

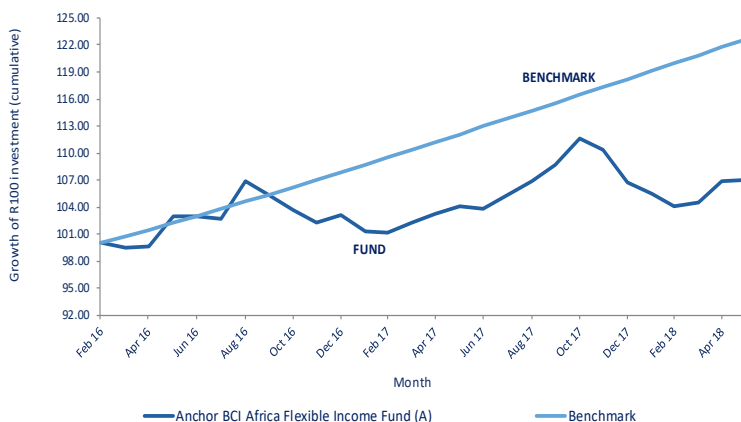
INVESTMENT OBJECTIVE

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

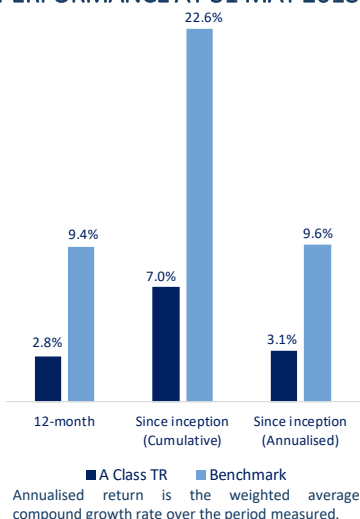
The maximum effective equity exposure (including international equity) will be 10% and a maximum effective property exposure (including international property) of 25%. The portfolio's African exposure, excluding South Africa, will always exceed 80% of the portfolio's asset value. The portfolio may, from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

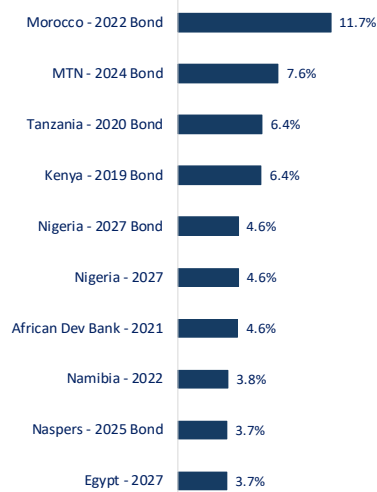
PERFORMANCE AT 31 MAY 2018



ASSET ALLOCATION AT 31 MAY 2018

Asset Allocation	100.0%
Cash	1.6%
Bonds	98.4%
Country Allocation	100.0%
Equities	0.0%
Money Markets	0.0%
Gabon	0.0%
USA	0.6%
Tunisia	2.9%
Senegal	3.2%
Rwanda	3.2%
Ethiopia	3.2%
Bank	3.2%
Ghana	3.4%
Supra National	5.5%
South Africa	6.4%
Kenya	6.5%
Tanzania	6.6%
Mauritius	7.8%
Nigeria	7.9%
Namibia	8.3%
Ivory Coast	9.2%
Egypt	10.2%
Morocco	11.9%

TOP HOLDINGS AT 31 MAY 2018



FUND MANAGER COMMENTARY AT 31 MAY 2018

The month was marked by a strong rise in US interest rates as inflation fears came to the fore once again. In response, emerging market (EM) assets sold off across the board. Arguably, African assets fared better, although credit spreads have widened and the duration positions have detracted from the portfolio.

The South African (SA) rand also came under pressure, losing 1.28% against the US dollar during the month. The currency gains in the

portfolio (in conjunction with the interest accrual) have enabled us to report a small gain on your investment for the month.

We accept that credit spreads will gyrate around a mean over time due to market fluctuations. However, we don't see this as being indicative of any impending problems and we will be patient with the asset class allowing interest accrual to do its work, over time.

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. 					

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
R99.45

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;
May 1.09

PORTFOLIO VALUE
R81.72mn



HIGH LOW/MONTH BY YEAR

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

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	Mar 18: 1.00% (PY): 1.05%
Portfolio Transaction Cost	Mar 18: 0.00% (PY): 0.00%
Total Investment Charge	Mar 18: 1.00% (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 March 2018.

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 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

We continue to hold the view that US bond yields are unlikely to sustain levels above 3%-3.25% for extended periods and that this is likely to be a ceiling for offshore yields. Inflation fears in the US certainly tested our view, with the US 10-year bond pushing up towards 3.14% during the month. However, in the end, comments from the US Federal Reserve (Fed), assuring the market that we are likely to see a gradual rate-hiking cycle, have allayed these fears. Meanwhile, the risk-off reaction to European instability pushed US bonds stronger to end at 2.88% for the month. We still believe that offshore duration is attractive at current levels, although we are being cautious in our portfolio construction around this issue. As a result, we maintain our slight overweight tilt towards US duration assets and earn the attractive credit premium on offer in Africa.

We affirm our view that the widening of credit spreads in the region is more reflective of global dynamics than of a deterioration of fundamentals from issuers. In fact, Rwanda has had its credit ratings reaffirmed, with Fitch Ratings basing this on the low debt levels and the solid growth being achieved in the country. Similarly, Nigeria is finally gaining some traction in broadening its tax base. As a result, the country has been able to increase its budget by 5.8%, whilst maintaining a deficit of only 1.7% for the next year. This is a marked improvement on the situation when President Muhammadu Buhari came to power a few years ago.

Many of the region's domestic currencies have also come under pressure due to the stronger US dollar. However, notwithstanding this, we see (with the exception of Kenya) inflation coming down and giving scope for interest rate cuts across the board. Ghana, in particular, is looking like it will benefit from a strong rate-cutting cycle in the near term.

Angola was able to issue \$3bn of debt in the last month (we did not participate) and, while the pressure has clearly been on EMs, issuers nevertheless still have access to funding and liquidity albeit at a higher cost.

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