



HIGHLIGHTS OF THIS NEWSLETTER ARE:

- The growth rebuild that reshaped the RCI BCI Worldwide Flexible Growth Fund – *Jaco Visser*
- Update on what we have been doing in the offshore funds
 - RCI Worldwide Flexible Fund – *by Ross McConnochie*
 - RCI Worldwide Flexible Growth Fund – *by Eric Lappeman*
- Update on what we have been doing in the local fund – *by Mike Gresty*
- Records are made to be broken – *by Charlie Bilello*
- Excerpt from The Psychology of Money: Chapter 3 – Never Enough – *by Morgan Housel*
- The power of compounding



RCI closing dates in December and additional funds requests

Please note that we will be closed for business from Wednesday, the 24th of December 2025 at 13:00 and will reopen on the 5th of January 2025. We would like to ask you to please ensure that you get hold of your portfolio manager prior to this period for any matters that need to be dealt with.

If any clients have any payment requests or needing additional funds over the festive season, we urge you to submit these before the close of business on Friday, the 12th of December 2025. Please let either Michelle Isherwood (michelle@rcinv.co.za) or your portfolio manager know as soon as possible.

Welcoming a new staff member, Chanelle Taylor

Chanelle Taylor recently joined the team as Senior Trust Administrator on 1 September 2025. With a background in the financial services industry dating back to 2008, she brings experience as both a financial planner and fiduciary consultant. In her new role, Chanelle will support the fiduciary team with trust administration and compliance, helping to ensure the continued delivery of exceptional family office services to our clients. We wish Chanelle a long and prosperous career with RCI.

Please feel free to pass this newsletter on to friends and family who may wish to learn more about investing. To be added to our mailing list, contact keiran@rcinv.co.za or 011 591 0666.

If you know of anybody who would like their financial affairs looked at, please do not hesitate to send them our contact details and we will ensure we get back to them with a proposal plan. They can contact us at info@rcinv.co.za or 011 591 0585.

If you have any questions about your portfolios, please feel free to reach out to one of our team members. We are always happy to help.

We aim to be the best family office in South Africa and thank you for being our clients.

Di, Mike, Andrew & The RCI Team

THE GROWTH REBUILD THAT RESHAPED THE RCI BCI WORLDWIDE FLEXIBLE GROWTH FUND

BY JACO VISSER, CITYWIRE



The below is an article written by Jaco Visser at Citywire on the RCI Worldwide Flexible Growth Fund's strong rebound following the 2022 stock market sell-off. The fund is ranked third out of 254 in the Citywire Mixed Assets - Flexible ZAR category over one year and fourth out of 228 over three years. The full article can be found [here](#).

The RCI BCI Worldwide Flexible Growth fund's recent run of strong contributors followed a period in which its managers at Robert Cowen Investments reworked the growth approach inside the mandate. The redesign stemmed from the losses of 2022 – a year that chief investment officer Mike Gresty described as 'a very, very tough' for growth investors. He told Citywire South Africa that many assumptions about the segment 'were seriously undone'. His comments pointed to a period in which the investment team reconsidered the type of businesses it was prepared to hold inside the portfolio and the internal behaviour that shaped position sizing.

Gresty said fund manager Eric Lappeman (pictured above), who runs the R438m building-block fund, learned from 'mistakes that were made in 2022'. Gresty said the holdings in the fund today had 'a lot higher quality and higher quality growth' than the counters that were acceptable in previous years. The shift was material enough for him to refer to the current mandate as 'an adult growth fund', a remark that captured the change in the nature of companies the team now regarded as suited to the portfolio.

The shift also extended to how the managers reacted when stocks performed well. Citywire + rated Gresty (pictured below) said they had become better at 'allowing the winners to run and not tinkering all the time'. He contrasted this with an older impulse in which teams tried to 'cut your winners and water the weeds' by adding lower-conviction positions for the sake of diversification. He regarded that change in behaviour as one reason the fund's stronger positions carried through over the past year.

Contributors

Lappeman said the biggest contributor to the fund's benchmark-beating performance was SoFi Technologies. The stock was 'up north of 100% this year', although he noted that the share had been down during the April 2025 drawdown and that a large part of the recent gains came from the recovery that followed. He said the fund had owned the business for 'quite a few years now'. Lappeman also highlighted the performance of the AI hardware segment. Nvidia has been a top 10 holding this year, along with Arista Networks and Broadcom. Nvidia had gained 32.5% over the past 12 months, while Arista Networks advanced 36.6%, Broadcom rallied 104.6%, AMD 85.9% and SoFi Technologies by 138.6%.

Other contributors came from smaller positions in the financial sector. Lappeman referred to Lemonade Inc, an AI-driven insurance business in the US, which 'has done very, very well this year', rallying 140.7% over the past 12 months. He said this mix of positions worked partly because the fund did not own the 'unloved stuff' that lagged during a narrow market. 'We've just been lucky in that regard,' he said.

Defence stocks

The managers' discussion of defence counters illustrated one of the blind spots they identified in retrospect. Gresty noted that some of the firm's other mandates held Rheinmetall and that the decision had worked because European defence spending rose quickly. However, the rationale for the initial purchase was uncertain at the time. When reflecting on the episode, he said: 'I would say we got bloody lucky.' Lappeman confirmed that the Worldwide Flexible Growth fund 'didn't expose ourselves to defence'. On valuations, Lappeman said the fund's positions in large AI incumbents were supported by their financial characteristics. These businesses had 'cleaner balance sheets, more established management teams, longer track records'.

He said the team avoided the 'lesser-known, smaller stuff kind of on the fray'. He argued that the main risk to the segment was the narrowness of the recent rally. 'If you get an overall market pullback, it's probably going to be led by the guys that have done so well this year,' he said. He contrasted current pricing with the dot-com era, noting that the major AI counters traded far below the multiples that defined 2000. Gresty linked the present positioning to the lessons of the earlier drawdown. He said the team focused on the difference between 'a profitable growth company and a speculative, profitless tech company'. The fund avoided 'getting sucked into fads and profitless stuff'.

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE FUND



Global markets continue to push higher on the back of technology and AI stocks. The Nasdaq and S&P 500 rose 4.8% and 2.3% respectively with the MSCI World rising 2%. The worst performers were the German DAX and the Hong Kong’s Hang Seng Index but the Japanese Nikkei had one of its strongest months in years, rising 16% following the election of their new prime minister and strong performance in their tech shares. For the year-to-date, the S&P 500 is up 16%, the MSCI World is up 18% and the Nasdaq is up 23%:

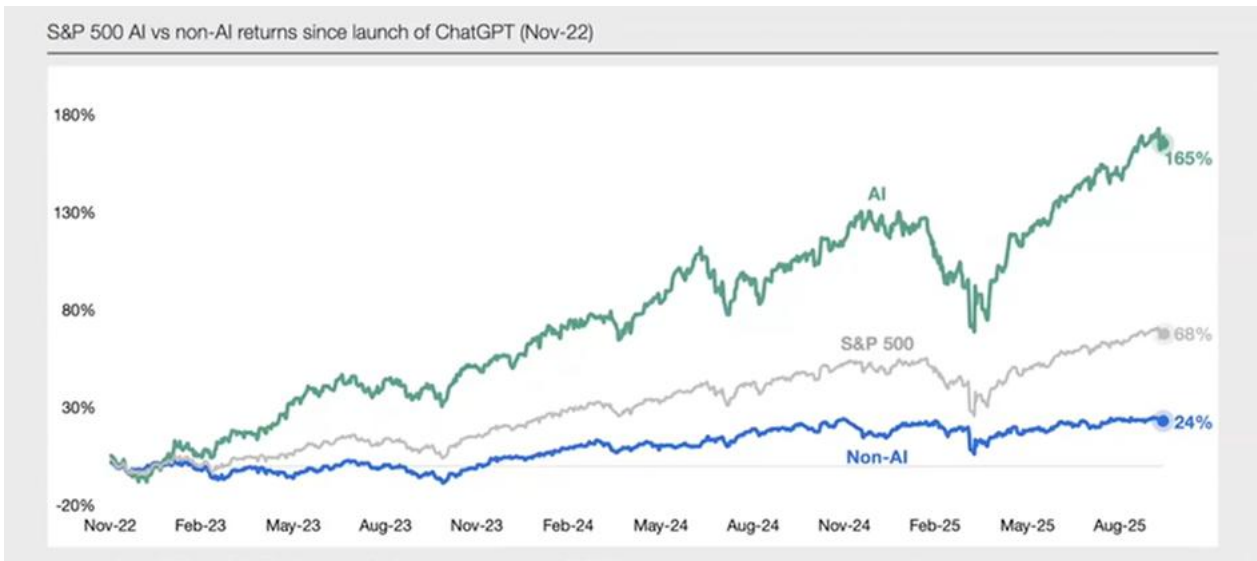
Figure 1: Performance of global markets and US sectors in 2024 and 2025: Sector price movement sorted by October performance

Name	GEOGRAPHY	2024	Year to Date	Oct-25
NASDAQ 100 IDX	USA	24.9%	23.1%	4.8%
S&P 500	USA	23.3%	16.3%	2.3%
DOW JONES INDUST IDX	USA	12.9%	11.8%	2.5%
S&P 500 INFO TECH IDX	USA	35.7%	29.3%	6.2%
S&P 500 HEALTH CARE IDX	USA	0.9%	4.7%	3.5%
S&P 500 CONS DISCRET IDX	USA	29.1%	7.2%	2.4%
S&P 500 UTILITIES IDX	USA	19.6%	17.5%	2.0%
S&P 500 COMMUN SERVICES	USA	38.9%	25.8%	1.7%
S&P 500 INDUSTRIALS IDX	USA	15.6%	17.6%	0.4%
S&P 500 ENERGY IDX	USA	2.3%	3.0%	-1.2%
S&P 500 CONS STAPLES IDX	USA	12.0%	-0.6%	-2.6%
S&P 500 REAL ESTATE IDX	USA	1.7%	0.7%	-2.7%
S&P 500 FINANCIALS IDX	USA	28.4%	8.2%	-2.9%
S&P 500 MATERIALS IDX	USA	-1.8%	2.2%	-5.1%
NIKKEI IDX	JAPAN	19.2%	31.4%	16.6%
MSCI EMERGING MARKETS IDX (USD)	EMERGING MARK	5.1%	30.3%	4.1%
FTSE 100 IDX	UK	5.7%	18.9%	3.9%
MSCI WORLD IDX	DEVELOPED WO	17.0%	18.4%	1.9%
DAX IDX	GERMANY	18.8%	20.3%	0.3%
HANG SENG IDX	HONG KONG	17.7%	29.1%	-1.0%

Source: Bloomberg, Anchor Capital

AI continues to be the main driving narrative across the US market and if you had no exposure you would have had very poor returns the last three years. The following chart shows the difference between AI themed shares vs non-AI shares and compares them to the S&P 500. AI thematic shares have grown 165% since the introduction of Chat GPT whereas the rest of the market has risen only 24%. The large weighting of tech in the index via the Mag 7 stocks has led to the S&P 500 rising 68% over the period

Figure 2: AI continues to drive markets higher



Source: Coatue Investment Management

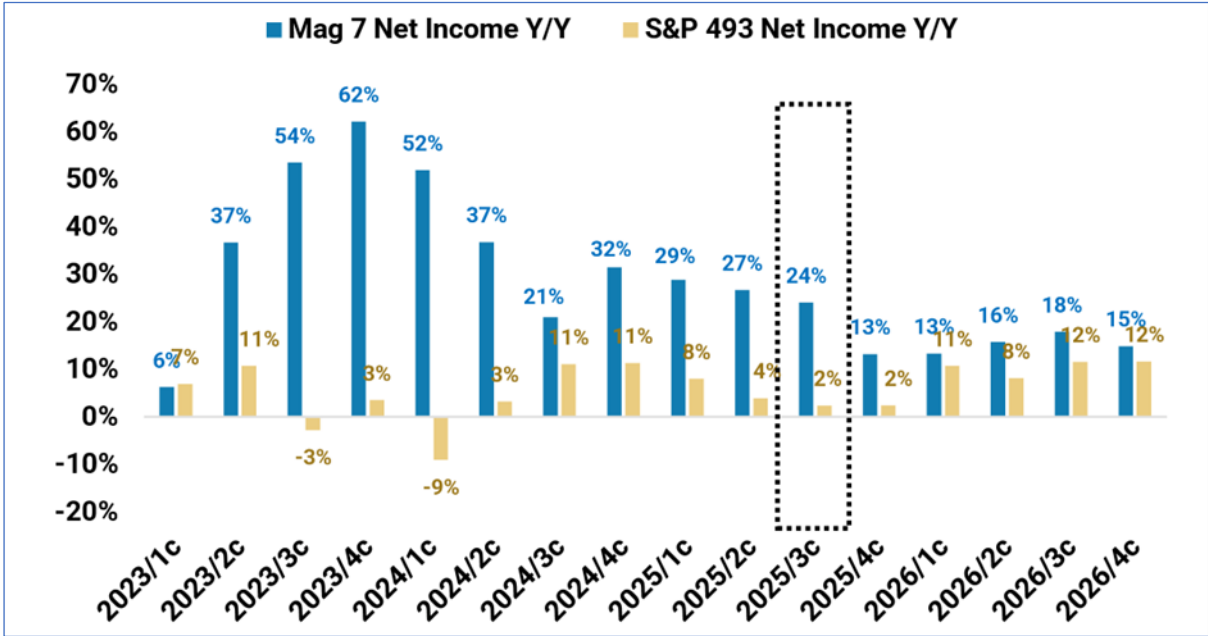
WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE FUND (CONT.)



Not only have the Mag 7 been the main driving force behind the S&P 500 price performance, they have also been the main source of net income growth in the index. In the following chart the blue bars represent the quarterly year-on-year changes in net income for the Mag 7 and the yellow bars are the rest of the market. For the last two years we can clearly see that most of the earnings growth has come from the Mag 7 which is the underpin for their strong share price performance. Although the yellow bars show the rest of the market's earnings growth is still lower than the forecast growth in the Mag 7, their valuations are quite a bit lower than the Mag 7. Therefore, we expect sectors like Healthcare that have been under pressure the last two years, to perform better going forward as the Mag 7's earnings growth moderates, and the rest of the market picks up. The Mag 7 is expected to grow net income 24% in the 3rd quarter of 2025, where as the rest of the market is expected to grow only 2%. This is a clear reason why the Mag 7 share price performance has been so strong the last few years.

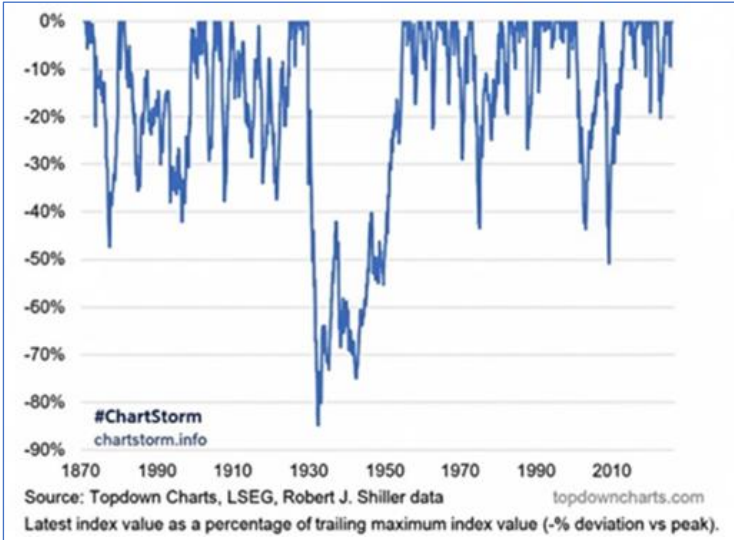
Figure 3: The Magnificent 7 earnings growth vs S&P 493



Source: Creative Planning Charlie Bilello

We have had extremely strong unbroken positive market performance of late, and we are thus probably due a correction of some degree. The following chart shows the maximum drawdowns experienced in the S&P 500 since 1870. You can see that 5/10% corrections happen quite frequently, 20% less so but pullbacks over 30% are few and far between. You may only see a 40% pullback once or twice in your lifetime and thus it is important to stay bullish over the long term and not be in fear of very infrequent events that are typically very short lived. Other than the great depression era, pullbacks over 40% typically happen decades apart from one another.

Figure 4: S&P 500 Maximum Drawdown (monthly)



Source: Topdown Charts, LSEG, Robert J Shiller data

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE FUND (CONT.)



The overall stock market valuation has reached levels not seen since the height of COVID-19 stimulus (zero interest rates and stimulus checks) and before that the dot.com era. We thus remain cautious around our stock picking at these levels but are confident that the US is in a strong enough economic position to continue to grow earnings for the foreseeable future.

Our top 10 positions

	PE in one years time	PEG Ratio (FWD PE/'25-26 Growth)	EPS Growth			Pullback from high
			2024-2025E Growth	2025-2026E Growth	2026-2027E Growth	
AMAZON.COM INC	26.2	2.7	56%	10%	20%	-3%
FORTINET	31.5	3.0	6%	11%	11%	-25%
ALPHABET INC-CL C	23.9	2.9	37%	8%	16%	-4%
MERCADOLIBRE INC	39.2	0.9	14%	45%	35%	-12%
META PLATFORMS INC-CLASS A	19.3	1.3	-1%	15%	13%	-19%
MICROSOFT CORP	30.5	1.6	14%	19%	17%	-7%
NU HOLDINGS LTD/CAYMAN ISL-A	20.5	0.5	30%	40%	28%	-2%
NVIDIA CORP	33.1	0.6	124%	56%	47%	-5%
RHEINMETALL AG	41.9	0.8	60%	52%	47%	-15%
TAIWAN SEMICONDUCTOR-SP ADR	25.0	1.3	32%	19%	20%	-4%
Top 10 - FWD PE Ratio* PEG ratio* and EPS Growth Rate^	27.4	1.1	31%	19%	20%	-9%

S&P500 - FWD PE and EPS Growth	22.8		13%	12%	11%	-1%
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*Calculated using Harmonic Mean

^Calculated using Median

We continue to hold a portfolio of quality growth investments that span a wide range of sectors. We believe we have sufficient exposure to the Artificial Intelligence theme and mostly through high quality companies that already have existing and proven business models that are highly cash generative. These are companies like Alphabet, Microsoft, Meta, TSMC and ASML. On average, our top 10 positions have corrected 11% from their recent high’s whereas the US market is 1% below an all-time high.

Changes made during the month

- Sold **Universal Music** – Although we still believe Universal Music to be an excellent toll booth investment into the entertainment industry, we felt that the growth profile for Booking Holdings is more attractive at present.
- Bought **Booking Holdings** – We have been holders of Booking Holdings in the past and believe the recent share price underperformance is an excellent opportunity for inclusion in our portfolio of long-term quality investments. We believe the current price disconnect is likely a reaction to short-term volatility or broad macroeconomic concerns rather than a change in the company's competitive position. We expect the company to produce mid-teen earnings growth the next few years as travellers continue to spend a larger percentage of their discretionary income on travel post COVID19. The company is also focusing on what they call the “Connected Trip” where they are bundling flights, car hire and experiences with hotel bookings. The company is also focusing on AI agents that will soon be able to book custom holidays for travellers.

Performance in Rand

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	-0.7%	7.1%	4.3%	4.0%	-2.9%	0.5%	2.6%	3.3%	-0.3%	2.5%	-0.3%	-1.1%	20.3%
2020	7.3%	-1.5%	5.6%	10.2%	-1.9%	1.7%	3.5%	6.0%	-4.7%	-2.8%	0.4%	-3.0%	21.5%
2021	5.4%	1.0%	-1.9%	2.7%	-4.5%	7.9%	1.8%	0.7%	-1.2%	4.2%	0.8%	-1.2%	16.3%
2022	-12.4%	-2.5%	-6.0%	-2.4%	-5.9%	-4.3%	8.2%	0.0%	-4.7%	6.4%	-5.8%	-1.4%	-27.9%
2023	13.0%	2.5%	0.6%	5.3%	6.9%	0.0%	-3.0%	4.7%	-5.8%	-4.5%	10.5%	2.9%	36.1%
2024	5.7%	4.6%	-0.4%	-3.5%	-0.3%	0.0%	-4.7%	1.6%	-1.3%	1.8%	5.4%	3.6%	12.6%
2025	4.9%	-0.5%	-6.8%	5.6%	4.0%	3.7%	2.2%	-0.3%	-0.1%	0.0%			12.7%

For the month, the fund was flat in ZAR terms (-0.4% in USD) compared to the MSCI Developed Markets Index which was up 2.5% in ZAR (+2.1% in USD) for the month. The Rand weakened 0.4% for the month, contributing to the performance in ZAR. For the 2025 calendar year-to-date, the fund is up 12.7% in ZAR and 22.5% in USD. The MSCI World Index is up 8% in ZAR and up 17% in USD. The rand has strengthened 8% for the year to date. Therefore, the fund has outperformed the market for the year to date.

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE GROWTH FUND



Fund Performance and Attribution

The fund was up 4.17% for the month in ZAR. This was helped by a 0.3% weakening of the ZAR against the USD. This meant the fund was up 3.87% in USD for the month. This compares to the S&P500 which was up 2.3% and the Nasdaq which was up 4.8%. October saw a very strong market, despite history suggesting otherwise. The market rally, again, was quite narrow with many AI related counters being the main beneficiaries. This coupled with the second interest rate cut of 2025 and a lower-than-expected inflation print allowed the market to shrug off continued concerns around the second longest government shutdown in history.

The largest contributor for the month was Advanced Micro Devices Inc, up 58% on a deal with Open AI to supply them approximately 6 gigawatts of new compute capacity over several years. Shopify also experienced a strong return of 17% on the back of a deal allowing Shopify to be one of the major merchant-platform partners, that will allow merchants to sell their products directly through ChatGPT. Our largest detractors for the month included Sea Limited, Rocket Companies and Meta Platforms on their Q3 results that are discussed later.

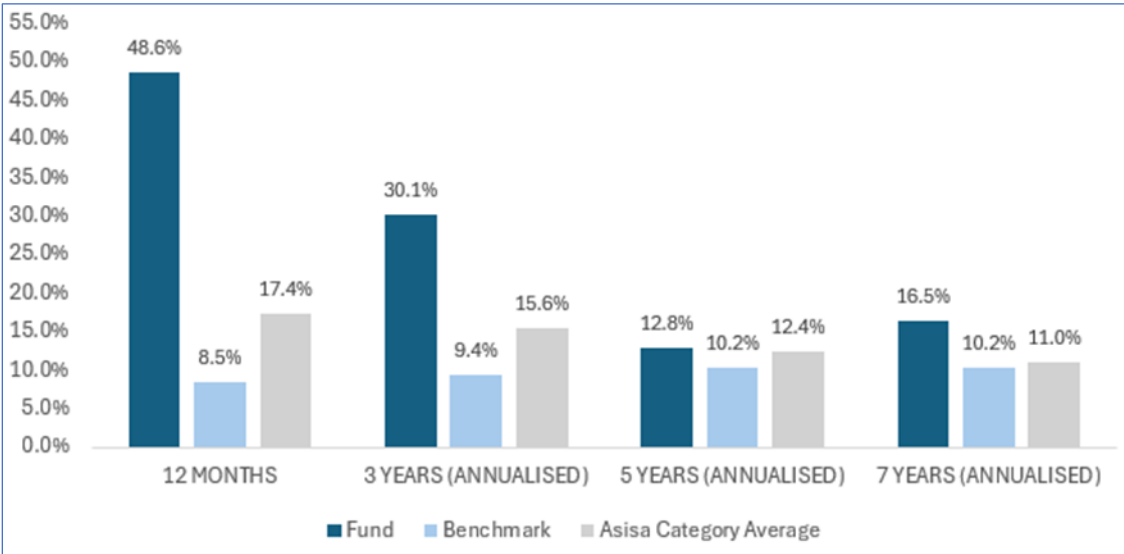
TOP CONTRIBUTORS & DETRACTORS	SECTOR	%
ADVANCED MICRO DEVICES INC	SEMICONDUCTORS	58.3
IREN LTD	FINANCIAL SERVICES	29.5
TRANSALTA CORP	UTILITIES	29.3
VERTIV HOLDINGS	ELECTRICAL HARDWARE	28.8
SHOPIFY INC	E-COMMERCE	16.9
REDDIT INC	COMMUNICATION SERVICES	-9.2
BITMINE IMMERSION TECHNOLOGIES	FINANCIAL SERVICES	-10.2
META PLATFORMS INC	COMMUNICATION SERVICES	-11.7
SEA LTD	E-COMMERCE	-12.6
ROCKET COMPANIES INC	HOUSING	-14.0

Historical performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.1	-8.6	-11.1	7.4	6.3	9.5	8.7	-0.6	4.4	4.2			22.1
2024	5.5	8.8	-2.5	-6.7	0.7	3.6	-7.1	1.6	1.0	6.9	14.6	6.2	35.1
2023	12.3	1.7	0.1	3.9	11.4	3.0	-0.2	-0.6	-5.0	-3.5	13.6	5.3	48.1
2022	-16.3	-3.8	-1.8	-5.0	-3.8	-5.0	3.2	-1.0	-4.3	5.7	-6.2	-3.9	-36.0
2021	1.7	2.0	-5.4	2.3	-5.0	8.6	0.7	1.8	-4.3	7.3	0.2	-4.3	4.7
2020	8.2	-1.6	-0.9	14.4	-0.5	8.0	7.9	4.1	-2.7	-2.4	5.6	5.8	54.7
2019	1.5	6.4	3.6	5.6	-4.3	1.9	-0.2	-0.6	-1.9	6.4	0.9	0.4	21.1

The fund has experienced a pleasing 2025 (up 22%), albeit after a volatile 1st quarter. US markets experienced one their quickest recoveries in history from their lows on ‘Liberation Day’ in April. The fund has delivered 49% over the last 12 months, well ahead of benchmark and peers.

The longer-term track record is good, with the fund annualizing 30% over the last 3 years, this is ahead of the benchmark (CPI +5%) and the peer group average of 16%. The fund has annualised 16.5% over the last 7 years compared to the peer group average of 11%.



WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE GROWTH FUND (CONT.)



Top 10 holdings

TOP TEN HOLDINGS	SECTOR	WEIGHT (%)	ROCE	FCF MARGIN	GP MARGIN	OP MARGIN	REVENUE 3Y CAGR	DEBT/EQUITY
SOFI TECHNOLOGIES INC	FINANCIAL SERVICES	10.0	0.0	0.0	82.2	0.0	35.4	0.6
ALPHABET INC	COMMUNICATION SERVICES	6.5	32.8	18.0	58.9	33.2	10.1	0.1
ROBINHOOD MARKETS INC	FINANCIAL SERVICES	6.3	0.0	127.3	91.5	0.0	38.4	1.6
NVIDIA CORPORATION	SEMICONDUCTORS	6.1	102.2	43.6	69.8	58.1	77.1	0.1
BROADCOM INC	SEMICONDUCTORS	4.7	16.0	41.6	77.2	39.6	23.7	0.9
COINBASE GLOBAL INC	FINANCIAL SERVICES	4.6	13.6	26.9	84.5	28.2	5.1	0.4
META PLATFORMS INC	COMMUNICATION SERVICES	4.2	33.7	28.0	82.0	43.4	14.4	0.3
ARISTA NETWORKS INC	SEMICONDUCTORS	4.0	31.3	50.0	64.2	43.1	31.4	0.6
AMAZON.COM INC	E-COMMERCE	4.0	17.1	2.0	49.6	11.4	11.3	0.5
ADVANCED MICRO DEVICES INC	SEMICONDUCTORS	3.8	3.9	13.7	51.0	8.4	11.1	0.1
TOTAL EQUITY CONTENT OF FUND		98.0			71.1	26.5	25.8	

Changes during the month

The fund exited positions in Netflix and Wix.com. Netflix had been a core holding for years and, following their results we felt the business has matured into a relatively high valuation compared to their projected growth. Wix.com was sold on concerns around the existential threat of AI and its ability to disrupt the business of creating websites. We have seen AI disrupting many software businesses, and Wix.com seemed at risk. We used the proceeds to start new positions in Vertiv Holdings, Transalta Corporation and Iren Energy Holdings.

Notable Results

Alphabet Inc

Alphabet’s Q3 results demonstrated very strong execution, with double digit growth in key metrics such as advertising and search. The standout metric, and reason for the rally in the share price was the impressive cloud growth showing an acceleration to 34% YoY. Net income grew 33% YoY to a record \$35billion, albeit capex on AI infrastructure is expected to grow to \$92 billion for 2025, continuing to put pressure on free cashflow.

[Alphabet Inc Q3 2025 Results Presentation](#)

Meta Platforms Inc

Meta’s Q3 results saw continued growth in revenue, up 26% YoY, as well as good growth in daily active users, now standing at a record 3.54billion. The advertising business also experienced strong growth of 29% YoY, with increased average revenue per user, however net income was significantly impacted by a once off tax charge that drove results well below underlying expectations. This coupled with massive capex on AI infrastructure and data centre buildout left market participants worried about the future and sent the shares down >10% on the day.

[Meta Platforms Inc Q3 2025 Results Presentation](#)

Sofi Technologies Inc

SoFi posted record growth in adjusted revenue to \$950million, up 38% YoY for Q3 2025. The business added another 905,000 new active users to its platform during the quarter and easily beat estimates on all key operating metrics. The company further increased its annual guidance for 2025 and continues to see a favourable shift in its underlying revenue mix to more fee-based revenue due to the success of its new loan platform business.

[SoFi Technologies Inc Q3 2025 Results Presentation](#)

Coinbase Global Inc

Sea Limited delivered record breaking Q2 results with Shopee (the e-commerce segment) seeing 25% YoY GMV growth, with this expecting to continue into Q3. The digital financial services business also delivered excellent growth. Overall, Sea Limited saw group revenue grow 38% YoY with the e-commerce business flipping from an operating loss to a profit YoY.

[Coinbase Global Inc Q3 2025 Shareholder Letter](#)

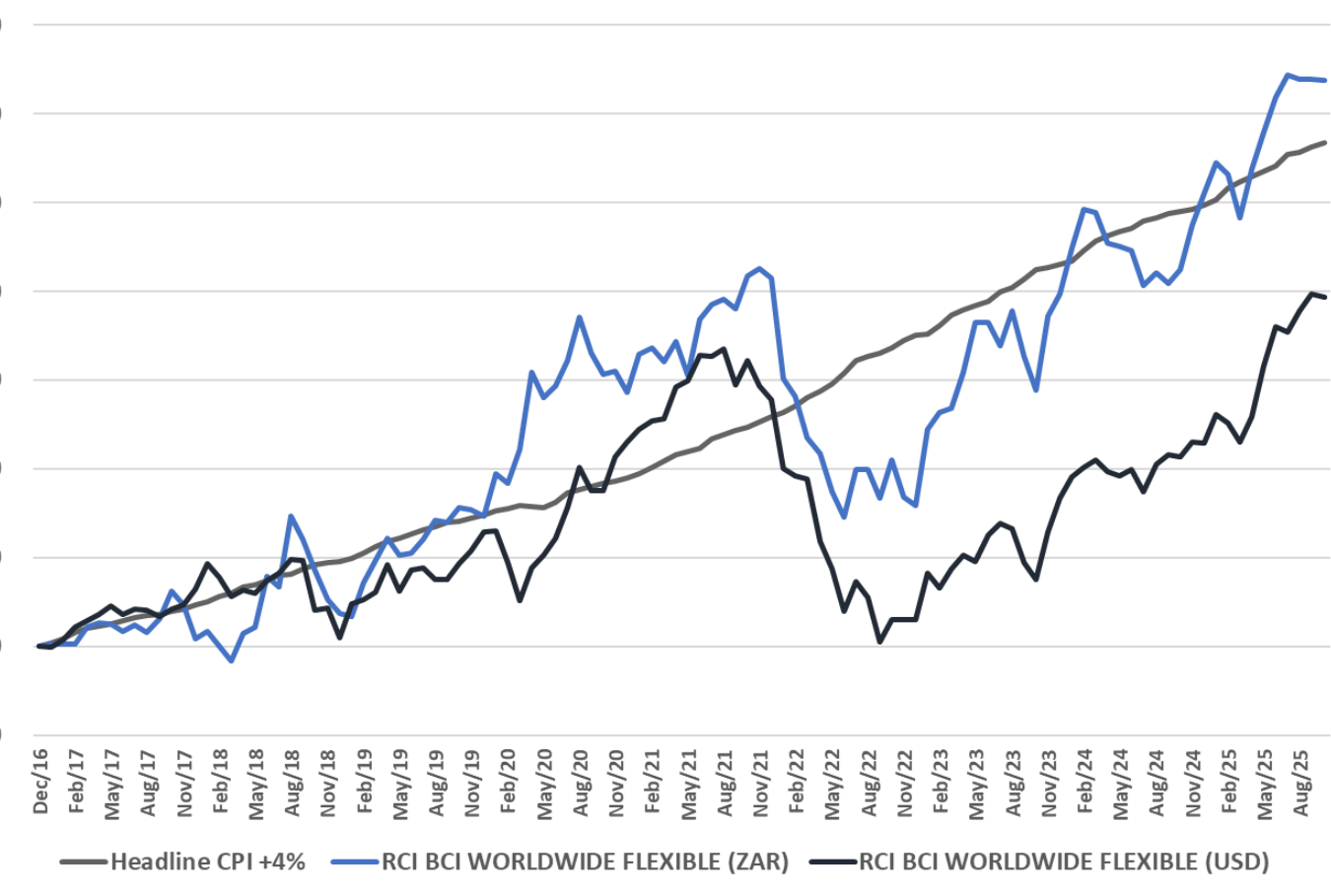
RCI OFFSHORE UNIT TRUSTS PERFORMANCE



“In the short run, the market is a voting machine, but in the long run it is a weighing machine.” – Benjamin Graham

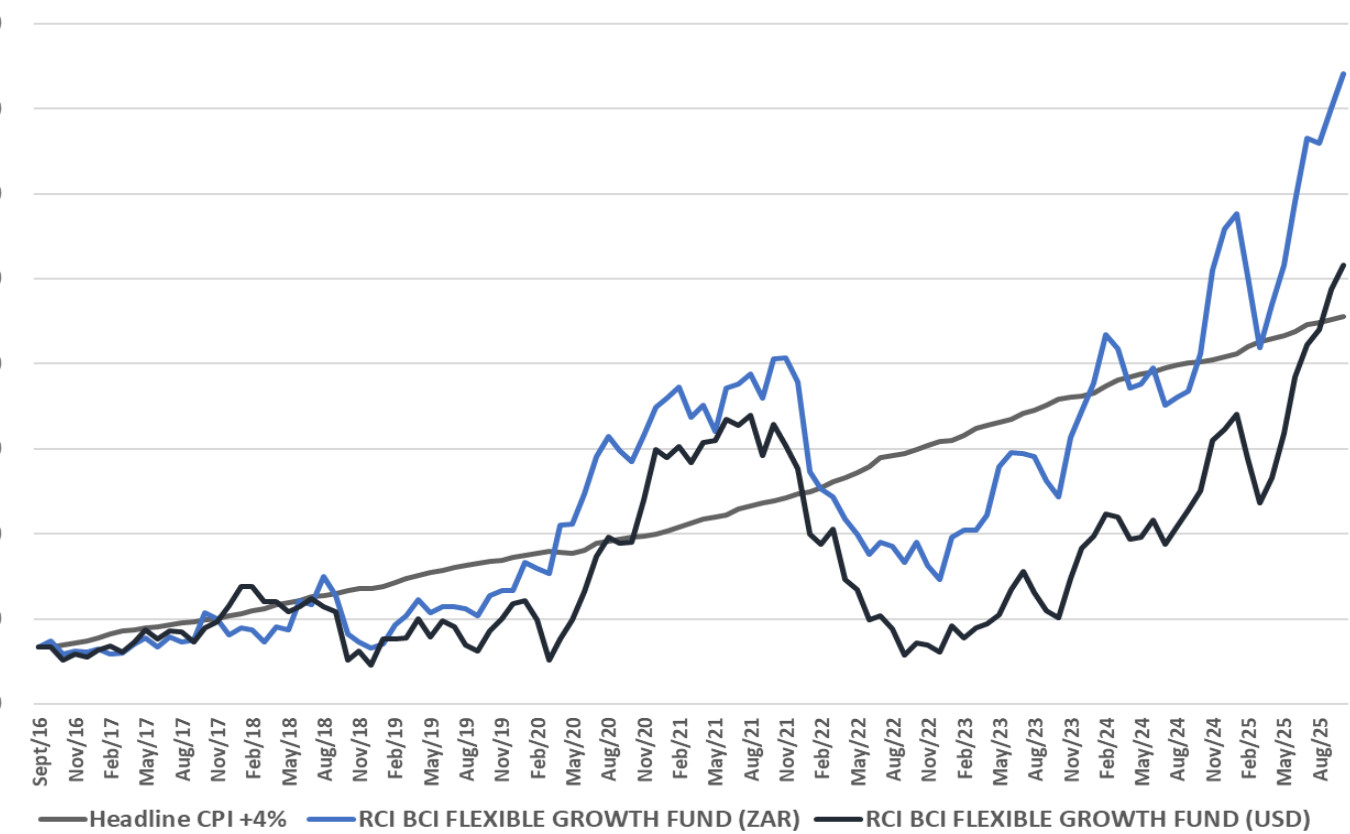
The **RCI BCI Worldwide Flexible Fund** closed October at 227.67, down 0.03% for the month and up 23.08% for the last 12 months.

RCI BCI Worldwide Flexible Fund



The **RCI BCI Flexible Growth Fund** closed October at 302.34, up 4.16% for the month and up 48.55% for the last 12 months.

RCI BCI Flexible Growth Fund



WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

ANCHOR BCI SA EQUITY FUND



Developed Market (DM) equities rose for the seventh consecutive month in October (MSCI World Index +2% MoM), taking YTD performance to +20.2%. Mega cap US technology shares and AI-related companies in particular continued to lead the market (Bloomberg Magnificent 7 Index +4.9% MoM). With more than 60% of S&P 500 companies releasing their quarterly results in October, strength in technology shares broadly reflects a favourable assessment at this stage of growing investor concern regarding the sustainability of massive investment into AI infrastructure and the degree to which this is filtering into revenue growth for the companies concerned. Emerging Market (EM) equities outperformed their DM peers in October (MSCI EM +4.2% MoM), taking their YTD performance to +33.6%. Driving the EM index gains were the Korean and Taiwanese chipmakers (TSMC +14% MoM, SK Hynix +58% MoM and Samsung Electronics +26% MoM), also benefiting from the positive undertone surrounding all things AI mentioned above.

South African equities continued their strong run in October (FTSE/JSE Capped SWIX Index +1.8% MoM), taking YTD returns to 33.4%. While the early running was a continuation of past months, with precious metals miners leading, things changed abruptly in the 2nd half of October. With stocks geared to the domestic economy having gained only 4% up to the end of September, there were signs of a rotation out of the over-bought miners into SA Inc. counters. Gold miners (-5% MoM) and PGM miners (-10% MoM) ended among the laggards in October. Strong results/trading updates from several quality compounders were rewarded by investors – Capitec (+11% MoM), Discovery (+12% MoM) and Boxer (+10% MoM). At the other end of the spectrum, WeBuyCars (-17% MoM) was punished as its update ahead of results fell short of fairly lofty expectations.

At the end of October, the top 15 positions in the fund, making up 65% of the equity exposure, were as follows:

- Prosus
 - Naspers
 - AngloGold Ashanti
 - FirstRand
 - Harmony
 - Standard Bank
 - MTN
 - Discovery
- Absa
 - Capitec
 - Valtterra
 - Renergen
 - Impala Platinum
 - Boxer
 - WeBuyCars

Main changes in the month

During the month, we increased our banking exposure through **Standard Bank** and **Absa**, reflecting our view that banks remain attractively valued relative to bond yields. We also initiated a new position in **OUTsurance**, a high-quality short-term insurer. Elsewhere, we exited **Investec** as its latest trading update suggests subdued prospects. We also sold **MAS Plc.**, following increased governance concerns tied to Prime Kapital’s controlling stake.

Performance

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2025	-1.6	1.5	1.2	2.6	5.0	3.2	2.4	1.2	6.1	2.1			26.1
2024	-1.5	-0.8	0.9	3.0	2.1	4.2	3.9	2.4	4.2	-0.2	0.3	-0.6	19.0
2023	7.1	-0.8	-3.5	1.2	-4.7	5.0	2.0	-0.8	-3.0	-3.7	7.9	1.5	7.5
2022	-0.4	-0.9	3.1	0.0	0.7	-6.2	3.0	0.6	-5.6	4.0	8.4	-1.9	3.7
2021									2.1	2.7	1.9	4.7	11.8

The Anchor BCI SA Equity Fund rose 2.1%, outperforming the broader SA equity market in the month, largely thanks to the fund’s underweight exposure to commodity-linked shares. Holdings in Impala Platinum (-15% MoM) and Harmony (-8% MoM) detracted from absolute returns. WeBuyCars (-17% MoM), whose trading update fell short of market expectations, was also a notable detractor. On the positive side, there were clear signs of a rotation into so-called SA Inc. shares as the month progressed. Boxer (+10% MoM) delivered a solid set of results, underscoring its store rollout plans. Some progress in the requirements for “university status” in South Africa supported ADvTECH (+12% MoM). Discovery (+11% MoM) also announced an upbeat quarterly trading update.

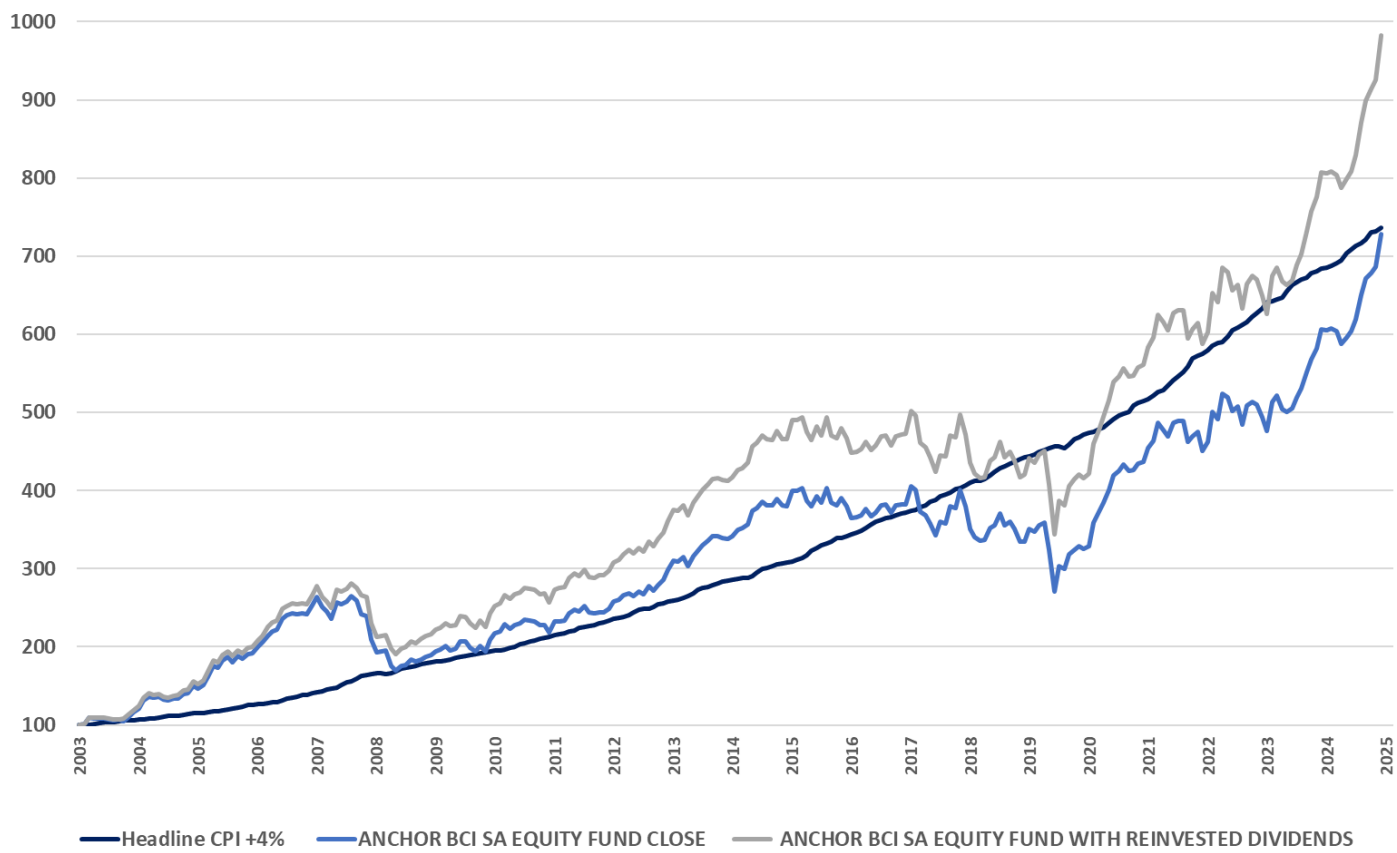
WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

ANCHOR BCI SA EQUITY FUND



The **Anchor BCI SA Equity Fund** closed October at 686.59, up 1.20% for the month and up 19.35% for the last 12 months.

Anchor BCI SA Equity Fund



RECORDS ARE MADE TO BE BROKEN BY CHARLIE BILELLO

Given enough time, every record in the market will be broken. We just hit a historic landmark with the Dow Jones Industrial Average (Dow) reaching an all time high. The Dow is one of the oldest indices in the US and groups together the prices of 30 of the most traded stocks on the New York Stock Exchange and the Nasdaq. It was the first all-time high of the year, but has now broke a record that has been around for a long time. When you are invested, you are rarely at an all time high and most of the time you are actually in a drawdown. This year saw 13 consecutive

years of all time highs for the Dow (shown below). That’s surpassed the legendary run that we had from 1989 to 2000, which of course was the peak of the dot com bubble. Now that we have past that, it is fair to say that we are in the best period in history for US equity investors. We have never seen this level of consistent gains before. We have also passed the 324 cumulative all-time highs between 1989 and 2000 with 348 all time highs since 2013. It has been a tremendous run for US equity investors, but not without pain along the way. 2020 and 2022 saw significant drops in the market. But it has paid to remain invested in the market. With enough time, every record in the market will be broken. This is one that many people thought would never be broken.

Dow Jones Industrial Average: Number of All-Time Highs (1900 - 2025)											
Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH
1900	8	1921	0	1942	0	1963	14	1984	0	2005	0
1901	12	1922	0	1943	0	1964	62	1985	36	2006	22
1902	0	1923	0	1944	0	1965	39	1986	30	2007	34
1903	0	1924	1	1945	0	1966	9	1987	56	2008	0
1904	0	1925	65	1946	0	1967	0	1988	0	2009	0
1905	31	1926	9	1947	0	1968	0	1989	8	2010	0
1906	10	1927	50	1948	0	1969	0	1990	16	2011	0
1907	0	1928	58	1949	0	1970	0	1991	11	2012	0
1908	0	1929	33	1950	0	1971	0	1992	22	2013	52
1909	0	1930	0	1951	0	1972	12	1993	33	2014	38
1910	0	1931	0	1952	0	1973	4	1994	13	2015	6
1911	0	1932	0	1953	0	1974	0	1995	69	2016	26
1912	0	1933	0	1954	14	1975	0	1996	44	2017	71
1913	0	1934	0	1955	49	1976	0	1997	39	2018	15
1914	0	1935	0	1956	15	1977	0	1998	30	2019	23
1915	0	1936	0	1957	0	1978	0	1999	35	2020	14
1916	14	1937	0	1958	26	1979	0	2000	4	2021	45
1917	0	1938	0	1959	39	1980	0	2001	0	2022	2
1918	0	1939	0	1960	1	1981	0	2002	0	2023	7
1919	11	1940	0	1961	19	1982	2	2003	0	2024	48
1920	0	1941	0	1962	0	1983	30	2004	0	2025	2

CREATIVE PLANNING Note: Closing Prices as of 8/31/25 (S&P Dow Jones/YCharts) @CharlieBilello

EXCERPT FROM THE PSYCHOLOGY OF MONEY



FROM CHAPTER 3 – NEVER ENOUGH

One of the biggest dangers in personal finance and modern day capitalism is not knowing when enough is. Morgan Housel’s book is a must-read and contains many invaluable life lessons. In this chapter, Housel shows the danger of never feeling satisfied, no matter how much wealth or success one achieves. Using the dramatic rise and fall of hedge fund manager Rajat Gupta, who rose from poverty to immense wealth and influence, yet risked everything through insider trading because what he already had was “never enough.”. Without defining personal boundaries of what “enough” means, people can be trapped in endless pursuit, risking reputation, relationships, and peace of mind for gains that ultimately do not improve life. Below are some takeaway quotes from the chapter.

Warren Buffet speaking about Long-Term Capital Management on this theme said, “To make money they didn’t have and didn’t need, they risked what they did have and did need. And that’s foolish. It is just plain foolish. If you risk something that is important to you, it just does not make any sense. There is no reason to risk what you have and what you need for what you don’t have and need”.

Housel gives 4 recommendations to avoid falling into this trap.

1. **The hardest financial skill is getting the goalpost to stop moving**
“More money, more power and more prestige increases ambition faster than satisfaction. Modern capitalism is pro at two things: generating wealth and generating envy. Happiness, as it’s said, is just results minus expectations.”
2. **Social comparison is the problem here**
“The point is that the ceiling of social comparison is so high that virtually no one will ever hit it. Which means it’s a battle that can never be won, or that the only way to win is to not fight to begin with – to accept that you might have enough, even if it’s less than those around you”.
3. **Enough is not too little**
“The only way to know how much food you can eat is to eat until you’re sick. Few try this because vomiting hurts more than any meal is good. For some reason the same logic doesn’t translate to business and investing, and many will only stop reaching for more when they break and are forced to. The inability to deny a potential dollar will eventually catch up to you”.
4. **There are many things never worth risking, no matter the potential gain**
“Reputation is invaluable.
Freedom and independence are invaluable.
Family and friends are invaluable.
Being loved by those who you want to love you is invaluable.
Happiness is invaluable.”

THE POWER OF COMPOUNDING

The table on the right shows the power of compounding. A portfolio that compounds at 15.6% per year, doubles every 5 years. That’s powerful thanks to the magic of compounding. Having patience and the emotional fortitude to leave your portfolio alone when times get tough is by far the best long-term strategy. As Warren Buffet said, “the stock market is a device for transferring money from the impatient to the patient.”

The market rewards patience and not haste. Short-term traders who panic or chase fads tend to lose out in the long-run.

Time horizon	Return Portfolio
Year 0	1x
Year 5	2x
Year 10	4x
Year 15	8x
Year 20	16x
Year 25	32x
Year 30	64x
Year 35	128x
Year 40	256x
Year 45	512x