ANCHOR BCI WORLDWIDE FLEXIBLE FUND A CLASS| February 2018
MINIMUM DISCLOSURE DOCUMENT

Issue Date: 08 March 2018

INVESTMENT OBJECTIVE

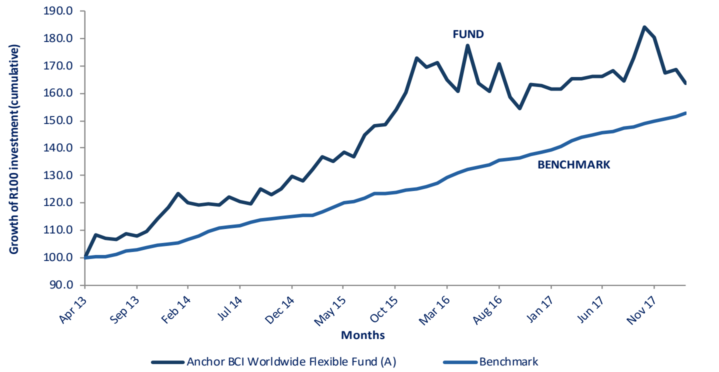
The Anchor BCI Worldwide Flexible Fund aims to provide investors with a moderate to high long-term total return by way of a worldwide flexible portfolio actively investing across different asset classes.

INVESTMENT PHILOSOPHY

The portfolio is a rand-denominated worldwide fund that has the flexibility to invest in equities, bonds, property and cash both globally and in South Africa.

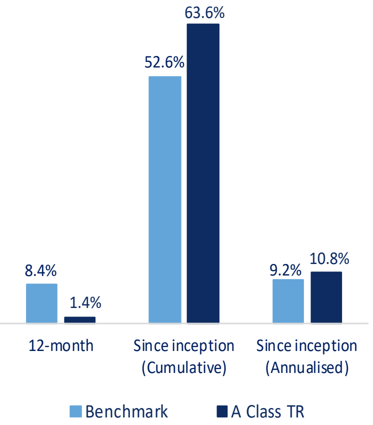
The heart of our philosophy is investing in companies with a durable competitive advantage that are underappreciated by investors and, consequently, trade for less than they are worth. They have enduring qualities and a history of attractive returns on capital. Ideally, they are led by highly talented management teams. The portfolio may, from time to time, 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



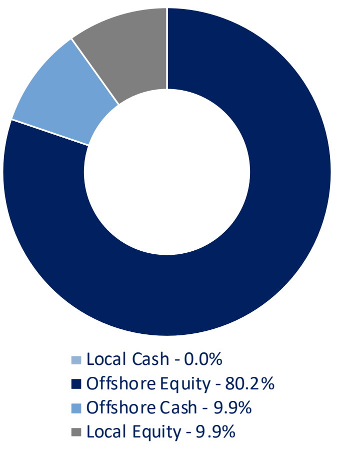
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 28 FEB 2018

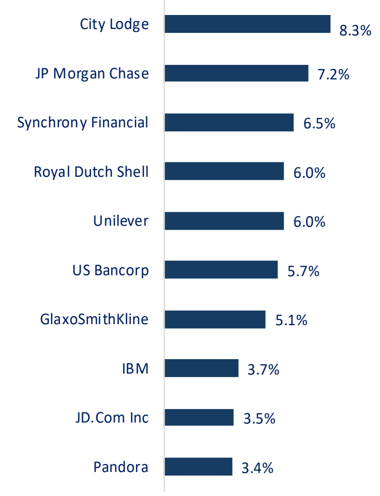


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 28 FEB 2018



TOP HOLDINGS AT 28 FEB 2018



QUARTERLY FUND MANAGER COMMENTARY

During the quarter, our existing holding in Oaktree Capital, the US asset management company, was reduced to 1.9% of the portfolio from 3.9% at the end of September 2017. The holding in John Deere, the agricultural equipment company, was sold. An investment was made in JD.com, the Chinese e-commerce company. Finally, and most notably, the Fund invested in a South African company for the first time – City Lodge, the hotel group. After the favourable outcome of the ANC's leadership contest in December 2017, the outlook for the South African economy is much improved and we believe that this warrants a local investment in the Fund. City Lodge, an excellent hotel business, will benefit greatly from a recovery in business travel in South Africa. This investment represented 6.0% of the portfolio at the end of December 2017.

Equity content was 85.9% at the end of December 2017, up from 83.1% at the end of September. Emerging market (EM) equity exposure increased to 12.1% of the portfolio, from 3.2% in the prior quarter. The Fund has a total of 23 equity investments – a number that is likely to decline slightly going forward. Cash holdings were 14.1% of the portfolio, with no investments in bonds. The offshore cash holdings are in euro (34%) and US dollars (66%). We note that the rand holding was 1.9% of the portfolio at the end of December.

RISK PROFILE: MEDIUM - HIGH

Low	Mod-Low	Mod	Mod-High	High

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be higher than a medium 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.
- Therefore, it is suitable for medium to long term investment horizons.

HIGH / LOW MONTHS BY YEAR

Dates	2014	2015	2016	2017	2018
High	4.5%	7.8%	10.4%	6.5%	0.6%
Low	-2.4	-1.2%	-7.7%	-7.2%	-3.0%

FUND NAME
Anchor BCI Worldwide Flexible Fund

ISIN NUMBER
ZAE000175683

INCEPTION DATE
14th May 2013

BENCHMARK
Inflation (SA CPI) + 4% p.a.

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

FUND CLASSIFICATION
Worldwide Multi Asset Flexible

UNIT PRICE
R122.68

DISTRIBUTIONS
Semi-annually Declaration Date: 28 Feb/31 Aug

2016 Distribution (cpu): Feb 0.77; Aug 0.61

2017 Distribution (cpu): Feb 0.49; Aug 0.43

2018 Distribution (cpu): Feb 0.51

PORTFOLIO VALUE
R430.80 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	1.14%
Performance fee	None
TER and Transaction Cost (incl VAT)	
Basic	1.24%
Portfolio Transaction Cost	0.06%
Total Investment Charge	1.30%

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 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 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

QUARTERLY MARKET COMMENTARY

2017 was an exceptionally good year for stock markets. Not only did global markets perform strongly, with the FTSE All World Index up nearly 22%, the highest return since 2009, but it was also "the calmest year since 1885" (in the US). The leading US equity index, the S&P 500, was up every month on a total return basis for the first time on record. Improving global economic growth and very low interest rates are a wonderful combination!

The shift to digital continues apace, and this was evident in the performance of large technology shares in the US and in Asia (there aren't many in Europe). They contributed more than one-third of the S&P 500's total return in 2017, and even more in Asia (excluding Japan).

What about 2018 and beyond? With 10-year government bond yields in the US still at very low levels (2.5%) compared to history, the bond market remains unattractive. If you invert this yield, US bonds are trading at 40 times earnings. By comparison, the US stock market is trading at 23 times earnings. The gap between the two (i.e. 40 vs 23) remains wide, although it has narrowed a little in 2017. Our view remains that equities are preferable to bonds. If bond yields were to rise materially, above say 4%, then the favourable case for equities does diminish somewhat, particularly for the more highly valued shares. We are very conscious of having limited exposure to these companies.

With this introduction, how did the Fund perform in 2017? Here are some examples of what went well, and what went not so well, in 2017.

Our very large holdings in Synchrony Financial, JP Morgan, Royal Dutch Shell and Unilever all performed strongly in 2017, with returns well above 20% in US dollar terms. US Bancorp was up 6.6%. Glaxo, the other large holding, was the only real laggard, down 3.0% in US dollar terms. We believe that Glaxo remains an attractive investment.

Our moderately sized holdings in Admiral, Yum Brands, Oaktree Capital and Alphabet also performed well with returns of at least 20% in US dollar terms. The new holdings in Schibsted and JD.com have also performed strongly. Well Fargo was up 13.2%. IBM was down slightly (-4.0%), although we do remain positive on the outlook for this investment. General Electric (GE) performed very poorly and was down 42.9% for the year - the worst-performing share in the portfolio in 2017. We made a mistake here by not fully understanding the prospects for the global gas turbine market. John Flannery recently replaced Jeffrey Immelt as CEO at GE, and we are very encouraged by what he is doing. GE has a great heritage and is dominant in several industries (gas turbines, aircraft engines etc.), but clearly all the deal-making activity of recent years to exit financial services and other areas has detracted from how they are running the business. They now need to 'polish' what they have. John Flannery appears to be the right man for that and we are retaining our stake in GE for now.

Our smaller holdings generally performed very well with strong performances from Yum China, MasterCard, Rolls Royce, Axalta and John Deere. The laggards were Astoria and Zambeef.

In 2017, the rand continued to strengthen against the US dollar by rising 9.9% (the rand also strengthened in 2016 - by 11.2%). This reduced the dollar returns achieved by the Fund, resulting in a performance for 2017 of 2.85% (in rand terms).

FUND MANAGER

David Gibb has a BSc (Med) degree from the University of Cape Town together with CA (SA) and CFA qualifications. Having joined the local investment industry in 1994, David has many years of experience in both equity research and fund management, including running the equity research team at Stanlib. His focus is global investments with a bias towards equities. David runs the Anchor BCI Worldwide Flexible Fund.

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

DISCLAIMER

BOUTIQUE COLLECTIVE INVESTMENTS