

## ANCHOR PROPERTY LONG SHORT SNN QI HEDGE FUND

Minimum Disclosure Document (MDD)

April 2018

### FUND PROFILE

The fund is suitable for investors with a medium term investment horizon seeking exposure to primarily local property assets.

### FUND OBJECTIVE

The investment goal of the Anchor Property Long Short SNN QI Hedge Fund (the "Fund") is to benefit from the potential out-performance of property in excess of the long term cost of borrowing as measured by South African interest rates (12m JIBAR) plus 100bps. The Fund buys and sells South African listed and unlisted property shares and may sell South African Government bonds short. The short sale acts as a financing mechanism and/or protection against potential interest rate increases.

### FUND PERFORMANCE

Annualised Returns	April '18	3 month	6 month	12 month	Since Inception (Annualised)	Highest	Lowest
Anchor Property Long Short SNN QI Hedge Fund	3.70%	3.58%	-1.65%	6.98%	11.85%	8.78%	-6.31%
Benchmark (JIBAR + 100bps)	0.72%	2.16%	4.52%	9.33%	8.93%		

Source of Data: Bloomberg Date: 30/04/2018

The performance figure given show the yield on a Net Asset value ("NAV") basis. The yield figure is not a forecast. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax. The annualized total return is the average return earned by an investment each year over a given time period. Actual annual figures are available from the manager on request. The highest and lowest 1 year returns represent the highest and lowest actual returns achieved during any single calendar year since the original launch date of the fund. The annualised performance figures prior to 1 August 2016 include returns earned prior to the fund being regulated under CISCA.

### MANAGER COMMENTARY

With the Rand weakening from 11.80/US\$ to 12.50/US\$ it would be expected that the offshore focused property companies would reap some benefit. This was the case but the large return of 7.7% enjoyed by the JSAPY was driven to an even greater degree by a sharp recovery in the "Resilient stable."

Fortress B +46%

Resilient+36%

Greenbay+35%

Nepi Rockcastle +20%

After the carnage of the 1st quarter perhaps to some extent this could have been expected, but there is still an unclear road to certainty and an unlikely one to the ratings enjoyed by these companies over the last few years which allowed easy access to equity capital. For these reasons we maintain a very low exposure to the most volatile and currently controversial stocks in the market, although a position was taken in Fortress B which we believe offers value based on its portfolio positioning towards the in vogue industrial and logistic segment.

The fund benefitted from a position in Hammerson, which withdrew it's bid for Intu after shareholder pushback and returned to R90's, a level last seen when Klepierre showed interest in acquiring it.

For the rest, the only other stock that had a double-digit percentage gain was MAS Real Estate, returning 11%. Index heavyweights Growthpoint and Redefine enjoyed more muted gains of 2.4% and 3.4% respectively, while the resignation of the Rebois CEO caused a negative move in the price which ended the month -5.7%.

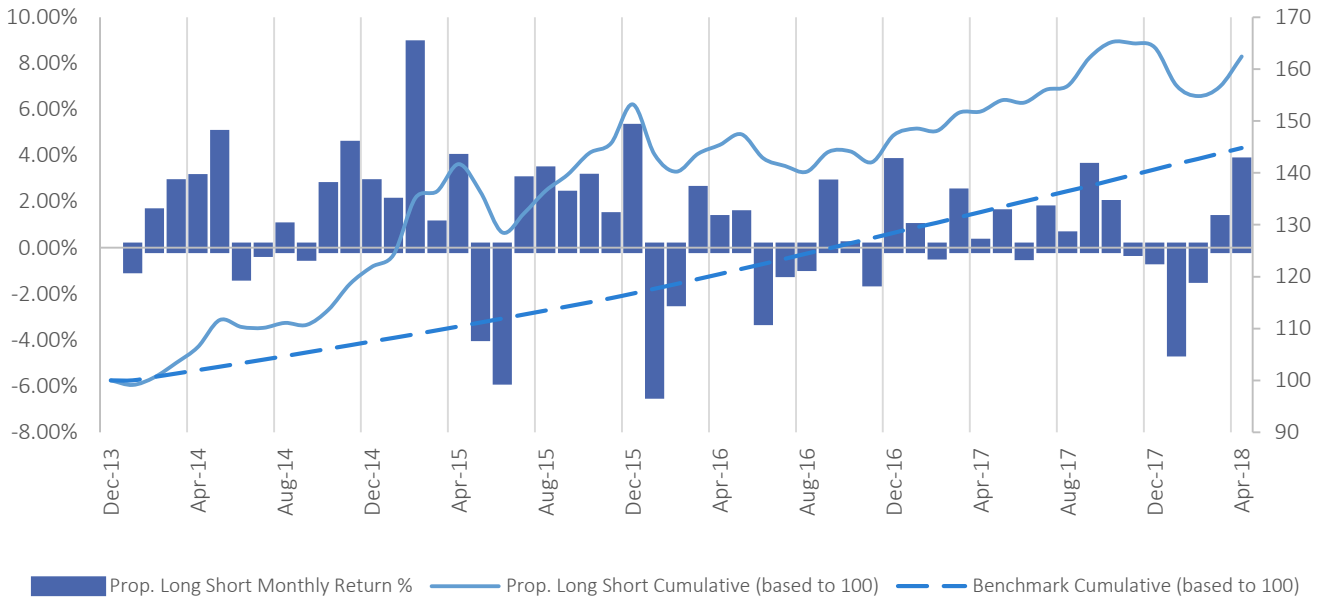
The fund returned +3.7% for the month as it continues to clawback the negative start to the year.

## MONTHLY RETURN PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	-0.88%	1.49%	2.75%	2.97%	4.88%	-1.19%	-0.16%	0.87%	-0.34%	2.62%	4.42%	2.75%	21.89%
2015	1.94%	8.78%	0.96%	3.84%	-3.82%	-5.70%	2.88%	3.30%	2.25%	2.98%	1.32%	5.25%	25.83%
2016	-6.31%	-2.30%	2.46%	1.19%	1.40%	-3.13%	-1.04%	-0.78%	2.73%	0.06%	-1.44%	3.67%	-3.86%
2017	0.85%	-0.29%	2.35%	0.16%	1.44%	-0.31%	1.61%	0.49%	3.44%	1.84%	-0.12%	-0.48%	11.47%
<b>2018</b>	<b>-4.48%</b>	<b>-1.29%</b>	<b>1.19%</b>	<b>3.70%</b>									<b>-1.06%</b>

Performance stated net of management and performance fees.

## INVESTMENT PERFORMANCE



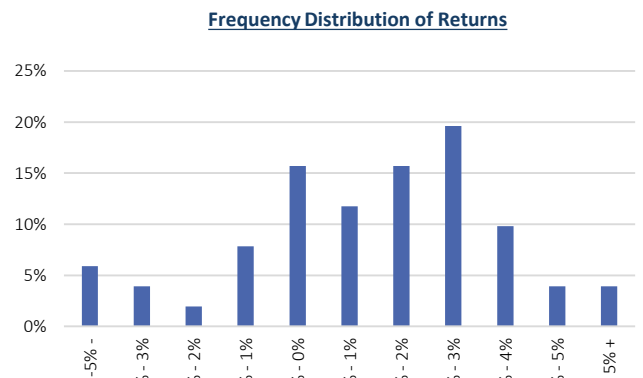
Source of Data: Bloomberg Date: 30/04/2018

Note: the investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing into account for the amount shown; and income is reinvested on the reinvestment date.

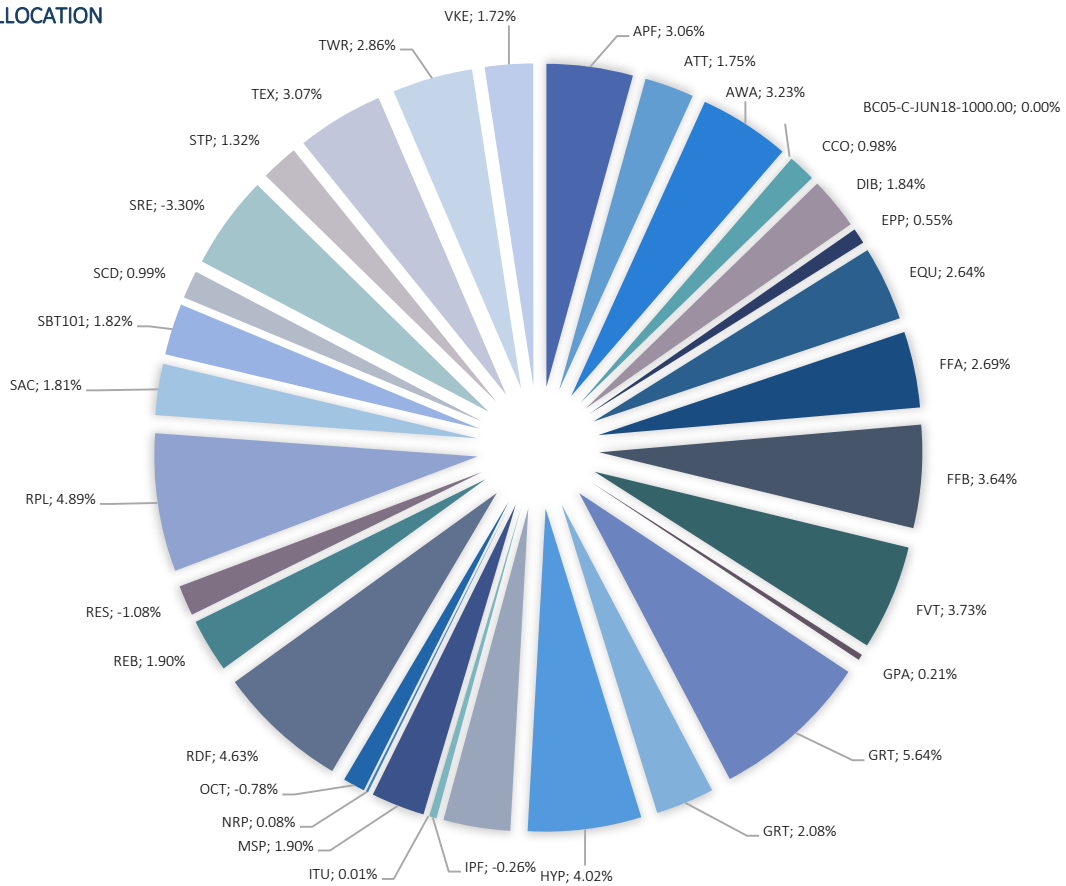
## STATISTICS

	End April 2018
<b>Net Exposure</b>	62.04%
<b>Gross Exposure</b>	72.36%
<b>Cash + Net Exposure</b>	144.66%
<b>% of Positive Months</b>	65%
<b>% of Negative Months</b>	35%
<b>Sharpe Ratio (since inception)</b>	0.49
<b>Annualised Daily Volatility (historic)</b>	13.41%

Source of Data: Bloomberg Date: 30/04/2018



## ASSET ALLOCATION



## RISK AND REWARD PROFILE



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the portfolio. The risk category shown is not guaranteed and may change over time. The lowest category does not mean the investment is risk free. There may be other special areas of risk relating to the investment including: liquidity risk, credit risk, market risk, and settlement risk. The Manager does not provide financial advice. Our risk indicator does not imply that the portfolio is suitable for all types of investors. Please consult your financial adviser.

## PORTFOLIO DETAILS

<b>INVESTMENT MANAGER</b> Anchor Capital (Pty) Ltd	<b>ANNUAL MANAGEMENT FEE</b> 1.0% (one percent)	<b>BENCHMARK</b> 12-month JIBAR + 100bps
<b>PORTFOLIO MANAGER</b> Glen Baker	<b>PERFORMANCE FEE</b> 20% over hurdle rate (benchmark) High watermark applies	<b>INCOME DISTRIBUTION (CPU)</b> Quarterly Mar 2017: 1 307.48 cpu Jun 2017: 815.46 cpu Sep 2017: 1 255.16 cpu Dec 2017: 1 833.12 cpu
<b>PORTFOLIO CATEGORY</b> Property Specialist Hedge Fund (ZAR)	<b>INITIAL FEE</b> 0%	<b>PORTFOLIO VALUATION</b> Monthly
<b>LAUNCH DATE</b> 29 January 2014 (Inception date) 1 August 2016 (CISCA transition date)	<b>TOTAL EXPENSE RATIO (incl. VAT)*</b> Total Expense Ratio (TER): 1.66% Transaction Costs (TC): 0.50% Total Investment Charge (TIC): 2.16%	<b>TRANSACTION CUT-OFF</b> Last day of the month prior, for investment on the 1st day of the next month
<b>PORTFOLIO SIZE</b> R56m		

\* A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the financial product and impacts financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. The TER is reported excluding performance fees for the first 12 months of the portfolio. The Manager has applied its mind hereto and is of the view that any reporting of TER with performance fee at this stage maybe inaccurate and potentially misleading to investors. The TER and Transaction cost is calculated since inception (annualised) for the period ending 30 June 2017.

## CONTACT INFORMATION

### MANAGEMENT COMPANY

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Directors: J F Louw, I Burke, L Fourie, G Rate, H J Pienaar (Non- Executive)

### INVESTMENT MANAGER

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### TRUSTEE

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Collective Investment Schemes are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the manager, as well as a detailed description of how performance fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio. Excessive withdrawals from the fund may place the fund under liquidity pressure and in such circumstances, a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. Portfolios may be closed. Prices are published daily on our website and local media. Additional information, including Key Investor Information Documents, Minimum Disclosure Document, as well as other information relating to the portfolio is available, free of charge, on request from the manager.

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The manager is registered and approved by the Financial Services Board under the Collective Investment Schemes Control Act 45 of 2002. The manager retains full legal responsibility for the portfolio. Anchor Capital (Pty) Ltd (FSP No. 39834) is authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services. FirstRand Bank Limited, acting through its Rand Merchant Bank Trustee and Custody Division, is the appointed trustee and can be contacted on 087 736 1732.

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