



FG INVESTMENT PARTNERS

GLOBAL BRIEF

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EDITORIAL COMMENT

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Some headwinds over the past quarter led to risk-off sentiment among investors

The third quarter of 2021 brought a shift towards risk aversion compared to the first two quarters of the year, as the macro outlook became more cloudy. Some of the developing headwinds responsible for the uncertainty included surging COVID-19 Delta cases, higher inflation (a bit more persistent than initially anticipated), US policy becoming a little less easy, slowing (but still robust) economic growth, and stricter Chinese regulatory policies.

Global equity markets produced negative returns in the third quarter

While the third quarter started well for equities, the gains were soon erased amid rising inflation and concerns over China. During the quarter many global equity markets produced negative returns, with emerging markets and currencies lagging developed markets. Global bond markets came under pressure and the US Federal Reserve announced that it would likely begin to slow the pace of asset purchases towards the end of the year.

The relentless Delta variant spread across the globe as infection waves ebbed and flowed. Vaccination rates continue to vary greatly, but there is evidence of progress.

Locally, the July unrest and stricter lockdowns affected South Africa's growth prospects

News in South Africa during the third quarter was dominated by the July riots sparked by the jailing of Jacob Zuma. National Treasury has estimated that the resulting damage could subtract around 0.9% from 2021 GDP growth.

During the quarter, higher lockdown levels due to the third wave of COVID-19 infections hit growth prospects in South Africa hard, despite the continued rollout of the vaccine programme. The wave however flattened towards quarter-end, which was a positive sign that vaccinations were slowing the spread of the Delta variant. Further signs of the reopening of the economy were most welcome.

INDEPENDENT TRANSPARENT COMPETENT



South African investors with offshore exposure were rewarded during the quarter as the rand depreciated against the major global currencies amid the increased risk-off sentiment and a stronger US dollar, particularly in September. The currency thereby retraced some of its gains seen earlier in the year.

The FTSE/JSE All Share Index returned -0.8% during the quarter (losing 3.1% in September alone on the back of higher global investor risk aversion). However, the more locally exposed FTSE/JSE Capped SWIX All Share Index – which many funds use as their equity benchmark – returned 3.2% for the quarter and -1.4% in September.

The million-dollar question is: what does this all mean for investors and what do investors do in light of the likelihood of higher volatility?

It's not all doom and gloom – we believe there is reason for being cautiously optimistic

Low interest rates coupled with surging economic growth proved to be the ultimate sweet spot for risk or growth assets such as equities over the past 12 months. While there is little doubt that macro conditions are becoming somewhat less favourable, we are cautiously optimistic and constructive on risk assets for a couple of reasons.

Firstly, central banks, in our view, will be exceptionally circumspect in raising interest rates because of high debt levels. Any rate hikes will therefore be gradual and limited in scope. The monetary environment will still be quite accommodative, with rates rising potentially less than inflation. As long as inflation does not blow out (reaching 5% plus on an ongoing basis), monetary conditions are likely to support risk asset valuations, at least for now. Secondly, while economic growth and hence earnings growth is slowing (off a higher base), the growth outlook is still above trend in many cases, and this remains a positive. An analogy of a car might prove helpful here. If your foot is on the accelerator, the car surges forward at an increasingly faster pace. If you take your foot off the pedal, the car still moves forward from the initial build-up in momentum. In this respect, the prospects for 2022 and 2023 look quite favourable from a global growth perspective. While we certainly don't anticipate the same level of returns as we've had over the past 12 months, we certainly don't think there is a high likelihood of risk assets going backward on a 12-month view.

What you can look forward to in this edition

This quarter, our featured articles cover a variety of topical issues that we hope you will find interesting.

Chantelle Baptiste, Equity Portfolio Manager and Analyst at Fairtree Capital, provides some fascinating insights into the Chinese technology regulation.

Nersan Naidoo, CEO of Sanlam Investments, unpacks issues around sustainable and impact investing – a topic that many economic and investment professionals around the world are verbal about.

Lynn Bolin, Head of Communications and Media at Prudential Investment Managers, picks up the active versus passive investments debate in a well-structured and informative piece.

Nic Andrew, Head of Nedgroup Investments, shines a spotlight on the pressing issue of climate change and investing and provides some startling numbers and facts.

And lastly, something fresh and a bit different, we feature an article from Prudential Investment Managers that uses an African fable to illustrate the negative impact of inflation on investments over the long term and what investors can do about it.

We hope that you enjoy these articles.

As always, stay safe.

The FG Asset Management Investment Team

VIEWS ON CHINA TECHNOLOGY REGULATION



Adapted from an article by
Chantelle Baptiste

Equity Portfolio Manager & Analyst
Fairtree Capital



Since last November, China's authorities have aggressively tightened regulation of the formerly free-wheeling internet sector. The two most prominent casualties were Ant Financial, whose initial public offering (IPO) was cancelled, and Didi Global, which suffered sanctions that could permanently damage its business after the New York IPO fell afoul of the Chinese cyber regulator. Recently, China has hit e-commerce and online education firms as well, and has called into question the ability of Chinese tech firms to maintain listings in the US. This has fuelled global investor concerns and created doubt as to whether China is still a destination for investment given this capricious regulatory climate.

What is the rationale behind this?

It's crucial to understand that regulation around data is not something new and not something specific to China; we have seen data security increase significantly across all economies. Data is the fundamental heart behind all internet regulation globally – it is merely dressed up with different names such as cybersecurity, consumer protection, anti-monopoly, and anti-trust.

The key difference regarding Chinese data regulation is the speed at which China can implement the regulation due to its authoritarian capitalism. Furthermore, China has been actively driving equality and social harmony focusing on the youth and underprivileged, and trying to improve their wellbeing. It can be dangerous when making investment decisions to only focus on a few recent events without understanding the evolution of the regulation and the rationale behind it.

Regulation rationale

1. Data security is national security, and it is global

Data security enforcement is a global phenomenon and not new to China. It's naïve to think that any government will drive regulation without some type of political slant. The difference in China is the speed at which they can roll out regulation given the autocratic ruling method.

Prior to 2016, Chinese internet experienced a golden era where innovation and product development were allowed to accelerate at a fast pace with little regulation. China's internet regulation is not new and has been evolving since 2016 from cybersecurity to data security.

This began with regulating the "internet economy" as the main target, with more regulations toward individuals than platforms in the form of name registration and protecting consumers. This evolved into content censorship. Now regulation is focused on "internet platforms" with the introduction of privacy protection and antitrust measures, protecting the Chinese government from any national threat.

An example of recent data security regulation was the Chinese ride hailing app, Didi, which rushed through an IPO in the US. The Chinese cybersecurity team was concerned about data security breaches due to very specific information that the US Securities and Exchange Commission (SEC) requested from Didi. Furthermore, one of Didi's executive board members, Mr Adrian Perica, who was an officer in the US Army, looked "dangerous" to China's national security. Globally data is now regarded as a strategic asset and we have seen retaliation across other countries, not only in China. A recent example is Tik Tok, a Chinese-owned company, which was banned in the US, India and Australia due to data security concerns.

We have held the view for some time that geopolitical tensions between China and the US will not dissipate under a Biden administration. COVID-19 has heightened global mistrust towards China as accusations amplify that China is to blame for the pandemic. Data security regulation and fines will continue to rise and will be used as tools for countries to punish each other.

2. Is China trying to crush its own access to capital markets?

The Didi debacle should not be seen as a universal prohibition from the Chinese government to prevent Chinese firms from seeking capital abroad, specifically in the US. China still requires a significant amount of capital to replenish its banking system and to fund its extensive and expensive industrial policy goals. The real problem that has developed is that the US and China are at loggerheads regarding information sharing, and no compromise is in sight.

This has been championed by both sides, with China having extensively broadened its definition of "sensitive information" and the approach by the new US SEC, who is uncompromising towards its foreign regulatory peers. The Didi listing has further strained this relationship with the US Public Company Accounting Oversight Board (PCAOB), which is threatening to delist all Chinese firms listed in the US by 2024 unless they provide access to all audit reports.

We acknowledge the probability of the risk that we could see future delisting of Chinese firms in the US, but these listed firms could find a home on the Hong Kong stock exchange.

3. Anti-monopoly regulatory drive

A record \$34 billion IPO deal for the Ant Group, the behemoth fintech spinoff of Alibaba, was cancelled less than 48 hours before the scheduled listing. Five months later, Alibaba itself was fined a record \$2.8 billion for alleged anti-monopoly violations. The market interpreted this action by the Chinese government as a move to silence Jack Ma, who had been publicly outspoken towards the ruling Communist party. The Chinese government defended themselves, stating the reason for the IPO cancellation was due to a change in capital requirements for Chinese lenders. Regardless of the true

reason, the market reacted negatively and interpreted this action as anti-freedom of speech. A pro-competitive drive has been at play to protect consumers and support SMEs for some time; this is also the reason behind the Tencent Music regulatory fine. Tencent Music has over 80% market share and has to give up some of its exclusivity rights to allow for a more competitive landscape. In our view, this is a measured approach by the regulator and not an attack on Tencent specifically; the regulator is trying to discourage full-blown dominance, not attack revenue streams. And this is in line with what we are seeing globally.

What will potentially increase is the cost of compliance to adhere to an increase in regulation/fines. However, perversely this often ends up increasing barriers to entry because the large players can afford the additional cost. Ant was taking little/no risk when lending to consumers and the increase in capital requirements is more in line with global practice.

4. Will regulation unwind existing VIE structures?

The Variable Interest Entity (VIE) structure was created two decades ago to circumvent rules restricting foreign investment in sensitive industries such as media and telecommunications, enabling Chinese companies to raise funds overseas via offshore listings.

China may block future structures, but it seems unlikely that they will force the existing large tech players to unwind existing structures, especially not in a manner that would disenfranchise investors. This will destroy all Chinese capital markets instantly and completely unravel all the work they have done to create and build the existing capital market. VIE structures are also so engrained and complex, making the costs to unwind them very high and any move to ban them completely is unlikely.

Equality and social harmony drive

5. Edu-tech clampdown is aimed at addressing social inequalities

Beijing's regulatory crackdown on the country's for-profit education and tutoring institutions has led to a massive decline in Chinese stocks. The regulation has been discussed for some time and is designed to limit excessive rent-seeking in the education sector, which has been a major source of public discontent in recent years.

Figure 1: The scrutinisation of Chinese edu-tech started a while ago
The escalating crackdown on tutoring firms could crush their business



Sources: Gavekal Research, Macrobond

This deliberate campaign was set out to alleviate financial burdens on middle-income households as policymakers attempt to deliver on social welfare goals and boost the low birth rate that has the economy in a demographic bind. China is facing a significant aging population due to the one-child policy, and the government is actively encouraging families to change this. One crucial impediment cited has been the significant cost of education. The government is trying to address a

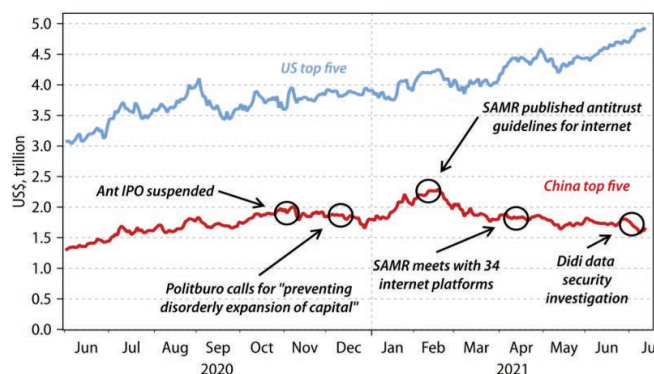
social issue here where the Gaokao (the Chinese equivalent of the SATs in the US/National College Entrance Examination) has created an entire tutoring industry and placed significant pressure on children to excel academically. They also created substantial bifurcation in access to tutoring because the wealthy have an advantageous ability to pay excessive premiums for superior content and aid. This in turn has made education in China expensive and is currently a key deterrent to families wanting to have more than one child.

Implications for the equity markets

The regulatory impetus in China has scared the markets and weighed on Chinese internet stocks (see Figure 2).

In the short term, the impact of the ongoing market rout on China's cyclical outlook should be insignificant. Chinese stock prices have gone through many massive booms and busts, and the economic impact of these market fluctuations has been negligible. Margin debt in Chinese equity markets is low, which should limit the impact of falling stock prices (see Figure 3) on the overall stability of the financial sector.

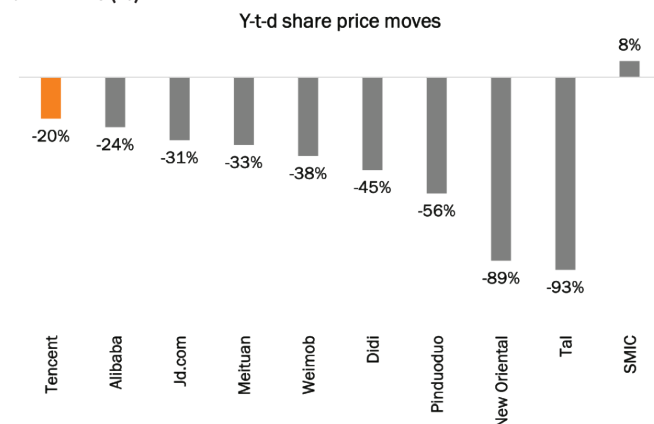
Figure 2: Combined market cap of major internet companies (US\$ trillions)



Source: Gavekal Research

This stock price move may accelerate the Chinese central bank's liquidity easing. With billions being wiped out from the Chinese stock market, the financial sector may encounter some short-term liquidity drain. This may bring about another reserve requirement cut sooner than later.

Figure 3: Year-to-date share price movement of key Chinese tech firms (%)



Sources: Fairtree, Bloomberg

In the longer term, the regulatory uncertainty will increase the risk premium of Chinese companies. Investors will find it harder to justify owning Chinese shares if there is no guarantee of a steady operating environment. This is a major negative for private businesses to raise capital, which could produce adverse implications for long-term economic growth.

SUSTAINABLE AND IMPACT INVESTING ARE THE NEW NORMAL



Adapted from an article by
Nersan Naidoo
CEO of Sanlam Investments

To avert catastrophic food insecurity and other major climate change impacts, the African continent must work towards reaching the United Nation's (UN) Sustainability Development Goals. However, this is currently a challenge for emerging markets. There is a US\$2.5 trillion funding gap across the developing world to reach the goals, and Africa has a staggering 90% gap.

Resetting our planet from profit-led to long-term prosperity

At the recent Investment Forum 2021 hosted by Sanlam Investments, we discussed the vital role sustainable investments would play in resetting our planet from profit-led to long-term prosperity and equality. Sustainable investing has a broader purpose than just delivering financial returns – it takes into account the impact of investments on the environment and society.

Africa is the continent most vulnerable to climate change and the effects of the pillaging of the planet's natural resources. While we may see climate change less visibly than Iceland with its melting glaciers, it will directly and devastatingly impact our continent, primarily through reduced food security, as well as water shortages and a myriad of other factors. On a continent already desperately short of food in so many places, this is a terrifying thought. The plight of Africans will become far more extreme if we don't act quickly.

In addition to Investment Forum 2021, another event, the first of three Critical Conversations webinars planned by Sanlam Investments for 2021, was held on 14 June. This particular event was titled "The South African investment opportunity", and here too we explored ways to lift infrastructure spending to the US\$150 billion per year needed for Africa to meet the UN's 17 Sustainable Development Goals.

If we can ever hope to do what is needed to save our continent, our planet and our people, we will have to mobilise capital on a massive scale. We need to activate retail investors, pension funds, institutional investors, philanthropic organisations, commercial banks and life insurers to invest sustainably. This will catalyse companies to increase their focus on sustainable practices, which ultimately will speed up real change.

Advisors and asset managers have the privilege to drive the change

Each of us in the financial services sector is responsible for helping to redirect capital. We have the privilege and responsibility to drive the change we need to see. We simply can't leave it to governments or big corporates only. Yes, they have massive roles to play. But each of us does too. Financial advisors must ensure they work with a sustainability-focused asset manager. Asset

managers must embed sustainable investment practices at every level of the organisation and guide clients to move their mandates in this direction.

Asset managers should no longer be content to report back purely on financial returns. Instead, we need to embark on a path to deliver impact-based reporting. By this we mean measuring how our investments impact society and the environment for good.

We can't stand in front of clients anymore and advise them that we've delivered inflation +5% on their investment. Instead, we need to report on the impact that the investment is having. We need to say, for example, that for your R100 million investment, we have delivered a great return, but we have also meaningfully contributed to reducing carbon emissions by 50 million tonnes a year, creating 1 500 direct and indirect jobs, and providing access to clean water for several communities.

When you start to see it through that lens, realising how much of a difference investing in the right places to protect the planet and its people can make, everything changes. Using our investment capabilities for good should become our professional and personal purpose. I believe all asset managers need to start to take their role in driving sustainable investing seriously – from how they construct funds through to their shareholder engagement.

Five of the biggest economies in Africa still run on fossil fuel

The challenges are particularly significant on our continent. Five of the biggest economies in Africa – Nigeria, Algeria, Morocco, South Africa and Egypt – still run on fossil fuel. If we transition too rapidly to green economies, we risk job losses and the resultant social impact. So, we have to look at a just transition. And this transition has already slowly begun, with some very good projects already in the pipeline.

There is massive potential in electricity production and distribution across Africa, and it is hoped that the recent announcement allowing South African firms to invest in power infrastructure with up to 100MW capacity will result in a flood of new infrastructure investment opportunities. It was noted at the Critical Conversations webinar that South Africa would eventually have to replace 65 000MW of coal-fired power with sustainable alternatives, opening a staggering project pipeline. And the funds should be available if projects are sensibly motivated.

The panel at our first Critical Conversations webinar also reflected on the many "shining lights" in African infrastructure development, referring to the decision by mobile phone companies to build a GSM network across the continent. The wide penetration of mobile phones across the continent has been hailed as a major



underpin for economic growth. From a South African context, one need only step into the international arrivals terminal at OR Tambo International, or take a trip on the Gautrain, to appreciate the potential of infrastructure investment.

Sustainable investing is no longer a peripheral strategy

Malick Badjie, Head of Africa at Robeco and one of the speakers at Investment Forum 2021, said that sustainable investing is now a multi-trillion US dollar industry that has become mainstream, with more people committing to it every day. He shared that, “It’s no longer a peripheral investment strategy. It is the fastest-growing segment in the investment industry and is delivering strong returns while saving the world. There is a total of US\$23 trillion managed under responsible strategies. While Europe still accounts for 52%, 30% is now from the US, and other areas are picking up too, including South Africa.”

We see sustainability driving company success

Solid sustainable practices in companies are a sign of strong governance and management as well as long-term thinking. All these practices equate to solid companies that are in touch with our world today and into the future – which means that these companies are the ones leading the way in their respective industries. Ultimately, we see sustainability driving company success, which results in a strong performance.

Collectively, we need to step up. The future of humanity and all life on earth depends on us. The task ahead is immense, but together, there’s no limit to the difference we can make if we act now.



ARE YOU MISSING OUT ON ACTIVE RETURNS?



Adapted from an article by
Lynn Bolin

Head of Communications and
Media
Prudential Investment Managers



Both active and passive investments have a role to play in any portfolio

Although a discussion over the merits of active versus passive investing can turn heated as investors tend to favour one strategy over the other, we believe the two can live alongside each other in harmony. Portfolios can combine both approaches to result in favourable investor outcomes.

Active investing should lead to superior returns over the long term

As active investment managers, however, we do firmly believe that active investing will give investors superior outcomes over time – even when including all costs. In this article, we examine the advantages and disadvantages of active investing which – as its name implies – relies on a hands-on approach from a portfolio manager who is continually looking for opportunities to add value to client portfolios. In the case of passive investing, money is typically left to track indices via exchange-traded funds (ETFs) and index-tracking funds over long periods of time.

The objective of active investing

The objective of active investment managers is to use their expertise to select individual stocks or securities, and allocate funds between asset classes, with the goal of outperforming a specific benchmark chosen by the client. Unlike some much larger financial markets like the US, there are quite a few well-known active investment managers in South Africa with long track records of consistently outperforming their benchmarks like market indices – and therefore passive investments – including all fees.

How does active management work?

Active managers use data analysed by teams of investment research analysts as well as their experience to make the best possible decisions about which assets to buy, sell or hold, and in what quantities. They believe that short-term price fluctuations are important and can be used to add value to client portfolios by buying or selling when these prices move lower or higher than they judge they should be. Valuation-based managers buy undervalued securities and sell overvalued securities, often buying in the worst market conditions when others are selling.

Four advantages of an active approach

1. Flexibility

Active managers have the flexibility to select and combine different securities like stocks, bonds and money market instruments to diversify across a wide range of industries and geographies. Unlike passive managers, they have the ability to ignore specific securities within an index that they think might be too risky, thereby avoiding the fallout from corporate disasters (such as African Bank or Steinhoff). Active management requires involved decision-

making, which includes keeping abreast of factors such as changes to taxation, laws and politics that could affect investments. Even more importantly, these managers follow company decision-making closely, with the ability to understand each step in a company's growth path and, as shareholders, to vote on the important decisions affecting the company's future with shareholder interests at heart.

2. Risk management

Being able to manage risk is another key benefit of active management. There are two aspects to this risk management.

The first involves the actual longer-term structure of a portfolio, where the active manager decides how much overall risk will be allowed for the entire set of holdings, and for each individual security, over time. For example, they may set a lower limit on the credit rating of bonds the portfolio can hold (such as no "junk" bonds), or an upper limit on the maturity of debt securities (such as no more than three years).

The second involves the portfolio's shorter-term management: the manager will continually monitor a fund's actual risk measures. They can then either increase or cut back on the risk within the investment at any time. And, if a particular stock becomes too risky and shows the potential for permanent capital loss, the manager can sell it before serious damage is done.

What's more, experienced active managers can skilfully navigate market volatility by selecting undervalued, high-quality investments with the potential for longer-term growth. They can also sell assets the market may be overvaluing. The result is that active managers help limit the downside in their funds' value during times of market volatility, cushioning losses.

3. Efficient capital allocation

Active management is based on the in-depth analysis of relevant company information, and so allows for efficient allocation of capital. This means that, in theory, the "best" companies with the highest returns on investment get the most financing, through either borrowing (issuing bonds) or selling shares. This has the potential to create significant value for investors over the long term.

4. Use of data

Active management allows for the use of quantitative and qualitative data, including company social responsibility ratings, which consider both financial returns and social/environmental benefits that can bring about positive change.

Some active disadvantages

1. Changing short-term returns around a benchmark

On a relative basis, actively managed funds will record higher highs and lower lows against their benchmark than a passively managed fund. This means investors could experience higher volatility than a passive approach. Nevertheless, the latter will never beat its benchmark, while the former certainly has the potential to do so.

Over the past 30 years, it has been shown globally that there are periods during which it is easier for active managers to outperform their benchmark index, and also times when it is more difficult. This will depend on global and local market conditions, as well as the inherent abilities of active managers. Some fund managers consistently outperform their benchmarks, including fees, over many different periods. However, there will always be periods of underperformance due to changing market conditions or other short-term factors. This is why it's important to choose a fund manager with a strong long-term track record for outperformance.

Equally, it's important to know what investment time horizon your chosen active fund is managed to. Generally speaking, to limit your investment volatility you should choose more conservatively managed funds with higher bond and cash exposure, and investment horizons of up to three years or so.

2. Fees

Besides the basic administration fees incurred by all different types of investments, actively managed funds include additional fees to pay for the professional teams that manage them and to cover the transactional costs incurred by more frequent trading. However, it's important to note that it's not always true that active funds cost more than passive funds. Active management fees have been falling in South Africa, while passive management fees can be high if the passive fund is tracking a specialised or complex index. It is best to compare total costs carefully.

The active bottom line

It's difficult to argue against the benefits of tailored investing by the experts when this active approach has delivered top performance for investors over the longer term. It takes into account not only the investment fundamentals, but also complex factors such as the economic and political environment, social and environmental responsibility and corporate governance practices. Fees can be higher, but these are typically compensated for by strong performance over time. Of course, there are periods in which passive managers can outperform the majority of active managers as well, so there's room in everyone's portfolio for both solutions.



TWO KEY NUMBERS AND FIVE KEY QUESTIONS TO UNDERSTAND CLIMATE CHANGE



Adapted from an article by
Nic Andrew

Head of Nedgroup Investments

There is an increased focus on sustainability in the asset management industry

Zoom, Uber Eats, Netflix, Fortnite. COVID-19 has accelerated many trends – impacting the way we work, shop, learn, and entertain ourselves. For the asset management industry, one of these trends has been the increased focus on sustainability.

Climate change has become one of the most pressing issues

Clients are demanding that asset managers challenge the management of the companies they invest in on a broad range of environmental, social and governance issues. Climate change has become one of the most pressing issues because, if nothing else changes, the impact on our children and grandchildren will likely be catastrophic.

For the uninitiated, trying to establish a sensible approach to climate change is not easy. For each grave warning or claim of a solution, there are counter arguments and complex trade-offs.

Bill Gates's recent book, "How to avoid a climate disaster", provides a comprehensive but easy to understand explanation of the problem, as well as outlining what the most important things to focus on are and some potential solutions. The book offers many valuable, practical insights and I found the context it provides extremely useful to understanding and unpacking some of the key issues and numbers and thereby be able to engage more constructively in the debate.

Two important numbers to remember:

• 51 billion

Tons of greenhouse gases from approximate current global emissions that are added to the atmosphere each year.

• Zero

The number we need to get to by 2050, to stop global warming and avoid its worst effects.

Most governments have committed to achieving ambitious targets by key dates to prevent dire consequences that will result from even seemingly small overall temperatures increases.

This sounds very difficult because it will be.

Part of the conundrum is that the world needs to achieving zero while, at the same time, providing more energy to improve the lives of the poorest. As Gates states, "Despite being hit the hardest by climate change, low-income nations are not responsible for causing a majority

of the world's greenhouse gas emissions and cannot be further held back by being forced to adopt the same policies as wealthier nations".

Five key questions to ask

In any conversation around climate change and the potential solutions and trade-offs, Gates recommends we ask five questions to properly understand and be able to sensibly evaluate:

1. How much of the 51 billion tons are we talking about?

This is a very useful first question to provide context to how effective certain solutions will be in solving the overall issue of achieving zero. Are we talking about something material or are we getting distracted by noise and irrelevant headlines?

2. How much greenhouse gas is emitted by each of the different things we do?

- Making things (cement, steel, plastic): 31%
- Plugging in (electricity): 27%
- Growing things (plants, animals): 19%
- Getting around (planes, trucks, cargo ships): 16%
- Keeping warm and cool (heating, cooling, refrigeration): 7%

This gives context to what is most important to solve for and a reminder that we need to find a solution for all of them. I was surprised that electricity is just over a quarter of emissions as most press coverage focuses on electricity generation. Electric cars, another favourite of the media, represent about 8% of emissions. It surprised me that cement is one of the biggest sources of carbon emission.

3. How much power are we talking about?

When there are big numbers being bandied about, it is often difficult to contextualise. For example, in discussing Eskom's challenges, one will hear of a new power plant with x capacity or renewables that can add y watts. Gates recommends the following cheat-sheet:

- 1 kilowatt: an average suburban house
- 1 megawatt: a small town
- 1 gigawatt: a mid-size city
- 1 000 gigawatts: the US
- 5 000 gigawatts: the world

So, when you hear that President Ramaphosa has increased the licence threshold for people to generate power from 1MW to 100MW you can immediately think of that as being the power for 100 small towns. Or to compare that to Medupi's six units that are intended to have a capacity of 4 800 MW (or five mid-size cities) when fully operational.



4. How much space do we need?

Different solutions take up different amounts of room. Power density is important as it tells you how much power you can get from different sources for a given amount of land (or water):

Measured in watts/m²:

- Fossil fuels: 500-10 000
- Nuclear: 500-1 000
- Solar: 5-20
- Hydropower: 5-50
- Wind: -2
- Wood and biomass: <1

For example, notice that the power density of solar is considerably higher than wind. This means if you are considering a wind solution you will require much more land (five to ten times more) than if you are looking at solar.

5. How much is it going to cost?

Part of the problem is that fossil fuels – if you ignore the long-term damage they do – are generally the cheapest available. Therefore, moving from dirty carbon technologies to ones with zero emissions will cost something. Gates calls this the “Green Premium”.

His recommendation is to deploy zero-carbon options where the Premium is lowest (such as solar and wind), and that can be deployed faster and smarter than other options. In some rare cases, the Premium is negative – for example it may make financial sense to fit a solar geyser – and with appropriate policy these should get traction quickly.

There has been some excellent progress in terms of reducing the costs of renewable energy projects as can be seen in the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The latest REIPPPP bidding window for prices showed the following reductions:

- Onshore wind: R0.62 per kWh (down from R1.14 in the first window)
- Solar PV (photovoltaic technology): R0.79 per kWh (down from R2.85 in the first window!)

And although unofficial, some estimates have the all-in cost per kWh at Medupi and Kusile to be higher than both these.

Gates’s adjacent recommendation is that, as a society, we need to focus our research and development spend and expertise (using the best and brightest brains) where the Premium is largest. This is because at this stage, the short-term commercial incentive is lowest. The focus here needs to be on creating and rolling out new breakthrough technologies.

“But things can change. We already have some of the tools we need – and as for those we don’t yet have, everything I’ve learned about climate and technology makes me optimistic that we can invent them, deploy them, and, if we act fast enough, avoid a climatic catastrophe,” says Gates.





INFLATION AND THE STORY OF FUDWAZANA AND GONGONGO

Adapted from an article by
Prudential Investment Managers



Inflation is one of the worst enemies that investors face

African fables usually feature important life lessons that everyone can learn from, including those that can be applied to investing. In this article, we bring you the Xhosa fable “The Story of Fudwazana and Gongongo”, which focuses on an enemy that every investor must face: inflation.

An African fable: The Story of Fudwazana and Gongongo

This fable begins with a scene from the past when all the animals (including humans) lived in total harmony, with no fear of one another, as they were vegetarians. However, when the Creator divided up the land, none was put aside for animals. This forced them to look for food in the gardens of their human neighbours, and sadly meant many were caught and killed while they foraged.

Lord Lion, their ruler, called a meeting of all the animals to find solutions to the problem. He declared that enough was enough; too many animals were being killed and it was time to relocate. They wanted their own lands to grow crops.

Suitable land was found, and the King of the Beasts set his subjects to work on farming. All was well, until one day all of their crops were destroyed by a beast called Gongongo, who was even mightier than Lord Lion. The animals rushed to tell Lord Lion that a monster had eaten everything they had grown. Lord Lion went to defend his kingdom, but found Gongongo to be terrifyingly large and fierce, and he ran away.

Fudwazana, the tortoise, offered to try to defeat Gongongo, but said he would need a weapon – a small, sharpened axe. Lord Lion was sceptical, but gave Fudwazana the weapon he wanted, and the tortoise began his slow journey to face the monster, with the axe hidden under his shell. Once he arrived, he challenged Gongongo, who in turn threatened to eat him. Fudwazana said to go ahead, as now that the lands were destroyed, there was nothing for him to eat anyway. But as Fudwazana reached Gongongo's mouth, he pulled out the axe and began chopping away at the monster's tongue, until it was completely severed, ultimately killing Gongongo.

The animals were elated with Fudwazana's victory, allowing them to replant the land and live in harmony once more. To this day, thanks to Fudwazana's actions, tortoises are respected as among the wisest, most cunning, bravest and most persevering of all the animals.

What does this fable tell us about beating inflation?

In investing, inflation is Gongongo, the monster that “eats away” at – and can ultimately destroy – your investments. If your portfolio isn't performing better than inflation, you're effectively going backwards and won't be able to meet your investment goals over time. Gongongo was eating everything in sight until Fudwazana attacked his fundamental ability to eat by cutting out his tongue.

What can investors do to combat inflation? One of the best ways is to choose a fund manager that uses an active approach to investing. This is where the manager actively monitors the market, making buy and sell decisions to exploit fluctuations in asset prices. The objective is to outperform a particular benchmark, which can be inflation or a certain index, for example.

Choosing the right mix of assets for your portfolio is also key in beating inflation. Equity exposure is important, since equities have proven to be the top-performing investments over time, and fixed-income holdings are also necessary to help lower risk.

If your portfolio isn't performing better than inflation, you're effectively going backwards and won't be able to meet your investment goals over time.



FG ASSET MANAGEMENT

QUARTERLY REPORT

Quarter 3 | 2021

ARCHITECTS OF SENSIBLE INVESTMENT SOLUTIONS

MARKET COMMENTARY



Jacy Harington
Portfolio Manager
FG Asset Management

Financial markets continued to focus on inflation

Inflation is a key determinant of how long global central banks will maintain the extremely easy monetary policy that was instated during the severe lockdowns in 2020. While the highly accommodative monetary policy has been very supportive of markets, we saw the first signs of market weakness in September when the US Federal Reserve (Fed) signalled its intent to start reducing its asset purchases before the end of the year. More macroeconomic data releases are also pointing towards a slowdown in the strong recovery of global growth as economies opened up after lockdowns. In addition, China introduced several new regulations across various sectors that have had significant global consequences and further weighed on investor confidence.

The debate around inflation continued to be very divisive

One camp argues that inflation is only transitory and the other believes it will last longer and be more structural. Central banks, specifically the Fed, remain firmly in the first camp. This allows them to keep monetary policy easy by keeping interest rates low and continuing with quantitative easing for the moment.

The second camp seems to be growing as current global inflation continues to be elevated, with the underlying drivers not abating as quickly as first expected. Initially, the spike in inflation was driven by COVID-19-related supply chain disruptions, which have persisted longer than expected. The recent run-up in energy prices is also likely to push inflation higher, as companies need to pass on the higher input costs to protect profitability. Given that annual headline inflation in the US remained around the elevated level of 5.3%, the Fed's rhetoric became more hawkish towards the end of the quarter. They signalled that they would look to start reducing their emergency asset purchases before the end of the year and the market expects them to start increasing interest rates in 2022.

Locally, inflation will be a key determinant of future interest rate hikes

Locally, the South African Reserve Bank's Monetary Policy Committee (MPC) kept the repo rate unchanged at 3.5% at both meetings that were held over the quarter. At the last meeting in September, the SARB warned that inflation may be higher than expectations of 4.4% average for 2021 and 4.2% in 2022. Future rate hike decisions remain very data dependent, which means the materialisation of higher-than-expected inflation will be a key determinant of how fast the SARB will raise the repo rate going forward. The latest headline inflation data that was released at the end of September showed inflation increasing from 4.6% back to 4.9%, driven by the increase in fuel, food and administered prices.

The total cost and long-term impact of the July unrest is still unknown

In early July former South African president, Jacob Zuma, started serving a 15-month jail sentence for failing to appear before the Zondo Commission. In the week that followed, public unrest and looting escalated within KwaZulu-Natal and Gauteng, lasting for more than a week. Hundreds of businesses were destroyed and significant damage was done to key infrastructure. The relative underperformance of domestically focused bank and retail sectors reflected investor concerns about the impact of the unrest. However, these sectors recovered as the violence subsided and order was restored. The total cost of the unrest is difficult to assess as the longer-term implications are largely unknown. What we do know is that the impact will be significant, as the shock to investor confidence will put future planned fixed investments at risk. Following on from the social unrest, Treasury extended the COVID-19 grant to March 2022, which is expected to cost R27 billion. The grant extension will be funded from the overrun in tax revenues from the commodity sector.

In response to the riots, President Ramaphosa also announced a new cabinet at the start of August

There were a number of changes, which included the noteworthy replacement of Tito Mboweni as Finance Minister with Enoch Godongwana. The new Finance Minister's comments reassured the market that Treasury's fiscal restraint policy remains in place and that there will be continuity.

Stricter lockdown induced by the third wave will negatively affected third-quarter growth

In addition to the social unrest, South Africa was under Level four lockdown for most of July as the third wave of infections grew. Gauteng's active cases peaked early in July relative to the other major provinces, which only reached their peak levels later on in September. Certain sectors that were forced to close will be a further drag on the quarter's economic activity. As a result, expectations for third-quarter growth have been revised downwards.

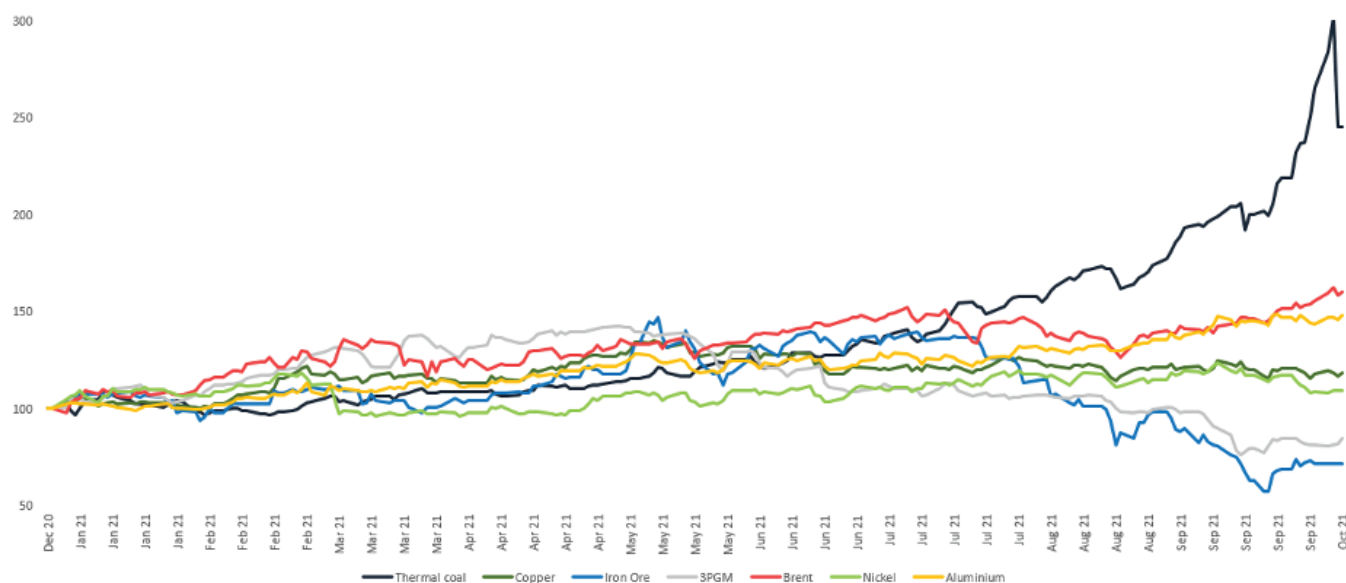
Supply disruptions and Chinese regulations led to divergent performance from commodities

In August, local resources started to weaken as global growth concerns resurfaced on the back of a rise in infections from the Delta variant, which pushed certain economies back into lockdowns.



However, it is important to note that there has been significant performance divergence across the respective commodities over the quarter. For example, iron ore (a key input in steel production) has been severely hit over the quarter by the decarbonisation regulation in China that aims to cap steel production at 2020 levels. In contrast, the energy sector has done very well, specifically natural gas and coal. Several unrelated factors came together to create significant supply disruptions. These include coal supply shortages in China after it stopped buying coal from Australia following a political spat, low natural gas inventories in Europe exacerbated by reduced supply from Russia, droughts in Brazil (which relies heavily on hydro power) that pushed them to rely more heavily on natural gas, to name a few. China's low coal inventories have actually led to certain provinces experiencing load shedding, which will of course feed through negatively to the country's growth.

Figure 1: Commodity performance year to date



Sources: Matrix Fund Managers, Bloomberg

Concerns over Chinese property companies contributed to risk aversion in September

The liquidity and solvency fears over Chinese property development companies was another concern that contributed to the heightened risk aversion that we saw in September. Since last year, the Chinese government started clamping down on highly leveraged property developers by limiting their access to further debt. Evergrande, a very large and highly indebted Chinese property developer, was unable to make a key interest repayment in September, triggering concerns that it would feed through into broader market panic. Fortunately, the market contagion seems to have been limited. Nevertheless, there will be longer-term negative implications for the Chinese real estate sector, which is a key driver of Chinese growth and commodity demand (especially steel and therefore iron ore).



FG IP JUPITER INCOME FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 15 August 2005

	6 Months	Year to date	1 Year	3 Years*	5 Years*	Since inception*
FG IP Jupiter Income FoF	3.91%	5.07%	7.50%	6.87%	7.20%	7.81%
STeFI Composite Index	1.88%	2.80%	3.80%	5.77%	6.43%	7.03%
ASISA SA Multi Asset Income Category Average	3.69%	4.70%	7.32%	6.95%	7.17%	7.67%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised
Source: Morningstar, performance for A class shares
Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- Abax Flexible Income Fund
- Coronation Strategic Income Fund
- Granate SCI Multi Income Fund
- Prescient Income Provider Fund
- Terebinth SCI Strategic Income Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	11.61%	11.77%
Lowest 12-month performance	3.25%	3.80%
% positive months	93.78%	100.00%

The FG IP Jupiter Income Fund of Funds returned +1.53% in the third quarter of 2021 and +7.50% over the past 12 months, outperforming the benchmark Alexander Forbes Short Term Fixed Income Index quarterly return of +0.95% and 12-month return of +3.80%. The Prescient Income Provider Fund was the best-performing underlying fund over the quarter, returning +1.95%. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2021

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Jupiter Income FoF	0%	3%	44%	47%	6%



FG IP VENUS CAUTIOUS FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 2 July 2007

	6 Months	Year to date	1 Year	3 Years*	5 Years*	Since inception*
FG IP Venus Cautious FoF	4.02%	7.88%	11.14%	7.55%	6.96%	8.56%
ASISA SA Multi Asset Low Equity Category Average	4.48%	8.13%	12.01%	6.62%	6.22%	7.49%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised
Source: Morningstar, performance for A class shares
Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Equity Fund
- Abax Opportunity Fund
- ABSA Property Equity Fund
- Coronation Optimum Growth Fund
- Coronation Strategic Income Fund
- Fairtree Equity Prescient Fund
- Matrix SCI Defensive Balanced Fund
- Ninety One Diversified Income Fund
- Ninety One Global Multi-Asset Income Feeder Fund
- Ninety One Global Franchise Feeder Fund
- Prescient Income Provider Fund
- Saffron SCI Opportunity Income Fund
- Satrix Bond Index Fund
- Sanlam Multi Managed Inflation Linked Bond Fund
- Sesfikile BCI Property Fund
- Terebinth SCI Strategic Income Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	16.83%	17.26%
Lowest 12-month performance	-1.41%	-3.15%
% positive months	71.93%	71.93%

The FG IP Venus Cautious Fund of Funds returned +1.58% in the third quarter of 2021 and +11.14% over the past 12 months, underperforming the benchmark peer group average quarterly return of +2.00%, and the 12-month return of +12.01%. The Fairtree Equity Prescient Fund was the worst-performing underlying fund, returning -4.56% over the quarter. A rotation out of cash into longer duration bonds was implemented, which resulted in a decrease in the allocation to the Prescient Income Provider Fund and an increase in the allocation to the Satrix Bond Index Fund over the quarter.

Asset allocation as at 31 August 2021

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Venus Cautious FoF	15%	4%	35%	27%	19%



FG IP SATURN FLEXIBLE FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 15 August 2005

	6 Months	Year to date	1 year	3 years*	5 years*	Since inception*
FG IP Saturn Flexible FoF	4.49%	11.53%	16.78%	8.22%	6.75%	10.14%
ASISA SA Multi Asset Medium Equity Category Average	4.22%	9.97%	14.95%	6.90%	6.10%	8.83%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised
Source: Morningstar, performance for A class shares
Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Flexible Opportunity Fund
- Abax Opportunity Fund
- Coronation Market Plus Fund
- Coronation Optimum Growth Fund
- Matrix SCI Defensive Balanced Fund
- Ninety One Opportunity Fund
- PSG Flexible Fund
- Rezco Value Trend Fund
- Satrix Bond Index Fund
- SIM Inflation Plus Fund
- Truffle SCI Flexible Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	31.40%	26.41%
Lowest 12-month performance	-18.22%	-15.68%
% positive months	69.95%	67.36%

The FG IP Saturn Flexible Fund of Funds returned +2.29% over the third quarter of 2021 and +16.78% over the past 12 months, outperforming the benchmark peer group average quarterly return of +2.12% and the 12-month return of +14.95%. The PSG Flexible Fund was the best-performing underlying fund, returning +9.17% over the quarter. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2021

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Saturn Flexible FoF	35%	3%	23%	15%	24%



FG IP NEPTUNE GROWTH FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 1 September 2014

	6 Months	Year to date	1 Year	3 Years*	5 Years*	Since inception*
FG IP Neptune Growth FoF	3.35%	12.47%	20.21%	8.78%	7.86%	7.41%
ASISA SA Multi Asset High Equity Category Average	4.40%	12.13%	18.72%	7.25%	6.18%	6.12%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised
Source: Morningstar, performance for A class shares
Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- ABSA Property Equity Fund
- Catalyst Global Real Estate Prescient Feeder Fund
- Coronation Optimum Growth Fund
- Fairtree Equity Prescient Fund
- Laurium Flexible Prescient Fund
- Ninety One Equity Fund
- Ninety One Global Franchise Feeder Fund
- Prudential Balanced Fund
- PSG Flexible Fund
- Rezco Value Trend Fund
- Saffron SCI Opportunity Income Fund
- Satrix Bond Index Fund
- Sanlam Multi Managed Inflation Linked Bond Fund
- Truffle SCI Flexible Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	38.17%	30.65%
Lowest 12-month performance	-11.21%	-10.44%
% positive months	64.71%	64.71%

The FG IP Neptune Growth Fund of Funds returned +2.25% over the third quarter of 2021 and + 20.21% over the past 12 months, underperforming the benchmark peer group average quarterly return of +2.51%, but outperforming the 12-month return of + 18.72%. The Fairtree Equity Prescient Fund was the worst-performing underlying fund, returning -4.56% over the quarter. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2021

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Neptune Growth FoF	46%	3%	17%	8%	26%



FG IP MERCURY EQUITY FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 15 August 2005

	6 Months	Year to date	1 Year	3 Years*	5 Years*	Since inception*
FG IP Mercury Equity FoF	3.54%	16.90%	29.18%	8.98%	6.75%	10.38%
FTSE/JSE Africa All Share (Total Return)	-0.79%	12.25%	23.19%	8.58%	7.83%	12.44%
ASISA SA Equity General Category Average	3.15%	15.76%	26.92%	6.62%	5.02%	10.10%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised
Source: Morningstar, performance for A class shares
Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Equity Fund
- Coronation Optimum Growth Fund
- Fairtree Equity Prescient Fund
- Gryphon All Share Tracker Fund
- Laurium Prescient Equity Fund
- Ninety One Equity Fund
- Ninety One Global Franchise Feeder Fund
- Prudential Equity Fund
- PSG Equity Fund
- Sesfikile BCI Property Fund
- Truffle SCI General Equity Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	56.15%	53.98%
Lowest 12-month performance	-31.68%	-37.60%
% positive months	62.18%	61.66%

The FG IP Mercury Equity Fund of Funds returned +3.11% in the third quarter of 2021 and +29.18% over the past 12 months, outperforming the -0.84% quarterly return of the benchmark FTSE/JSE All Share Total Return Index and the 12-month return of +23.19%. The PSG Equity Fund was the best-performing underlying fund, returning +9.75% over the quarter. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2021

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Mercury Equity FoF	77%	3%	0%	6%	14%



FG IP INTERNATIONAL FLEXIBLE FUND OF FUNDS

For periods until 30 September 2021

Performance and quartile ranking in sector | Launch date 17 October 2007

	6 Months	Year to date	1 Year	3 Years*	5 Years*	Since inception*
FG IP International Flexible FoF	6.71%	9.24%	5.12%	7.07%	7.98%	8.98%
Benchmark	5.29%	8.54%	5.68%	9.23%	8.82%	10.02%
ASISA Global Multi Asset Flexible Average	5.29%	8.54%	5.68%	9.23%	8.87%	9.00%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

*Data for longer than 12 months is annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- FGAM Global Cautious Fund
- FGAM Global Growth Fund
- FPA Global Flexible Fund
- Ninety One Global Strategic Managed Fund
- Ninety One Global Franchise Fund

Performance statistics

	Fund	Benchmark
Highest 12-month performance	40.26%	34.52%
Lowest 12-month performance	-16.99%	-15.05%
% positive months	56.89%	60.12%

The FG International Flexible Fund of Funds returned +4.14% in the third quarter of 2021 and +5.12% over the past 12 months, outperforming the benchmark peer group average quarterly return of +3.73% but underperforming the 12-month return of +5.68%. The Ninety One Global Franchise Fund was the best-performing underlying fund over the quarter, returning +4.84%. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2021

	Global Equity	Global Fixed Income	Global Cash	Global Property	Local Cash
FG IP International Flexible FoF	66%	9%	16%	5%	3%

	USD	GBP	EUR	JPY	Other	ZAR
Currency Breakdown	60%	3%	12%	7%	14%	4%



MARKET PERFORMANCE

Index	Asset Class	4Q 2020	Q1 2021	Q2 2021	Q3 2021	Last 12 months	Year to Date 2021*
STeFI Composite Index	Local Cash	0.97%	0.90%	0.92%	0.95%	3.80%	2.80%
FTSE/JSE All Bond (Total Return)	Local Bonds	6.71%	-1.74%	6.86%	0.37%	12.46%	5.38%
FTSE/JSE SA Listed Property Index (Total Return)	Local Property	22.19%	6.40%	12.12%	5.94%	54.43%	26.39%
FTSE/JSE Africa All Share Index (Total Return)	Local shares	9.75%	13.14%	0.05%	-0.84%	23.19%	12.25%
JP Morgan World Govt Bond Index (USD)	Global Bonds	2.26%	-5.65%	1.07%	-1.08%	-3.54%	-5.67%
FTSE EPRA Nareit Global REITs (Total Return) USD	Global Property	13.91%	7.40%	9.94%	-0.14%	34.31%	17.91%
MSCI World (Total Return) USD	Global Shares	14.07%	5.04%	7.89%	0.09%	29.39%	13.43%
MSCI ACWI (Total Return) USD	Global Shares	14.79%	4.68%	7.53%	-0.95%	27.98%	11.49%
US Dollar/South African Rand (+ weaker ZAR, - stronger ZAR)	Exchange Rate	-12.21%	0.78%	-3.31%	5.42%	-9.82%	2.72%

*(Return until 30 September 2021)



ADDITIONAL FUND INFORMATION

Fund name	No. of participatory interests*	NAV (month-end)	Total expense ratio (TER)**
FG IP International Flexible FoF A	19 827 646.07	32.00	1.59
FG IP International Flexible FoF A1	97.53	31.44	2.15
FG IP International Flexible FoF B	1 747 305.46	26.27	3.25
FG IP International Flexible FoF B1	10 436 961.07	27.08	3.02
FG IP Jupiter Income FoF A	78 589 264.83	12.22	1.06
FG IP Jupiter Income FoF A1	50.95	12.19	1.63
FG IP Jupiter Income FoF B	7 976 469.45	12.12	2.78
FG IP Jupiter Income FoF B1	14 059 308.76	12.14	2.50
FG IP Mercury Equity FoF A	4 469 227.17	37.46	1.72
FG IP Mercury Equity FoF A1	16.51	37.37	2.28
FG IP Mercury Equity FoF B	320 640.98	35.82	3.44
FG IP Mercury Equity FoF B1	52 914.00	36.61	3.15
FG IP Neptune Growth FoF A	19 991 890.60	13.84	1.57
FG IP Neptune Growth FoF A1	47.32	13.81	2.15
FG IP Neptune Growth FoF B	2 128 256.09	13.70	3.30
FG IP Neptune Growth FoF B1	1 264 616.79	13.73	3.01
FG IP Saturn Flexible FoF A	49 089 973.12	31.10	1.47
FG IP Saturn Flexible FoF A1	20.54	31.01	2.03
FG IP Saturn Flexible FoF B	7 971 836.54	30.81	3.19
FG IP Saturn Flexible FoF B1	6 346 591.39	30.84	2.90
FG IP Venus Cautious FoF A	72 006 211.40	17.49	1.40
FG IP Venus Cautious FoF A1	36.15	17.44	1.96
FG IP Venus Cautious FoF B	3 565 310.16	17.28	3.12
FG IP Venus Cautious FoF B1	13 867 783.38	17.29	2.84

*Fund size and no. of participatory interests as at 30 September 2021

**TER as at 30 June 2021



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COMPETENT

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