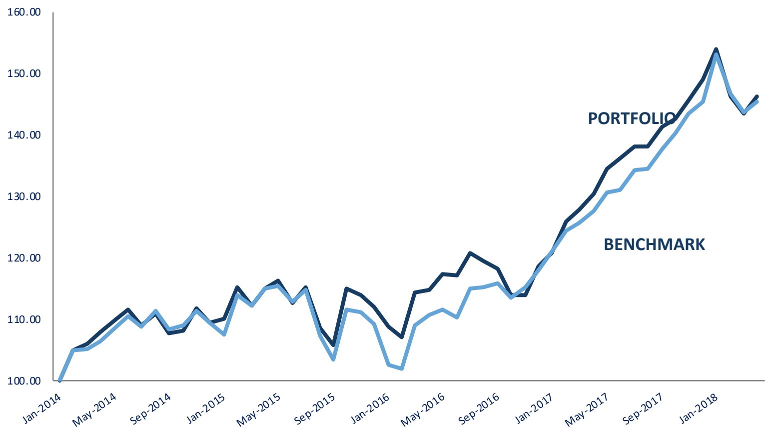
PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth together with attractive yield, through active stock selection within global equity markets. The focus is on quality, durable companies with a strong, global competitive advantage and long-term growth potential. The portfolio might, from time to time, take exchange traded fund (ETF) positions in high-conviction thematic ideas.

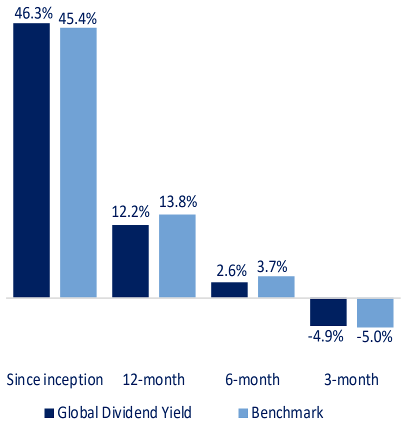
SUITABLE FOR

The portfolio is suitable for investors seeking exposure to the global equity market with maximum capital appreciation and an attractive yield as their primary goal over the long term. Investors should have a tolerance for short-term market volatility in order to achieve long-term objectives.

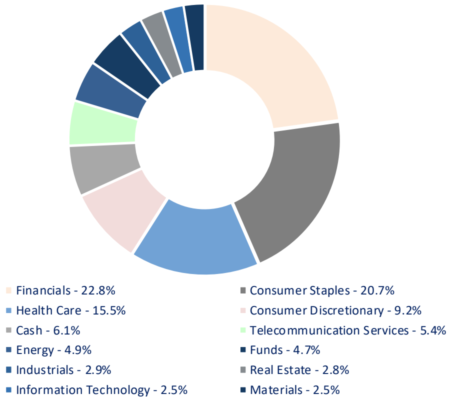
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



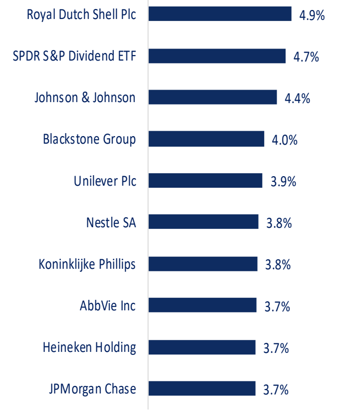
PERFORMANCE AT 30 APR 2018



SECTOR ALLOCATION AT 30 APR 2018



TOP HOLDINGS AT 30 APR 2018



PORTFOLIO COMMENTARY AT 30 APR 2018

Global markets were firmer in April as the rhetoric and anxiety around a possible global trade war eased, and US President Donald Trump's focus shifted to sanctions on Iran. US interest rates ground higher as commodity prices are expected to drive inflation, with the 2-year US treasury yield now as high as before the onset of the 2008 global financial crisis (GFC). Brent oil rose comfortably above $70/bbl during the month, with worries about the supply impact of potential Iranian sanctions. Offsetting the valuation impact of inflationary concerns and rising rates, the US earnings season has been particularly firm with tax cuts and the weak dollar driving 20% EPS growth for those S&P companies which have reported 1Q18 results (60% of companies reported 1Q earnings in April). European markets were up strongly, with euro weakness aiding export-heavy sectors.

The MSCI World Index delivered a 1.2% return in April, following a weak 1Q18. This compares to the portfolio return of 2.0%. Within the portfolio, Royal Dutch Shell (RDS) benefitted from strong quarterly earnings and the rise in oil prices to lead the gainers with a 12.2% return. RDS released its 1Q18 results towards the end of the month. Revenue beat consensus comfortably with earnings a marginal beat, while RDS also maintained its dividend (DY of 5.2%). Although not currently underway, RDS management reiterated their intention to begin a share buyback programme. Meanwhile, Koninklijke Philips (11.0%) was up during the month following reports of expansion within its health focus divisions, this despite missing earnings forecasts for 1Q18. Aviva Plc rounded out the top-3 performers. Poor earnings data and guidance within the tobacco sector saw Altria Group (-10.0%) and British American Tobacco (-4.9%) detract from performance.

Johnson & Johnson (JNJ) also reported 1Q18 results with its pharmaceuticals division (which saw especially strong demand for its cancer treatments) fuelling the earnings beat for the Group. Revenue rose by c. 13% YoY to $20bn (1Q17: $17.8bn) vs the *Thomson Reuters* consensus forecast of $19.46bn. On an operational basis, J&J's revenue grew by 8.4% YoY. Excluding the impact of acquisitions, divestitures and currency, worldwide sales were up 4.3% YoY.

PORTFOLIO MANAGEMENT

Anchor Private Clients (APC) runs a robust investment process, in consultation with Anchor Asset Management. The product of this process is segregated mandates, of which the Global Dividend Yield mandate is one. The APC investment process takes inputs from Anchor Asset Management and overlays metrics appropriate for private client portfolio management.

FACTS AND FIGURES

INCEPTION DATE
January 2014

BENCHMARK
MSCI World

MINIMUM INVESTMENT
$150,000

FEE
1.25% p.a. (excl. VAT)