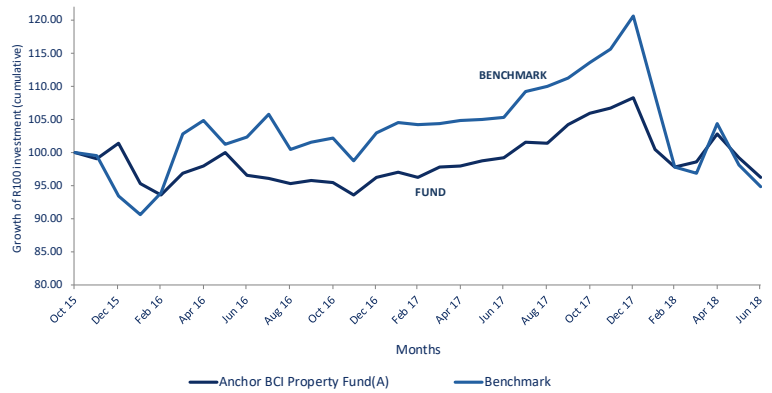
INVESTMENT OBJECTIVE

The Anchor BCI Property Fund aims to deliver both a high-income yield as well as capital growth over the medium-to long-term.

INVESTMENT PHILOSOPHY

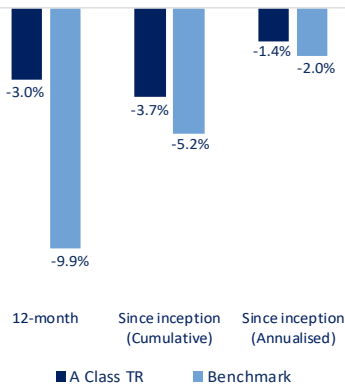
The fund aims to achieve an above-benchmark total return for investors over the medium-to long-term. The portfolio will invest at least 80% of the market value of the portfolio in shares listed on the FTSE/ JSE Real Estate industry group or similar sector of an international stock exchange. Up to 10% of the portfolio may be invested in shares outside the property sector in companies that conduct similar business activities in order to achieve the fund's objective. 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



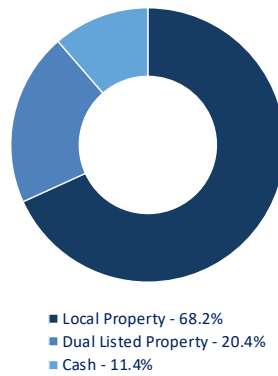
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 30 JUN 2018

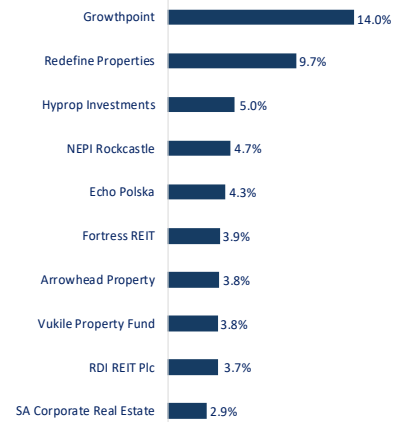


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 30 JUN 2018



TOP HOLDINGS AT 30 JUN 2018



FUND MANAGER COMMENTARY AT 30 JUNE 2018

Once again sellers dominated in June as the SA listed property (JSAPY) benchmark fell by 3.45% MoM. This was despite a sizeable rally on the last day of the month, which gained back 2.4%.

The de-rating in the sector has been severe, as evidenced by the yields on offer across the board. To illustrate this, on a 12M forward-yield measurement, index heavyweights Growthpoint Properties (GRT) and Redefine (RDF) are now yielding over 9% and 10%, respectively. This is relative to a 10-year (R186) bond yield of 8.8% and SA Property Owners Association (SAPOA) statistics reflecting an aggregate market cap rate for valuation purposes of 9.4% across all property segments (retail, industrial and office). There is a strong argument that GRT and RDF, which have high quality portfolios of SA assets, and have offshore exposures in growth regions outside SA, should trade at a premium to both these benchmarks.

Offshore stocks fared slightly better than local, although certainly not in line with the 8% depreciation of the rand vs US dollar exchange rate. Nepi Rockcastle fell 1.2% and Greenbay by c. 4% as the clouds over shareholders Resilient and Fortress refused to lift conclusively. EPP, meanwhile, dropped by 7.5% as it failed to place a corporate bond issuance at a price it deemed reasonable, a sign of investors appetite in the sector. There were very few bright spots generally in the sector, although Redefine International gained 6.5% and Schroders Europe REIT was up 3.4%, highlighting the fact that not being in the major Property Index was an advantage in the period under review.

The fund recorded a negative performance of 2.9% for the month, better than the benchmark and the peer group. For the quarter (2Q18), the negative performance measured -2.38%. Since the beginning of the year, the onset of the sharp fall in the segment, the fund has returned -11.1%, which is over 10% better than the benchmark (-21.4%).

RISK PROFILE: MODERATE-HIGH



- This portfolio carries exposure to mainly property securities.
- Property by nature is a moderate risk investment.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to interest rate risks and is sensitive to inflation and interest rate cycles.
- The portfolio is suitable for medium term investment horizons

HIGH / LOW MONTHS BY YEAR

Dates	2015	2016	2017	2018
High	2.4%	3.4%	2.8%	4.2%
Low	-1.0%	-5.9%	-0.9%	-7.2%

FUND NAME
Anchor BCI Property Fund

ISIN NUMBER
ZAE000208369

INCEPTION DATE
2 November 2015

BENCHMARK
FTSE JSE J253T

MINIMUM INVESTMENTS
R25,000 lump sum
R1,000 monthly debit order

FUND CLASSIFICATION
SA Real Estate General

UNIT PRICE
R87.10

DISTRIBUTIONS
Quarterly Declaration Date: 28 Feb, 31 May, 31 Aug and 30 Nov

2016 Distribution (cpu): Feb: 0.05; May: 1.48; Aug: 0.54; Nov: 1.34
 2017 Distribution (cpu): Feb: 0.08; May: 1.71; Aug: 0.41; Nov: 1.60
 2018 Distribution (cpu): Feb: 0.31; May: 1.86

PORTFOLIO VALUE
R64.81 million

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	None

TER and Transaction Cost (incl. VAT)	
Basic	Mar 18: 1.64% (PY): 1.74%
Portfolio Transaction Cost	Mar 18: 0.33% (PY): 0.23%
Total Investment Cost	Mar 18: 1.97% (PY): 1.97%

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 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.

MARKET COMMENTARY

The poor performance in the property sector continued into June. This market commentary goes into some of the details around this. The bottom line is that the 6-month period that incorporates 2018 to date has been the worst that the sector has had to endure, bar none. A positive stance always seems most difficult in times of duress, but once again we would reiterate the fact that property is a long-term investment and yields look very attractive at the moment.

Looking at the sector objectively, there are some discernable reasons why pressure is being applied.

- Land expropriation and the possible impact on asset prices. At this point in time the concern is pervading the entire SA market. However, it seems logical that the most direct impact of a policy that is not well thought through would be property.
- Fundamentals are under pressure, governance is now in the spotlight and above-inflation distribution growth, which has been delivered consistently over the last 10-15 years, is likely to disappoint in 2018 and 2019.
- There are still investigations going on involving the Resilient stable.

These factors have caused uncertainty and anxiety in the sector, and it is entirely possible that redemptions are being affected as investors "head for the hills".

In addition, trade-war rhetoric and concerns over global growth has led to a severe bout of "risk-off", and emerging markets (EMs) across the globe have been negatively impacted. Yield has proven an unreliable sector to shelter in and, more importantly, EM currencies have weakened substantially, with the rand down by 8% against the US dollar in June.

However, the table below shows the attractiveness of the sector. At the benchmark level (JSAPY) the forward yield is now over 9%. Even if we reduce the growth rate in distributions to 6% (current management guidance would average out higher than that at 7.8%) and we mark the exit yield to the current R186, then we arrive at a return of over 18%. Even the bear-case scenario, which cuts growth to 4% and ramps the exit yield up to 9.5%, offers a positive return in the vicinity of cash.

12-MONTH RETURN PROJECTIONS

	No change in rating	Base case	Bull case	Bear case
Starting value yr0	100	100	100	100
Income yr1	9.1	9.1	9.4	8.9
Income growth yr2	7.8%	6.0%	8.0%	4.0%
Income yr2	10	10	10	9
Exit yield	9.1%	8.9%	8.2%	9.5%
Exit value yr1	108	109	123	97
Total return	17.0%	18.4%	32.5%	6.3%

We would thus recommend that investors stay the course. The de-rating in the sector has been severe although, in some instances, warranted (i.e. the unrealistic ratings attached to the Resilient stable). However, the base is now more realistic and the playing field, in effect, has been levelled. A portfolio reflecting a combination of stable high-yielding local counters, and offshore companies where yield and/ or growth opportunities are favourable, will stand investors in good stead in the property sector.

FUND MANAGER



Glen Baker has a B Com Honours degree and has completed the JSE and Safex exams. He has 25 years' experience in financial markets. In that time, he has headed up equity derivatives divisions at major local and international institutions. He has both equity and fixed income experience. He was most recently at RMB before joining Anchor Capital in Feb 2013.

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