

## News and Review

Volume 33 – April 2024

Dear Investor

### Elections 2024 and your investments

Our investment managers follow investment strategies that align with medium to long-term financial objectives rather than attempting to time the market or chase returns.

The performance of financial markets are significantly influenced by the political environment during general elections. This is a global trend and not specific to South Africa.

Collective Investment Schemes in Securities are generally medium to long-term investments. Short term fluctuations that may be caused by the elections should not be a cause for concern.

During the next couple of months, you can expect to see sharp fluctuations, together with media reports of adversity. As always, it is our recommendation that you don't become distracted by the headlines, which are designed to cause panic.

Should you have any concerns regarding the upcoming elections and the impact it may have on your investments, please do not hesitate to contact us.

### 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](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)

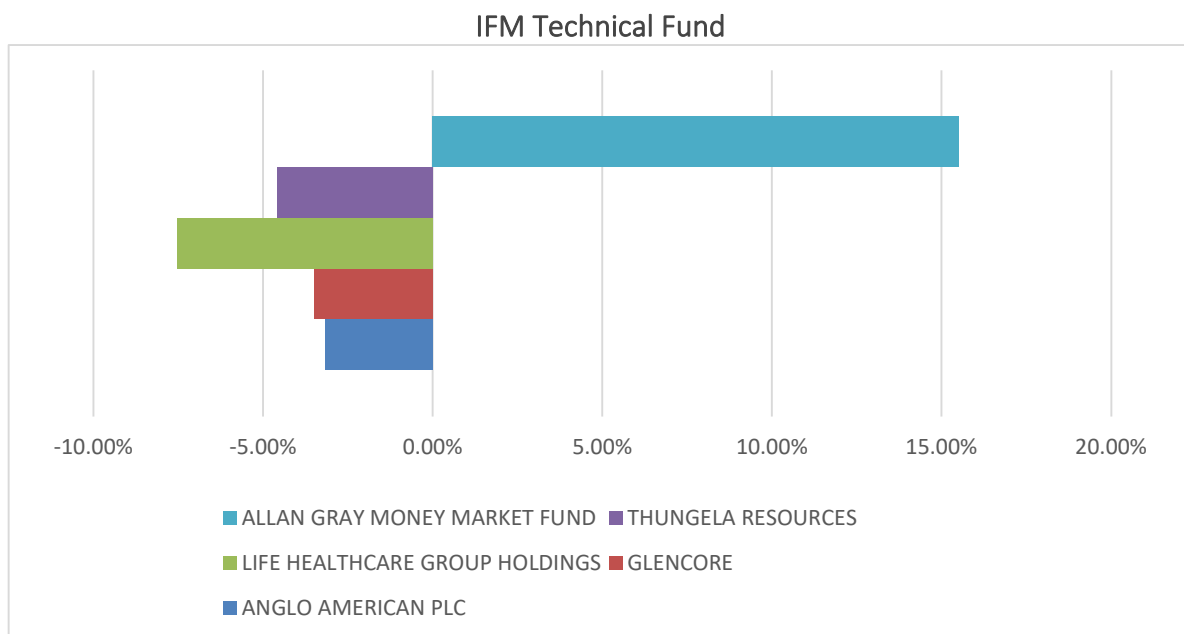
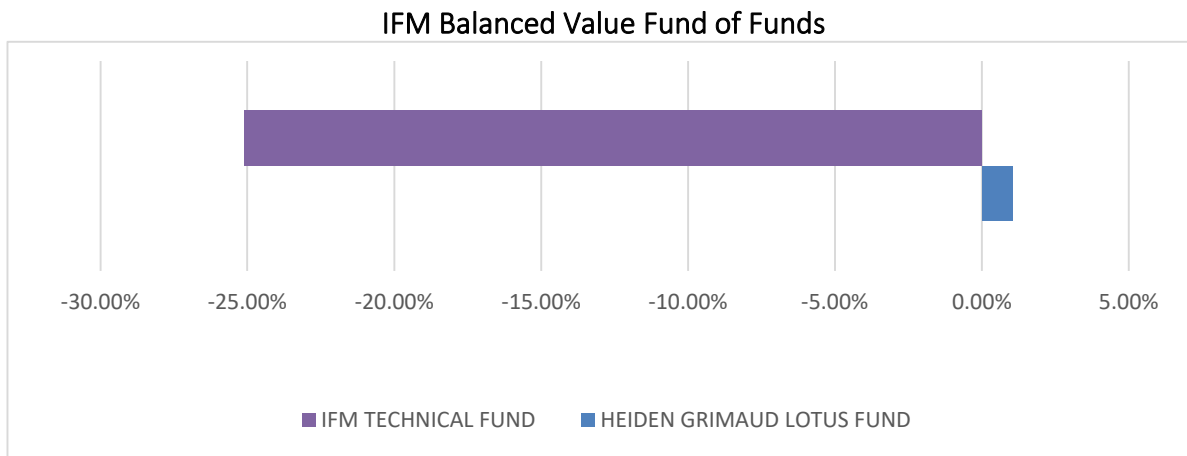
## Analysis of the Portfolios

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 2024, 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.



## News from our Fund Manager

Dear Investor

### Stay calm!! This can drive you crazy

We open the newspaper, or shall I rather say we follow the social media on our mobile phones, or you turn on the television set. You are now opening yourself up to the inflow of data from such a big supply and variety.

Will interest rates go down? By when will it happen? By how much and how fast? Will governments just borrow more if they can't balance their expenditure with tax collections? Will some countries get into trouble by borrowing more than other countries compared to the size of their economies (This is what they call GDP – Gross domestic product)?

I can therefore fully understand why the famous American investor, Warren Buffet commented that he moved away from New York and Wall Street to rather go live in his hometown of Omaha. Reason being that he wanted to get away from what he termed "Market noise". It surely worked for him. Had he not given away half his fortune since 2006 he would have easily been the richest person on earth (\$270 billion). All the result of a frugal lifestyle and solid investment returns.

So where does all this leave you and me? It is impossible to completely escape the noise and you do have to base your investments on some data. At Heiden Grimaud Asset Management we never try to "time" the market. Meaning that we never try to predict what will happen with interest rates and share prices tomorrow.

We identify companies that pass our initial screening process. This is where we make sure that the company has:

- a steady profit history;
- something special that differentiates it from other companies;
- no excessive debt levels;
- a story;
- a big enough business and balance sheet (enough assets to survive any mistake they make);
- a few other basics.

Once we have identified such a target company, we start to dig much deeper to see if anything is hiding inside the "small print". Finally, we will only invest in a company if we can buy it at a reasonable price, ideally lower than what our own calculations tell us that it is worth.

Naturally we can still miss something. For this reason, we also limit the percentage that we invest in any one company to 10% of the total pool of funds (portfolio) that we manage. So, we would rather stay safe. Warren Buffet also mentioned that losing money on an investment should be avoided as far as possible, even if that means that we don't try to squeeze that extra 1 or 2 percent returns out of our portfolio. Rather safe than sorry.

Kind regards  
Chris Meyer  
Managing Director

