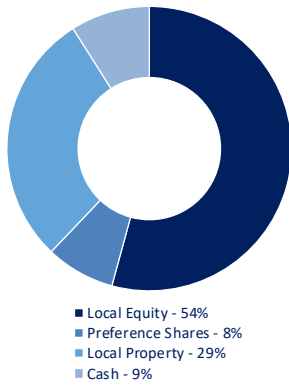


PROFILE AND OBJECTIVE

The fund will be managed in compliance with Regulation-28 investment guidelines, in order to achieve its balanced objective. The investments normally held in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest-bearing securities, bonds, debentures, corporate debt, equity securities, property securities and preference shares.

ASSET ALLOCATION AT 30 APR 2018



MARKET COMMENTARY AT 30 APR 2018

Global markets were reasonably firm in April (MSCI World +1.2%), and a bout of Rand weakness on the back of tightening monetary conditions in the USA gave further impetus to gains on the local bourse. The JSE's capped SWIX index delivered a 4% return for April, led higher by Naspers which gained close to 6% after a torrid Q1 performance. Likewise, MTN clawed back 5% of its Q1 losses.

With the rand weakening from R11.80/\$1 to R12.50/\$1, it would be expected that offshore-focused property companies would reap some benefit. While this was the case, the impressive 7.7% return enjoyed by the SA Listed Property Index (JSAPY) was driven to an even greater degree by a sharp recovery in the share prices of the Resilient stable of companies. Following the carnage of 1Q18 this was expected but there remains uncertainty ahead for these counters. A for the remainder of the property sector, MAS Real Estate, which is a 3% holding in the portfolio, is the only other stock that recorded a double-digit percentage gain for the month with a 11% return. Growthpoint and Redefine enjoyed more muted gains of 2.4% and 3.4% respectively.

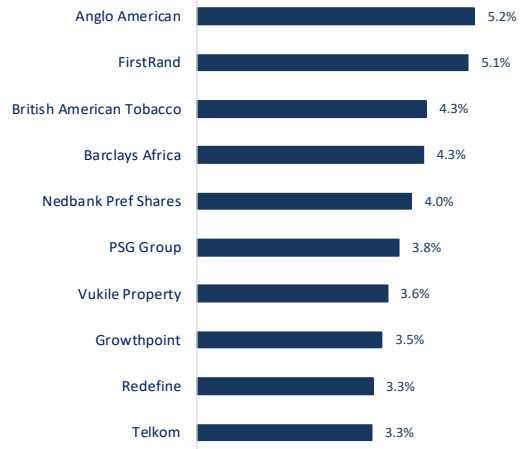
PORTFOLIO MANAGEMENT

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 Reg 28 mandate is one. The APC investment process takes inputs from Anchor Asset Management and overlays metrics appropriate for private client portfolio management.

SUITABLE FOR

This segregated portfolio is suitable for investors who wish to save for their retirement and whose investment would be in a retirement annuity, provident fund, preservation fund or pension fund. This portfolio generally holds more equity exposure than low-risk portfolios but less than high-risk portfolios. In turn, the expected volatility will be higher than cash but lower than equities. The portfolio is suitable for investors looking for a long-term, balanced investment, with moderate levels of risk.

TOP HOLDINGS AT 30 APR 2018



With the Rand being 50 cents weaker against the greenback, and a higher oil price which means it is likely that petrol is going to cost R1 per liter more next month plus the VAT increase, it is unlikely that the SARB will cut interest rates in May and perhaps the cut happens in the third quarter (especially if the Rand is able to recover a little). Phase one of Ramaphoria has also now passed with a rapid appreciation of the Rand and a runaway bond bull market which means asset prices are again tracking international developments. We hold that phase two will be the recovery of growth, corporate earnings and consumer spending. The Regulation 28 model portfolio delivered a return of 2.4% for April.

QUARTERLY ASSET ALLOCATION

ASSET CLASS	BENCHMARK WEIGHT	CURRENT STANCE			EXPECTED RETURNS (R)
		UW	N	OW	
LOCAL	80%				
Equity (ex. preference shares)	52%		→		16%
Bonds	16%				8%
Property	6%				16%
Preference shares	2%				11%
Cash	4%				7%
OFFSHORE	20%				
Equity	13%			←	7%
Government bonds	1%	→			1%
Corporate credit	3%				1%
Property	2%				7%
Cash	1%				2%

UW = Underweight; N = Neutral; OW = Overweight

FACTS AND FIGURES

INCEPTION DATE

Nov 2016

BENCHMARK

SA Multi-Asset High Equity Average

MINIMUM INVESTMENT

R1,500,000

FEE

1.25% p.a. (excl. VAT)

DISCLAIMER

Individual client returns may differ due to timing, client preferences and whether we receive cash or shares to seed investments.