

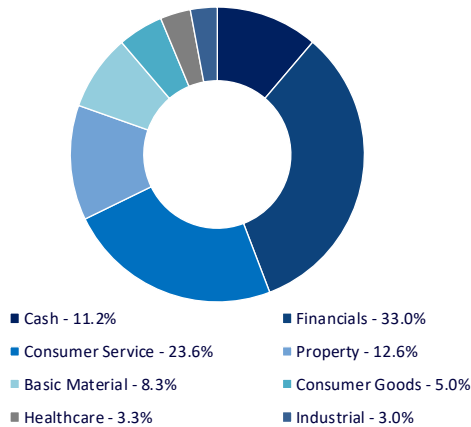
## PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth through active stock selection within the South African equity market. A minimum of 75% of the portfolio's assets will be invested in domestic equities at all times. The portfolio is differentiated by being prepared to invest in "off the radar screen" shares and taking high-conviction positions when a potential winner is identified.

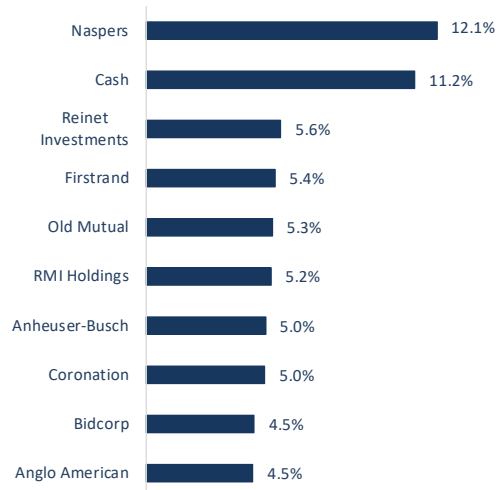
## SUITABLE FOR

This portfolio is suitable for high net-worth private clients that seek above-average growth in capital invested. Investors accept that the portfolio may underperform the market in the short term in pursuit of superior long-term gains. The risk associated with this portfolio will be the same as the risk associated with SA equities. Volatility of capital can occur over the short term. The portfolio can invest in less liquid counters and is not limited to any sectors of the JSE.

## ASSET & SECTOR ALLOCATION AT 31 JUL 2018



## TOP HOLDINGS AT 31 JUL 2018



## MARKET COMMENTARY AT 31 JUL 2018

Concerns around a possible global trade war continued in July with tension between the US and China remaining strained as the two countries' tit-for-tat trade spat weighed heavily on emerging markets (EMs), including South Africa (SA). The local bourse ended July slightly negative with the FTSE JSE All Share Index (J203) closing 0.3% lower MoM (down 3.5% YTD) as major gold miners, mining houses and Naspers (with its c. 20% weighting) especially came under pressure. Naspers' c. 31% held Hong Kong-listed associate, Tencent, fell more than 9% MoM (and c. 25% from a January peak according to *Business Day*) on the back of pressure from a global tech-stocks rout as investors price in lower expectations for the company's results (due mid-August).

Against this backdrop, it was unsurprising that all of the positive contributors in the portfolio for the month were SA Inc. counters given the strong geographic rotation in the second half of the month from developed markets (DMs) to EMs, a welcome change from what we've experienced so far in 2018. This lifted the portfolio to a marginal (+0.2%) positive gain for the month – to put this in context, the Capped SWIX was up c. 1% but the All Share Index was down 0.3% due almost entirely to the 6.2% drop in the Naspers share price. Unsurprisingly, Naspers was also by far the portfolio's biggest detractor in terms of performance for July.

## 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 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 2013

### BENCHMARK

FTSE/JSE Capped SWIX J433T Index

### MINIMUM INVESTMENT

R1 000 000

### FEE

1.25% p.a. (excl. VAT)

This portfolio can be structured in a segregated portfolio or housed in a structured equity note. The latter negates dividend withholding tax and a capital guarantee can be provided. The fund may use gearing from time to time.

### DISCLAIMER

Individual client returns may differ due to timing, tax implications, client preferences, portfolio manager discretion and whether we receive cash or shares to seed investments.