

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.

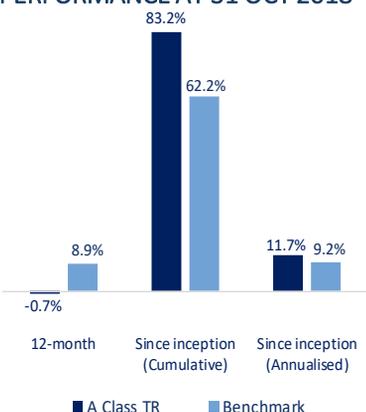
The heart of our philosophy is investing in companies with a durable competitive advantage that are underappreciated by investors and, consequently, trade for less than they are worth. They have enduring qualities and a history of attractive returns on capital. Ideally, they are led by highly talented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



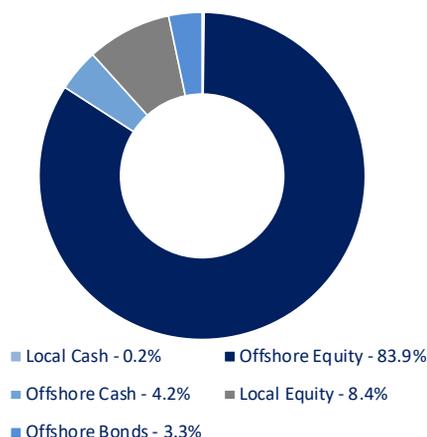
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 OCT 2018

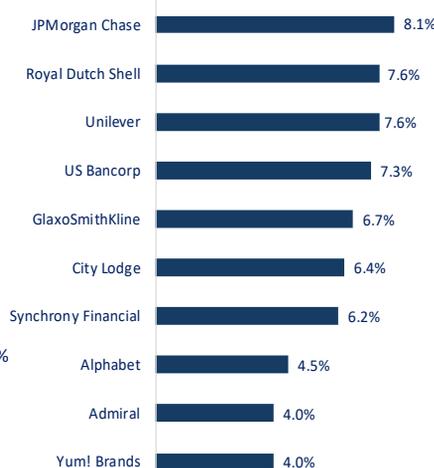


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 31 OCT 2018



TOP HOLDINGS AT 31 OCT 2018



QUARTERLY FUND MANAGER COMMENTARY

During 3Q18, we sold two equity holdings in the portfolio (IBM and Pandora), while no major new purchases were made. IBM has been a dead weight in the portfolio since it was acquired in December 2015, largely because the company has been unable to establish a strong enough position in the new era of cloud computing. Nevertheless, we made a small profit on the sale of this investment.

Earlier this year, we bought a minor stake in Pandora A/S, the Danish jewellery company. This proved to be a mistake as it became evident that the much-anticipated renewal of its product range may not translate into stronger sales.

We quickly decided to exit this investment, incurring a small loss on the sale.

The fund's equity content ended the quarter at 89.7% - down slightly from 91.1% at the end of June 2018. Although our emerging market (EM) equity exposure was unchanged at 11.3% of the portfolio, overall exposure to EM assets was boosted to 14.3% through an investment in EM local currency bonds. Cash holdings, representing 7.3% of the fund, were invested primarily in US dollar.

RISK PROFILE: MEDIUM - HIGH

Low	Mod-Low	Mod	Mod-High	High
			Mod-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%	11.1%
Low	-2.4	-1.2%	-7.7%	-7.2%	-4.5%

FUND NAME

Anchor BCI Worldwide Flexible Fund

ISIN NUMBER

ZAE000175683

INCEPTION DATE

14th May 2013

BENCHMARK

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

MINIMUM INVESTMENTS

Minimum monthly investment: None

Minimum lump sum: None*

Please refer to page two under Subscriptions

FUND CLASSIFICATION

Worldwide Multi Asset Flexible

UNIT PRICE

R136.16

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; Aug 0.69

PORTFOLIO VALUE

R436.08m

FEES & FAIS DISCLOSURE

Initial fees (BCI) (incl VAT)	0.00%
Advisory Fee (Max) (incl VAT)	0.00%
Ongoing Advisory Fee (Max) (incl VAT)	1.15%

Annual Management Fee (incl VAT)	
Class A	1.15%
Performance fee	None

TER and Transaction Cost (incl VAT)

Basic	Jun 18: 1.22% (PY): 1.24%
Portfolio Transaction Cost	Jun 18: 0.06% (PY): 0.04%
Total Investment Charge	Jun 18: 1.28% (PY): 1.28%

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 30 June 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@bc-transact.co.za

*Fixed Administration Fee: R10 excluding VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

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.

QUARTERLY MARKET COMMENTARY

The third quarter was a particularly strong quarter for US equity markets (the S&P 500 Index was up 7.2% in US dollar terms), rising the most since 4Q13. The S&P 500 Index has been supported by the continued strong earnings growth from US companies (25% in 2Q18, and a forecast of 19% for 3Q18). The only other major equity market to generate positive returns thus far in 2018 is Japan, while Europe and EMs are both down for the first nine months of the year (in US dollar terms).

Although interest rates around the world are generally rising from the abnormally low levels of recent years, they are still low in real terms as well as compared to history. Equities therefore remain our preferred asset class. However, the turmoil in EMs has created an opportunity to invest in attractively priced local currency EM bonds. The fund invested 3.0% of assets into a basket of these bonds during October 2018.

Equity content in the fund remains at roughly the 90% level - where it has been for much of this year - and this is indicative of our preference for equities. 46% of the fund is invested in US equities, 33% in Europe and 11% in EMs.

Royal Dutch Shell (Shell), the largest of the European investments in the fund, has been a very strong performer over the past two and a half years. With the Brent oil price having risen from \$30/bbl to over \$80/bbl since early 2016, Shell should be entering a phase of enormous cash flow generation, which will support a large share buyback programme and a further reduction of debt levels following its acquisition of gas giant, BG Group, in early 2016. Being the largest LNG player globally, Shell is also sweetly positioned for the strong demand in this market as power generation shifts away from coal to gas in key markets like China. We have returned to an era of expensive oil, and this does not appear to be fully reflected in Shell's current share price. Thus, we would expect further outperformance from the company.

GlaxoSmithKline (GSK), the British drug company, is another large holding in the fund. GSK has also performed well in 2018, outperforming major indices after several years of weak performance. Having invested too early in this company, we are excited to see the progress made by the CEO, Emma Walmsley, in driving this giant back to the forefront of the pharma industry. We believe that the appointment of Dr Hal Barron as head of R&D is another step in the right direction.

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