

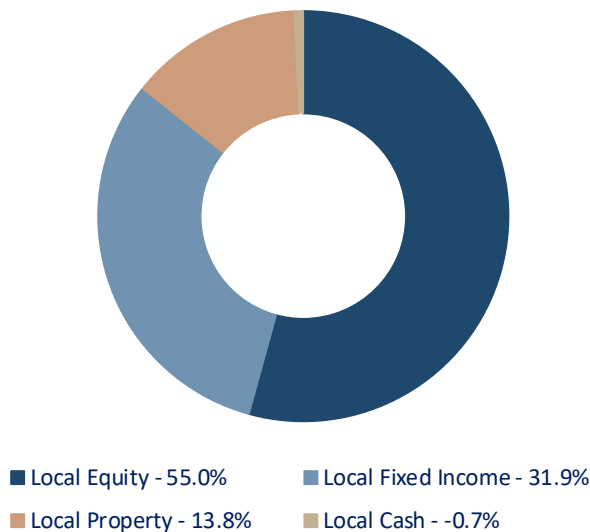
PROFILE AND OBJECTIVE

The portfolio seeks to offer investors an attractive mix of yield and growth. The objective of the fund is to deliver a yield in the region of 7%, growing at 7% p.a. Achieving this would enable the portfolio to reach its objective of CPI +5% on a compound basis over a 3-year rolling period. There will be volatility within the period. The asset mix includes property shares, high-dividend equities and preference shares.

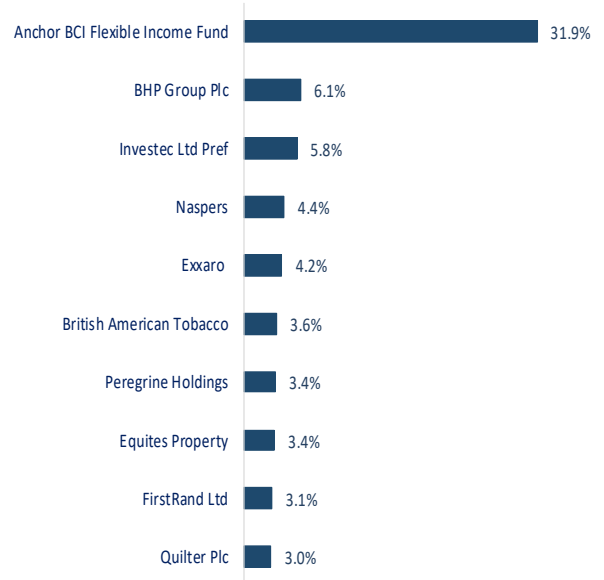
SUITABLE FOR

The portfolio is suitable for investors who wish to earn a higher return than cash, but do not wish to take full equity exposure. This is a long-term investment and volatility should be expected on the way to reaching the long-term goal. The high yield provides some protection against this volatility.

ASSET & SECTOR ALLOCATION AT 31 AUG 2019



TOP HOLDINGS AT 31 AUG 2019



MARKET COMMENTARY AT 31 AUG 2019

The Growing Yield model portfolio declined by 2.5% in August. YTD, the fund is up 1.9%.

South African bonds contributed positively, aided by a plunge in global bond yields as investors flocked to safety in response to an escalation in the trade war between China and the US. Unfortunately, gains in those parts of the portfolio were more than offset by losses in the domestic equity portfolio. The portfolio did well to avoid some of the bombs in the retail sector (e.g. Shoprite, which was down 26% following disappointing results) although the equity picks still lagged the market primarily as a result of not owning any gold companies, which were up c. 30% in aggregate for the month. Domestic property exposure was also a small drag as local property stocks were unable to avoid the sell-off in risk assets.

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

June 2012

BENCHMARK

CPI +5%

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.