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IN THIS ISSUE

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INVESTMENT THEMES TO LOOK OUT FOR IN 2022

By Suzean Haumann, Sonia du Plessis and André Basson*

Is 2022 going to be a boom or bust year for investors? Is inflation, especially in the US, going to put strain on the post-COVID economy? Most importantly, when can we safely say we are in a post-COVID world?

These are all questions raised in discussions extending from the dinner table to the boardroom, and rightfully so, because uncertainty over the next year is high.

Three Brenthurst Wealth advisors give their views on what to expect in 2022 and how best to position yourself so as to take advantage of global developments in 2022.

Suzean Haumann CFP® Professional and head of Brenthurst Tygervalley

The bad news for domestic investors is that the investment environment is expected to remain volatile in 2022.

Threats to your portfolio are vast, with local factors such as Eskom's loadshedding putting a constant spanner in the works, that hampers economic activity and, therefore, growth. Abroad, the global economy needs to find a way to combat or reverse rising inflation, with short-term relief increasingly unlikely.

"I still believe in a well-diversified portfolio that focuses on a client's risk profile and their goals for their investments. Whether you are looking for income, capital growth or capital preservation will determine how we structure your portfolio," Suzean says. "Active management of portfolios is very important to ensure that your investments are optimally structured and that we can help you brave the storms."

Brenthurst Wealth Management (PTY) LTD FSP No. 7833

Sonia du Plessis CFP® Professional and head of Brenthurst Stellenbosch

Sonia agrees with Suzean in that we can expect to see markets 'do what they do'.

"It will be volatile, irrational and unpredictable, but that also means there will be growth possibilities and plenty of buying opportunities. Investors who can ride out the volatility, stay the course and ignore all the market noise will be rewarded for their patience," she says.

One of the major drivers of markets this year will be how the US Federal Reserve tapers support for the economy and raises interest rates to curb inflation. With year-on-year price growth in recent quarters surprisingly on the high side, the US Fed has indicated it will act to try to bring inflation under control.

Sonia says that some positive news which we are all looking forward to hopefully hearing next year, is the end of the COVID pandemic.

"The day we reach that stage, sentiment in markets will turn positive and pick up again. Just keep in mind, markets are forward-looking and if you have money lying on the side, it makes sense to act early and not wait until after markets have started to correct before investing."

If you are looking for one watchword to guide your investment decisions **in 2022, Sonia suggests that it should be diversification. And do so across various asset classes and sectors of markets, she suggests.**

André Bason, Financial Advisor and head Of Brenthurst Val De Vie |Paarl

In casting his eyes towards the year ahead, André has singled out sectors, themes and stocks that could offer decent returns based on circumstances expected to dominate 2022. These circumstances, he suggests, will be driven by consumer lifestyle changes, of which many have been accelerated by COVID-19.

The first of these is the food sector, which includes both producers, like Nestlé and Procter & Gamble, as well as suppliers such as Hellofresh, the German listed group that makes meal kits now sold across the US and Europe. Another sector that will benefit is the **fitness gear and clothing brands** like Nike and Adidas who are expected to ride the pandemic-inspired fitness boom.

Similarly, the beauty industry has shown through the pandemic that there is still a strong demand for its products. Even though public events may be curbed, the need to look your best on online video calls remains. The likes of L'Oréal and Estée Lauder should, therefore, be on your radar in 2022, says André.

Continuing the technology theme, which is a perennial one given how it dominates every aspect of our lives, André says the semiconductor industry holds some interesting growth prospects. Manufacturers such as ASML, TSMC and Nvidia are all poised to benefit from the immediate, as well as ongoing demand for their components.

Social media companies ranging from Meta (Facebook, Instagram, WhatsApp) to Amazon, Shopify and Spotify will all continue to attract users and advertisers as our daily activities are further digitised.

With this shift to a more digital and digitised world, themes ranging from cybersecurity to robotics and crypto will grow in size and importance.

His last suggestion to South African investors looking for a solid, dependable play should be to look no further than **Warren Buffet's Berkshire Hathaway.**

"If you want something that will provide you with a bit of safety and hedge against inflation, this might not be a bad pick," he says.

BRENTHURST ADVISOR PROFILE

SUZEAN HAUMANN

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SUZEAN is head of the Tygervalley office as well as one of the company's key individuals.

She is a CERTIFIED FINANCIAL PLANNER® and a registered member of the Financial Planning Institute of South Africa.

She has experience in various aspects of financial planning, focusing on investment and retirement planning. Suzean is also a qualified Foreign Exchange Consultant for the company with a wealth of knowledge in offshore investments.

SONIA DU PLESSIS

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SONIA heads up the Stellenbosch office and has been in the financial services industry since 2001. She won the inaugural title of Top Financial Advisor in SA at the 2019 Intellidex Top Private Banks and Wealth Manager awards.

She previously worked for Magnus Heystek International as well as ABSA Private Bank where she gained valuable experience in investment and life insurance matters. Sonia obtained a BCom degree in 2001 from the University of the Free State and was awarded the CERTIFIED FINANCIAL PLANNER® designation in 2004.

Sonia is a CERTIFIED FINANCIAL PLANNER® professional, a member of the Financial Planning Institute of SA and is fully qualified to give advice on all investment matters.

ANDRÉ BASSON

ANDRÉ BASSON, FINANCIAL ADVISOR AND HEAD OF BRENTHURST VAL DE VIE |PAARL

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ANDRÉ joined Brenthurst Wealth in 2018 and is head of the Val de Vie Estate office. In 2020 he was awarded as one of South Africa's top three Relationship Managers in the SA's Intellidex Wealth Manager and Private Banks Awards.

André obtained his BCom degree from Stellenbosch University, finishing top of his financial planning class. His postgraduate studies include a BCom (Hons) degree and a Postgraduate Diploma in Financial Planning, also from Stellenbosch University. He obtained his Advanced Postgraduate Diploma in Financial Planning (Cum Laude) from the University of the Free State.

He is a member of the Financial Planning Institute of SA and is fully qualified to give advice on all investment matters.

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