ANCHOR

THE MARATHON, NOT THE SPRINT

ANCHOR SEGREGATED EQUITY FUND

Presented by Anchor Capital

January 2026

OUR INVESTMENT PHILOSOPHY

QUALITY OVER QUANTITY

01 Quality First

We invest in businesses with durable competitive advantages, strong management teams, and predictable cash flows. Quality compounds over time.

02 Long-Term Horizon

We think in years, not quarters. Short-term volatility creates opportunity for patient investors willing to look beyond the noise.

03 Valuation Discipline

Even the best business is a poor investment at the wrong price. We wait for attractive entry points and avoid overpaying.

04 Risk Management

Avoiding permanent capital loss is paramount. We focus on downside protection as much as upside potential.

WHAT WE LOOK FOR

OUR IDEAL BUSINESS PROFILE

✓

SUSTAINABLE MOAT

Durable competitive advantages that protect market position and pricing power over time.

✓

STRONG MANAGEMENT

Proven leadership with aligned incentives and a track record of capital allocation discipline.

✓

HIGH ROIC

Returns on invested capital consistently above cost of capital, indicating true value creation.

✓

PREDICTABLE CASH FLOWS

Recurring revenue streams and stable cash generation that support reinvestment and dividends.

✓

REASONABLE VALUATION

Quality at a fair price. We avoid overpaying even for exceptional businesses.

✓

GROWTH RUNWAY

Addressable market expansion opportunities that support long-term earnings growth.

WHAT WE AVOID

RED FLAGS IN OUR PROCESS

COMMODITY-DEPENDENT BUSINESSES

Companies whose fortunes are tied to volatile commodity prices offer unpredictable earnings and extreme volatility.

EXCESSIVE LEVERAGE

High debt levels amplify risk and limit management flexibility during economic downturns.

CYCLICAL EARNINGS PATTERNS

Businesses with boom-bust cycles make long-term planning difficult and destroy compounding potential.

POOR CAPITAL ALLOCATION

Management teams with a history of value-destructive acquisitions or excessive dilution.

STRUCTURAL DECLINE

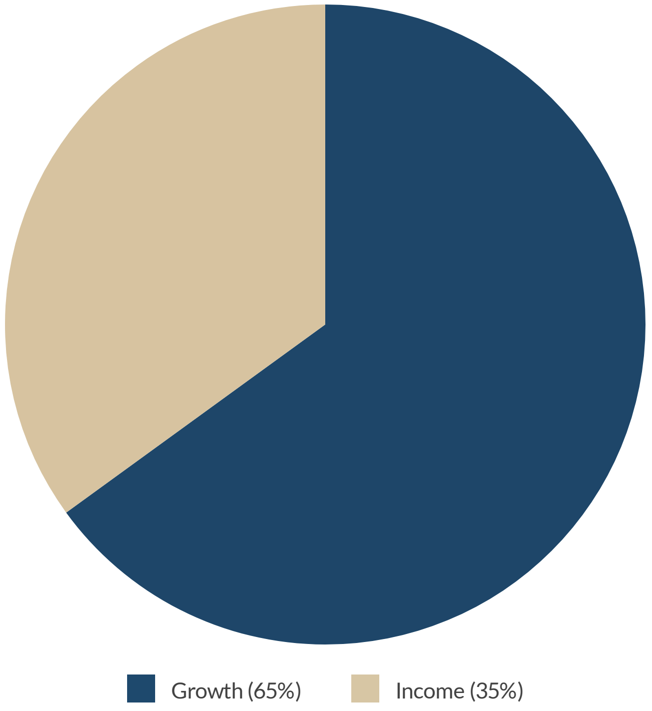
Industries facing permanent disruption or secular headwinds, regardless of current valuation.

PORTFOLIO HOLDINGS

TOP 10 POSITIONS

COMPANY	SECTOR	WEIGHT
Naspers	Technology	12.5%
FirstRand	Financials	9.8%
Capitec	Financials	8.2%
Shoprite	Consumer	7.5%
Discovery	Financials	6.8%
MTN Group	Telecoms	6.2%
Standard Bank	Financials	5.9%
Woolworths	Consumer	5.4%
Clicks	Healthcare	4.8%
Bidvest	Industrials	4.2%

STYLE ALLOCATION

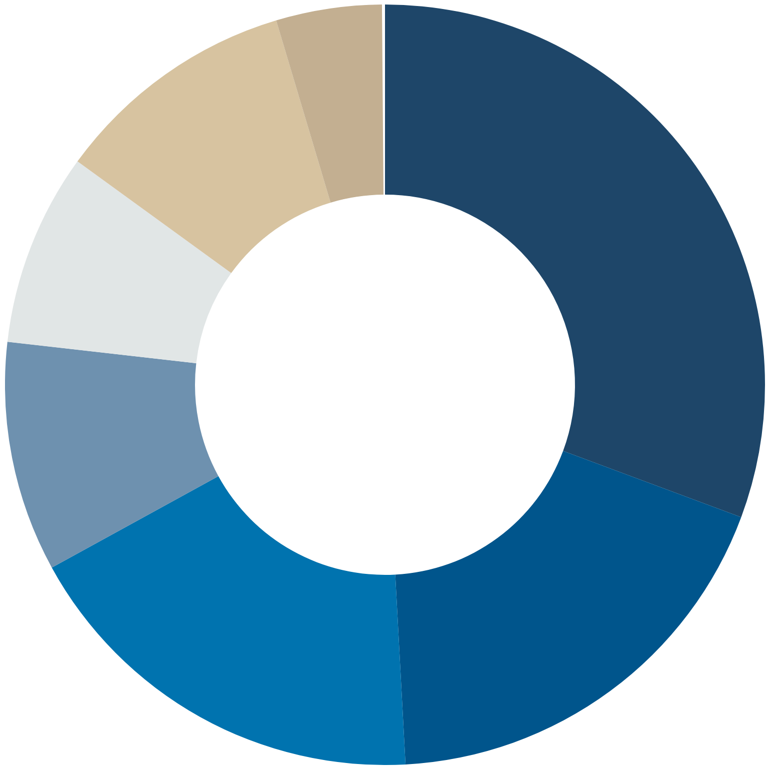


SECTOR ALLOCATION

PORTFOLIO BREAKDOWN BY SECTOR

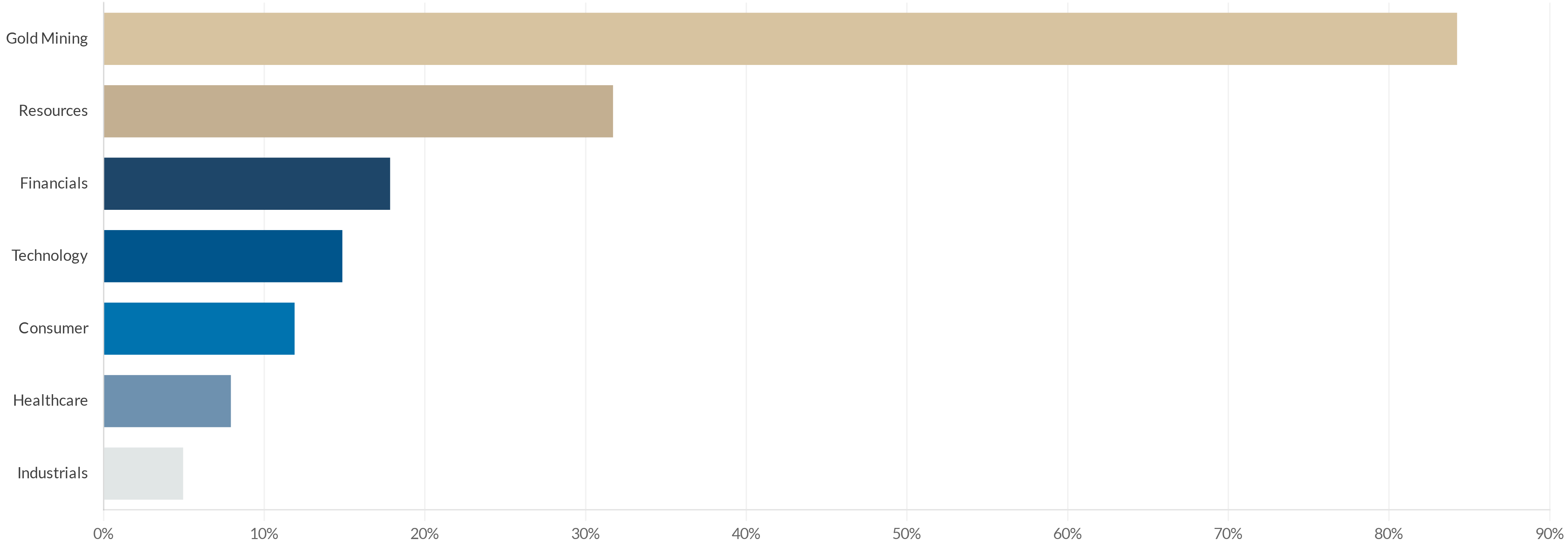
SECTOR	WEIGHT	VS BENCHMARK
Financials	**30.7%**	+8.2%
Technology	**18.5%**	+3.5%
Consumer	**17.9%**	+2.1%
Healthcare	**9.8%**	+4.8%
Telecoms	**8.2%**	+1.2%
Industrials	**10.4%**	-2.6%
Resources	**4.5%**	-17.2%

SECTOR BREAKDOWN



THE 2025 ANOMALY

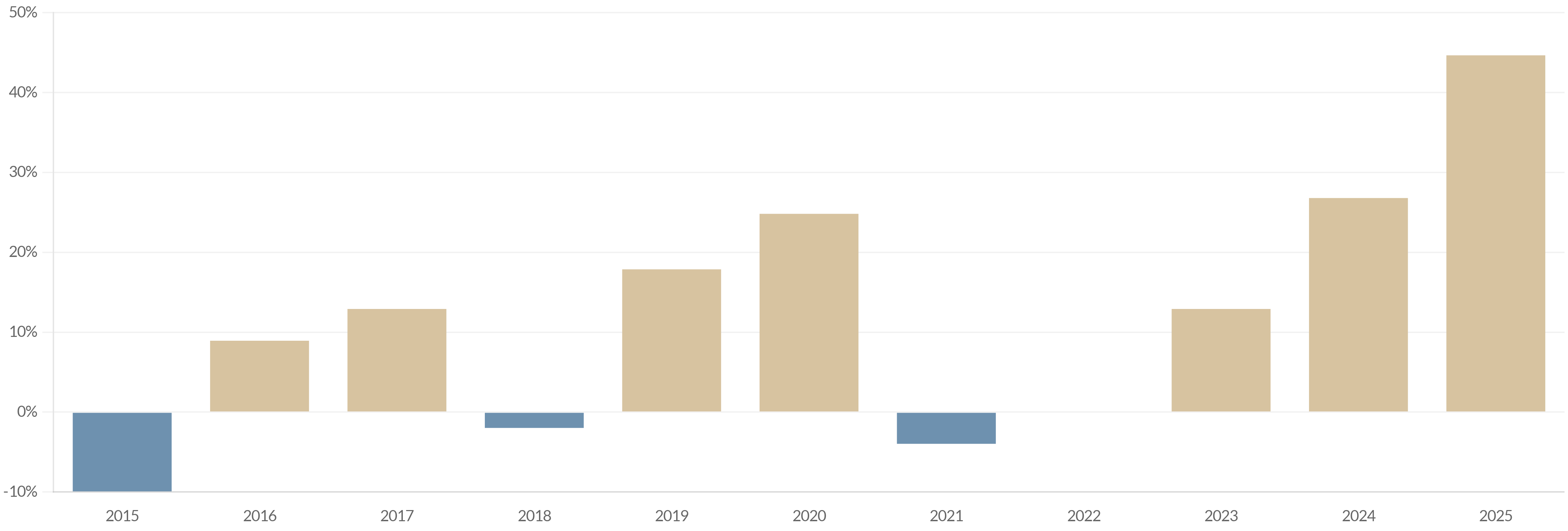
JSE SECTOR RETURNS YEAR-TO-DATE



The Anomaly: Gold miners have delivered extraordinary returns in 2025, driven by record gold prices and rand weakness. This is the exception, not the rule. Over the past decade, resources have been the worst-performing sector on the JSE.

GOLD'S 2025 RALLY

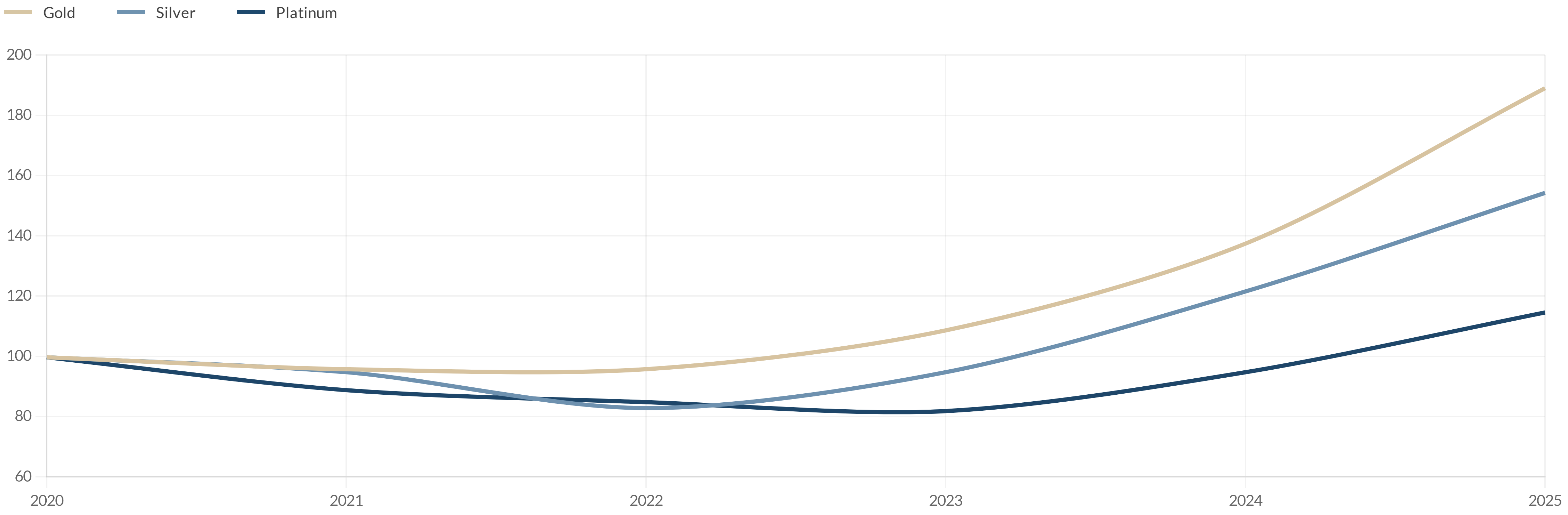
ANNUAL GOLD RETURNS (USD)



Context Matters: 2025's 45% gold rally is exceptional. But remember 2013 (-28%), 2015 (-10%), and 2021 (-4%). Gold is volatile and unpredictable. We prefer businesses that generate cash flows rather than commodities that rely on price appreciation.

COMMODITY SUPERCYCLE?

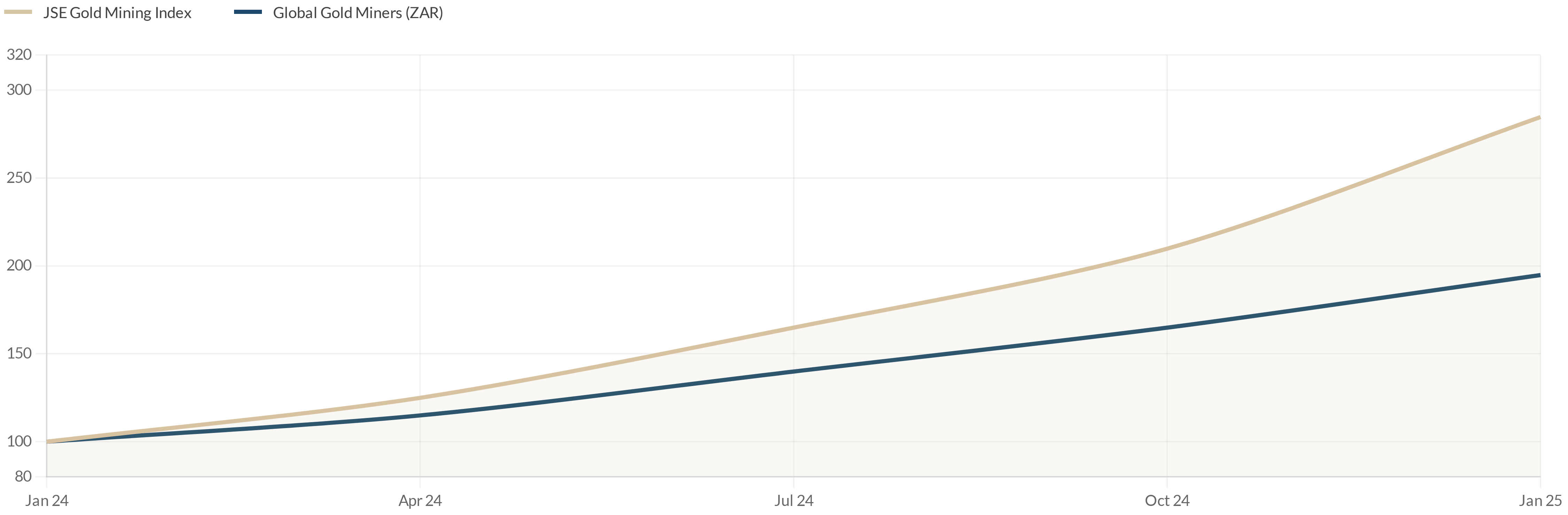
PRECIOUS METALS PERFORMANCE (INDEXED TO 100)



The Question: Are we in a new commodity supercycle? Perhaps. But supercycles are only visible in hindsight. The 2008-2011 rally was followed by a decade of underperformance. We prefer to own businesses that benefit from any economic environment.

THE RAND MULTIPLIER EFFECT

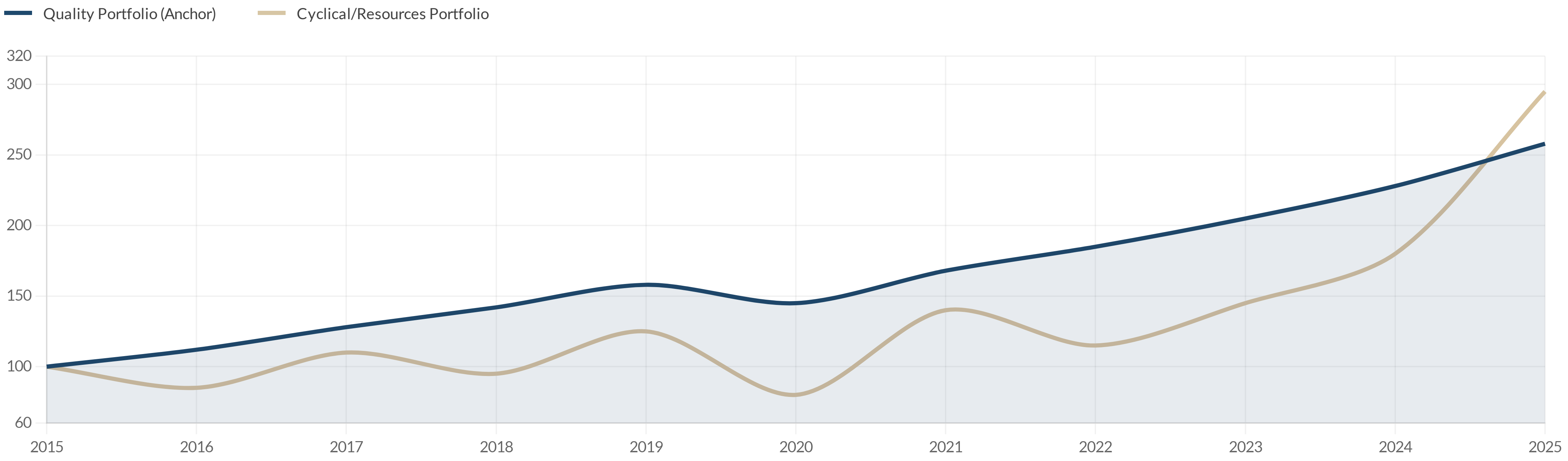
JSE GOLD INDEX VS GLOBAL GOLD MINERS (ZAR, INDEXED TO 100)



The Double Whammy: SA gold miners benefit from both rising gold prices AND rand weakness. This creates spectacular short-term returns but also extreme volatility. When the rand strengthens or gold falls, the reverse effect is equally dramatic.

THE TORTOISE AND THE HARE

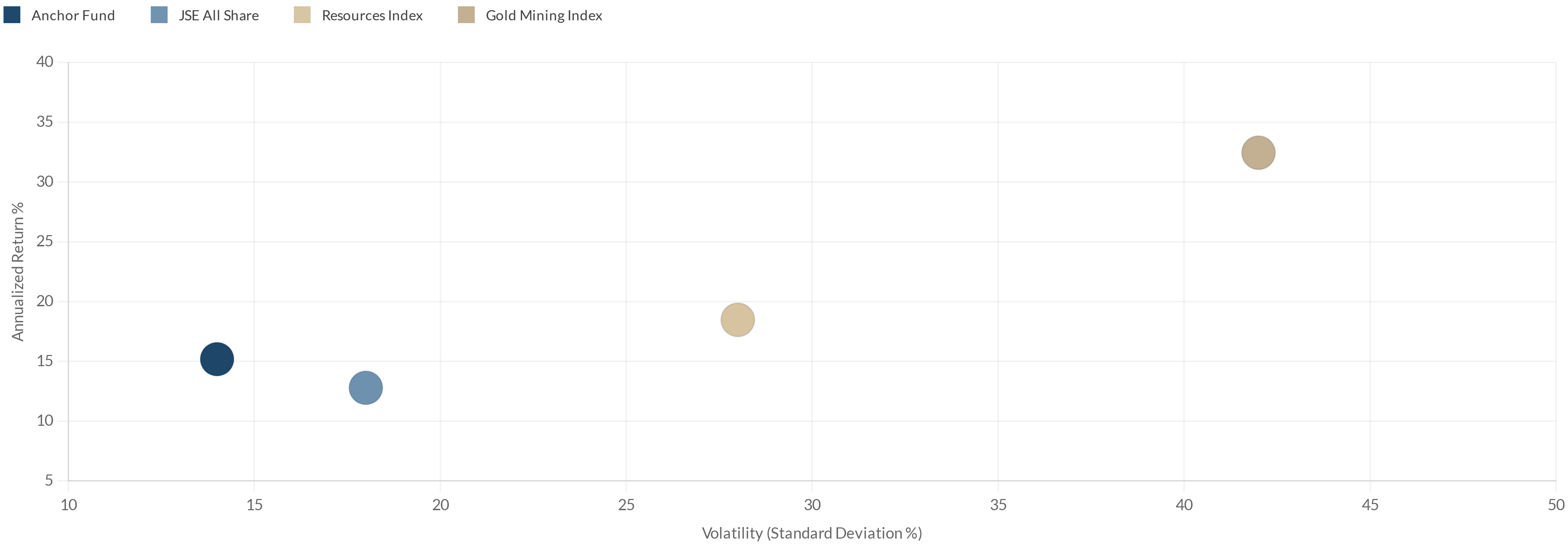
QUALITY VS CYCLICAL PORTFOLIOS (10-YEAR, INDEXED TO 100)



The Pattern: Cyclical stocks surge during commodity booms but suffer devastating drawdowns. Quality stocks compound steadily, ultimately delivering superior long-term returns with far less volatility.

RISK VS RETURN

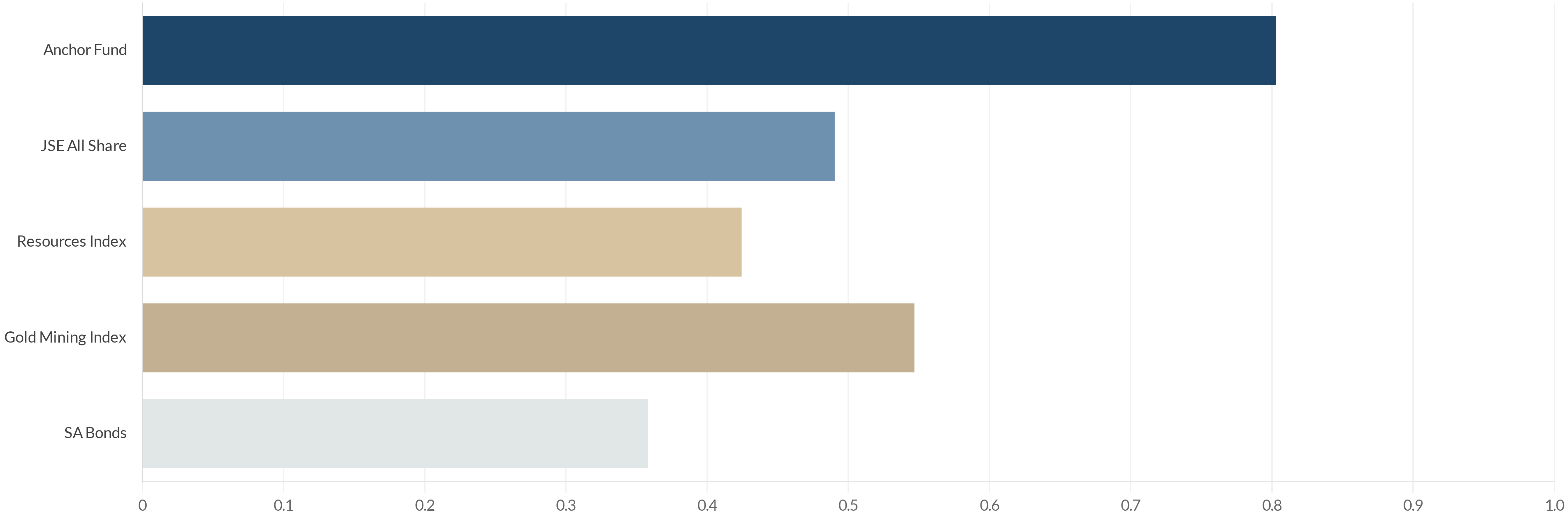
5-YEAR ANNUALIZED RETURNS VS VOLATILITY



The Sweet Spot: Anchor delivers superior returns with lower volatility than the market. Resources and gold mining offer higher returns in 2025 but with significantly higher risk—a trade-off that often reverses painfully.

SHARPE RATIO

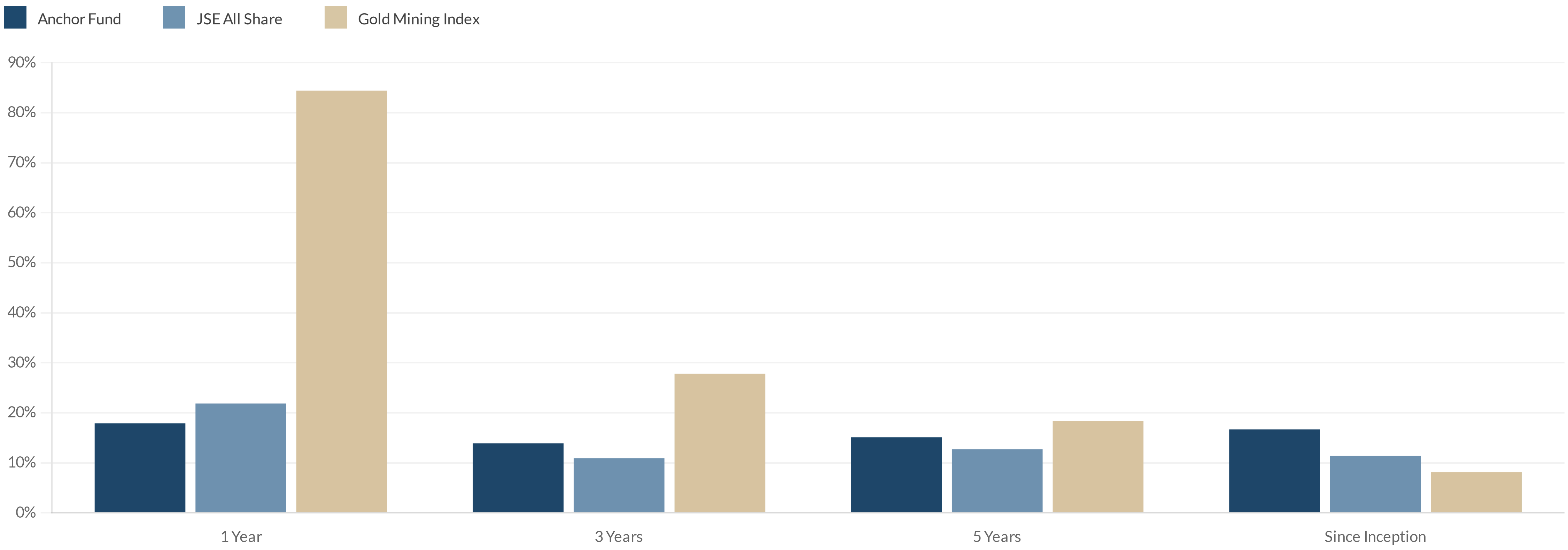
RISK-ADJUSTED RETURNS (5-YEAR)



What This Means: The Sharpe ratio measures return per unit of risk. A higher ratio indicates better risk-adjusted performance. Anchor's 0.85 significantly outperforms the market, demonstrating our ability to generate returns without taking excessive risk.

PERFORMANCE HORIZONS

ANNUALIZED RETURNS ACROSS TIME PERIODS



Time Reveals Truth: Over 1 year, gold mining dominates. Over 3 years, the gap narrows. Over 5 years and since inception, Anchor's quality approach delivers superior returns. The longer the horizon, the more quality wins.

THE MATHEMATICS OF QUALITY

WHY AVOIDING LOSSES MATTERS MORE THAN CHASING GAINS

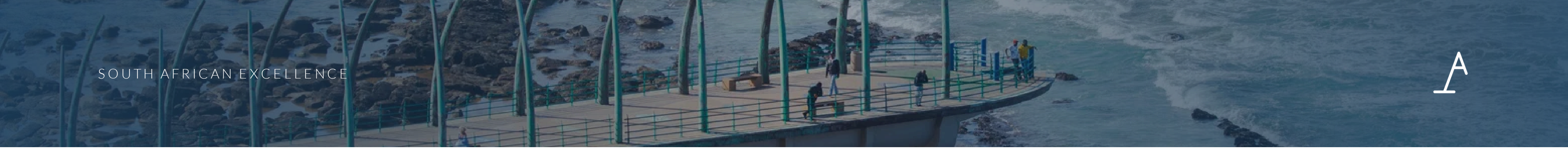
THE ASYMMETRY OF LOSS

LOSS	REQUIRED GAIN TO RECOVER
-10%	**+11%**
-20%	**+25%**
-30%	**+43%**
-40%	**+67%**
-50%	**+100%**

THE POWER OF COMPOUNDING

R1M INVESTED	10% P.A.	15% P.A.
5 Years	R1.61m	**R2.01m**
10 Years	R2.59m	**R4.05m**
15 Years	R4.18m	**R8.14m**
20 Years	R6.73m	**R16.37m**
25 Years	R10.83m	**R32.92m**

The Lesson: A 50% loss requires a 100% gain just to break even. This is why we prioritize avoiding permanent capital loss. Combined with the power of compounding, even small improvements in annual returns create massive differences over time.



FUND DETAILS

ANCHOR SEGREGATED EQUITY FUND

INVESTMENT OBJECTIVE

Long-term capital growth through investment in quality South African equities with sustainable competitive advantages.

BENCHMARK

FTSE/JSE Capped Shareholder Weighted All Share Index (SWIX)

MANAGEMENT FEE

1.00% p.a. (excl. VAT)

PERFORMANCE FEE

20% of outperformance above benchmark (with high watermark)

MINIMUM INVESTMENT

R5,000,000

DEALING FREQUENCY

Daily

FUND MANAGER

Anchor Capital (Pty) Ltd

INCEPTION DATE

January 2015

OUR COMMITMENT

WHAT YOU CAN EXPECT FROM US

DISCIPLINED PROCESS
Rigorous, repeatable investment process focused on quality businesses at reasonable valuations.

LONG-TERM FOCUS
Sustainable value creation over market cycles, ignoring short-term noise.

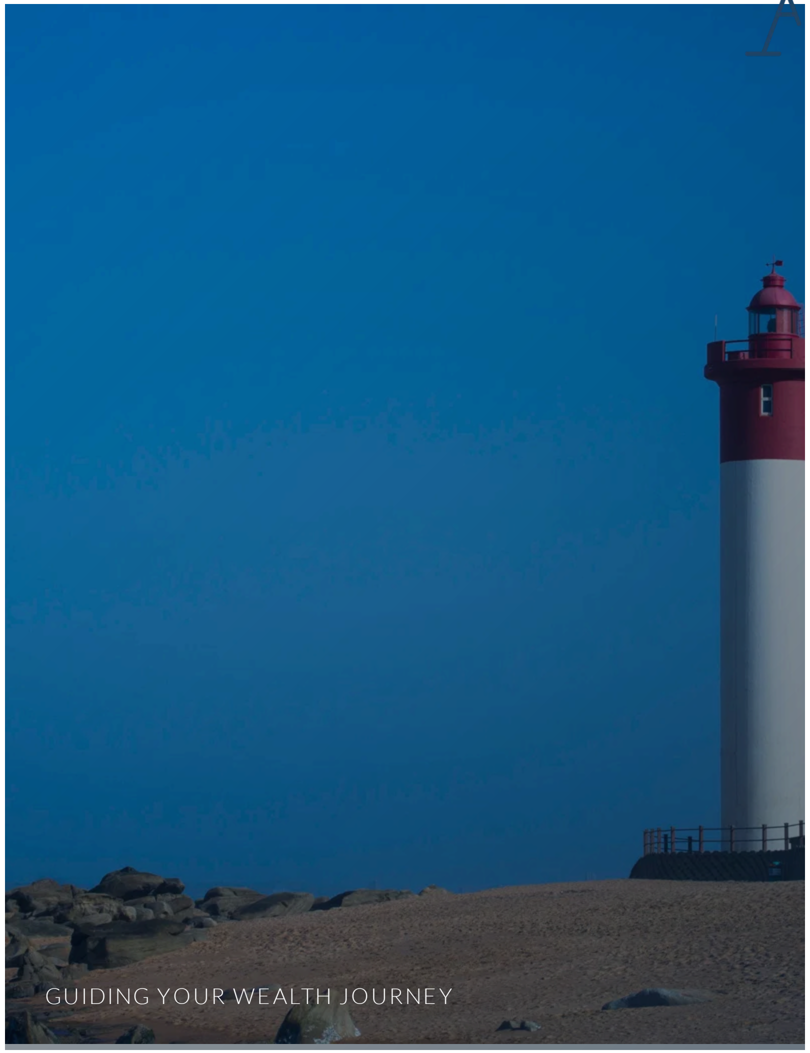
TRANSPARENT COMMUNICATION
Clear, honest reporting on performance, positioning, and investment rationale.

ALIGNED INTERESTS
Our team invests alongside clients, ensuring fully aligned interests.

DEDICATED CLIENT SERVICE
Responsive relationship management with direct portfolio team access.

CONTINUOUS IMPROVEMENT
Constantly refining our process, learning from successes and mistakes.

> *Your success is our success. We measure ourselves by the long-term outcomes we deliver for our clients.*



Pier at Sunset

THANK YOU

Building Wealth Through Quality

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Ready to start your journey? **Let's talk.**