

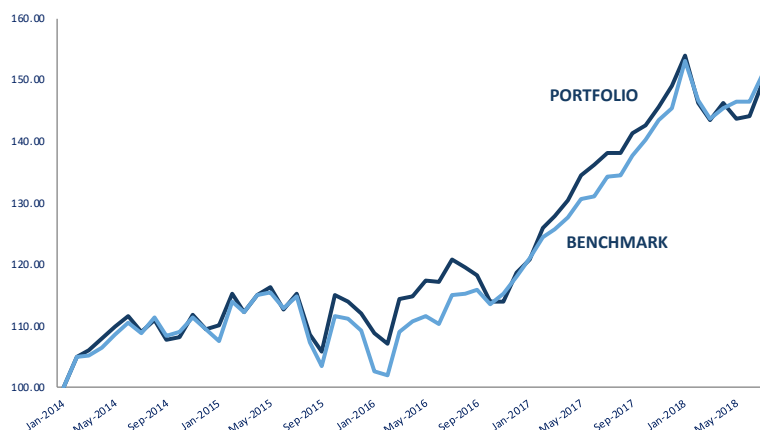
PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth together with attractive yield, through active stock selection within global equity markets. The focus is on quality, durable companies with a strong, global competitive advantage and long-term growth potential. The portfolio might, from time to time, take exchange traded fund (ETF) positions in high-conviction thematic ideas.

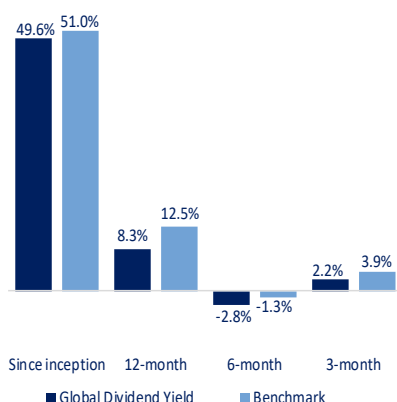
SUITABLE FOR

The portfolio is suitable for investors seeking exposure to the global equity market with maximum capital appreciation and an attractive yield as their primary goal over the long term. Investors should have a tolerance for short-term market volatility in order to achieve long-term objectives.

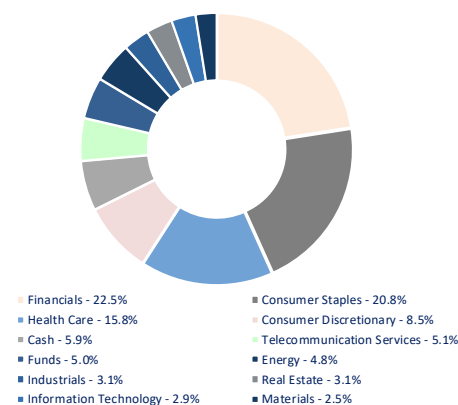
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



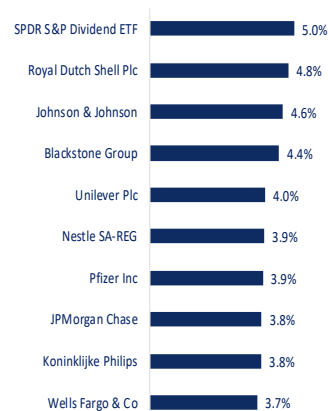
PERFORMANCE AT 31 JUL 2018



SECTOR ALLOCATION AT 31 JUL 2018



TOP HOLDINGS AT 31 JUL 2018



PORTFOLIO COMMENTARY AT 31 JUL 2018

In July, markets returned their focus to corporate earnings, which were a welcome distraction from geopolitics. 60% of S&P 500 companies reported 2Q18 earnings during July and the earnings for these companies were up about 25% in aggregate – roughly 5% ahead of expectations. While most corporates are still seeing their earnings boosted by lower tax rates and a US dollar which is slightly weaker than for the same period last year, tech companies were the ones that showed the best earnings growth relative to 1Q18.

Strong earnings were enough to see the S&P 500 Index deliver its best return since January but, amongst the individual companies, strong earnings growth wasn't necessarily a guarantee of good share price performance. Facebook delivered quarterly earnings growth of 31% YoY (almost 5% better than expectations) but shocked the market by guiding to operating margins that would gradually shrink towards 30% from the current level (44%). The share duly had almost \$120bn wiped from its market value as the counter plummeted 18% - comfortably the biggest loss

of market value by any company in a single day. Although the Anchor Global Dividend Yield Model Portfolio did not have exposure to Facebook, the extent of the loss and the swift price movement continues to highlight the volatility in some high-expectation companies.

The Anchor Global Dividend Yield Model Portfolio returned 3.9% for the month compared to the benchmark MSCI World Index return of 3.2%. The outperformance is attributed to holdings in consumer and financial sectors.

US Financials were the main contributors to this performance with JP Morgan (+10.9% MoM) and Blackstone Group (+10.3% MoM) the top performers. Pfizer (+10.0% MoM) rounded out the top 3. The Walt Disney Co, Johnson & Johnson and British American Tobacco also contributed to returns. Royal Dutch Shell (-2.2%), Aviva (-1.5%) and Rio Tinto (-0.85) were the only detractors.

Subsequent to month-end we have exited our position in Pandora A/S as we believe the fundamentals of the company have changed.

PORTFOLIO MANAGEMENT

Anchor Private Clients (APC) runs a robust investment process, in consultation with Anchor Asset Management. The product of this process is segregated mandates, of which the Global Dividend Yield mandate is one. The APC investment process takes inputs from Anchor Asset Management and overlays metrics appropriate for private client portfolio management.

FACTS AND FIGURES

INCEPTION DATE

January 2014

BENCHMARK

MSCI World

MINIMUM INVESTMENT

\$150,000

FEE

1.25% p.a. (excl. VAT)

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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