

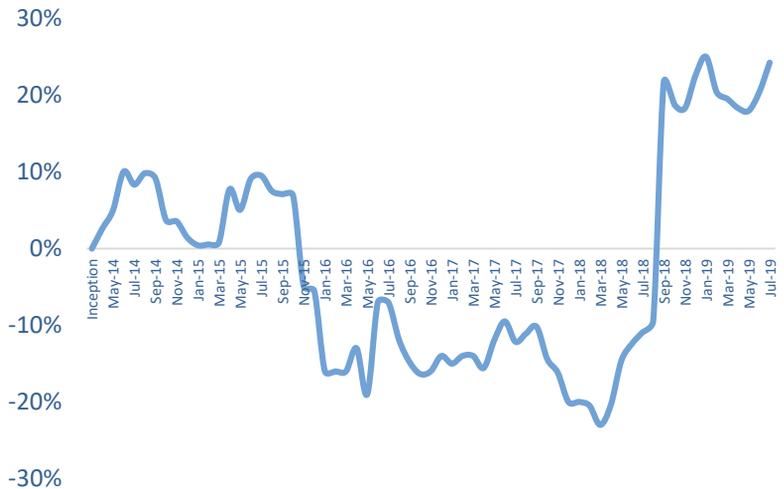
PROFILE AND OBJECTIVE

This fund invests in the JSE and OTC-listed BEE schemes. These instruments are typically geared and trade at discounts to their intrinsic value. At present, they can only be traded by qualifying investors (51% black-owned). As debt gets paid down and the discount narrows as they become freely traded (2016-2018), there should be an appreciable rise in the share prices, assuming increases in the underlying shares.

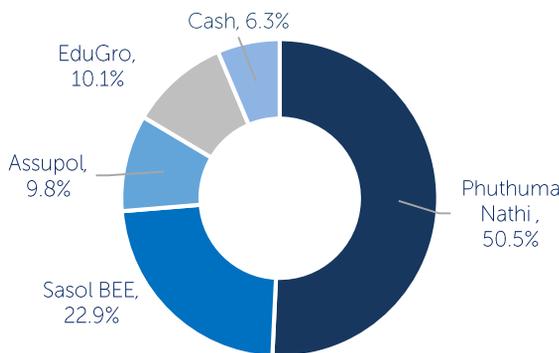
STRUCTURE

Black investors can invest in Shumba (Pty) Ltd, which owns 51% of the underlying investment company. Shumba shareholders are rebated 75% of performance fees of the total investment. White investors can invest in Ngala (Pty) Ltd, which owns 49% of the underlying investment company.

FUND PERFORMANCE SINCE INCEPTION



ASSET ALLOCATION AT 30 JUNE 2019



SHARE PRICES AS AT 31 JULY 2019

	R
Shumba	12 429
Ngala	12 465

** After providing for capital gains tax on profit generated*

FUND MANAGER COMMENTARY AT 31 JULY 2019

The BEE investment scheme ended the month 24% higher.

The much-anticipated unbundling of the Multichoice Group from holding company Naspers took place on the 26 February 2019. As a reminder, Phuthuma Nathi (PN) owns 25% of Multichoice South Africa, with Multichoice gifting PN shareholders an additional 5% of Multichoice South Africa in the process of unbundling. This effectively increased the value of PN by 25% (5%/20%) on the day the announcement was made. The Multichoice South Africa business remains highly profitable but mature, with the majority of cash flows generated being invested in other areas of the Multichoice Group (mostly the ex South Africa operations). This gives us comfort that the dividend due to PN shareholders will be maintained despite the maiden dividend to the Multichoice Group being delayed until the end of 2020.

Multichoice South Africa is a business that generates R31bn in revenue and has entrenched itself in most middle-income households through the core pay-TV brand, DSTV. There has been some concern around the threat of competition in the form of streaming services such as Netflix, however, we believe that these threats are more than captured in the value of PN, which we estimate is trading at a dividend yield of 15%.

Outside of PN, we are currently evaluating a new BEE investment opportunity with a blue-chip, JSE Listed, company. Shareholders will be updated in due course.

Please contact your portfolio manager or the Anchor Capital sales team should you require additional information regarding your investment.

FACTS AND FIGURES

FUND MANAGERS

Anchor and Cartesian Capital



INCEPTION DATE

April 2014

MINIMUM INVESTMENTS

R1,000,000

FEE

1.00% p.a. (excl. VAT)

PERFORMANCE FEE

15% above 15% per annum, with a high watermark; 75% paid back to Shumba investors.

PORTFOLIO VALUE

R78mn