



TRADING STATEMENT FOR THE FIRST HALF ENDED 30 JUNE 2018 AND DISCLOSURE OF ASSETS UNDER MANAGEMENT AND ADVICE

1. Assets under management

The directors of Anchor disclose the following group-wide assets under management and advice at 30 June 2018:

June 2018 reconciliation of assets under advice and management					
R'bn	First half growth (%)	First half growth (R'bn)	End June 2018	End Dec 2017	End June 2017
Assets under management	2%	0.7	36.3	35.6	35.2
Assets under advice	-10%	-1.7	15.0	16.7	14.3
Total	-2%	-1.0	51.3	52.3	49.6

Anchor grew its assets under management by 2% in the first half of 2018, with net asset inflows being offset by a 3% decline in the JSE All Share index. Assets under advice declined by 10%, as one large client withdrew their non-discretionary shares held by Anchor. These assets were under advice, and not directly revenue-generating. Anchor attracted over R4.5 billion of new inflows in the period, with negative market returns and the non-discretionary withdrawal (referred to above) offsetting these inflows.

Anchor does not own 100% of all of its subsidiaries. Anchor's attributable share of assets under management (excluding minority interests) was R32.5 billion, a 6.6% increase on the 31 December 2017 total of R30.5 billion.

2. Trading statement

In terms of the JSE Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported will differ by at least 20% from the financial results for the previous corresponding period.

The table below shows the expectations for earnings, headline earnings, and adjusted headline earnings per share for the first half ended 30 June 2018.

Comparison against prior year:

	Current half year ended 30 June 2018	Prior half year ended 30 June 2017	% change
Earnings per share	-88.6c to -108.2c	19.3	nm
Headline Earnings per share	16.9c to 20.7c	19.6	-14% to 6%
Adjusted Headline Earnings per share	19.8c to 24.2c	22.0	-10% to 10%

(*) – nm = not meaningful

The majority of the expected earnings per share decline for the six months was due to an anticipated accounting write-down of the value of the offshore hedge fund company investment. The assets under management of the offshore company declined as a result of withdrawals by investors in the first half of 2018 as well as a negative investment return in a difficult emerging market environment. This write-down does not relate to the local hedge fund subsidiary company. This write-down does not impact headline earnings per share or adjusted headline earnings per share.

Trading conditions were difficult in the period, with local and offshore markets delivering negative returns and stock market trading volumes were low. Anchor continues to attract consistent new inflows and the pipeline of new business is strong.

Investment performance in first half of 2018 has been pleasing, with local equity returns in the top quartile of their Collective Investment Scheme category (source: Moneymate).

Cash flows have been strong and Anchor intends paying an interim dividend at least in line with the stated intent of paying 50% of adjusted headline earnings per share.

Anchor's results for the first half ended 30 June 2018 will be released on or about 3 September 2018. The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors.

Johannesburg

8 August 2018

Designated Advisor
Java Capital