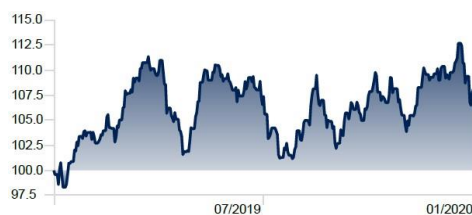
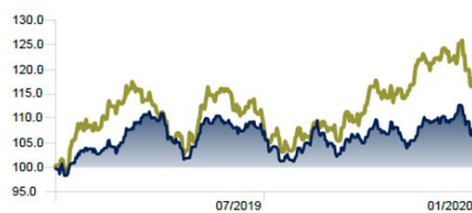

CONTENTS: Market Report | Company Results | Snippets | CCM Rates | Dividends Payable

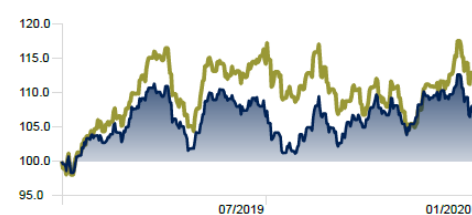
All Share


FTSE/JSE All Share TR ZAR

Resources


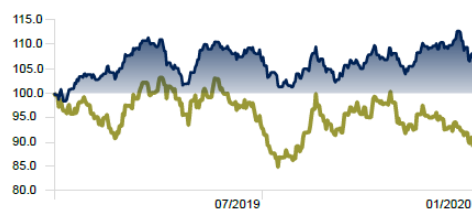
FTSE/JSE All Share TR ZAR

FTSE/JSE Resources 10 TR ZAR

Industrials


FTSE/JSE All Share TR ZAR

FTSE/JSE Indl 25 TR ZAR

Financials


FTSE/JSE All Share TR ZAR

FTSE/JSE Financial 15 TR ZAR

Market Report

Virus-related fears dampen investor risk appetite

While global markets started the new year on a positive note, most major indices failed to end the month on a positive note. Initially, December's upbeat mood continued into the new month but sold off during the latter part of the month due to fears surrounding the potential economic impact of the novel coronavirus on the global economy.

Developed market equities, as gauged by the MSCI World Index, ended the month nearly 1% lower; however, the MSCI Emerging Markets Index bore the brunt of the virus-related sell-off, ending nearly 5% lower. The only major index ending the month higher was the tech-heavy Nasdaq, which gained 2.0% in January on the back of stellar performance from FAANG stocks (Facebook, Amazon, Apple, Netflix, Alphabet) and Microsoft.

The US 10-year treasury yield dropped by 40 basis points to 1.5% last month as money flowed into safe-haven asset classes – this was the largest monthly drop in 8 years. The US Fed indicated that they are likely to maintain their accommodative stance as they continue to gauge the state of the economy.

Rand-hedge equities benefits from a weaker rand

In local markets, the JSE was down more than 8% in dollar terms, but a weaker rand provided support to externally focussed companies, with the likes of BATS (+10%), Sibanye (+9%) and Naspers (+7%) benefitting the most from the currency weakness. Gold miners were also beneficiaries of the risk-off sentiment as the price of gold rallied 5% in dollar terms and 12% in rand terms.

In contrast to the rand-hedge names, SA focussed counterparts in the finance and consumer space were down between 5% and 12%, while Sasol (-21%) was beaten up by the oil price decline – although the weaker rand cushioned the blow – and news of further delays in the ramp-up of earnings from the Lake Charles project.

Brent crude oil ended the month 12% lower in dollar terms as China's demand dropped 20% in January.

SARB cuts rates, revises inflation and growth outlook lower

In a surprise move, the South African Reserve Bank (SARB) opted to cut the repo rate by 25 basis points to 6.25%, with the prime at 9.75%. The call was unanimous, with the MPC delivering a highly dovish statement and sharply reducing its inflation forecasts. The SARB also reduced its GDP growth outlook for SA, while it expects inflation to remain below 5% for at least the next three years. The bank's dovish tone suggests downside risks to inflation and growth, despite risks of currency weakness on the back of policy uncertainty and a potential downgrade to junk status.

The recent sell-off is a reminder of the rand's vulnerability to adverse shocks, but SA's government bond yield, which provides among the highest real-yield pick-ups among EM peers, provides cushioning to potential currency blowouts.

Index	Value	Jan (%)	YTD (%)
All Share	56,080	▼ 1.7%	▼ 1.7%
S&P 500	3,226	▼ 0.0%	▼ 0.0%
FTSE	7,286	▼ 3.4%	▼ 3.4%
Rand/USD	15.00	▲ 7.3%	▲ 7.3%
Rand/GBP	19.77	▲ 6.7%	▲ 6.7%
Gold (\$)	1,583	▲ 4.2%	▲ 4.2%
Plat (\$)	959	▼ 1.3%	▼ 1.3%
Brent (\$)	58	▼ 11.9%	▼ 11.9%

Company Results

Apple Inc. – Quarterly results for the period ending December 2020

Earnings per share	\$4.99
Historical PE	23.20
EPS growth	19%
Turnover growth	9%
ROE	55.47%
Debt/Equity	130.40
NAV per share	\$20.42
Dividend yield	1.04%
Share price	\$293.65



Nature of Business

Apple, Inc. engages in the design, manufacture, and sale of smartphones, personal computers, tablets, wearables and accessories, and a variety of other related services. It operates through the following geographical segments: Americas, Europe, Greater China, Japan, and Rest of Asia Pacific. Apple is the world's largest technology company by revenue and one of the world's most valuable companies. It is also the world's third-largest mobile phone manufacturer after Samsung and Huawei.

Latest Results

Apple announced financial results for its fiscal 2020 first quarter ended December 28, 2019. The Company posted quarterly revenue of \$91.8 billion, an increase of 9 percent or \$7.5 billion from the year-ago Q1 2018 and an all-time record, and quarterly earnings per diluted share of \$4.99, up 19 percent, also an all-time record. International sales accounted for 61 percent of the quarter's revenue.

Total net sales increased 9% which was primarily driven by higher iPhone and Wearables, Home and Accessories net sales. The weakness in foreign currencies relative to the U.S. dollar had an unfavourable impact on net sales during the first quarter of 2020. During the first quarter of 2020, the Company began shipping AirPods Pro, the new 16-inch MacBook Pro and the updated Mac Pro. Additionally, the Company released Apple TV+ as a new service.

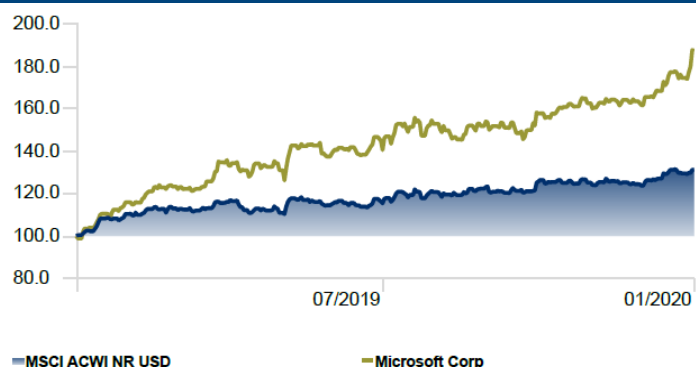
The Company repurchased \$20 billion of its common stock and paid dividends and dividend equivalents of \$3.5 billion during the first quarter of 2020.

Dividend

Apple's board of directors has declared a cash dividend of \$0.77 per share of the Company's common stock.

Microsoft Corporation – Quarterly results for the period ending December 2020

Earnings per share	\$5.74
Historical PE	27.45
EPS growth	8.09%
Turnover growth	13.97%
ROE	43.83%
Debt/Equity	79.15
NAV per share	\$14.47
Dividend yield	1.23%
Share price	\$157.70



Nature of Business

Microsoft Corp. engages in the development and support of software, services, devices, and solutions. It operates through the following business segments: Productivity and Business Processes; Intelligent Cloud; and More Personal Computing. The firm also offers operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; video games; personal computers, tablets; gaming and entertainment consoles; other intelligent devices; and related accessories.

Latest Results

For the quarter group revenue was up 14% to \$36.9 billion. Strong execution from sales teams and partners drove Commercial Cloud revenue to \$12.5 billion, up 39% year over year. Microsoft returned \$8.5 billion to shareholders in the form of share repurchases and dividends in the second quarter of fiscal year 2020. Revenue in Productivity and Business Processes was \$11.8 billion and increased 17% (up 19% in constant currency).

Gross margin increased \$4.5 billion or 22%, driven by growth across all segments. Gross margin percentage increased, driven by sales mix shift to higher margin businesses. Gross margin included a 5-point improvement in commercial cloud, primarily from Azure. Operating income increased \$3.6 billion or 35%, driven by growth across all segments.

Capital expenditures including assets acquired under finance leases were \$4.5 billion to support growth in cloud offerings. Cash flow from operations was \$10.7 billion, up 20% year-on-year, driven by strong cloud billings and collections. Free cash flow of \$7.1 billion, up 37% year-on-year, reflecting the timing of cash paid for property and equipment.

Key changes in expenses were:

- Cost of revenue decreased \$65 million or 1%, driven by a decline in Gaming, offset by growth in commercial cloud.
- Research and development expenses increased \$533 million or 13%, driven by investments in cloud engineering, LinkedIn, and Gaming.
- Sales and marketing expenses increased \$345 million or 8%, driven by investments in LinkedIn and commercial sales.

Dividend

The company declared a dividend of \$1.94 per share.

Snippets

CAREFULLY CONSIDER YOUR CHOICE OF EXECUTOR

Following the death of a loved one, those left behind are often distressed to learn that the administration of the deceased estate will take quite some time to finalise.

The Executor of an estate is tasked with the role of wrapping up affairs and distributing assets according to the Will. Having this done as timeously and effectively as possible will minimize the stress on your family – but this is dependent on the elected Executor of the estate.

“The role of the Executor is paramount and having a competent Executor dealing with the estate will smooth the families transition back to a new normality,” advises David Knott of Private Client Trust, who says that anyone choosing an Executor would do well to have an understanding of the complex role that the Executor is required to fulfil.

“Assuming that a current Will had been signed, the Executor must meet with the heirs to obtain the information required to report the estate to the Master of the High Court in order to obtain the Letters of Executorship. The Executor may not act as the legal representative of the deceased until they have this.”

“The Executor must then gather information to determine what the estate consists of, where assets are held, the proceeds of life assurances, where heirs may be located, outstanding debts owed and of course the income tax position, etc.”

Knott advises that while having assets valued for estate purposes, the Executor is dependant upon other institutions and government departments to provide the required information. “An experienced Executor will know exactly who to contact, and what questions to ask, to get the correct details in order to speed up what can be a lengthy process.”

“As the information is received, the Executor will assess the liquidity of the estate, as cash will be required to settle debts, income and capital gains tax, cash bequests and estate duty. It may be that certain assets need to be sold to meet any cash shortfalls and the Executor will need all the heirs to agree to this if they are unable, or unwilling, to contribute to the shortfall.”

“The Executor will then draft a Liquidation and Distribution Account reflecting his/her administration which, once approved by the Master of the High Court, will allow the Executor to proceed with the transfer of assets to heirs and a cash distribution,” says Knott.

This process may take several months, depending on the complexity of the estate and importantly whether the deceased's affairs were in order. Having the right Executor ensures that your last wishes will be respected, that taxes will be paid on time, that investments will be properly managed, that creditors will not sue your estate, that beneficiaries will get their just inheritance, and that family disputes are avoided.

“You must choose wisely. The wrong Executor can sabotage your estate planning,” concludes Knott.

For further advice or information contact Sarah Love or Elmien Pols from the Private Client Trust team on (021) 671 1220.

Corporate Cash Manager Rates

FUND	BALANCE	RATE
CALL ACCOUNT	0.00 - 9.999.99	4.30
	10.000 - 24.999.99	4.80
	25.000 - 49.999.99	5.05
	50.000 - 99.999.99	5.30
	100.000 - 249.999.99	5.45
CALL MONEY FUND: <i>Individuals</i>	250.000 - 999 999.99	6.81
	1 000 000 - 9 999 999.99	6.91
	10 000 000 upwards	7.01
CALL MONEY FUND: <i>NON - individuals</i>	250.000 - 999 999.99	6.61
	1 000 000 - 9 999 999.99	6.71
	10 000 000 upwards	6.81

Dividends Payable

Dividends in LDT order

<u>Company</u>	<u>Decl</u>	<u>LDT</u>	<u>Pay</u>	<u>Amt</u>	<u>Curr</u>
FirstRand Ltd. (FIRSTRANDB-P)	30-Jan	18-Feb	24-Feb	374.75	ZARc
Hudaco Industries Ltd. (HUDACO)	31-Jan	18-Feb	24-Feb	410	ZARc
Kaap Agri Ltd. (KAAP AGRI)	28-Nov	11-Feb	17-Feb	90	ZARc
MiX Telematics Ltd. (MIXTEL)	30-Jan	18-Feb	24-Feb	4	ZARc
Exchange Traded Notes (NEWWVEGBP)	11-Feb	25-Feb	02-Mar	4	ZARc
Exchange Traded Notes (NEWWVEUSD)	11-Feb	25-Feb	02-Mar	10	ZARc
Nampak Ltd. (NAMPAK 6%P)	23-Jan	11-Feb	17-Feb	6	ZARc
Nampak Ltd. (NAMPAK 6.5)	23-Jan	11-Feb	17-Feb	6.5	ZARc
Tharisa plc (THARISA)	30-Jan	11-Feb	26-Feb	0.25	USDc
Tharisa plc (THARISA-A2X)	30-Jan	11-Feb	26-Feb	0.25	USDc
FirstRand Ltd. (FIRSTRANDB-P)	30-Jan	18-Feb	24-Feb	374.75	ZARc
Hudaco Industries Ltd. (HUDACO)	31-Jan	18-Feb	24-Feb	410	ZARc
MiX Telematics Ltd. (MIXTEL)	30-Jan	18-Feb	24-Feb	4	ZARc

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.

AS MEMBERS OF:



Directors: GAJ Alexander B Comm Hons (FAPM) (Tax) CA (SA) LLM;
AS Ratcliffe B Comm (HDip Tax) Professional Accountant (SA) CFP



Directors: GAJ Alexander BCom Hons (FAPM) (Tax) CA (SA) LLM / AS Ratcliffe BCom (HDip Tax) Professional Accountant (SA) CFP

Tel +27 21 671 1220, Fax +27 21 671 1149

46 Main Rd, Claremont, 7708 | PO Box 24033, Claremont, 7735

www.privateclient.co.za