

INVESTMENT OBJECTIVE

The Anchor BCI ACPI Global Balanced Feeder Fund aims to outperform the US dollar Libor 1-year Index by 3% p.a.

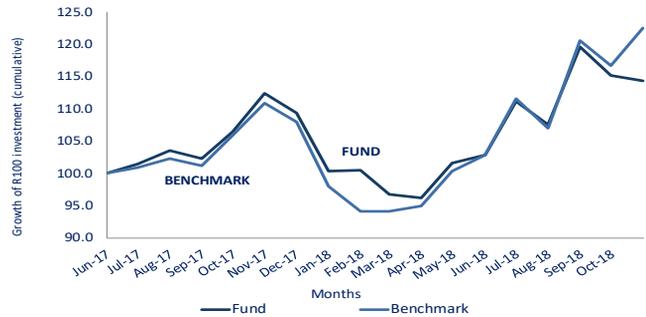
INVESTMENT PHILOSOPHY

The Anchor BCI ACPI Global Balanced Feeder Fund will, apart from assets in liquid form, invest solely in the participatory interest of the ACPI Balanced UCITS Fund.

The underlying portfolio invests in equity securities.

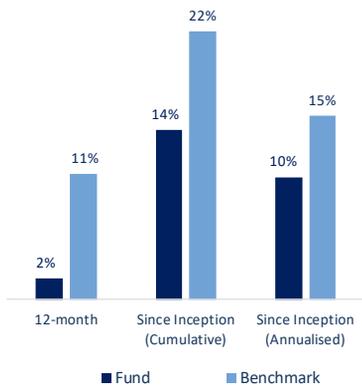
The fund has the ability to invest in other collective investments schemes with similar objectives.

CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



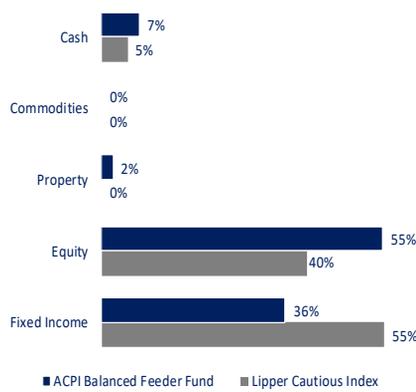
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 OCT 2018

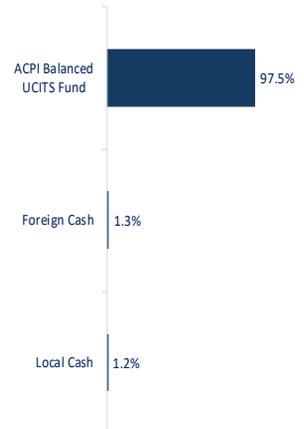


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 31 OCT 2018



TOP HOLDINGS AT 31 OCT 2018



FUND MANAGER COMMENTARY AT 31 OCT 2018

Equity attribution: -4.9% vs -3.2% Lipper Equity Index

- October was an especially brutal month for world equity markets. All major equity regions ended the month down by anywhere from 5% to 10%, leaving the MSCI World AC Index 7.5% lower for the month and also putting this index heavily in the red on a YTD basis (-4%).
- At a regional level and in the US, Growth underperformed Value significantly (-10.8% vs -5.9%). Elsewhere, in countries such as Japan (Growth -13.1% vs -9.5% Value), Europe (Growth -8.2% vs -5.6% Value) and the UK (Growth -7.2% vs -5.4% Value) Growth also underperformed Value. Any further back up in bond yields from here can only weigh further on this, such is the vulnerability in their long-dated terminal value.
- Defensives (at the MSCI World level) provided some relative shelter, although this was scant relief in absolute terms with the utilities (+0.3%), consumer staples (-1.2%) and telecoms (-4.0%) sectors all outperforming industrials (-11.6%), materials (-11.2%), technology (-11.0%) and consumer discretionary (-10.6%) sectors.
- At the underlying portfolio level, October was a challenging month with inter- and intra-stock and sector correlations becoming elevated and fundamental dispersion (the bedrock for most active fund managers) coming secondary. Nevertheless, we believe that markets will normalise and fundamentals will reassert themselves in due course.

RISK PROFILE: MODERATE-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 reflects 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.

Fixed-income attribution: -0.3% vs -1.1% Lipper Fixed Income Index

- Although largely negative for the month, the declines in fixed-income markets weren't as severe as those seen in equities and, perhaps, this is a sign that the risk-off sentiment is contained solely to equities - at least for the time being.
- World government bonds closed 1.1% lower for the month, whilst EMD hard currency (-2.2%) fared poorly. In the corporate bond market, US investment grade (-0.6%) was weak, whilst high yield (-1.6%) finally succumbed to profit-taking having held up so well through to the end of 3Q18.
- Investor flows out of this asset class continued apace in October as these investors looked to limit losses should rates, particularly at the back end of yield curves, move higher. Redemptions out of investment-grade credit totalled \$7.5bn in the week through 10 October - a weekly record. Government securities and Treasuries have seen inflows and perhaps this illustrates the relatively lacklustre value on offer elsewhere.

Portfolio changes

- We have used the recent weakness in markets to moderately increase the fund's existing holdings in the **Vulcan Value Equity Fund** and the **Pinebridge Asia Small Cap Equity Fund**.
- We also added modestly to the fund's existing holding in **2-year US Treasuries**.

FUND NAME

Anchor BCI ACPI Global Balanced Feeder Fund

ISIN NUMBER

ZAE000221867

INCEPTION DATE

22 June 2017

BENCHMARK

USD Libor 1-year index plus 3% p.a., calculated over a rolling 1-year period (converted to ZAR)

MINIMUM INVESTMENTS

Minimum monthly investment: None

Minimum lump sum: None*

Please refer to page two under Subscriptions

UNIT PRICE

R114.26

FUND CLASSIFICATION

Global Multi Asset Flexible

DISTRIBUTIONS

Semi-annually.

Declaration Date: 28 Feb/31 Aug

2017 Distribution: Aug: 0

2018 Distribution: Feb: 0; Aug: 0

PORTFOLIO VALUE

R53.25m

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	0.29%
Performance fee	None

TER and Transaction Costs (incl VAT)

Basic	2.10%
Portfolio Transaction Cost	0.00%
Total Investment Charge	2.10%

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 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 USP 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

*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 swap may give rise to substantial risk and might not be suitable for all investors.

A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund. 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

- A decade on from the Lehman Brothers crisis and it feels as though a new crisis has emerged if market performance during October is anything to go by. It's always easy to overexaggerate price movements in markets, but October has certainly witnessed a severe and, at times, brutal correction as investors reappraised the outlook for risk assets in general. The MSCI AC World TR Index ended the month 7.5% lower, while bonds also closed firmly in the red - the Barclays Global Aggregate Index was down 1.7%.
- In some measure, October's sell-off has been just as severe as the dark days of the global financial crisis with US equities, for example, seeing their fourth sharpest valuation de-rating over the space of one month in over 40 years.
- Looking more broadly, a number of major equity regions are now firmly in official bear-market territory on a YTD basis after having fallen >20% from recent highs. Even the once all-conquering US is now in correction territory having declined by >10% from its recent high.
- Of course these are all perfectly normal market events. The surprise over October's correction is more a function of just how abnormal the preceding period of extreme low volatility has been in the run up to this. For example, the US stock market has historically averaged four declines or more of 5% p.a. and suffers a 10% correction roughly once a year. While these are jittery times, we note such extreme price movements often give rise to multiple investment opportunities over the long term and we feel that a number of such compelling opportunities will continue to emerge following this rout across equity and fixed-income markets.

FUND MANAGERS

Fund Manager - Anchor BCI ACPI Global Balanced Feeder Fund: The investment manager of this portfolio is Anchor Capital Asset Management an authorised Financial Services Provider (FSP 39834), where the Investment Managers of the underlying portfolio that the Anchor BCI ACPI Global Balanced Feeder Fund invests into is managed by ACPI Investment Managers.

Fund Manager - ACPI Balanced UCITS Fund:



Marcus Szemruk holds a BSC. in Banking and Finance from Loughborough University and holds the Securities Institute Certificate in Investment Management (CertIM). Marcus has worked in the financial services industry since 1999. Marcus joined ACPI in 2005 initially as a member of the Multi-Manager team researching external hedge fund strategies. From 2008 he has been additionally responsible for all external long-only manager research. He has been the portfolio manager of the ACPI Balanced UCITS Fund since December 2008. He previously worked at a London based fund of hedge funds and was an analyst at Philips and Drew and USB Global Asset Management.

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
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 Belville, 7530
 Tel: 021 007 1500/1/2 | 021 914 1220, Fax: 086 502 5319
 Email: clientservices@bcis.co.za
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Custodian/Trustee Information

The Standard Bank South Africa
 Ltd
 Tel: 021 441 4100