

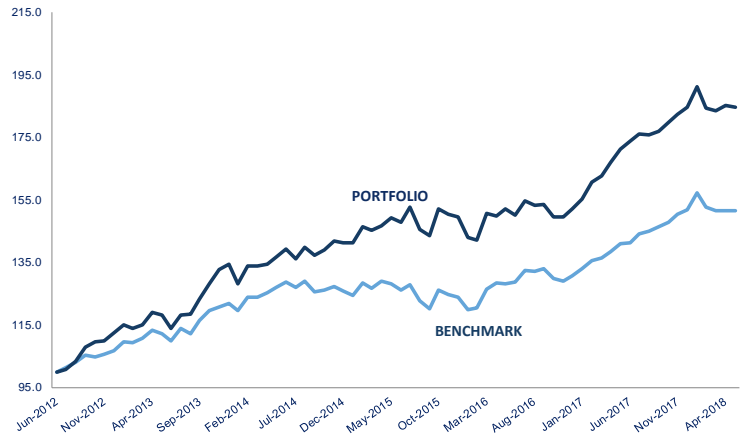
PROFILE AND OBJECTIVE

The objective of this portfolio is to create a balanced offshore investment mix, with a combination of equities, government bonds, corporate bonds, property and cash. The equity portion will range between 50% to 75%, depending on the view of markets. The yield component aims to achieve 2%-4%, while adding some defensiveness to the portfolio mix. The benchmark is 60% MSCI World Index and 40% Bloomberg Barclays Global Aggregate Bond Index.

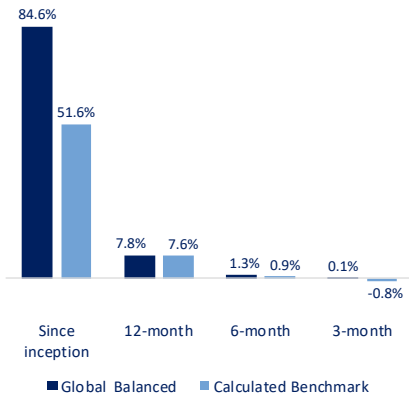
SUITABLE FOR

This is an attractive alternative for individuals who wish to invest conservatively in offshore markets, while taking some equity risk. This should be viewed as a long-term investment, with the equity component biased towards high-quality counters.

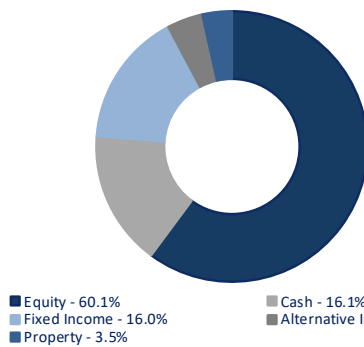
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



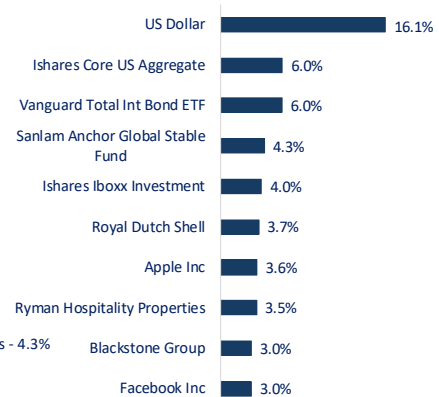
PERFORMANCE AT 31 MAY 2018



ASSET ALLOCATION AT 31 MAY 2018



TOP HOLDINGS AT 31 MAY 2018



FUND MANAGER COMMENTARY AT 31 MAY 2018

May picked up where April left off – US interest rates continued to grind higher, with US 2-year bond yields touching levels last seen before the collapse of Lehman Brothers in 2008.

The remaining 40% of S&P 500 companies, which hadn't reported earnings in April, reported in early May, keeping aggregate earnings growth above 20% YoY as a weak US dollar and lower taxes super-charged solid underlying earnings growth.

Towards the end of the month, political turmoil, which had been simmering beneath the surface since the Italian elections in March, boiled over disrupting global markets and thrusting the unity of the European Union into the spotlight again.

Against this backdrop, the Anchor Capital Global Balanced Model Portfolio returned -0.4%, dragged lower by the holding in Pandora A/S. Pandora's share price fell after the company reported lower-than-expected 1Q18 profit and flagged a slowdown in China sales. Overall, Pandora reported that sales rose 6% YoY to DKK5.2bn (DKK1: \$0.16), while 1Q18 EBITDA came in at DKK1.67bn – below the DKK1.75bn consensus estimate. The turmoil in Italy also spread across to European financials, detracting from performance.

On the positive side, US tech shares rallied hard with Apple (+13.5% MoM), Facebook (+11.5% MoM) and Alphabet (+8.0% MoM) the big contributors. The Apple rally started with the company reporting better-than-expected results at the beginning of the month, with both revenue and earnings exceeding consensus estimates.

FACTS AND FIGURES

PORTFOLIO MANAGER

PETER LITTLE



Peter Little has a B Com degree and is a CFA charter holder. He has worked in the financial services industry for more than 20 years, on both the buy and sell side, in London for the first 8 years and New York for the next 8 years before moving to Anchor Capital in 2013. He has worked for a number of global investment banks, including JP Morgan, RBS and Barclays Capital. Most recently Peter was at Credit Suisse Asset Management in New York where he was head of portfolio management for the systematic hedge funds.

INCEPTION DATE

June 2012

BENCHMARK

60% MSCI World Index,
40% Bloomberg Barclays Global Aggregate Bond Index

MINIMUM INVESTMENT

\$150,000

FEE

1.25% p.a. (excl. VAT)

This portfolio can be managed as a segregated portfolio in or out of an offshore endowment.

(*) DISCLAIMER:

The returns quoted on this model portfolio are indicative and calculated gross of all fees, brokerage and costs. Consequently, individual client portfolio returns may differ to the returns quoted due to this factor and portfolio manager discretion around weightings of shares.

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