

News and Review

Volume 24 – January 2022

Dear Investor

IFM has a regulatory obligation to provide you with a quarterly investment statement, which includes mandatory information as prescribed by the FSCA.

This statement enables you to determine whether you are still on track to reach your medium to long term investment goals. It is therefore of the utmost importance that we have your correct contact details on record.

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).

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

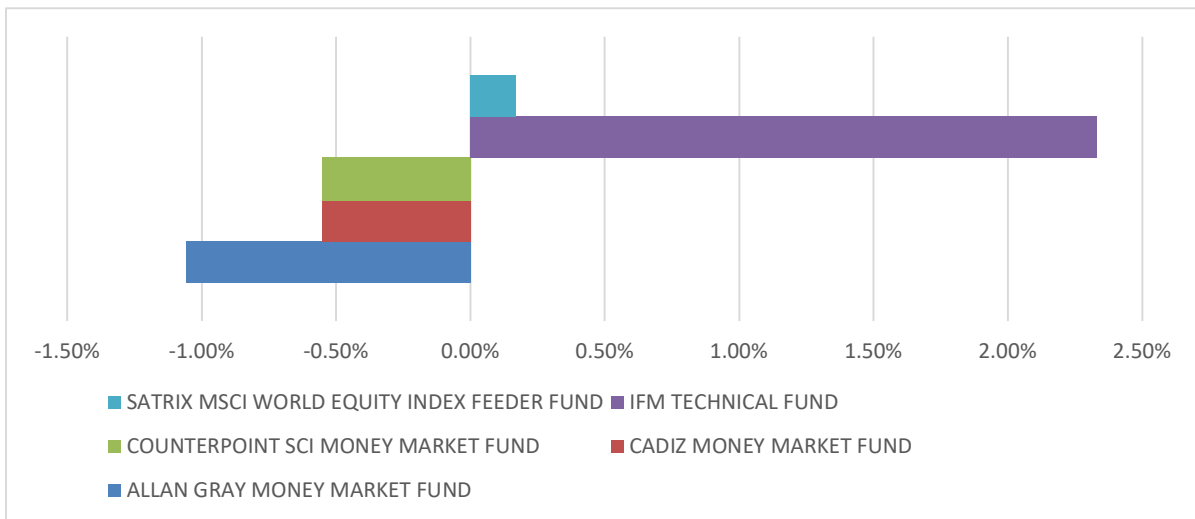
As part of the regulations that govern financial institutions, a manager must publish on its website each calendar quarter a general investor report that details an analysis of the portfolio with reference to the extent to which it has, or has not, adhered to its policy objective. We can report that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

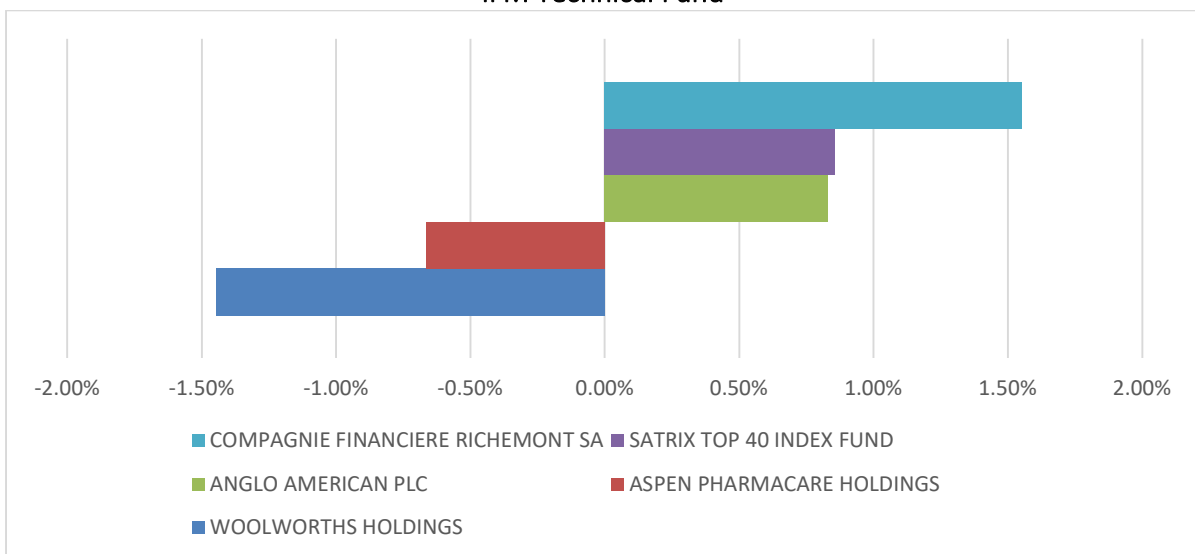
IFM Technical Fund with the objective of being a general domestic equity fund where investment decisions are based on technical analysis.

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

Finding Gold in South Africa

Years ago, South Africa experienced an economic boom with the discovery of diamonds and gold. Fortunes were made and many individuals indirectly benefitted from this historic moment in the economic life of our country. Fast forward to 2022.

Finding physical gold and diamonds these days are not that evident. However, as asset managers we are always in search of those special investment opportunities. The question lately, taking the current market levels into consideration, is:

“Is it still possible to find a good investment in South Africa at a bargain price or should we simply accept a stable, relatively decent, annual return?”

Supply and demand

Prices are primarily determined by supply and demand. On the supply side we have a continuously shrinking list of companies listed on the JSE Stock Exchange.

The number of companies listed on the JSE has decreased from 776 to just over 330 in the past 30 years, with over 14 companies delisting every year on a net average basis. Data published by [Bloomberg](#) shows that 21 companies had already delisted in 2021 to September.

This has spurred market commentators to

discuss the JSE’s ‘slow death’ in the context of a struggling local economy, with many arguing that investors should take their money and run.

Add to this that a few companies dominate the indexes and the rest of the smaller to medium sized companies hardly attract any attention.

Looking at the demand side, ASISA (Association for Savings and Investment South Africa) reported on 2 December 2021 that in the 12 months to end September 2021 net inflows was R68 billion, with R27 billion happening in the last quarter up to 30 September. This is new money flowing into investments.

Add to this the continuous inflows into pension and other retirement funds that also needs to be invested, we can see a clear picture. The demand side keeps growing.

There is currently a clear mismatch between the amount of money available to buy shares and the number of opportunities to consider. The net result is that it is extremely difficult to find good, financially strong companies that are available at bargain prices.

What can we do?

As managers of our clients’ funds we currently adhere to the following investment strategy:

- We invest locally in high dividend paying companies with stable income streams, such as British American Tobacco.

- However, our main investment drive is finding investment opportunities outside South Africa.

Kind regards

Chris Meyer

Managing Director – Heiden Grimaud Asset
Management

