

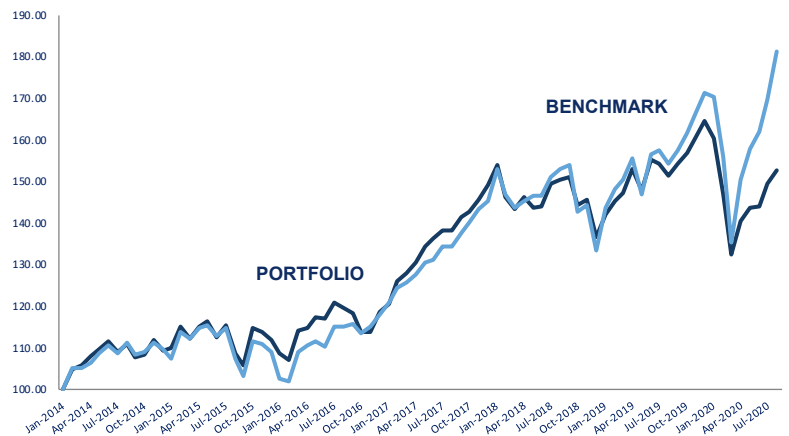
PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth together with attractive yield, through active stock selection within global equity markets. The focus is on quality, durable companies with a strong, global competitive advantage and long-term growth potential. The portfolio might, from time to time, take exchange traded fund (ETF) positions in high-conviction thematic ideas.

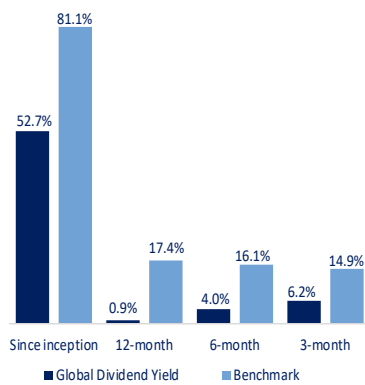
SUITABLE FOR

The portfolio is suitable for investors seeking exposure to the global equity market with maximum capital appreciation and an attractive yield as their primary goal over the long term. Investors should have a tolerance for short-term market volatility in order to achieve long-term objectives.

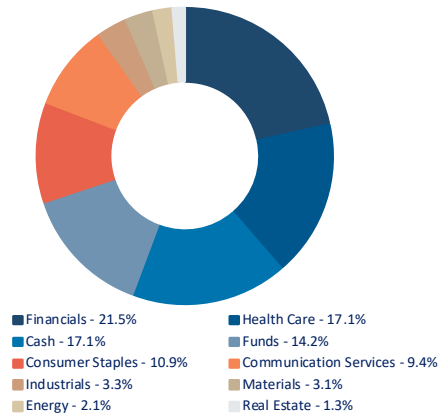
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



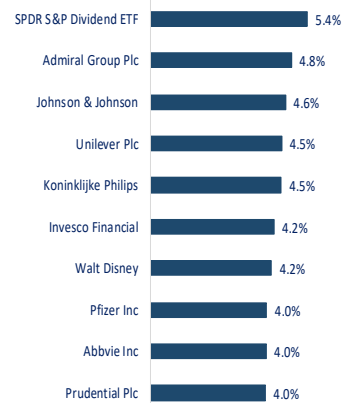
PERFORMANCE AT 31 AUG 2020



SECTOR ALLOCATION AT 31 AUG 2020



TOP HOLDINGS AT 31 AUG 2020



PORTFOLIO COMMENTARY AT 31 AUG 2020

Global markets continued a run that has resulted in developed markets (DMs) reaching new highs (MSCI World +6.7% MoM and +5% YTD), with the US market leading the way (S&P 500 +7.2% MoM and +9.7% YTD). Six stocks in the S&P 500 (the FAANGs [Facebook, Amazon, Apple, Netflix, Alphabet] and Microsoft) are up around 50%, in aggregate, YTD. These counters represent around a quarter of that index's market cap and are responsible for all the YTD performance of the index. While the large-cap US tech stocks have done enough to drag global markets into the green YTD, other regions and sectors still languish. The UK's FTSE 100 Index and Europe's Eurostoxx 50 Index are both still comfortably in negative territory for the year (-18.9% YTD and -17.7% YTD in local currency terms, respectively). Emerging market (EM) stocks performed well enough in August to push the MSCI EM Index into positive territory for the year (+2.2% MoM and +0.4% YTD), thanks largely to the performance of India and China's stock markets. At a sectoral level, the concentration in the recovery means that several S&P 500 sectors are still down YTD including energy, financial and industrial stocks (-39.3%, -17.4% and -3.3% YTD, respectively). August also saw the completion of US corporate earnings reporting for 2Q20, with aggregate earnings down around 7% YoY - well ahead of expectations, but with a meaningful divergence as those companies and sectors hardest hit by the impact of the COVID-19 pandemic experienced significant losses.

The market's progression was briefly interrupted by concerns around the inability of US congress to agree on new stimulus measures. The release of the latest US Federal Reserve (Fed) minutes also put paid to the prospects of the Fed applying yield curve control to keep US 10-year bond rates anchored at close to 0%. While Fed Chair Jerome Powell met expectations with the announcement of a relaxation in the Fed's approach to inflation targeting, he put a damper on rates markets by making it clear that the Fed would act to raise rates should inflation get out of control. All this resulted in US 10-year rates rising by 0.2% to end the month at 0.7% and put the brakes on a rally in the gold price, which had seen it briefly breach \$2,000/oz during the month.

Against the August backdrop the Anchor Global Dividend Model Portfolio returned 2.2% vs the MSCI World Index benchmark return of 6.7%. Strong performance coming from Prudential (+13.1% MoM), The Walt Disney Co (+12.8% MoM) and Admiral Group (+12.1% MoM) were partially offset by the underperformance in a few European and UK shares, Koninklijke Philips (-8.7% MoM), Diageo (-7.2% MoM) and Vodafone (-1.6% MoM).

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 Global Dividend Yield 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

January 2014

BENCHMARK

MSCI World

MINIMUM INVESTMENT

\$150,000

FEES

1.25% p.a. (excl. VAT)

DISCLAIMER:

The returns quoted on this model portfolio are indicative and calculated gross of all fees, brokerage and costs. Consequently, individual client portfolio returns may differ to the returns quoted due to this factor and portfolio manager discretion around weightings of shares.

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