



EQUITIES

PETER ARMITAGE | CHIEF EXECUTIVE OFFICER

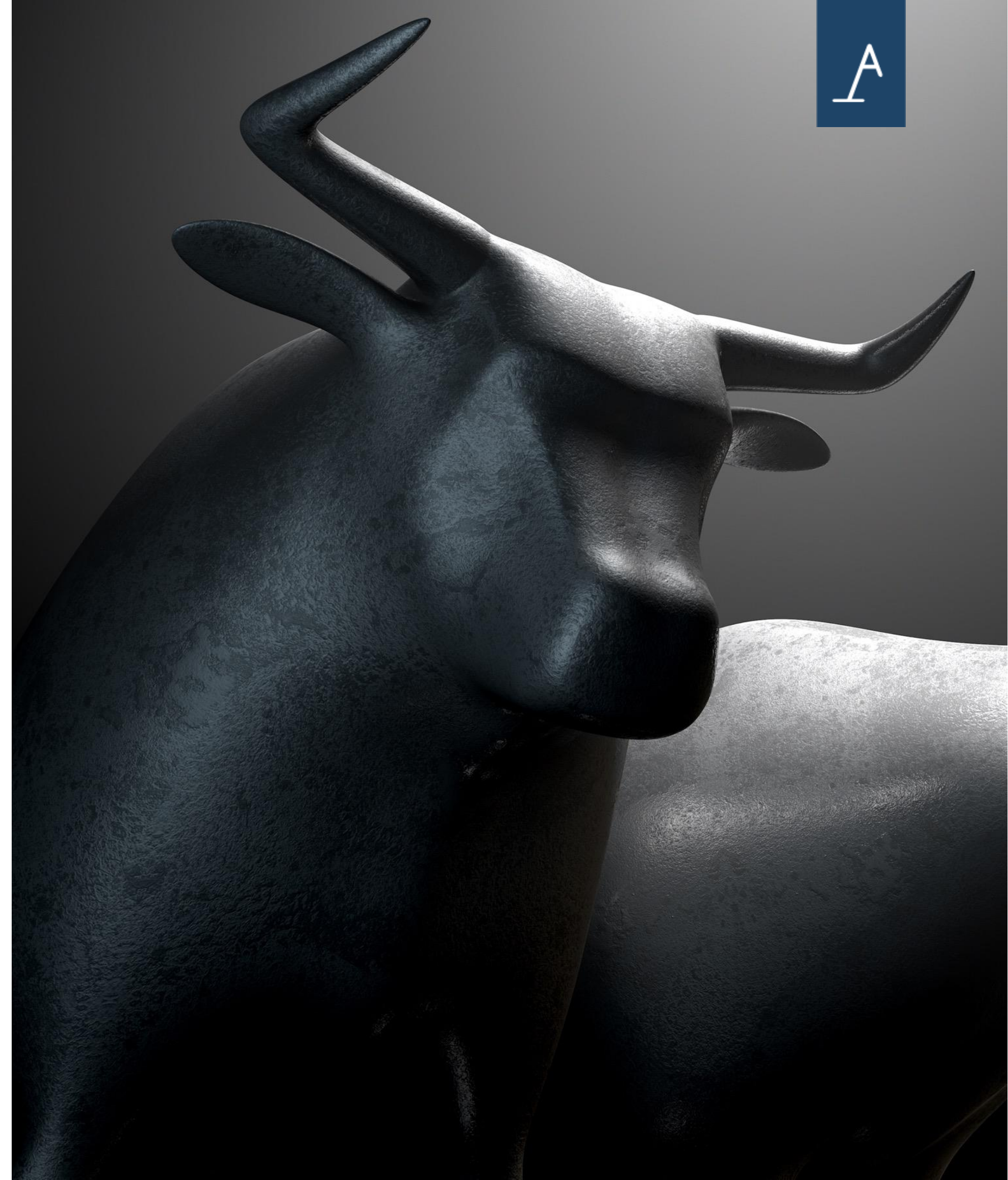
ANCHOR

NAVIGATING
CHANGE

21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6

BULL MARKET FOR NOW

- 2020 flat for SA, 15% for the world
- 2021 projections: Global 5% (US\$), Local 11% (Rands)
- 2021 bull market conditions, but priced for perfection
 - Biden v inflation/yields, CV19 allowing
 - All eyes on Israel
 - EM strong, resources to lead the way
- In SA portfolios, a strong global portfolio positioning
 - SA Inc not buy and hold for now
- *Big asset manager issue: If Naspers traded at nav and grew at 20% per annum for a few years, it could be 60% of SA market*



EQUITY MARKET LESSONS IN 2020

- Everybody can be wrong and black swans are real
- Reminder to diversify
- Back long-term trends
- Quality companies shone through
- Lease agreements aren't what we thought they were
- Fear and greed is alive and well

Our formula over time: We buy shares in companies we back (high returns, good growth) at reasonable prices that we are happy to own through market cycles. This worked again in 2020.



WHY WE LOVE EQUITIES ...

- Disney: From 100m to 350m paid subscribers
- Facebook: 65bn Whatsapp messages per day, no revenue
- Amazon: Global ecommerce penetration still only at 16%
- Chegg: Unbundling of elite tertiary-level education
- Spotify: Podcasting ad spend projected to pass US\$1bn in 2021 and will ultimately overtake radio advertising (US\$37bn)



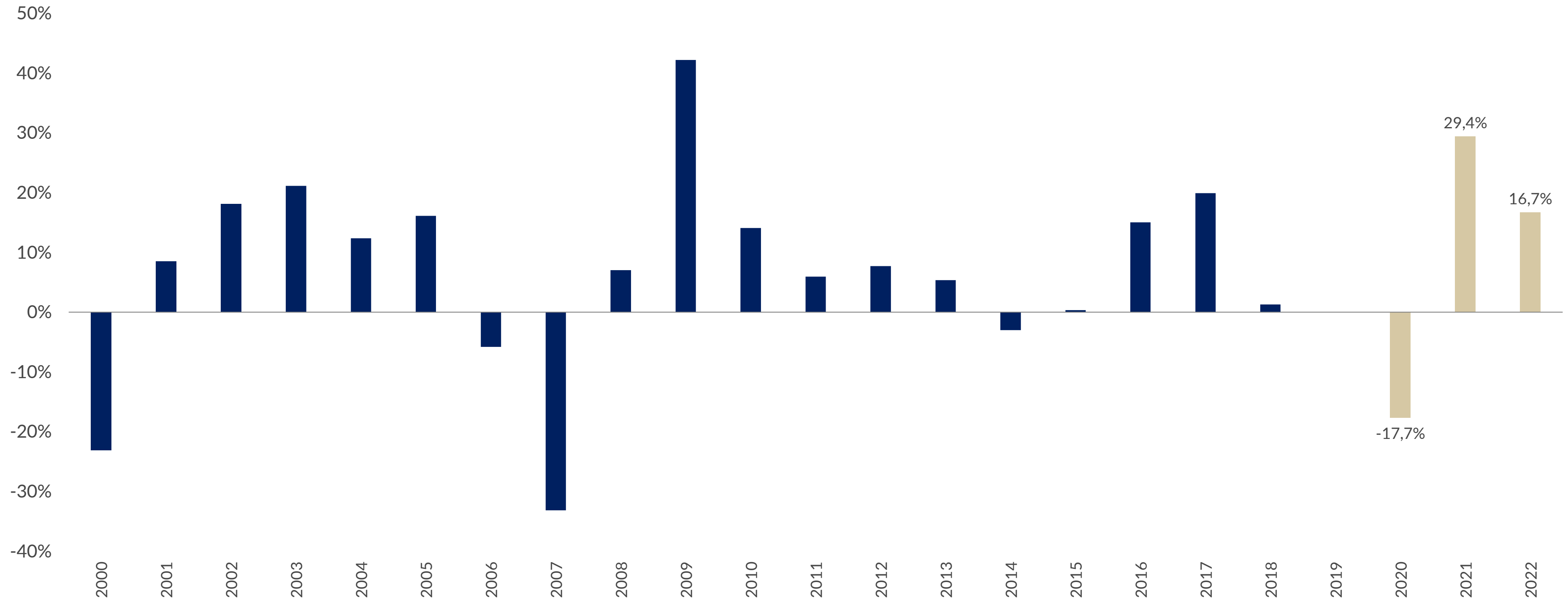
NOT EVERYBODY CAN BE A WINNER



“Dear friends ... do not
make decisions based on
valuations”



S&P 500 EPS GROWTH (ANNUALISED)

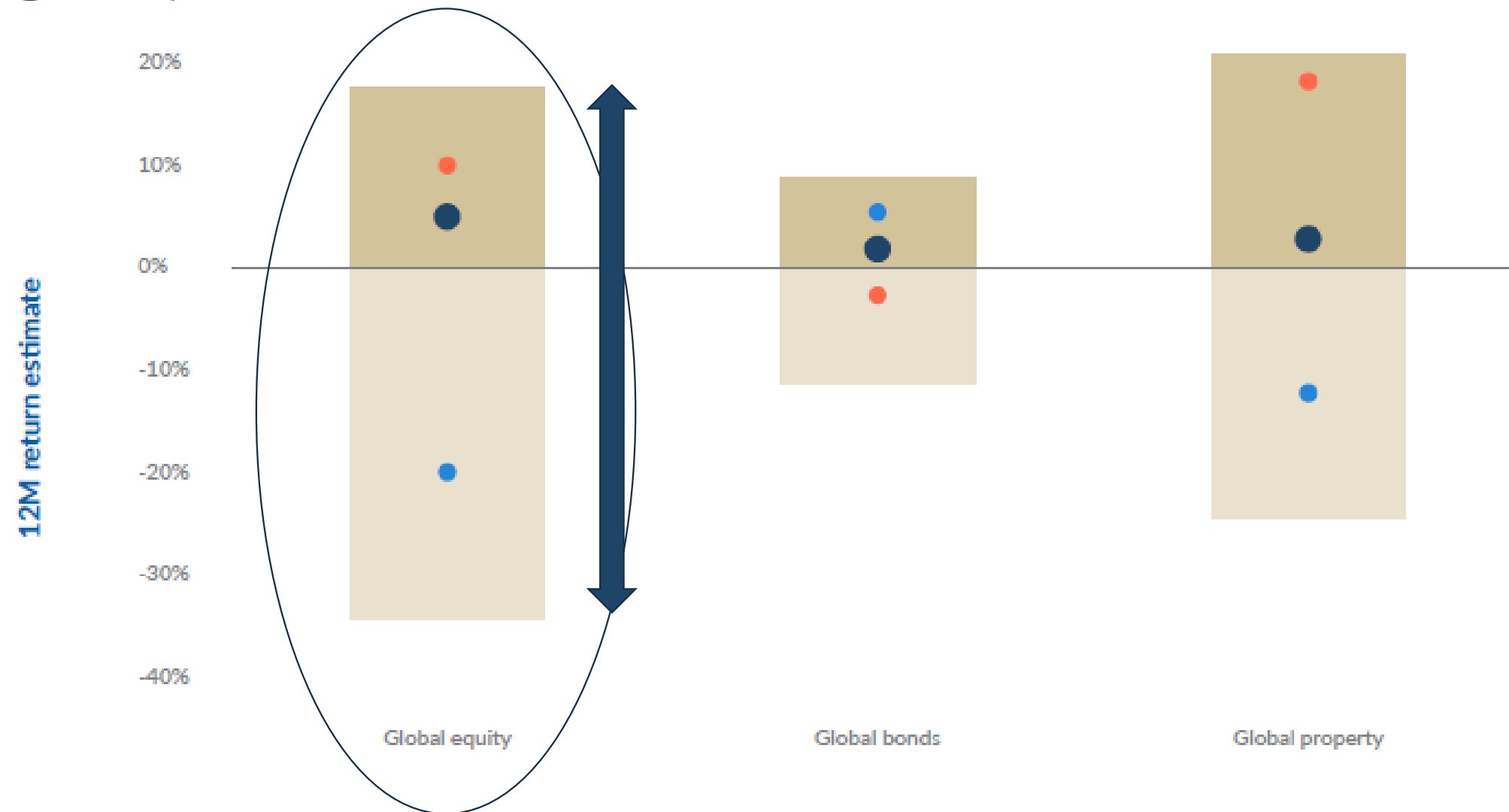


Source: Bloomberg, Anchor

GLOBAL ASSETS

12M return scenarios for various asset classes in US dollar

- Return (global recovery accelerates and we are back on track by end 2020)
- Return (slow global recovery/second wave)
- Anchor expected return



Source Anchor

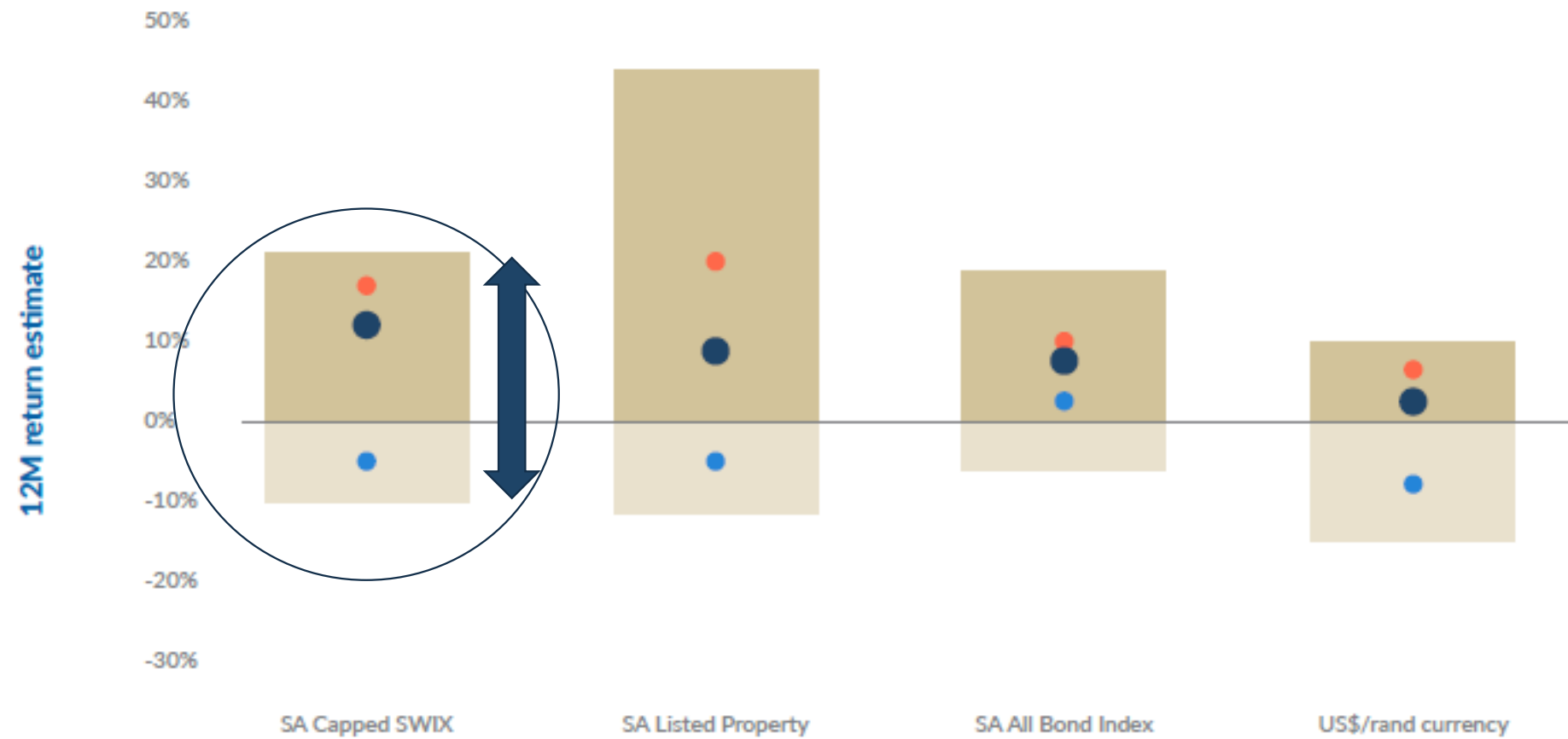
Anchor expected return by offshore asset class

Anchor expected return (in US dollar terms)	
Global Equity	5.0%
Global Bonds	1.2%
Global Property	2.5%

LOCAL ASSETS

12M return scenarios for various asset classes in US dollar

- Return (vaccine delivery faster driving stronger global recovery)
- Return (hiccups in vaccine delivery and recovery)
- Anchor expected return



Anchor expected return for domestic asset classes

Anchor expected return (in rand terms)	
Domestic Equity	11.0%
Domestic Bonds	8.8%
Domestic Property	8.6%
US\$/rand	2.4%

Source Anchor



ALL EYES ON ISRAEL – 26% FIRST DOSE VACCINATED

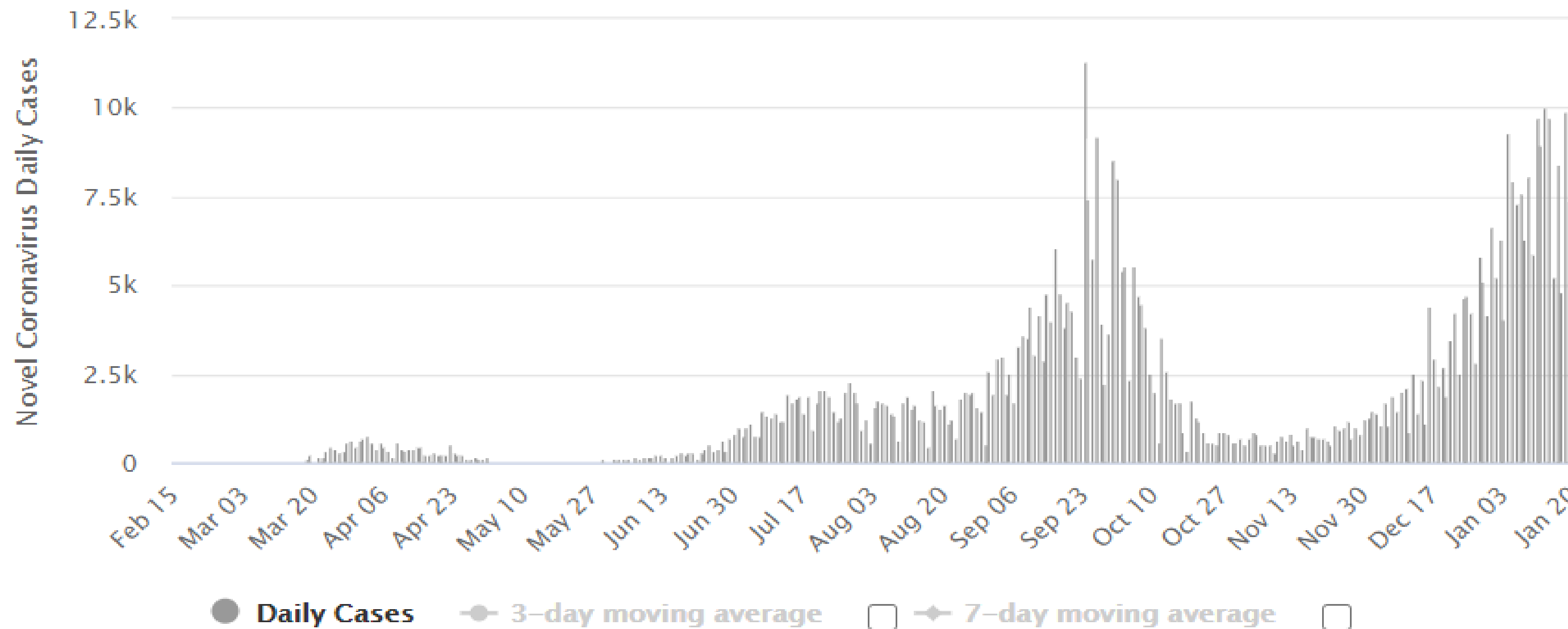
Daily New Cases in Israel

BUSINESS INSIDER

Israel is warning that a single dose of the Pfizer vaccine is 'less effective than we hoped' against COVID-19, and it could be a blow to the US and UK strategies

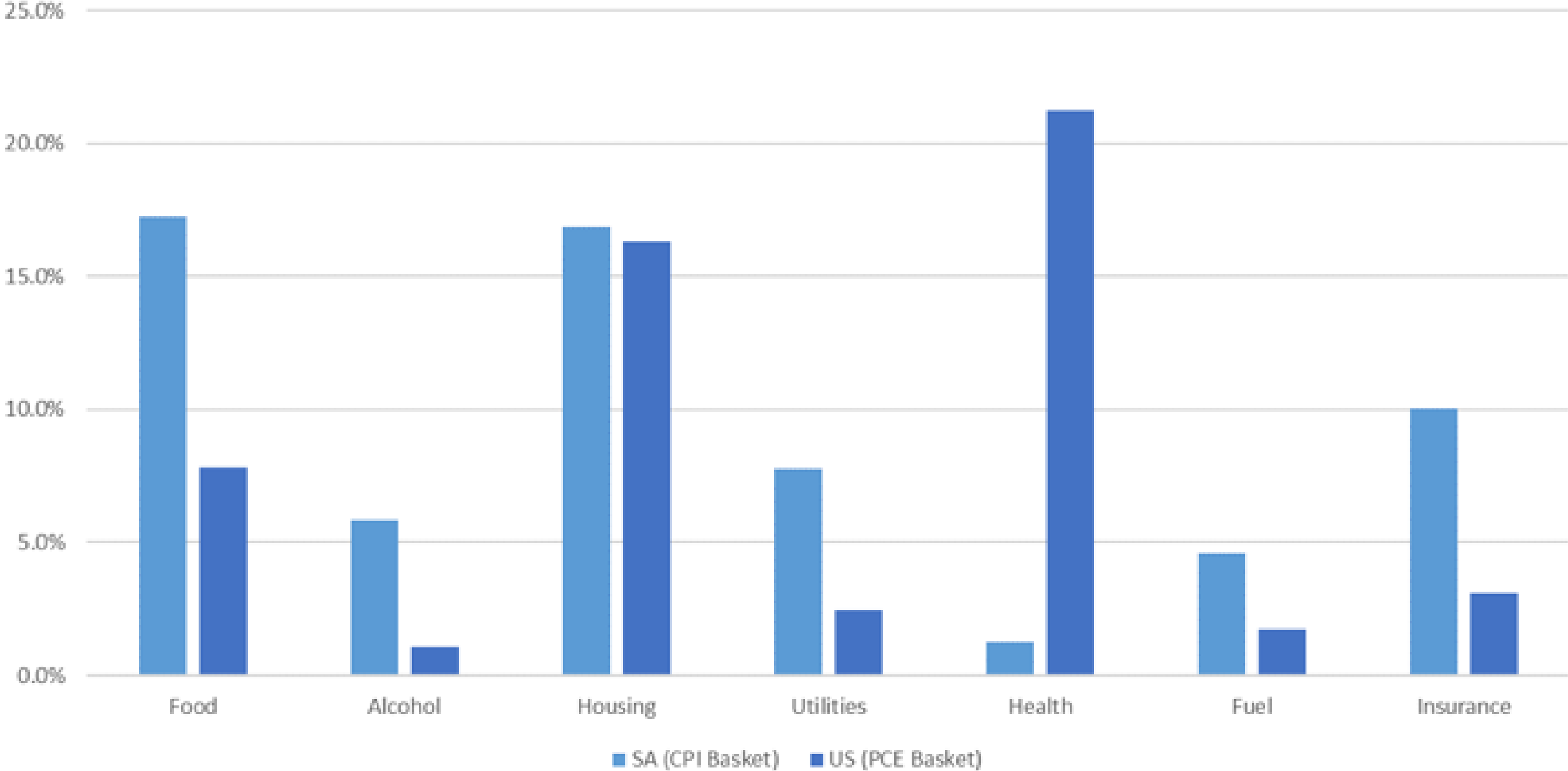
Daily New Cases

Cases per Day
Data as of 0:00 GMT+0





US INFLATION NOT AS RISKY AS YOU THINK



Source: Bloomberg, IMF, Anchor

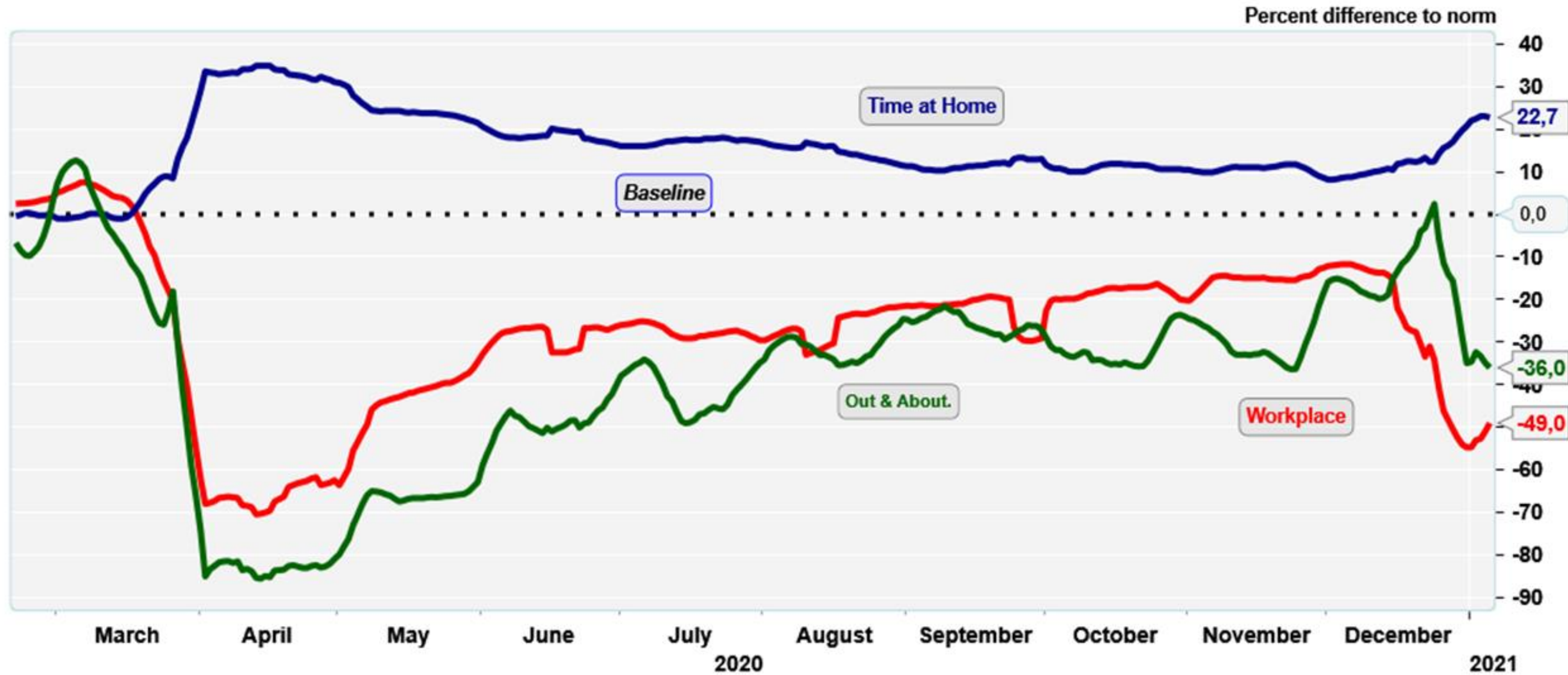
CURRENT SA MARKET THEMES

- SA has outperformed since October
- Cyclical and value stocks continued to outperform.
- Markets looking through COVID
- SA driven by EM factors
- More specific to the JSE, we note the following:
 - Firmer commodity prices
 - Naspers/Prosus unlock
 - A cyclical upswing in domestic growth, creating pockets of opportunity for alert management teams.



SA LOCKDOWN 2.0

South Africa: Mobility Work, Home plus "out & about" compared to baseline.



From Google mobility data. Out & about is retail, grocery and pharmacy, parks & transit.
Rolling 7 day average.



ANCHOR 2020 EQUITY PERFORMANCES

Anchor Global Equity Fund: <i>Top SA fund over five years</i>	+91% (US\$)
Anchor BCI Global Technology Fund: <i>Top 5 global fund in SA in 2020</i>	+54% (Rands)
Anchor High Street model portfolio: <i>Number two in SA over 5 years</i>	+25% (US\$)
Anchor Accelerator SNN QI Hedge Fund: <i>Following top fund award in 2019</i>	+18% (Rands)
Anchor BCI Equity Fund: <i>Top quartile since inception performance</i>	-1.2% (Rands)

Source: Moneymate as at 31 December 2020.

Anchor Accelerator Hedge Fund – HedgenewsAfrica 2019

Past performance is not a reliable indicator of future returns. Investment performance is for illustrative purposes only and is calculated by taking actual initial fees and ongoing fees into account for amount shown with income reinvested on reinvestment dates. Annualised return is weighted average compound growth rate over the period measured. Actual annualized figures are available upon request.



ANCHOR CONSISTENTLY BEST IN CLASS IN GLOBAL EQUITIES

Name:	6 Months To: 31/12/2020	Rank	1 Year To: 31/12/2020	Rank	3 Years To: 31/12/2020	Annualised Performance	Rank	5 Years To: 31/12/2020	Annualised Performance	Rank
Global - Equity - General (Rand return)										
Fund 1	20.18%	3	98.19%	1	194.44%	43.33%	1			--
Anchor BCI Global Equity Feeder Fund	22.60%	2	91.01%	2	142.06%	34.27%	2	137.10%	18.85%	1
Fund 2	31.10%	1	65.20%	3	120.71%	30.20%	3			--
Fund 3	19.06%	4	65.02%	4						--
Anchor BCI Global Technology Fund	9.75%	12	53.75%	5						--
Fund 4	5.67%	24	48.31%	6						--
Fund 5	9.37%	13	30.88%	7						--
Fund 6	14.59%	8	30.31%	8						--
Fund 7	0.72%	58	29.69%	9	73.44%	20.15%	4	62.13%	10.15%	5
Anchor High Street Equity model portfolio estimate			29.04%	10		19.09%	5		11.89%	2
Fund 8	8.19%	14	28.36%	10	58.58%	16.61%	11			--
Fund 9	3.38%	44	27.66%	11	53.63%	15.39%	16	55.22%	9.19%	15
Fund 10	4.79%	32	27.31%	12	55.32%	15.81%	13			--
Fund 11	2.09%	53	27.30%	13						--
Fund 12	0.57%	60	26.11%	14						--
Fund 13	(0.34%)	61	25.52%	15						--
Fund 14	4.60%	33	25.01%	16	52.32%	15.06%	19			--
Fund 15	3.83%	41	24.89%	17	65.37%	18.25%	6	69.20%	11.09%	4
Fund 16	(1.27%)	63	24.59%	18	64.87%	18.14%	7	75.60%	11.92%	2
Fund 17	5.54%	25	24.05%	19	71.05%	19.59%	5	72.87%	11.57%	3
Fund 18	3.13%	46	22.33%	20						--
Fund 19	5.45%	26	21.83%	21	56.37%	16.07%	12	60.78%	9.96%	6
Fund 20	4.41%	36	21.69%	22						--
Fund 21	5.15%	28	21.04%	23	47.19%	13.75%	27	48.92%	8.29%	22
Fund 22	6.39%	21	20.91%	24	31.39%	9.53%	41	58.97%	9.71%	9
Fund 23	4.19%	39	20.81%	25	50.83%	14.68%	20			--
Fund 24	2.86%	49	20.64%	26	62.48%	17.56%	9			--
Fund 25	15.16%	7	20.52%	27	50.31%	14.55%	21	49.59%	8.39%	20
Fund 26	6.03%	23	20.34%	28	32.47%	9.83%	39	29.74%	5.35%	29
Fund 27	7.16%	19	20.32%	29	41.42%	12.24%	31	39.14%	6.83%	26
Fund 28	7.60%	15	20.23%	30	52.60%	15.13%	18	55.77%	9.27%	14
Fund 29	6.13%	22	20.12%	31	49.70%	14.40%	22	57.65%	9.53%	12
Fund 30	4.06%	40	19.99%	32	54.35%	15.57%	15	58.95%	9.71%	10
Fund 31	(3.60%)	70	19.69%	33	64.30%	18.00%	8	58.91%	9.71%	11

Number one and two in SA over 5 years

Equity Fund: 91% US\$ return in 2021

Model portfolio: 29% in 2021

Source: Moneymate as at 31 December 2020.

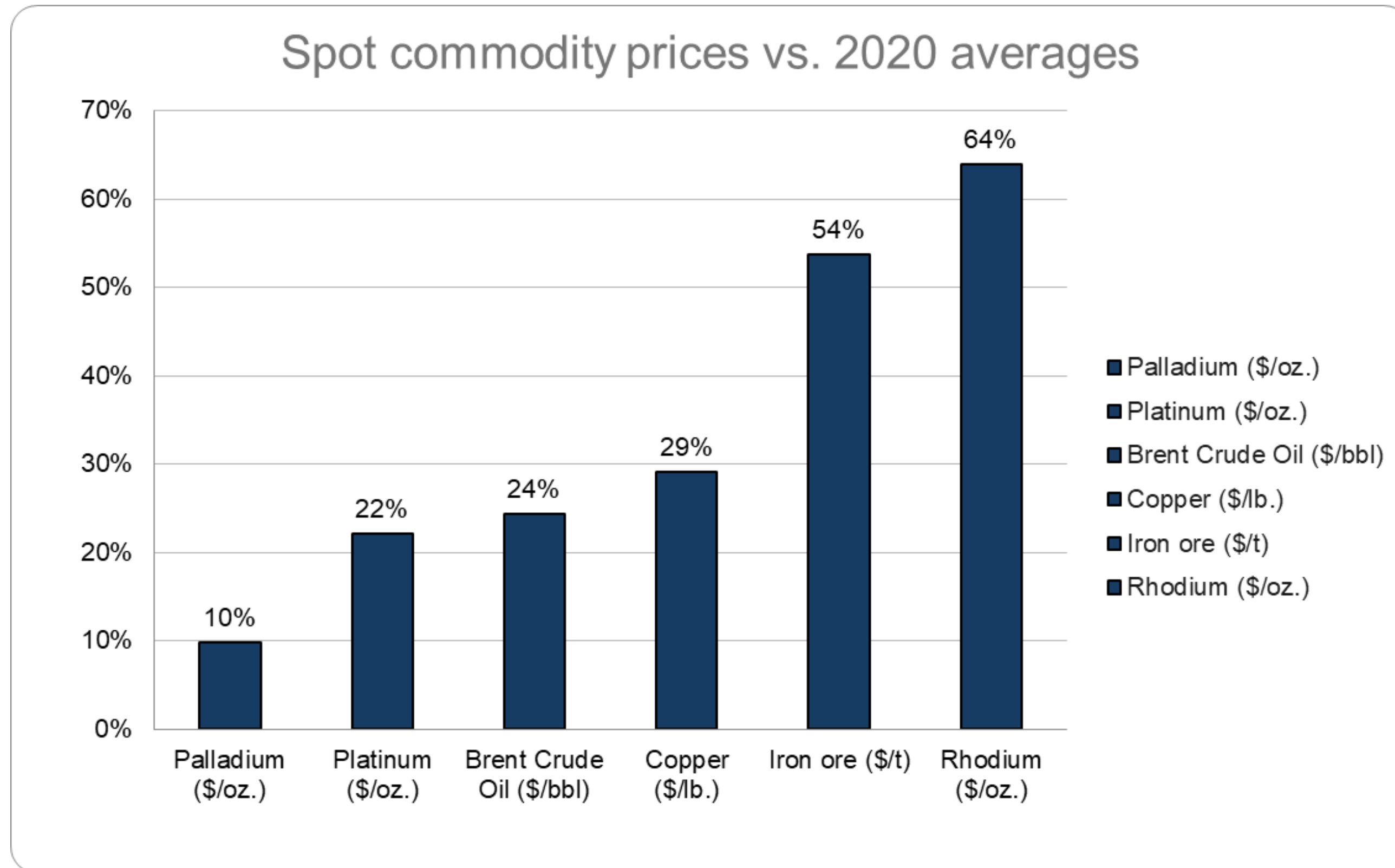
Anchor BCI Global Equity Feeder Fund - Inception date: 02 November 2015, The annualised (since inception) fund performance was 20,5% against the benchmark of 12,5% and the cumulative (since inception) fund performance was 161,8% against the benchmark of 84,3%. Highest and lowest calendar year performance since inception - High: 91%; Low: -11,3%.

Anchor BCI Global Technology Fund - Inception date: 06 June 2019, The annualised (since inception) fund performance was 36,9 % against the benchmark of 43,4% and the cumulative (since inception) fund performance was 64,0% against the benchmark of 76,4%.

Anchor Global High Street Equity - Inception date: July 2012.

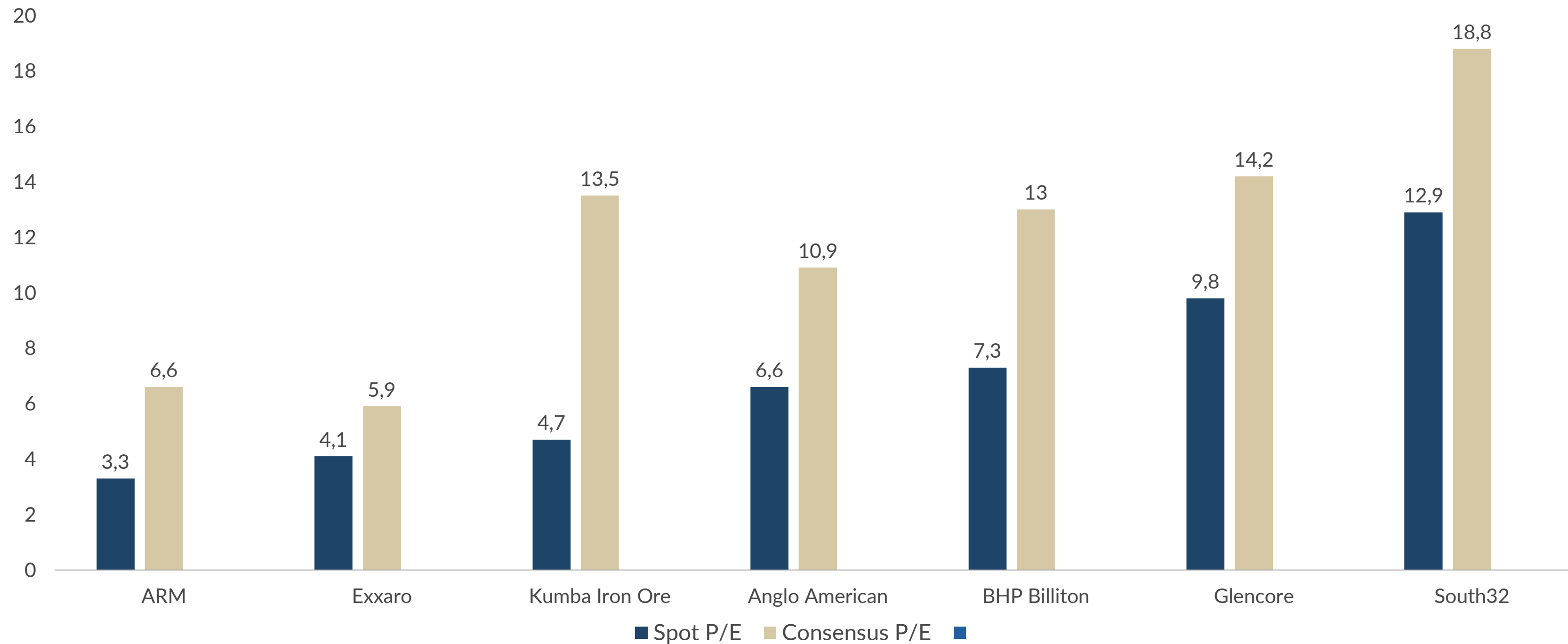
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COMMODITY PRICES BOOMING



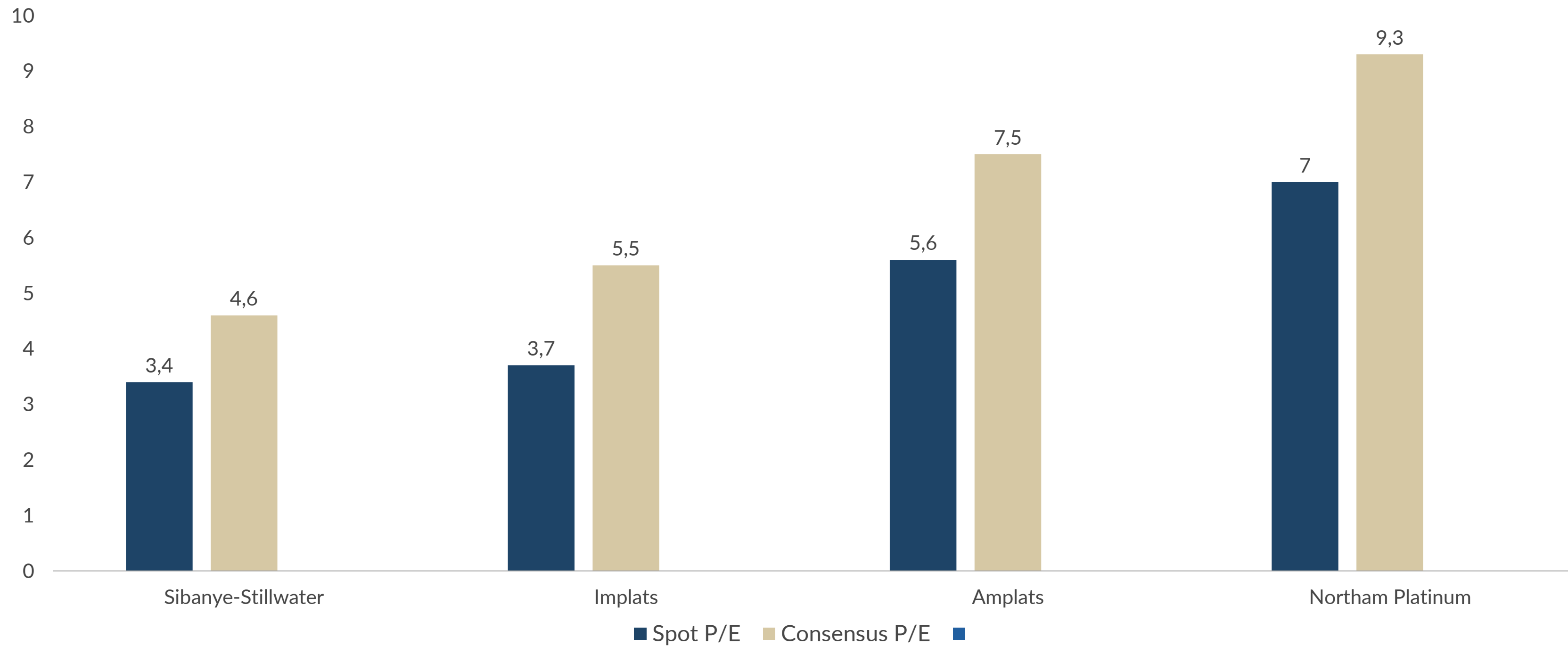
MINING SHARES STILL CHEAP?

Diversified Miner Multiples



PLATINUM COULD BE POSITIVE SURPRISE

PGM Multiples



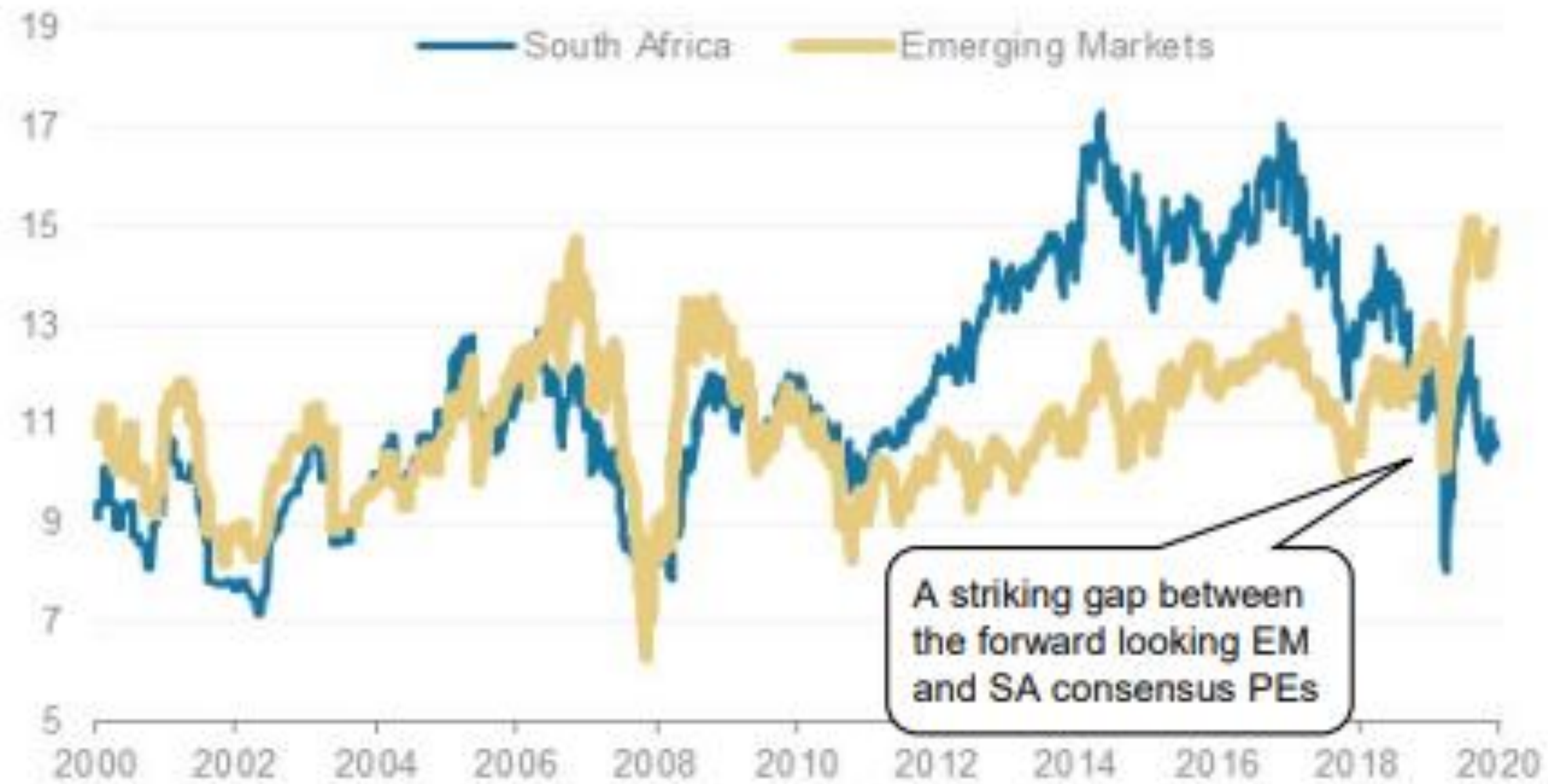
HOW WILL THE SA EQUITY MARKET DO?

5 YR EARNINGS ANNUAL EARNINGS GROWTH/MARKET RETURNS						
Biggest Economic Driver	Weight	Base Case	Comment	Bull	Bear	
SA Financials	28%	4%	Low SA GDP growth	6%	-2%	
Naspers	16%	15%	Best chance of growth	20%	10%	
Platinum	9%	0%	Diesel car sales in steady decline	5%	-7%	
Iron Ore	8%	5%	Prices at cyclical highs	5%	-7%	
Gold	7%	0%	Ex-growth industry, prices high	5%	-5%	
SA Retail	6%	5%	Low SA GDP growth	8%	0%	
Tobacco	4%	5%	Low growth and declining industry	7%	2%	
Telecomms	4%	5%	Mature local industry	8%	2%	
Healthcare	3%	3%	Flat profit pool	8%	0%	
Industrials	3%	5%	Low SA GDP growth	8%	-5%	
Other	11%	8%	Some higher growth exposure	10%	5%	
Weighted Return		5.7%		10.5%	0.9%	

- 6% Rand per annum return as base case
- High risk, low/no return
- Not much to drive growth – commodity prices at cyclical highs

SA MARKET CHEAP

South Africa vs EM 12M Fwd PE



Source Thomson Reuters, RMB Morgan Stanley Research

STEPHAN ENGELBRECHT



EQUITY PORTFOLIO

HOLDINGS AT MARKET VALUE

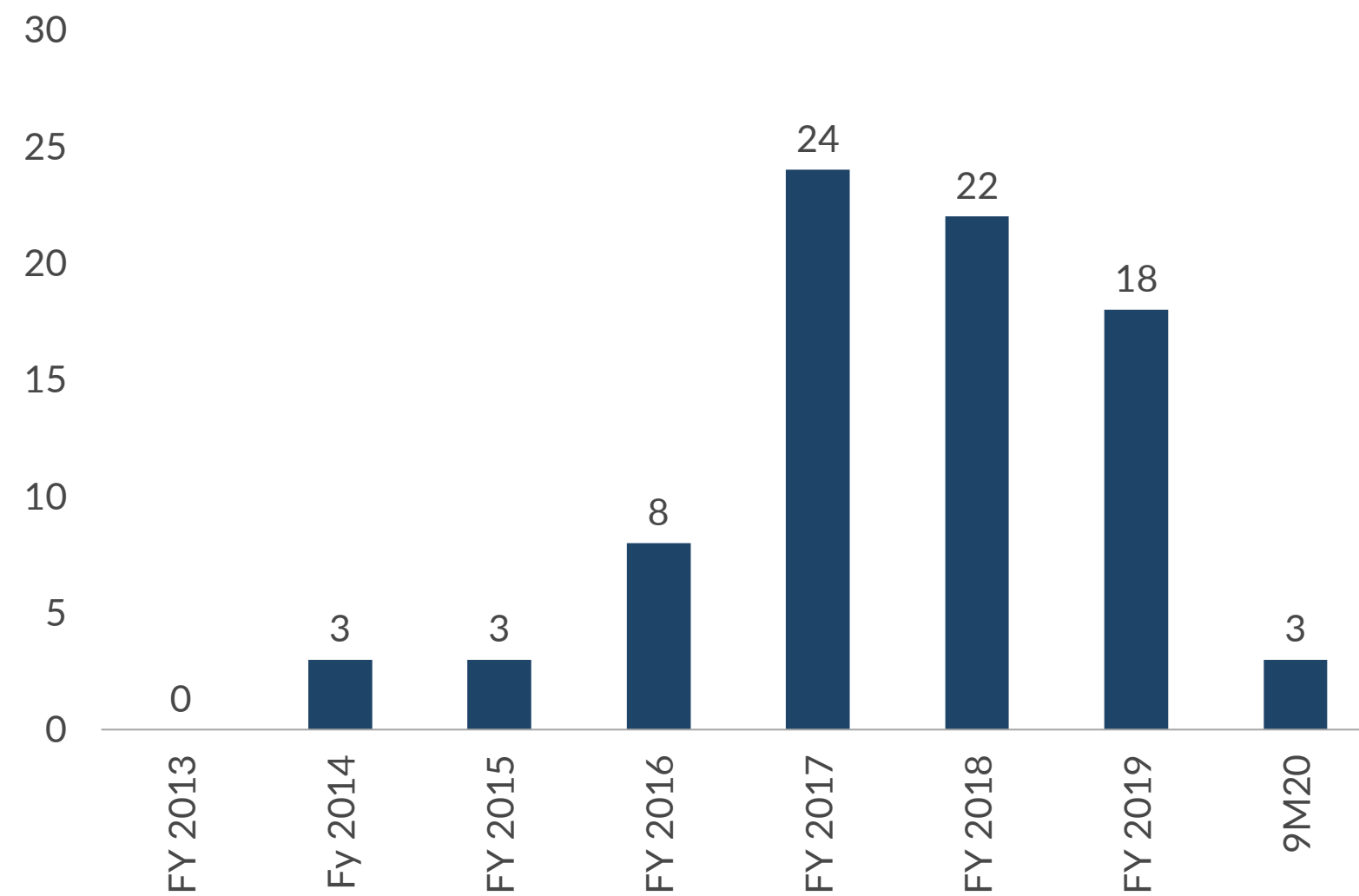
EQUITIES

						SA Inc 26	Res 21	Rand Hedge 11	Offshore 23	Naspers 16
NPN	NASPERS LTD-N SHS	ZAR	3 342.86	11.02						11.02
PRX	PROSUS	ZAR	1 702.42	5.07						5.07
FSR	FIRSTRAND LTD	ZAR	49.49	3.80	3.80					
BHP	BHP GROUP PLC	ZAR	451.48	3.60		3.60				
AGL	ANGLO AMERICAN PLC	ZAR	572.90	3.43		3.43				
BTI	BRIT AMERICA TOBACO	ZAR	573.77	3.39			3.39			
SSW	SIBANYE STILLWATER L	ZAR	62.39	3.09		3.09				
TCP	TRANSACTION CAPITAL	ZAR	23.72	2.98	2.98					
B929F46	ASML HOLDING NV	EUR	437.35	2.93					2.93	
IMP	IMPALA PLATINUM HOLD	ZAR	211.39	2.81		2.81				
MTN	MTN GROUP LTD	ZAR	65.31	2.75	2.75					
ANG	ANGLOGOLD ASHANTI	ZAR	345.69	2.59		2.59				
BHCRBZ9	X HARVEST CSI 300	USD	16.67	2.57					2.57	
B01FLR7	PING AN INSUR GRP CO	HKD	99.60	2.53					2.53	
2190385	JPMORGAN CHASE & CC	USD	140.35	2.47					2.47	
GRT	GROWTHPOINT PROPS	ZAR	12.09	2.46	2.46					
SOL	SASOL LTD	ZAR	173.50	2.32			2.32			
SBK	STANDARD BANK GROU	ZAR	128.16	2.18	2.18					
BP41ZD1	ALIBABA GROUP HLD-SP	USD	235.30	2.08					2.08	
BID	BID CORPORATION LIMIT	ZAR	269.11	1.98			1.98			
EXX	EXXARO RESOURCES L	ZAR	153.73	1.98		1.98				
B02J639	ADMIRAL GROUP PLC	GBP	29.30	1.88					1.88	
CML	CORONATION FUND MAI	ZAR	44.21	1.81	1.81					
2000019	AMAZON.COM INC	USD	3 165.89	1.80					1.80	
RMI	RMI HOLDINGS LTD (RM	ZAR	32.30	1.63	1.63					
ARI	AFRICAN RAINBOW MINE	ZAR	301.00	1.56		1.56				
B7TL820	FACEBOOK INC-CLASS A	USD	251.64	1.55					1.55	
2270726	WALT DISNEY CO/THE	USD	176.12	1.49					1.49	
2569286	ICICI BK LTD - ADR	USD	15.28	1.47					1.47	
WHL	WOOLWORTHS HLDS LT	ZAR	39.82	1.38	1.38					
INL	INVESTEC LIMITED	ZAR	40.21	1.33	1.33					
RNI	REINET INVESTMENTS S	ZAR	286.50	1.33			1.33			
ABG	ABSA GROUP LTD	ZAR	116.27	1.20	1.20					
OMU	OLD MUTUAL LTD	ZAR	11.80	1.17	1.17					
HMN	HAMMERSON PLC	ZAR	4.81	1.15					1.15	
NHM	NORTHAM PLATINUM LT	ZAR	210.32	1.15		1.15				
BYY88Y7	ALPHABET INC-CL C	USD	1 754.40	1.08					1.08	
MRP	MR PRICE GROUP LTD	ZAR	162.29	1.01	1.01					
AFT	AFRIMAT LTD	ZAR	41.00	0.97		0.97				
NY1	NINETY ONE LTD	ZAR	46.37	0.78			0.78			
DSY	DISCOVERY LTD	ZAR	141.03	0.68	0.68					
COH	CURRO HOLDINGS LTD	ZAR	9.80	0.65	0.65					
SBP	SABVEST CAPITAL LTD	ZAR	30.48	0.61			0.61			
SHP	SHOPRITE HLDS LTD	ZAR	132.75	0.52	0.52					
QLT	QUILTER PLC	ZAR	32.25	0.47			0.47			
CSB	CASHBUILD LIMITED	ZAR	225.07	0.46	0.46					

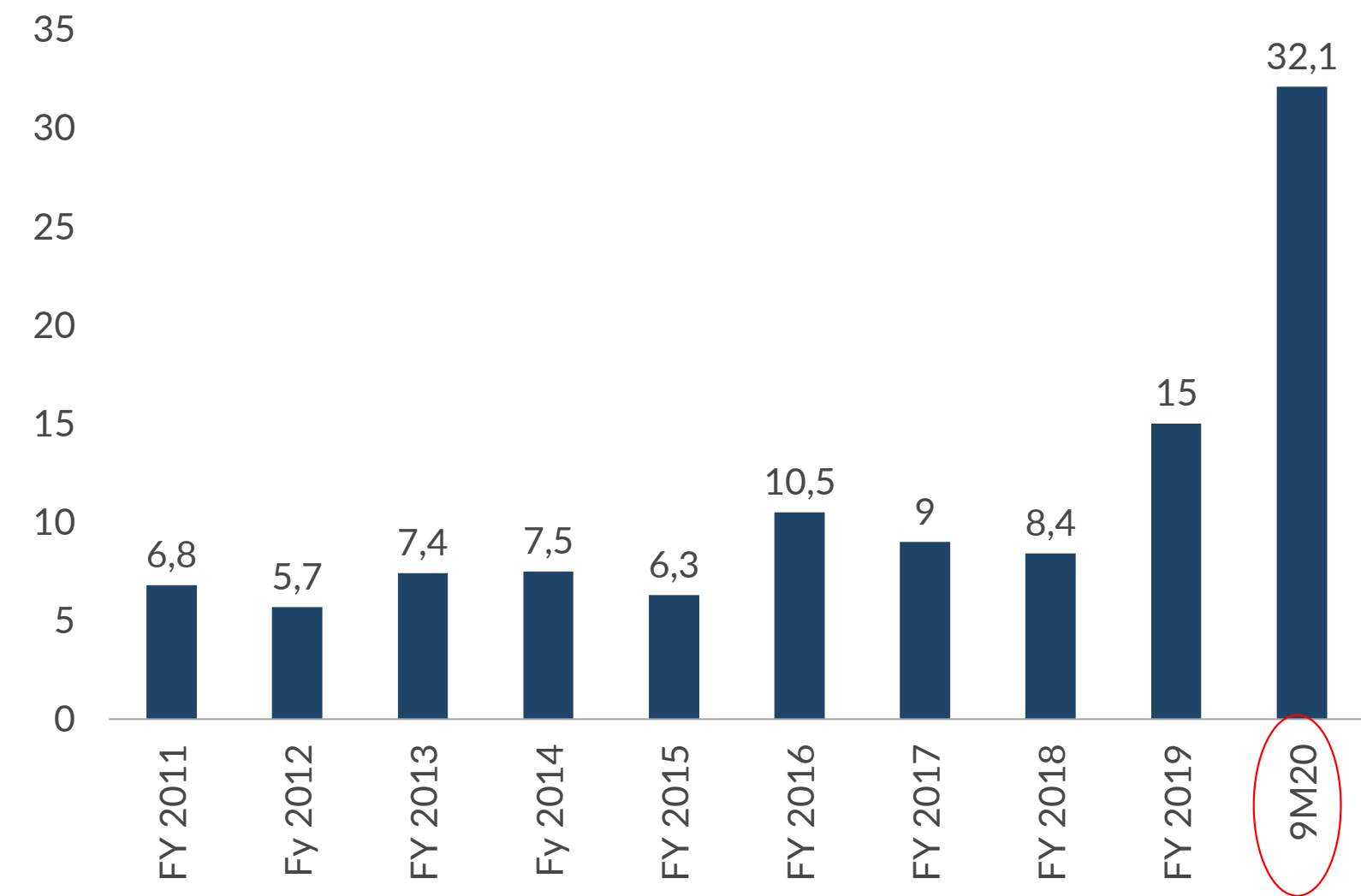
SIBANYE-STILLWATER

Net debt / EBITDA = 0.1x (from 2.7x at FY 2018)
 Paid down ± R20 bn of net debt since December 2018
 Market remains skeptical around precious metal prices, potential M&A
 P/E: 3.5x

Net debt (R bn)



EBITDA (R bn)



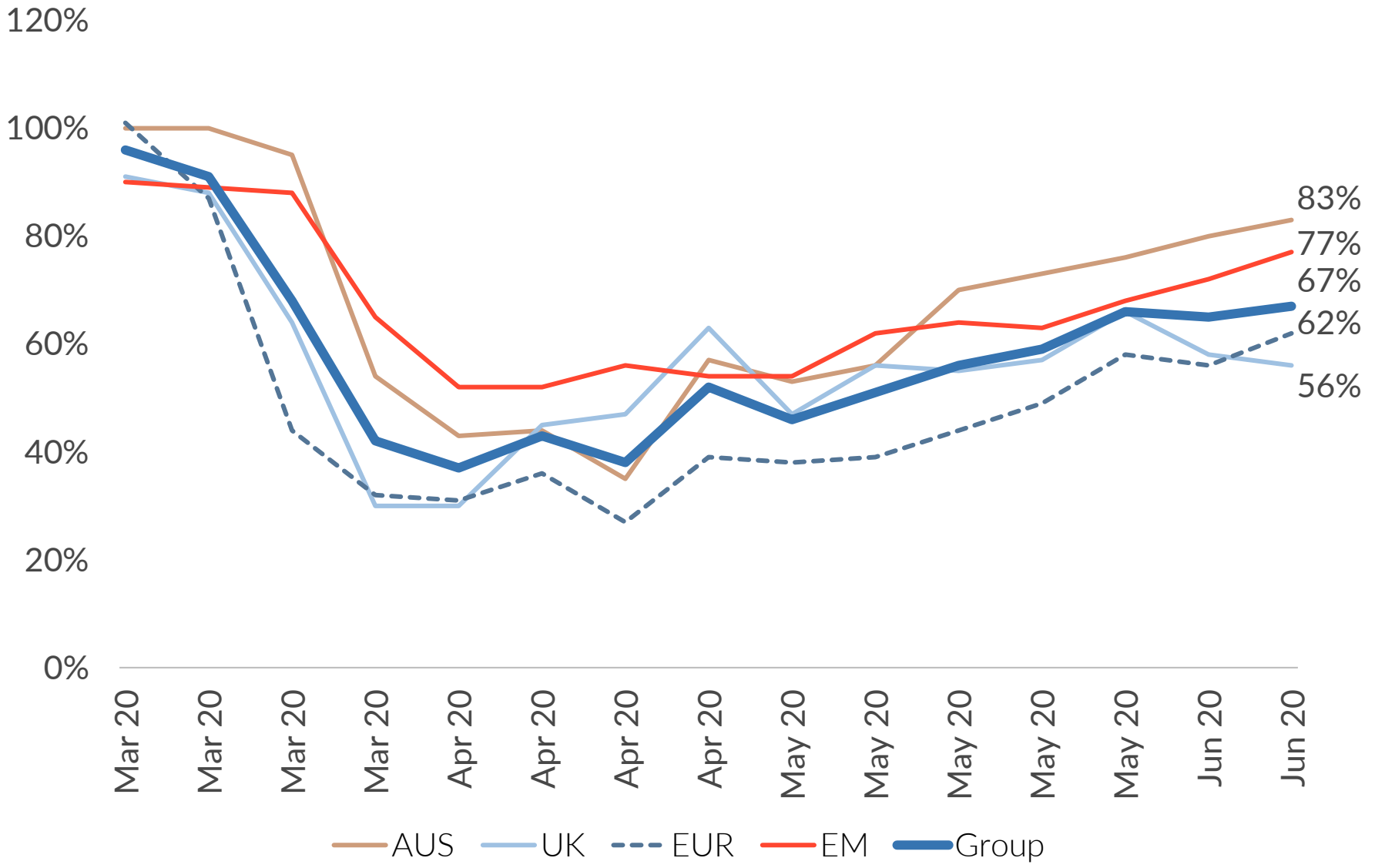
- R155bn market cap
- R42bn annualized cash flow



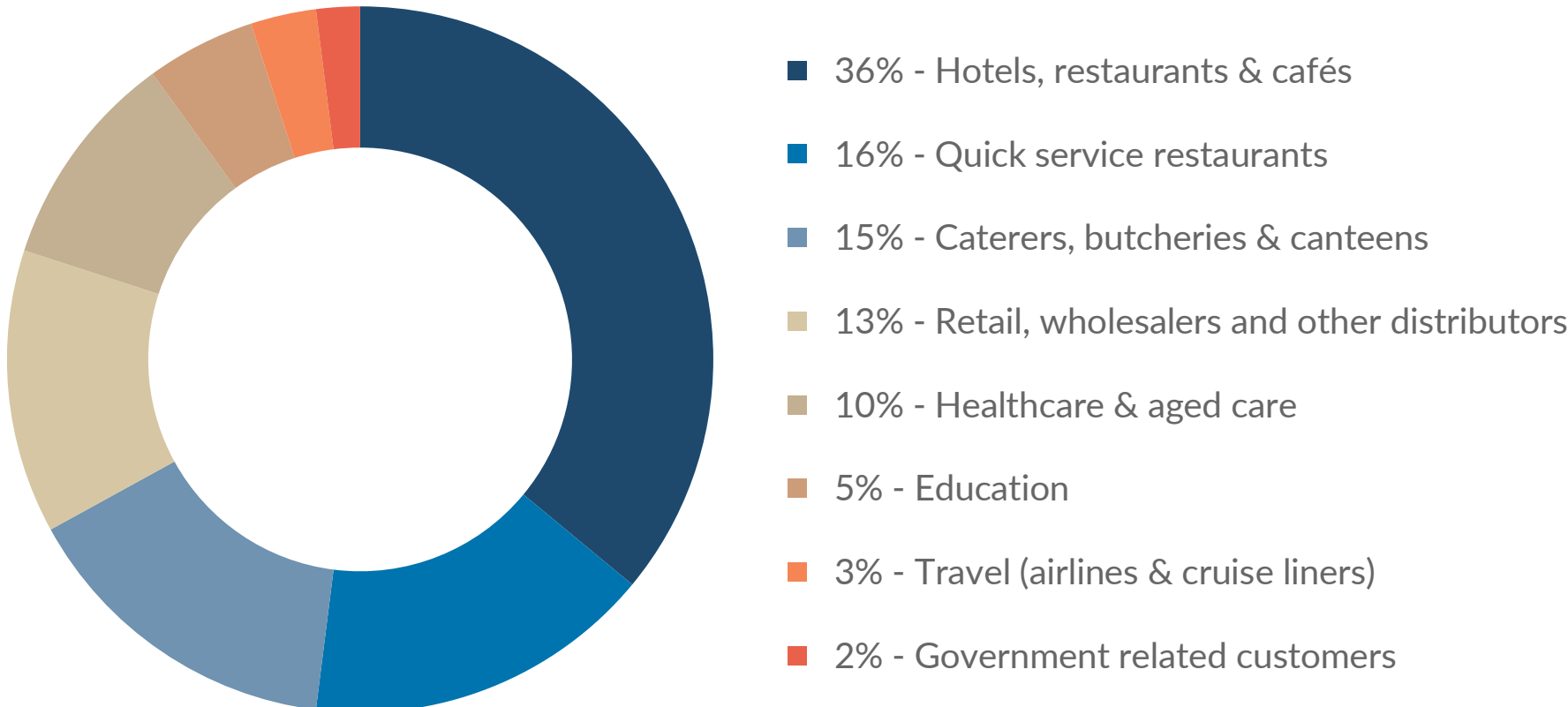
BIDCORP - THE WORST IS OVER

Diverse industry and geographic exposure has proven to be defensive in a tough operational environment, and average sales trends on a weekly basis after lockdown restrictions have since tracked between 85%-90% compared to the previous year, with some geographies tracking above 100%

Sales progression for 15 week period during COVID-19



BidCorp industry exposure (FY20)



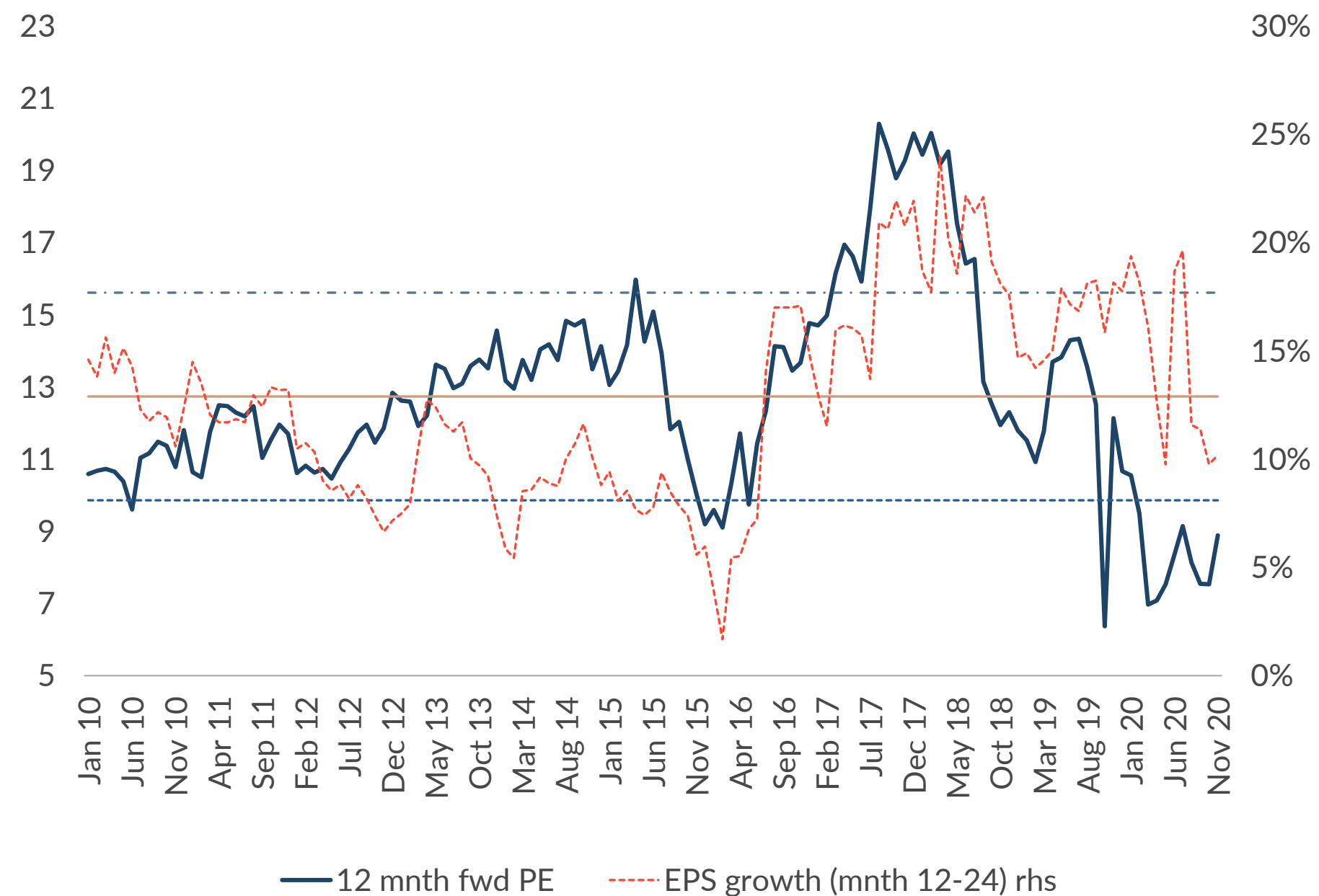
Source: Company reports, Anchor

LOWLY RATED SELF-HELP OPPORTUNITY

MTN



MTN trading at a significant discount vs. its own history...



... But 2021 should see “self help” come to fruition and other headwinds abate

- Recapitalisation of Cell C
- Sale of non-core assets to raise ~R25 bn (cut gearing)
- Simplify/de-risk group through exit of Middle East
- Improvement in cash upstreaming as the world recovers from COVID-19
- Capitalising on Africa’s unique telco opportunities – financial & digital services

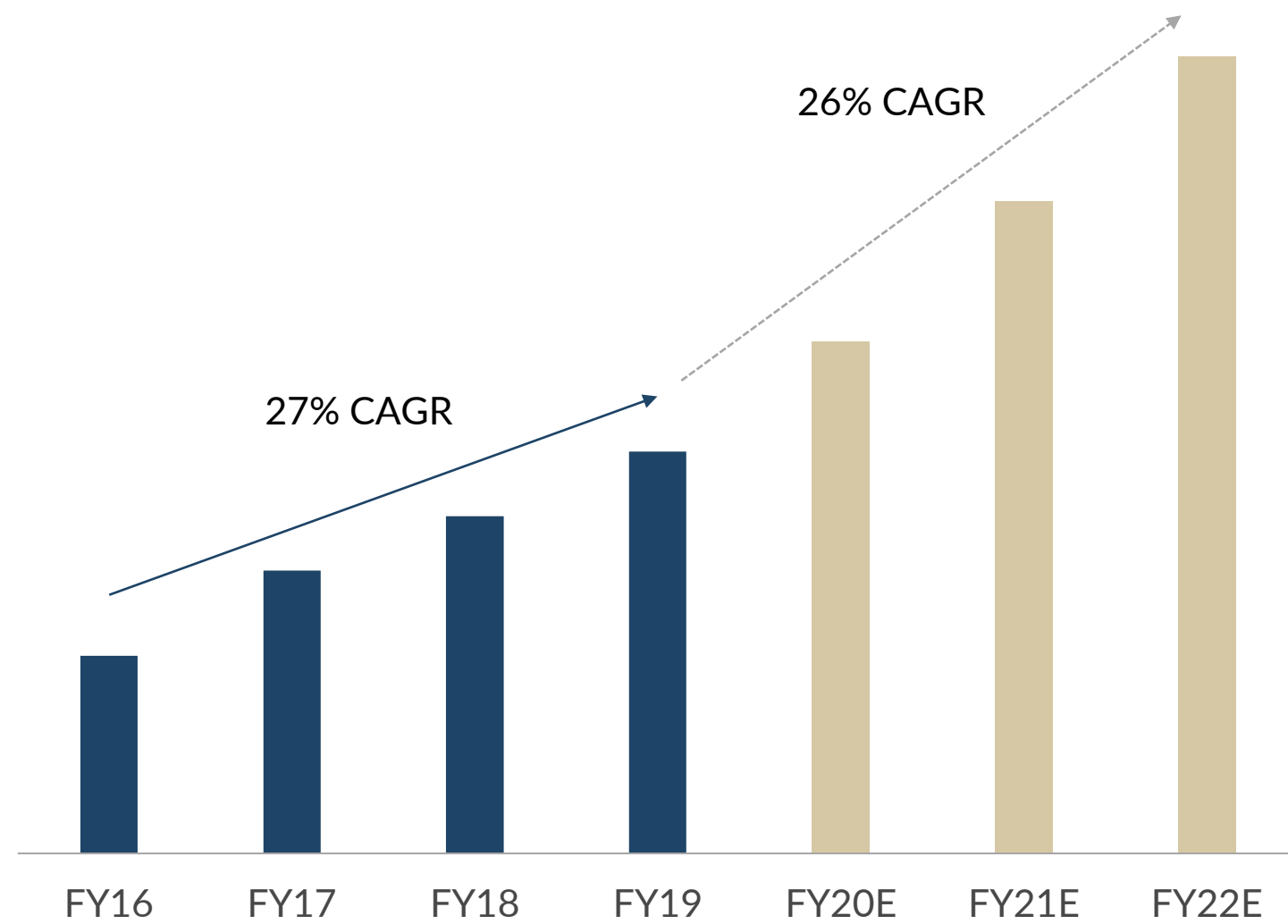
A COMPOUNDER WITH OPTIONALITY

NASPERS



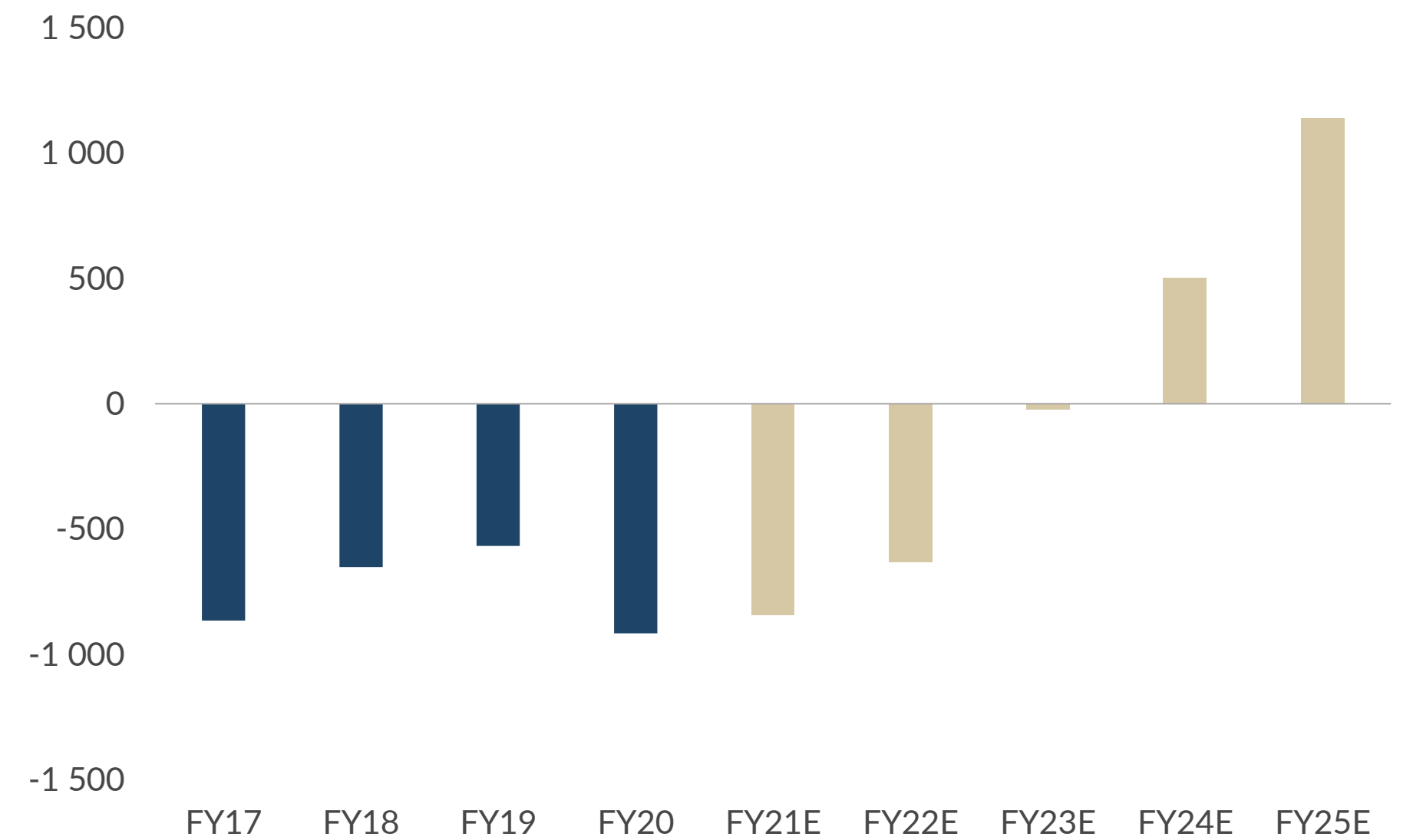
Tencent – Consistent compounder

Non-GAAP EPS growth



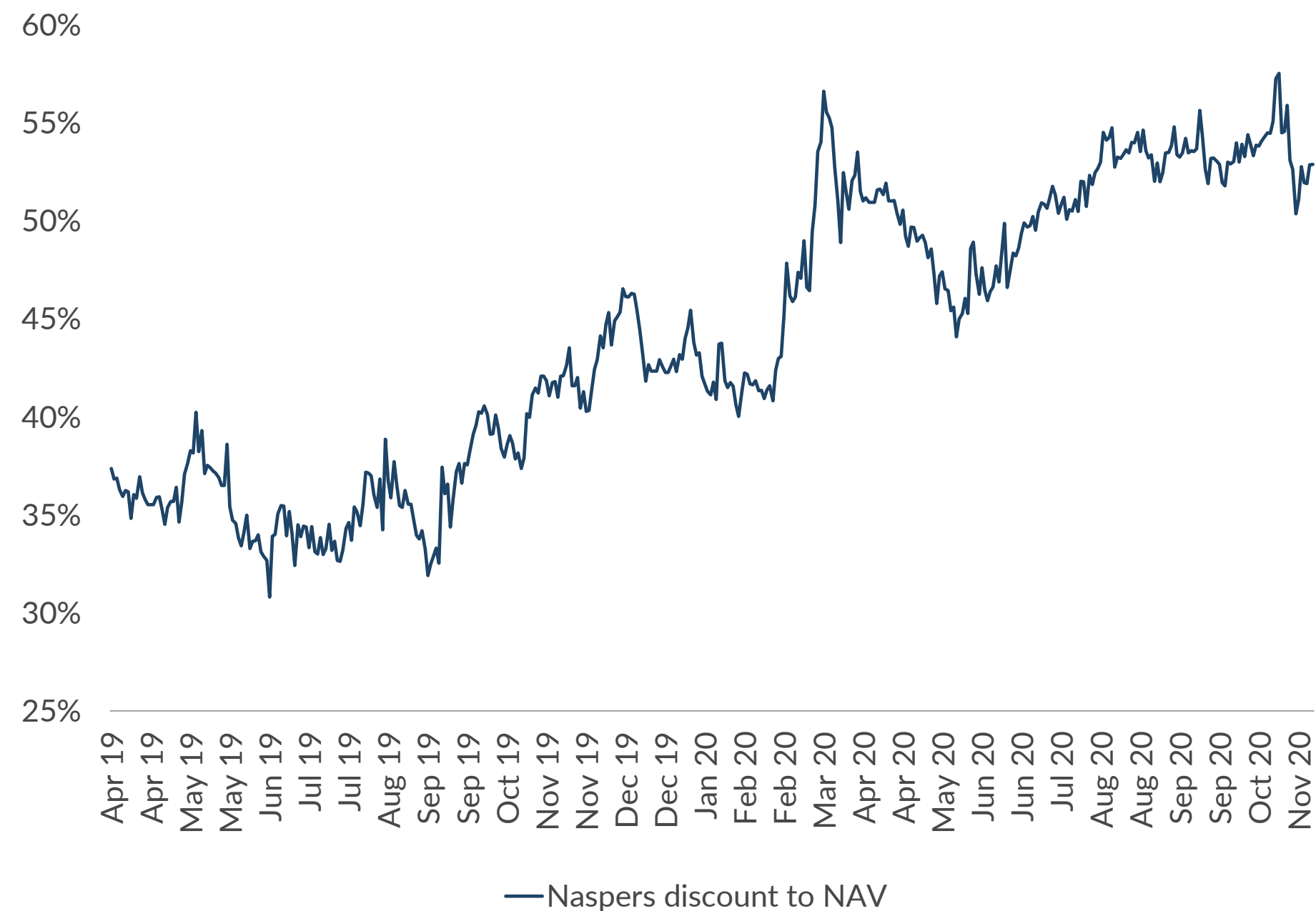
Naspers “Rump” heading towards profitability

Trading profit – ex-Tencent (USD m)



NASPERS

Naspers discount – close to high



- Tencent 88% of NAV
- Rump – on a journey to 3 x USD 20 bn businesses
- Management committed to narrow discount

SUMMARY OF WHERE THE MONEY WILL BE MADE

Domestic Equities

11% return, but current trend is higher



Domestic Fixed Income

Yield of 6% to 10% means buy bonds and be patient.

Global Equities

5% by year end, but the bull market could take it higher

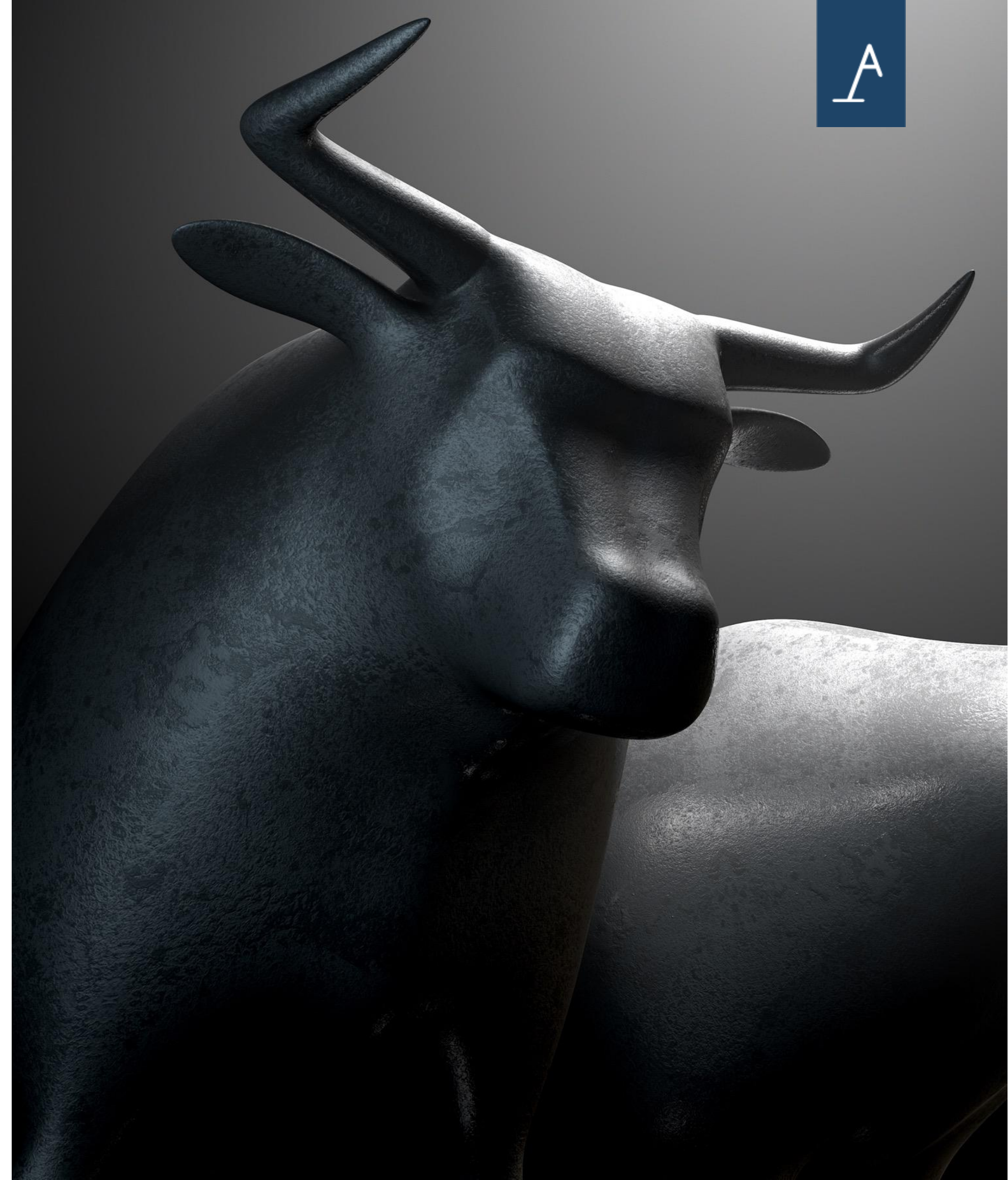


Global Fixed Income

Avoid duration, hold a corporate bonds for 2% to 3% yields.

BULL MARKET FOR NOW

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- 2021 projections: Global 5% (US\$), Local 11% (Rands)
- 2021 bull market conditions, but priced for perfection
 - Biden v inflation/yields, CV19 allowing
 - All eyes on Israel
 - EM strong, resources to lead the way
- In SA portfolios, a strong global portfolio positioning
 - SA Inc not buy and hold for now
- *Big asset manager issue: If Naspers traded at nav and grew at 20% per annum for a few years, it could be 60% of SA market*



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