

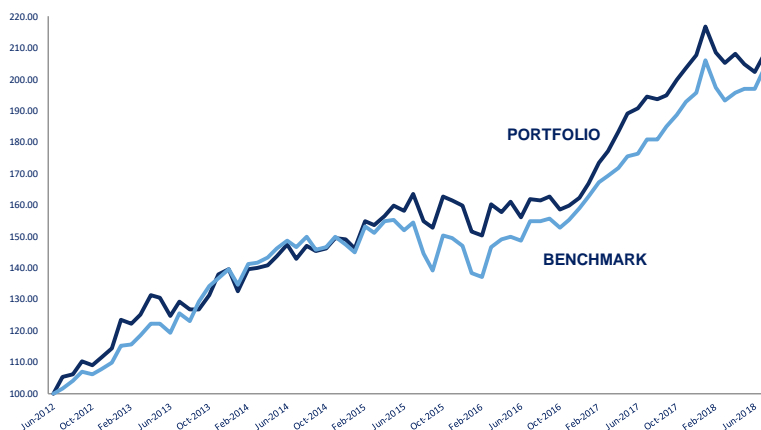
PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth through active stock selection within the global developed equity market. The focus is on quality companies with strong global franchises and long-term growth potential. Emerging market (EM) exposure will generally be taken through the companies themselves. The portfolio might, from time to time, take exchange traded fund (ETF) positions in high-conviction thematic ideas.

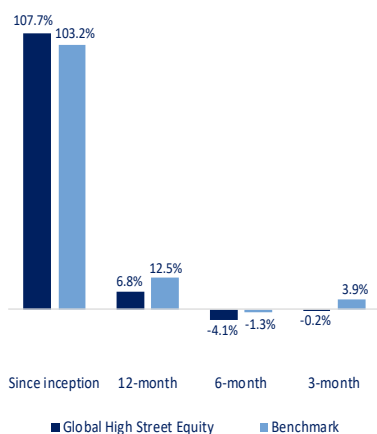
SUITABLE FOR

The portfolio is suitable for investors seeking exposure to the global equity market with maximum capital appreciation 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.

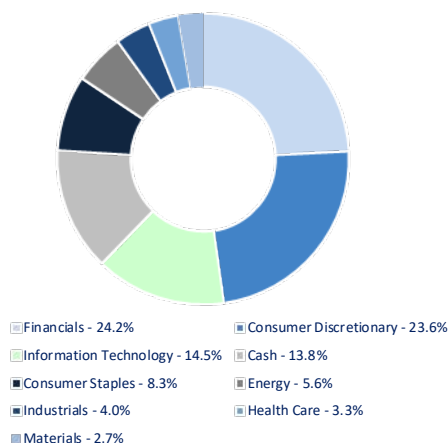
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



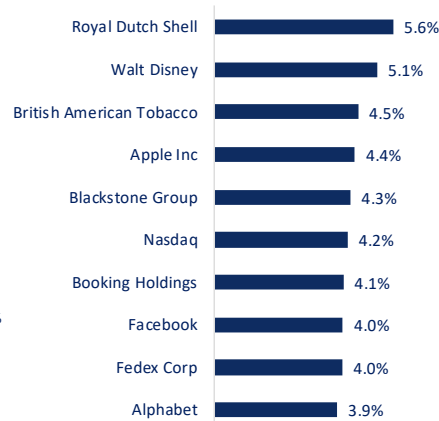
PERFORMANCE AT 31 JUL 2018



SECTOR ALLOCATION AT 31 JUL 2018



TOP HOLDINGS AT 31 JUL 2018



PORTFOLIO COMMENTARY AT 31 July 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 earnings for those companies were up about 25% in aggregate – roughly 5% ahead of expectations. While most corporates are still seeing 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.

The Anchor Global High Street Model Portfolio returned 2.6% for the month compared to the benchmark MSCI World Index return of 3.2%. The underperformance can be attributed to the holding in Facebook which detracted 0.5% from the total performance for the month. We still believe in the fundamental position of the company and we continue to hold the position.

US financials were the key contributors to performance with JP Morgan (+10.9%) and Blackstone Group (+10.3%) the top performers. ICICI Bank (+10.0%) rounded out the top 3. The Walt Disney Co., Johnson & Johnson and British American Tobacco also contributed to returns. As previously mentioned, Facebook was the biggest detractor (-11.2% MoM) followed by Pandora A/S (-6.6% MoM). We have subsequently exited our position in Pandora A/S as we believe the fundamentals of the company have changed and no longer presents an opportunity.

The portfolio is attractively valued on a forward PE of 15.2x, forward yield of 2.7% and a return on equity of 22.3%.

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 High Street Equity 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

July 2012

BENCHMARK

MSCI World

MINIMUM INVESTMENTS

\$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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