

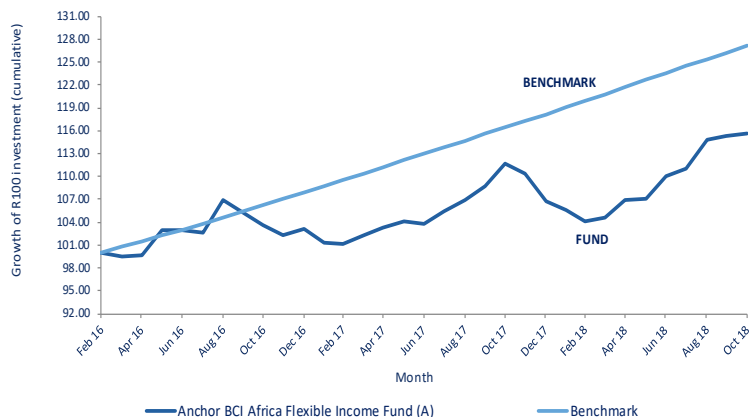
INVESTMENT OBJECTIVE

The Anchor BCI Africa Flexible Income Fund's objective is to maximise income for investors by investing in mainly African interest-bearing securities.

INVESTMENT PHILOSOPHY

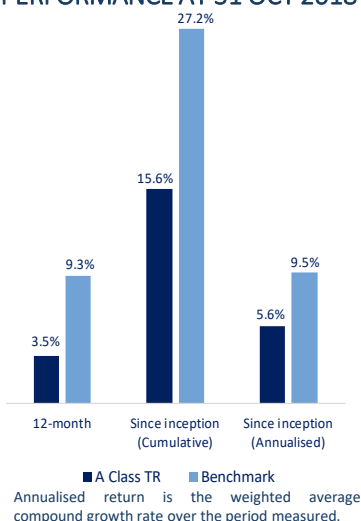
The maximum effective equity exposure (including international equity) will be 10% and a maximum effective property exposure (including international property) of 25%. The portfolio's African exposure, excluding South Africa, will always exceed 80% of the portfolio's asset value. The portfolio may, from 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.

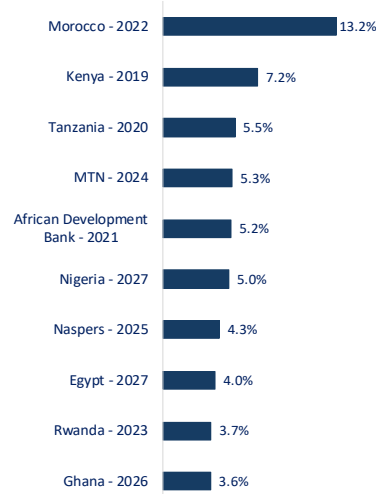
PERFORMANCE AT 31 OCT 2018



ASSET ALLOCATION AT 31 OCT 2018

Asset Allocation	100.0%
Cash	4.2%
Bonds	95.8%
Country Allocation	100.0%
Equities	0.0%
Money Markets	0.0%
Gabon	0.0%
USA	0.2%
Tunisia	3.0%
Bank	3.4%
Senegal	3.5%
Ethiopia	3.5%
Rwanda	3.6%
Ghana	3.6%
Supra National	5.1%
Mauritius	5.2%
Namibia	5.2%
Tanzania	5.4%
Kenya	7.2%
Nigeria	8.5%
South Africa	9.0%
Ivory Coast	9.8%
Egypt	10.8%
Morocco	13.0%

TOP HOLDINGS AT 31 OCT 2018



FUND MANAGER COMMENTARY AT 31 OCT 2018

We are pleased to have returned 0.32% on your portfolio for October. The month was dominated by a risk-off environment in which asset prices declined across the board. The portfolio was not immune to this, with bond credit spreads widening and keeping downward pressure on bond prices.

The portfolio did, however, benefit from the US dollar exposure we hold and, as a result, was able to report a small net gain for investors.

We remain of the view that assets are cheap at the moment and we believe that the outlook is favourable from current prices.

For now, we think that a steady and stable approach towards this asset class is called for. We continue to hold a diversified portfolio of bonds, earning an attractive interest yield for your portfolio.

RISK PROFILE: MODERATE

	Low	Mod-Low	Mod	Mod-High	High
<ul style="list-style-type: none"> This portfolio has a balanced exposure to various asset classes. It has more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-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. The portfolio is suitable for medium term investment horizons The probability of losses is higher than that of a low risk portfolio, but less than a high-risk portfolio and moderate long term investment returns are expected. 					

FUND NAME
Anchor BCI Africa Flexible Income Fund

ISIN NUMBER
ZAE000212882

INCEPTION DATE
8th March 2016

BENCHMARK
SteFl Composite Index + 2% p.a. over a rolling 1 year period

MINIMUM INVESTMENTS
Minimum monthly investment: None
Minimum lump sum: None*
Please refer to page two under Subscriptions

FUND CLASSIFICATION
Regional Interest Bearing – Variable Term

UNIT PRICE
R104.76

DISTRIBUTIONS

Quarterly Declaration Date:
28 Feb/31 May/31 Aug/30 Nov
2016 Distribution (cpu): Aug 0.81;
Nov 0.92
2017 Distribution (cpu): Feb 1.04;
May 1.11; Aug 1.16; Nov: 1.34
2018 Distribution (cpu): Feb 1.05;
May 1.09; Aug 1.49

PORTFOLIO VALUE
R84.32m

BOUTIQUE
+ COLLECTIVE
INVESTMENTS

HIGH LOW/MONTH BY YEAR

Dates	2016	2017	2018
High	4.1%	2.7%	3.4%
Low	-1.6%	-3.3%	-1.3%

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	0.81%
Performance fee: 15% of outperformance of benchmark over a rolling 1 year capped at 1.0% p.a.	

TER and Transaction Cost (incl. VAT)

Basic	Jun 18: 0.99% (PY): 1.05%
Portfolio Transaction Cost	Jun 18: 0.00% (PY): 0.00%
Total Investment Charge	Jun 18: 0.99% (PY): 1.05%

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 TERs. 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 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@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 fees will be calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. 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. Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily. 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 African continent continues to struggle along through a very difficult environment. We note that, during the month, the *World Bank* cut its 2018 growth forecast for Sub-Saharan Africa (SSA) from 3.0% to 2.7%. This was as a result of disappointing GDP data out of Nigeria, South Africa and Angola. Interestingly, this remains ahead of the 2.3% growth achieved in SSA last year.

The news continues to lean towards the positive on the ground with the *International Monetary Fund (IMF)* visiting both Kenya and Senegal in October. Senegal's review was the more positive of the two, with the *IMF* stating that the outcome was "broadly satisfactory". This was helped by the 6% growth rates being achieved and also by the slight fiscal consolidation that has occurred in the country.

Kenya's review was also reasonable with the country meeting various targets. However, the *IMF* has noted some concern that Kenya's fiscal objectives are being met by delaying or cancelling infrastructure projects, rather than by reducing recurrent expenditure such as the state wage bill.

Elsewhere, we note highlight that Gabon's president managed to win the election for another term, even though he is currently recovering from a stroke in a Saudi-Arabian hospital.

Perhaps the standout news on the continent comes from the Ivory Coast, where Fitch reaffirmed its rating. Economic growth is expected to remain at around 7% p.a. through to 2020, with benefits arising from infrastructure investment. That country's investment in energy and transportation, in particular, was singled out by Fitch. This is all occurring in an environment where the fiscal deficit is being cut to 3%, resulting in a stable and constant decline in the debt/ GDP levels of the country.

FUND MANAGER



Nolan Wapenaar is a CA (SA) and has a M Com degree. He has 16 years fixed-income experience, including domestically at Rand Merchant Bank and Efficient Select. His offshore experience was at Deutsche Bank. He is responsible for the Fixed Income Asset Class at Anchor Capital.

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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 Belville, 7530
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 Email: clientservices@bcis.co.za
www.bcis.co.za

Custodian/Trustee Information

The Standard Bank South Africa Ltd
 Tel: 021 441 4100

