

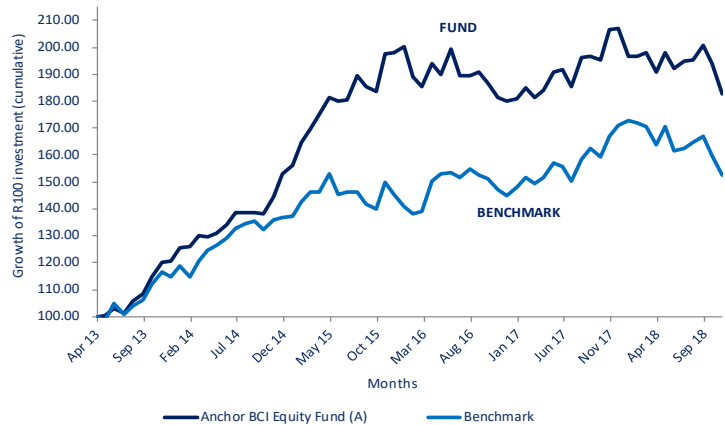
INVESTMENT OBJECTIVE

The Anchor BCI Equity Fund is a general equity portfolio that seeks to sustain high long-term capital growth.

INVESTMENT PHILOSOPHY

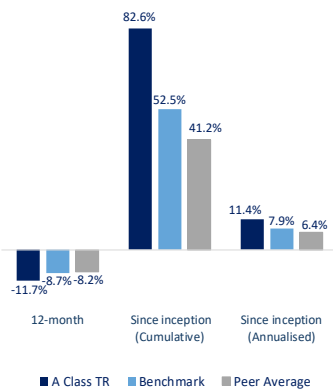
The portfolio is constructed from bottom-up, fundamental research with an investment philosophy that favours quality stocks with superior returns on capital, cash flows and pricing power. While acceptable valuation is an important component of the stock-selection process, the fund's style is not "value" – investments will be made in premium-rated stocks where the growth outlook and quality profile warrants it. The fund will also own shares that are often not well researched, yet offer exceptional valuation-driven opportunities. The quality of companies included is judged by rates of earnings growth, return on capital employed, cash conversion and stability of margins. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may include the following unlisted financial instruments: forward currency, interest rate and exchange-rate swap transactions for efficient portfolio management purposes. The portfolio's equity exposure will always exceed 80% of the portfolio's net asset value.

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 & SECTOR ALLOCATION AT 31 OCT 2018

Domestic cash	10.6%
Offshore cash	-7.5%
Offshore equity	9.8%
Domestic equity	87.1%
Industrials	5.1%
Healthcare	1.0%
Basic Materials	17.1%
Consumer goods	1.8%
Consumer services	23.9%
Financials (ex. REIT)	33.0%
Real Estate	5.2%
Total	100%

TOP HOLDINGS AT 31 OCT 2018

Naspers Ltd	9.8%
Sasol Ltd	5.5%
Reinet Investments	5.4%
Astoria Investments	4.8%
Old Mutual Ltd	3.6%
RMI Holdings	3.6%
BHP Billiton	3.6%
Anglo American	3.5%
Dis-Chem Pharmacies	3.4%
Exxaro Resources	3.1%

FUND MANAGER COMMENTARY AT 31 OCT 2018

The Anchor BCI Equity Fund decreased by 5.9% in October (against the Capped Swix benchmark's 4.6% decline). YTD, the fund is down 7.1% vs a negative 11.7% for the JSE Capped Swix benchmark. 2018 is proving to be a tough year for equity markets, with emerging markets (EMs) in general facing a torrid time. We are now getting close to being fully invested as we believe there is currently tremendous value in the market after a number of very high-quality companies experienced sharp share price declines. In addition, any positive resolution around global trade wars could see a sharp bounce-back for world markets, which are down 3.9% YTD (MSCI World Index).

Most shares fell sharply in October and there was no particular position which drove our performance (RMI, Reinet and Grindrod were negative contributors). Astoria was the biggest positive relative contributor and being underweight Sanlam and Standard Bank was also a positive. YTD, BHP Billiton, Old Mutual, Astoria as well as not owning MTN, have been our biggest contributors to the outperformance relative to the market.

We expect continued volatility in markets, but we are staying the course with our well-diversified exposure to high-quality companies, with a focus on growth. Our five largest positions are Naspers, Sasol, Reinet, Astoria and Old Mutual. During the month, we increased our position in Investec, added Clicks and Aspen and sold out of Anheuser-Busch.

RISK PROFILE: HIGH

	Low	Mod-Low	Mod	Mod-High	High
• This portfolio has a higher exposure to equities than any other risk profiled portfolio and therefore tend to carry higher volatility due to high exposure to equity markets.					
• Expected potential long term returns are high, but the risk of potential capital losses is high as well, especially over shorter periods.					
• Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks					
• Therefore, it is suitable for long term investment horizons.					

HIGH / LOW MONTHS BY YEAR

Dates	2014	2015	2016	2017	2018
High	5.6%	7.7%	4.9%	5.8%	3.7%
Low	-0.3%	-2.2%	-5.6%	-5.0%	-5.9%

FUND NAME

Anchor BCI Equity Fund

ISIN NUMBER

ZAE000175626

INCEPTION DATE

5 April 2013

BENCHMARK

FTSE JSE Capped SWIX J433T index

MINIMUM INVESTMENTS

Minimum monthly investment: None

Minimum lump sum: None*

Please refer to page two under Subscription

FUND CLASSIFICATION

SA Equity General

UNIT PRICE

R168.40

DISTRIBUTIONS

Semi-annual Declaration Date: 28 Feb/31 Aug

2016: Distribution (cpu): Aug 0.58

2017 Distribution (cpu): Feb 0.79; Aug 1.24

2018 Distribution (cpu): Feb 1.25; Aug 2.36

PORTFOLIO VALUE

R900.55m

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 Costs (incl VAT)	
Basic	Jun 18: 1.18% (PY): 1.18%
Portfolio Transaction Cost	Jun 18: 0.76% (PY): 0.54%
Total Investment Charge	Jun 18: 1.94% (PY): 1.72%

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@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 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

Markets globally had a rough October with the S&P 500 Index experiencing its worst month in over 7 years. The month started with an escalation of the tension between Italy and the European Union (EU). China's A50 Index of large-cap onshore stocks had its worst start to the month since January 2016 as foreigners dumped \$1.4bn of onshore shares via the Hong Kong exchange link. International events started to weigh on the US stock market, with the S&P 500 dropping over 5% in the two days leading up to the start of third-quarter earnings announcements.

During the month, over 60% of S&P 500 companies reported 3Q18 earnings, which grew by over 23% in aggregate (more than 6% ahead of expectations). However, despite this, results did nothing to shake fears that this would be as good as it gets for US corporates. Large-cap US tech companies, which have been dragging markets higher for most of the year, pulled markets down in October as Amazon and Google, reporting earnings on the same day, delivered revenue growth that disappointed and kicked off the second leg down for equity markets late in the month.

A two-day rally into month-end was just about enough to haul US markets back into positive territory for the year. However, after the damage done in October, it was very difficult to find another market still up YTD. The one exception being the Brazilian stock market which, despite an 11% weakening of the Brazilian real YTD, remains marginally higher in US dollar terms for the year. The MSCI Emerging Market Index more than doubled its YTD losses in October, leaving it down 16% for the year.

Amongst the turmoil, the US dollar kept its haven-status with the Dollar Index another 2% higher during the month. Oil dipped in October with the focus shifting from supply concerns to demand worries. This despite the US releasing 3Q18 economic growth data which comfortably beat expectations (up 3.5% vs expectations of 3.3% growth). There was no sign of growing inflation pressure as the US Federal Reserve (Fed's) preferred gauge of inflation came out in-line with expectations at 2%.

October was red across the board on the JSE, with the FTSE JSE All Share Index (J203) closing 6.0% lower. Disappointing performances from heavyweight constituents including Naspers (-15.0%), BHP Billiton (-4.1%), British American Tobacco (-3.6%), Richemont (-7.0%) and Glencore (-1.7%) conspired to pull the JSE lower. The large mining majors (Anglo American, BHP Billiton, Glencore) also weighed on the resources sector despite gold counters putting in a good showing, with the Resi-20 declining by 4.2% (+14% YTD). Once again, industrial shares were the worst hit with the Indi-25 dropping 8.6% (-20.6% YTD), dragged down by the fall in the Naspers and Richemont share prices.

The rand (-4.6% for October) was under pressure during the month as the medium-term budget policy statement (MTBPS) and the Moody's reaction to it weighed on the local currency. YTD, the rand is down 16.2% vs the greenback.

FUND MANAGEMENT

The Anchor BCI Equity Fund is managed by the Anchor Capital Investment Team

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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Custodian/Trustee Information

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 Tel: 021 441 4100