

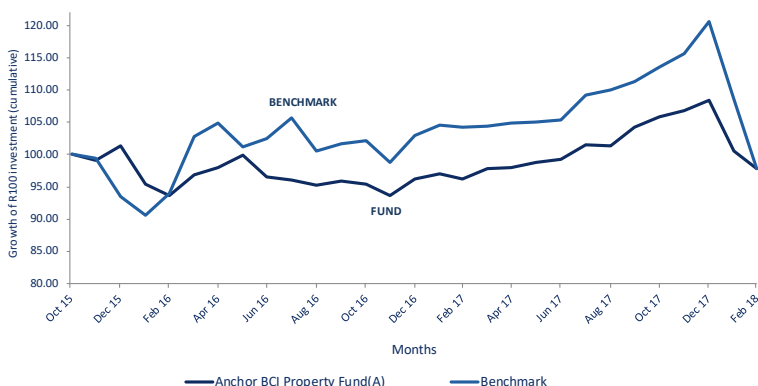
INVESTMENT OBJECTIVE

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

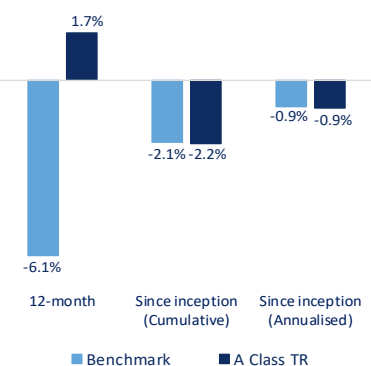
The fund aims to achieve an above-benchmark total return for investors over the medium-to long-term. The portfolio will invest at least 80% of the market value of the portfolio in shares listed on the FTSE/ JSE Real Estate industry group or similar sector of an international stock exchange. Up to 10% 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



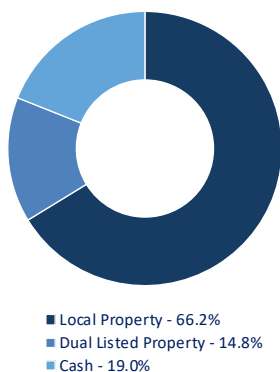
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 28 FEB 2018

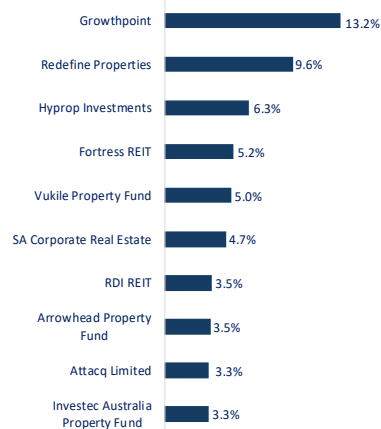


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 28 FEB 2018



TOP HOLDINGS AT 28 FEB 2018



FUND MANAGER COMMENTARY AT 28 FEB 2018

The bloodbath in the property sector continued in February and posted a very similar negative return (-9.9%) to January. This brings a year-to-date drawdown touching 19%. Once again this was led by the Resilient Group of Companies where Fortress -B- (-46.8%), Resilient (-43.0%), NEPI Rockcastle (-25.9%) and Greenbay Properties (-22.1%) were the worst in the sector, and indeed the second to fifth worst-performing shares in the JSE All Share Index overall. Two SA based reports circulated questioning accounting policies and the use of related parties to trade in the Group's shares, including its non-consolidated BBEEE Trust. A cautionary was then released by Resilient and Fortress stating that management were looking closely at the relationship with BBEEE partner Siyakha Education Trust.

In addition NEPI Rockcastle released its first results as a merged entity during this period and met distribution expectations in what looked to be a very solid operational set of numbers.

Management of these businesses have also said that they will fully co-operate with any investigation regulators conduct.

Within this environment the fund has enjoyed a good performance on a relative basis. The largest weightings are skewed towards the local environment that has enjoyed some support in the "Ramaphoria" uplift of asset prices, particularly heavyweights Growthpoint (+6.3%) and Redefine (+4.8%). An underweight exposure to Nepirockcastle and Resilient through 2017 was further trimmed in early 2018 which means that although negative returns have been made, they are not to the same extent. The Fund is now top quartile in the sector over 1, 3, 6 and 12 months and is one of a handful in the sector to show a positive return on a 12-month period.

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%	-2.7%
Low	-1.0%	-5.9%	-0.9%	-7.2%

FUND NAME

Anchor BCI Property Fund

ISIN NUMBER

ZAE000208369

INCEPTION DATE

2 November 2015

BENCHMARK

South African Property Index (Total Return)

MINIMUM INVESTMENTS

R25,000 lump sum
 R1,000 monthly debit order

FUND CLASSIFICATION

SA Real Estate General

UNIT PRICE

R90.60

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

PORTFOLIO VALUE

R48.01 million



FEES & FAIS DISCLOSURE

Initial Fees (BCI) (incl. VAT)

0.00%				
Advisory Fee	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	None

TER and Transaction Cost (incl. VAT)

Basic	1.77%
Portfolio Transaction Cost	0.21%
Total Investment Cost	1.98%

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 calculator please visit our website at www.bcis.co.za.

Subscription
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

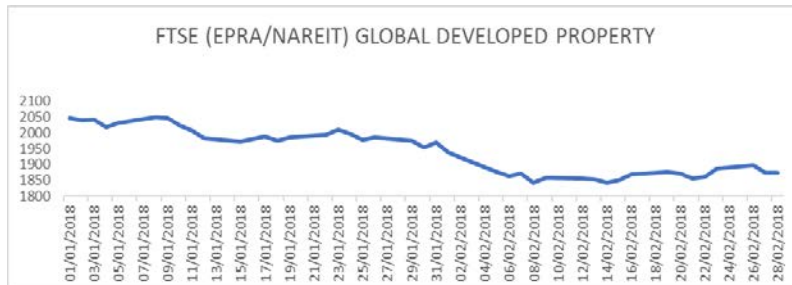
DISCLAIMER

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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

Listed property markets around the world have had a miserable start to 2018. Of the 11 FTSE global and regional index benchmarks, only Emerging Markets are in positive territory, and this by a small margin (+1.37% YTD). The chart below shows the FTSE EPRA/NAREIT Developed index, which is a good proxy for property stocks in North America and Europe in particular.



The index is down 8.4% year-to-date with most of the pain being felt in January and early February. This was in part due to rising bond yields in the US which were anticipating rate hikes. As a result the words and testimonies of the new Fed Chairman, Mr Jerome Powell, have been very carefully listened to in February, and the market has indeed raised the odds of 3, possibly even 4, fed fund hikes. This has strengthened the US\$ and could cause another round of jitters in property markets.

If this offshore influence were not enough on the SA property sector, the pressure on the Resilient stable continued from where it left off in January. The two month drawdown in 2018 so far at the index (JSAPY) level is nearly 19%, an unprecedented slide in that time frame. Results at the fund level show that many managers were overweight this group of stocks - a strategy that paid off handsomely for a long time. The danger now is large withdrawals from a sector where returns have been excellent over multiple periods and which has attracted investment perhaps beyond it's liquidity and market cap capacities.

Some caution is obviously warranted, but we firmly believe this would not be the time to pull assets from a sector that has delivered over the long term and will continue to do so, particularly at these levels reached in the wake of events that in some instances are still unfolding or are yet to be proven. Indeed for investors who have cash balances, the entry point will likely prove a good one.

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

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