

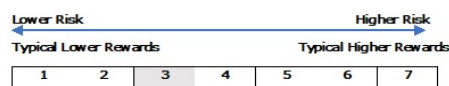


MULTIVEST
ASSET MANAGEMENT

ALLAN GRAY

Multinvest CPI+1% Inflation Beater Portfolio

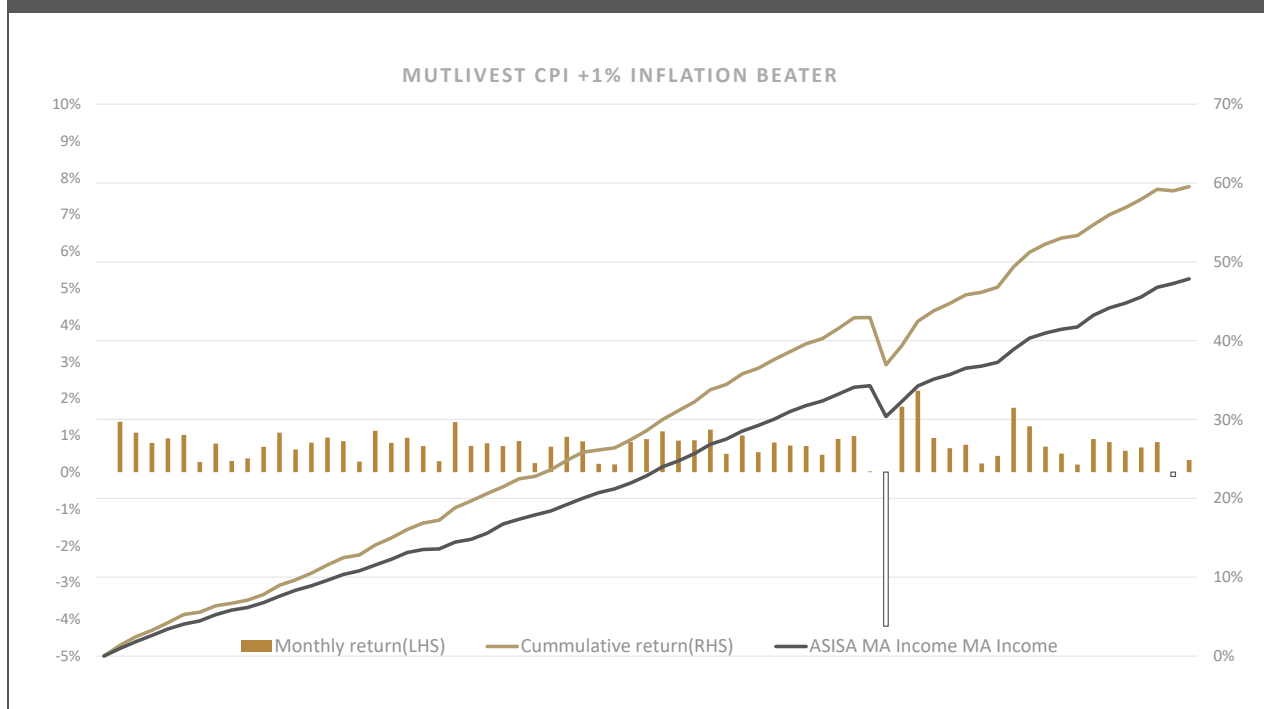
Portfolio update as at 31 October 2021



Objective

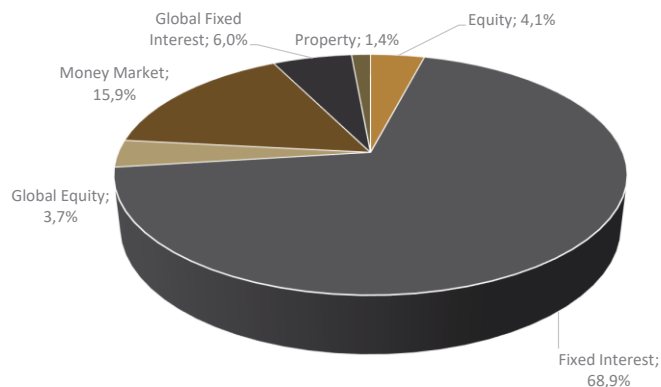
The Multinvest Inflation Beater portfolio is a wrap fund which aims to outperform SA CPI+1% over a rolling 1 year period and is comparable to the ASISA MA Income Sector. It has a conservative risk profile and is suitable for investors seeking to preserve capital over the short term. It is not suitable for those seeking aggressive accumulation of capital. It invests only in SA regulated Collective Investment Schemes and is Regulation 28 compliant, thus suitable for pension investments.

Performance



*All performance numbers quoted prior to inception are based on the backtested results of current holdings

Asset Allocation



Top 5 Holdings

Mi-Plan Enhanced Income

Prescient Income Provider

BCI Income Plus

Nedgroup Core Guarded

Allan Gray Bond

Annual Management Charge (AMC): 0,35%

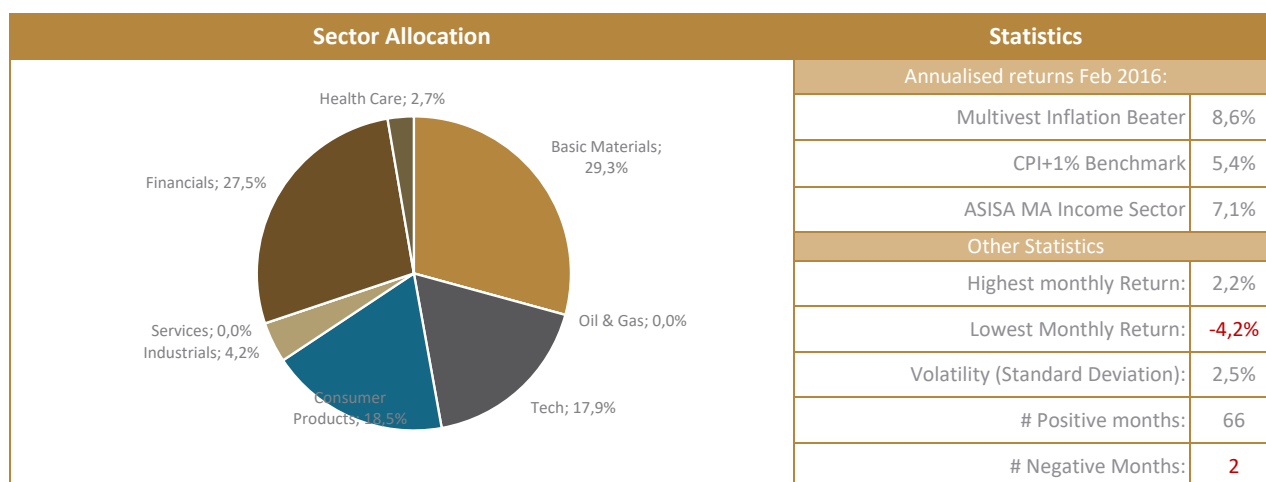
The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns(after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.



Commentary

October was dominated by energy issues all around the world which are likely to persist, affecting future inflation, interest rates and growth. Chinese GDP in the third quarter grew only 4.9%yoy, up only 0.2% from Q2 – the second-lowest quarterly growth since 2010. Reasons for this are the shortage of electricity (16 of 31 provinces are experiencing electricity rationing) due to a lack of sufficient coal, and government policy preventing large increases in electricity prices (creating no incentive to curb demand); weakening of the massive property and construction sector following government restrictions on property developers (this sector is estimated to comprise 28% of GDP); continued disruptions of supply chains; and regional outbreaks of COVID-19. The government is in process of increasing the cap on price increases from 10% above the base to 20%, while there will be no ceiling for high energy-using industries. This is likely to raise CPI and may cause interest rates to increase. India is also facing a coal shortage and may be challenged by the same disruption to industrial activity as China. The UK and Europe's natural gas prices increased fourfold over the past six months. As gas accounts for 40% of UK electricity generation and 25% in Europe, causing wholesale electricity prices to almost triple since March. This can be attributed to a few factors; insufficient reserves when demand increased (due to a cold winter and hot summer); maintenance work at producers in the North Sea and Russia; low wind speeds; droughts limited hydropower generation. Already in August, consumer energy inflation hit 15.4% in the euro area and 9.5% in the UK. Furthermore, the increase of 12% in the UK's energy price cap in October will cause the energy bills of consumers who are on tariffs below the current cap to rise by up to 50%. The Bank of England expects CPI to increase by more than 4% compared to the target of 2%. US CPI in September was up 5.4% from a year earlier. The price of energy increased substantially, with the price of gasoline up 42.1% from a year earlier and the price of natural gas 20.6% higher, however higher inflation is still regarded transitory. Interest rates are at this stage still expected to increase in 2023, following economic growth of only 2% in Q3, down from 6.7% in Q2. Local Q4 growth will be hit by load shedding, following slower Q3 growth emanating from July's looting. CPI should have reached a peak of 5% in September and interest rates should remain unchanged in 2021. However, increasing oil prices will continue to put upward pressure on CPI. Budget revenue is likely to see another overrun of around R100 billion in 2021. Expenditure is also above target, however The fiscal deficit should be much lower than projected in the February budget, which should appease rating agencies, for now.

*Commentary as at 31 October



Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

PERFORMANCE DATA

RETURNS (3 YEAR AND 5 YEAR ANNUALISED)

	1 MONTH	6 Months	1 Year	3 Years	5 Years
PORTFOLIO	0,33%	3,12%	8,69%	8,07%	8,38%
BENCHMARK	0,40%	3,23%	7,72%	6,84%	6,91%

*All performance numbers quoted prior to inception are based on the backtested results of current holdings

Multivest offers structured portfolios as Wrap Funds on the following LISP platforms

Momentum	Ninety One	Old Mutual	Glacier	Wealthport	Allan Gray
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