

Anbro

CAPITAL INVESTMENTS

*Unicorn USD JSE/FTSE
Listed Portfolio*

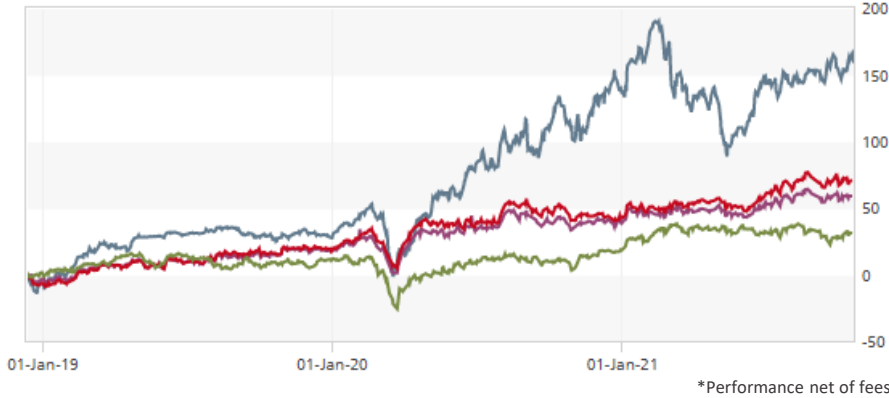


*AnBro Capital Investments
is a boutique asset management business*

creating time

PORTFOLIO PERFORMANCE

■ AnBro Unicorn ■ S&P 500 ETF ■ S&P 1200 ETF ■ Satrix 40 ETF



Performance

1 Month	0.34%
3 Month	3.36%
6 Month	13.08%
12 Month	21.48%
YTD	7.18%
Since Issue	155.15%

Highs/Lows

	Price	Date
1 Year High	291.04	12-02-2021
1 Year Low	189.62	13-05-2021
All Time High	291.04	12-02-2021
All Time Low	87.5	24-12-2018

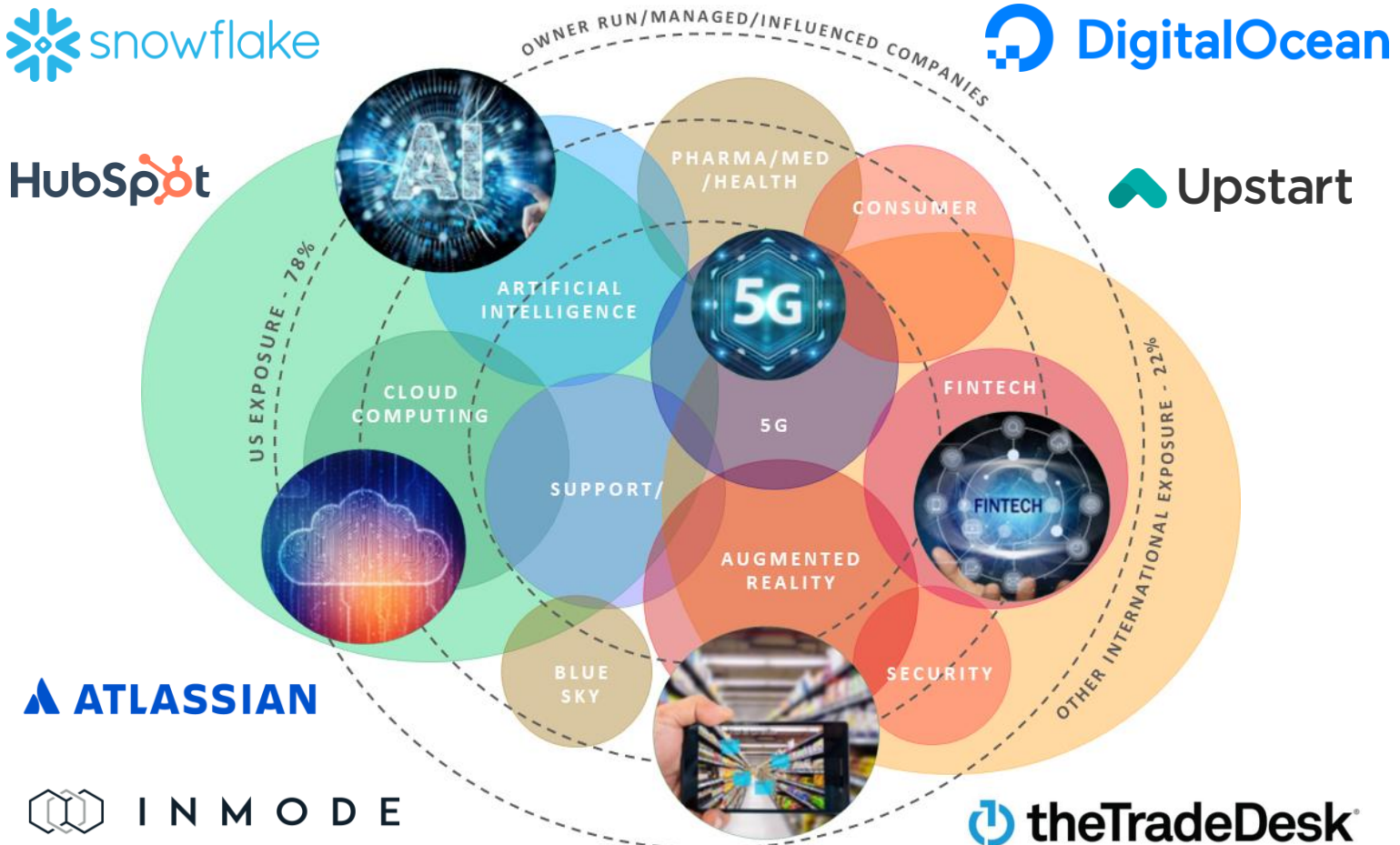
Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2021	9.82	1.97	-13.41	1.63	-10.02	17.00	-0.91	2.92	1.36				7.25
2020	10.81	0.49	-16.01	20.79	13.39	11.41	7.90	6.06	0.03	-3.62	16.37	1.00	85.05
2019	7.31	17.16	4.45	4.17	0.41	1.19	2.34	1.33	-4.57	0.94	2.62	-4.20	36.51
2018												-5.82	-5.82

AMC JSE Share Code - UABCPA
AMC ISIN - ZAE000266417

AnBro manages a similar mandate under:
Unit Trust JSE Share Code - ANGGFA
Unit Trust ISIN - ZAE000291753

PORTFOLIO COMPOSITION



At present, the portfolio is focused on a few key industries. Graphically they are presented above. *There is, of course, some overlap between companies, those that are more diversified have exposures to multiple industries. Amazon, for example, would be considered consumer and cloud, but it also has a presence in AI and 5G. ** All companies are listed in the USA, but may be domiciled elsewhere. This by default would place them in the international bucket.

The UNICORN portfolio is a diverse investment portfolio made up of high-quality growth companies which are mostly smaller by nature (market cap of below \$25bn), have larger growth opportunities and long runways to grow at above average rates for many years.

INTRODUCTION

Since our inception in 2014 **AnBro** has dedicated itself to continually trying to think out the box. We constantly look for long term investment ideas that have lots of promise and multi-year growth opportunities.

We are in the fortunate and enviable position where we can literally scout the globe for such investment ideas! Our access to world class research and analysts have allowed us to identify some of them and our goal is to understand them better, integrate this thinking into how the world is changing, how we need to adapt to these changes and perhaps most importantly, from a client perspective, how to profit from them!

BACKGROUND

Many companies start as an idea, develop into a business and then list on global stock exchanges to continue their growth profile. More often than not, these days, stock exchange listings don't occur for quite some time. This is usually because venture capital funds pour money into these ventures very early on which delays the listing process as they provide plenty growth capital for these firms.

Facebook received its first outside investment from Peter Thiel (president of Clarium Capital) in 2004. The sum was \$500,000 in exchange for 10.2% of the company. In 2005 after Facebook was on the verge of signing up its 6 millionth user, Thiel, along with Accel Partners, invested another \$12.7m into the company! At that point the implied value of Facebook was \$87.5m. Fast forward a few months to 2006 and Facebook reportedly rejected a bid by Yahoo for \$1bn. As per the definition, Facebook had become a UNICORN!

The premise of the portfolio was simple and is outlined as follows:

- INVEST IN FOUNDER RUN/MANAGED/INFLUENCED companies.
- These companies must demonstrate strong cash flush balance sheets.
- They must have large growth runways.
- They must be able to scale up significantly and grow into the markets they serve.
- Income must be recurring, margins high and CAPEX requirements light.
- Spread the investments across many different opportunities creating a truly diverse set of investments without any concentration risk.

RISKS

- **Market risk:** Markets rise and fall. If they fall this portfolio will fall.
- **Equity risk:** Shares can sometimes fall when other asset classes do not (for example: bonds & property).
- **Company risk:** By investing in a company there is always a risk the company can fail.

COMMENTARY

It's been a wonderful time to be an investor. Even more so if you're one of the many people out there that have joined us by investing in the AnBro Unicorn Portfolio. The returns have been outstanding, and we think they are far from over. I've decided to unpack the strategy a little bit more and help investors, both existing and new, better understand the portfolio that they own or perhaps would like to invest in, in future.

Management matters

The overarching investment philosophy of this portfolio is simple and uncomplicated. Let's invest in visionaries, disruptors, leaders with demonstrable skill and talent. People with honesty and integrity ingrained in their DNA. Good people that are trying to make a difference to staff, customers, communities and the planet. Let's invest in them and alongside them. Let's participate in the change the world is undergoing at, what feels like, an unprecedented rate. Let's look forward not backward and let's learn from the past but not be defined by it.

With this in mind, all the companies we own are either managed, run or greatly influenced by the founders that started them. These incredible individuals often forgo large compensation packages and short-term thinking because they are heavily invested in their own business. Their wealth is not created by a salary or a bonus but by long term capital appreciation of the sizeable shareholdings they have in the companies they founded.

We invest in people that are changing the world for the better and we win when they win. Our wealth is aligned with their wealth.

Capture the future

The world is changing faster than ever, habits are changing & lifestyles are changing. People are more self-aware. We feel more responsible for our behavior and influence in the world around us and the planet we live on. We want to do better, be better, live better. We need access to information faster than ever; we need that information and ours to be safer than ever. We want to express ourselves and our individuality, we want more time for the things that matter most to us, we want convenience, health, wealth. We embrace technology and expect it to be a pivotal part of how we live now.

Technology, healthcare, consumption

In our view, of the many mega trends that exist in the world today, 3 in particular stand out as ones which have serious ramifications on the human race and the planet. And, in a very broad sense, it's these trends that we invest in.

- **TECHNOLOGY** is without a doubt changing the world, literally by the second. It is the single biggest influencer of our time and our future. It has the grandest impact on our today and our tomorrow. It has by far the broadest most completely all-encompassing impact on our lives, whether we know it or not. The advances of it impact our 'everything' from energy, food security, education, entertainment, safety, medicine, biotechnology, business process, efficiency and everything in-between. Our reliance on it, out of either necessity and or convenience, has been laid bare in this time of lock down and COVID19.
- Whether we face further pandemics in the future or not, **HEALTHCARE**, medicine, pharma and biotechnology were already massive trends and will continue to be. Countries have varying needs. Some have young growing populations with inadequate access to medicine and healthcare, others may have older aging populations with greater requirements for healthcare. The lack of adequate healthcare, in any way or form, has a huge impact on the world every day. The cost of which is enormous for both the well-being of people living in every corner of the planet and the economies which house these people. A better quality of life for all human beings filters all the way down to economic activity and ultimately prosperity.
- People consume. Both in the literal and figurative sense. Food, clothing, energy, data, information, internet, streaming etc. The poorest countries and people crave what the first world countries and consumers take for granted like better proteins, reliable energy and cellphone signals. Wealthier countries and consumers demand better, have the means to be selective and want more diverse options. Either way we consume, and we always will. As the global population grows so will the demand for what we consume.

Many other trends exist and each of the trends mentioned above have many sub-trends. Technology is the one constant, however, which drives, ties and intertwines itself into all trends and sub-trends. The world is also at a place where the pace of technological change is finally able to keep some semblance of pace with the demands we as a human race require of it. The computing power you carry in your pocket everyday courtesy of your smartphone is superior to what was used to land people on the moon in 1969. In fact, an iPhone can do more today than IBM's Deep Blue supercomputer that beat Garry Kasparov in a historic chess showdown in 1996.

PORTFOLIO MANAGEMENT

- The portfolio was equally weighted at inception.
- Each of our ideas got the same cash allocation on day one.
- We aim to hold each stock for a minimum of five years a company's success or failure isn't defined by a calendar year or a specific 'defined' time period. To see true success, management must be given time to execute their strategy.
- We diversify... A LOT.
- We have invested in a group of 85 (and growing) potentially world changing companies across multiple industries and technologies
- This is a global portfolio with exposure across the world from the USA to China
- We invest in tranches, not all at once. This allows us to use our cash balance to add to winners AND to bring new companies into the portfolio as and when we find them.

PORTFOLIO OPPORTUNITIES

- This portfolio is actively looking for disruptors.
- Entrepreneurs that are trying to change the world by changing the way an old industry functions or creating a new industry altogether.
 - > This is a USD denominated portfolio, listed on the JSE - Share Code: **UABCPA**.
 - > Although you buy in ZAR you invest in USD.
 - > For a relatively small sum you can buy an entire portfolio of next generation companies.
 - > These companies are growing rapidly, far faster than Global GDP.

They should also be 'recession resistant' by virtue of their disruptor status. The companies are small relative to the opportunities and markets they are pursuing. As a result they should be able to continue to grow in most economic environments.

FEES AND EXPENSES (%)

Total Investment Charge***	1.95
Total Expense Ratio	0.00
UBS/ABSA Platform Fee (excl. VAT)	0.60
Annual Management Fee (excl. VAT)	1.35
Performance Fees	0.00

CONTACT DETAILS

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CONSTRUCTION

With these chosen megatrends in mind we have selected a group of companies which we believe are best positioned to thrive in such environments. The list of investments included grows regularly as new ideas come across our desk and pique our interest.

All the companies we invest in are considered wonderful opportunities when we invest in them. Over time they diverge as can be expected and we begin to see some separate themselves from the group. When this happens, over time they are then broken down into different categories.

High Conviction

As time passes, we are able to see which of our investments show signs of sticking out as their business model gains traction and acceptance. Those investments are allowed to flourish, we add to them over time in order to capture this success. Once you identify a real winner you want to back it.

Medium Conviction

Those that take longer to mature or show clear signs of disruption and success are given more time. They may not be the types of companies that double or triple in value, however, we have still seen excellent returns from them, oftentimes still outperforming the broader market. We leave them and allow management the time to deliver. Our holding period is 5 years. Anything less than that we consider 'speculation'.

Blue Sky

Some companies come with the potential for extreme upside. At the same time, they may have larger risks than other companies. Perhaps competition is more apparent or the product they have is still not proven or the industry is nascent. This tends to include companies that are developing entirely new technologies or medicines/vaccines. In these instances, we may want to participate in the potential for an earth changing idea, but not risk much capital. Here, we invest in a larger number of companies but with smaller initial allocations of capital. As time passes the aim is that they move into the high conviction space where more capital can be allocated later.

Selling

We are long term investors and so don't make selling decisions lightly. Nevertheless, there may be some circumstances where we would sell, and they include the following:

- **Better opportunities for our capital if we are short of cash.** Where the portfolios cash resources are low, we may choose to sell something if we have a better idea or company to invest in. We will very rarely use our best performing companies as a source of funding, however, as we prefer to let our best ideas run for years and years. Selling is likely to come from the underperforming part of our portfolio.
- **Change in thesis.** If there is a sudden shift in management or business model or perhaps an accounting irregularity occurs, for example. This may give us reason to exit an investment.
- **Reweighting.** As a rule, this is not a guide to our portfolio management strategy, however, if a position size becomes too large as a result of significant company outperformance and the size of the position is leading to some discomfort we may decide to prune back to a more 'manageable' exposure.
- **If any position keeps us 'awake at night'.** It becomes a candidate for sale.