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**All Share**

Time Period: 01/01/2020 to 31/12/2020


**Resources**

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**Industrials**

Time Period: 01/01/2020 to 31/12/2020


**Financials**

Time Period: 01/01/2020 to 31/12/2020



## Market Report

### Global markets see a strong end to a tough year

Global equities continued their strong run during December, as investors remained cautiously optimistic regarding the roll-out of recently developed COVID-19 vaccines. The MSCI World closed the month 4.2% higher, bringing its 2020 gains to 15.9% – 70% up off the lows reached on 23 March as the global pandemic initially took hold. However, UK's FTSE 100 fell 11.5% – the largest differential ever recorded. Emerging Markets (EM) outshone developed peers (DM), with the MSCI EM registering a 7.3% gain outstripping DM's by nearly 3% and providing a 18.7% return for the year, beating the Japanese Nikkei (+18.4%), the US S&P500 (+16.4%), and the German DAX (+3.5%). This principally reflected higher valuations rather than increased profits or dividends. Globally, profits fell around 14% with a marked difference between developed and emerging economies as well as intra-region. China, Korea, Taiwan and India recorded earnings per share increases between 10%-25%. While US earnings (-10%) fared relatively well, the Eurozone was down 28% and the UK down 34%. The current inverse relationship between equity prices and underlying earnings is what is driving the equity market bubble conversation.

Risk-on sentiment and rapidly rising commodity prices boosted EM elsewhere. Russia, Brazil, and India saw their equity benchmarks rally in December by 10.2%, 9.3% and 7.8%, respectively. EM currencies also had a strong month (Turkish lira +5.4%, South African rand +5.3% and the Russian ruble +3.3% against the US dollar), with US dollar weakness partially responsible as the greenback fell against most major currencies (Swiss franc +2.7%, euro +2.4%, Japanese yen +1%) and the US Dollar Index ended the year 6.7% weaker. Oil prices strengthened by 8.2% during the month at \$51.80/bbl, although it is still 21.5% down since the start of 2020. Precious metals provided solid gains, and iron ore prices continued their stellar rise. Iron ore closed 25.6% higher in December, and 92.7% higher for the year.

Large-cap tech stocks also ended 2020 strong, cementing their position as the biggest winners in the pandemic-hit year. The NYSE FANG Index of US-listed tech heavyweights rallied by 10.4% in December to end 2020 103% higher. US banks were amongst the best-performing stocks in December (S&P 500 Financials +6.3%), as regulators gave the go-ahead for them to restart share buybacks. However, the December rally was not enough to push US financial stocks into positive territory for the year, with S&P 500 financial stocks ending 2020 down 1.8%, while S&P 500 real estate and energy stocks were the only other sectors unable to deliver gains for shareholders last year (-2.2% and -33.7%, respectively).

In Europe, equity markets posted gains as several countries started to roll out vaccination programmes. The STOXX All Europe closed 3% higher. The European Central Bank (ECB) did test support for major European indices by downwardly revising growth forecasts for 2021, citing the renewed lockdowns and slower-than-anticipated economic recovery. Conversely, sentiment was boosted by the ECB's extension of its pandemic emergency purchase programme (PEPP), with the bank announcing a further Euro 500bn commitment. The UK course has had a tumultuous year, grappling with the unrelenting pandemic and finalising the Brexit process. The FTSE100 experienced its worst year since 2008, but closed December higher.

Brexit finally occurred on the last day of the year, and, given the current economic climate, the UK left the EU with a fizzle, rather than a bang. On 30 December, the House of Commons voted 521 for and 73 against the agreement and the Bill was passed by the House of Lords. The deal, which was only struck at the 11th hour (on 24 December), contains new rules on how the UK and the EU will live, trade and work together.

Index	Value	Dec (%)	YTD (%)
All Share	59,409	▲ 4.2%	▲ 7.0%
S&P 500	3,756	▲ 3.8%	▲ 18.4%
FTSE 100	6,461	▲ 3.3%	▼ 11.5%
Rand/USD	14.69	▼ 5.1%	▲ 5.0%
Rand/GBP	20.08	▼ 2.8%	▲ 8.4%
Gold (\$)	1,893	▲ 6.6%	▲ 24.6%
Plat (\$)	1,075	▲ 11.5%	▲ 10.7%
Brent (\$)	51.80	▲ 8.8%	▼ 21.5%

## A mutated variant of the virus emerges and SA goes back into lockdown

In South Africa, the news was dominated by the rapid rise in COVID-19 infections and related deaths for the month. A mutated variant of the virus, which appears to be more contagious and have a higher fatality rate, was identified as the main cause of this unsettling trend. As the numbers continued to climb, President Cyril Ramaphosa addressed the nation on 28 December, announcing that the country would enter an adjusted Alert Level 3 Lockdown. Some of the restrictions include an immediate ban on alcohol sales, the curtailment of businesses' operating hours, beach and public park closures, banning social gatherings and the imposition of a 9pm to 6am curfew.

Investors on the local bourse were fairly bullish, against a backdrop of rising global risk-appetite and commodity strength. South African (SA) stocks did enough in December to push the local market into positive territory for 2020. The All-Share Index ended the month 4.2% higher, led by resurgent resources at 9.4%. Mining companies were up across the board, with platinum miners (+21% in December and 47% higher for 2020) leading the way on the back of another strong performance from platinum group metals. Mining shares rose by 19% in aggregate for 2020, contributing 6% to the FTSE/JSE Capped SWIX Index. Amongst the biggest climbers in the resource subsector, diversified miner BHP Billiton recorded a solid 9% return, while Kumba Iron Ore saw its share price rocket by over 18%. Most sectors contributed positively, the exception being the Naspers/Prosus complex, which were unable to overcome a strong currency headwind and negative sentiment around Chinese tech heavyweights (which came under scrutiny from Chinese anti-trust regulators). Still, despite a disappointing end to the year, Naspers and Prosus' combined performance for 2020 resulted in a 37% gain, contributing 5.4% to the FTSE/JSE Capped SWIX Index performance for 2020.

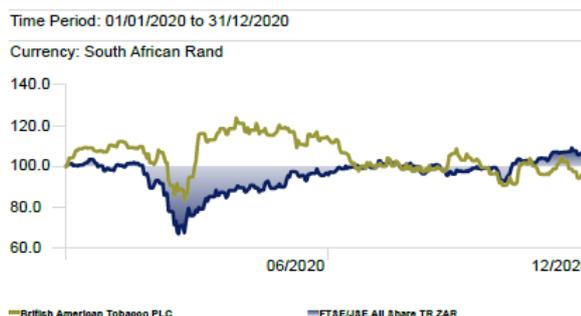
SA Inc. shares, sensitive to the domestic economy, also had a good month, particularly the local banks, which rose 8.8%, although that was not nearly enough to put these counters into positive territory for the year as SA Inc. shares ended the year 16% weaker. It was hard to find a counter amongst that group which recorded gains for the year, with the exceptions being Discovery, Vodacom, Shoprite, and Multichoice (up 29%, 15%, 14% and 22%, respectively, for 2020). The economy is still far from its 2019 levels, and it is estimated that it will only reach those levels in 2024, if subsequent developments do not derail progress.

SA 10-year government bond yields also staged a strong fight back into year-end, with yields dropping 0.25% in December to close 2020 at 8.74% – also a remarkable recovery from the 12.38% yield seen in March. The rand strengthened against the dollar, trading at 14.66 per USD at 31 December, a low for the year. Economists have warned, however, that the currency remains vulnerable to volatility, especially amidst concerns about global growth and the country-specific credit risk. We have yet to see progress in the reduction of South Africa's high debt burden, and the roll-out of the vaccine will place a further burden on the fiscus.

## Company Results

### British American Tobacco Plc. – Results for the financial year ending 31 December 2020

Earnings per share	R62.4
Historical PE	9.2
EPS growth	26.2%
Turnover growth	14.1%
ROE	11.1%
Debt/Equity	70.2%
NAV per share	R--
Dividend yield	8.4%
Share price	R545.45



### Nature of Business

British American Tobacco plc is a holding company, which engages in the manufacture and distribution of tobacco products. Its brands include Kent, Dunhill, Lucky Strike, and Pall Mall. It operates through the following geographical segments: United States, Asia-Pacific and Middle East (APME), Americas and Sub-Saharan Africa (AMSSA), and Europe and North Africa (ENA). The APME geographical segment consists of markets in the Middle East merged with Asia-Pacific. The AMSSA geographical segment comprises of markets in East and Central Africa, West Africa, and Southern Africa merged with the Americas region. The ENA geographical segment includes markets in Russia, Ukraine, Caucasus, Central Asia, Belarus, Turkey, and North Africa merged with the Western Europe region. The company was founded by James Buchanan Duke on September 29, 1902 and is headquartered in London, the United Kingdom.

### Latest Results

BAT is a highly cash generative business and in 2020 they achieved an operating cash flow conversion in excess of 95% for the 4<sup>th</sup> consecutive year. BATs delivered £9.8bn of net cash generated from operating activities, realising £2.6bn of post dividend free cashflow despite a £131m impact on working capital as a result of the global COVID-19 pandemic.

During 2020, the Group further strengthened its liquidity profile and successfully raised £8.9bn in new debt (in \$, € and £) in the capital markets, completed a liability management transaction repurchasing and redeeming debt that would have otherwise matured in 2021 and 2022, signed short-term bilateral facilities (with £3.4 billion available) and refinanced the Group's £6.0 billion Revolving Credit Facility (RCF), extending its maturity and removing the financial covenant. As a result, average debt maturity is 9.9 years, with maximum annual debt maturities around £4 billion. Bats remain committed to a 65% dividend pay-out ratio and to balance sheet deleveraging and expect to reach around 3x adjusted net debt to adjusted EBITDA by the end of 2021.

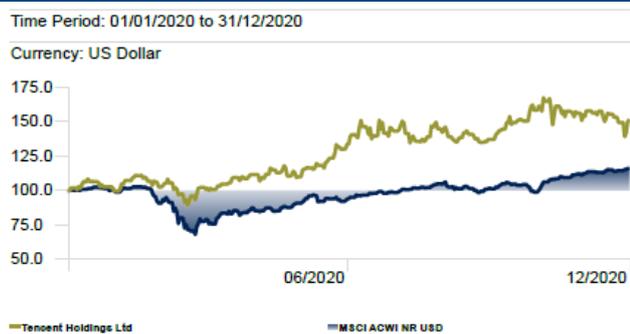
Profit from operations, on a reported basis, was up 10.5 % at £9,962 million, with operating margin up 380 bps to 38.6%, driven by an improvement in the Group's operating performance which more than offset litigation charges recognised in the US (£400 million), whilst recognising that 2019 was impacted by a number of charges that did not repeat (including in respect of the Quebec Class Action (£436 million) and an excise dispute in Russia (£202 million)).

### Dividend

The Board has declared an interim dividend of 215.6p per ordinary share for the year ended 31 December 2020, payable in four equal quarterly instalments of 53.9p per ordinary share in May 2021, August 2021, November 2021 and February 2022. This represents an increase of 2.5% on 2019 (2019: 210.4p per share), and a pay-out ratio, on 2020 adjusted diluted earnings per share, of 65.0%.

## The Walt Disney Co. – Third quarter results ending 30 September 2020

Earnings per share	HK\$3.76
Historical PE	35.8
EPS growth	49.4%
Turnover growth	29.5%
ROE	24.6%
Debt/Equity	69.3%
NAV per share	HK\$69.12
Dividend yield	0.2%
Share price	HK\$511.50



### 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

This quarter marked the second anniversary of Tencent's strategic organisation upgrade, which was intended to enhance their strength in Consumer Internet and extend the company's presence to Industrial Internet. While the upgrade was designed to bear fruit over the longer run, Tencent is already seeing initial benefits in areas such as consolidating advertising services, rejuvenating product and content platforms, growing cloud and SaaS businesses and building an internal open-source code base.

Revenues increased by 29% to RMB125.4 billion for the third quarter of 2020 on a year-on-year basis. Revenues from Value -Added services (VAS) increased by 38% to RMB69,802 million for the third quarter of 2020 on a year-on-year basis. Online games revenues grew by 45% to RMB41,422 million. The increase was primarily due to revenue growth of smart phone games.

Revenues from FinTech and Business Services increased by 24% to RMB33,255 million for the third quarter of 2020 on a year-on-year basis. The increase was mainly due to higher revenues from commercial payment and wealth management, while Business Services revenue growth slowed down due to lingering impact from the pandemic on offline project development and new contract sign-ups, as well as non-recurring adjustments to certain IaaS contracts.

### Dividend

A final dividend in respect of the year ended 31 December 2019 of HKD1.20 per share (2018: HKD1.00 per share) was proposed pursuant to a resolution passed by the Board on 18 March 2020 and approved by the shareholders at the 2020 AGM. Such dividend amounting to HKD11,378 million (final dividend for 2018: HKD9,463 million) was paid during the nine months ended 30 September 2020. The Board did not declare any interim dividend for the nine months ended 30 September 2020 and 2019.

### Snippets

#### Take action this financial year end...

The financial year end is approaching fast. Now is the time to take advantage of the 2020 / 2021 tax exemptions. These transactions need to be made before the 25th of February 2021. These efficient tax planning and investment considerations include, but are not limited to:

1. Annual donation tax exemption
2. Retirement Annuity (RA) contributions
3. Tax-Free Savings Account (TFSA) contributions

[Please click here to read more](#)

## 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	3.96
	1 000 000 – 9 999 999.99	3.96
	10 000 000 upwards	3.96
CALL MONEY FUND: <i>Non-Individuals</i>	250 000 – 999 999.99	3.76
	1 000 000 – 9 999 999.99	3.76
	10 000 000 upwards	3.76

## Dividends Payable

### Dividends in LDT order

<u>Company</u>	<u>Decl</u>	<u>LDT</u>	<u>Pay</u>	<u>Amt</u>	<u>Curr</u>
<u>NWK Holdings Ltd. (NWKH)</u>	<u>14-Dec</u>	<u>08-Jan</u>	<u>11-Jan</u>	<u>23</u>	<u>ZARc</u>
<u>Alexander Forbes Group Holdings Ltd. (AFORBES)</u>	<u>03-Dec</u>	<u>05-Jan</u>	<u>11-Jan</u>	<u>13</u>	<u>ZARc</u>
<u>African Oxygen Ltd. (AFROX)</u>	<u>08-Dec</u>	<u>12-Jan</u>	<u>18-Jan</u>	<u>382</u>	<u>ZARc</u>
<u>African and Overseas Enterprises Ltd (AF&amp;OVR 6%PP)</u>	<u>22-Dec</u>	<u>12-Jan</u>	<u>18-Jan</u>	<u>6</u>	<u>ZARc</u>
<u>Astral Foods Ltd. (ASTRAL)</u>	<u>16-Nov</u>	<u>12-Jan</u>	<u>18-Jan</u>	<u>775</u>	<u>ZARc</u>
<u>Exchange Traded Funds (ASHINFBND)</u>	<u>14-Jan</u>	<u>19-Jan</u>	<u>25-Jan</u>	<u>16.91</u>	<u>ZARc</u>
<u>Exchange Traded Funds (ASHMIDCAP)</u>	<u>14-Jan</u>	<u>19-Jan</u>	<u>25-Jan</u>	<u>2.83</u>	<u>ZARc</u>
<u>Exchange Traded Funds (ASHTOP40)</u>	<u>14-Jan</u>	<u>19-Jan</u>	<u>25-Jan</u>	<u>9.46</u>	<u>ZARc</u>

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