

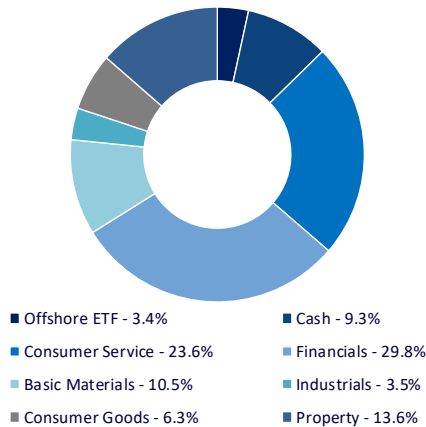
PROFILE AND OBJECTIVE

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.

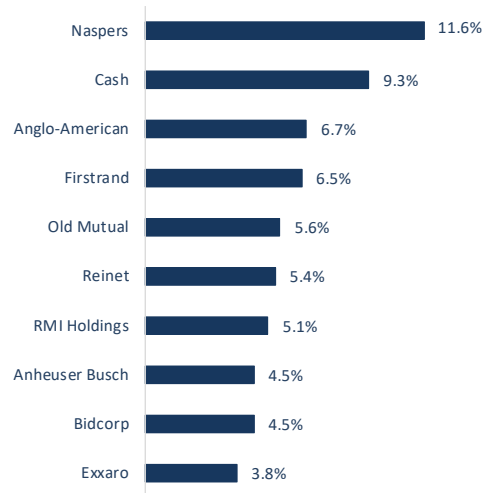
SUITABLE FOR

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 MAY 2018



TOP HOLDINGS AT 31 MAY 2018



MARKET COMMENTARY AT 31 MAY 2018

After April's positive performance, most global markets were again on the back foot in May as a crisis in Italy (the eurozone's third-largest economy) threw markets in turmoil in the last week of the month. Fears of fresh elections, which could become a referendum on Italy's future in the European Union (EU), emerged as the country's populist parties failed to form a coalition government following a dispute with the head of state. Trade concerns also continued to weigh on sentiment especially after US President Donald Trump slapped tariffs on steel and aluminium imports from the EU, Canada and Mexico.

The uncertain macroeconomic backdrop meant that global investors adopted somewhat of a risk-off approach as money flowed back into safe-haven assets like US treasuries.

Unfortunately, emerging markets bore the brunt of this and the South African equity and bond markets were no exception. The latter experienced its worst month of selling on record as foreigners withdrew around R40bn from the market. Although not to the same extent, the JSE was also caught up in the selloff and the All Share Index ended the month 3.6% down and is now down 5.6% YTD. Financial counters felt the most pressure with the FINI-15 dropping 6.9% MoM (-7.1% YTD), while Industrials closed 5.1% lower MoM (-8.9% YTD). A turnaround in some commodity prices saw the Resi-10 ending May 4.5% in the green (the index is now up an impressive 9.1% YTD).

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.