

News and Review

Volume 22 – July 2021

Dear Investor

Protection of your personal information

Last quarter's newsletter focused on the Protection of Personal Information Act, 4 of 2013 ("POPIA"), which was due to come into effect on the 1st of July. This date has come and gone.

Most of us have been bombarded with POPIA disclaimers from all corners of the country, which just goes to show the extent to which third parties have access to your personal information. Are you clear on your rights as the 'data subject'?

Rights of data subjects

As a data subject, you have the right to:

1. request that we confirm, free of charge, whether or not we hold personal information about you;
2. request that we provide you with a description of the personal information we hold about you, and to explain why and how it is being processed;
3. request us to delete your personal information that is inaccurate, irrelevant or out of date;
4. request that we consider your objections to the processing of your personal information;
5. object to the processing of your personal information for marketing purposes; and

6. lodge a complaint with the Information Regulator.

If you require further information regarding these rights, or if for any reason think that your information is not processed in a correct manner, or that your information is being used for a purpose other than that for what it was originally intended, you can contact our Information Officer. You can request access to the information we hold about you at any time and if you think that we have outdated information, please request us to update or correct it.

IFM Information Officer contact details

Information Officer: Mark Baisley
Deputy Information Officers: Curtis McBride and Boitshwarelo Galorale
Email address: iofficer@aospartner.com

Information Regulator contact details

In the event that your personal information has not been processed in accordance with POPIA, you have the right to lodge a complaint with the Information Regulator.

For further information, please go to the Information Regulator's website (<https://www.justice.gov.za/inforeg/index.html>), or alternatively, please send an email to complaints.IR@justice.gov.za.

Analysis of the Portfolios

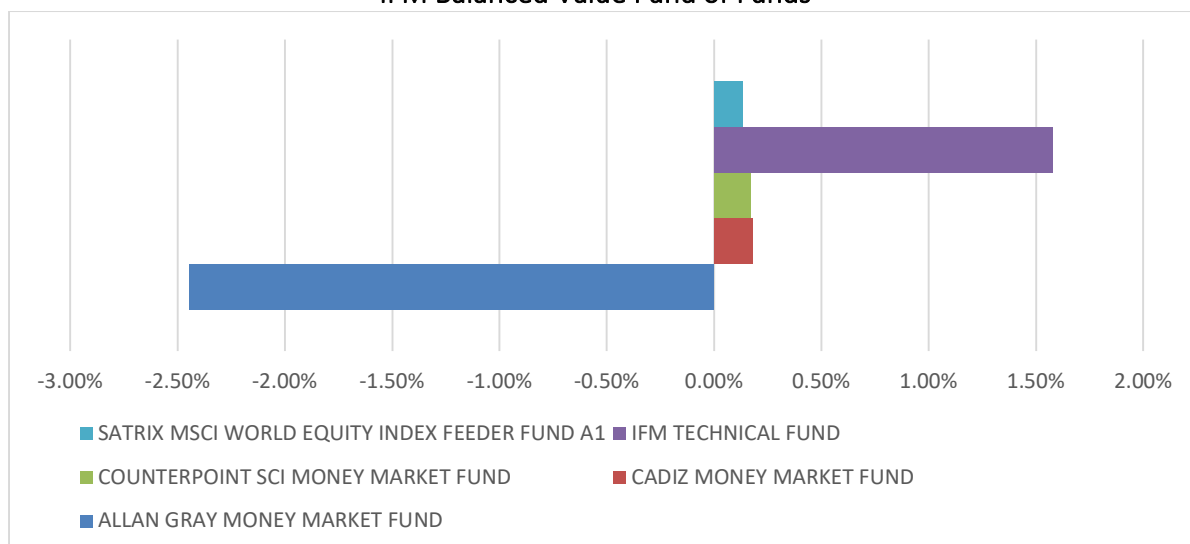
As part of the regulations that govern financial institutions, a manager must publish on its website each calendar quarter a general investor report that details an analysis of the portfolio with reference to the extent to which it has, or has not, adhered to its policy objective. We can report that for the quarter ending 30 June 2021, the following two portfolios have adhered to their respective policy objectives:

IFM Balanced Value Fund of Funds with the objective of prudential asset allocation and being a medium equity fund to secure balance between capital growth and income.

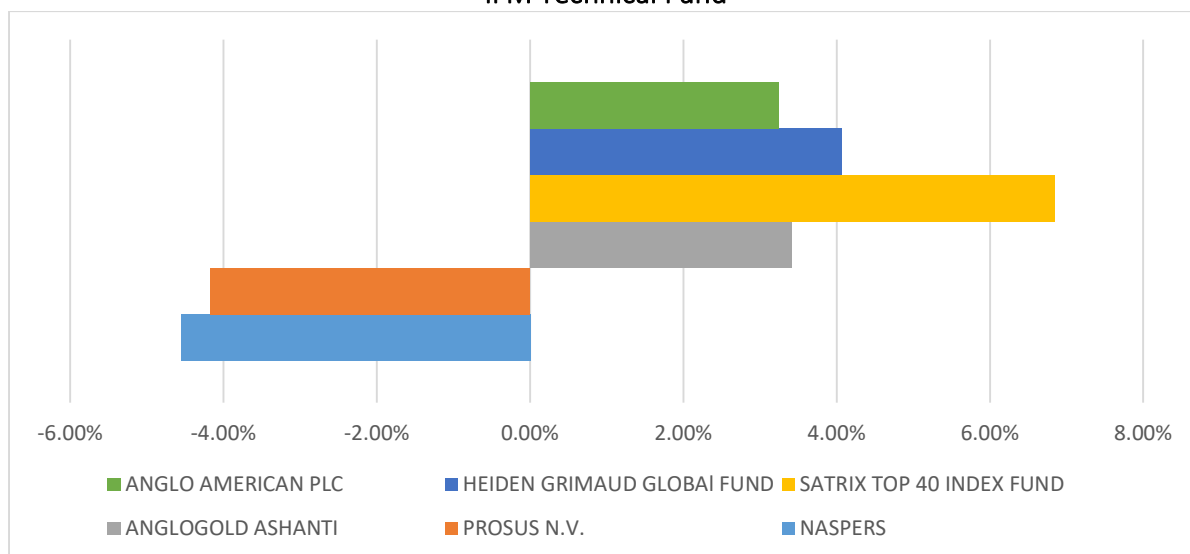
IFM Technical Fund with the objective of being a general domestic equity fund where investment decisions are based on technical analysis.

Herewith an illustration of the changes in holdings due to shares bought and sold, as well as market movement. Please note that this is not a reflection of the performance of these investments.

IFM Balanced Value Fund of Funds



IFM Technical Fund



News from our Fund Manager

Dear Investor

As South Africa is struggling with our next wave of Covid-19 infections, it is interesting to hear how China is doing following their successful campaign to keep the virus under control. An impressive combination of controls, discipline and the power of a central control system, especially considering how densely China is populated. The following is an unbiased report on the situation as seen through the eyes of our own analyst in Beijing, China.

The coming and going of COVID in China

*By David Bradfield (Our analyst in Beijing)
(19 July 2021)*

The Chinese economy has reaped all the benefits of a hardline COVID approach. Exports have blossomed from repeated lockdowns across the world. And even though some industries have suffered, it is but a drop in the ocean compared to the rest of China's economy. Travel within China has also returned to a relative normal.

How China handled COVID gives insight into how its government, economy and people operate. The infected % of the population is a reliable indicator to gauge the success of how a country handled the virus.

Some may assume the 92,246 infected in China may be an input error on my side. I can assure you it's not. You may be cynical that the data is not trustworthy, and I would also be cynical if I did not live here.

SO, how was it done? Why was China able to throttle case numbers when even its great peers like America, Germany, and Japan could not?

China's success is owed to the fact that its government was able to be swift and strict and its people were obedient. They followed a common-sense approach. Strict lockdowns when outbreaks occurred. Strict quarantine rules for travelers from abroad and even within the country (when the data warranted).

When the virus mutated a longer incubation period, China reacted quickly and imposed a 14+7-day quarantine. They also have a mobile application that is used all across the country to assess whether someone has been to a 'high risk area'. A bit Orwellian, but it serves its purpose. You cannot enter a building without it.

	China	America	Japan	Germany
Population Size	1,400,000,000	330,000,000	126,000,000	83,000,000
Total Infected*	92,246	34,000,000	839,000	3,750,000
Infected % of Population	0.0065%	10.3%	0.67%	4.518%

*Total to date 18 July 2021 according to data from Google.

When a case does leak from quarantine, (which is an unlikely possibility but where there is a possibility and a high frequency then an event is most likely to occur), and the virus spreads into the city they test the entire city. Cities in China can have populations the size of some European countries. Beijing itself has a population of 21 million! That's the population of Belgium and Portugal combined!

The government quickly understood what had to be done to control the virus, learned from any mistakes it made along the way and acted ruthlessly. Had they not acted the way they did, the cost to such a densely populated country would have been great. The cost to the world's economy would have been many folds greater than it was. Supply chains are struggling currently, imagine if the world's largest exporter was drastically affected.

Through the virus, China has been able to prove that its centralized planning approach has merit. In cases of crises, governments need to be able to act without deliberation and for the long-term future of greater China this is a real benefit.

For the short to medium-term, investors may also need to learn the hard way that a government that can act so quickly does not lead to a very stable marketplace. Entire industries that have been built up over many years and through much foreign investment, can disappear seemingly in the space of a few months. A recent example is the government's closer look and control of the online education sector.

Kind regards

Chris Meyer

Managing Director – Heiden Grimaud Asset Management



Enquiries regarding your investments

As always, we would like to invite you to contact us via the below channels to address any queries or complaints you may have regarding your investment.

- All **administrative enquiries**, for example a request of statement or balance of investment, redemption request, update of contact details, enquiries regarding FICA or assistance required to log onto the online Connect system is handled by Itransact Fund Managers.

☎ 0861 116 075

✉ admin@itransactfm.co.za

- All **investment specific or portfolio enquiries** are handled by Heiden Grimaud Asset Management.

☎ 0861 378 378

✉ investments@heidengrimaud.co.za

- All **Heiden Grimaud Global Fund** enquiries are handled directly by the Heiden Grimaud Group International Network. Their contact details are:

☎ +27 12 743 6437 (South Africa),

☎ +353 1 254 9406 (Ireland) or

☎ +32 468 280463 (Belgium)

✉ investments@heidengrimaud.com