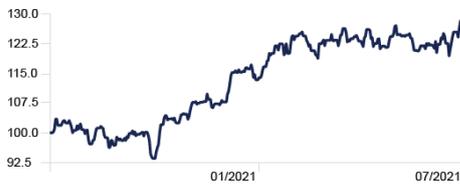

CONTENTS: Market Report | Company Results | Snippets | CCM Rates | Dividends Payable

All Share

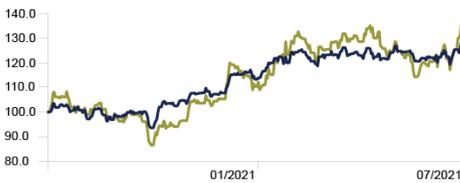
Time Period: 01/08/2020 to 31/07/2021



FTSE/JSE All Share TR ZAR

Resources

Time Period: 01/08/2020 to 31/07/2021

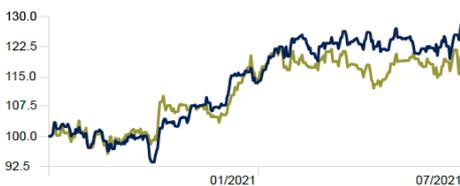


FTSE/JSE Resources 10 TR ZAR

FTSE/JSE All Share TR ZAR

Industrials

Time Period: 01/08/2020 to 31/07/2021

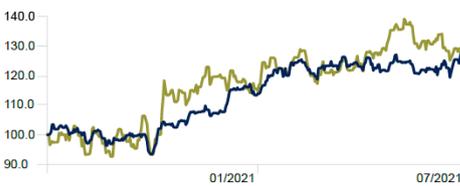


FTSE/JSE Indl 25 TR ZAR

FTSE/JSE All Share TR ZAR

Financials

Time Period: 01/08/2020 to 31/07/2021



FTSE/JSE Financial 15 TR ZAR

FTSE/JSE All Share TR ZAR

Market Report

Despite the rioting and looting the local bourse notched up gains

Most world markets retreated from recent highs and closed June on a disappointing note, with July was a tough month domestically as South Africans faced mid-winter with movement and economic activity severely restricted because of surging COVID-19 cases which exceeded peak infection rates experienced in the first two waves. News flow was dominated by the protests and looting which gripped parts of Gauteng and KwaZulu-Natal following the arrest of former president Jacob Zuma. Protests quickly turned violent and evolved into wide-scale looting and vandalism, resulting in over 300 deaths and billions of rand worth of damage and lost economic output. With new infections surging due to the spread of the Delta-variant of COVID-19, the country also remained in Adjusted Level 4 of the national lockdown, despite initial indications that it was due to end on 11 July.

Despite the upheaval, the local bourse managed to notch up gains during July. The All Share Index closed nearly 4.2% higher, bucking expectations of a sharp decline. The move, however, was fuelled almost solely by a stellar performance from the Resource subsector, which gained roughly 11.7% for the month as gold, platinum, and diversified miners all experienced double-digit returns. The performance is attributable to several factors: It is partly a correction of the previous month's dull performance (the market was 6.4% lower); partly a result of increasing global demand as the economic recovery elsewhere gathers pace; and partly a result of global earnings optimism. Miners were amongst the biggest gainers, with diversified miners' Anglo American Plc gaining more than 14% and BHP Billiton delivering over 12%.

After approval of the Naspers/Prosus share swap, shares in the respective entities took a noticeable dip early in July, before rallying again. The rally, however, was short-lived, as headwinds from China's regulatory spat spilled over to Naspers. With Tencent, Naspers' single biggest investment, becoming the victim of Chinese authorities' latest tech crackdown, share prices in the behemoth of the JSE fell by more than 12% between 22 and 27 July. Share prices recovered some ground, but closed 6.3% lower.

The local bond market closed higher, with the All Bond Index (ALBI) registering a gain of 80 bps. Local property stocks also managed to buck expectations, with the All Property Index (ALPI) closing near the flatline (only 40 bps lower). Quite reasonably, market participants had expected a considerably worse performance from listed property stocks, given that a number of malls and shopping centres were at risk from rioters.

Q2 earnings beat lift US stocks

Despite increasing concerns about the impact of the Delta variant of COVID-19, global equities continued to gain ground. Developed Markets (DM) outperformed their Emerging Market (EM) peers by over 8% in US Dollars. The MSCI World gained just short of 1.8%, whereas the MSCI EM lost 6.7%.

Developed market (DM) equities delivered a positive return (MSCI World +1.8%) for the sixth-consecutive month. US stocks were amongst the best performers (S&P 500 +2.4%), with US companies generally posting strong earnings results for the second quarter of 2021. Around 60% of S&P 500 companies had reported earnings by month-end, with those earnings doubling relative to 2Q20. While earnings were expected to be significantly higher than 2Q20 (the quarter most severely impacted by the pandemic) earnings in aggregate were still c. 18% ahead of expectations for those companies that have reported results thus far. The proportion of companies beating earnings estimates has been far ahead of the five-year average, with nearly 90% of companies that had reported by the end of July beating analysts' expectations. This, however, may be partly a reflection of subdued expectations. Technology shares generally fared better than cyclical stocks, the latter came under pressure as a renewed acceleration in COVID-19 infections began to emerge as the more infectious Delta strain started to spread through DM economies.

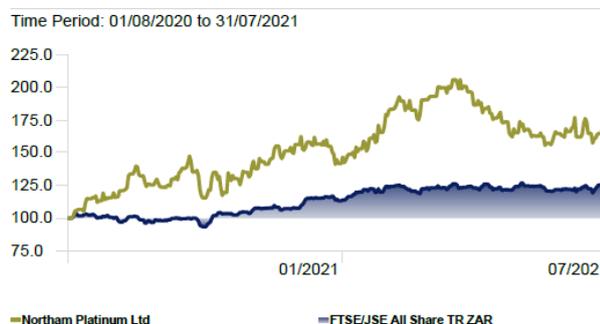
Index	Value	July (%)	YTD (%)
All Share	68,971	▲ 4.2%	▲ 17.9%
S&P 500	4,395	▲ 2.4%	▲ 18.0%
FTSE 100	7,032	▲ 0.1%	▲ 11.0%
Rand/USD	14.63	▲ 2.5%	▼ 0.4%
Rand/GBP	20.34	▲ 3.1%	▲ 1.3%
Gold (\$)	1,813	▲ 2.4%	▼ 4.3%
Plat (\$)	1,047	▼ 2.2%	▼ 2.7%
Brent (\$)	76.33	▲ 1.6%	▲ 47.4%

US inflation surprised to the upside for the fourth consecutive month, with the headline consumer price index (CPI) hitting 5.4% year-on-year in June. The Federal Reserve Bank (the Fed) at its July meeting acknowledged that there were upside risks to inflation, but retained the view that this would be transitory. Nonetheless, the Fed is sending clear signals that a tapering of asset purchases is moving closer, and is likely to take place late in 2021 or early in 2022, as the economy reaches full employment again.

Company Results

Northam Platinum Ltd. – Interim results for the six months end 31 December 2020

Earnings per share	R9.21
Historical PE	23.5
EPS growth	145%
Turnover growth	52.7%
ROE	30.7%
Debt/Equity	102.4%
NAV per share	R33.54
Dividend yield	0%
Share price	R209.53



Nature of Business

Northam Platinum Ltd. operates as a supplier of platinum group metals namely platinum, palladium and rhodium. It operates through two segments: Zondereinde Mine and Booyssendal Mine. The company was founded on October 7, 1977 and is headquartered in Midrand, South Africa.

Latest Results

The group's equivalent refined metal from operations grew by 15.0% to 352 741 oz 4E (H1 F2020: 306 738 oz 4E). This is despite the ongoing phased restart of operations, particularly impacting the conventional Zondereinde mine, where 90% of mining crews had been returned to work by the end of December 2020. The group generated R1.9 billion in free cash flow during the six months under review. Production growth across the group and favourable rand denominated PGM prices are expected to positively impact the free cash flow generation in the short to medium term. However, the group's future cash generation potential is vulnerable to exchange rate volatility, metal price fluctuations and production performance.

Despite the adverse COVID-19 related impact on sales volumes, sales revenue increased by 51.9% from R7.8 billion in H1 F2020 to R11.9 billion for the period under review. This increase is attributable to a 49.7% increase in the average 4E basket price to USD2 160/oz (H1 F2020: USD1 443/oz), a 9.0% weaker ZAR/USD exchange rate realised and a 4.4% decrease in total 4E ounces sold. The average US dollar sales prices achieved during the period under review improved for all precious metals. Palladium and rhodium both performed well, increasing by 39.4% and 171.8% respectively, with rhodium continuing its upward trend subsequent to the period end. Platinum however, making up roughly 60% of the volume of the group's precious metals 4E basket, continues to be the laggard.

Dividend

On 2 November 2020, Northam shareholders were advised that Northam and Zambezi have entered into discussions regarding a potential transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, whilst maintaining Northam's BEE ownership. The board is of the view that at this time, the most efficient way to return value to shareholders is to purchase the Zambezi preference shares. During the period under review, Northam returned value to shareholders by acquiring 74 974 739 Zambezi preference shares for R6.9 billion, and continues to purchase Zambezi preference shares in the open market. Subsequent to the reporting period, Northam acquired a further 11 402 503 Zambezi preference shares in the open market, increasing Northam's shareholding to 87.5%.

Tencent Holdings Ltd. – Results for the 2nd quarter ending 30 June 2021

Earnings per share	HK\$18.2
Historical PE	25.1
EPS growth	56.6%
Turnover growth	32.3%
ROE	27.6%
Debt/Equity	34.4%
NAV per share	HK\$95.21
Dividend yield	0.4%
Share price	HK\$584



Nature of Business

Tencent Holdings Ltd. is an investment holding company. It operates through the following segments: Value-Added Services, FinTech and Business Services, Online Advertising, and Others. The Value-added Services segment involves online and mobile games, community value-added services, and applications across various Internet and mobile platforms. The FinTech and Business Services segment provides fintech and cloud services, which include commissions from payment, wealth management and other services. The Online Advertising segment represents display based and performance based advertisements. The Other segment consists of trademark licensing, software development services, software sales, and other services. The company was founded by Yi Dan Chen, Hua Teng Ma, Chen Ye Xu, Li Qing Zeng, and Zhi Dong Zhang on November 11, 1998 and is headquartered in Shenzhen, China.

Latest Results

Revenues from VAS increased by 11% to RMB72.0 billion for the second quarter of 2021 on a year-on-year basis. Games revenues increased by 12% to RMB43.0 billion, primarily driven by the increase in revenues from games such as Honour of Kings, PUBG Mobile, Valorant, Clash of Clans and Moonlight Blade Mobile, partly offset by the decrease in revenues from Peacekeeper Elite. Mobile games VAS revenues (including mobile games revenues attributable to our social networks business) increased by 13% to RMB40.8 billion, while PC client games revenues grew by 1% to RMB11.0 billion for the second quarter of 2021. Social networks revenues grew by 9% to RMB29.0 billion, mainly due to revenue growth from digital content services, as well as in-game virtual item sales.

Revenues from FinTech and Business Services increased by 40% to RMB41.9 billion for the second quarter of 2021 on a year-on-year basis. FinTech Services revenue growth primarily reflected increasing digital payment transactions. Business Services revenues increased rapidly year-on-year, due to digitalisation of public services and traditional industries, as well as consolidation of Bitauto's Business Services revenue.

Dividend

Tencent pays a very small dividend yield of 0.4% per year. The majority of the company's earnings is reinvested into the business for future growth and development of its technology offerings. This is similar to most big tech companies and the sector as a whole. Investors are rewarded through capital gains rather than dividend pay-outs.

Snippets

TOP WEALTH MANAGER IN SA 2021

Private Client Holdings has been awarded Top Wealth Manager of the Year for the boutique firm category by Intellidex Top Private Banks & Wealth Managers 2021 published by Financial Mail Investors Monthly.

Blue Chip spoke to Grant Alexander, founder of Private Client Holdings.

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	4.11
	1 000 000 – 9 999 999.99	4.11
	10 000 000 upwards	4.11
CALL MONEY FUND: <i>Non-Individuals</i>	250 000 – 999 999.99	3.91
	1 000 000 – 9 999 999.99	3.91
	10 000 000 upwards	3.91

Dividends Payable

Dividends in LDT order					
Company	Decl	LDT	Pay	Amt	Curr
<u>AngloGold Ashanti Ltd. (ANGGOLD)</u>	<u>06-Aug</u>	<u>24-Aug</u>	<u>10-Sep</u>	<u>87</u>	<u>ZARc</u>
<u>Capital & Counties Properties PLC (CAPCO)</u>	<u>27-Jul</u>	<u>24-Aug</u>	<u>23-Sep</u>	<u>0.5</u>	<u>GBPp</u>
<u>FirstRand Ltd. (FIRSTRANDB-P)</u>	<u>04-Aug</u>	<u>24-Aug</u>	<u>30-Aug</u>	<u>273.88</u>	<u>ZARc</u>
<u>Liberty Two Degrees (LIBERTY2D)</u>	<u>26-Jul</u>	<u>24-Aug</u>	<u>30-Aug</u>	<u>15.79</u>	<u>ZARc</u>
<u>Mondi plc (MONDIPLC)</u>	<u>05-Aug</u>	<u>24-Aug</u>	<u>30-Sep</u>	<u>20</u>	<u>EURc</u>
<u>Royal Bafokeng Platinum Ltd. (RBPLAT)</u>	<u>03-Aug</u>	<u>24-Aug</u>	<u>30-Aug</u>	<u>535</u>	<u>ZARc</u>
<u>Agribel Holdings Ltd. (ZXSXB)</u>	<u>01-Jul</u>	<u>25-Aug</u>	<u>03-Sep</u>	<u>23</u>	<u>ZARc</u>
<u>Agribel Holdings Ltd. (ZXSXB)</u>	<u>01-Jul</u>	<u>25-Aug</u>	<u>03-Sep</u>	<u>19</u>	<u>ZARc</u>
<u>Senwes Ltd. (ZXSWS)</u>	<u>01-Jul</u>	<u>25-Aug</u>	<u>02-Sep</u>	<u>32</u>	<u>ZARc</u>
<u>Senwes Ltd. (ZXSWS)</u>	<u>01-Jul</u>	<u>25-Aug</u>	<u>02-Sep</u>	<u>26</u>	<u>ZARc</u>
<u>AECI Ltd. (AECI)</u>	<u>28-Jul</u>	<u>31-Aug</u>	<u>06-Sep</u>	<u>180</u>	<u>ZARc</u>
<u>BHP Group plc (BHP)</u>	<u>17-Aug</u>	<u>31-Aug</u>	<u>21-Sep</u>	<u>200</u>	<u>USDc</u>
<u>Glencore plc (GLENCORE)</u>	<u>16-Feb</u>	<u>31-Aug</u>	<u>21-Sep</u>	<u>6</u>	<u>USDc</u>
<u>Homechoice International plc (HOMCHOICE)</u>	<u>17-Aug</u>	<u>31-Aug</u>	<u>06-Sep</u>	<u>47</u>	<u>ZARc</u>
<u>Lighthouse Capital Ltd. (LIGHTCAP)</u>	<u>05-Aug</u>	<u>31-Aug</u>	<u>08-Sep</u>	<u>1.45</u>	<u>EURc</u>
<u>Merafe Resources Ltd. (MERAPE)</u>	<u>10-Aug</u>	<u>31-Aug</u>	<u>06-Sep</u>	<u>7</u>	<u>ZARc</u>
<u>Nedbank Ltd. (NEDBANK-P)</u>	<u>11-Aug</u>	<u>31-Aug</u>	<u>06-Sep</u>	<u>28.93</u>	<u>ZARc</u>
<u>Quilter plc (QUILTER)</u>	<u>11-Aug</u>	<u>31-Aug</u>	<u>20-Sep</u>	<u>1.7</u>	<u>GBPp</u>

Disclaimer

This document does not constitute an offer or the solicitation of an offer for the sale or purchase of any security. While every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and neither responsibility nor liability is accepted by any member of the Private Client Group (PCH), its employees and agents, as to the accuracy of the information contained herein. Any member of PCH cannot be held liable for the use of and reliance on the opinions, estimates and findings. All opinions, estimates and findings contained in this document may be changed after distribution at any time without notice. This document has been prepared by PCH from resources believed reliable. PCH is an Investment Manager registered with the Financial Services Board. The company is a Licensed Financial Services Provider in terms of FAIS (registration number 613). The recipients of this document are urged to seek independent advice from their Private Client Holdings Wealth Manager or other independent advice with regard to the securities and investments referred to in this document.

