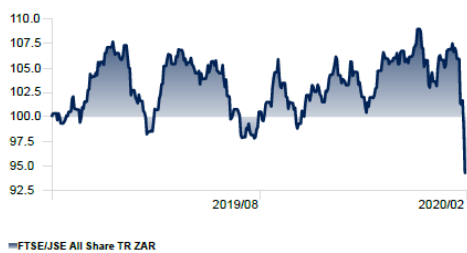
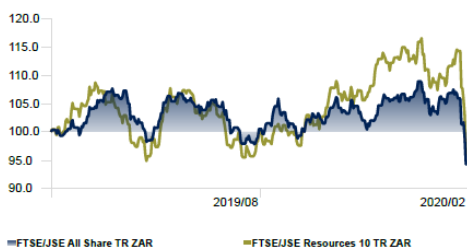
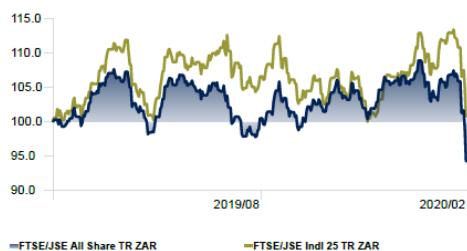

**CONTENTS:** Market Report | Company Results | Snippets | CCM Rates | Dividends Payable

**All Share**

**Resources**

**Industrials**

**Financials**


Index	Value	Feb (%)	YTD (%)
All Share	51,038	▼ 9.0%	▼ 10.5%
S&P 500	2,954	▼ 8.2%	▼ 8.3%
FTSE 100	6,581	▼ 9.0%	▼ 12.0%
Rand/USD	15.73	▲ 4.9%	▲ 12.5%
Rand/GBP	20.09	▲ 1.6%	▲ 8.5%
Gold (\$)	1,564	▼ 1.2%	▲ 2.9%
Plat (\$)	863	▼ 10.1%	▼ 11.2%
Brent (\$)	51	▼ 13.1%	▼ 23.5%

## Market Report

### Tito Mboweni announces some tax relief

There were varying predictions leading up to the annual budget speech, from a value-added tax (VAT) rate increase to continued bracket creep, but instead we saw no major tax increases and above-inflation adjustments to all tax brackets and rebates, which provides much needed real income tax relief for pressed South African individuals. There were no changes to the corporate tax rate or VAT rate. The government will, therefore, not raise additional revenue from tax proposals. Instead, the finance minister decided to take on the challenging labour unions with the aim to reduce government spending, which includes a reduction to the public wage bill of roughly R160 billion over the next 3 years.

### What were the key changes?

- There are above-inflation increases in the personal income tax brackets and rebates.
- From 1 March 2020 the annual contribution limit for tax-free savings investments will be increased from R33 000 to R36 000 per tax year.
- From 1 March 2020 the cap on the exemption of foreign remuneration earned by South African tax residents is increasing from R1 million to R1.25 million per tax year.
- No transfer duty is payable on the purchase of property up to the value of R1 million. This has been increased from R900 000 from the 2019/2020 tax year.
- The general fuel levy increases by 16 cents per litre, and the Road Accident Fund levy increases by 9 cents per litre on 1 April 2020. The carbon tax rate will increase by 5.6% for the 2020 calendar year.
- Excise duties on alcohol and tobacco will increase by between 4.4% and 7.5%.
- The plastic bag levy increases to 25 cents per bag.

Unfortunately, the budget speech was delivered against the backdrop of global risk aversion related to the economic impact of the new coronavirus (COVID-19) and the global sell-off overwhelmed any positive impact that the budget may have had on local asset prices.

### Sharp selloffs after Coronavirus spreads

In February we saw the coronavirus (COVID-19) epidemic replaced trade as the main focus for the markets. Fears of short-term negative effects on Chinese and global growth, together with the overwhelming sentiment that central banks around the globe will deliver further monetary policy support, sent government bond yields lower throughout the month. By month end, the US 10-year Treasury yield stood at a new all-time low of 1.1%, down 2.1% from its recent peak in November 2018.

In the first two weeks of February, equity markets shrugged off concerns about the outbreak, supported by a better-than-expected US Q4 earnings season, improving business surveys for January, and the expectation that the impacts of the coronavirus would be short-lived and contained to some parts of rural China. However, the increase in cases outside China led to a sharp selloff towards the end of the month. Developed market equities fell sharply, with the S&P 500 ending the month down 8.2%. From a regional standpoint, emerging market equities

outperformed developed markets with MSCI EM down 5.3%. Risk aversion also spread into commodities. Brent Crude fell 13%, adding to the steep fall in January and bringing the total year-to-date decline to 27%.

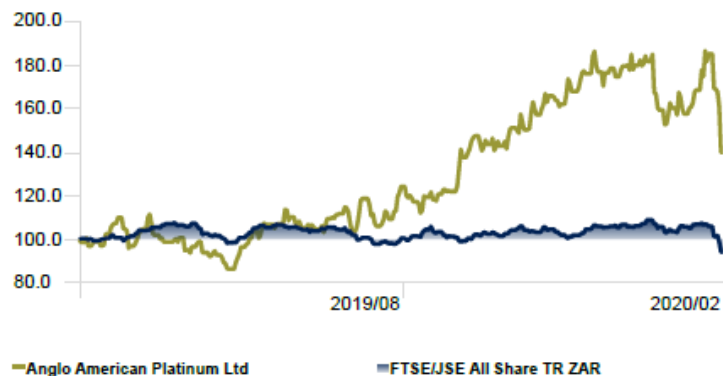
The FTSE/JSE Capped SWIX fell 9.5% in February, taking its YTD loss to 11.9%. The rand also continued to sell off with other emerging market (EM) currencies, ending the month down 4% against the US dollar and 10.6% weaker YTD. A multitude of top-40 companies reported earnings during February, the majority of them mining companies. Mining company earnings were generally disappointing, weakened by either commodity prices or, in the case of iron ore and platinum group metals (PGMs), low volumes. Shoprite and Woolworths also reported financials during February and each showed decent results in their SA food businesses with reasonable food price inflation. However, both their offshore divisions continued to disappoint and for Woolworths, its local clothing business was also just as poor.

SA inflation for January surprised on the downside, slightly below consensus expectations but the highest it's been since June 2019 at 4.5%. It is now back at the mid-point of the SA Reserve Bank's target range, but still hardly at a level that should discourage the SARB from cutting rates further. The rally in global interest rates and the budget speech weren't enough to keep SA government bond yields lower, with the benchmark R186 bond ending the month 0.1% higher at 8.1%.

## Company Results

### Anglo American Platinum Limited – Results for the period ending 31 December 2019

Earnings per share	R70.61
Historical PE	18.55
EPS growth	150.2%
Turnover growth	33.48%
ROE	34.33%
Debt/Equity	1.47
NAV per share	R231.01
Dividend yield	2.11%
Share price	R1307.33



### Nature of Business

Anglo American Platinum (Amplats) is a public company incorporated in South Africa. It is the world's leading supplier of platinum group metals (PGMs), supplying customers with a range of mined, recycled and traded metal. PGMs comprise platinum, palladium, rhodium, ruthenium, iridium and osmium. Gold, nickel and copper are also extracted as part of the process. The company is listed on the JSE Limited. Its mining, smelting and refining operations are based in South Africa. Elsewhere in the world, the group owns Unki Platinum Mine in Zimbabwe which recently commissioned its own smelter and has marketing operations mainly based in London and Singapore.

### Latest Results

Amplats announced financial results for the year ended 31 December 2019. The company posted gross sales revenue of R99.5 billion, an increase of 33.48% or R25 billion from the year before. 2019 was a record year in many respects for Anglo American Platinum. For the first time in history, the company had zero fatalities at managed operations. The business also recorded their best financial performance which brought healthy earnings and a robust balance sheet with net cash of R17.3 billion, up from R2.9 billion at the end of 2018.

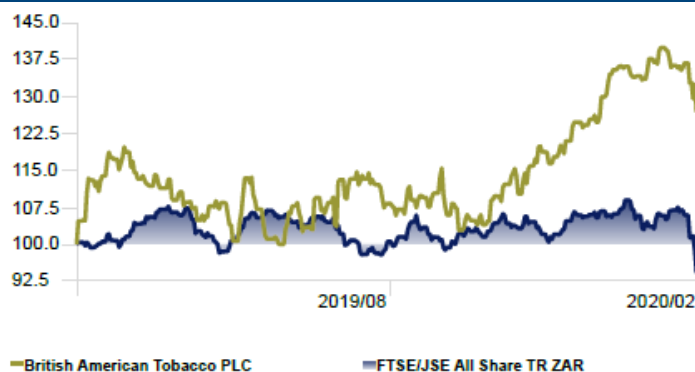
Record earnings before interest, tax, depreciation and amortisation (EBITDA), more than doubling to R30.0 billion Return on Capital Employed (ROCE) increased to 58%. Record headline earnings per share increased 145% to R70.87/share.

### Dividend

Anglo American Platinum's board declared a dividend for H2 2019 of R11.2 billion, or R41.60/share comprising of a base dividend of 40% of headline earnings or R16.60/share and a special dividend of R25.00/share. The total dividend for the year was R52.60/share.

## British American Tobacco PLC – Results for the period ending 31 December 2019

Earnings per share	£2.67
Historical PE	13
EPS growth	8.44%
Turnover growth	5.7%
ROE	8.83%
Debt/Equity	70.99%
NAV per share	£27.89
Dividend yield	6.46%
Share price	£32.31



### Nature of Business

British American Tobacco plc is a holding company, which engages in the manufacturing and distribution of tobacco products. BAT's hold robust market positions in each of their regions and have leadership positions in more than 55 markets. British American Tobacco is one of the world's leading consumer products businesses, with brands sold in more than 200 markets. They have strategic combustible and Tobacco Heating Product (THP) brands – Dunhill, Kent, Lucky Strike, Pall Mall, Rothmans, Neo, Newport, Camel (in the US) and Natural American Spirit (in the US) – and over 200 brands in their portfolio, including a growing portfolio of other potentially reduced-risk products.

### Latest Results

For the year end 31 December 2019 group revenue was up 5.7% to £25.8 billion. Reported profit from operations of £9 billion down 3.2% driven by adjusting items of £2 billion (2018: £1 billion) partly due to the charges incurred in respect of Canada (Quebec), Quantum (simplification programme), other smoking and health litigation including Engle in the US, the excise dispute in Russia and the goodwill impairment in Indonesia, the majority of which are non-cash items. Group volume was particularly impacted by a once-off stock reduction in Russia, combined volume decline in Egypt (due to a change in local taxes impacting Pall Mall) and Venezuela (where macroeconomic conditions remain challenging). The remainder of the Group performed largely in line with the sector with combined cigarettes and THP volume down 3.2%.

British American Tobacco expect global industry cigarette and THP volume to be down c.4%, with US industry volume down c.5%, in 2020. Adjusted revenue growth is expected in the 3-5% guidance range, together with continued operating margin improvement and further progress in "New Categories" towards the company's 2023/24 ambition of £5bn in revenue. Results, in particular "New Category" revenue growth, will be weighted to the second half of the year. Management advises that the segment is performing well and are confident of delivering another year of high single figure adjusted EPS growth, with strong operating cashflow conversion in excess of 90%.

### Dividend

Dividend per share increased 3.6% to 210.4p, payable in four quarterly dividend payments of 52.6p per share, being a pay-out ratio of 65% of adjusted diluted EPS, in line with the Group's dividend pay-out policy.

Please click [here](#) to see our Private Client Holdings 2020/2021 Tax Guide.

This guide is published as a reference tool which you may find useful during the forthcoming tax year.

The pdf is loaded onto our website [www.privateclient.co.za](http://www.privateclient.co.za) and a hardcopy is available on request

Please contact Jeremy Burman on [jeremy@privateclient.co.za](mailto:jeremy@privateclient.co.za) or the PCF tax team if you have any queries.

Changes applicable to the new tax year commencing 1 March 2020

- The Foreign Remuneration Exemption limit for taxpayers qualifying under section 10(1)(o)(ii) has been increased from R1 million to R1.25 million as from 1 March 2020;
- There will be no transfer duties on properties under R1million;
- SARS has proposed limiting the carry forward of corporate assessed losses to 80% from 1 January 2021;
- From 1 March 2021, lump sums from provident funds will be subject to annuitisation and apportioned to ensure contributions made prior to 1 March 2021 and the resultant growth may be paid out as a lump sum. Where the member will be at least 55 years old on 1 March 2021, the lump sum from the provident fund is not subject to the annuitisation rules.
- The annual exemption on interest earned for individuals remains unchanged;
- There is a proposed increase in the annual contribution limit to tax-free savings from R33 000 to R36 000 effective from 1 March 2020;
- The concept of financial emigration as recognised by the Reserve Bank (SARB) will be phased out by 1 March 2021;
- The monthly medical tax credit for contributions to medical schemes by an individual has increased to R319 for each of the first two persons covered and R215 for each additional dependant;

### 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	6.87
	1 000 000 - 9 999 999.99	6.97
	10 000 000 upwards	7.07
CALL MONEY FUND: <i>NON - individuals</i>	250.000 - 999 999.99	6.67
	1 000 000 - 9 999 999.99	6.77
	10 000 000 upwards	6.87

## Dividends Payable

Dividends in LDT order					
<u>Company</u>	<u>Decl</u>	<u>LDT</u>	<u>Pay</u>	<u>Amt</u>	<u>Curr</u>
Anglo American Platinum Ltd. (AMPLATS)	17-Feb	03-Mar	09-Mar	1660	ZARc
Anglo American Platinum Ltd. (AMPLATS)	17-Feb	03-Mar	09-Mar	2500	ZARc
Bowler Metcalf Ltd. (BOWCALF)	12-Feb	03-Mar	09-Mar	17	ZARc
BHP Group plc (BHP)	18-Feb	03-Mar	24-Mar	65	USDc
DRDGOLD Ltd. (DRDGOLD)	12-Feb	03-Mar	09-Mar	25	ZARc
Grit Real Estate Income Group Ltd. (GRITREAL)	13-Feb	03-Mar	03-Apr	5.25	USDc
Italtile Ltd. (ITLTILE)	13-Feb	03-Mar	09-Mar	23	ZARc
Nu-World Holdings Ltd. (NUWORLD)	28-Oct	03-Mar	09-Mar	288.4	ZARc
Resilient REIT Ltd. (RESILIENT)	14-Feb	03-Mar	09-Mar	267.96	ZARc
South32 Ltd. (SOUTH32)	13-Feb	03-Mar	02-Apr	1.1	USDc
South32 Ltd. (SOUTH32)	13-Feb	03-Mar	02-Apr	1.1	USDc
Transcend Residential Property Fund Ltd. (TRANSCEND)	14-Feb	03-Mar	09-Mar	34.89	ZARc
Capricorn Investment Group Ltd. (CAPRICORN)	18-Feb	06-Mar	27-Mar	30	NADc
Anglo American plc (ANGLO)	20-Feb	10-Mar	07-May	47	USDc
Adcock Ingram Holdings Ltd. (ADCOCK)	20-Feb	10-Mar	16-Mar	100	ZARc
AngloGold Ashanti Ltd. (ANGGOLD)	21-Feb	10-Mar	27-Mar	165	ZARc
Assore Ltd. (ASSORE)	21-Feb	10-Mar	16-Mar	700	ZARc
City Lodge Hotels Ltd. (CITYLDG)	20-Feb	10-Mar	16-Mar	153	ZARc
Curro Holdings Ltd. (CURRO)	25-Feb	10-Mar	16-Mar	10.2	ZARc
Discovery Ltd. (DSY B PREF)	17-Feb	10-Mar	16-Mar	505.41	ZARc
Emira Property Fund Ltd. (EMIRA)	19-Feb	10-Mar	16-Mar	74.1	ZARc
Gold Fields Ltd. (GFIELDS)	12-Feb	10-Mar	16-Mar	100	ZARc
Heriot REIT Ltd. (HERIOT)	20-Feb	10-Mar	16-Mar	40.75	ZARc
Kumba Iron Ore Ltd. (KUMBA)	18-Feb	10-Mar	16-Mar	1599	ZARc
London Finance & Investment Group PLC (LONFIN)	24-Feb	10-Mar	03-Apr	0.55	GBPp
NEPI Rockcastle plc (NEPIROCK)	21-Feb	10-Mar	06-Apr	27.31	EURc
NEPI Rockcastle plc (NEPIROCK-A2X)	21-Feb	10-Mar	06-Apr	27.31	EURc
Royal Bafokeng Platinum Ltd. (RBP CONV)	24-Feb	10-Mar	16-Mar	35000	ZARc
Shoprite Holdings Ltd. (SHOPRIT)	25-Feb	10-Mar	16-Mar	156	ZARc
Tradehold Ltd. (TDH B PREF)	25-Feb	10-Mar	16-Mar	1946.96	ZARc
The Foschini Group Ltd. (TFG PREF)	07-Nov	10-Mar	16-Mar	6.5	ZARc
Transpaco Ltd. (TRNPACO)	24-Feb	10-Mar	16-Mar	33	ZARc
Truworths International Ltd. (TRUWTHS)	20-Feb	10-Mar	16-Mar	249	ZARc
Tower Property Fund Ltd. (TOWER)	21-Feb	10-Mar	16-Mar	35.01	ZARc
Woolworths Holdings Ltd. (WOOLIES)	20-Feb	10-Mar	16-Mar	89	ZARc
African Rainbow Minerals Ltd. (ARM)	28-Feb	17-Mar	23-Mar	500	ZARc
African Rainbow Minerals Ltd. (ARM-A2X)	28-Feb	17-Mar	23-Mar	500	ZARc
Capitec Bank Holdings Ltd. (CAPITEC-P)	28-Feb	17-Mar	23-Mar	413	ZARc
Distell Group Holdings Ltd. (DISTELL)	27-Feb	17-Mar	23-Mar	174	ZARc
Discovery Ltd. (DISCOVERY)	20-Feb	17-Mar	23-Mar	101	ZARc
Hammerson Plc (HAMMERSON)	25-Feb	17-Mar	30-Apr	14.8	GBPp
Impala Platinum Holdings Ltd. (IMPLATS)	27-Feb	17-Mar	23-Mar	125	ZARc
Imperial Logistics Ltd. (IMPERIAL)	25-Feb	17-Mar	23-Mar	167	ZARc
Liberty Two Degrees (LIBERTY2D)	24-Feb	17-Mar	23-Mar	31.12	ZARc
PSG Group Ltd. (PSGFIN PREF)	28-Feb	17-Mar	23-Mar	413	ZARc
Bid Corporation Ltd. (BIDCORP)	19-Feb	24-Mar	30-Mar	330	ZARc
British American Tobacco plc (BATS)	27-Feb	24-Mar	13-May	52.6	GBPp
JSE Ltd. (JSE)	24-Feb	24-Mar	30-Mar	690	ZARc
JSE Ltd. (JSE)	24-Feb	24-Mar	30-Mar	150	ZARc
Motus Holdings Ltd. (MOTUS)	26-Feb	24-Mar	30-Mar	240	ZARc

Steinhoff Investment Holdings Ltd. (SHFINV-PREF)	21-Feb	24-Mar	30-Mar	416.91	ZARc
AECI Ltd. (AECI)	25-Feb	31-Mar	06-Apr	414	ZARc
Liberty Holdings Ltd. (LIB-HOLD)	27-Feb	31-Mar	06-Apr	436	ZARc
Mondi plc (MONDIPLC)	27-Feb	31-Mar	14-May	55.72	EURc
Spur Corporation Ltd. (SPURCORP)	27-Feb	31-Mar	06-Apr	78	ZARc

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