

INVESTMENT OBJECTIVE

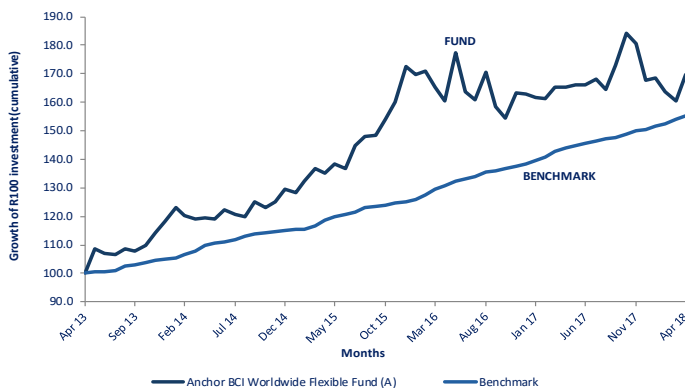
The Anchor BCI Worldwide Flexible Fund aims to provide investors with a moderate to high long-term total return by way of a worldwide flexible portfolio actively investing across different asset classes.

INVESTMENT PHILOSOPHY

The portfolio is a rand-denominated worldwide fund that has the flexibility to invest in equities, bonds, property and cash both globally and in South Africa.

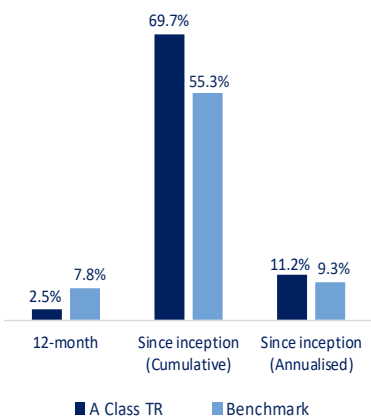
The heart of our philosophy is investing in companies with a durable competitive advantage that are underappreciated by investors and, consequently, trade for less than they are worth. They have enduring qualities and a history of attractive returns on capital. Ideally, they are led by highly talented management teams. 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



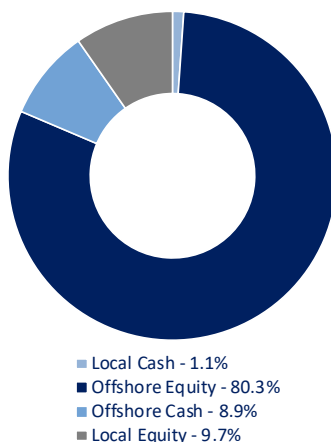
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 30 APR 2018

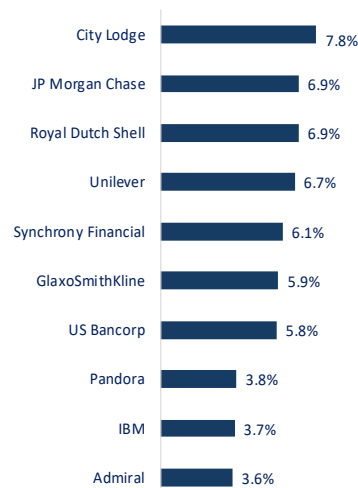


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 30 APR 2018



TOP HOLDINGS AT 30 APR 2018



QUARTERLY FUND MANAGER COMMENTARY

During the equity market turbulence in February 2018, we introduced a new holding - Pandora A/S, the global jewellery company. Pandora represented 3.7% of the fund at quarter-end. We also added to the large existing investment in Unilever. Early in the quarter, we completed our purchases of shares in City Lodge - which was 8.3% of the fund as at the end of March 2018. Share sales during the period included a portion of the holdings in both General Electric (GE) and Oaktree Capital.

Equity content was 88.8% at the end of March 2018, up slightly from 85.9% at the end of December 2017. Emerging market (EM) equity exposure increased to 14.4% of the portfolio from 12.1% in the prior quarter. Cash holdings were 11.3% of the portfolio, with no investments in bonds. The offshore cash holdings are primarily in euro (19%) and US dollar (77%). The holding in rand was 2.0% of the portfolio at the end of March 2018.

RISK PROFILE: MEDIUM - 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 reflect 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.

HIGH / LOW MONTHS BY YEAR

Dates	2014	2015	2016	2017	2018
High	4.5%	7.8%	10.4%	6.5%	5.8%
Low	-2.4	-1.2%	-7.7%	-7.2%	-3.0%

FUND NAME
Anchor BCI Worldwide Flexible Fund

ISIN NUMBER
ZAE000175683

INCEPTION DATE
14th May 2013

BENCHMARK
Inflation (SA CPI) + 4% p.a.

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

FUND CLASSIFICATION
Worldwide Multi Asset Flexible

UNIT PRICE
R126.72

DISTRIBUTIONS
Semi-annually Declaration Date: 28 Feb/31 Aug

2016 Distribution (cpu): Feb 0.77; Aug 0.61

2017 Distribution (cpu): Feb 0.49; Aug 0.43

2018 Distribution (cpu): Feb 0.51

PORTFOLIO VALUE
R440.18 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%
Performance fee	None

TER and Transaction Cost (incl VAT)

Basic	Dec 17: 1.24% (PY): 1.24%
Portfolio Transaction Cost	Dec 17: 0.06% (PY): 0.04%
Total Investment Charge	Dec 17: 1.30% (PY): 1.28%

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 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 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. 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.

QUARTERLY MARKET COMMENTARY

Considering the unusually calm conditions in equity markets throughout 2017, investors had a rather bumpy ride in 1Q18. Developed market (DM) equities declined slightly, with the US (S&P 500 Index) having its first quarterly decline since 2015. There are a host of reasons for this, from rising interest rates in the US, to highly valued equity and bond markets in certain countries, to an erratic and confrontational Trump administration and recent privacy woes at Facebook. The reality is that stock markets don't always go up in a straight line, as they did in 2017. The start of 2018 possibly sees a return to more normal market conditions. The Fund performed relatively well in this more volatile period, outperforming most major DM equity indices.

Our approach is to invest in companies with a durable competitive advantage, at reasonable prices. After nine years of bull markets in the US (i.e. without a major correction), this is becoming more difficult particularly in the so-called growth companies but, if not in the US, we are still finding opportunities elsewhere in the world. In late-2017, it was City Lodge in South Africa, and in early 2018, it is Pandora A/S in Denmark.

Pandora is a major jewellery business with an enviable global brand. After a period of underinvestment in new products - and a weak share price to boot - Pandora is, we believe, at an inflection point. The company will be renewing its product range in 2018 and beyond, and gradually reducing its reliance on one major product category, charms and bracelets, to become a full jewellery brand. There is a large potential market in earrings, necklaces and pendants. We felt that this provided a good opportunity for us to invest, at a very reasonable price. Pandora represented 3.7% of the fund at quarter-end.

The fund retains a strong bias towards equities with 88.8% of the fund invested in that asset class. This reflects the continued aversion to developed world bonds, despite the recent slight increase in bond rates. The equity investments by geography are as follows - US at 43% of the fund, Europe at 31%, and EMs at 14%.

A challenge in recent periods has been a strengthening rand, particularly for those unit trusts that invest offshore but report performance in rand. We note that this headwind applies equally to many large companies listed on the local Johannesburg Stock Exchange (e.g. Naspers) with major offshore interests. The rand strengthened by a further 4.4% against the US dollar in the quarter to March 2018 (11.7% over 12 months), a continuation of the trend seen in 2016 and 2017. In 2013, 2014 and 2015 the opposite applied, with rand weakness acting as a tailwind for performance reported in rand. How do we approach this?

Our objective is to provide attractive rand returns over the long term. We want to achieve this by investing primarily offshore - so investors can also *diversify away* from South Africa (we note that City Lodge is our only truly local investment). Achieving attractive rand returns is clearly more difficult when the rand is strengthening. In such times we may invest more in other EMs because the South African rand typically mimics other EM currencies. EM equities were 14.4% of the fund at quarter end. There is scope for this to increase further, although it is unlikely to increase beyond 30% of the fund.

FUND MANAGER



David Gibb has a BSc (Med) degree from the University of Cape Town together with CA (SA) and CFA qualifications. Having joined the local investment industry in 1994, David has many years of experience in both equity research and fund management, including running the equity research team at Stanlib. His focus is global investments with a bias towards equities. David runs the Anchor BCI Worldwide Flexible Fund.

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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www.bcis.co.za

Custodian/Trustee Information

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