

INVESTMENT OBJECTIVE

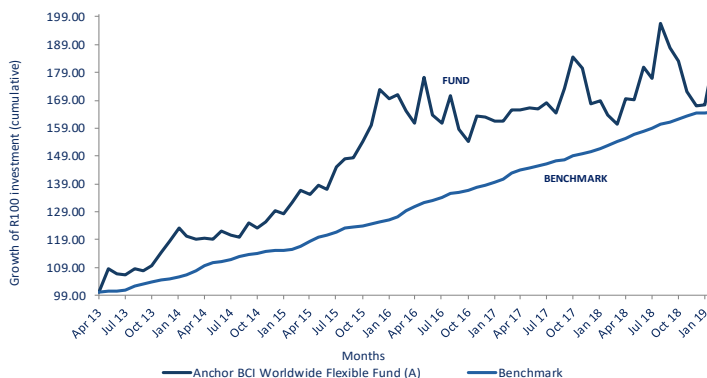
The Anchor BCI Worldwide Flexible Fund aims to provide investors with a moderate to high long-term total return by way of a worldwide flexible portfolio actively investing across different asset classes.

INVESTMENT PHILOSOPHY

The portfolio is a rand-denominated worldwide fund that has the flexibility to invest in equities, bonds, property and cash both globally and in South Africa.

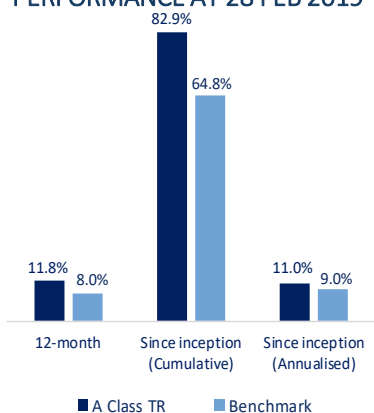
The heart of our philosophy is investing in companies with a durable competitive advantage that are underappreciated by investors and, consequently, trade for less than they are worth. They have enduring qualities and a history of attractive returns on capital. Ideally, they are led by highly talented management teams. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange-rate swap transactions for efficient portfolio management purposes.

CUMULATIVE PERFORMANCE VS. BENCHMARK SINCE INCEPTION



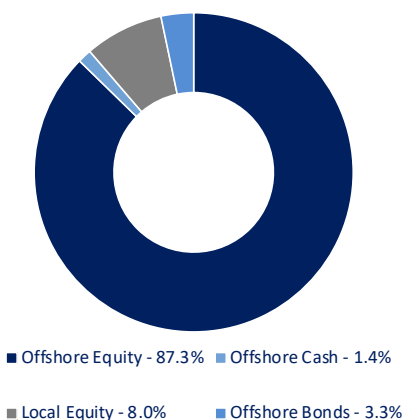
Investment performance is for illustrative purposes only and calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment date.

PERFORMANCE AT 28 FEB 2019

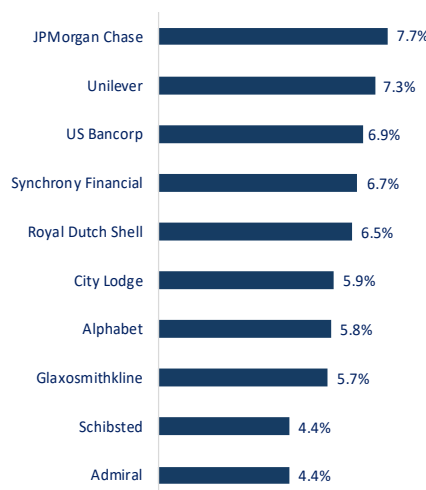


Annualised return is the weighted average compound growth rate over the period measured.

ASSET ALLOCATION AT 28 FEB 2019



TOP HOLDINGS AT 28 FEB 2019



QUARTERLY FUND MANAGER COMMENTARY

During 4Q18, we increased our existing stake in Alphabet (Google) and started a new investment in US investment bank, Goldman Sachs. The decline in technology shares in late 2018 provided an opportunity to increase our stake in Alphabet to 6.0% of the fund by year-end.

Shares in Goldman Sachs, the leading M&A advisor in the US, were also added to the portfolio and represented 2.2% of the fund at year-end.

These investments were partly funded by trimming the large investments in GlaxoSmithKline and Royal Dutch Shell.

The fund's equity content ended the quarter at 93.6%, up from 89.7% at the end of September 2018. Emerging market (EM) equity exposure increased slightly to 11.7% of the fund. Along with the investment in EM bonds, the direct EM exposure rose to 15.3% of the fund as at December 2018.

RISK PROFILE: MEDIUM - HIGH

Low	Mod-Low	Mod	Mod-High	High
			Mod-High	

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be higher than a medium risk portfolio.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium to long term investment horizons.

HIGH / LOW MONTHS BY YEAR

Class A	Since Inception
High	33.3%
Low	-5.6%

FUND NAME

Anchor BCI Worldwide Flexible Fund

ISIN NUMBER

ZAE000175683

INCEPTION DATE

14th May 2013

BENCHMARK

Inflation (SA CPI) + 4% p.a.

MINIMUM INVESTMENTS

Minimum monthly investment: None

Minimum lump sum: None*

Please refer to page two under Subscriptions

FUND CLASSIFICATION

Worldwide Multi Asset Flexible

UNIT PRICE

R135.97

DISTRIBUTIONS

Semi-annually Declaration Date: 28 Feb/31 Aug

2016 Distribution (cpu): Feb 0.77; Aug 0.61

2017 Distribution (cpu): Feb 0.49; Aug 0.43

2018 Distribution (cpu): Feb 0.51; Aug 0.69

2019 Distribution (cpu): Feb 0.85

PORTFOLIO VALUE

R427.64mn

BOUTIQUE
 + COLLECTIVE
 INVESTMENTS

FEES & FAIS DISCLOSURE

Initial fees (BCI) (incl VAT)	0.00%
Advisory Fee (Max) (incl VAT)	0.00%
Ongoing Advisory Fee (Max) (incl VAT)	1.15%

Annual Management Fee (incl VAT)

Class A	1.15%
Performance fee	None

TER and Transaction Cost (incl VAT)

Basic	Dec 18: 1.23% (PY): 1.22%
Portfolio Transaction Cost	Dec 18: 0.02% (PY): 0.06%
Total Investment Charge	Dec 18: 1.25% (PY): 1.28%

A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER. The TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2018, whilst the underlying portfolio's ratio and cost calculations are based upon their most recent published figures, being 31 December 2018.

FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instance portfolios invest in other portfolios which forms part of the BCI Schemes. These investments will be detailed in this document, as applicable.

Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za.

SUBSCRIPTIONS

Valuation time	15h00
Transaction cut-off time	14h00
Payment reference	Initials and Surname

Please send proof of deposit to fax (011) 263 6152 or e-mail instructions@bc-transact.co.za

*Fixed Administration Fee: R10 excluding VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

DISCLAIMER

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Performance figures quoted for the portfolio are from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Should the portfolio invest into another Anchor BCI co-named portfolio, the investing fund will be reimbursed for any net investment management fees incurred by the investment so that there is no additional fee payable to Anchor.

Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.

QUARTERLY MARKET COMMENTARY

After a remarkably soothing and strong performance in 2017, global stock markets were extremely volatile in 2018 with the FTSE All World Index ending the year down 11.3% in US dollar terms. Rising interest rates surely played a big part in this by sucking liquidity out of global markets. But there were other culprits like the volatile Trump administration, the US-China trade spats, and the extreme outperformance of FAANG-like growth shares (Facebook, Amazon, Apple etc.) until they stumbled, on concerns about growth, in late 2018. 'Red October' 2018 was a bad month for shares but December was even worse (in the US), making 2018 a grim year for global stock markets – after many good years, particularly for US markets.

How did the fund perform in 2018? Here are some examples of what went well, and not so well, in 2018.

Of our very large holdings, Glaxo was the strongest performer in 2018, up 13.7% in US dollar terms. Emma Walmsley, the new CEO, is doing a fabulous job at revitalising the company. Alphabet, which is once again a very large holding in the fund after the recent purchases of shares, was flat in 2018. Royal Dutch Shell and Unilever declined modestly after very strong performances in 2017. The large holdings in US banks, JP Morgan and US Bancorp, declined in 2018 by 6.6% and 12.4%, respectively. These remain leading banks with excellent long-term prospects. After a strong performance in 2017, Synchrony Financial performed poorly in 2018 - down 37.8%. We believe that Synchrony will recover solidly once the dispute over the Walmart credit card contract is resolved in early 2019. City Lodge also performed poorly in US dollar terms (down 22.5%), largely because the rand weakened by 15.9% in 2018. Uncertainty around expropriation without compensation (EWC) has clearly delayed the economic recovery in South Africa but we remain confident that City Lodge will be a major beneficiary when the recovery does occur.

Our moderately sized holdings in MasterCard, Schibsted, Admiral and Yum Brands all performed well with positive returns in 2018, while American Express was down slightly. These are all strong companies run by very talented people.

The smaller holdings in General Electric (GE) and JD.com performed poorly in 2018. Although we are very excited that Larry Culp has become the CEO of GE, and is continuing on the path set by his predecessor John Flannery, we erred by increasing our tiny stake in this company too early - in June 2018. The outlook for JD.com, the Chinese ecommerce company, is less clear and we are reviewing this small investment. Rolls-Royce, the iconic British jet engine producer, was flat in 2018. Under the exceptional leadership of Warren East, Rolls-Royce has excellent prospects as its fleet of commercial jet engines continues to expand.

In 2018, the rand reversed the trend of 2016 and 2017 - where it strengthened against the US dollar - by weakening sharply (-15.9% for the year) against the greenback. This boosted the dollar returns achieved by the fund, resulting in a performance for 2018 of -0.3% (in rand terms).

Research shows that some of the best fund managers invest in a limited number of investments, stick with their views over the long term, keep trading activity to a minimum, and do all of this for a relatively modest fee. That is what we aspire to do in this fund.

FUND MANAGER



David Gibb has a BSc (Med) degree from the University of Cape Town together with CA (SA) and CFA qualifications. Having joined the local investment industry in 1994, David has many years of experience in both equity research and fund management, including running the equity research team at Stanlib. His focus is global investments with a bias towards equities. David runs the Anchor BCI Worldwide Flexible Fund.

INFORMATION AND DISCLOSURES

Investment Manager

Anchor Capital (Pty) Ltd is an authorised Financial Services Provider FSP 39834.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website (www.bcis.co.za)
- Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.
- Actual annual percentage figures are available to existing investors on request.
- Upon request the Manager will provide the investor with quarterly portfolio investment holdings reports.

Management Company Information

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 Bella Rosa Village, Bella Rosa Street
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 Tel: 021 007 1500/1/2 | 021 914 1880, Fax: 086 502 5319
 Email: clientservices@bcis.co.za
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Custodian/Trustee Information

The Standard Bank South Africa Ltd
 Tel: 021 441 4100