

## News and Review

Volume 28 – January 2023

Dear Investor

As has become the custom, we start the year off with the usual regulatory housekeeping.

### Updating your contact details

We would like to remind you that you are obligated to inform IFM when your contact details change.

If we are unable to make contact with you for a period of 6 months, our Untraceable Investor Policy will apply. Your units will be blocked, and all further transacting will be terminated. Should there be any need for IFM to employ the services of a tracing agent, any fees associated with this service will be for your account.

If your contact details have changed, the process to have your details updated, as well as the form to complete, is available on our website ([www.itransactfm.co.za](http://www.itransactfm.co.za)).

### Protection of your personal information

The privacy of your information is important to us and we are committed to safeguarding and processing your information in a lawful manner.

IFM will only request and maintain any of your personal information in order to comply with any legal and regulatory requirements.

If for any reason you 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You can request information we hold about you at any time and if you think that we have outdated information, please request us to update or correct it.

### Information Officer contact details

Information Officer: Mark Baisley  
Deputy Information Officer 1: Curtis McBride  
Deputy Information Officer 2: Boitshwarelo Galorale  
Phone number: 011 561 6600  
Fax number: 011 388 1182  
Email address: [iofficer@aospartner.com](mailto:iofficer@aospartner.com)  
Physical address: 15 Philips Street, Ferndale, Randburg, 2194  
Postal address: PO Box 4769, Randburg, 2125  
Website: [www.itransactfm.co.za](http://www.itransactfm.co.za)

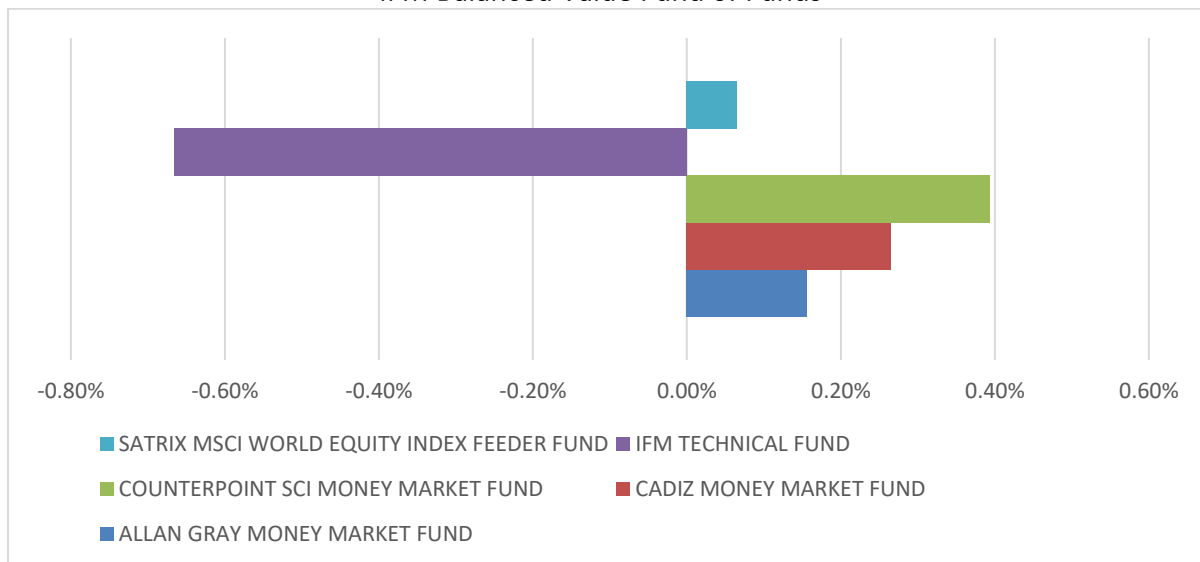
## Analysis of the Portfolios

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 31 December 2022, the following two portfolios have adhered to their respective policy objectives:

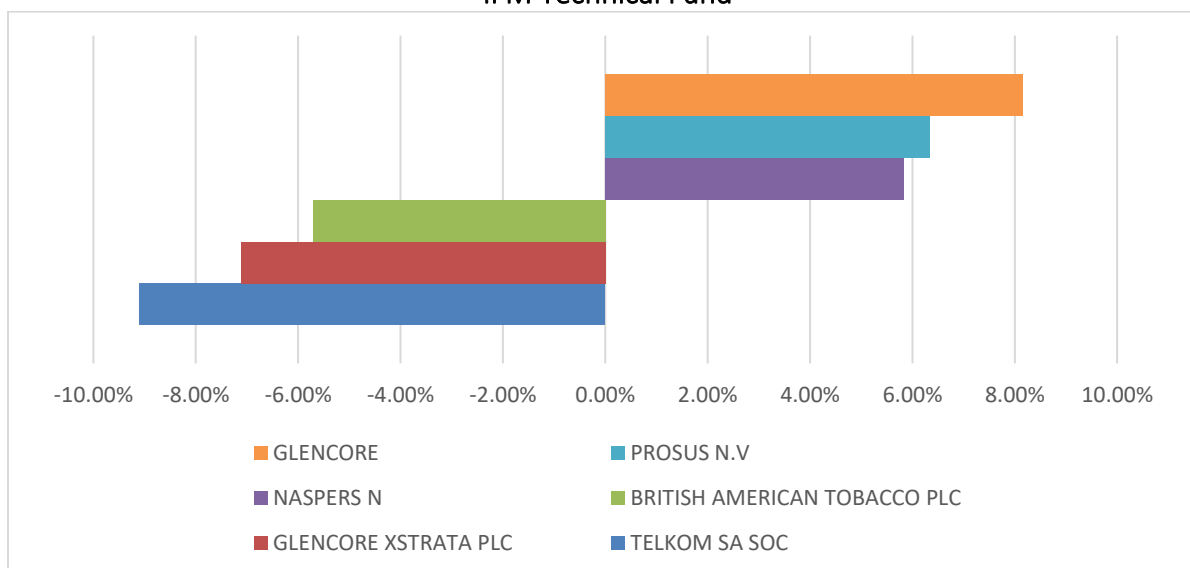
**IFM Balanced Value Fund of Funds** with the objective of prudential asset allocation and being a medium equity fund to secure balance between capital growth and income. **IFM Technical Fund** with the objective of being a general domestic equity fund where investment decisions are based on technical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

### Could China be the next big opportunity?

Each year we start with the feeling that last year was not perfect and that the next year will be better. In the investment world this is not always the case. The combination of higher interest rates and inflation that seemed to be out of control caused distress within the global economy. Nobody was spared.

Even though we saw a nice rebound in the markets during the past few months (the South Africa Top40 was up by 27% from the October 2022 low) it is definitely too early to bring out the champagne. We must continue to be cautious and patient as the recovery will continue to be volatile and slow.

Our firm continues to look wider than just South Africa for investment opportunities. We are strong believers that as part of normal risk management, all investors in South Africa need to diversify aggressively outside the South African market.

We have held this belief for more than 10 years and the results prove that it is still the best possible investment strategy. The following table shows that by investing in the US over the past 10 years investors would have achieved an extra 10,8% return each year! (20,7% minus 9,9%). The UK didn't fare that well and was on par with the South African returns. Investing in the MSCI world market would have also produced exceptional returns.

<b>Returns in US Dollar</b>	5 Year return	10 Year return
JSE All Share (Fortunately this includes big companies that are also Rand hedge shares such as Naspers)	1,3%	2,5%
S&P 500 Index (Biggest USA companies)	9,4%	12,6%
FTSE 100 Index (Biggest UK companies)	1,0%	3,3%
MSCI World Index (A portfolio of global companies)	6,7%	9,5%
<b>Returns in South African Rand</b>		
JSE All Share (Fortunately this includes big companies that are also Rand hedge shares such as Naspers)	7,8%	9,9%
S&P 500 Index (Biggest USA companies)	14,3%	20,7%
FTSE 100 Index (Biggest UK companies)	6,5%	10,7%
MSCI World Index (A portfolio of global companies)	11,6%	17,4%

\*Source: FNB Stockbrokers

It can be seen that investing outside South Africa is not a luxury, but is essential for each investor to avoid becoming poorer compared to the rest of the world. Americans have become around 100% (+-10% each year) more wealthy than South Africans during the past 10 years. If you can't beat them, join them! It is unfortunately often daunting for individuals to invest their savings and doubly so when investing internationally. Investing in a professionally managed unit trust is the easiest and least complicated option.

Heiden Grimaud group offer these products and has assisted numerous clients to take advantage of these international investment options. More details can be found on our local and international websites:

South Africa : [www.heidengrimaud.co.za](http://www.heidengrimaud.co.za)

International : [www.heidengrimaud.com](http://www.heidengrimaud.com)

Included with this quarter's statements and usual newsletter we have included a printed article from our research office in Belgium. This article highlights the investment case for Chinese equity opportunities. Heiden Grimaud is a specialist research house for investments into the Chinese markets and offers South African clients the rare opportunity to share in this exciting and fast-growing world power.

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 new online iReport system is handled by Itransact Fund Managers.

☎ 0861 116 075

✉ [admin@itransactfm.co.za](mailto:admin@itransactfm.co.za)

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

☎ 0861 378 378

✉ [investments@heidengrimaud.co.za](mailto: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](mailto:investments@heidengrimaud.com)