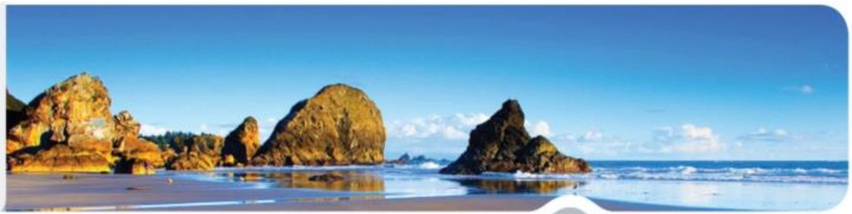
PRIVATECLIENT HOLDINGS



Perspectives | Monthly Market Review

June 2021

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All Share

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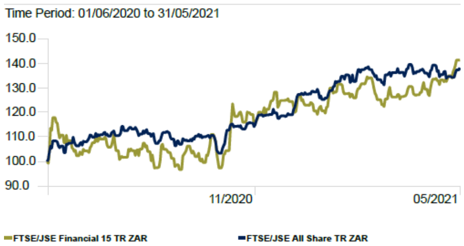


Index	Value	May (%)	YTD (%)
All Share	67,964	▲ 1.6%	▲ 16.0%
S&P 500	4,204	▲ 0.7%	▲ 12.6%
FTSE 100	7,023	▲ 1.1%	▲ 10.5%
Rand/USD	13.72	▼ 5.4%	▼ 6.6%
Rand/GBP	19.50	▼ 2.9%	▼ 2.9%
Gold ($)	1,903	▲ 7.7%	▲ 0.5%
Plat ($)	1,181	▼ 1.8%	▲ 9.8%
Brent ($)	69.63	▲ 3.5%	▲ 34.4%

Market Report

Rand strengthens and SARB keeps rates unchanged

The global recovery is accelerating, confirmed by Global Services PMIs for May which jumped to 59.4 from 57.0 in April. Improvement in both the services and manufacturing sectors pushed up the Global Composite PMI to a 15-year high of 58.4 from 56.7. The improvement was broad-based across the USA, Eurozone, Japan, and UK which were all revised upwards from their flash estimates. And even though China's Caixin Services PMI slipped somewhat, it is well into expansionary territory. This continues to benefit Emerging Market commodity exporters such as South Africa.

South Africa's FTSE/JSE All Share Index and FTSE/JSE Capped Shareholder Weighted Index rose for a seventh-straight month, posting an impressive 1.6% and 2.9% gain for May, with financials doing most of the heavy lifting (the Fini-15 jumped 9.2% in May and is now up 13.2% since the beginning of the year). The Rand strengthened by an impressive 5.2% during the month and +6.5% since the start of the year as a confluence of factors supported the ZAR including the weaker-than-expected US job numbers in May, which fuelled a bout of US dollar weakness, the rand's excessive sell-off through the COVID-19 crisis last year, and stronger commodity prices on the back of global demand being driven by the ongoing economic recovery from the pandemic. Year-To-Date the local bourse has given investors a double-digit return having soared 16%. Among the sub-indices, the Resi fell 1.4%, the Indi-25 eked out a 0.9% gain for the month. Looking at the top-20 shares by market cap, Gold Fields was the biggest winner in May rising 26.5%, followed by AngloGold Ashanti up 13.4%, Standard Bank (+15%), Capitec (+12.1%), Richemont up (+11.1%), FirstRand (+9.8%), MTN (+8.5%), and Glencore up (+8.4%).

On local economic front, at its May meeting the SA Reserve Bank's Monetary Policy Committee unanimously decided to keep rates at 3.5%, as was widely expected. However, the SARB's 2021 GDP forecast was revised higher to 4.2% Year-on-Year (from 3.8% announced in March). This stronger growth forecast for 2021 is reflective of better sectoral growth performances and more robust terms of trade in the first quarter of 2021. However, the SARB highlighted that slow progress on vaccinations, limited energy supply, and policy uncertainty continue to pose downside risks to growth. In a move that should assist in calming market concerns around inflation, the SARB's forecast for 2021 CPI is slightly lower at 4.2% (down from 4.3%) and for 2022 and 2023 unchanged at 4.4% and 4.5%, respectively. April's annual headline inflation, as measured by the consumer price index (CPI), jumped to 4.4% vs 3.2% in March. This was largely due to a combination of higher fuel prices in the month and base effects created by price imputations during 2020. Whilst this is the highest inflation reading since before the COVID-19 induced lockdown (inflation was at 4.6% in February 2020), we note that inflation remains well within the SARB's 3%-6% target band. Seasonally adjusted March retail sales decreased 3.7%, following a 6.9% rise in February and a 2.3% decline in January 2021. The print came in against expectations of a marginal increase, reflective of the underlying weakness currently being experienced across SA households. April's trade balance recorded a better-than-expected surplus of R51bn vs March's revised R52.5bn surplus, while exports decreased 3.9% to R161bn and imports declined 4.6% to R110bn.

The value of gross reserves increased by $450 million to $54 139 million in May, driven mainly by higher gold reserves. The higher value of gold reserves in turn reflected valuation adjustments, following a 7.6% rise in the market gold price during the month as the precious metal, together with prices of other commodities continued to benefit from rising global demand and positive risk sentiment. The gold price was 10.2% higher compared with the same month a year ago.

The rotation to value continues

Markets continued to grind higher in May with the S&P500, MSCI World and TSX Composite adding 0.7%, 1.5% and 3.5%, respectively. In a trend that has been dominant for the past few quarters, equity markets were led by cyclical, value stocks in May. By mid-month, the Russell 1000 Value Index was 6% ahead of the Russell 1000 Growth Index, taking its relative outperformance since mid-February (when increasing inflation concerns started driving interest rates higher) to c. 20%. This relative outperformance partially reversed in the second half of May, leaving value stocks roughly 3% ahead for the month. Notwithstanding the continued frothiness in many growth-oriented equities, value stocks should continue to do well as they are still playing catch up from a prolonged period of underperformance versus growth. In addition, the Biden administration is preparing to take a more active role in regulating and taxing crypto currency markets which could further reduce the appetite for riskier market sectors.

Global equity markets ended last month with double-digit Year-To-Date gains (MSCI World +11.6%), after experiencing a fourth-consecutive monthly rise in May (MSCI World +1.5%). Large US corporates wrapped up reporting first quarter earnings in May, with aggregate earnings up over 50% relative to the same period last year. Relative to the first quarter of 2019 or pre-pandemic earnings, earnings for the first quarter of 2021 were c. 22% higher. However, despite the solid earnings season, US companies trailed other regions, with European stocks outperforming (Eurostoxx 50 +2.5% in May).

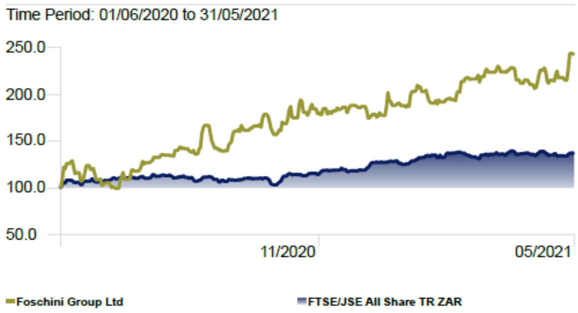
In this environment it was unsurprising that the S&P 500 Energy, Materials and Financial indices were the best performing for the month of May (+5.8%, +5.2%, and +4.8%, respectively) and Year-To-Date (+39%, +21%, and +29%, respectively). At the other end of the spectrum, the tech-heavy consumer discretionary, communications, and IT sectors, which were significant pandemic beneficiaries, were the worst-performing S&P 500 sectors for the month (-3.8%, -0.1%, and -0.9%, respectively). The poor performances from these tech companies contributed to the Nasdaq 100 Index (-1.2% in May) breaking a streak of six-consecutive monthly gains with Amazon, Apple, and Netflix (-7%, -5%, and -1%, respectively) amongst the noteworthy underperformers.

Chinese large-cap tech companies also struggled in May, particularly those listed in the US, with Alibaba, Pinduoduo, and Baidu (-7.4%, -6.8%, and -6.7%, respectively) amongst the prominent underperformers. Despite a poor month for large Chinese tech companies, emerging market (EM) stocks fared well (MSCI EM +2.3% in May), outperforming developed market (DM) stocks for the first time since January. Russian and Brazilian stocks were amongst the best performing (both up c. 10% for the month), assisted by currency strength as the Brazilian real (+4.2%) and the Russian ruble (+2.6%) both fared well against a generally weaker US dollar. COVID-19 vaccination programmes gathered steam in May, particularly in DMs, with more than 50% of the US population having received at least one vaccination by the end of May. As cases continued to fall in DMs, attention switched to the economic impact of economies reopening. April US inflation data did nothing to ease concerns about a potentially overheating US economy, with US core inflation reaching 3% Year-on-Year for the first time since 1996 (well ahead of expectations for a 2.3% print). April US employment data missed expectations as unemployment numbers crept higher (6.1% vs 6.0% in March) as the US added 270,000 jobs during the month (well below expectations for an additional 1mn new jobs). Despite the inflation shock, US rates remained fairly subdued with the US central bank (Fed) message that it would not tighten monetary policy in response to what it believed to be transitory inflation keeping a lid on US rates for now.

Company Results

Foschini Group Ltd. – Results for the financial year end 31 March 2021

Earnings per share	**R-6.14**
Historical PE	**13.72**
EPS growth	**-166.74%**
Turnover growth	**-7.5%**
ROE	**-11.2%**
Debt/Equity	**83.3%**
NAV per share	**R53.22**
Dividend yield	**0%**
Share price	**R122.79**



Nature of Business

The Foschini Group Ltd. is an investment holding company, which engages in managing retail brands that trade in clothing, jewellery, accessories, sporting and outdoor apparel and equipment, cellular good and services, and homeware. It operates through the following divisions: TFG Africa Retail, TFG London and TFG Australia. The TFG Africa Retail division comprises of home, Exact, The FIX, the Foschini, the Jewellery, the Markham and the Sport divisions, retailing clothing, jewellery, cosmetics, cellphones and homeware and furniture. The TFG London division comprises Phase Eight, Whistles and Hobbs divisions, which operate internationally in the retail sector, which operates across Europe, Asia, Australasia and North America. The TFG Australia division comprises the Retail Apparel Group, which operates through retail outlets throughout Australia and New Zealand, as well as online. Its brands include Family fashion, Kids Fashion, Stems. @home, Totalsports and Hi. The company was founded by George Rosenthal in 1924 and is headquartered in Cape Town, South Africa.

Latest Results

Online retail turnover in TFG Africa and TFG Australia exceeded management's expectation with strong growth of 132,4% in TFG Africa and 58,1% in TFG Australia. In the UK, however, online performance continues to be negatively impacted by weaker department store online channels. Online retail turnover from TFG London's own sites for the year ended 31 March 2021 increased by 9,1%. For the year ended 31 March 2021, online retail turnover contributed 12,0% to total Group retail turnover, up from an 8,4% contribution in the comparative 12-month period. The Group generated cash from operations of R9,4 billion for the year ended 31 March 2021. This was achieved through the focused preservation of cash resources and the responsible optimisation of working capital. This, together with the R3,8 billion successful rights offer, has supported the reduction in net debt from R8,4 billion at the end of March 2020 to R1,3 billion at the end of March 2021.

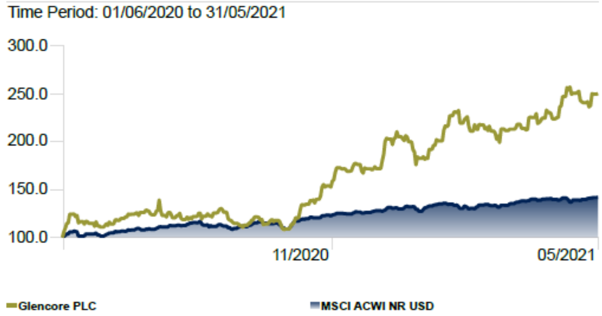
Earnings performance was impacted by the COVID-19 pandemic, outlet closures as well as the acquisition of certain commercially viable stores and selected assets of Jet. The inclusion of a bargain purchase gain on acquisition of R709,0 million as well as acquisition costs of R16,8 million has impacted specifically on basic earnings per ordinary share.

Dividend

The Supervisory Board has decided that it would be prudent not to declare a final dividend at this year-end (March 2020: No final dividend). As previously communicated, the Supervisory Board had guided that dividends would only be resumed when appropriate to do so. Given the better than expected recent trade performance across the Group as well as the Group's strong statement of financial position, the Supervisory Board anticipates resuming dividend payments during the 2022 financial year, with a higher planned dividend cover of 2x (with reference to headline earnings per share). This remains subject to potential acquisition/organic growth opportunities.

Glencore Plc. – Results for the Financial year end 31 December 2020

Earnings per share	**-£0.14**
Historical PE	**-**
EPS growth	**-366.7%**
Turnover growth	**-33.8%**
ROE	**-5.1%**
Debt/Equity	**99.6%**
NAV per share	**£2.08**
Dividend yield	**1.9%**
Share price	**£2.33**



Nature of Business

Glencore Plc engages in the production and marketing of metal, mineral, and energy and agricultural commodities. The firm serves the automotive, steel, power generation, battery manufacturing, and oil sectors. It operates through the following segments: Marketing, Industrial, and Corporate and Other. The Marketing segment includes net sale and purchase of physical commodities, and provision of marketing and related value-add services. The Industrial segment comprises the sale of physical commodities over the cost of production and/or cost of sales. The Corporate and Other segment represents Group related income and expenses. The company was founded in 1974 and is headquartered in Baar, Switzerland.

Latest Results

Loss attributable to equity holders moved from a loss of $404 million in 2019 to a loss of $1,903 million in 2020 and EPS reduced from negative $0.03 per share to negative $0.14 per share. In a year of rapidly changing global economic conditions, the company's overall underlying results reflects a year of two halves. The H1 2020 reported results were heavily impacted by the low commodity prices and challenging early pandemic environment, against which backdrop, various impairment charges were booked across our portfolio. H2 2020 delivered a net profit of $697 million as economies began to recover from the earlier severe Covid related lockdowns and uncertainty and commodity prices rebounded. The average London Metal Exchange copper price in H2 was 24% higher than in H1.

During a year of uncertainty and volatility, the strength and flexibility of our business model (combining large-scale marketing and industrial activities), with broad geographic, commodity and activity diversification, enabled us to weather and mitigate the worst impacts of the pandemic.

Dividend

On 16 February 2021, Glencore plc has announced that its Board is recommending an aggregate distribution of US$0.12 per share in respect of the financial year ended 31 December 2020.

Snippets

The Intellidex Top Private Banks & Wealth Managers Awards

This year's Intellidex Awards results were published today in the Financial Mail Investors Monthly - Wealth Managers & Private Banks Awards issue - June 2021.

The Intellidex Top Private Banks & Wealth Managers Awards, now in their 10th year, are based on a comprehensive survey of both clients and participants in the industry and are designed to benchmark companies in the South African wealth management and private banking sector. First launched in 2012, the Intellidex nomination process has two main elements; the first is a questionnaire that the company completes, and the second is an anonymous online client survey which assesses the different strengths and weaknesses of the private banks and wealth managers. This year a record number of 9817 clients participated in the online survey.

Private Client Holdings **won the Top Wealth Manager award in SA for the boutique category**. We are really proud of this achievement!

We also **won the young professional archetype award and came 3rd in the passive lump sum investor and successful entrepreneur archetype categories**. Our clients expressed their satisfaction in the quality of service and quality of advice received "excellent" ratings of 86% and 80%, respectively.

We placed **2nd in the People Choice award**, which is based completely on client feedback – this is the same result as 2019. A client of ours said: "Private Client Holdings are really thorough and I trust them completely in every aspect."

If you completed the Intellidex confidential survey online – **Thank you,** we so appreciate your valuable input and contributing to our success.

We have also released volume 27 of the PCH Insight – Please Click Here

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: *Individuals*	250 000 – 999 999.99	4.03
	1 000 000 – 9 999 999.99	4.03
	10 000 000 upwards	4.03
CALL MONEY FUND: *Non-Individuals*	250 000 – 999 999.99	3.83
	1 000 000 – 9 999 999.99	3.83
	10 000 000 upwards	3.83

Dividends Payable

Dividends in LDT order

Company	Decl	LDT	Pay	Amt	Curr
Barloworld Ltd. (BARWORLD)	24-May	22-Jun	28-Jun	137	ZARc
Barloworld Ltd. (BARWORLD)	24-May	22-Jun	28-Jun	200	ZARc
Invicta Holdings Ltd. (IVT PREF)	07-Jun	22-Jun	28-Jun	436.47	ZARc
Invicta Holdings Ltd. (IVT PREF-A2X)	07-Jun	22-Jun	28-Jun	436.47	ZARc
Mr Price Group Ltd. (MRPRICE)	27-May	22-Jun	28-Jun	462.7	ZARc
Mr Price Group Ltd. (MRPRICE-A2X)	27-May	22-Jun	28-Jun	462.7	ZARc
Premier Fishing and Brands Ltd. (PFB)	17-May	22-Jun	28-Jun	5	ZARc
Reunert Ltd. (REUNERT)	25-May	22-Jun	28-Jun	70	ZARc
Sygnia Ltd. (SYGNIA)	07-Jun	22-Jun	28-Jun	55	ZARc
Sygnia Ltd. (SYGNIA-A2X)	07-Jun	22-Jun	28-Jun	55	ZARc
Vodacom Group Ltd. (VODACOM)	18-May	22-Jun	28-Jun	410	ZARc
Vunani Ltd. (VUNANI)	07-Jun	22-Jun	28-Jun	7.5	ZARc
Vunani Ltd. (VUNANI-A2X)	07-Jun	22-Jun	28-Jun	7.5	ZARc
Barloworld Ltd. (BARWORLD6%P)	07-Jun	29-Jun	05-Jul	6	ZARc
Clicks Group Ltd. (CLICKS)	22-Apr	29-Jun	05-Jul	142.5	ZARc
Oceana Group Ltd. (OCEANA)	02-Jun	29-Jun	05-Jul	110	ZARc
Stor-Age Property REIT Ltd. (STOR-AGE)	09-Jun	29-Jun	05-Jul	54.08	ZARc
Tiger Brands Ltd. (TIGBRANDS)	20-May	29-Jun	05-Jul	320	ZARc
YeboYethu Ltd. (YEBOYETHU)	08-Jun	29-Jun	05-Jul	100	ZARc
Vivo Energy plc (VIVO)	03-Mar	25-May	25-Jun	3.79	USDc