

News and Review

Volume 21 – April 2021

Dear Investor

Protection of your personal information

If you have been a victim of identity theft, or been spammed by telemarketers, you must have wondered, “Where or how did these people get hold of my personal information?”.

Personal data has been described as the “new oil” that will drive the economy of tomorrow. Unfortunately, in many circles it is treated as a commodity rather than a precious resource, and as such, criminals are always looking for ways of obtaining personal data.

As an investor, we understand that you want the assurance that any personal information you disclose to us, is protected. The Protection of Personal Information Act, 4 of 2013 (“POPIA”) was promulgated almost a year ago and all responsible entities are required to comply with the regulations as from the 1st of July 2021. POPIA gives effect to your constitutional right to privacy.

How will POPIA impact you?

1. Any statement or document sent electronically by IFM, containing your personal information, will be encrypted and password protected.

Your password will always be your South African ID number, or entity registration number.

2. IFM may not contact you, whether it be by post, electronically or by phone, unless we have obtained your consent to do so. This does however exclude mandatory contact as defined by the Collective Investment Schemes Control Act, the Financial Intelligence Centre Act, and any other legislation IFM is required to adhere to. IFM will therefore continue to send you your quarterly statement and newsletter, contact you when your FICA documents expire, etc.

IFM only requires and records personal information that is either required to fulfill its legal obligations, or that is required for the efficient administration of your account.

We would also like to provide you with the comfort that your information is protected through multiple layers of security. Our Administrator is ISO/IEC 27001:2013 certified, which is an international Information Security Management System certification.

Please do not hesitate to contact us on 0861 116 075 or admin@itransactfm.co.za, should you have any questions or require assistance, in this regard.

Analysis of the Portfolios

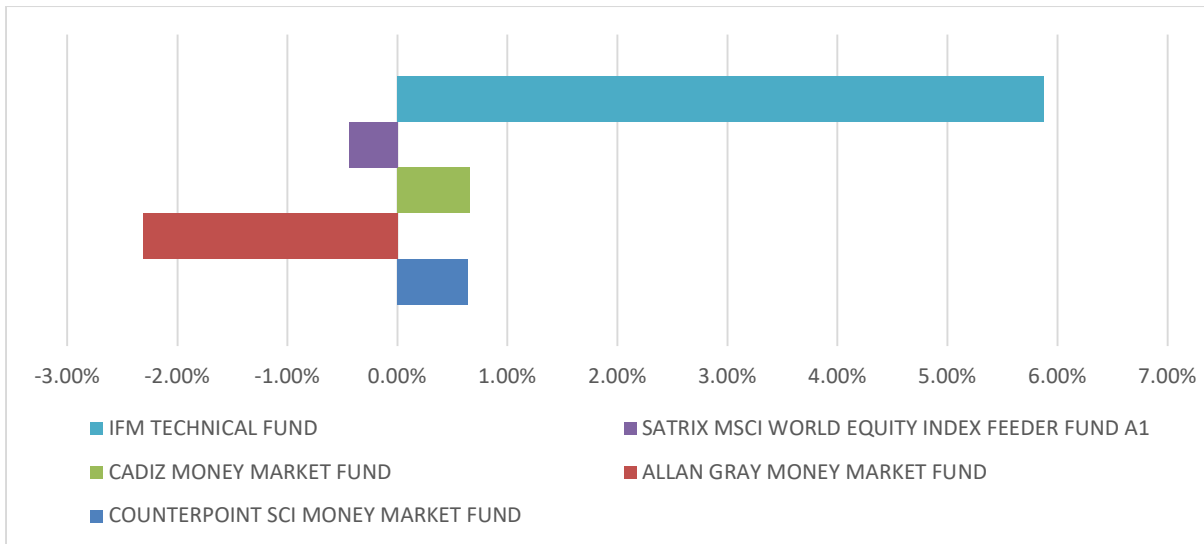
As part of the regulations that govern financial institutions, a manager must publish on its website each calendar quarter a general investor report that details an analysis of the portfolio with reference to the extent to which it has, or has not, adhered to its policy objective. We can report that for the quarter ending 31 March 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.

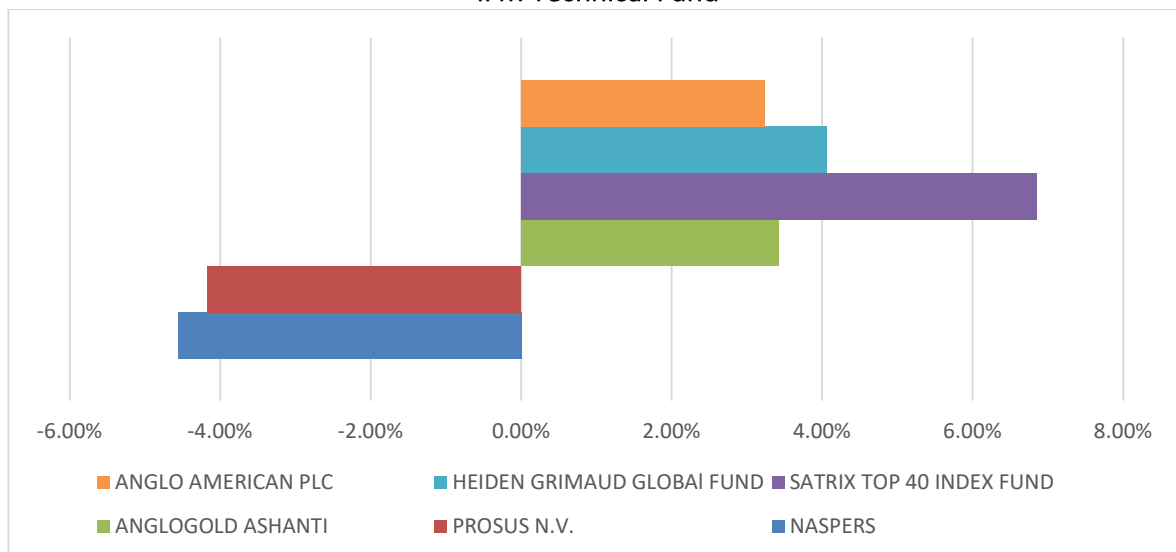
IFM Technical Fund with the objective of being a general domestic equity fund where investment decisions are based on technical analysis.

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

Why do experienced investors and investment managers always refer to long-term focus when they discuss investment strategies?

I touch on this subject following some big price movements on two important shares on our South African stock exchange. I refer to the large price movements of Naspers and Prosus on Wednesday, 7 April. They were down between 3 and 5 % following news that they (Prosus) would be selling some (only 2%) of their holdings in the Chinese IT company, Tencent.

The short answer for the long-term focus is that the price of shares (this also then refers to your own investment account) is completely unpredictable over the short-term, at times even irrational. Main reason being that over the short-term you have all the human emotions coming into play. People get scared, greedy or just follow the general direction of the crowd (herd effect). We all know that it is really difficult to “read” another individual's motivation for acting in a specific way. For this reason, we find shares such as Naspers and Prosus moving up or down in price on a single day by relatively large percentages without real underlying fundamental reasons. If you logically think about it, how can these really big companies, within a period of 24 hours become worth more or less by those percentages. Over the long-term the liquidation of the 2% shareholding in Tencent, could either be a good strategy or a bad strategy by the Prosus management. After all

they will do something with the cash that they will receive from this sale.

It is only the human emotion factor that drive these kind of crazy price movements. We know that we are not able to accurately and consistently predict these type of price movements. Our focus therefor remains on evaluating the economic and company information available with a view to determine the likely long-term outcome of the current situations on hand. Long-term is the only true period to consider when dealing with investments.

Investment Markets

Where does it leave our clients? We continue to diversify your portfolio across a wide range of companies and countries (naturally also a small percentage invested into Naspers, Prosus and Tencent). We continue to invest the maximum allowed levels outside South Africa.

We continue to be cautious with the portfolio's assets. However, we currently do have a low cash component in the portfolios. What drives this house view to stay invested in shares is the exponentially high levels of liquidity being pumped into the world economies by governments and central banks all over the world. In the long run this will cause higher inflation and other challenging situations but is currently also driving share valuations higher. We invest as far as possible in Rand hedge

equities and directly into international investments.

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