

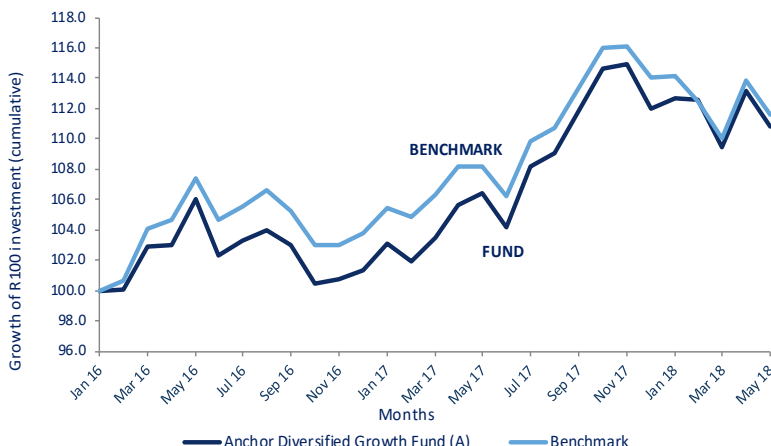
INVESTMENT OBJECTIVE

The Anchor BCI Diversified Growth Fund is a multi-managed portfolio with a moderate to aggressive risk profile that aims to provide investors with a high long-term total return. This Fund is appropriate for clients who want exposure to Anchor's capabilities in a solution that is appropriately blended and diversified with other offerings to ensure a more consistent return profile.

INVESTMENT PHILOSOPHY

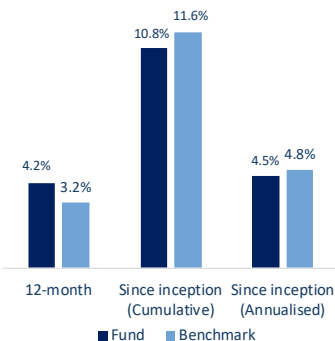
The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act. The portfolio's equity exposure is limited to a maximum of 75% of the portfolio's net asset value. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest-bearing securities, bonds, debentures, corporate debt, equity securities, other interest-bearing securities, property securities, preference shares, convertible equities and non-equity securities. 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



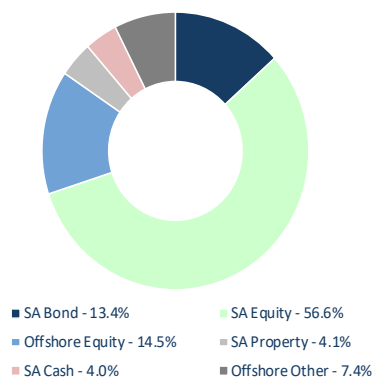
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 31 MAY 2018

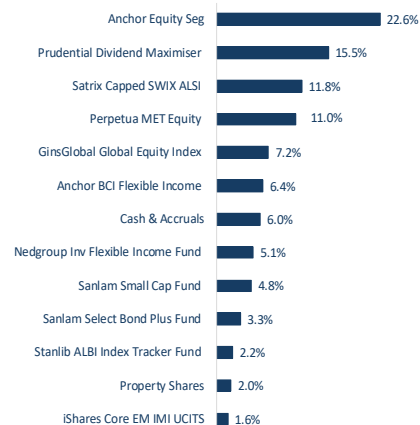


Annualised return is the weighted average compound growth rate over the period measured

ASSET ALLOCATION AT 31 MAY 2018



HOLDINGS AT 31 MAY 2018



MARKET COMMENTARY AT 31 MAY 2018

Asset class returns

Most asset classes depreciated in value during a difficult month, where tariff negotiations and European political instability caused investors to be wary. Consequently, the equity market declined by 3.5% whilst the listed property market fell 5.9%. Bonds lost 2.0%, whilst the rand weakened by 1.5%. Cash yielded 0.5%.

RISK PROFILE: MODERATE-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 reflects 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	2016	2017	2018
High	3.0%	4.6%	3.4%
Low	-3.5%	-2.5%	-2.8%

Drivers of returns:

The only equity market sector that delivered a positive return was resources which ended the month 4.8% up. This was in stark contrast to the industrial and financial sectors which lost 5.1% and 6.7% MoM, respectively.

Given the large difference in sector returns, it is no surprise that resources companies are mostly the top performers among the Top 40 Index. The top-three were BHP Billiton (+8.6% MoM), Sappi (+4.2% MoM) and Anglo American (+2.1% MoM). The worst-performing shares were local retailer Truworths (-18.0% MoM) as well as Bidvest Group (-17.6% MoM) and Imperial (-15.1% MoM).

FUND NAME

Anchor BCI Diversified Growth Fund

ISIN NUMBER

ZAE000210621

INCEPTION DATE

1st February 2016

BENCHMARK

ASISA SA Multi Asset High Equity Category Average

MINIMUM INVESTMENTS

R25,000 lump sum
 R1,000 monthly debit order

FUND CLASSIFICATION

SA Multi Asset High Equity

PORTFOLIO VALUE

R285.98mn

UNIT PRICE

R106.01

DISTRIBUTIONS

Semi-annual Declaration Date:
 28 Feb/31 Aug

2016 Distribution (cpu): Feb 1.34; Aug 0.38

2017 Distribution (cpu): Feb 0.79; Aug 0.95

2018 Distribution (cpu): Feb 1.12

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	1.44%
Performance fee	None

TER and Transaction Cost (incl. VAT)	
Basic	Mar 18: 1.87% (PY): 2.01%
Portfolio Transaction Cost	Mar 18: 0.39% (PY): 0.35%
Total Investment Charge	Mar 18: 2.26% (PY): 2.36%

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 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 the 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 form 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.

FUND MANAGER COMMENTARY

The Anchor Diversified BCI Growth Fund declined by 2.1% in May and performed approximately in line with the category average which ended the month down 2.0%.

The FTSE/JSE All Share Index depreciated by 3.5% and all of the underlying equity funds ended the month in negative territory. Prudential Dividend Maximiser, the Anchor Equity Segregated Mandate, Perpetua Equity and the Sanlam Small Cap Fund shed 2.3%, 2.9%, 3.5% and 4.0% MoM, respectively. The Satrix Capped Swix All Share Index slipped by 5.4% during the month.

Most global markets were on the back foot in May as Italy's referendum and US tariff concerns weighed on sentiment. The iShares Core MSCI Emerging ETF lost 4.0% (in US dollar terms), while the GinsGlobal Global Equity fund advanced by 0.5% (in US dollars). The weakening in the rand (-1.5%) improved the performance of the offshore funds and the iShares Core MSCI Emerging ETF ended the month down 2.6%, while the GinsGlobal Global Equity advanced by 2.0% (in rand terms).

Bond funds continued to struggle in May on the back of a weakening rand. The All Bond Index depreciated by 2.0%, whilst the STANLIB ALBI Bond Index Tracker and the Sanlam Select Bond Plus fund lost 2.0% and 1.9% MoM, respectively.

Both the Anchor BCI and Nedgroup Investments Flexible Income Fund ended the month in positive territory, advancing by 0.1% and 0.3% MoM, respectively.

FUND MANAGER



David Bacher has a B Com, PDM and is a CFA charter holder. He has extensive experience in the financial markets, having worked at Caveo Fund Solutions as a founding director and at Investment Solutions as a member of the investment team. David is CIO of the fund of hedge fund business at Corion.



Simon du Plooy has a MSc Financial Mathematics degree. He spent five years in the banking industry, at Absa and RMB, where he conducted risk analysis for trading desks and hedge funds. He joined Corion in 2009 as part of the investment team and in 2013 took on the role as Portfolio Manager.

INFORMATION AND DISCLOSURES

Investment Manager

Anchor Capital (Pty) Ltd is an authorised Financial Services Provider FSP 39834. Outsourced to Anchor Multi Management FSP 46549

- 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 portfolio quarterly investment holdings reports

Management Company Information

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Custodian/Trustee Information

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