

Resilient hopes sell-off will end now it is not a target

By [Alistair Anderson](#)

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Resilient CEO Des de Beer says the group and its partners are hopeful that the "hysterical" selloff of its shares will stop now that US research house Viceroy has targeted another firm in its second report on a South African company.



Viceroy followed a damning report about Steinhoff International in 2017 with one about banking group Capitec on Tuesday, 30 January. For three weeks, there have been sporadic sell-offs of shares in Resilient, Greenbay Properties, Nepi Rockcastle and Fortress Income Fund. All of these groups form part of the Resilient stable of companies.

The rumours about Resilient and its associate companies being a target of Viceroy had placed significant strain on the share prices that market players, not the Resilient management, could reverse. De Beer, who spoke on Tuesday following a Resilient presentation on its results for the six months to December said: "It is not our job to manage the market. We will continue to focus on providing our shareholders with consistent returns as we manage our assets here and abroad."

The Resilient stable had been intensely scrutinised by fund managers since the sell-down in shares began, De Beer said. This had highlighted "just how transparent and accessible to analysts and commentators" the grouping was, he said.

"We couldn't be more transparent. We aim to follow through with what we have done at Resilient and the other companies for years as we reward shareholders," he said.

De Beer said Resilient itself, which was the original member of the stable, wanted to invest more in SA in 2018, having completed more of its recent acquisitions abroad. "There are opportunities in SA. The politics are changing but we won't rush into any deal. We have too much cash, which is a drag but we will be careful with how we use that cash," he said.

Keillen Ndlovu, Stanlib's head of listed property funds, said there could still be share price volatility in the Resilient group of companies for some time before it settled.

"The share price volatility is likely to get better but may not go away overnight. The market is also looking forward to Fortress's and Nepi Rockcastle's next set of results," he said.

Stanlib would invest in property stocks such as Resilient based on facts, not speculation. Viceroy had not presented any facts against an investment case for Resilient, he said.

"We have used the opportunity to selectively buy property stocks, including [in] the Resilient stable, at lower levels," Ndlovu said.

Source: Business Day

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