



Dear Fellow Investor

“You pay a very High Price for a Cheery Consensus in the Stockmarket” – Warren Buffett

At Olympiad our two main priorities are:

- 1) Not to lose money over 12-18 months.
- 2) Not to invest in the two growth asset classes i.e. equities and property when expensive.

The graph hereunder (S&P 500) tells us to be cautious in considering equity investments. Normally a US correction/crash has a global impact on equity markets. Note: Crashes of 44% (2000-03) and 48% (2007-09).

Recovery times, to break even following a crash, were 7 ½ and 5 ½ years respectively.

S&P 500 (^GSPC)

SNP - SNP Real Time Price - Currency in USD

2/4/2019

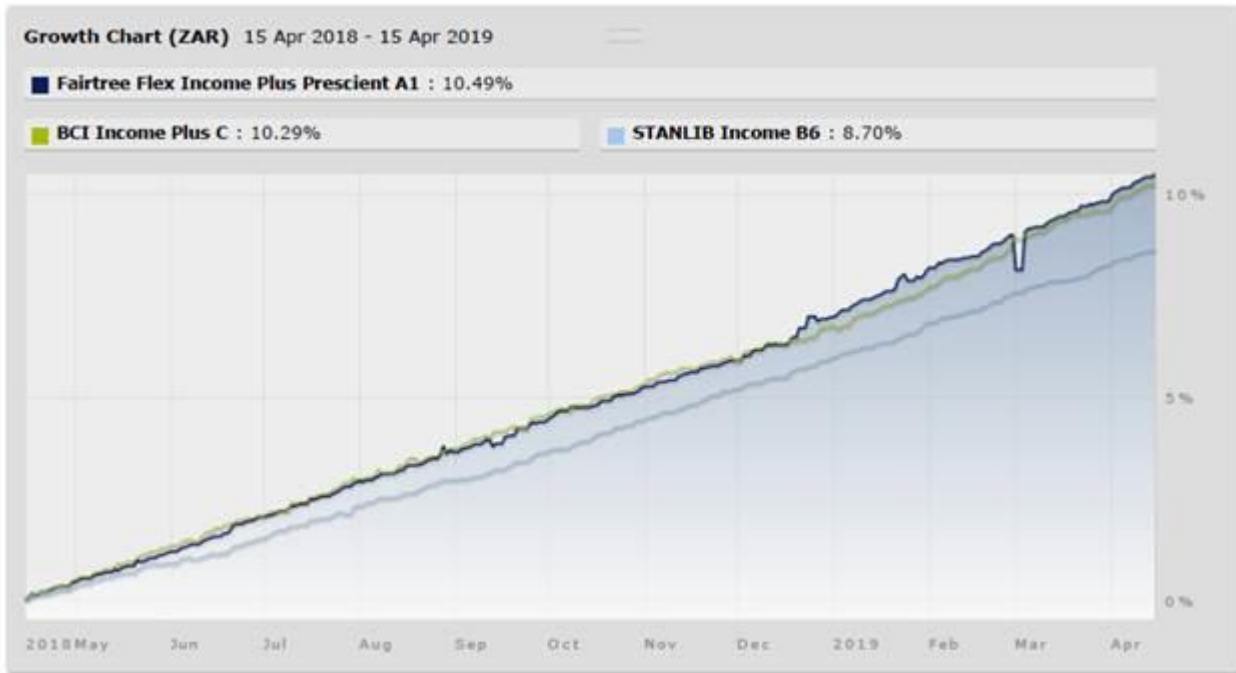


Source: <https://finance.yahoo.com/quote/%5EGSPC?p=%5EGSPC>

Good News – Local interest rates and bond yields are relatively high compared to the UK, Europe and USA.

The pause in US interest rate hikes should support local and emerging market bonds.

As a result a decision has been taken to switch the money market funds, in the Olympiad unit trusts, to the following three income funds:



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Fairtree Flexible and BCI Income Plus are low/med risk multi – asset managed income funds. Stanlib Income Fund is a short term interest bearing fund. Split equally, three ways, the underlying asset classes within the Olympiad unit trusts will be mainly SA Cash (34%) and SA Bonds (60%). Comparative low cost bond ETF's (exchange traded funds) are not competitive based on performance nor volatility in comparison to the smooth graphs above.

The aforementioned switches should give all of us the prospect of higher returns and a high level of security even though euphoria is currently pushing US and other equity markets higher.

Please feel free to contact me should you have any questions or comments.

Regards & Best Wishes

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