



CLUCASGRAY

AM

ASSET MANAGEMENT

A juristic representative of ClucasGray (Pty) Ltd
An Authorised Financial Services Provider, FSP 21117

ClucasGray
Asset
Management

Commentary

March 2019



***“The greatest enemy of a good plan, is the dream of a perfect plan.”
Prussian General***

The quest for perfection can be tiresome, and in the investment industry perhaps futile. The growing passive industry seems to constantly make this point, and to be fair, it is an industry that has succeeded by producing products that are indeed “perfectly passive”. Whether that results in a desired outcome for investors is a moot point, and as ever history will ultimately be the judge. We don’t believe it is our place to comment on the merits of differing investment approaches. At ClucasGray Asset Management we are active managers who pride ourselves in our investment process, which we believe assists us in making “good” investment decisions, with the ultimate objective of delivering on our investment promise to clients.

We believe that we have the ability, by virtue of both our size and ability to leverage the collective insights of our experienced investment team, to position our portfolios to take advantage selectively of underexplored opportunities. This breadth of opportunity set, assuming investments meet our investment criteria, has the potential to produce returns that are different to the indices – certainly our portfolios differ, as one would expect of us as active managers.

Equity markets have enjoyed a strong start to 2019, with all the major JSE indices up over 4%. The standout performer has been the Resources sector which is up 11% since the beginning of the year. Our portfolios have held reasonable weightings in Resources which have broadly helped returns.

During the month, Clover announced that they had received a firm intention from an offshore lead consortium to acquire all the shares in issue at a price of R25 per share. Given the position we have steadily built up in Clover across the portfolios, it is a pleasing development both in terms of the price being offered, and an affirmation of our investment case, where we have long regarded Clover to be a business with strong brands, exceptional distribution, good management and a compelling valuation.

ClucasGray Equity & Equilibrium Funds:

Both the ClucasGray Equity and Equilibrium funds have enjoyed a strong start to the year, with the funds up 5.5% and 4.3% respectively since the beginning of January. Given the sustained period of lower nominal returns that investors have had to endure, this is indeed a welcome development. Over the last 3 years, the Equity fund is up 9.5% per annum, compared to the Swix of 6.1% and the peer group of 4%. Similarly, over the last 3 years, the Equilibrium fund has gained 7.8% per annum, ahead of inflation, and the peer group returns of 4.1%.

We are pleased to announce that ClucasGray Asset Management has been formally launched as an independent company, operating as a Juristic Representative of ClucasGray (Pty) Ltd. We invite you to view our new website www.cgam.co.za.

If there is any interest to engage, please don't hesitate to get in touch.

Regards
Andrew, Grant and Nikki

[Click here to view the February 2019 Equity Fund Factsheet](#)

[Click here to view the February 2019 Equilibrium Fund Factsheet](#)



December 2018 Quarterly

In our December 2018 quarterly, we have outlined our current view of market conditions, and how we have positioned the portfolios to take advantage of the opportunities we believe have been presented.

[Click Here to view our December 2018 Quarterly](#)

[Click Here to visit our new Website](#)

Our funds are available on the following platforms:

AIMS | Allan Gray | Glacier | Investec | Momentum
Multilect | Prescient | Prime | Stanlib

DISCLAIMER

ClucasGray Asset Management is a Juristic Representative of ClucasGray (Pty) Ltd.

Information contained herein is for information purposes only and is merely illustrative. It is not deemed as advice as defined in the Financial Advisory and Intermediary Services Act (FAIS Act). ClucasGray and its employees shall not be held responsible for any losses sustained by any person acting based on the information. Past performance of any of our portfolios is not indicative of their future performance.

Persons are advised to contact ClucasGray directly should they wish for us to conduct an analysis with a view to facilitating investing in our investment portfolios.

ClucasGray (Pty) Ltd is an independent investment management company registered in South Africa, company registration number 2005/12445/07 and authorised financial services provider under the Financial Services Board (FSB) registration number 21117. The main business of ClucasGray is the provision of investment management services to private and institutional clients.

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