

People will only tell you what they want to tell you...

Whilst sifting through all the economic data that we receive daily, we come across factual data, which in some cases needs to be revisited to make sure the facts are indeed accurate.

If we take one of the biggest Unit Trust companies for example, they comment as follows with regards to their poor performance on their Balanced Fund. They were quoted on the 7 December 2018, saying: "Understanding recent performance.....UNFORTUNATELY, over the past 12 months, the majority of the underlying assets have fallen in price. As a result, the Balanced Fund returned a negative 6.2% for the year to 30 November 2018."

Another one of the larger Unit Trust managers, on the other hand, sent out a report, dated 13 November 2018 and stated: "The Opportunity and Cautious Managed Funds not only kept pace with the peer group in a strong market in 2017, but more importantly have proven to be more resilient in the challenging market conditions we have witnessed so far in 2018. Both funds have produced top decile performance over the one year period to August 2018."

We find it strange that the company quotes August figures when they are sending out a report in November. They knew in November that local and world markets came off in October.

	August 2018	October 2018	November 2018
Opportunity Fund	11.2%	2.9%	0.6%
Cautious Managed Fund	9.8%	5.7%	0.3%

Perhaps there should be a 'financial warning' on Unit Trusts so that clients know if the funds are meeting their benchmark or not.

For instance, yet another major Unit Trust company, has a Stable Fund with a benchmark as follows:

Inflation + 4% (Inflation, $\pm 5\%$ for the past couple of years plus 4% which equals $\pm 9\%$, over a 3year rolling period.

Stable Fund Performance

Period	Performance
1 year to 31 October 2018	0.70%
3 years to 31 October 2018	3.60%
5 years to 31 October 2018	5.90%
7 years to 31 October 2018	8.40%

From the fact sheet extract above, you will notice that during any of the rolling 3 year periods, they did not reach their benchmark.



Goldman Sachs betting on Stocks in 2019

Equities are the place to be in 2019, according to a senior money manager at Goldman Sachs Asset Management.

The company, which says it oversees more than \$1 trillion, is betting that global growth will extend into next year, giving support to stock fundamentals. GSAM favours emerging-market assets over the developed market, although U.S. stocks look appealing after the sell-off even as the economy moderates.

"We're broadly positive on equities," says Shoqat Bunglawala, head of the global portfolio solutions group for Europe, the Middle East, Africa and Asia Pacific. He further stated: "The largest opportunity in our view remains in emerging markets."



THIS AND THAT

- **SAA** loss of R18 billion, bailout of R17 billion.
- **JSE** dishes out R5 million fine to Pepkor.
- **Mr Tekkie** opens 12 stores in 3 days.
- **Naspers** has \$8.7 billion in cash, looking to buy businesses.
- **Morning Star** states that as at 22 November 2018, 43% of companies on the JSE are 50% or more below their 5 year high.

Bestselling passenger cars for November 2018

1. VW Polo 3092 units
2. VW Polo Vivo 2427 units
3. Toyota Corolla 1426 units
4. Ford Figo 1195 units
5. Ford Fiesta 980 units

Eskom statistics:

	2007	2017
Revenue (R million)	39 389	177 136
Average selling price (c/kwh)	18	83.6
Coal purchase (m4)	117.4	120.3
Cost per employee (R)	9451	33 178
Employees	32 674	47 658



- **117** - the number of people who resigned from Tekkie Town over 3 days this year, including the CEO and COO.
- More on **Eskom** - current debt R419 billion. 80 % of Eskom power generation relies on burning coal. R5 billion is the amount budgeted for maintenance next year.
- At the recent **Investment Conferences**, held in South Africa, Foreign Investors have committed to invest \$20 billion (R290 billion). We hope that this results in SA growth being stimulated and more job opportunities.

SA Balanced Fund Statistics

30 November 2018	RECM Balanced	Foord Balanced	Allan Gray Balanced	PSG Balanced
SA Total %	73,0	67,3	68,5	71,4
Offshore Total %	27,0	32,7	28,6	28,6
Equities % + SA Offshore	67,5	58,5	72,8	63,6
Cash / Bonds % + SA Offshore	32,5	24,4	22,0	33,4
1 Year performance	-2,2	-7,7	-6,2	1,3
5 Year performance	-0,9	4,9	7,2	6,8
Since Inception	3,4	13,7	16,2	13,8

HAPPY HOLIDAYS!

Worldwide Christmas by numbers



2hrs 27mins
Average time spent wrapping presents

5 miles
Average walked while Christmas shopping

80%

All shopping done by 20th December



Times people elbowed or pushed whilst Christmas shopping



World's population actively celebrate Christmas

Best part of Christmas



842 million
Houses Father Christmas has to visit on Christmas Eve

19,490
Number of presents Santa delivers in one second



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Sources: Bloomberg, Visual Capitalist, Credit Suisse, Massmart, Financial Mail, Business Day, Sunday Times, STANLIB, Allan Gray, Old Mutual, Sanlam, Coronation, Ashburton, PSG, News 24 and Investec were used in developing the article presented in this newsletter.

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