



News and Review

Volume Thirteen - April 2019

Dear Investor

The saying goes: “If you can’t beat them, join them”.

I am referring specifically to the **rich families** out there. Think Oppenheimer’s, Warren Buffet, Rupert’s, Bill Gates, Jeff Bezos and many more. We can all **join** these talented, smart, clever dealmakers as their **business partners**. This is not a secret club that I am proposing we join.

All of these families have most of their **wealth invested in listed companies**. It is up to us to make the decision to co-invest our own funds with them. The most fantastic part is that we become the silent partners. These families are out there **working for us**. Naturally they also make mistakes along the way, lose money. However, they tend to fix the problem areas and continue forward.

In addition, we have a further tool to use to limit our losses. As your asset manager we also **use diversification of the portfolio** so that your own losses are limited, in case one of these companies that we are invested in, do make a mistake. In the long run you enjoy exactly the same returns on your money as they do.

Making money is however a slow process. These families take generations to build their wealth and so should we. Investment is a long-term activity. Short term share price movements should be disregarded, except to be used to buy additional shares should prices drop below good values.

Our portfolio returns are once again **improving in absolute and relative terms**. In particular, our IFM Technical Fund and IFM Balanced Value Fund of Funds are again starting to gain momentum with strong and steady positive returns. During the first 3 months of 2019 the **IFM Technical Fund returned 7.61%** and the **IFM Balanced Value Fund of Funds returned 7.78%**.

For those investors invested in the IFM Technical Fund, it is noteworthy that the **Heiden Grimaud Global Fund** returned **11.63% in Euro terms** during the same period. In Rand currency terms the return of this international fund was 8.77%.

Itransact Fund Managers (RF) (Pty) Ltd
15 Philips Street, Ferndale, Randburg, South Africa, 2194 | PO Box 4769, Randburg, South Africa, 2125
Tel: 0861 11 60 75 | Fax: 011 561 6812
Company Registration Number: 1999/012170/07
Directors: CM Gill [Managing], JF Zwarts [Chairman], MR Baisley, TC Meyer, J Solms
Fund Manager: Heiden Grimaud Asset Management (Pty) Ltd (FSP 596)

During our early 2019 portfolio re-balancing (January and February) we **diversified** all the investment portfolios **much wider** than ever before. This was done to enhance the risk limiting benefits achieved through diversification. We stay cautious but also noticed that the major central banks have slowed down on their talk of interest rate increases and slowed down on their quantitative easing withdrawal.

We remain invested in Rand hedge investments as well as directly into the Heiden Grimaud Global Fund.

Kind regards

Chris Meyer
Managing Director – Heiden Grimaud Asset Management



1. 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 31 March 2019, the following two portfolios have adhered to their respective policy objectives:

- **IFM Technical Fund** with the objective of being a general domestic equity fund where investment decisions are based on technical analysis.
- **IFM Balanced Value Fund of Funds** with the objectives of prudential asset allocation and being a medium equity fund to secure balance between capital growth and income.

Herewith a summary of the analysis of the respective portfolios for this quarter.

Portfolio	Analysis
IFM Technical Fund	<p><u>January:</u></p> <ul style="list-style-type: none"> • Cash decreased to rectify previous breach of cash holding. • Added holding of Aspen Pharmacare Holdings; Investec PLC; NASPERS & Old Mutual. • Increased holding of Aspen Pharmacare Holdings; Brait SA; British American Tobacco PLC; Compagnie Financiere Richemont SA; Mondi PLC; NASPERS & Remgro. • Decreased holding of Indequity Group. <p><u>February:</u></p> <ul style="list-style-type: none"> • Increased holding of Anglo American PLC; BHP Group PLC; Compagnie Financiere Richemont SA; NASPERS; Nictus & SASOL. • Added holding of ABSA Group; Anglogold Ashanti; Nedbank Group; SASOL; Shoprite Holdings & Standard Bank Group. • Decreased holding of Brait SA. <p><u>March:</u></p> <ul style="list-style-type: none"> • Decreased holding of Anchor Group Limited & Peregrine Holdings. • Removed holding of Glencore Xstrata PLC & Quilter PLC. • Increased holding of Aspen Pharmacare Holdings.
IFM Balanced Value Fund of Funds	<p><u>January:</u></p> <ul style="list-style-type: none"> • Increased holding of Allan Gray Money Market Fund & Technical Fund.

	<ul style="list-style-type: none"> • Decreased holding of SATRIX MSCI World Equity Index Feeder Fund. • Added holding of SATRIX Equally Weighted Top 40 Index Fund A1. <p><u>February:</u></p> <ul style="list-style-type: none"> • Decreased holding of SATRIX Equally Weighted Top 40 Index Fund A1 & Technical Fund. • Increased holding of Allan Gray Money Market Fund. <p><u>March:</u></p> <ul style="list-style-type: none"> • Decreased holding of SATRIX Equally Weighted Top 40 Index Fund A1. • Increased holding of Allan Gray Money Market Fund.
--	--

2. Enquiries regarding your investments

Should you have any enquiries regarding your investments, please direct it as follows:

- 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 IFM Connect system is handled by Itransact Fund Managers. The telephone number is 0861 116 075, and the email is admin@itransactfm.co.za.
- All **investment specific or portfolio enquiries** are handled by Heiden Grimaud Asset Management. The telephone number for the fund is 0861 378 378, and the email is 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) and
 - the email is investments@heidengrimaud.com.

You are welcome to contact us directly should you have any specific questions relating to your South African and/or International investment portfolios, their risk profiles and returns.