

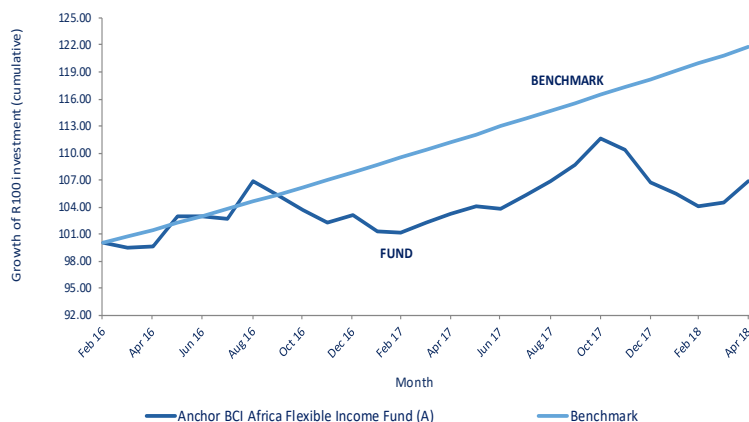
INVESTMENT OBJECTIVE

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

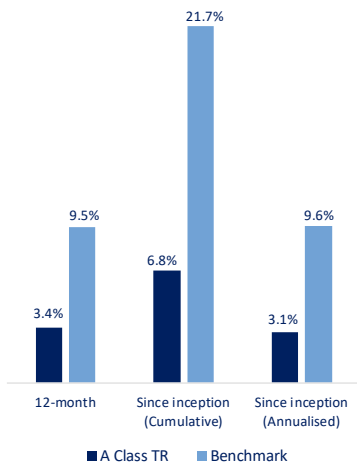
The maximum effective equity exposure (including international equity) will be 10% and a maximum effective property exposure (including international property) of 25%. The portfolio's African exposure, excluding South Africa, will always exceed 80% of the portfolio's asset value. The portfolio may, from 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 30 APR 2018

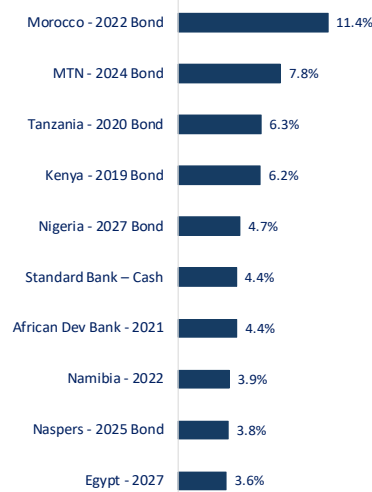


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 30 APR 2018

| | |
|---------------------------|---------------|
| Asset Allocation | 100.0% |
| Cash | 2.7% |
| Bonds | 97.3% |
| Country Allocation | 100.0% |
| Equities | 0.0% |
| Money Markets | 0.0% |
| Gabon | 0.0% |
| USA | 0.1% |
| Tunisia | 2.8% |
| Bank | 3.2% |
| Senegal | 3.1% |
| Ethiopia | 3.1% |
| Rwanda | 3.2% |
| Ghana | 3.3% |
| Supra National | 5.2% |
| Kenya | 6.3% |
| Tanzania | 6.3% |
| Mauritius | 7.8% |
| Nigeria | 7.8% |
| Namibia | 8.3% |
| Ivory Coast | 9.0% |
| South Africa | 9.3% |
| Egypt | 9.8% |
| Morocco | 11.4% |

TOP HOLDINGS AT 30 APR 2018



FUND MANAGER COMMENTARY AT 30 APRIL 2018

Financial markets became nervous about US inflation in April and, as a result, US bond yields pushed higher with duration costing the portfolio about 0.6% for the month. Against this background we earned some interest carry of about 0.7% for April to end the month slightly ahead on the bond position itself.

In the emerging market (EM) risk environment, the South African rand weakened by 4.6% against the US dollar to end the period at R12.42/\$1.

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. | | | | | |

HIGH LOW/MONTH BY YEAR

| Dates | 2016 | 2017 | 2018 |
|-------|-------|-------|-------|
| High | 4.1% | 2.7% | 2.2% |
| Low | -1.6% | -3.3% | -1.3% |

This led to currency gains of c. 2.1% for the portfolio (which is currently c. 46% exposed to the US dollar) in April. All combined, we returned 2.18% on your investment this past month and we are largely comfortable with the region still showing strong growth indicators.

FUND NAME
Anchor BCI Africa Flexible Income Fund

ISIN NUMBER
ZAE000212882

INCEPTION DATE
8th March 2016

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

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

FUND CLASSIFICATION
Regional Multi Asset Flexible

UNIT PRICE
R99.30

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

PORTFOLIO VALUE
R82.63 million

BOUTIQUE
+ COLLECTIVE
INVESTMENTS

FEES & FAIS DISCLOSURE

| Initial | fees | (BCI) | (incl. | VAT) |
|---|-------------|-------|--------|-------|
| 0.00% | | | | |
| Advisory Fee (Max) | (incl. VAT) | | | 3.45% |
| 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 | Dec 17: 1.03% (PY): 1.05% |
| Portfolio Transaction Cost | Dec 17: 0.00% (PY): 0.00% |
| Total Investment Charge | Dec 17: 1.03% (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 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@bcis-transact.co.za

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.

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

An oil price close to \$74/bbl is clearly going to be good for the hydrocarbon-producing countries and thanks to this Nigeria's current account surplus has grown from \$2bn in 1Q18 to \$3.7bn in the current quarter (2Q18). Similarly, we have seen strong economic data from the Ivory Coast, notwithstanding a decline in cocoa prices. The International Monetary Fund (IMF) also recently completed its programme review with an unusually positive statement. The country's GDP growth was 7.8% last year, whilst inflation remains low at 3%. However, the IMF did note that lower cocoa exports might put the current account deficit under pressure although, for now, this shortfall is being made up by oil revenue.

Perhaps the story of the month is best explained through purchasing managers' indices (PMI) data from across the continent. PMI data were higher in Kenya, Egypt, Nigeria, Ivory Coast, Uganda, Zambia and Ghana, with only Namibia lagging. The combination of lower deficits and higher growth rates mean that the continent is growing nicely into its debt levels. For now, it looks like we are well positioned and we do not need to make any adjustments to the portfolio.

During April, FirstRand Bank Ltd. also issued some subordinated debt that was US dollar-denominated. We quite liked the yield at 6.375% and, although this is not African debt per the *Association for Savings and Investment South Africa (ASISA)* definitions, we included a small parcel of this in the Other Regions bucket, which ASISA does allow. This position has performed well since issuance and is showing a small gain for the portfolio.

We are more sanguine about US interest rates and therefore we remain comfortable with this asset class.

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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 Email: clientservices@bcis.co.za
www.bcis.co.za

Custodian/Trustee Information

The Standard Bank South Africa Ltd
 Tel: 021 441 4100