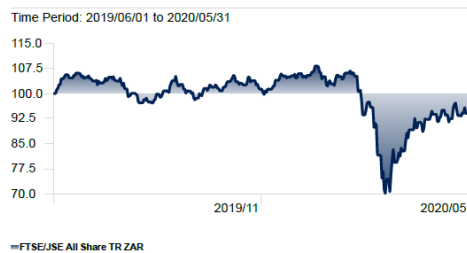
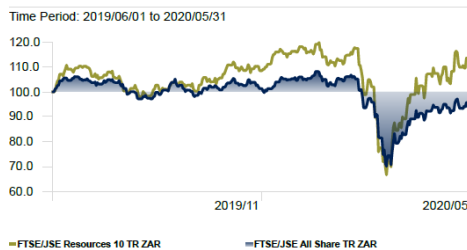
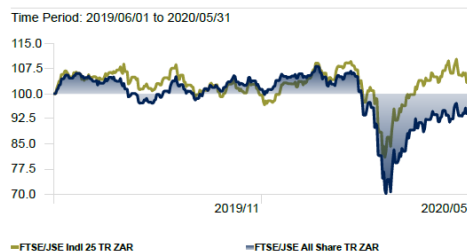
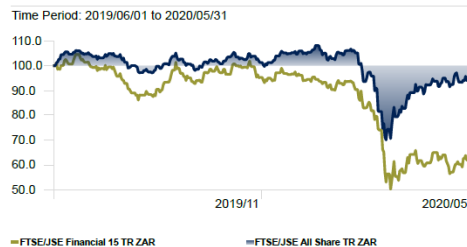



**CONTENTS:** Market Report | Company Results | Snippets | CCM Rates | Dividends Payable

**All Share**

**Resources**

**Industrials**

**Financials**


Index	Value	May (%)	YTD (%)
All Share	50,483	▲ 0.3%	▼ 10.1%
S&P 500	3,044	▲ 4.8%	▼ 5.0%
FTSE 100	6,077	▲ 3.3%	▼ 18.2%
Rand/USD	17.63	▼ 4.0%	▲ 26.1%
Rand/GBP	21.80	▼ 5.9%	▲ 17.7%
Gold (\$)	1,737	▲ 3.1%	▲ 14.3%
Plat (\$)	871	▲ 7.5%	▼ 10.4%
Brent (\$)	35	▲ 39.8%	▼ 46.5%

## Market Report

### The rand recovers as global risk appetite grows

The SA Reserve Bank (SARB) cut the repo rate another 0.5% to 3.75% in May, for a cumulative 2.5% of rate cuts since the start of the crisis. Three MPC members voted in favour of the 50bps cut, while two members voted for a 25bps cut. This could signal a slowdown in the sharp interest-rate easing cycle. The SA government's 10-year bonds saw their yields drop from 10.5% to 9.4% during May as the FTSE/JSE SA All Bond Index rallied 7.1% month on month, leaving it up 21.8% since its 23<sup>rd</sup> of March low. The rand also finally benefitted from the recent rally in global risk assets as it strengthened by 5.6% against the US dollar, making it one of the best-performing emerging market currencies in May, although it remains 20% weaker against the US dollar since the beginning of the year, with only the Brazilian real faring worse (-24.7%). Compared with the relatively strong performances of SA bonds and the rand, SA's equity and listed property markets did not cope as well in May, as the FTSE/JSE Capped SWIX and FTSE/JSE SA Listed Property indices fell 0.4% and 0.8%, respectively.

Resource shares were a life vest in the local equity basket with the sector up 5.6% for the month. Platinum miners and diversified miners rallied 10% and 12% respectively for the month thanks to a double-digit surge in the price of the PGM's and a 20% month on month rally in the price of iron ore. The JSE listed tech heavyweights, Naspers and Prosus seemed to follow diverging paths in May. Naspers fell 3.8% and Prosus ended the month up 3.5%. The equity markets saw some creative corporate activity, with Mr Price announcing its intention to raise approximately 10% of its market cap or just over R3 billion to accelerate internal expansions and provide management with the flexibility to act quickly should the COVID-19 crisis present attractive opportunities. PSG released a sens announcement that it would offload 28.11% of their stake in Capitec bank and retain 4.3%.

### Understanding the Absa PMI survey results

After plunging to an all-time low of a mere 5.1 index points in April, the business activity index of the Absa PMI survey rose sharply to 43.2 index points in May. The increase was driven by most factories returning to production on the 1<sup>st</sup> of May, after the Level 5 nationwide lockdown brought manufacturing output to a near halt in April. South Africans remained locked down at level 4 for the duration of May, although with a mid-month easing of some level-4 restrictions, the most significant of which was the lifting of restrictions on e-commerce activity. Many respondents to the survey reported that the levels seen in May show a sharp rise in the business activity index, however, this is relative to almost nothing in April and production was still well below normal capacity. Of great concern is that some respondents indicated that the easing of lockdown regulations in May would have allowed for a further surge in production, however, there was not necessary demand to justify this.

Lockdowns are required to flatten the curve of the virus spread, and to provide time for the health sector to prepare. But this has an unprecedented negative impact on economic activity. In countries with more resources, the impact is to an extent mitigated by unheard of monetary and fiscal policy support measures. Emerging market economies do not have this type of ammunition. Therefore, prolonged lockdowns in poorer countries cannot be sustained as the economic cost is just too high. But opening up economies too soon and/or at too fast a pace will also have economic costs. If large parts of the population are infected, this will inevitably lead to business closures and consumers being too scared to return to normal spending habits etc. It is very difficult to sustain this balancing act with the fast changing environment.

It will likely take some time before the supply-chain disruptions are filtered out of the system and for global as well as local demand to return to normal. The risk that load shedding could reappear as the economy gets going could further hamper the recovery. It is also important to note that the South African economy was already struggling before the COVID-19 pandemic reached our

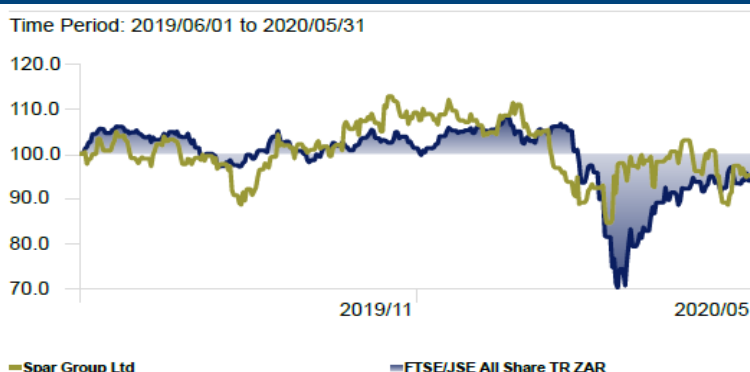
borders. In early 2020, the business activity and new sales orders indices of the Absa PMI already fell to levels last seen during the recovery of the 2008/09 recession.

As the country has moved into level 3 most economic activity is being re-allowed, but with strict health protocols in place and schools are gradually starting to re-open, although the leisure and hospitality sectors remain closed and inter-provincial travel remains heavily restricted. Despite the looser restrictions, there is increasing concern that the SA government has not found the right balance between opening up the economy and at the same time doing everything possible to contain the virus spread. The focus very much remains on the latter. In the meantime, the economic costs are mounting. At the end of April retailer Edcon filed for voluntary business rescue after losing R2 billion in sales since early March. Associated Media Publishing, publisher of the Cosmopolitan and House & Leisure magazines, closed its doors. There are numerous other businesses at risk of closing down permanently. Then there were the heart-wrenching images of people queuing for what looked like kilometres to receive food parcels in parts of the country. This is not a sustainable situation and the livelihoods of so many are at risk. It is dreadful that the livelihoods of so many people are inextricably linked to the welfare of the economy.

## Company Results

### Spar Group Ltd. – Interim results for the period ending March 2020

Earnings per share	R9.91
Historical PE	18.3
EPS growth	7.2%
Turnover growth	9.09%
ROE	29.7%
Debt/Equity	128%
NAV per share	R74.75
Dividend yield	4.4%
Share price	R181.75



#### Nature of Business

Spar Group Ltd. engages in the wholesale and distribution of goods and services to SPAR, SUPERSPAR, TOPS, SaveMor, Build it and Pharmacy. It operates through the following geographical segments: South Africa, Ireland and Switzerland. The company was founded in 1963 and is headquartered in Pinetown, South Africa.

#### Latest Results

The SPAR Group delivered strong growth in turnover, increasing by 10.1% to R59.7 billion for the six months to 31 March 2020 (2019: R54.3 billion), with 32.6% of total turnover now generated in foreign currency. The turnover of the BWG Group increased by 3.2% in euro-currency terms. Reported operating profit was down 3.4%, because of the Polish business which was acquired in this reporting period. As expected, the Polish business is currently loss making as it continues to be restructured and reorganised. SPAR Southern Africa contributed growth in wholesale turnover of 7.8%, despite a challenging start to the reporting Period. The TOPS liquor brand reported weak wholesale turnover growth of 3.9%. Build it delivered a resilient performance in a weak sector, with wholesale turnover down 2.4%.

The group's gross margin increased by 0.9% to 11.3% (2019: 10.4%), impacted by the acquisition of the Polish business. SPAR Southern Africa saw an increase in its gross margin to 9.1% (2019: 8.7%), due to the relatively weaker performance of both the liquor and Build it businesses, which on average trade at lower gross margins of 6% and 5% respectively. The BWG Group reported a gross margin of 13.5% (2019: 12.8%). This business operates in the higher margin convenience sector and saw margin gains from the acquisitions of Heaney Meats and corporate retail stores.

#### Dividend

An interim dividend of 200 cents per share has recently been paid and is 30% less than investors received for the same period last year.

### Alibaba Group Holdings Ltd. – Preliminary results for the year ending March 2020

Earnings per share	HK\$7.84
Historical PE	23.8
EPS growth	60.9%
Turnover growth	30.3%
ROE	23.9%
Debt/Equity	28%
NAV per share	HK\$39.28
Dividend yield	0%
Share price	HK\$183.40



#### Nature of Business

Alibaba Group Holding Ltd. engages in providing online and mobile marketplaces in retail and wholesale trade. It operates through the following business segments: Core Commerce; Cloud Computing; Digital Media and Entertainment; and Innovation Initiatives and Others. The Core Commerce segment comprises of platforms operating in retail and wholesale. The Cloud Computing segment consists of Alibaba Cloud, which offers elastic computing, database, storage and content delivery network, large scale computing, security, management and

application, big data analytics, a machine learning platform, and other services provide for enterprises of different sizes across various industries. The Digital Media and Entertainment segment relates to the Youku Tudou and UC Browser business. The Innovation Initiatives and Others segment includes businesses such as AutoNavi, DingTalk, Tmall Genie, and others. The company was founded by Chung Tsai and Yun Ma on June 28, 1999 and is headquartered in Hangzhou, China.

### Latest Results

Alibaba achieved the historic milestone of US\$1 trillion in gross merchandise volume across their digital economy this fiscal year. Overall, the business continued to experience strong growth, with a total annual active consumer base of 960 million globally.

Despite a challenging quarter due to reduced economic activities in light of the COVID-19 pandemic in China, Alibaba achieved their annual revenue guidance of over RMB500 billion. Revenue growth of 30% year-over-year was driven by solid performance of domestic retail businesses as well as robust cloud computing revenue growth. Adjusted EBITDA grew 29% year-over-year, reflecting discipline in allocating resources to key strategic growth areas while optimizing costs and improving efficiency. Although the pandemic negatively impacted the domestic core commerce businesses starting in late January, the company has seen a steady recovery since March. COVID-19 has fundamentally altered consumer behaviour and enterprise operations, making digital adoption and transformation a necessity. Based on management's current view of Chinese domestic consumption and enterprise digitization, they expect to generate over RMB650 billion in revenue in fiscal year 2021.

### Dividend

Dividends have become much more commonplace in the technology sector in recent years. Alibaba does not yet pay a dividend, but investors should see a dividend pay-out announced in the coming years.

## Snippets

### CHECKLIST: Getting your affairs in order in case of illness and death

Have you put all your important information and papers in one place and told a trusted person where to find them in case of an emergency? Or is this information scattered around your computer, filing system and inbox where no-one other than yourself would know where to look?

No one ever plans to be sick or incapacitated, however the current Covid-19 pandemic has forced everyone to consider the fact that they too may fall victim to the virus.

For many people this will mean mild to moderate flu like symptoms but for the elderly, frail or those with existing chronic medical conditions and co-morbidities the virus can lead to extreme illness, with days or weeks in hospital, and even death.

It is for this reason that it is important to plan ahead and make sure that all your affairs are in order, and that you have made all your important papers and the relevant contact details readily available – it can make all the difference in an emergency or if you are unable to manage things yourself.

Sarah Love of Private Client Trust, the fiduciary division of Private Client Holdings, offers the following advice on getting your affairs in order:

“Put your important papers and copies of legal documents in one place. You can set up a file, put everything in a desk or dresser drawer, in the safe, or list the information and location of papers in a notebook. If your papers are kept off premises – such as with your family lawyers or executors – then keep copies in a file at home. Remember to check each year to see if there's anything new to add.”

“Someone must know where you keep your papers and important documents in case of an emergency,” says Love, “so tell a trusted family member or friend. And if they need access to your computer remember to tell them the passwords to access the folders. You don't need to tell this person the details of your personal affairs, but just where to access the information if needed.”

“Discuss your end-of-life preferences with your doctor. He or she can explain what health decisions you may have to make in the future and what treatment options are available.

Then draw up a Living Will which gives you a say in your health care if you become too sick to make your wishes known. In a Living Will, you can state what kind of care you do or don't want. This can make it easier for family members to make tough healthcare decisions for you.”

**A checklist of papers to have in order. Love advises that when gathering your important information to ensure your affairs can be handled on your behalf be sure to include the following:**

- Location of most up-to-date Will with an original signature;
- A certified copy of your identity book;
- An account that shows your legal residence;
- The names and addresses of your spouse and children;
- Any documents pertaining to birth and death certificates, certificates of marriage, divorce, citizenship, and adoption;
- Employers and dates of employment;
- Names and phone numbers of religious contacts;
- Names and phone numbers of close friends, relatives, doctors, and lawyers;
- Medications taken regularly (be sure to update this regularly);
- Location of Living Will and other legal documents;
- Medical Aid information;
- Location of original title deed for your home;
- Car registration papers and ownership papers if paid in full, or details of car finance arrangements;
- Location of safe and safe key.

In addition to the above you must include the following financial records in the folder of documents:

- Sources of income and assets (pension, investments, property etc.);
- Wealth managers names and phone numbers;
- Details of any assets not under your wealth manager's control
- Details of any offshore assets
- Insurance information (life, health, long-term care, home, car) with policy numbers and providers names and phone numbers;
- Name of your bank and account details;
- Copy of most recent income tax return
- Liabilities and debts — what is owed, to whom, and when payments are due

"It is recommended that you chat with an expert about getting all your affairs in order, to ensure your Will - and Living Will - is up to date, that your medical cover is adequate and that you have checked all the boxes in case of an emergency," concludes Love.

Ends

#### About Private Client Holdings

Private Client Holdings was founded as a corporate tax consultancy in Cape Town, South Africa in 1990. Since then the company has developed into a full spectrum Asset and Wealth Management Company and multi-Family Office with six specialist divisions; Wealth Management, Portfolio Management, Financial Services, Fiduciary Services, Cash Management and Risk Management.

Private Client Holdings (PCH) are taking the lead in Southern Africa when it comes to providing high net worth families with an all-inclusive wealth management solution and recently secured 2nd position overall in the TOP WEALTH MANAGER: BOUTIQUES in the INTELLIDEX TOP PRIVATE BANKS & WEALTH MANAGERS AWARDS 2019. They also placed 3rd in the Passive Lump-sum Investor award and 2nd in the Successful Entrepreneur award. The award they are most proud of is placing 2nd in the People's Choice Award - an award based purely on feedback from a confidential client survey.

Private Client Portfolios, the Portfolio Management arm of Private Client Holdings has been awarded the title of "Best Investment Advisory Team – South Africa 2019" in the Capital Finance International Award – this London based CFI.co awards programme identifies individuals and organisations worldwide that truly add value through best practice within their industry.

By Sarah Love of Private Client Trust

### Corporate Cash Manager Rates

FUND	BALANCE	RATE
CALL ACCOUNT	0.00 – 9 999.99	3.40
	10 000 – 24 999.99	3.40
	25 000 – 49 999.99	3.40
	50 000 – 99 999.99	3.40
	100 000 – 249 999.99	3.40
CALL MONEY FUND: <i>Individuals</i>	250 000 – 999 999.99	5.35
	1 000 000 – 9 999 999.99	5.35
	10 000 000 upwards	5.35
CALL MONEY FUND: <i>Non-Individuals</i>	250 000 – 999 999.99	4.00
	1 000 000 – 9 999 999.99	4.00
	10 000 000 upwards	4.00

## Dividends Payable

Dividends in LDT order					
<u>Company</u>	<u>Decl</u>	<u>LDT</u>	<u>Pay</u>	<u>Amt</u>	<u>Curr</u>
AECI Ltd. (AECI 5.5%P)	26-May	09-Jun	15-Jun	62.27	ZARc
Anheuser-Busch InBev SA/NV (AB INBEV)	27-Feb	09-Jun	15-Jun	50	EURc
AYO Technology Solutions Ltd. (AYO)	26-May	09-Jun	15-Jun	35	ZARc
Coronation Fund Managers Ltd. (CORONAT)	26-May	09-Jun	15-Jun	178	ZARc
Coronation Fund Managers Ltd. (CORONAT-A2X)	26-May	09-Jun	15-Jun	178	ZARc
DRDGOLD Ltd. (DRDGOLD)	15-May	09-Jun	15-Jun	25	ZARc
Exemplar REITail Ltd. (EXEMPLAR)	26-May	09-Jun	15-Jun	48.5	ZARc
Newpark REIT Ltd. (NEWPARK)	20-May	09-Jun	15-Jun	15.74	ZARc
The SPAR Group Ltd. (SPAR)	21-May	09-Jun	15-Jun	200	ZARc
Tradehold Ltd. (TRADEH)	21-May	09-Jun	15-Jun	30	ZARc
Tradehold Ltd. (TDH B PREF)	26-May	09-Jun	17-Jun	1893.74	ZARc
Paratus Namibia Holdings Ltd. (PARATUS NM)	19-May	12-Jun	03-Jul	10	NADc
eMedia Holdings Ltd. (E MEDIA)	29-May	15-Jun	22-Jun	11	ZARc
eMedia Holdings Ltd. (E MEDIA-N)	29-May	15-Jun	22-Jun	11	ZARc
Hosken Passenger Logistics and Rail Ltd. (HPLR)	29-May	15-Jun	22-Jun	31	ZARc
MiX Telematics Ltd. (MIXTEL)	28-May	15-Jun	22-Jun	4	ZARc
NVest Financial Holdings Ltd. (NVEST)	29-May	15-Jun	22-Jun	6.5	ZARc
Quantum Foods Holdings Ltd. (QUANTUM)	21-May	15-Jun	22-Jun	6	ZARc
Stimulus Investments Ltd. (STIMULUS)	28-May	19-Jun	10-Jul	324	NADc
Vodacom Group Ltd. (VODACOM)	11-May	23-Jun	29-Jun	405	ZARc
YeboYethu Ltd. (YEBOYETHU)	25-May	30-Jun	06-Jul	84	ZARc

### Disclaimer

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