

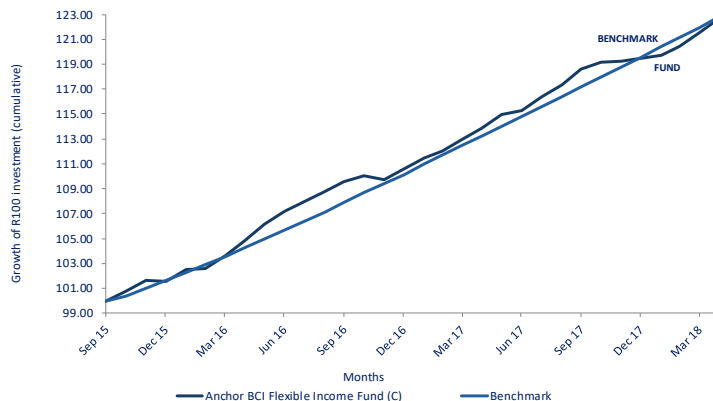
INVESTMENT OBJECTIVE

The Anchor BCI Flexible Income Fund is a specialist income-generating portfolio. The investment objective of the portfolio is to achieve a high level of sustainable income and stability of capital invested.

INVESTMENT PHILOSOPHY

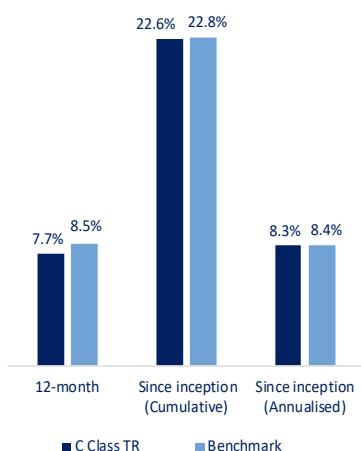
Investments to be acquired for the portfolio may include equity securities, property securities, property related securities, interest-bearing securities, non-equity securities, money-market instruments, preference shares and assets in liquid form. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may only include the following unlisted financial instruments for efficient portfolio-management purposes: forward currency, interest rate and exchange-rate swap transactions. The portfolio will comply with prudent investment guidelines to the extent allowed for by the Act. However, the portfolio's equity exposure may be as high as 10% of the portfolio's net asset value, whilst its property exposure may be as high as 25%.

CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



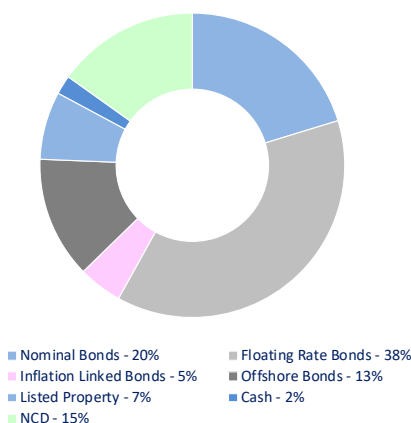
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 30 APR 2018

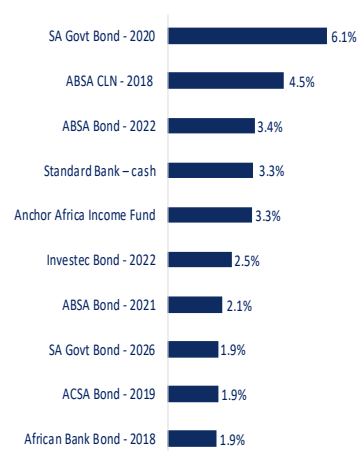


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 30 APR 2018



TOP HOLDINGS AT 30 APR 2018



FUND MANAGER COMMENTARY AT 30 APRIL 2018

Over the month, the yield on the R186 benchmark bond pushed higher from 8.00% to end April at 8.18%, resulting in the All Bond Index losing 0.99% for the period under review.

However, we were able to offset this loss with gains on listed property (the index rose 5.86% for the month) and in our US dollar positions with the rand weakening by 4.6% from R11.87/\$1 to R12.42/\$1.

In this context, we are pleased to have returned 0.85% on your investment this past month - ahead of the sector average return of 0.51%.

In looking at the portfolio we are happy with the current yield of 8.98% and the duration of 0.67 years on domestic bonds. We expect to maintain our current positioning for the foreseeable future.

RISK PROFILE: LOW

Low	Mod-Low	Mod	Mod-High	High
-----	---------	-----	----------	------

- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

HIGH / LOW MONTHS BY YEAR

Dates	2015	2016	2017	2018
High	0.8%	1.2%	1.1%	0.9%
Low	-0.1%	-0.3%	0.0%	0.2%

FUND NAME

Anchor BCI Flexible Income Fund

ISIN NUMBER

ZAE00202933

INCEPTION DATE

12 October 2015

BENCHMARK

STeFI Call Deposit rate +1%

MINIMUM INVESTMENTS

R25,000 lump sum
 R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset-Income

UNIT PRICE

R104.66

DISTRIBUTIONS

Quarterly Declaration Date: 28 Feb, 31 May, 31 Aug and 30 Nov

2016 Distribution (cpu): Feb 1.47; May 1.78; Aug 1.84; Nov 1.92

2017 Distribution (cpu): Feb 1.73; May 1.98; Aug 1.84; Nov 2.01

2018 Distribution (cpu): Feb 1.82

PORTFOLIO VALUE

R998.49 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	1.15%
Class C	0.63%
Performance fee	None

TER and Transaction Cost (incl VAT)

	Class A	Class C
Basic	Dec 17: 1.26% (PY): 1.27%	Dec 17: 0.75% (PY): 0.75%
Portfolio Transaction Cost	Dec 17: 0.04% (PY): 0.04%	Dec 17: 0.04% (PY): 0.04%
Total Investment Charge	Dec 17: 1.30% (PY): 0.1.31%	Dec 17: 0.79% (PY): 0.79%

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 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@bci-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 figures quoted for the portfolio are from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with initial fees 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

US markets had inflation jitters this past month, with this fear causing US 10-year bond yields to rise up to 3.03%. Concern around a runaway Fed rate-hiking cycle unnerved investors with pressure especially on emerging markets (EMs; including South Africa) and also the equity market. We maintain the view that one must keep an eye on the US 30-year bond rate, which briefly pushed higher from 3.14% to 3.19% before settling back to end April at 3.12%. The US yield curve continues to bear flatten and the market is still behaving like the ceiling in US rates is likely to be between 3.00% and 3.25%. In such an environment we are comfortable to own duration assets both at home and in the US. We think that there are likely five (or maybe six) more rate hikes for the US during the current rate-hiking cycle. In our view, the market is adequately pricing in these hikes and bonds are reflecting their fair value.

US inflation is not racing away and is likely to edge just above the 2.00% target set by the Fed. Accordingly, we expect that the Fed will be able to maintain its plan of two, or maybe three, more rate hikes this year. Such a hiking pattern is unlikely to derail the US economy and it is also improbable that it will push 10-year bonds materially higher. We further note that data out of Europe have been soft during 1Q18, which means that the European Central Bank (ECB) is reliant upon a recovery in 2Q18 or we will face the risk of delays in the ECB further unwinding its quantitative easing (QE) programme. This means that the risk in the rest of the world is tilted towards lower rates rather than higher rates

Overall, we expect that fiscal stimulus will spike US growth upwards during 2Q18. This spike is likely to be unsustainable and we are expecting growth to normalise again towards the end of the year. This will probably keep US interest rates close to 3% and give the Fed the confidence to act again. We are, however, comfortable to be slightly overweight bonds at these prices.

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

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