ROBERT COWEN INVESTMENTS

DECEMBER 2025 NEWSLETTER

HIGHLIGHTS OF THIS NEWSLETTER ARE:

- **The Age of Intelligent Transformation** – *by Di Haiden (speech from 2025 client function)*
- **Anchor's local stock picks for 2026** – the *Anchor Investment Team*
- **Update on what we have been doing in the offshore funds**
    - **RCI Worldwide Flexible Fund** – *by Ross McConnochie*
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- **Update on what we have been doing in the local fund** – *by Mike Gresty*
- **2025 was the year of Rand strength and US Dollar weakness**
- **Excerpt from The Psychology Of Money: Chapter 4 – Confounding Compounding** – *by Morgan Housel*

"Planning is bringing the future into the present, so that you can do something about it now" - *Alan Lakein*

"We are not taught financial literacy in school. It takes time to change your thinking and to become financially literate"

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

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THE AGE OF INTELLIGENT TRANSFORMATION

The Family Office

BY DI HAIDEN

The below is CEO, Di Haiden's speech from RCI 2025 year-end function in Johannesburg.

As we reflect on 2025, one theme that has dominated our lives, markets and policy discussions across the world is **Artificial Intelligence (AI)**.

Let me begin with a simple definition:

Artificial Intelligence refers to computer systems that can perform tasks that normally require human intelligence — tasks such as understanding language, analysing data, recognising patterns, making predictions, and even generating new ideas. In essence, AI is not just another technological trend; it is a foundational shift in how economies, industries, and societies operate.

How is this impacting our lives? I used AI to give me the answer and here it is!! Some points and examples of what it is doing

1. Accelerating Global Productivity

Companies are discovering that AI doesn't just make work faster — it fundamentally changes what is possible.

Example: A global bank now automates 80% of its compliance monitoring using AI, saving millions while improving accuracy.
These efficiency gains will add trillions to global GDP over the coming decade.

2. Transforming White-Collar Work

Professional services are being redefined – law, finance, accounting, healthcare, consulting.

Example: Law firms use AI to draft contracts and run case-law research in seconds — work that previously occupied entire teams and many junior lawyers.
In investment management, AI enhances research, modelling, and risk analysis, enabling faster, more informed decisions.

3. Redrawing Global Competitiveness

Nations that lead in AI will gain economic and strategic advantage.

Example: The United States, China, and the EU have committed billions to national AI programmes, other countries are racing to build their own computing capacity and data infrastructure.

4. Revolutionising Healthcare

AI is changing how we diagnose, treat, and prevent disease.

Example: Drug-discovery engines identify promising compounds for cancer and other complex illnesses in weeks rather than years, enabling faster cures and lower medical costs.

5. Reinventing Education

Education is being reshaped, an industry that historically has resisted change

Example: AI tutors deliver personalised learning that adapts to each student's pace and needs, improving outcomes without expanding staff, offering a glimpse of more effective, inclusive education.

6. The Rise of Autonomous Systems

AI provides the intelligence for autonomous systems to operate with minimal human intervention

Example: Autonomous drones and self-driving freight trucks are operating in logistics hubs, reducing delivery times and costs for global retailers, heralding a new era of automated transport and manufacturing.

7. A New Era of Cybersecurity

AI strengthens both attack and defence.

Example: AI-powered security tools detect anomalies in real time and automatically isolate compromised systems, protecting critical infrastructure from increasingly sophisticated cyber threats.

8. Reshaping Financial Markets

AI is transforming investment management.

Example: Firms run AI models to analyse global markets, track economic signals, and rebalance portfolios in real time, enhancing judgement and uncovering hidden risks and opportunities.

9. A New Regulatory Landscape

Governments are creating frameworks for safe, ethical AI.

Example: The EU's AI Act requires transparency and oversight for high-risk systems, shaping how multinationals deploy AI worldwide.

10. Energy, Infrastructure & Environment

AI is optimising how we power and organise the world.

Example: Utilities forecast demand, optimise energy flows, and integrate renewables efficiently, reducing outages and supporting sustainability goals.

11. AI and the Future of the Job Market

AI is transforming the workplace. While routine tasks are automated, new roles are emerging — from AI trainers to data governance specialists.

Example: A global consulting firm retrained thousands of staff to work alongside AI, allowing analysts to focus on higher-value advisory roles.
The future job market will augment human capability, rewarding creativity, judgement, and relationship skills.

12. AI's Impact on Global Inflation

AI is influencing prices worldwide. By increasing productivity, lowering labour costs, and optimising supply chains, AI can exert long-term downward pressure on inflation, though energy-intensive AI infrastructure could create upward pressure in some sectors.

Example: Retailers use AI to forecast demand and optimise logistics, reducing operating costs and ultimately lowering consumer prices.

13. Transforming the entertainment industry

AI is transforming entertainment by enhancing content creation, personalisation, and production efficiency. It supports scriptwriting, generates visual effects, and helps streaming platforms deliver tailored recommendations based on viewer behaviour. In music, AI composes and remixes tracks, enabling new creative possibilities. Studios increasingly rely on AI insights to guide content decisions.

Example: Disney used AI de-aging technology in Indiana Jones and the Dial of Destiny to present a younger Harrison Ford in key flashback scenes.

As we stand on the threshold of this new era, one thing is clear:
AI is not just changing technology — it is changing the world.
And like every major transformation, it brings both opportunity and responsibility.
For us, as your family office and investment managers, our mission remains constant:
to help you navigate complexity, capture opportunity, and steward capital with care and insight.

We look forward to partnering with you in 2026 as we embrace the possibilities of this extraordinary age.

ANCHOR’S LOCAL STOCK PICKS FOR 2026

BY ANCHOR INVESTMENT TEAM

In this note, the Anchor investment team highlights a selection of JSE-listed companies we believe are worth watching in the year ahead. These picks, presented alphabetically, illustrate our stock-picking philosophy. Please note that these individual stock ideas may not necessarily be reflected in all client portfolios, given the differing mandates and risk-return profiles.

2025 delivered one of the strongest equity performances in over a decade as global markets rallied on softening US inflation, anticipated Federal Reserve rate cuts, and continued enthusiasm around AI-driven productivity gains. Locally, South Africa benefitted from greater political stability after the formation of the Government of National Unity, improved fiscal signals from National Treasury, and progress on key structural issues such as energy and logistics. These shifts helped lift sentiment after years of stagnation, even though underlying economic growth remained constrained.

Despite the strong year for equities, returns were not uniform. Many high-quality businesses continued to compound steadily, while deeply discounted South African names remained trapped under weak growth, poor liquidity, and low investor appetite. A more constructive 2026 backdrop — a firmer rand, stabilising interest rates, and improving policy signals — could allow the valuation of some domestic companies to re-rate meaningfully. Against this backdrop, five stock ideas are presented for 2026: Blu Label Telecoms, KAL Group, Optasia, Premier Group, and Valterra. Each business operates in a different segment of the economy, with varying risk profiles, but all share a common thread: they are undervalued relative to their fundamentals, with catalysts that could unlock meaningful upside.

1. Blu Label Telecoms — A Restructuring Story With Significant Optionality

Blu Label has long been a controversial investment, largely due to its efforts to rescue the failing Cell C mobile network. Years of recapitalisations, debt negotiations, and operational setbacks have made the market extremely sceptical of management, which has led to a share price that reflects almost no value for Cell C and very little for Blu Label’s prepaid airtime and voucher distribution business.

The investment thesis centres on two points:

(1) The recapitalisation of Cell C is finally nearing completion.
Management has made significant progress in cleaning up the balance sheet, outsourcing the network infrastructure to MTN, and stabilising operations. While execution risk remains, the worst of the losses appear to be behind the business. As Cell C moves to a more asset-light model, profitability could improve meaningfully, creating upside that is not currently priced in.

(2) Blu Label’s core distribution business is high-quality and undervalued.
The prepaid voucher business is still highly cash-generative, defensive, and systemically important in South Africa’s telecom ecosystem. Even if Cell C ultimately contributes nothing, Blu Label still trades at a material discount to fair value based solely on this core segment. With sentiment washed out and expectations extremely low, any sustained progress at Cell C or a simplification of Blu Label’s structure could unlock substantial upside. For investors willing to tolerate complexity, the potential asymmetric outcome is attractive.

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2. KAL Group — A Rural Retail Giant Benefiting From Structural Tailwinds

Previously known as Kaap Agri, KAL Group has grown into one of South Africa’s dominant rural retail and services businesses. It operates across fuel retailing, agriculture, convenience stores, mechanisation, and building supplies — all segments tied to real economic activity in semi-urban and rural areas.

The investment thesis focuses on the following strengths:

(1) Resilient, diversified earnings.
KAL operates across more than 200 sites, with revenue streams spread across fuel sales, convenience retail, agricultural inputs, and hardware. This diversification cushions the business against sector-specific downturns.

(2) A compelling valuation and strong management execution.
The business consistently delivers solid cash flows, disciplined capital allocation, and steady expansion of its retail footprint. Despite this, it trades at an undemanding valuation relative to its peer group, in part due to its rural focus and low liquidity.

The combination of a compelling valuation, strong management execution, dependable earnings, defensive qualities, and visible growth drivers makes KAL attractive, particularly in a stabilising SA economy.

3. Optasia — A High-Margin Fintech Platform With Global Reach

Optasia is one of the lesser-known names on the JSE, but it offers a surprisingly scalable and high-margin business model. The company provides AI-driven lending and airtime-advance services to mobile operators and financial institutions across more than 30 emerging markets. Their technology allows customers without traditional credit histories to access micro-loans and airtime top-ups instantly.

The investment case is supported by:

(1) A unique platform model with strong network effects.
Optasia embeds itself within mobile operators' ecosystems, giving it access to millions of users and rich behavioural data. This data advantage enhances underwriting accuracy and creates high customer stickiness.

(2) Structural demand for financial inclusion in emerging markets.
As digital adoption accelerates in Africa, Asia, and the Middle East, demand for alternative credit assessment tools is rising sharply. Optasia is well-positioned to capture this growth.

3) Strong margins and scalable operations.
The business generates high return on equity and impressive free cash flow due to its asset-light model. As more markets come online, incremental margins expand further, supporting long-term compounding.

Given its unique positioning, limited competition, and expanding global footprint, Optasia represents one of the more attractive fintech growth opportunities on the local market.

4. Premier Group — A Defensive Consumer Staple With Steady Growth

Premier, known for brands like Blue Ribbon, Snowflake, Iwisa, and Lil-lets, has evolved into one of South Africa's most reliable consumer staples businesses. It operates across bread, maize, wheat, and personal-care products, giving it broad exposure to everyday spending. The investment thesis highlights:

(1) Strong pricing power and brand equity.
Premier's products occupy essential categories with high purchase frequency. In an inflationary environment, its ability to pass through cost increases without losing volume is a major strength.

(2) Operational efficiency and improved margins.
The company has invested heavily in modernising bakeries, optimising logistics, and streamlining production. These efficiencies have driven margin expansion even in a challenging economy.

(3) Consistent earnings and cash generation.
Premier benefits from predictable demand and recession-resilient revenue. Its balance sheet is conservative, and management has a strong track record of disciplined capital allocation.

With defensive characteristics, scale advantages, and ongoing market-share gains, Premier is well-placed for another year of steady, dependable growth.

5. Valterra (formerly Anglo American Platinum) - Quality Underlying Assets

Valterra Platinum has quickly established itself as a sector leader following its 2025 demerger from Anglo American, offering one of the strongest combinations of scale, efficiency, and balance-sheet strength in the PGM industry.

The broader PGM market is in a transitional phase. Prices have rebounded in 2025, but much of the move has been driven by speculative positioning—particularly US ETF inflows and futures activity—rather than a broad demand recovery. Beneath this, however, auto-catalyst demand has proven more resilient than expected, with ICE and hybrid vehicle sales still growing modestly and regulatory uncertainty in the US and EU potentially extending the relevance of PGMs in powertrains. This creates a firmer fundamental base than price action alone suggests.

Valterra stands out due to its fully integrated value chain, industry-leading cost structure, and operational discipline. Mogalakwena, the world's largest open-pit PGM operation provides structural cost advantages, while efficiency investments, such as the Jameson Cleaner Circuit, technology continue to reduce all-in sustaining costs. Management has also demonstrated strong execution, restoring production quickly after disruptions.

With low net debt, strong liquidity, and a consistent dividend policy, Valterra offers attractive FCF yields and downside protection. Its quality-driven strategy makes it one of the strongest ways to gain exposure to the next chapter of the PGM cycle.

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE FUND

Although global stock markets were largely flat at month end, the volatility experienced during the month was notable. Towards the middle of the month, we saw a major rotation out of Technology stocks into the more defensive sectors like Consumer Staples and Healthcare. The late-month rebound was driven by rate cut hopes and further strong performance from non-tech sectors. The AI stocks suffered the largest sell off as concerns about valuation and return on investment scared the market. At month end Nvidia was down 13%, AMD down 15% and Arista down 17%. Even the likes of Microsoft and Amazon fell 5% for the month.

The Nasdaq index fell 1.6% and S&P 500 was flat at 0.1% up for the month. The MSCI World rose 0.2%. The worst performer was the Japanese Nikkei falling 4% after a record-breaking October performance and the best performing market was the FTSE 100 being flat for the month. For the year-to-date, the S&P500 is up 16%, the MSCI World is up 18% and the Nasdaq is up 21%:

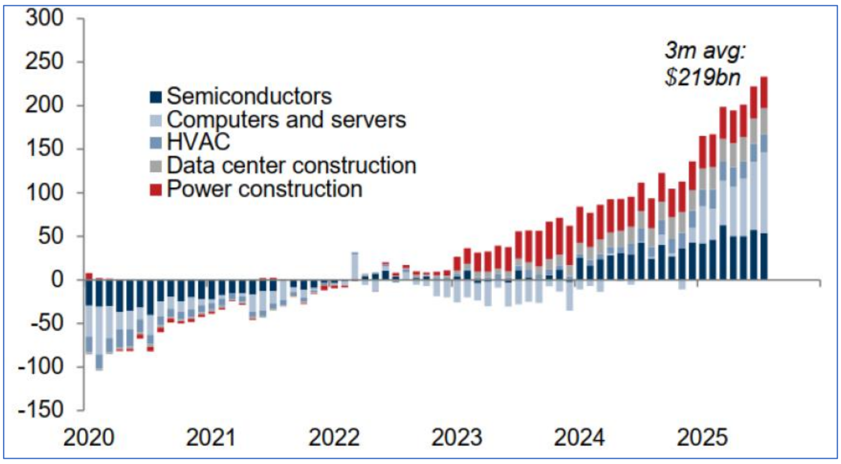
Figure 1: Performance of global markets and US sectors in 2024 and 2025: Sector price movement sorted by November performance

Name	GEOGRAPHY	2024	Year to Date	Nov-25
NASDAQ 100 IDX	USA	24.9%	21.0%	-1.6%
S&P 500	USA	23.3%	16.4%	0.1%
DOW JONES INDUST IDX	USA	12.9%	12.2%	0.3%
S&P 500 INFO TECH IDX	USA	35.7%	23.7%	-4.4%
S&P 500 CONS DISCRET IDX	USA	29.1%	4.6%	-2.4%
S&P 500 INDUSTRIALS IDX	USA	15.6%	16.4%	-1.0%
S&P 500 UTILITIES IDX	USA	19.6%	19.0%	1.3%
S&P 500 FINANCIALS IDX	USA	28.4%	10.1%	1.7%
S&P 500 ENERGY IDX	USA	2.3%	4.9%	1.8%
S&P 500 REAL ESTATE IDX	USA	1.7%	2.5%	1.8%
S&P 500 CONS STAPLES IDX	USA	12.0%	3.3%	3.9%
S&P 500 MATERIALS IDX	USA	-1.8%	6.3%	4.0%
S&P 500 COMMUN SERVICES	USA	38.9%	33.8%	6.3%
S&P 500 HEALTH CARE IDX	USA	0.9%	14.3%	9.1%
NIKKEI IDX	JAPAN	19.2%	26.0%	-4.1%
MSCI EMERGING MARKETS IDX (USD)	EMERGING MARK	5.1%	27.1%	-2.5%
HANG SENG IDX	HONG KONG	17.7%	28.9%	-1.2%
DAX IDX	GERMANY	18.8%	19.7%	-0.5%
FTSE 100 IDX	UK	5.7%	18.9%	0.0%
MSCI WORLD IDX	DEVELOPED WO	17.0%	18.6%	0.2%

Source: Bloomberg, Anchor Capital

AI continues to dominate the American market narrative with market participants swinging between euphoria around the future applications of the technology to concern around the ability to earn a decent return on investment given the huge capex investments being made. The following chart shows a breakdown on how the US has been investing in AI related expenses the last few years. AI investment has risen by around $200 – 300 billion since 2023. It is expected that AI spending will surpass $500 bn for 2025 but what is interesting is that people forget about how this spending is split up as the chips themselves make up a much smaller amount than expected:

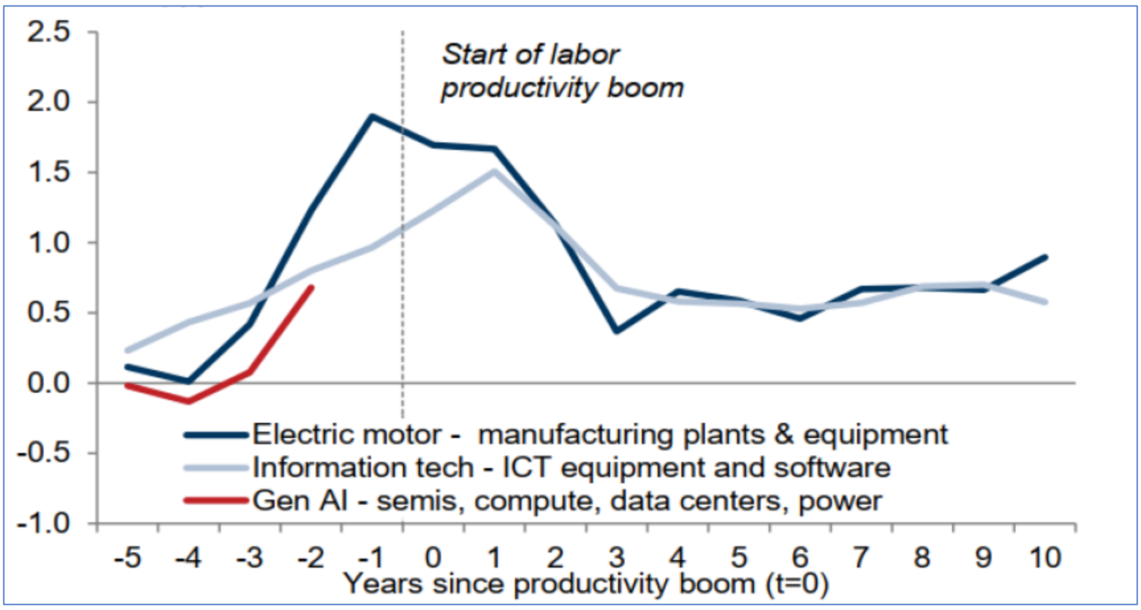
Figure 2: Annualized AI hardware spending in US national accounts, change vs 2022, $ billion



Despite increasing spend on datacentre construction, it is expected that semiconductors themselves will have the highest replacement cycle of only 3 years as the technology is evolving so rapidly.

The AI bulls are optimistic of the long-term economic impact from this technology. The following chart shows the percentage of GDP for two prior investment cycles (electric motor and Information Technology) and compares this to current investment in AI capex. We can see that it took about 5 years of rising investment into a new technology before labour productivity started to boom and that spending can be as high as 2% of US GDP. Therefore, the current AI capex cycle we are experiencing is only three years in and is still far from excessive relative to the US GDP and is thus likely to continue as the technology adoption proliferates. It is expected to last at least another two years or more.

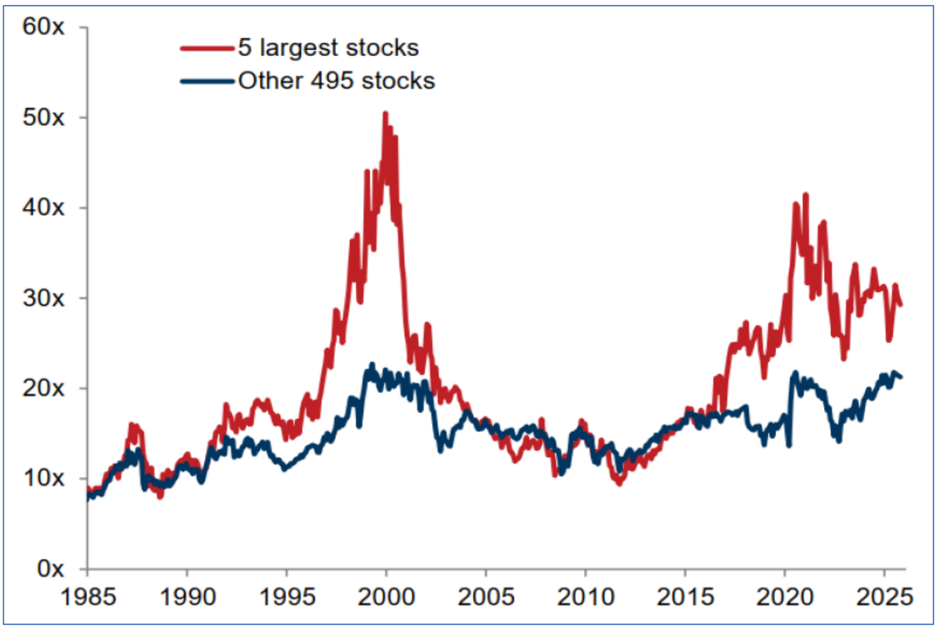
Figure 3: Large investment cycles have preceded prior general purpose technology productivity booms
Investment in general purpose technologies, share of GDP vs pre-productivity boom level



Source: Bureau of Economic Analysis, Goldman Sachs GIR

Concerns of an AI bubble and the similarities to previous cycles have been making headlines all year but the following chart shows that although the market is expensive right now, the top 5 shares are still far below the levels seen in the IT bubble of 1999. The largest five stocks are at a current valuation of about 29x PE which is still well below the tech bubble and the Covid-19 valuation bubble when interest rates were zero.

Figure 4: S&P 500 forward P/E multiple



Source: Goldman Sachs GIR

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE FUND (CONT.)

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.

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	25.0	2.8	56%	9%	23%	-10%
ALPHABET INC-CL C	26.9	3.2	35%	8%	17%	-4%
BOSTON SCIENTIFIC	29.4	2.1	21%	14%	13%	-8%
FORTINET	28.1	3.2	14%	9%	11%	-29%
MICROSOFT CORP	28.4	1.5	14%	19%	18%	-12%
NU HOLDINGS LTD/CAYMAN ISL-A	20.7	0.5	34%	43%	27%	0%
NVIDIA CORP	25.2	0.4	124%	61%	63%	-15%
RHEINMETALL AG	35.5	0.7	58%	49%	48%	-27%
TAIWAN SEMICONDUCTOR-SP ADR	24.2	1.4	32%	18%	19%	-8%
TENCENT HOLDINGS LTD	17.8	1.3	19%	13%	11%	-10%
Top 10 - FWD PE Ratio* PEG ratio* and EPS Growth Rate^	**25.3**	**1.0**	**33%**	**16%**	**18%**	**-12%**
S&P500 - FWD PE and EPS Growth	**22.3**		**13%**	**12%**	**11%**	**-2%**

We expect strong performance out of our top 10 positions for the 2026 and 2027 years. Our portfolio is expected to grow earnings per share in the high teens which is greater than the S&P500, where analysts expect 12% average growth over 2026 and 2027. Our companies are trading at higher valuations, 25x, versus the S&P500's 22x, but we believe this is justified by the higher quality of our investments, growing earnings at a higher rate than the market. This is especially so when compared to expected returns on investments in bonds or cash.

Changes made during the month

- No outright purchases or sales made during the month

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%	-3.9%		**8.3%**

For the month, the fund was down 4% in ZAR terms (-2.6% in USD) compared to the MSCI Developed Markets Index which was down 1.4% in ZAR (-0.1% in USD) for the month. The Rand strengthened 1.3% for the month, detracting from the performance in ZAR.

For the 2025 calendar year-to-date, the fund is up 8.3% in ZAR and 19% in USD. The MSCI World Index is up 6.8% in ZAR and up 17% in USD. The rand has strengthened 10% for the year to date. Therefore, the fund has outperformed the market for the year to date.

The RCI BCI Worldwide Flexible Fund investment team

Mike Gresty, Di Haiden, Ross McConnochie, Eric Lappeman, Andrew Lawson, Gontse Dikeledi, Keiran Witthuhn

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

RCI BCI WORLDWIDE FLEXIBLE GROWTH FUND

The RCI BCI Worldwide Flexible Growth Fund is a solution for those looking to achieve higher long-term returns, albeit with the possibility of short-term volatility. The fund was specifically created to give clients who wish to focus on long-term capital growth access to some of the world's most exciting, high growth businesses that we currently have on our radar. The fund focuses on US listed equities and aims to give exposure to businesses that do and should continue to exhibit high levels of growth over the long-term. There is a focus on high-growth tech and digital platform businesses, that provide services consumers are using daily as a growing part of their lives. Many of the businesses included in the fund, have, or are currently, sowing their way into the social fabric of our lives. Some of the sectors/themes focused on are: Artificial Intelligence, Cloud Software, eCommerce, Fintech Payments, Big Data, Cyber Security, Online Streaming & Gaming, Digital Healthcare, and more.

Fund Performance and Attribution

The fund was down 7.2% for the month in ZAR. The ZAR decline was amplified by a 1.3% strengthening of the ZAR against the USD. This meant the fund was down 5.9% in USD for the month. This compares to the S&P 500 which was up 0.25% and the Nasdaq which was down 1.57%. November saw an unusual market, with indices remaining largely unchanged and trading within 3% of all-time highs, but many AI and Crypto related counters were down significantly. Many investors started to worry about a potential AI-related bubble, as well as a weakening labour market following the release of labour data post the US government shutdown. Nvidia's very strong Q3 results were able to calm some of these fears in the last week of trading.

The largest contributor for the month was Lemonade Inc, up 27% on very strong Q3 results and a raised outlook for the full year. Rocket Companies Inc, the mortgage originator also contributed, up 20%, as did Alphabet on what were very strong Q3 results and news flow around Meta opting to use their TPU's in its data-centres. Our largest detractors for the month included Coreweave Inc, Bitmine Immersion Technologies Inc and Nebius Group. Many AI hardware and neo cloud providers experienced precipitous falls in November.

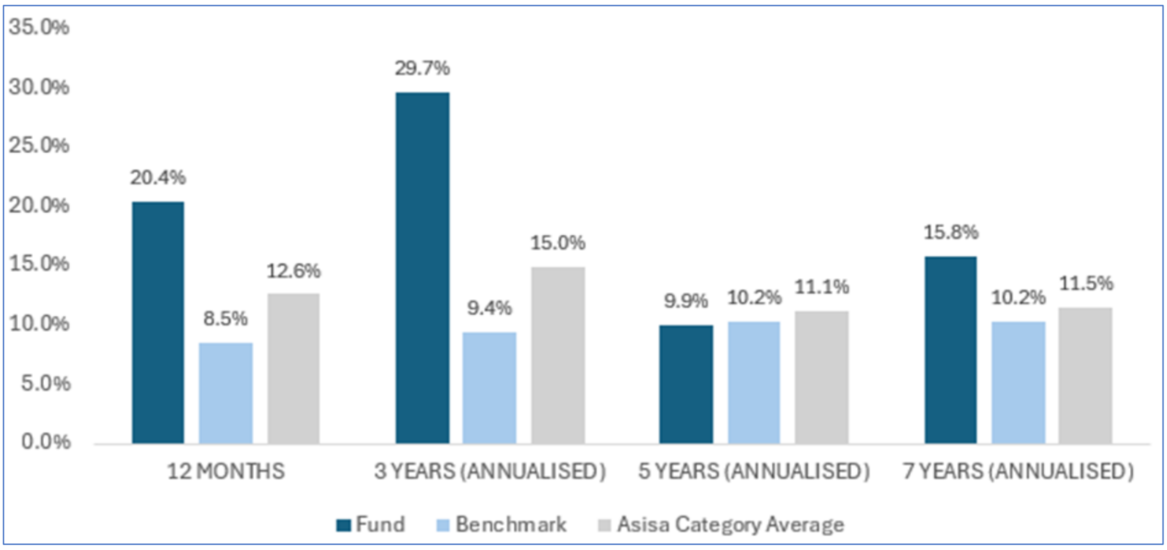
TOP CONTRIBUTORS & DETRACTORS	SECTOR	%
LEMONADE INC	INSURANCE	27.0
ROCKET COMPANIES INC	FINANCIAL SERVICES	20.0
ALPHABET INC	COMMUNICATION SERVICES	14.0
BROADCOM INC	SEMICONDUCTORS	9.0
SOFI TECHNOLOGIES INC	FINANCIAL SERVICES	0.0
SEA LTD	E-COMMERCE	-12.0
COINBASE GLOBAL INC	FINANCIAL SERVICES	-21.0
NEBIUS GROUP	COMMUNICATION SERVICES	-28.0
BITMINE IMMERSION TECHNOLOGIES	FINANCIAL SERVICES	-30.0
COREWEAVE INC	INFRASTRUCTURE	-45.0

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	-7.2		**13.3**
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 is up 13.3% in 2025, 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 20% over the last 12-months, well ahead of benchmark and peers. The strong ZAR has hurt returns in 2025.

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 15%. The fund has annualised 15.8% over the last 7 years compared to the peer group average of 11.5%.



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	8.8			82.5		34.3	0.3
ALPHABET INC	COMMUNICATION SERVICES	7.7	32.0	19.1	59.2	32.7	11.0	0.1
ROBINHOOD MARKETS INC	FINANCIAL SERVICES	5.8		27.5	92.2		46.4	1.9
NVIDIA CORPORATION	SEMICONDUCTORS	5.6	102.6	41.3	70.1	58.8	87.1	0.1
BROADCOM INC	SEMICONDUCTORS	5.1	16.0	41.6	77.2	39.6	23.7	0.9
LEMONADE INC	FINANCIAL SERVICES	5.0	-19.4	-3.6	49.5	-32.6	52.0	0.3
META PLATFORMS INC	COMMUNICATION SERVICES	4.5	33.0	23.7	82.0	42.6	17.1	0.3
AMAZON.COM INC	E-COMMERCE	3.8	16.5	1.5	50.0	11.4	11.2	0.4
NU HOLDINGS LTD	FINANCIAL SERVICES	3.6					62.9	0.3
COINBASE GLOBAL INC	FINANCIAL SERVICES	3.4	30.5	47.9	64.3	42.9	29.1	0.6
TOTAL EQUITY CONTENT OF FUND		98.0			69.7	27.9	37.5	

Changes during the month

The fund exited positions in Coreweave Inc and Reddit Inc. Coreweave was sold to reduce overall exposure to AI in the fund. The capital structure of Coreweave is less impressive than its peer Nebius Group (which is still owned in the fund). The fund also trimmed its stake in Advanced Micro Devices for similar reasons. The fund started new positions in Futu Holdings and Chime Financial Inc (Chime Financial Inc) as well as upweighted its position in Nu Holdings.

Notable Results

Lemonade Inc

Lemonade posted record results with strong growth in every key performance metric. Revenue grew 42% YoY and In Force Premiums (IFP) accelerated to 30% YoY growth. Gross Profit doubled to $80million and Net Loss continued to narrow. Customer growth rose 24% YoY and the Gross Loss Ratio improved to 62% (a record low in the firm's history). Continued improvement in pricing risk via using AI and other innovative tools have allowed for a reduction reinsurance cover and improvement in gross margins to 41% from 27% a year ago. No major claims from catastrophes also helped the quarter. Management also raised full year guidance.

Lemonade Inc Q3 2025 Results Presentation

The Family Office

Arista Networks Inc

Arista reported a strong Q3 with revenue growing 27.5% YoY, or 4.7% QoQ sequentially. Gross margins contracted QoQ sequentially but still sat at 64.6% versus 64.2% a year ago. Strong demand for AI and cloud services saw the data centre division grow meaningfully with management expecting this momentum to continue. Despite management raising guidance for the full year, the share sold off 10% after the results. Concerns around potential margin compression due to product mix shifts towards more hardware could have been the issue. Other concerns are around general AI valuations and potential ‘bubbles’ forming in the space.

[Arista Networks Inc Q3 2025 Results Presentation]

Sea Ltd

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[Sea Ltd Q3 2025 Results Presentation]

2025 WAS THE YEAR OF RAND STRENGTH AND US DOLLAR WEAKNESS

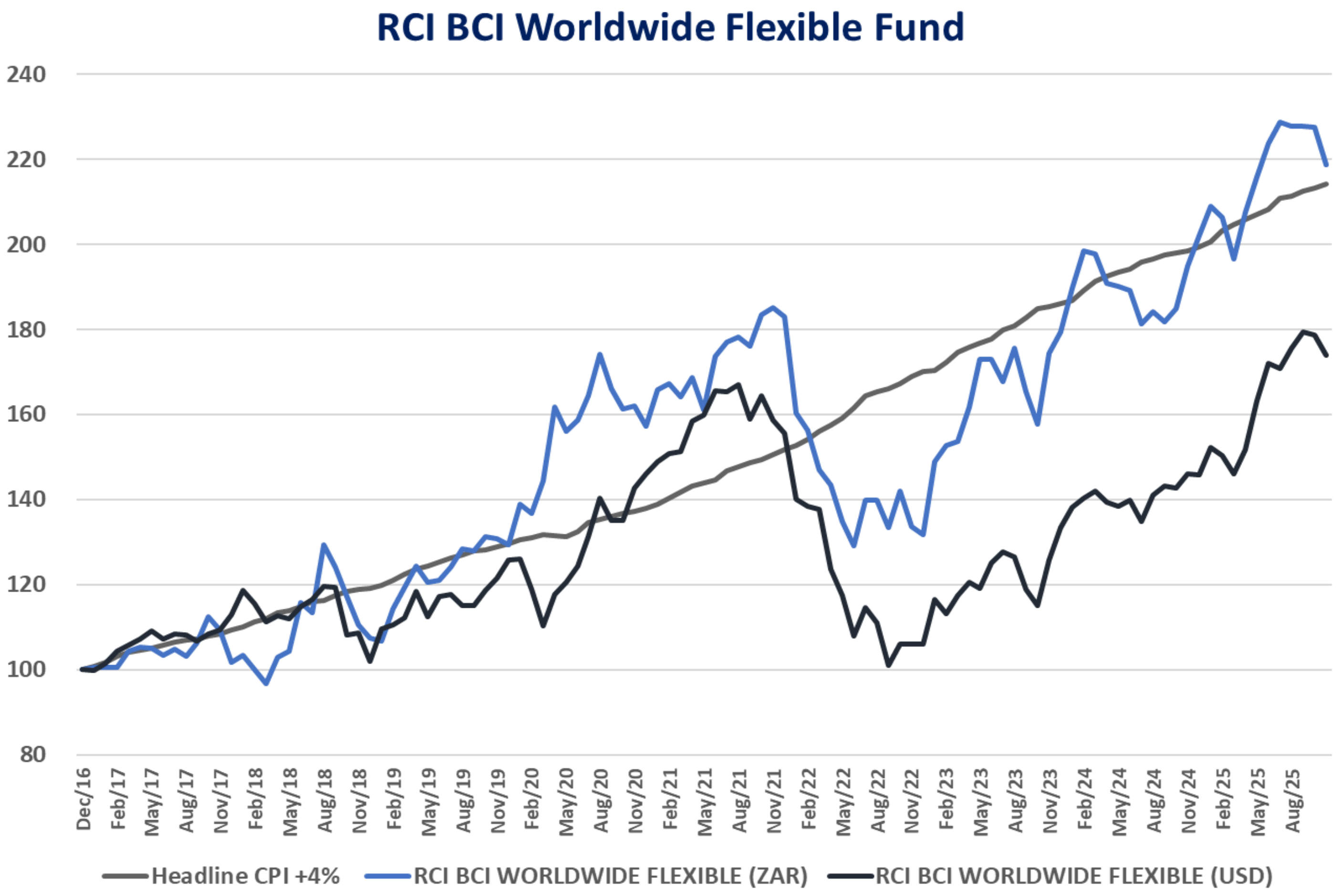
One of the defining market themes of 2025 has been the continued strength of the rand alongside a broad weakening of the US dollar (shown below). The year-to-date performance of the US Dollar Index is shown below left and the rand-dollar performance on the right. Both show a weakening of the dollar over the course of the year. Easing US inflation, expectations of rate cuts, and moderating US economic exceptionalism have weighed on the dollar, while improving South African fiscal discipline, firmer commodity prices, and renewed foreign inflows have supported the rand.

The positive green shoots arising from Operation Vulindlela, more optimistic political prospects and the surge in gold and platinum prices may be hurting US dollar returns in the short-run for many of our clients, but the real impact on the South African economy is very encouraging to see.

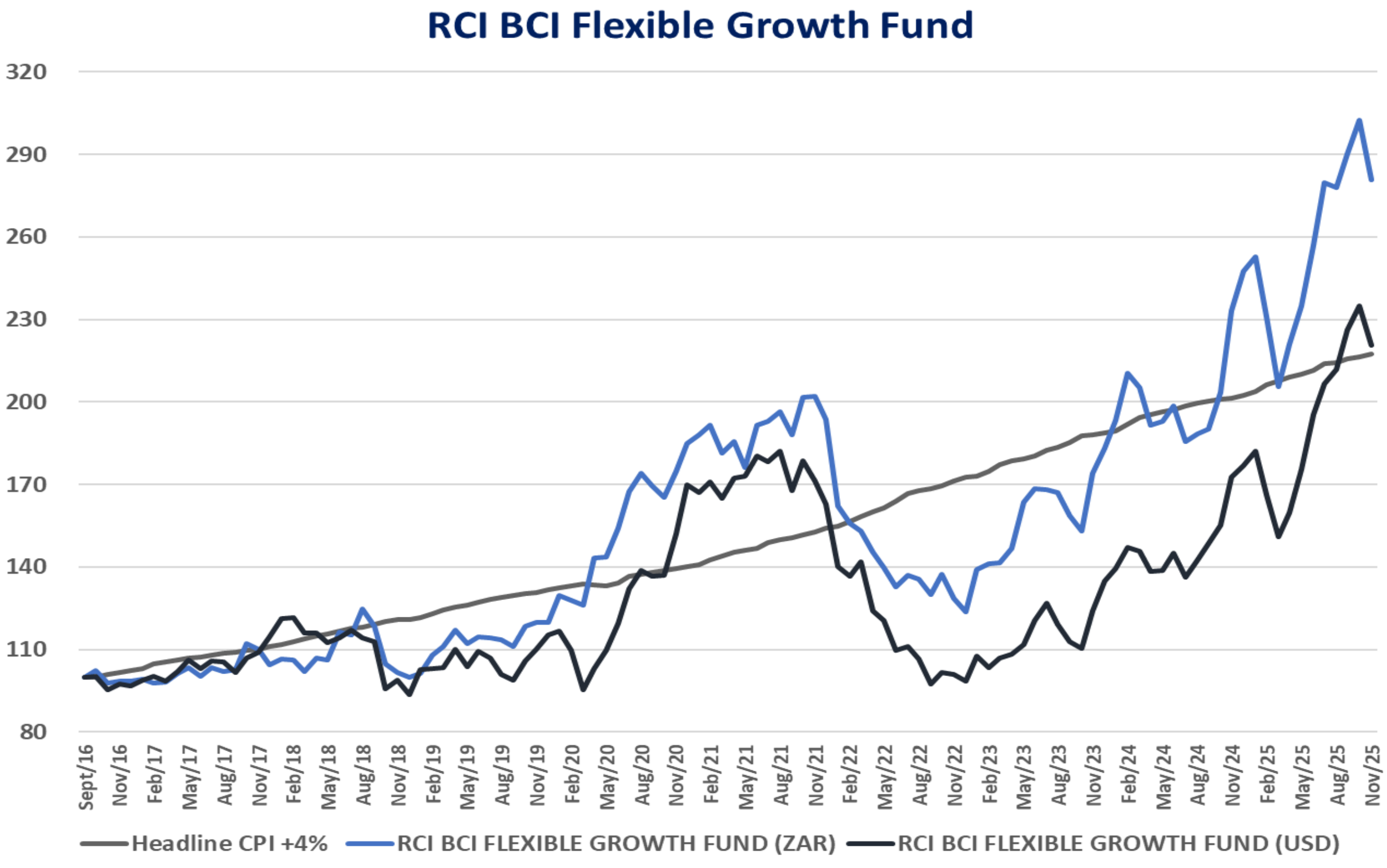
RCI OFFSHORE UNIT TRUSTS PERFORMANCE

"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 November at 218.81, down 3.89% for the month and up 12.27% for the last 12 months.



The **RCI BCI Flexible Growth Fund** closed November at 280.66, down 7.17% for the month and up 20.37% for the last 12 months.



WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

The Family Office

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 November, the top 15 positions in the fund, making up 64% of the equity exposure, were as follows:

- Naspers
- Prosus
- AngloGold Ashanti
- Harmony
- Capitec
- FirstRand
- Standard Bank
- Absa
- Valterra Platinum
- Discovery
- Impala Platinum
- WeBuyCars
- Old Mutual
- ADvTECH
- Boxer

Main changes in the month

In November, we repositioned our telecoms holdings, selling a portion of the Fund's **MTN** and **Vodacom** positions to participate in the **Cell C** IPO and gain early exposure to a recapitalised operator with a refreshed local strategy. We also added a position in **Blue Label**, which we see as geared exposure to the Cell C turnaround. In another IPO, we introduced **Optasia**, an emerging-market growth story with scalable digital fintech credit infrastructure. Elsewhere, we bought **Clicks** and added to our **OUTsurance** position. We exited our **Afrimat** position due to the negative medium-term outlook for the iron-ore price. Lastly, we switched a portion of our **Mr Price** exposure into **Premier**, as we believe that Premier's consistent growth algorithm will continue to deliver.

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	-1.4		24.3
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

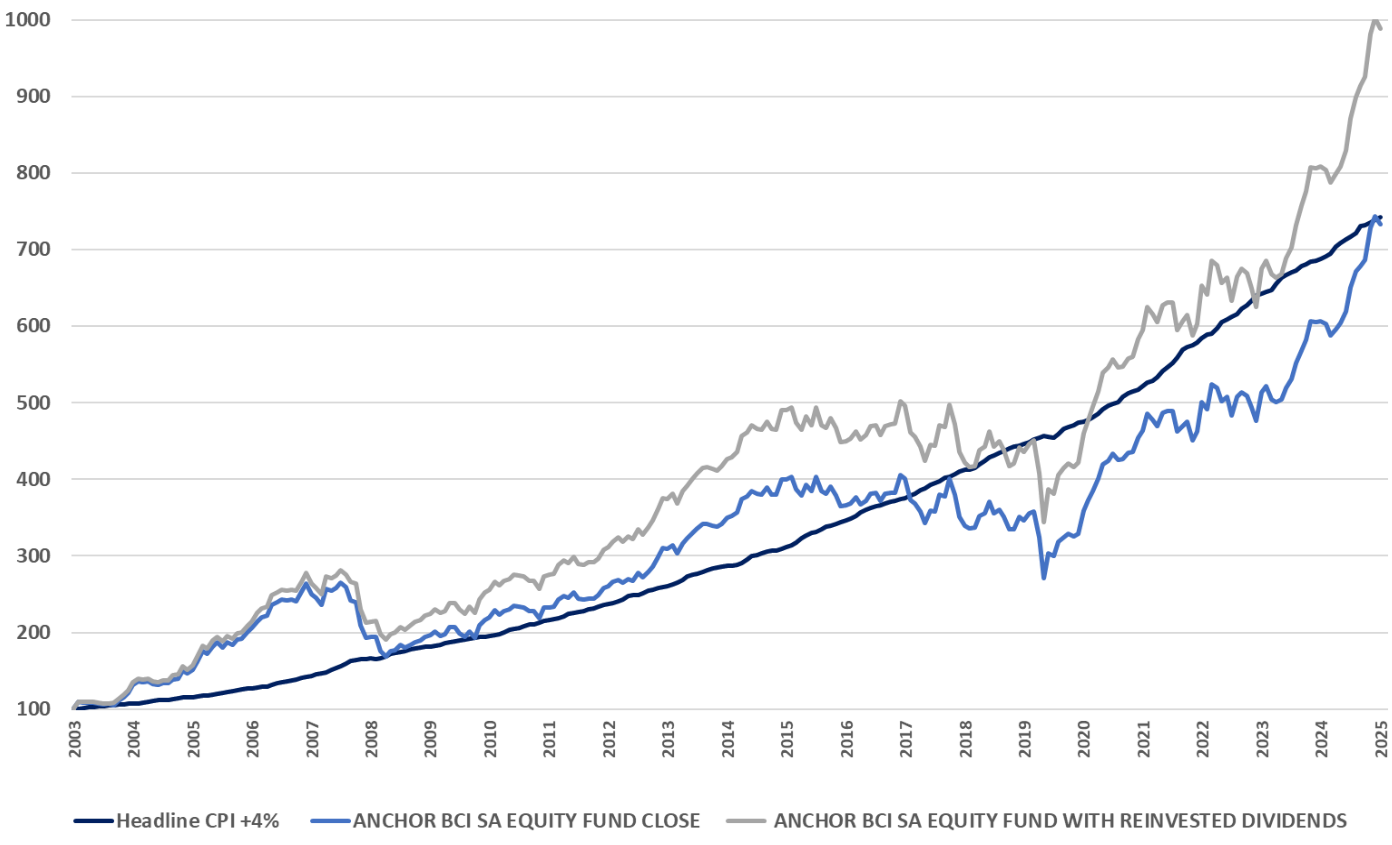
The Anchor BCI SA Equity Fund returned -1.4% in November. The fund's performance was buoyed by its meaningful exposure to precious metals miners, albeit underweight relative to the index, but was let down by its large holding of Naspers/Prosus. Another sizeable detractor was Renergen (-50% MoM), which fell heavily in sympathy with ASPI, with which it is expected to merge shortly. November saw a significant sell-off of early-stage companies associated with nuclear energy, which appears more a shift in risk appetite than linked any discernible change in company prospects. As a result, while frustrated by the volatility, we remain patient with this position.

WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

ANCHOR BCI SA EQUITY FUND

The **Anchor BCI SA Equity Fund** closed November at 733.15, down 1.43% for the month and up 20.78% for the last 12 months.

Anchor BCI SA Equity Fund



THE PSYCHOLOGY OF MONEY: CHAPTER 4 – CONFOUNDING COMPOUNDING

Warren Buffet's net worth is $84.5 billion. Of that, $84.2 billion was accumulated after his 50th birthday. $81.5 billion came after he qualified for social security, in his mid-60s. The real key to his success is that he's been a phenomenal investor for three quarters of a century. Had he started investing in his 30s and retired in his 60s, few people would have ever heard of him. There are books on economic cycles, trading strategies and sector bets. But the most powerful and important book should be called Shut Up And Wait. It's just one page with a long-term chart of economic growth. Good investing isn't necessarily about earning the highest returns, because the highest returns tend to be one-off hits that can't be repeated. It's about earning pretty good returns that you can stick with and that can be repeated for the longest period of time. That's when compounding runs wild. The below from the Federal Reserve Bank of St Louis shows the performance of US technology shares over the past 54 years.