

# PROSPECTS

The Richard Cluver Investment Newsletter in continuous publication since 1987

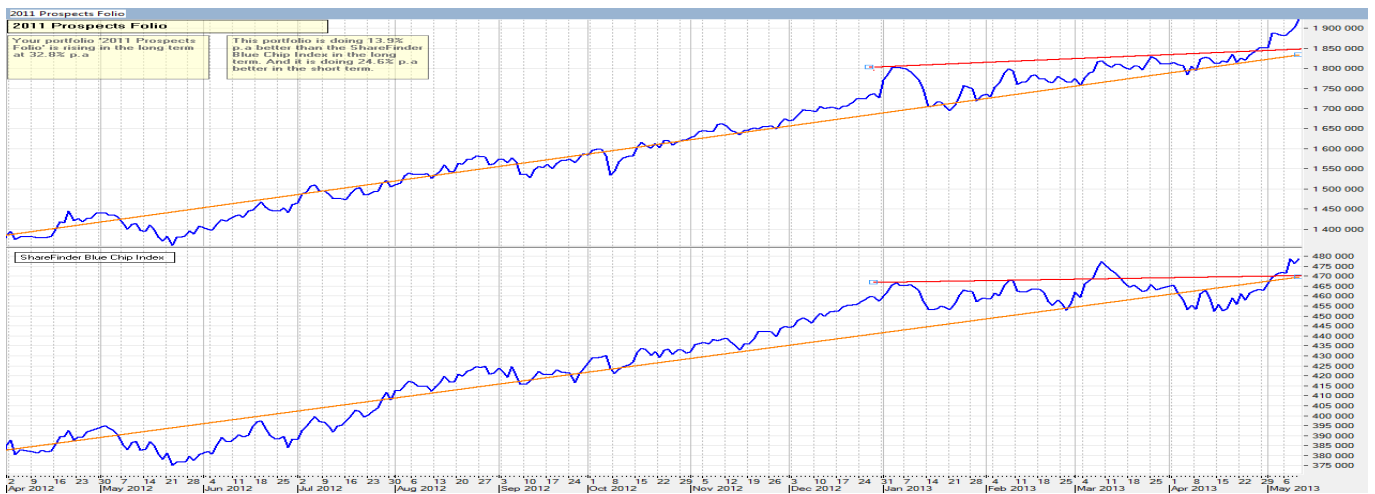


## May 2013

When I wrote this column a month ago, current talk among analysts was all about how expensive the market had become and the growth rate of Blue Chip shares had slowed to a crawl as they struggled to overcome a resistance line.

Importantly, the long and short-term trends when traced out by trend lines had formed a distinct pennant formation which can be seen in the graphs below. (As all students of technical analysis well know, pennant formations normally precede a dramatic market event.) New York and London together with other leading Developed World markets were attracting most of the action and were flying upwards in what must have been seen as the probable exponential last phase of a bull market ahead of a likely end sometime around October this year.

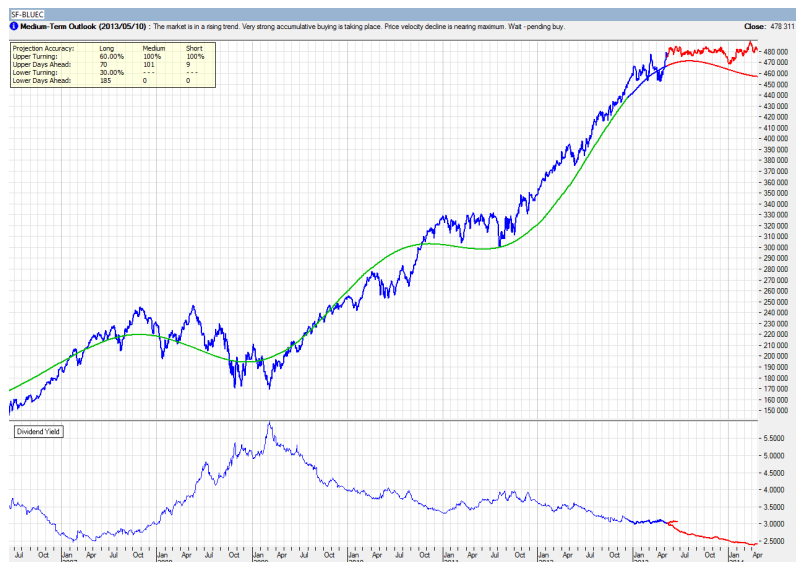
Meanwhile my analysis suggested that the tide of international investment was just beginning to turn back in favour of the developing world pointing to the likelihood of a break out of the upwardly-sloping pennant formation to which I had drawn attention. So it is on a happy note that I write this morning to draw attention to those local breakouts having now happened which implies that a positive spell has begun for our market and, in the process, our Prospects portfolio has touched a new all time high of R1 921 301 taking its compound annual average growth rate to 33 percent as illustrated in the composite below.



Nevertheless, and notwithstanding Blue Chip companies quite regularly announcing profit increases of the order of 25 percent year on year—note Famous Brands announcement this week that it expects earnings to be up between 21 and 23 percent—market comment continues to argue that our shares have become very expensive.

So let us look both ahead and backwards in my second composite on the right to note that Blue Chips currently stand at an average dividend yield of 2.8 percent compared with a low of 2.5 percent at the height of the 2007 bull market which implies that, although expensive, they could rise a little more before reaching previous critical territory.

Do note, however, that end of bull



market corrections are seldom triggered by the process of their reaching previous valuation peaks, but rather by extraneous events that impact upon the economy and by implication the future profitability of companies. Nevertheless, Fourier Projection in the second composite on the previous page suggests that the end of this bull market is fairly close with the peak now seen for mid-June followed by a sideways trend as investors look for some sign that can determine the long-term future. Pushing cycle projection to its limits suggests that a modest retraction is likely in December, but nothing really dramatic is suggested by this indicator process for the foreseeable future.

Regrettably that view does not, however, square with the projection for Wall Street which continues to foresee a sharp decline beginning in October. The latest projection sees the S&P500 Index making a double top on Monday October 21 and Wednesday October 23 followed by a protracted decline lasting until the end of June 2014 when a double bottom with feet in June 30 and August 1 will signal the beginning of a consolidation. As always, I need to stress that these long-range forecasts are merely that. At best our studies



have indicated that the accuracy probability is around 82 percent and both the dates and magnitude of market movements tend to change as we move closer to them. Forewarned is, of course forearmed and investors who are forewarned can plan strategies to take account of these events as they draw closer and the probability either increases or decreases.

Do note though, that while corporate profit growth in South Africa is generally high with the average of all investment grade share profit increases standing at of 23.7 percent for the past 12 months. Similarly in the US last year, corporate profits rose to 12.4% of gross domestic product. That was up slightly from 12.1% in 2011 and marked the highest rate since 1943.

However, average US corporate profits growth at an annual rate of 8.04 percent compared with the S&Ps 30 percent compound annual average growth rate since the trough of 2009 makes it clear that investors are overoptimistic. Similarly, here in South Africa the ShareFinder Blue Chip index has climbed at a compound annual average rate of 28.3 percent compared with a dividend growth rate of 24.12 and an earnings growth rate of 16.5 percent.

Sooner, rather than later in both countries then, the market needs to pause and catch its breath while the average earnings growth rate catches up with market expectations. There is thus good reason to expect a correction. The only question is what event will trigger it?

### Prospects Portfolio Strategy

With the exception of Massmart and Naspers, all shares in the Prospects Portfolio are ahead of the blue chip index on Dividend growth and all are ahead on price growth. Offering an aggregate Total Return of 41.63 percent compared with the Blue Chip average of 23.5 percent, I continue to be very happy with both the composition and performance of the portfolio and so

Name	Price	% Change	Quantity	Cost	Per Share	Value	% Gain	% Portfolio	Risk	DY	DivGro	DivGroL	Return
<b>2011 Prospects Folio</b>		<b>1.1%</b>				<b>1 921 301.26</b>	<b>93.8</b>		<b>23.76%</b>	<b>2.1</b>	<b>32.62</b>	<b>19.15</b>	<b>41.63%</b>
*Cash						52 443.46		2.7%	1.00%				
A-V-I	58.05	+1.3%	3 000	165 090.00	55.03	174 150.00	+5.5%	9.1%	5.73%	3.0	64.72		33.53%
CAPITEC	215.11	+0.1%	562	100 036.00	178.00	120 891.82	+20.8%	6.3%	30.02%	2.2	47.39	35.63	45.90%
CLICKS	57.35	-0.3%	1 700	100 300.00	59.00	97 495.00	-2.8%	5.1%	1.79%	2.3	29.19	21.56	34.69%
CORONAT	57.98	+3.4%	4 014	99 988.74	24.91	232 731.72	+132.8%	12.1%	54.02%	3.0	30.26		58.23%
FAMBRANDS	87.10	+0.1%	2 674	100 000.00	37.40	232 905.40	+132.9%	12.1%	15.52%	2.2	37.94	30.25	45.26%
MASSMART	196.70	+1.9%	736	100 000.00	135.87	144 771.20	+44.8%	7.5%	-14.76%	2.4	12.69	24.36	24.84%
MRPRICE	130.50	-1.1%	1 804	100 000.00	55.43	235 422.00	+135.4%	12.3%	25.14%	2.3	27.49	33.21	53.59%
NASPERS-N	644.00	+3.2%	280	100 000.00	357.14	180 320.00	+80.3%	9.4%	5.15%	0.5	18.81	29.03	30.27%
PINNACLE	23.32	+1.0%	10 638	99 997.20	9.40	248 078.16	+148.1%	12.9%	78.78%	1.3	32.02		42.38%
SHOPRIT	176.50	+1.4%	1 145	100 000.00	87.34	202 092.50	+102.1%	10.5%	1.79%	1.5	27.68	28.46	33.41%

see no reason to make any changes. In the July issue, once we have accounted for dividend income for the first half of the year, I will look to see if there are any suitable additional acquisitions to be made. (Note I will as usual be overseas during June and there will be no issue of Prospects next month). In the interim, however, in the event of Shoprit falling below 170 and Mr Price falling below 120, I would be a buyer.

## Underperformers

Listed below are all shares which have been underperforming the Blue Chip averages in respect of price growth rates over the past five years. Note that all the shares listed below qualify for inclusion in the ShareFinder Quality list because of their consistent dividend growth rates over many years and those listed in green under the Dividend Growth heading have been consistently delivering above-average dividend growth rates over at least the past five years. Being an underperformer is not necessarily an argument for disposing of any of these shares, but readers should note that if a share has failed to deliver above average price growth over as long a period as five years, then it is unlikely in the short to medium term to get much better. Some shares which feature in this list are gladly included in many portfolios of investors seeking dividend income rather than pure capital growth. So before you decide to ditch any of these, do your research carefully. To help you in this regard, we include a "Total Return" column which is the sum of the dividend yield and the annualised capital growth rate average over five years.

## Top Performers:

Name	Close	3 Month Price Gro...	5 Year Price Growth	Dividend Gro...	Grade	Risk	Total Return	Rating	Strategy
Quality Shares List Underperformers (Based on 5yr Price Growth)									
GROWPNT	30.00	84.56	19.05	9.41	195.3	-28.18	23.84	Costly.	Too late to buy now
AME	63.10	9.27	18.90	-33.33	262.1	11.98	20.32	Fair.	Wait - pending buy
NETCARE	20.29	10.74	18.67	20.09	210.6	-17.21	21.02	Fair.	Optimum sell point passed
SANLAM	46.50	39.01	18.58	12.39	233.4	-13.77	21.57	Costly.	Sell! Sell! Sell
SANTAM	192.10	17.18	18.30	20.42	168.0	-13.23	21.15	Fair.	Wait - pending buy
TRENCOR	62.04	-47.59	18.11	26.44	506.3	17.70	20.93	Fair.	Optimum buy point passed
AF_OVR	16.00	0.00	17.97	-20.24	-88.2	-31.67	20.16	Fair.	Wait - pending buy
AFRO-C	4.35	-36.22	17.60	3.33	644.0	41.23	20.01	Costly.	Sell
SABVEST	18.00	26.42	17.60	13.21	32.8	-3.09	19.38	Costly.	Wait - pending buy
BIDVEST	261.00	77.30	17.37	13.35	585.3	-11.35	19.54	Costly.	Too late to buy now
VUNANI	1.85	38.09	17.10	0.00	46.1	481.03	17.10	Very costly.	Wait - pending buy
VERIMARK	1.01	18.02	17.07	-0.46	798.2	120.30	30.44	Very cheap.	Optimum buy point passed
SPAR	121.30	16.76	17.02	24.19	384.3	-27.37	20.03	Fair.	Prepare to buy
ROLFES	6.40	166.97	16.86	0.00	236.7	134.55	18.19	Very costly.	Sell signal imminent
INGENUITY	0.88	33.59	16.79	0.00	-10.8	2.74	17.76	Very costly.	Sell signal imminent
REX-TRUE	19.50	0.00	16.71	-30.95	-71.1	-6.14	19.37	Fair.	Too late to buy now
PAN-AF	2.20	-32.02	16.47	11.55	792.3	54.51	16.47	Fair.	Wait - pending buy
AMECOR	2.09	8.25	16.46	5.56	80.1	29.37	19.71	Fair.	Wait - pending buy
HYPROP	81.00	51.16	16.45	11.27	129.4	-34.16	21.50	Costly.	Wait - pending buy
ACUCAP	53.50	77.98	16.18	0.91	-163.5	-39.89	21.76	Costly.	Optimum buy point passed
VUKILE	19.87	77.05	16.18	10.55	627.2	-38.61	22.60	Fair.	Wait - pending buy
NAMPAK	36.40	51.83	15.85	14.66	1 187.0	-16.38	18.89	Costly.	Wait - pending buy
FAIRVEST	1.40	0.00	15.80	-20.35	551.7	-19.85	23.57	Fair.	Wait - pending buy
FIRSTRAND	31.52	-2.81	15.59	10.25	631.3	-10.73	18.69	Fair.	Wait - pending buy
LIB-HOLD	124.42	26.11	15.52	-21.25	1 789.5	-30.76	19.13	Costly.	Wait - pending buy
KAYDAV	1.25	68.92	15.05	-16.67	276.4	133.00	15.05	Very costly.	Prepare to sell
MONDIPLC	125.99	62.80	14.91	12.33	393.8	68.14	17.04	Very costly.	Wait - pending buy
CAFCA	2.00	1 616.17	14.86	-14.71	-285.4	1.19	14.86	Very costly.	Wait - pending sell
OMNIA	157.00	30.46	13.95	-6.18	2 845.3	6.38	15.74	Costly.	Sell
CIL	19.30	89.03	13.67	0.00	16.9	51.47	13.67	Very costly.	Sell signal imminent
FONEWORX	2.04	-26.49	13.09	13.81	448.1	54.21	16.00	Costly.	Sell
BOWCALF	8.10	13.19	13.00	17.99	300.7	-20.99	17.33	Cheap.	Wait - pending buy
REDEFINE	11.50	89.93	13.00	14.09	649.6	-37.47	18.76	Costly.	Too late to buy now
DATATEC	52.10	51.53	12.92	26.84	527.8	30.35	12.92	Fair.	Wait - pending buy
MMIHLGDS	25.38	49.18	12.78	4.78	451.1	-19.83	16.75	Costly.	Wait - pending buy
BRAIT	38.00	84.58	12.70	-14.51	1 564.2	30.60	13.16	Costly.	Sell! Sell! Sell
ITLTILE	6.10	3.46	12.58	-0.95	107.5	-1.21	14.71	Fair.	Wait - pending buy
AMAPS	3.44	5.54	12.37	-8.06	229.1	41.30	12.37	Costly.	Too late to buy now
SYCOM	31.25	57.95	12.37	6.22	610.6	-32.54	12.37	Costly.	Wait - pending buy
ASSORE	312.79	-63.95	12.11	55.60	419.6	38.14	13.61	Fair.	Wait - pending buy
CITYLDG	127.19	45.49	11.89	4.57	-64.8	-13.30	13.96	Very costly.	Wait - pending buy
FPT	9.54	60.38	11.60	9.44	230.6	-33.66	11.60	Costly.	Wait - pending buy
EMIRA	15.55	26.31	10.91	21.76	232.1	-37.66	10.91	Fair.	Too late to buy now
KGMEDIA	21.30	-35.47	10.41	9.63	356.4	-15.98	13.40	Fair.	Sell
PREMIUM	20.88	84.31	10.35	11.49	200.4	-23.16	16.39	Costly.	Wait - pending buy.
NEDBANK	185.30	-15.22	10.32	13.70	800.9	-14.49	13.77	Fair.	Optimum sell point passed.
HCI	118.00	38.65	9.75	13.00	2 918.9	6.98	10.55	Costly.	Sell! Sell! Sell!
PUTPROP	6.06	-50.85	8.44	0.60	259.7	-32.64	13.49	Cheap.	Optimum sell point passed.
MONDILTD	126.07	67.26	8.40	3.73	322.8	60.23	10.53	Very costly.	Sell signal imminent.
LEWIS	55.40	-59.27	7.95	12.30	490.1	-9.47	15.40	Very cheap.	Prepare to buy.
AFRIMAT	9.00	16.38	6.67	9.00	724.4	54.86	9.35	Very costly.	Sell signal imminent.
REUNERT	71.30	-15.54	5.36	6.08	307.3	-7.99	9.77	Fair.	Wait - pending buy.
STANBANK	114.90	-7.98	4.98	8.43	311.6	-28.99	8.35	Fair.	Wait - pending buy.
JSE	76.60	20.86	2.98	26.09	233.1	-4.89	5.76	Fair.	Wait - pending buy.
NEDBANK-P	10.29	-11.85	0.48	13.46	594.6	-62.43	6.52	Fair.	Too late to sell now.
BHPBILL	268.18	-39.37	-1.67	25.48	753.5	17.48	1.49	Fair.	Wait - pending buy.
SASOL	410.81	12.44	-3.41	19.76	1 014.3	-1.57	0.22	Fair.	Wait - pending buy.
AFGRI	4.50	-45.59	-7.79	13.03	167.2	10.45	-2.97	Very cheap.	Wait - pending buy.
GFIELDS	60.26	-81.60	-9.94	9.98	1 069.5	18.11	-6.86	Very cheap.	Prepare to buy.
ANGGOLD	169.14	-81.59	-10.47	21.14	116.2	13.13	-9.21	Very cheap.	Wait - pending buy.



The following shares are offered as suggested replacements for any in your portfolio that are achieving lesser growth rates than the ShareFinder Blue Chip average growth rates. The shares listed in the first block below have been selected because of their investment grade quality and their very high dividend growth rate and superior investment safety. The second block of ten offer significantly higher dividend growth rates but at the price of a greater degree of investment risk:

The shares listed in the third block below have been selected because of their investment grade quality and their very high price growth rate. These offer superior investment safety. The ten in the fourth block generally offer significantly higher price growth rates but at the price of a greater degree of investment risk:

Name	Close	3 Month Price Gro...	5 Year Price Growth	Dividend Gro...	Grade	Risk	Total Return	Rating	Strategy	Likely Date	Likely Price	Best Buy
The following shares, combine exceptional fundamental quality with high historic dividend growth rates:												
MTN-GROUP	175.18	-2.26	1.73	53.17	1 808.8	-8.03	5.75	Fair.	Wait - pending buy.	11/12/2013	159.33	8
COMPCLEAR	3.65	-19.65	8.74	51.20	709.1	-15.47	14.56	Fair.	Too late to buy now.	10/06/2013	3.60	11
CAPITEC	210.72	51.83	43.65	47.39	1 271.7	30.02	45.95	Cheap.	Wait - pending buy.	31/12/2013	177.59	2
CASHBIL	122.75	-26.76	17.90	45.33	2 358.4	-10.82	21.84	Cheap.	Optimum sell point passed.	23/10/2013	117.48	13
ELBGROUP	33.60	-20.20	16.00	41.37	992.0	55.81	17.98	Costly.	Sell signal imminent.	16/04/2014	28.12	12
FAMBRANDS	86.70	36.27	43.04	37.94	925.5	15.52	45.27	Costly.	Too late to buy now.	05/06/2013	85.46	3
HUDACO	91.60	-23.44	1.36	37.25	824.8	5.64	6.44	Cheap.	Optimum sell point passed.	12/02/2014	65.03	14
WBHO	162.92	28.94	4.31	35.32	721.0	-6.28	6.28	Costly.	Selling op. nearly over.	03/02/2014	140.03	6
EOH	53.75	92.26	49.31	31.17	1 363.0	44.40	50.42	Very costly.	Sell signal imminent.	21/05/2013	53.32	1
CLICKS	57.50	-16.22	32.37	29.19	677.5	1.79	34.69	Fair.	Optimum sell point passed.	31/03/2014	48.93	9
Though the following shares may carry a greater degree of risk, these have achieved the highest historic dividend growth rates:												
HOWDEN	33.50	115.02	20.10	388.20	4 556.4	50.21	21.46	Very costly.	Sell! Sell! Sell!	21/03/2014	31.23	1
EXXARO	139.00	-64.66	1.55	130.26	1 614.2	53.18	5.15	Very cheap.	Prepare to buy.	21/10/2013	119.02	11
KUMBA	509.65	-54.27	7.94	117.44	1 438.8	55.38	13.24	Cheap.	Selling op. nearly over.	12/03/2014	364.02	9
PRIMESERV	0.37	-27.37	-13.85	87.50	1 555.0	36.92	-13.85	Fair.	Optimum sell point passed.	14/05/2013	0.34	15
A-VI	59.50	29.73	30.50	64.72	2 961.1	5.73	33.46	Fair.	Sell! Sell! Sell!	04/07/2013	56.45	8
ARM	177.97	-45.47	-8.12	62.43	2 592.2	42.41	-5.45	Fair.	Wait - pending buy.	02/07/2013	152.91	17
NICTUS	1.16	-37.33	12.27	52.49	1 654.5	100.89	17.36	Very cheap.	Wait - pending buy.	05/06/2013	0.96	16
VALUE	5.60	6.08	24.79	37.53	729.4	-20.63	28.51	Fair.	Selling op. nearly over.	25/04/2014	4.34	10
ISA	0.52	-57.32	13.17	32.32	542.9	39.45	24.61	Very cheap.	Wait - pending buy.	08/01/2014	0.17	19
PINNACLE	23.30	110.49	41.11	32.02	1 304.5	78.78	42.38	Costly.	Too late to buy now.	27/05/2013	23.09	5
The following shares, combine exceptional fundamental quality with high historic rates of price growth:												
CAPITEC	210.72	51.83	43.65	47.39	1 271.7	30.02	45.95	Cheap.	Wait - pending buy.	31/12/2013	177.59	3
CASHBIL	122.75	-26.76	17.90	45.33	2 358.4	-10.82	21.84	Cheap.	Optimum sell point passed.	23/10/2013	117.48	23
ELBGROUP	33.60	-20.20	16.00	41.37	992.0	55.81	17.98	Costly.	Sell signal imminent.	16/04/2014	28.12	22
FAMBRANDS	86.70	36.27	43.04	37.94	925.5	15.52	45.27	Costly.	Too late to buy now.	05/06/2013	85.46	5
EOH	53.75	92.26	49.31	31.17	1 363.0	44.40	50.42	Very costly.	Sell signal imminent.	21/05/2013	53.32	1
CLICKS	57.50	-16.22	32.37	29.19	677.5	1.79	34.69	Fair.	Optimum sell point passed.	31/03/2014	48.93	19
TRNPACO	17.00	-7.66	22.41	27.51	618.8	8.54	26.69	Cheap.	Optimum sell point passed.	26/08/2013	16.38	21
SABMILLER	503.50	65.23	23.81	14.51	702.6	-5.23	25.17	Costly.	Sell! Sell! Sell!	22/07/2013	485.47	8
MASSMART	202.50	35.82	22.46	12.69	472.2	-14.76	24.77	Fair.	Wait - pending buy.	15/08/2013	197.43	14
GROWPNT	30.00	84.56	19.05	9.41	195.3	-28.18	23.84	Costly.	Too late to buy now.	23/05/2013	29.61	6
Though the following shares may carry a greater degree of risk, these have achieved the highest historic price growth:												
HOWDEN	33.50	115.02	20.10	388.20	4 556.4	50.21	21.46	Very costly.	Sell! Sell! Sell!	21/03/2014	31.23	1
A-VI	59.50	29.73	30.50	64.72	2 961.1	5.73	33.46	Fair.	Sell! Sell! Sell!	04/07/2013	56.45	8
VALUE	5.60	6.08	24.79	37.53	729.4	-20.63	28.51	Fair.	Selling op. nearly over.	25/04/2014	4.34	9
PINNACLE	23.30	110.49	41.11	32.02	1 304.5	78.78	42.38	Costly.	Too late to buy now.	27/05/2013	23.09	5
CORONAT	57.60	169.04	55.21	30.26	1 017.8	54.02	58.25	Very costly.	Sell signal imminent.	15/05/2013	57.33	3
RESILIENT	60.00	84.40	23.21	29.14	585.6	-27.41	27.47	Costly.	Wait - pending buy.	27/05/2013	59.62	6
OCEANA	82.61	131.73	33.45	27.33	936.2	1.47	37.11	Very costly.	Wait - pending buy.	14/05/2013	81.85	4
DISCOVERY	86.21	209.91	28.36	25.36	537.1	-4.47	29.48	Very costly.	Wait - pending buy.	13/05/2013	86.21	2

## Unit Trusts

The topmost (green flagged) unit trusts listed below conform to the ideal that the latest annual price growth rate is greater than the average of the past five years (Half) and the five-years average is greater than that of the previous ten years (Full). In the groups that follow it should be noted that a high ten-year growth average is seldom followed by similarly high interim growth rates which underscores the fact that it is very difficult ever to select consistently high-performing funds. Trusts with the lowest Risk number are the least price-volatile.

Name	Code	Close	Data Since	Full	Half	Last	Risk
10+ years							
Coronation Property Equity	U-CNPROPE	17.63		10.28	3.31	13.66	130.69
STANLIB Global Sci & Tech A	U-LIGLO5W	52.682	20/11/2000	16.144	16.472	40.101	117.532
Prudential Gbl Hi Yld Bd FoF	U-PRGHYBF	2.606	09/03/2001	13.715	14.203	20.037	129.810
STANLIB USD Bond FoF A	U-SBUSDBA	2.201	31/10/2000	7.079	8.942	18.909	73.146
Metropolitan Inflation Lnkd Bd	U-MEINFLB	1.733	02/02/2001	5.648	8.732	16.153	82.828
ABSA Inflation Beater A	U-ABINFLB	1.641	29/10/2002	4.663	5.256	13.251	-38.023
ABSA Inflation Beater B	U-ABINFBB	1.612	02/10/2002	4.476	4.636	7.395	-15.010
Investec Global Opp Inc FoF A	U-ABINFBB	1.610	26/02/2003	4.463	4.610	7.190	-21.913
Investec Global Opp Inc FoF B	U-INGLOIA	1.123	09/04/2003	4.398	4.758	12.076	58.193
Old Mutual Global Bond FF	U-INGLOB	1.123	07/05/2002	4.398	4.641	12.188	67.633
Coronation Strategic Income	U-OMGBNDF	4.000	25/04/2000	4.200	5.926	10.803	58.754
STANLIB Bond A	U-CNSTRIN	14.908	04/07/2001	3.028	3.323	5.903	-47.258
Community Gilt	U-LIBNDC	1.933	13/03/2000	2.844	4.881	11.799	12.004
STANLIB USD Cash FoF A	U-CMGLT	1.665	06/02/1995	2.270	4.390	10.705	42.644
Prudential High Yield Bond A	U-SBUSDCS	1.076	10/09/2001	2.264	3.383	10.700	113.490
Investec Opportunity Income A	U-PRHYLB	1.474	31/10/2000	2.162	4.041	10.495	-3.169
Investec Opportunity Income B	U-INOPPIA	1.578	17/10/2000	2.113	2.524	3.272	-46.442
Investec Opportunity Income B	U-INOPPIB	1.578	26/07/2001	2.113	2.509	3.272	-44.605
Investec Gilt R	U-INGLTR	2.169	18/01/1988	2.110	3.856	9.380	-2.824
Investec Gilt A	U-INGLTA	2.169	03/07/2000	2.110	3.867	9.380	-3.596
Old Mutual Gilt	U-OMGLT	3.997	04/01/1995	1.995	4.248	10.598	3.426
Coronation Bond R	U-CNSPECB	15.404	04/01/1999	1.988	4.696	11.575	6.669
Galaxy Fixed Interest	U-GAFXIN	2.499	19/06/2001	1.949	2.608	3.222	-48.122
RMB Bond	U-RMGLT	1.787	17/02/1995	1.901	3.952	10.377	-6.715
Nedbank Bond A	U-AHAAGLT	1.660	02/08/1999	1.790	3.434	6.615	19.110
Inv Solutions Pure Fixed Int A	U-SPURFI	1.230	03/10/2001	1.594	3.874	8.275	4.054
ABSA Bond A	U-ABBND A	1.281	27/05/2002	1.442	2.611	8.744	0.000
Old Mutual Income	U-OMINC	1.247	19/06/1989	0.812	1.439	1.713	-66.487
Marriott Global Income	U-MAGLOIN	3.539	23/02/1999	0.520	1.793	8.326	69.046
FirstMet Namibia Income	U-MENAMIN	1.053	29/10/2002	0.517	1.139	2.332	-64.009
RMB Maximum Income	U-RMMAXIN	1.110	17/02/1995	0.274	0.812	1.928	-74.951
STANLIB MM Income A	U-SBMMIA	1.048	03/01/2002	0.077	0.801	2.644	-62.248
Coronation Industrial	U-CNCONSG	113.930	04/01/1999	25.011	19.111	38.657	260.081
Nedbank Entrepreneur R	U-NIER	11.951	19/11/1997	24.072	11.368	29.019	219.800
Sanlam Industrial R	U-SLIND	112.339	04/01/1999	24.046	14.367	31.481	190.818
Nedbank Managed R	U-NIMR	12.864	19/11/1997	23.952	32.186	-1.644	222.522
STANLIB Industrial R	U-LINDR	17.324	07/04/1992	23.830	13.560	26.268	171.186
STANLIB Industrial A	U-LINDA	17.270	12/07/2000	23.791	13.534	26.197	171.336
RMB Emerging Companies A	U-RMEMCO	10.286	03/05/2000	23.741	9.771	4.842	181.272
Coronation Top 20	U-CNTOP20	100.408	02/10/2000	22.484	11.534	23.215	182.713
Prudential Optimiser	U-PROPTIM	8.665	02/08/1999	21.941	9.938	22.734	142.287
RMB Industrial	U-RMCONSU	7.453	02/07/1998	21.865	11.523	20.677	147.572
Sanlam Value	U-SLVAL	28.083	02/10/1998	21.559	8.079	13.862	160.326
Investec Emerging Companies R	U-INEMCOR	11.931	03/02/1995	21.494	8.126	26.953	259.217
Investec Emerging Companies A	U-INEMCOA	11.922	03/07/2000	21.484	8.126	26.938	259.249
Old Mutual Consumer	U-OMCONSU	17.505	01/07/1998	21.465	10.172	20.318	188.637
Old Mutual Small Companies	U-OMSMCL	15.667	05/05/1997	21.291	9.938	22.284	192.976
Prudential Dividend Maximiser	U-PRCONMX	8.414	02/08/1999	21.085	9.646	22.243	149.807
PSG Growth	U-PSGRO	6.648	06/01/1998	20.959	9.893	22.861	174.478
Allan Gray Equity A	U-AGEQ	256.967	04/01/2000	20.476	7.346	21.700	295.773
Coronation Equity	U-CNHIQR	113.977	04/01/1999	20.440	10.136	25.016	269.954
Sanlam Small Cap R	U-SLSEL	43.630	04/06/1997	20.304	2.417	9.800	166.596
Nedbank Rainmaker A	U-AHRAINM	88.585	04/01/1999	19.788	5.669	12.583	251.971
Nedbank Financials R	U-NISELFO	170.082	04/01/1999	19.412	15.273	28.384	204.197
Sanlam General Equity R	U-SLGEN	156.641	04/01/1999	19.240	7.919	20.284	165.730
Nedbank Growth R	U-NIGRO	18.200	18/01/1988	19.043	5.360	10.834	156.833
Sanlam Namibia Growth	U-SLNAGRO	6.790	05/07/1994	18.808	7.585	16.968	132.699
STANLIB Value B1	U-LIVALC	7.177	08/09/2000	18.706	4.615	15.016	158.720
STANLIB Value A	U-LIVALA	7.155	08/09/2000	18.670	4.594	14.977	158.519
ABSA General R	U-ABGENR	10.578	21/06/1991	18.468	6.889	17.286	212.916
Nedbank Value R	U-BOVAL	47.428	04/01/1999	18.397	8.758	12.970	286.263
STANLIB Capital Growth R	U-LICAPFR	5.759	06/11/1995	18.204	2.981	16.768	220.924
STANLIB Capital Growth A	U-LICAPFA	5.749	12/03/2001	18.184	2.995	16.707	222.046
FNB Growth	U-FNGRO	9.949	13/10/1998	18.177	5.261	14.146	199.589
Investec Growth R	U-FEGENGR	43.969	02/08/1988	18.070	3.982	21.284	240.845
Investec Growth A	U-FEGENGA	43.965	03/07/2001	18.069	4.025	21.390	239.587
Investec Equity A	U-INEQA	32.056	03/07/2000	18.032	2.815	18.735	210.261
Investec Equity R	U-INEQR	32.050	18/01/1988	18.030	2.816	18.660	208.985
RMB Strategic Opportunities R	U-RMSTRAO	7.958	02/04/1997	17.988	7.908	23.456	196.803
Coronation Financial	U-CNFINGR	42.847	04/01/1999	17.922	13.178	26.793	265.445
RMB Equity R	U-RMEQ	29.745	06/02/1995	17.908	4.791	15.438	168.126
Investec Index R	U-ININDEX	7.517	06/03/1995	17.872	3.855	17.545	210.358
PSG Equity Select FoF A	U-PSSET40	5.410	02/10/2000	17.799	6.959	18.355	140.634
Coronation Market Plus	U-CNMAPPL	59.507	04/07/2001	17.788	10.379	22.839	168.548
Old Mutual Growth	U-OMGRO	21.662	16/04/1993	17.755	4.127	6.925	153.314
Marriott Dividend Growth R	U-MADIVGR	69.329	04/01/1999	17.717	15.469	21.459	100.746
Investec Managed Equity B	U-FEWWSEB	4.735	25/07/2001	17.659	6.282	16.798	194.627
Investec Managed Equity A	U-FEWWSEC	4.732	04/08/2000	17.652	6.281	16.811	193.041
Sage MultiFocus FoF	U-SAMFOCF	51.718	16/10/2000	17.507	6.382	17.266	153.353
STANLIB Property Income A	U-SBPRPIN	5.538	17/09/2002	17.316	17.185	37.830	120.806
Coronation Smaller Companies	U-CNSPECG	56.035	04/01/1999	17.246	9.197	14.392	143.996
Old Mutual Investors	U-OMINVES	294.748	04/01/1999	17.030	5.411	16.917	185.278
Investec Value A	U-INVALA	8.564	03/07/2000	16.996	4.814	-8.397	154.557
Investec Value R	U-INVALR	8.562	06/05/1997	16.993	4.812	-8.408	156.045
Gryphon All Share Tracker	U-GISATRK	4.890	28/01/1997	16.954	4.181	20.354	254.045
Old Mutual Top Companies	U-OMTOPCO	24.439	06/11/1991	16.790	4.445	7.651	156.189
STANLIB MM Property A	U-SBMMPPRA	4.961	06/12/2002	16.784	16.050	37.462	113.903
Metropolitan General Equity	U-MEGENEQ	12.473	22/10/1991	16.783	6.641	21.191	167.368
Sanlam Financial	U-SLFIN	45.652	04/08/2000	16.714	11.413	20.900	148.638
STANLIB MM Equity A1	U-RSEQR	6.901	15/10/1998	16.709	5.530	15.305	149.088
Old Mutual Financial Servs	U-OMFINSV	10.685	02/10/1997	16.689	10.676	18.630	156.169
RMB Value	U-RMVAL	7.729	02/07/1998	16.683	-0.172	-9.918	202.538
STANLIB Index R	U-SBINDXR	6.634	03/02/1995	16.652	3.545	20.094	198.719
RMB Financial Services A	U-RMFINSV	3.924	02/07/1998	16.651	12.779	20.664	169.443
Coronation Balanced Plus	U-CNBAL	74.582	04/01/1999	16.648	9.091	21.134	149.140
Sanlam MM Equity FoF	U-SLAGRFF	51.401	05/03/1999	16.549	5.492	13.383	132.418
FirstMet Namibia Genl Equity	U-MENAGEQ	5.549	20/03/1997	16.533	6.133	13.476	135.528
Nedbank Quants Core Equity R	U-NIQUNT	4.792	01/11/1999	16.491	5.226	9.232	136.496
RMB Top 40 Index	U-RMTOP40	4.955	19/06/1996	16.334	2.567	19.254	211.717
Coronation Resources	U-CNCYCLG	83.223	01/10/1999	16.307	-5.053	-1.901	416.882
STANLIB ALSI 40 A	U-LIALS-C	4.111	20/03/2000	16.009	2.564	19.645	226.246





# ANCHOR CAPITAL

## RICHARD CLUVER OFFSHORE MANAGED PORTFOLIO

### The Parties



**R**ichard Cluver is a legend of the SA private client investment world. Over many years his Sharefinder programme and regular publications have been guiding SA investors on the JSE and offshore markets. Richard is also the author of numerous investment books.

**SAXO  
BANK**

**S**axobank is a Denmark-based bank, which focusses on providing trading platforms to investors all over the world. This portfolio is managed on the Saxobank platform and provides investors with 24-hour online access (PC, iPhone or iPad) to their segregated portfolios.



**A**nchor Capital is SA's fastest growing asset manager, and is the FSB-registered entity which will implement the Richard Cluver Offshore portfolio on the Saxobank platform. Anchor Capital has offices in Durban, Sandton, Irene and London.

### The facts and figures

- Fund manager: Richard Cluver and Anchor Capital
- Asset class: Offshore developed market long-only portfolio of equities, initially limited to those listed on the London Stock Exchange
- Minimum investment: R500,000
- Nature of product: Segregated portfolio with shares owned in the investor's name. These are held on the Saxobank platform, with a London domicile.
- Default currency: Pounds
- Risk profile: Medium
- Management fee: 1% per annum
- Investment horizon: 3-5 years
- Liquidity: Investors can sell their portfolio at any time

### Nature of the equity investment portfolio

This is an investment in offshore listed shares following a model portfolio compiled and regularly updated by Richard Cluver, in collaboration with Anchor Capital. The initial focus will be on London-listed equities.

The shares are purchased in an account in the investor's name on the Saxobank platform—in other words, the investor owns the shares directly. This is the ultimate protection in the volatile investment world, and there is complete transparency for the investor.

Richard's investment process has been developed and fine-tuned over decades. The approach is:

- ⇒ Firstly, to apply a number of fundamental filters, which identify shares of sufficiently high quality which are trading at attractive valuations.
- ⇒ Secondly, a technical overlay is applied which assists in timing the purchase of the shares and setting target prices for purchase.
- ⇒ A portfolio is then constructed taking the overall mix and exposure into account. Shares are patiently accumulated, with acquisition target prices in mind.
- ⇒ Shares will normally only be sold in the event of a deterioration in balance sheet fundamentals or unjustified valuations.

The objective of the portfolio is capital growth over the long-term and is appropriate for investors who wish to have a managed offshore equity component to their portfolio.

The risk profile is considered "medium", as equities are volatile by nature.

Contact: FJ Veldman (012-886 3481); Peter Armitage (011-783 4783); [info@anchorcapital.co.za](mailto:info@anchorcapital.co.za)

Anchor Capital (Pty) Ltd, FSP number 39834. [www.anchorcapital.co.za](http://www.anchorcapital.co.za)