

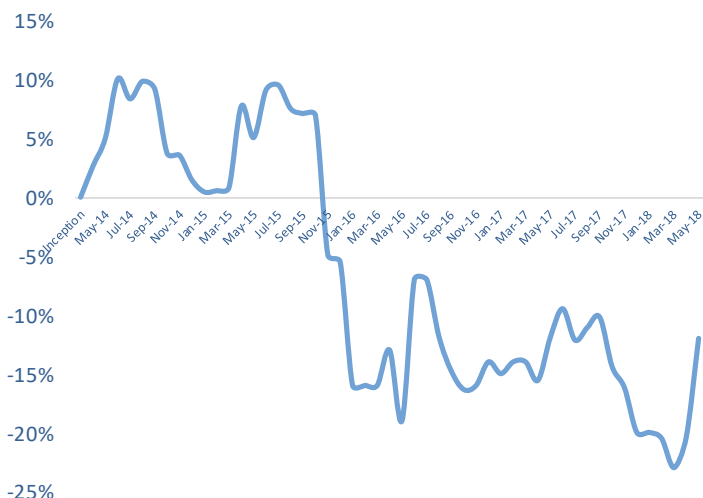
PROFILE AND OBJECTIVE

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.

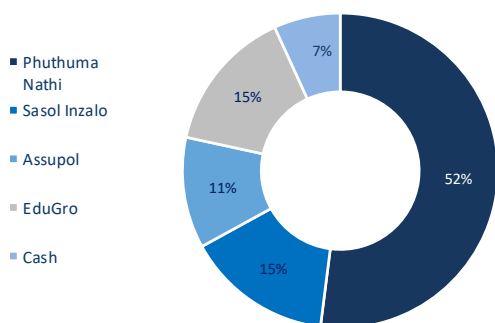
STRUCTURE

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 MAY 2018



SHARE PRICES AS AT 31 MAY 2018

	R
Shumba	8 542
Ngala	8 571

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

FUND MANAGER COMMENTARY AT 31 MAY 2018

The BEE investment scheme ended the month up 7%.

Phuthuma Nathi ([PN], an effective interest in MultiChoice SA), the largest holding in the portfolio ended the month higher as sentiment on PN found a bottom and reversed. We continue to see compelling value in the share which, at present, is trading at north of a 18% dividend yield. The return profile of the MultiChoice SA assets are relatively stable, and rand strength, prior to the recall of the Finance Minister and his deputy, should act as a welcome boost in the next set of results, with most of the content costs being priced in US dollar and revenue earned in rand.

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