

February 2022

## FUND PROFILE AND OBJECTIVE

The portfolio seeks to offer investors long-term capital growth through active stock selection within the South African equity market. A minimum of 75% of the portfolio's assets will be invested in domestic equities at all times. The portfolio is differentiated by being prepared to invest in "off the radar screen" shares and taking high-conviction positions when a potential winner is identified.

This portfolio is suitable for high-net-worth private clients that seek above-average growth in capital invested. Investors accept that the portfolio may underperform the market in the short term in pursuit of superior long-term gains. The risk associated with this portfolio will be the same as the risk associated with SA equities. Volatility of capital can occur over the short term. The portfolio can invest in less liquid counters and is not limited to any sectors of the JSE

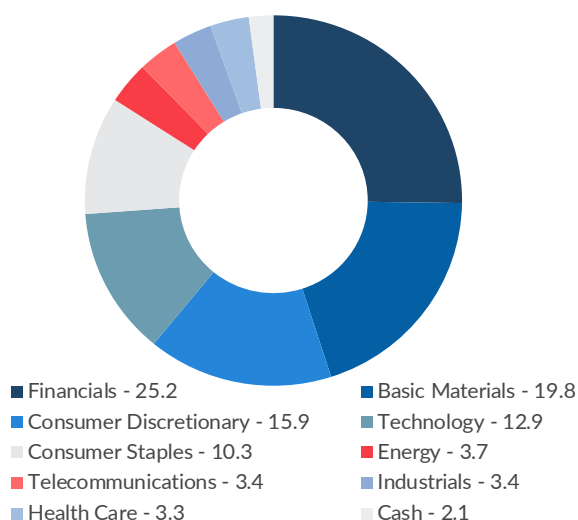
## PORTFOLIO MANAGEMENT

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

## FUND COMMENTARY

The South African (SA) stock market had another strong month (FTSE/JSE Capped SWIX +2.7% MoM), leaving it amongst only a few major global markets to end February in positive territory (Brazilian Bovespa +0.9% MoM, Shanghai Composite +3% MoM and FTSE-100 +0.3% MoM). YTD, the performance of the local bourse (+7.6% in US dollar terms) is second only to the Brazilian stock market (+16% YTD in US dollar terms). At the other end of the spectrum, the banks released better-than-expected trading updates, showing strong earnings momentum and likely more benign credit losses than anticipated (Nedbank +15% MoM, Standard Bank +9% MoM and FirstRand +7% MoM). The miners were another source of strong performance in February (+17% MoM in aggregate), with gold miners leading the way (+29% MoM) as the price of gold rallied 6% MoM, with investors turning to perceived safe-haven assets on fears related to the conflict between Russia and Ukraine. Naspers and Prosus continued to weigh heavily on the local bourse (-22% and -26% MoM, respectively), declining by more than double the rate of their biggest investment, Tencent (-11% MoM in SA rand terms). The pair have now lost almost half of their value in the past year. The continued softness in Tencent can at least partially be ascribed to the ongoing interference of the Chinese government in the operating models of large Chinese tech companies, the latest blow coming from a guideline from the Chinese government for food delivery companies like Meituan (c. 20% owned by Tencent) to cut the fees it charges restaurants.

## ASSET ALLOCATION (%)



## DISCLAIMER

This portfolio can be structured in a segregated portfolio or housed in a structured equity note. The fund may use gearing from time to time. 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, timing, tax implications, client preferences, portfolio manager discretion and whether we receive cash or shares to seed investments and portfolio manager discretion around weightings of shares. Past performance is not necessarily an indication of future performance. The Portfolio Manager does not guarantee the

## FUND INFORMATION

### Risk profile:



|                     |                                  |
|---------------------|----------------------------------|
| Inception Date      | July 2013                        |
| Benchmark           | FTSE/JSE Capped SWIX J433T Index |
| Minimum Investments | R1 000 000                       |

### Fees (Excl. VAT):

|                       |       |
|-----------------------|-------|
| Annual Management Fee | 1.25% |
|-----------------------|-------|

## TOP-TEN HOLDINGS (%)

|                     |     |
|---------------------|-----|
| Naspers Ltd         | 5.8 |
| Bid Corp            | 5.1 |
| Discovery Ltd       | 4.4 |
| FirstRand Ltd       | 4.3 |
| Sibanye Stillwater  | 4.1 |
| Transaction Capital | 4.0 |
| Investec Ltd        | 4.0 |
| Mr Price Group      | 3.9 |
| Shoprite            | 3.9 |
| South32 Ltd         | 3.8 |

capital or the return of a portfolio. The forecast or commentary are not guaranteed to occur. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this factsheet Anchor Capital (Pty) Ltd 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 factsheet, whether by a client, investor or intermediary. Investors are encouraged to first obtain independent professional investment, legal and taxation advice before acting on any advice as given in this factsheet. Performance figures quoted are from Morningstar and Anchor, as at the date of this document. Anchor Capital (Pty) Ltd is an authorised Financial Service Provider with FSP NO: 39834.