



CMEFS (WEEKLY) NEWSLETTER – FRIDAY 22/10/2021

In this edition: Important developments-AIMS-GLACIER-INVESTEC- CMEFS/SA Inc.

Hello and welcome back to this week's shortened edition of our weekly newsletter.

In this regard, you will note that I have placed the word (weekly) in the header in brackets as although I will be doing my utmost to get something out to you every Friday, this year has been so very challenging that I have not been able to set the time aside to do so up until now.

In fact, I note that the last newsletter that went out was on the 27th November 2020.

Eish. Sorry! Just been VERY VERY busy!

In the early part of this year, we lost both our head bookkeeper for the bookkeeping division and our training and compliance officer, both of whom resigned their position for personal reasons.

We have since found a replacement head of the bookkeeping division but have not replaced our training and compliance officer yet.

We did, but the new person was in and out within a month choosing to rather assist her daughter in her own business which 'took-off' in the very same month she joined us.

So, all the work came back to me until our new head of bookkeeping, Ayanda, could find his feet, which he now seems to have done, but the training and compliance remains with me, along with a whole bunch of other things.

Before we go into this week's discussion, let's see how the CMEFS Flexible fund has done for the year thus far as compared to the All-Share Index (ALSI) and Money Market Funds, bringing all fees to account.

The figures shown in brackets show what the fund is headed for, for the year, assuming the fund continues to perform as it is. (The projected annual rate of return)

From 1 Jan to end	ALSI %	CMEFS Flex %	Money Market %
Jan	5.04 (82.90)	0.55 (6.95)	0.21 (2.52)
Feb	11.33 (95.02)	1.05 (6.78)	0.39 (2.34)
Mar	11.83 (47.32)	1.27 (5.47)	0.61 (2.45)
Apr	12.00 (36.00)	1.91 (6.15)	0.83 (2.48)
May	12.27 (29.45)	1.99 (5.09)	1.05 (2.53)
June	10.58 (21.16)	2.31 (4.90)	1.26 (2.52)
Jul	14.66 (25.12)	3.03 (5.47)	1.47 (2.52)
Aug	11.45 (17.17)	3.64 (5.72)	1.68 (2.53)
Sep	6.90 (9.20)	3.76 (5.25)	1.91 (2.54)

IMPORTANT DEVELOPMENTS YOU NEED TO BE AWARE OF:

1. As from around March next year, AIMS have agreed to merge with Sanlam's Glacier Investments to create the next biggest asset management company next to the GEPPF. (Government Employees Pension Fund) When the funds merge, assets under management by Glacier will exceed a trillion Rand.

So, if you are currently invested with AIMS, somewhere around March of next year you will stop receiving correspondence from AIMS and you will start receiving correspondence from Sanlam Glacier in its place

I am told at this stage that other than the fact that you will now be receiving correspondence from Sanlam Glacier rather than AIMS, nothing else will change.

Pretty much what happened when Investec Asset management changed their name to Ninety One.

And speaking of Investec...

2. You might have picked up in the news that Investec have been fingered as being involved in one of the world's largest tax frauds.

Whatever the outcome of investigations in this regard, please rest assured that it is Investec **BANK** that is implicated in this tax fraud and NOT Ninety-One Asset Management, so if you are invested with Ninety-One, please do not lose any sleep over this.

3. Internally, (as in CMEFS/Us) we are taking a very careful look at the possibility of rationalizing and consolidating our Category II client base.

Simply put, our Cat II license allows us to switch our clients' capital invested between different funds on their behalf without our having to contact each and every client individually before doing so.

The reason we are looking at this is that not every LISP (Linked Investment Service Provider) has access to the full range of underlying funds we might want to switch into, meaning that, for example, the AIMS "CMEFS Flexible Fund" turns out to be a little different to the Ninety-One "CMEFS Flexible Fund", and so on.

Although we try and replicate the unavailable fund/s as closely as possible, at the end of the day they are replicates and not the original, and this can and does make reporting on fund performance more complicated than it would otherwise be.

Incidentally, it also makes it way more difficult to get our monthly statements out on time, so that is an additional plus.

The LISP that is providing us with access to the greatest number of funds at the most competitive platform fee at this time is AIMS, so notwithstanding the proposed merger with Sanlam's Glacier during the early part of next year, we are eyeing the possibility of consolidating all of our Cat II clients on the AIMS platform.

Of course, nothing is ever quite as simple as it sounds, so this is by no stretch of the imagination a “done deal” at this time, but it is something we are looking into so we thought it a good idea to include this information in this edition of our newsletter.

We will keep you updated on developments in this regard as and when they unfold.

SA Inc

In summation, and I say it with great sadness, it seems we are skating closer and closer to the edge of becoming a failed state.

Thankfully we are not there yet, but it is becoming increasingly difficult in so far as arresting the fall is concerned, and the way back is becoming a longer journey almost by the day now.

Right now, as I write this newsletter, although I have a fibre connection to my office computer, I keep losing the connection, probably because someone, somewhere, has stolen the back-up battery to a cell-phone tower somewhere. Or maybe even the cell-phone tower itself. Nothing seems impossible in these times!

And my staff who are working from home in Umkomaas spend almost more time without power than they do with power. (And water)

Although there is no loadshedding happening today for example, they have been without power all day. AGAIN!

My sister who lives in Harding says they have had to fill bottles of water from a truck or whatever for the last 6 MONTHS!

It is my personally held view that the ANC are now essentially a “dead duck”, in that they are simply unable to do what they need to do (the good guys anyway, and as unbelievable as it may sound, there are good guys) because of push-back from the bad guys who do not like having their free meal ticket taken away from them.

Again, it is my personally held view that the ANC, as a political party, are “done”, and that it is only a matter of time before they find themselves with less than 50% of the vote come the national elections, either this time around or the next.

So, the next year or two or three or four are going to be a very interesting years indeed so prepare yourselves for a very bumpy next few years!

More on this in other editions.

As I said at the beginning, a much shorter edition, but a bit more manageable, and much better I am sure than hearing nothing at all.

I remain conservatively invested as stock/share valuations have now gone from “fairy-land” values to something resembling an illicit drug induced high, just short of an over-dose.

I trust you enjoyed the read. Until next time, do take good care of yourselves. Kind regards.
Nine, Charles and the entire team at CMEFS