

ANCHOR BCI EQUITY FUND

A CLASS | January 2020

Minimum Disclosure Document | Issued 11 February 2020

ANCHOR

NAVIGATING
CHANGE

INVESTMENT OBJECTIVE

The **Anchor BCI Equity Fund** is a general equity portfolio that seeks to sustain high long-term capital growth.

INVESTMENT PHILOSOPHY

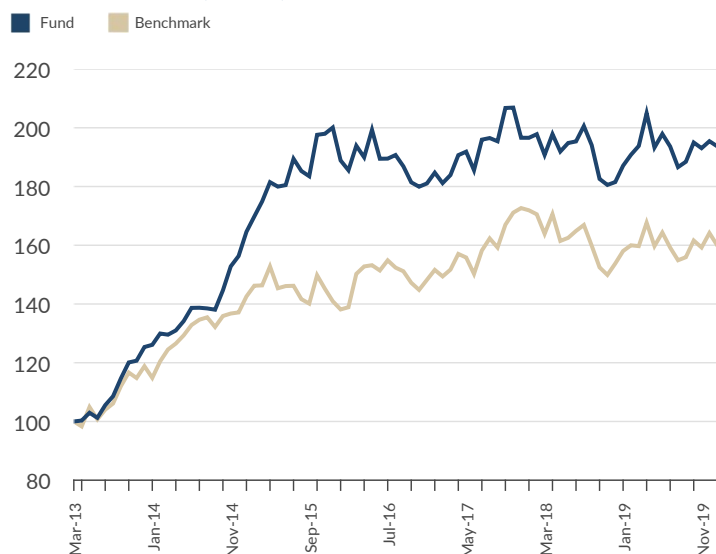
The portfolio is constructed from bottom-up, fundamental research with an investment philosophy that favours quality stocks with superior returns on capital, cash flows and pricing power. While acceptable valuation is an important component of the stock-selection process, the fund's style is not "value" – investments will be made in premium-rated stocks where the growth outlook and quality profile warrants it. The fund will also own shares that are often not well researched, yet offer exceptional valuation-driven opportunities. The quality of companies included is judged by rates of earnings growth, return on capital employed, cash conversion and stability of margins. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may include the following unlisted financial instruments: forward currency, interest rate and exchange-rate swap transactions for efficient portfolio management purposes. The portfolio's equity exposure will always exceed 80% of the portfolio's net asset value.

MONTHLY RETURNS (%)

| YEAR | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2020 | -0.9 | | | | | | | | | | | | -0.9 |
| 2019 | 3.1 | 2.0 | 1.6 | 5.8 | -5.7 | 2.4 | -2.2 | -3.6 | 1.0 | 3.5 | -1.0 | 1.2 | 7.7 |
| 2018 | 0.0 | 0.6 | -3.6 | 3.7 | -3.0 | 1.5 | 0.3 | 2.7 | -3.2 | -5.9 | -1.1 | 0.5 | -7.7 |
| 2017 | 2.0 | -1.9 | 1.5 | 3.7 | 0.6 | -3.3 | 5.6 | 0.3 | -0.6 | 5.8 | 0.1 | -5.0 | 8.6 |
| 2016 | -5.6 | -1.8 | 4.5 | -2.0 | 4.9 | -4.9 | 0.0 | 0.6 | -2.0 | -2.9 | -0.8 | 0.6 | -9.5 |
| 2015 | 5.3 | 3.2 | 3.0 | 3.8 | -0.8 | 0.3 | 5.0 | -2.2 | -1.0 | 7.7 | 0.2 | 1.1 | 28.0 |
| 2014 | 0.6 | 3.1 | -0.3 | 1.1 | 2.4 | 3.4 | 0.0 | -0.2 | -0.3 | 4.8 | 5.6 | 2.3 | 24.7 |
| 2013 | | | | 0.3 | 2.6 | -1.7 | 4.2 | 2.9 | 5.6 | 4.7 | 0.5 | 3.9 | 25.3 |

FUND PERFORMANCE SINCE INCEPTION

Growth of R100 investment (cumulative).



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

FUND INFORMATION

Risk profile:

LOW LOW-MOD MOD MOD-HIGH HIGH

Inception Date 05 Apr 2013
Benchmark FTSE JSE Capped SWIX J433T Index

Fund Classification SA Equity General
Distributions Semi-annual Declaration Date: 28 Feb/31Aug

Fees (Incl. VAT):

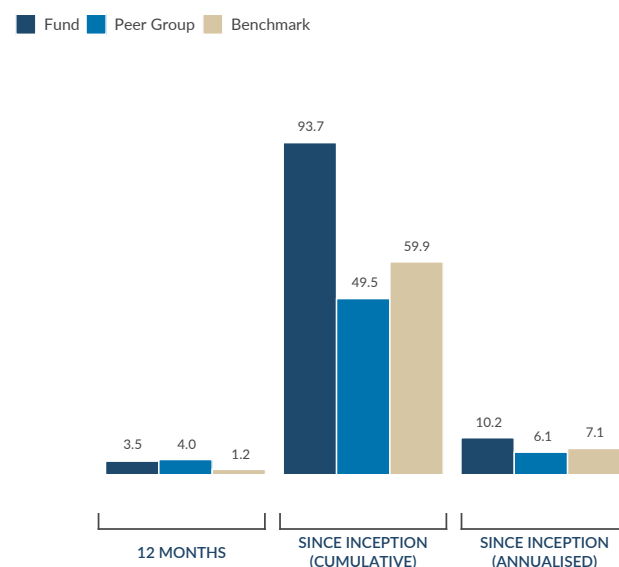
Annual Management Fee 1.15%
Total Expense Ratio (TER) Sep 19: 1.18% (PY): 1.18%

Portfolio Value R766.07 mn
Unit Price 174.15 cpu

RISK PROFILE: HIGH

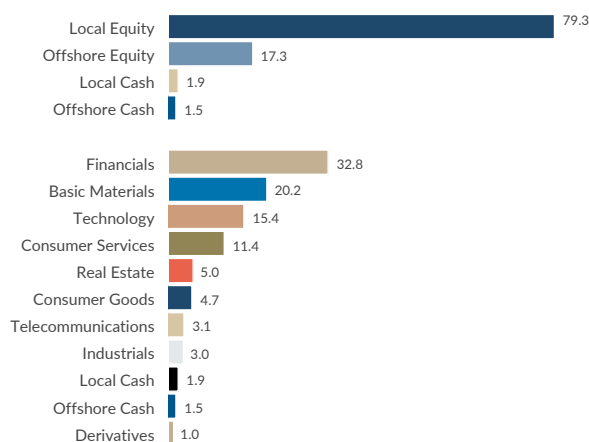
- This portfolio has a higher exposure to equities than any other risk profiled portfolio and therefore tends to carry higher volatility due to high exposure to equity markets.
- Expected potential long-term returns are high, but the risk of potential capital losses is high as well, especially over shorter periods.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- Therefore, it is suitable for long term investment horizons.

FUND PERFORMANCE AT 31 JAN 2020 (%)



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

EFFECTIVE EXPOSURE AT 31 JAN 2020 (%)



FUND MANAGER

The Anchor BCI Equity Fund is managed by the Anchor Capital Investment Team.

INFORMATION & DISCLOSURES

ISIN Number ZAE000175626
Distributions 2018 (CPU) Feb 1.25; Aug 2.36 | 2019 (CPU) Feb 1.93; Aug 2.43

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.

SUBSCRIPTIONS

Valuation time 15h00
Transaction cut-off time 14H00
Payment reference Initials and Surname
Minimum investment amount None*

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

*Fixed Administration Fee: R15 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.

MANAGEMENT COMPANY INFORMATION

Boutique Collective Investments (RF) (Pty) Ltd,
Catnia Building Bella Rosa Village, Bella Rosa Street, Belville, 7530
Tel: 021 007 1500/1/2 | 021 914 1880 | Fax: 086 502 5319
Email: clientservices@bcis.co.za | www.bcis.co.za

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.

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, No45 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.

HOLDINGS AT 31 JAN 2020 (%)

| | |
|-----------------------------|-----|
| Naspers Limited | 9.8 |
| Prosus | 4.1 |
| Standard Bank Group Limited | 3.9 |
| Sasol | 3.6 |
| Investec Limited | 3.5 |
| MTN Group Limited | 3.1 |
| Exxaro Resources | 3.1 |
| FirstRand | 3.0 |
| Attacq Ltd | 2.5 |
| The Foschini Group | 2.5 |

FUND MANAGER COMMENTARY AT 31 JAN 2020

The Anchor BCI Equity Fund ended January down 0.9% vs the FTSE/JSE Capped SWIX Index, which closed the month 2.6% lower. The South African (SA) rand was the worst-performing major currency in January, down 7% as emerging markets (EMs) bore the brunt of the fallout from fears about the economic impact of China's new coronavirus outbreak, with commodities producers such as Brazil and SA amongst the worst affected (the Brazilian real was down 6% for January). The JSE's mining shares were unable to bail the local bourse out this time and even the seemingly unstoppable platinum shares took a breather during January. Iron ore miners were hardest hit given the metal's sensitivity to Chinese economic activity, with Kumba down 16% MoM. Gold miners were a rare bright spot as the precious metal's price rallied 5%, boosted by lower rates and general risk aversion. Sasol's woes continued with the share down 21% MoM, hampered by a plunging oil price (-12% MoM) and a profit warning that included news of further delays in the ramp up of earnings from the Lake Charles Project. Amongst the shares with foreign earnings, British American Tobacco was one of the leaders (+10% in January) as the currency tailwind combined with increased demand for shares with seemingly defensive earnings and high dividend yields at a time when it seems to be catching a breather from health regulators.

FEE DETAILS

| | Class A |
|---------------------------------------|----------------------------|
| Initial fees (BCI) (incl. VAT) | 0% |
| Advisory Fee (Max) (incl VAT) | 0% |
| 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 | Sep: 19: 1.18% (PY): 1.18% |
| Portfolio Transaction Cost | Sep: 19: 0.63% (PY): 0.63% |
| Total Investment Charge | Sep: 19: 1.81% (PY): 1.81% |

A higher TER 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. The TIC should not be considered in isolation as returns may be impacted by many other factors 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 2019, whilst the underlying portfolios ratio and cost calculations are based upon their most recent published figures, being 30 September 2019.

CUSTODIAN / TRUSTEE INFORMATION

The Standard Bank of South Africa Ltd
Tel: 021 441 4100

BOUTIQUE
+ COLLECTIVE
INVESTMENTS