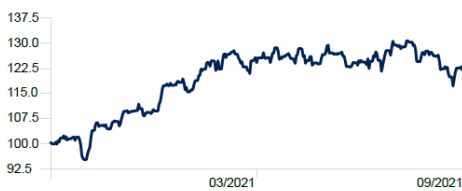



CONTENTS: Market Report | Company Results | Snippets | CCM Rates | Dividends Payable

All Share

Time Period: 01/10/2020 to 30/09/2021



FTSE/JSE All Share TR ZAR

Resources

Time Period: 01/10/2020 to 30/09/2021

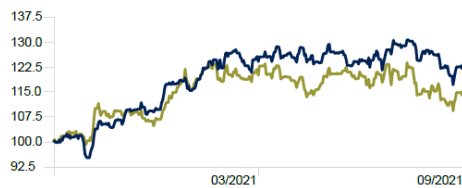


FTSE/JSE Resources 10 TR ZAR

FTSE/JSE All Share TR ZAR

Industrials

Time Period: 01/10/2020 to 30/09/2021

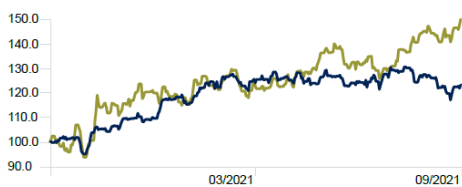


FTSE/JSE Indl 25 TR ZAR

FTSE/JSE All Share TR ZAR

Financials

Time Period: 01/10/2020 to 30/09/2021



FTSE/JSE Financial 15 TR ZAR

FTSE/JSE All Share TR ZAR

Market Report

Resources drag the JSE into the red for the second time this year

The FTSE/JSE indices ended the month lower for the second time this year. The Shareholder Weighted Capped Swix Index returned -1.4% for the month, with most of the pain coming from the Resources Index, which lost -9.5% for the month. Index heavyweight, Naspers eked out a small gain for the month, catching up some of the recent underperformance relative to Prosus. However, the combined performance of the two stocks was once again a drag on the index as the everchanging regulatory landscape in China continues to be a headwind for the two, which are down 18.3% and 26.6% respectively since the start of the year. SA banks were positive performers in the month, driven higher by solid results and improved credit losses. Commodity markets were another area of complexity and divergent outcomes but overall another source of meaningful pain for the local bourse. Bulk commodities (particularly iron ore) suffered from Chinese steelmakers curtailing production amidst export bans and power supply shortages (due to the economics of high coal prices and fixed electricity tariffs, as well as localised air pollution concerns in China). Whether this situation was the cause or effect of the rapid slowdown in Chinese data over the quarter is subject to debate. Nevertheless, the result was a sharp retracement in the price of iron ore, along with the associated mining shares. This led to diversified miners such as BHP (-15.8%) suffering alongside the drop in iron ore (-24%) in September. Platinum Group Metals also declined leaving platinum miners down (-17% for the month), but this was due to a reduction in demand from automakers, who had to shut down factories in the face of a severe shortage of semiconductor chips assembled in Covid-hit Malaysia. The ongoing shortage of semiconductor chips, causing bottlenecks in the motor industry contributed to a 23% drop in auto catalyst minerals palladium and rhodium in September. Conversely, aluminium surged as Guinea (a large bauxite producing country) experienced a military coup which threatened to derail supplies of a metal already in short supply. Sasol was a rare bright spot amongst the commodity players (+27% in September) as it benefitted from the global shortage in energy materials due to tight supplies and continued rising mobility post-Covid. Brent crude oil marched higher, breaching \$80/barrel for the first time since 2018 as supplies of crude remained tight.

The domestically focussed SA Inc shares delivered a small positive contribution for the month, despite the poor performance from the retailers. The announcement of some corporate activity aimed at unlocking shareholder value was a contributor to the outperformance of Rand Merchant Bank (+19%) and Remgro (+12%) as they look to unbundle some of their underlying listed investments. Telkom was another beneficiary of corporate activity (+15% in September) as it announced plans for a tower deal.

The rand lost ground against a strong US dollar (-3.7% in the month) providing a tailwind for JSE-listed companies with foreign earnings, but most of the companies in that category were unable to use the advantage to contribute positively for the month. The exception was pharmaceutical company, Aspen (+40% in September), which rallied strongly as it announced the possibility of a favourable licensing deal with Johnson & Johnson related to the distribution of COVID-19 vaccinations in Africa.

Amidst further interest rates increases amongst our emerging market peers (in response to rising inflation pressures), the SA Reserve Bank meeting in September saw rates remain on hold as anticipated, expecting inflation to stay close to the mid-point over their forecast period, but with risks to the upside. SARB Governor Lesetja Kganyago spoke at length about a need to lower the inflation target towards 3%, away from the midpoint of the current 3% to 6% range. As long as domestic inflation pressures remain relatively contained, we expect the forthcoming interest rate hiking cycle to likely be reasonably gradual, with the timing of the first hike still on track for late this year/early next year.

| Index | Value | Sept (%) | YTD (%) |
|------------|--------|----------|---------|
| All Share | 64,282 | ▼ 3.1% | ▲ 12.2% |
| S&P 500 | 4,308 | ▼ 4.7% | ▲ 15.9% |
| FTSE 100 | 7,086 | ▼ 0.2% | ▲ 13.1% |
| Rand/USD | 15.05 | ▲ 4.0% | ▲ 2.4% |
| Rand/GBP | 20.29 | ▲ 1.9% | ▲ 1.0% |
| Gold (\$) | 1,755 | ▼ 3.3% | ▼ 7.3% |
| Plat (\$) | 961 | ▼ 5.2% | ▼ 10.6% |
| Brent (\$) | 78.52 | ▲ 7.6% | ▲ 51.6% |

Developed markets recorded their worst month since March

September saw developed market equities record their worst month since March 2020, when the pandemic hit (MSCI World -4.1% for the month), as numerous events combined to rattle global markets. The US stock market hit a pocket of turbulence and did not fair any better, with investors turning cautious amid Delta variant infections, slowing economic growth and ongoing policy debate in Washington. The Dow Jones Industrial Average fell 4.29%, the S&P 500 Index lost 4.76% and the Nasdaq Composite dropped 5.31%. The 10-year government bond yields jumped 0.2% to end the month at 1.5%, with the US Federal Open Market Committee members seemingly ready to start tapering quantitative easing before year-end, with the intention of no longer growing the Fed balance sheet after mid-2022. The latest forecasts from FOMC members also revealed that the majority of members thought it would be appropriate to start increasing US rates in 2022, a more hawkish stance than they held three months earlier. Markets were also rattled by estimates from US Treasury staff that emergency measures currently in place to avoid breaching the US debt ceiling would be exhausted towards the end of October, causing the US to default on its debt if Congress is unable to approve an increase to the debt ceiling. Late in the month, Congress agreed on a temporary suspension of the debt ceiling to December to allow for more time to agree on a more permanent solution.

In China, the second largest property developer by sales, Evergrande, saw its share price fall 33% (leaving it down 80% over the past 6 months) as it appeared increasingly likely that it would default on its debt. The company owns roughly 1,300 projects in 280 Chinese cities, and it has taken about US\$200mn in deposits from Chinese homebuyers, who are still waiting on their homes to be built. The company's US\$300bn debt load appears very unlikely to be repaid in full. Investors were scrambling to assess the implication for other companies in the sector and whether stress in the sector could spill over to create systemic risk for the world's second-largest economy.

The global market environment has become more cautious in the second half of the year as the outlook for global growth has deteriorated, exacerbated by the start of a hawkish undertone from several major central banks, triggering a sharp selloff in sovereign bonds. Meanwhile, near term uncertainty about the evolution of risks stemming from China's slowing economy, the Evergrande debacle, US domestic policy, and stagflation fears led to a global equity pullback. The Fed is likely to announce a taper in November and the BoE raised prospects of an earlier than expected rate hike.

Growth stocks were particularly impacted by higher rates and heightened risk aversion, with the Nasdaq 100 amongst the worst-performing indices in September (-5.7%). The only S&P 500 sector to end the month higher was the energy sector (+9.4%) as a global shortage of natural gas, heading into the Northern Hemisphere winter, saw natural gas prices spike 33% during the month to leave them up over 100% since the start of the year. The search for alternative sources of energy helped drive crude oil higher (+8% in September) just as hurricanes were pressuring supply chains in the Gulf of Mexico.

Industrial metals fared significantly worse, with iron ore (-24% in September) impacted by concerns around a slowdown in construction activity in China. China, and Brazil (where inflation is approaching double digits and a fractious political environment minimises the prospects of improved fiscal discipline) dragged emerging markets lower (MSCI EM -4% for the month), despite a positive performance from Indian and Russian stock markets, both of which were helped by outsized exposure to energy companies particularly oil and natural gas.

Company Results

Bid Corp Ltd. – Audited results for the year end 30 June 2021

| | |
|--------------------|---------|
| Earnings per share | R9.23 |
| Historical PE | 33.5 |
| EPS growth | 154% |
| Turnover growth | -4.8% |
| ROE | 11.1% |
| Debt/Equity | 50.7% |
| NAV per share | R83.38 |
| Dividend yield | 1.3% |
| Share price | R309.61 |



Nature of Business

Bid Corp. Ltd. operates as a holding company, which engages in the foodservice business. It operates through the following segments: Australasia, United Kingdom, Europe, Emerging Markets, and Corporate. The company was founded by Brian Joffe on March 1, 1988 and is headquartered in Johannesburg, South Africa.

Latest Results

Bidcorp has delivered a solid trading performance for the financial year considering the devastating economic and social impacts of the continuing COVID-19 pandemic (COVID) on the hospitality, tourism, and leisure industries globally. Excellent free cash flows driven by good asset management, some asset realisations, and exceptionally nimble trading underpinned the pandemic-affected results.

Gross profit percentage held up well at 24,0% (F2020 restated: 24,2%), a combination of the necessity to liquidate inventories in volatile trading conditions as well as some price discounting to gain market share. The group achieved cost efficiencies as there was a 13,4% decline in constant currency operating costs against a decline in constant currency revenues of 9,2%. The overall cost of doing business decreased to 19,8% (F2020 restated: 20,8%). No further significant COVID-related costs were incurred in the year.

Dividend

In line with the group dividend policy, the directors declared a final cash dividend of 400,0 cents (320,0 cents net of dividend withholding tax, where applicable) per ordinary share to those members registered on the record date, being October 22 2021. The dividend was declared from income reserves.

Roche Holding AG – Results for the 9 months ending 30 September 2021

| | |
|--------------------|-----------|
| Earnings per share | CHF9.05 |
| Historical PE | 21.2 |
| EPS growth | -3% |
| Turnover growth | 8% |
| ROE | 40.1% |
| Debt/Equity | 39.7% |
| NAV per share | CHF44.27 |
| Dividend yield | 2.66% |
| Share price | CHF341.95 |



Nature of Business

Roche Holding AG operates as a research healthcare company. It operates through the following segments: Diagnostics and Pharmaceuticals. The Pharmaceutical segment refers to development of medicines in the field of oncology, immunology, ophthalmology, infectious diseases and neuroscience. The Diagnostic segment refers to diagnosis of diseases through an in vitro diagnostics process. The company was founded by Fritz Hoffmann-La Roche on October 1, 1896 and is headquartered in Basel, Switzerland.

Latest Results

The demand for coronavirus tests remained high in the third quarter due to the Delta variant. Together with the recently launched medicines and diagnostics platforms they contributed to the strong sales growth. Roche also made significant progress in their product pipeline in the third quarter, including with Polivy, the first medicine in 20 years to significantly improve outcomes in a form of aggressive blood cancer. Based on the results achieved so far, management are raising their outlook for the full year. Sales are now expected to grow in the mid-single digit range, at constant exchange rates. Core EPS are targeted to grow broadly in line with sales, at constant exchange rates.

The Diagnostics Division achieved strong sales growth of 39% to CHF 13.3 billion in the first nine months. Growth was 18% in the third quarter compared to the already very strong third quarter last year. Demand for COVID-19 testing remained high in the third quarter, driven primarily by the Delta variant. As a result, Roche's industry-leading portfolio of COVID-19 tests again contributed significantly to the division's overall sales growth.

Dividend

Shareholders approved the proposed appropriation of available earnings with 100% of the votes. They also approved an increase in the dividend for the past financial year from 9.00 to 9.10 Swiss francs (gross) per share and non-voting equity security. This is the 34th consecutive dividend increase.

Snippets

BRAND NEW PCH BROCHURE

Private Client Holdings has just published a fresh [new company brochure](#) that succinctly unpacks all our services. At Private Client Holdings we take pleasure and pride in nurturing wealth for our private clients and their families. We do this by offering six fundamental wealth management solutions that collectively deliver a traditional Family Office service, including investment and portfolio management, tax and accounting services, consolidated reporting, transactional banking, estate and succession planning. We act as your personal Chief Financial Officer. To find out more about our comprehensive wealth management offering please click here ([hyperlink again](#)). We would love to hear your thoughts and comments about the new brochure please email cathy@privateclient.co.za to do so.

Corporate Cash Manager Rates

| FUND | BALANCE | RATE |
|-------------------------------------|--------------------------|------|
| CALL ACCOUNT | 0.00 – 9 999.99 | 3.15 |
| | 10 000 – 24 999.99 | 3.15 |
| | 25 000 – 49 999.99 | 3.15 |
| | 50 000 – 99 999.99 | 3.15 |
| | 100 000 – 249 999.99 | 3.15 |
| CALL MONEY FUND: <i>Individuals</i> | 250 000 – 999 999.99 | 4.07 |
| | 1 000 000 – 9 999 999.99 | 4.07 |

| | | |
|---|--------------------------|------|
| | 10 000 000 upwards | 4.07 |
| CALL MONEY FUND: <i>Non-Individuals</i> | 250 000 – 999 999.99 | 3.78 |
| | 1 000 000 – 9 999 999.99 | 3.78 |
| | 10 000 000 upwards | 3.78 |

Dividends Payable

| Dividends in LDT order | | | | | |
|--|---------------|---------------|---------------|---------------|-------------|
| Company | Decl | LDT | Pay | Amt | Curr |
| <u>AH-Vest Ltd. (AH-VEST)</u> | <u>01-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>1</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (ASHINFBND)</u> | <u>14-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>13.87</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (ASHMIDCAP)</u> | <u>14-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>10.16</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (ASHTOP40)</u> | <u>14-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>131.28</u> | <u>ZARc</u> |
| <u>AVI Ltd. (A-V-I)</u> | <u>06-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>275</u> | <u>ZARc</u> |
| <u>AVI Ltd. (A-V-I-A2X)</u> | <u>06-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>275</u> | <u>ZARc</u> |
| <u>Bowler Metcalf Ltd. (BOWCALF)</u> | <u>07-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>32</u> | <u>ZARc</u> |
| <u>Bid Corporation Ltd. (BIDCORP)</u> | <u>30-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>400</u> | <u>ZARc</u> |
| <u>Capitec Bank Holdings Ltd. (CAPITEC)</u> | <u>30-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>1200</u> | <u>ZARc</u> |
| <u>Equites Property Fund Ltd. (EQUITES)</u> | <u>05-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>78.38</u> | <u>ZARc</u> |
| <u>Equites Property Fund Ltd. (EQUITES-A2X)</u> | <u>05-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>78.38</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (1INVESTGREIT)</u> | <u>15-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>9.75</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (1INVESTSAPROP)</u> | <u>15-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>58.12</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (1INVESTSWX40)</u> | <u>15-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>18.51</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (1INVESTTOP40)</u> | <u>15-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>143.38</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (S&PGIVISA)</u> | <u>14-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>93.66</u> | <u>ZARc</u> |
| <u>Growthpoint Properties Ltd. (GROWPNT)</u> | <u>15-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>60</u> | <u>ZARc</u> |
| <u>Growthpoint Properties Ltd. (GROWPNT-A2X)</u> | <u>15-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>60</u> | <u>ZARc</u> |
| <u>Heriot REIT Ltd. (HERIOT)</u> | <u>30-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>46.88</u> | <u>ZARc</u> |
| <u>Hyprop Investments Ltd. (HYPROP)</u> | <u>15-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>336.53</u> | <u>ZARc</u> |
| <u>Exchange Traded Funds (SHARIAH40)</u> | <u>14-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>19.11</u> | <u>ZARc</u> |
| <u>Rand Merchant Investment Holdings Ltd. (RMIH)</u> | <u>20-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>22.5</u> | <u>ZARc</u> |
| <u>SA Corporate Real Estate Ltd. (SA CORP)</u> | <u>16-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>10.27</u> | <u>ZARc</u> |
| <u>Schroder European Real Estate Investment Trust Plc (SERE)</u> | <u>28-Sep</u> | <u>19-Oct</u> | <u>08-Nov</u> | <u>1.85</u> | <u>EURc</u> |
| <u>Steinhoff Investment Holdings Ltd. (SHFINV-PREF)</u> | <u>01-Oct</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>286.38</u> | <u>ZARc</u> |
| <u>Super Group Ltd. (SUPRGRP)</u> | <u>30-Aug</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>47</u> | <u>ZARc</u> |
| <u>Spur Corporation Ltd. (SPURCORP)</u> | <u>27-Feb</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>78</u> | <u>ZARc</u> |
| <u>TeleMasters Holdings Ltd. (TELEMASTR)</u> | <u>30-Sep</u> | <u>19-Oct</u> | <u>25-Oct</u> | <u>1.6</u> | <u>ZARc</u> |
| <u>Paratus Namibia Holdings Ltd. (PARATUS NM)</u> | <u>23-Sep</u> | <u>22-Oct</u> | <u>12-Nov</u> | <u>10</u> | <u>NADc</u> |
| <u>Barloworld Ltd. (BARWORLD6%P)</u> | <u>12-Oct</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>6</u> | <u>ZARc</u> |
| <u>Caxton and CTP Publishers and Printers Ltd. (CAXTON)</u> | <u>20-Sep</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>50</u> | <u>ZARc</u> |
| <u>Caxton and CTP Publishers and Printers Ltd. (CAXTON6%CPP)</u> | <u>20-Sep</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>410</u> | <u>ZARc</u> |
| <u>Etion Ltd. (ETION)</u> | <u>06-Oct</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>33</u> | <u>ZARc</u> |
| <u>Hammerson Plc (HAMMERSON)</u> | <u>05-Aug</u> | <u>26-Oct</u> | <u>07-Dec</u> | <u>0.2</u> | <u>GBPp</u> |
| <u>Exchange Traded Notes (IBLUSD)</u> | <u>13-Oct</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>0.13</u> | <u>USDc</u> |
| <u>PSG Konsult Ltd. (PSG KST-NSX)</u> | <u>07-Oct</u> | <u>26-Oct</u> | <u>01-Nov</u> | <u>10</u> | <u>ZARc</u> |
| <u>PSG Konsult Ltd. (PSG KST)</u> | <u>07-Oct</u> | <u>26-Oct</u> | <u>01-Nov</u> | <u>10</u> | <u>ZARc</u> |
| <u>Newpark REIT Ltd. (NEWPARK)</u> | <u>06-Oct</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>21.66</u> | <u>ZARc</u> |
| <u>Prosus N.V. (PROSUS)</u> | <u>24-Aug</u> | <u>26-Oct</u> | <u>23-Nov</u> | <u>14</u> | <u>EURc</u> |
| <u>Prosus N.V. (PROSUS-A2X)</u> | <u>24-Aug</u> | <u>26-Oct</u> | <u>23-Nov</u> | <u>14</u> | <u>EURc</u> |
| <u>RCL Foods Ltd. (RCL)</u> | <u>06-Sep</u> | <u>26-Oct</u> | <u>02-Nov</u> | <u>30</u> | <u>ZARc</u> |

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