

Blog 035 – Patience

**Market Overview**

The current market is characterised by political uncertainty and multiple global economic issues. The main issues affecting the South African market are Rand volatility, emerging market woes and political and policy uncertainty.

The Rand has weakened significantly against the major currencies (-19.4% YTD against the USD) benefiting South African investors invested in developed offshore markets. The Nasdaq market has shown sharp increases year-to-date (+17.5%), with the JSE All Share Index marginally down year-to-date (-1.4%).

**Key Indicators**

	31 Aug '18	31 Jul '18	31 Dec '17
JSE ALSI	58 669	57 433	59 505
Nasdaq	8 110	7 672	6 903
USD/ZAR	14.75	13.14	12.35
LBWFA*	119.66	109.37	108.54

\* Lunar BCI Worldwide Flexible Fund

**Portfolio Overview**

The portfolio performed well in August, benefitting from the good results from FirstRand and Discovery locally and from Amazon and Nvidia offshore. Rand weakness also had a positive impact on the portfolio. Aspen also had a good run in August (but sharply down in September after unimpressive results).

Approximately 38% of the portfolio is offshore. 16% of the portfolio is in Cash; 30.6% is in the Technology sector; 18.7% in Financials; and 17.1% in Biotechnology.

We continually seek opportunities in our preferred investment themes to deploy our cash, but remain patient until the right opportunities present themselves.

**Top 10 Holdings**



**Thought for the Day: Patience**

*“The stock market is a device for transferring money from the patient to the impatient” Warren Buffett.*

The South African stock market is certainly testing the patience of investors in the local market. A strategy of regular (monthly) investments in good quality investments generally pays off well over the long-term. There is a lot of noise on a daily basis that can really mess with an investor’s mind. Typically, when sentiments are low, stocks are cheap and vice versa. Unfortunately, stock prices can remain high or low for extended periods of time truly testing the patience of investors. Investors are tested further, when a correction does occur, as these can be quite sharp rises or falls in the stock market.

The patient investor who has a regular investment in good quality businesses, who ignores daily gyrations in the markets will generally do well over the long-term.

**Transact Online**

Clients invested in the Lunar BCI Worldwide Fund can obtain statements, tax certificates or transact online at: <https://www.bci-transact.co.za/Webclient/Login>

Investors considering an investment in the Lunar BCI Worldwide Flexible Fund can obtain more information at [www.lunarcapital.co.za](http://www.lunarcapital.co.za) and obtain application forms at <https://www.lunarcapital.co.za/forms/>

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