

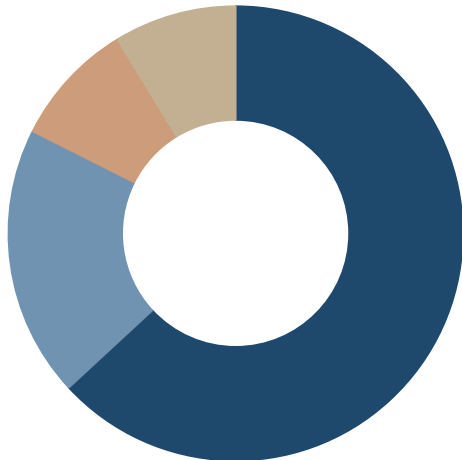
PROFILE AND OBJECTIVE

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

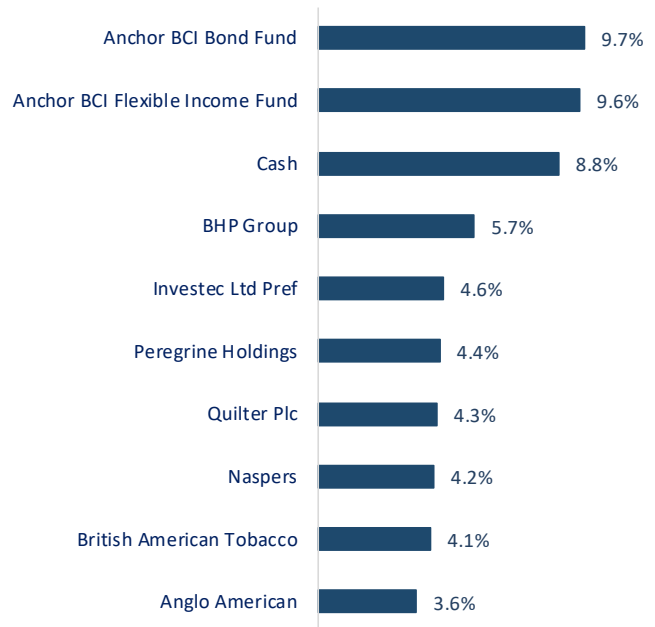
The portfolio is suitable for investors who wish to earn a higher return than cash, but do not wish to take full equity exposure. This is a long-term investment and volatility should be expected on the way to reaching the long-term goal. The high yield provides some protection against this volatility.

ASSET & SECTOR ALLOCATION AT 31 AUG 2020



- Local Equity - 63.1%
- Local Fixed Income - 19.3%
- Local Property - 8.9%
- Local Cash - 8.7%

TOP HOLDINGS AT 31 AUG 2020



MARKET COMMENTARY AT 31 AUG 2020

Domestic bonds, mostly in the form of yields, contributed positively to the fund's performance during the month. Domestic equity exposure also contributed to returns, including a decent contribution from PSG and the diversified miners. However, the South African (SA) property sector recorded another poor month in August and it remains the focal pain point across SA investment categories, despite the relaxation of the COVID-19 induced lockdown restrictions from level 3 to level 2 from 18 August. As companies report results or provide updates, the impact of the COVID-19 pandemic becomes more quantifiable. Retail and office landlords are collecting approximately 70%-80% of rentals, while the logistics and industrial properties' experiences seem much better (Equites, for example, is at close to 100% collection of rentals). Nevertheless, we continue to see improving signs of a recovery taking hold. We also saw signs of rising inflation with the most recent annual CPI print (for July) of 3.2%, seeming to indicate that the interest rate cutting cycle has come to an end. The South African Reserve Bank has done its part for the local economy and the onus is now on government to roll out a meaningful recovery plan. We note that President Cyril Ramaphosa's stance on corruption and his assertiveness within the ANC's NEC at its end-August meeting are also a small step in the right direction. We eagerly await corrupt politicians in orange overalls, growth-friendly policies, and functional state-owned enterprises.

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.