

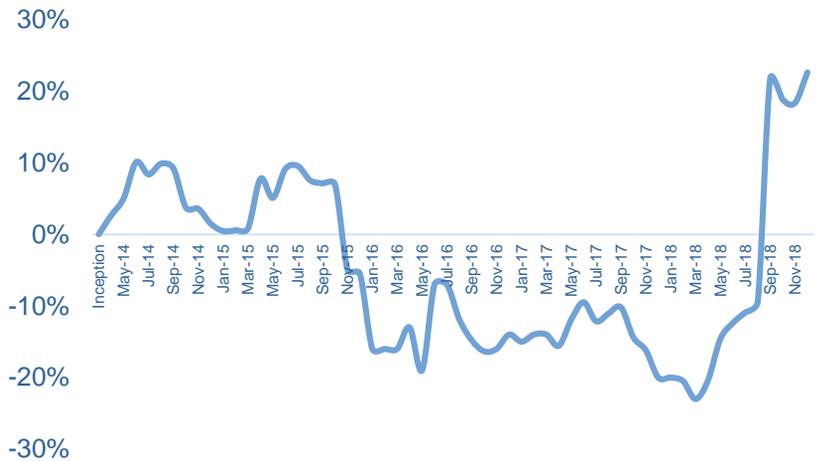
PROFILE AND OBJECTIVE

This fund invests in the JSE and OTC-listed BEE schemes. These instruments are typically geared and trade at discounts to their intrinsic value. At present, they can only be traded by qualifying investors (51% black-owned). As debt gets paid down and the discount narrows as they become freely traded (2016-2018), there should be an appreciable rise in the share prices, assuming increases in the underlying shares.

STRUCTURE

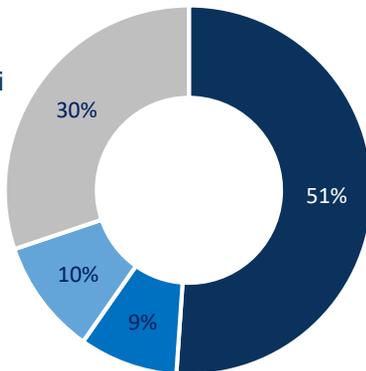
Black investors can invest in Shumba (Pty) Ltd, which owns 51% of the underlying investment company. Shumba shareholders are rebated 75% of performance fees of the total investment. White investors can invest in Ngala (Pty) Ltd, which owns 49% of the underlying investment company.

FUND PERFORMANCE SINCE INCEPTION



ASSET ALLOCATION AT 31 DECEMBER 2018

- Phuthuma Nathi
- Assupol
- EduGro
- Cash



SHARE PRICES AS AT 31 DECEMBER 2018

	R
Shumba	12 261
Ngala	12 301

** After providing for capital gains tax on profit generated*

FUND MANAGER COMMENTARY AT 31 DECEMBER 2018

The BEE investment scheme ended the month up 3.6%.

Phuthuma Nathi ([PN], an effective interest in MultiChoice SA), the largest holding in the portfolio, ended the month lower after a very strong September. The news surrounding parent company Naspers' desire to list MultiChoice Group early next year and give Phuthuma Nathi shareholders an additional 5% shareholding in the enlarged Group sent the shares up nearly 100% in September, a nice development for the portfolio. Following the strong performance in September we suspect there was an element of profit taking in Phuthuma Nathi, with the shares retreating slightly.

During April 2017, we provided investors with an opportunity to use the existing cash to repurchase shares. These specific share repurchases commenced in January and we anticipate the portfolio weighting to materially differ as at the end of March, with a significantly higher weighting in PN.

Please contact your portfolio manager or the Anchor Capital sales team should you require additional information regarding your investment.

FACTS AND FIGURES

FUND MANAGERS

Anchor and Cartesian Capital



INCEPTION DATE

April 2014

MINIMUM INVESTMENTS

R1,000,000

FEE

1.00% p.a. (excl. VAT)

PERFORMANCE FEE

15% above 15% per annum, with a high watermark; 75% paid back to Shumba investors.

PORTFOLIO VALUE

R48mn