



6 AUGUST 2020

Dear Fellow Investor

## STAYING AHEAD OF THE CURVE

True to our stated conviction to be greedy when others are fearful, to invest in cheap markets when others see a bleak future, relatively small portions of 8% (Olympiad BCI Managed FOF) and 12% (Olympiad BCI Worldwide Flex FOF) were invested in local listed property with about 28% exposure to European property.

The chart hereunder shows you the return of our four asset classes and inflation rate from 24/6/2002 to 28/7/2020 totalling:

SA Listed Property TR	+963.64%
JSE All Share TR	+797.95%
JSE All Bond TR	+408.05%
AF Money Market	+296.89%
Inflation (CPI-Urban)	+153.08%



The crash in listed property after Jan 2018 followed by a relatively small recovery since March 2020 afforded us a great opportunity to invest in this asset class but still maintain our goals of positive returns over rolling 12-18 months. Until the end of 2017, including era of very poor national governance since 2009, listed property outperformed the stock market by 2.5 times. Note – return from listed property consists of yield (net rental) and capital gains. Listed property prices usually start to recover about a year before an actual improvement in local and global economies. This recovery will probably be based on a vaccine for Covid19 or effective therapeutic treatments.

The rest of the Olympiad funds are in low risk, interest bearing income funds (local bonds and cash) i.e. Absa Core Income and PSG Income in equal proportions. Stanlib Income has been replaced by PSG Income due to relative underperformance of Stanlib Income since the crash on 24/3/2020(+1.92%) in

comparison to PSG Income(+5.78%) with one year return figures till end of July 6.83% and 9.39% respectively. This could be due to size and change in management.

The property investment is in 1invest (Stanlib) SA Property ETF. As an exchange traded fund the management fee is only 0.29% pa in comparison to an average of about 1.50% pa. for property funds. This ETF since its inception on 18/2/2013 has tracked the JSE Listed Property performance graph almost exactly. It consists of 20 listed property companies covering all types of property holdings which is adjusted every quarter.

Listed property only represents about 5% of the JSE so it is not possible for large managed unit trusts to have significant holdings in this asset class.

As with future share investments this property investment will result in more short term volatility but the potential for significantly higher returns like over the last 18 years. From June 2002, following stock market crashes in 1998 and 2002 in excess of 30% every time and with local interest rates at 12.5%, listed property and shares(JSE) still significantly outperformed bonds and cash as you will see from the above growth chart.

Thank you for your trust in very challenging times. Please feel free to contact me should you have any questions or comments.

REGARDS



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