

News and Review

Volume 25 – April 2022

Dear Investor

It has been just over two years since Covid-19 was first identified. We would like to believe that we have started the transition into a post-pandemic world, or at least the hope that any new variants can be treated the same as the annual bout of flu infections.

But just as we are about to breathe a sigh of relieve, the sickening scenes of mass graves and murdered civilians in Ukraine have jolted us back to some of humanity's cruelest outrages.

We, as South Africans, take comfort in the fact that Russia and the Ukraine are geographically far removed from us, and that we are untouched by the war that is taking place. The same can unfortunately not be said for the impact to our investments.

The world is a global village where investments are concerned, and with the ability to invest in global products with exposure to most of the economies of the world, comes higher risk. Fortunately, due to the level of diversification and risk management employed by IFM's fund managers, the exposure to Russian instruments were minimal, with an immaterial impact to our funds and to you, our investor.

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

Analysis of the Portfolios

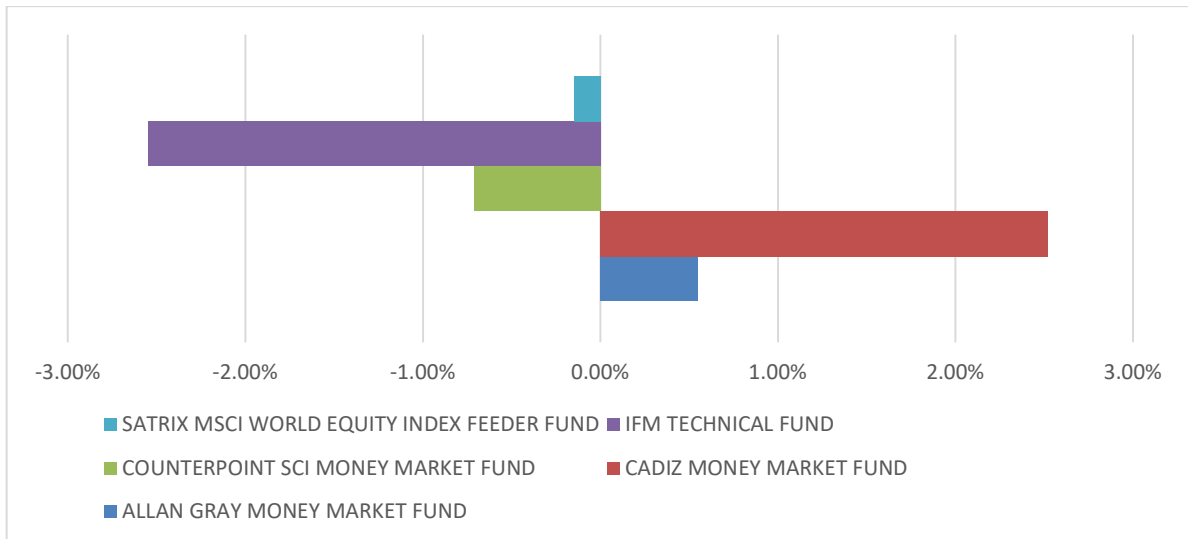
As part of the regulations that govern financial institutions, a manager must publish on its website each calendar quarter a general investor report that details an analysis of the portfolio with reference to the extent to which it has, or has not, adhered to its policy objective. We can report that for the quarter ending 31 March 2022, 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.

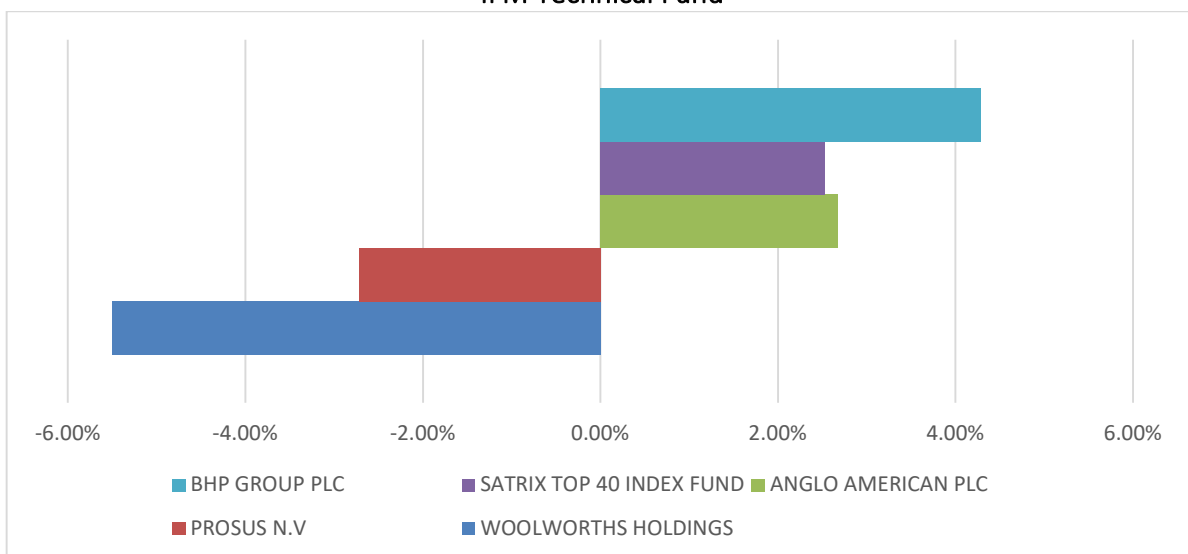
IFM Technical Fund with the objective of being a general domestic equity fund where investment decisions are based on technical analysis.

During the previous quarter the Manager bought and sold some shares and investments. Herewith an illustration of the changes in holdings as a result of this. 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

After the 2008 global financial crisis, international economies have grown, the world became more globalized and the stock market performed well with the help of ever lower interest rates. Things look a bit different at present; inflation is rearing its ugly head, interest rates are rising and the world is quickly becoming more fragmented, and this is making us very excited.

We believe the changing world economy will bring about some great opportunities to generate wealth for the long-term investor. We are finding excellent businesses that have been overlooked by the market and we are also seeing great international companies starting to trade close to bargain prices. We are excited to be entering into a market that is displaying a bit more volatility, and you should be too, for it gives us a chance to become owners of great businesses that will be around forever, and at decent prices.

As mentioned above, we are also seeing higher inflation and the consequences of higher inflation in the economy. The New York Fed recently released a [report](#) showing that households expect rent prices to increase by 11.5% over the next 12 months. This is unheard of given that the United States' Monetary Policy aims for 2% inflation.

South Africa has been somewhat guarded against the higher inflation we have seen abroad, and the Rand has shown resilience – thanks to increased commodity prices.

But South Africa is also a net importer of crude petroleum. Energy, in all its forms, are at prices well above what we have seen in previous years and we expect to see some weakness in the rand, and increases in inflation on par with what we are seeing abroad.

We continue to adhere to our principles, which is to find great businesses with great prospects at decent prices and hold them for the long-run. We only deploy capital in companies we believe to have outstanding risk/reward metrics.

Kind regards

David Bradfield

Global Investment Officer – Heiden Grimaud
Asset Management

