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BizNewsDigest
THE RATIONAL PERSPECTIVE
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ANC/DA coalition possible?

In a return to the *BizNews* studio after spending much of the past four months on the road, Dr Frans Cronje of the Social Research Foundation provides an update on optimism he exuded last time. Bottom line: Cronje is still upbeat and hasn't changed his view that the 2024 election will be a positive watershed for the nation. He shares perspectives shaped by both on-the-ground research with voters and some uncharacteristic reform-minded actions by the ANC. Cronje's long-range forecast: A possible Parliamentary coalition between the ANC and its closest rival, the DA – rather than the more popularly predicted ANC/EFF combine.

ANC chairperson Gwede Mantashe, President Cyril Ramaphosa and his deputy David Mabuza on stage during party celebrations in East London. (Photo by Gallo Images / Sowetan / Masi Losi)

> *"13 years later, after coming to power, the ANC had recorded a budget surplus. Don't forget that the technocrats who brought that about are still around. They are still in the broader universe. Some of them will likely make a serious run at seizing greater influence over the ANC at this forthcoming congress."*

On the falling power of the ANC

"The ANC has lost its majority in urban centres. If only urban people voted, the ANC's at 30%, its rural vote is still very strong. But that's logical because it's an older population with living memory experience of growing up as a black person under apartheid, in a rural community. And today, in the relative sense of things, is a much better experience than that. But even that rural vote of the ANC is going to tail away at the country's mortality rate now. So it's done."

Whether there is an incentive to rig the election for 2024

"I think there are people who have that incentive and the ability to try and do it, but I don't think they will succeed because the forces against them are so strong. The economic and social pressures explain why ANC support is sitting in an election now at 45%. It peaked at almost 70% in 2004, a decade and it is falling really fast. There is a thing called the direction of travel indicator for South Africa, and that measures the net result between people who feel the country is coming right and those who feel that it's going wrong. So you take the positives and the negatives. You subtract them from each other and you get a score. After Ramaphosa became leader of the ANC, the score sat at about -40. It's just the benchmark. Just got it earlier this year at -72. It's collapsing and it is a lead indicator of public opinion. Mr Ramaphosa himself has a score, a popularity score. You can do that in various ways. But immediately in let's say, the 24 months after becoming ANC leader, he sat at about 60. But it's just a relative thing. He has now fallen below 50 for the first time. So the spell has been broken. The Ramaphosa spell. 'Ramaphoria' is not holding anymore. No, it's broken now. He was, at the time of the 2019 election, 10 points stronger than his party was. Because his popularity was in the high sixties, the party got 57 in that national vote. And this is extremely important. There has been some sort of wargaming, if you can call it that, in testing opinion. So you sort of put it to people: if Mr Ramaphosa wasn't around anymore, you just think through this, would you? How would you then vote in an election? And the RET guys, if they went off on their own, and did their own thing, would do very, very badly in such an election. Below 20%, most likely. So you boot Ramaphosa and the RETs take over. You don't have a solution, Mr Ramaphosa, because there has been no substantive reform. This bill is broken and the direction of travel indicator is sinking. However you look at this. The current administration has boxed itself in now to a point where it is going to lose. And it"s going to lose because ordinary people have brought that result about. They have given up long before business and diplomats have given up on the offering that the ANC made to the country politically. Now, that is an incredibly important moment for us."

How quickly the country could turn around

"Just been to one of the investment banks and I made a great point to their clients: given what is priced into South Africa at the moment, if the chaps said that even if half of what I suggest might happen, happens, I mean, it's going to take off. Right? Let's think of some deals that work."

Listen to the full interview

SHORTS

Insolvent Post Office needs a **R3.4bn** bailout

Naspers gets **R100m** in good news from China

Moyo's hopes of claiming **R250m** from Old Mutual dashed

Spar shares slide as group slashes FY dividend by **51%**

Sanral bungles all **23** tenders to repair flood-damaged infrastructure in KZN

BIZNEWS TV

Purple's future looks bright

Charles Savage was back in the *BizNews* studio after the release of the Purple Group's full year earnings. Looking in his crystal ball, Savage said the future has never been brighter despite it being a tricky time in the market for growth stocks, echoed by the demure movements in the group's share price in spite of a stellar performance over the last 12 months.

Charles Savage on the stock market not believing in EasyEquities at the moment

"Yeah, if you look at the sort of macro environment, it's kind of against growth companies. You know, growth companies had a good run. We have had a good run and the tide will eventually turn again. The tides in value Piet's (Viljoen) in favour, if you like, and values back in favour. But growth will come back as a theme and when it does, we will be growing faster and doing more things in more regions. So it's a good time to make sure the ship is 100% secure, bedded everything down, you know, work on your strategy and your team and competencies and ignore the share price for a while."

On whether a falling stock price is frustrating

"It is frustrating. It's your share price, it's kind of a confidence indicator. And so, if you like, people are less confident in our ability to execute on our dreams today than they were 12 months ago. But we don't take it personally like we are committed completely to the democratising of investing, not just here but in other regions. And our runway for growth is so much bigger than it was 12 months ago. If you look at the results, and let's just talk about some of the numbers in them, we increased customers by 50% in one year. We have 50% more customers than we did 12 months ago."

On the growth at EasyEquities

"You know how many stockbrokers that is? You know, the other way we compete, stockbroking. The biggest stockbroker outside of us purportedly is Standard Bank, and they've got about 50,000 or 70,000 customers. It's three extra Standard Banks, if you like, in one year. So, great progress on customer numbers, which is one metric. The other one where we did really well is we bought four companies in 12 months. We bought EasyProperties, we bought EasyCrypto, we bought Rise and we bought a little ETF issuer called Cloud Atlas. Again, for a small team to execute four transactions, it doesn't matter how small or big they are, it takes a lot of work and effort and we did all four. That means all of our ambitions are now aligned and we own 100% of the income statements, which is going to improve our economics going forward. That was a big tick in the box. We launched two new partnerships just after year end. We launched Discovery I think just a week or two after our financial year end. And then yesterday, we launched Telkom, both of those; we laid down all of those partnerships in the previous financial year. Again, big tick in the box. We've now got runway to 400,000–500,000 Discovery customers, banking customers and 15 million Telkom customers. More avenues for us to grow in the year ahead. And then, I think, the area where we let ourselves down is that we wanted to launch two new products in the year and that was EasyCredit, which is securitized lending and EasyLife, a life insurance product built for investors. And,, either we were too ambitious or we just didn't execute with enough focus. But we will catch up andlaunch those products before the half-year results are out. And if I'm scoring us, that's the only negative on our scorecard. You know, everything else was positive. We have put a lot of investment from our income statement into future growth, which we're getting penalised for. So, it would seem investors would rather we harvest our income statement and pay them dividends and, you know, don't invest in growth. But they are being shortsighted. If you think about what we did with a little income statement eight years ago, which produced R20m of income and we produced a R2.5bn company, eight years later, we have taken another R30 to R40m out of our income statement and invested in our next phase of growth. And we think it will yield R3 to R4bn in value over the next period, three, five or eight years. So, our income statement is suffering a little bit from investment, but we think it's the right time and the right place to be investing. And it is certainly the right time for us to be growing our ambitions around new products and new regions. I think it was a really good year. And if the market wants to mark us down on our share price, we are here for the long term. We are not selling any shares. We're staying the course and our dreams are bigger than they were 12 months ago."

Listen to the full interview

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A possible ANC/DA Parliamentary coalition

Alternative energy solutions as Eskom falters

Lessons for digital currency investors

Smart money buying, big rebound in 2023

Bringing unbanked people onto financial grid

Driving green infrastructure projects at scale

INVESTING

Mr Market hits Transaction

In this results day interview with Alec Hogg of *BizNews*, Transaction Capital's CEO David Hurwitz multi-tasks his way to explaining why the future remains bright for the highly rated group – despite Mr Market's negative initial reaction to the published figures.

Transaction Capital's share price going down 5% following results

"I think the numbers are good. If you're looking at the share price, I always say to you that my job is to run a good business and hopefully to deliver consistent earnings. And that's what we've done now for 10 years at Transaction Capital. If you look at our share price, we've been trading between 38 and 42 over the last few months. So we've kind of come from the top of that range back into the middle or bottom end of that range. I try not to spend too much time worrying about the share price we build rated by the markets. We've got a good PE, we've got great access to capital if we need it. And if the share price is up or down by a few percentage points this way or that way, it doesn't bother me. All in all, I'm happy with the earnings. Nutun's got great growth prospects and headline earnings look fantastic. Tech is the one business still facing some headwinds, but we have great strategic plans for that, which we've talked about in our presentation."

On the performance of WeBuyCars

"Yeah. I mean, we were really, really happy with this business when we bought it; it was only trading about 5,000 vehicles a month. I think that the management team, but together with our input, has been able to take up to 12,000 vehicles per month. So there's been great growth from that business. We've done better not only in expanding our geographical footprint and growing our market share, but we've done really well in online lead generation and e-commerce trading of vehicles. That too has worked fantastically. And, of course, we also earn more money by selling finance and insurance products together with the sale of the vehicle itself. So all in all, we're really happy. I think we've probably been surprised on the upside. I mean, it was a very deliberate strategy to invest into this business. But I think what has happened as well is that there's probably been a little bit of surprise on the upside as well."

On how much how much expansion potential still exists for the company

"Well, the interesting thing is that we sold about – on aggregate last year – we sold about 10,000 cars a month. At the moment, we pay about 12,000 a month. And our current market share at the moment is probably below 10% across the country. But if you look in certain geographies that are on the up and up and in Mbombela which is the new Nelspruit. Our market share was nought in Nelspruit, but we bought a lot of cars in Nelspruit, but used to track them down to Jo'burg and sell them in Jo'burg. And we've opened a branch there. We don't think of it as a large branch. It's got about 400 bays, or 400 cars, under a roof, but it's by far the largest second-hand dealership in Nelspruit and all of a sudden we've got a big market share in Nelspruit. So I think as we expand geographically, we will be able to take more market share, but then also within our existing markets, we should be able to take market share as well. We've got a first mover advantage. We've got a fantastic brand. We are a trusted brand in the sector. We are online, which allows us to attract customers easier and quicker and engage with them digitally."

Listen to the full interview

Value focus lifts Ranmore Funds

Sean Peche is flying right now, with a value-based approach elevating his Ranmore Funds into the top one percentile according to performance monitoring company Morningside. Peche has shared some of the love with the *BizNews* tribe – recommending two stocks that shot the lights out since being included in our model portfolios. In-form Peche explains to Alec Hogg how his process of seeking value and ignoring fashion helped him dodge performance-killing bullets – and a warning that the next shoe to drop could be a downrating of shares in top-quality multinational companies.

Ranmore funds being in the top 1% of funds

"It has been great. And you know, that's the latest Morningstar data we've seen. It's in the peer group and it's the top percentile year to date over the last one and two years. And I think it speaks to the fact that we are so different from everybody else. We just value investors. We don't care about the benchmark. We are going to buy what we think makes sense. You will have seen so far this year, I mean, tech has been a disaster and many of these growth companies have fallen on hard times. We have dodged that. So, we've managed to do that even though we took a hit from Russian equities. Hopefully that just speaks to our process and the merits of making sure we worry about the margin of safety and the downside, because that's a big element. You don't lose too much and you can compound the gains. That is important. You don't want to go down too far because if you go down 25%, you've got to go 33% to get back. If you go down 50%, you have to go up 100% to get back to where you were. So, minimising the drawdowns is critical, an essential part of a process."

On whether it lasts when the market moves from growth stocks to value stocks

"Value has underperformed growth since 2007. I believe anybody who thinks this is going to be over in a couple of months is mistaken. These markets move in long cycles. I think we're at the very beginning and what is interesting, you know, we last spoke on 3 October. I had a look at my diary and if you recall at the time, the sentiment was very negative. I made a comment that the Association of American Individual Investors, the bearishness, was almost unparalleled; I think 61%. In the previous week, the survey had shown that 61% of individual investors in the US were negative and thought the outlook for the next six months was down. That has only happened four times since 1995, out of 1,428 weeks end. And that's the individual investors. Now the September Bank of America fund manager survey. They go and survey fund managers, not individual investors. They were 371 panellists, one covering $1.1 trillion. They had the highest cash levels in 21 years, and the most crowded trade was long US dollar and short Europe. Everyone was underweight in Europe. Now, since the end of September – which is pretty much when we spoke – North America is up 10. The world index is up 11.7. Europe in dollars is up 19%, the euro is up 6%, and the yen is up 3.8%. We spoke at the time and I think I said, "Listen, if you can't invest now, you should actually find something else. You can see, you know, so you have to make the difficult decisions. And if you can do that and stay the course and, of course, by all means, invest yourself, but maybe not invest all of your money yourself – but you can just see that if you get the timing right and you go against the crowd at the right time – it can be very profitable."

On capping the size of Ranmore to ensure market growth

"Yeah, definitely. I mean. Absolutely. And I've got a pledge. It's public, on our website and, obviously, it's a million miles away from where we are but it is one of the benefits that if you're small and nimble, you can take advantage of some of the smaller companies."

Listen to the full interview

BIZNEWS RADIO

Tech Wreck drove prices low

California-based founder of ETF provider GinsGlobal, Anthony Ginsberg, makes some powerful points in this interview on the Tech Wreck and what lies ahead for Wall Street's fallen angels. He says smart American money is picking up shares in downtrodden tech companies, especially those with high exposure to exponentially growing sectors like the Cloud (think Amazon, Apple, Alphabet) and Cyber Security (think Cloudflare). He shares insights with Alec Hogg on the US market's positive reaction to last week's inflation surprise; explains why Wall Street is happy about the MidTerm election results; and now that Donald Trump's bolt is shot, the prospect of a Ron DeSantis-led, business-friendly US government in 2024.

If it was a surprise to see tech stocks react so positively to the inflation print

"Not particularly, actually. We believe the Fed has seen the worst of inflation. Most American observers believe the largest inflation prints, I think, are behind us, and then we'll be on a downward trajectory over the next couple of months. We previously, as you know, hit over 9%. We are down to 7.7 at the moment. It's very likely that the strong dollar, in fact, is helping America reduce its inflation rate. Interestingly enough, the strong dollar will also help big tech earnings because many of them are large multinationals that have been hurt by the strong dollar. So, we were more positive than others that over the next six to 12 months, as the inflation prints come down, you will see improvements across growth stocks because they've been the ones most slammed by discounting high interest rates. I'm a boring accountant by training and, yes, obviously, if you have high interest rates, you are going to hurt the growth stocks. Our view is things are going to start improving for growth stocks into 2023."

On the almost decade lows

"Yeah. If you look at the PE ratios, we've got a cloud ETF as one of the tech megatrend ETF that covers all of these subthemes. The megatrend had a PE ratio of around 30/31 earlier in the year, looking back to late December and January. Now it got down to about 19/20. So we've seen PE ratios compress significantly. In fact, the premium relative to just a straightforward S&P 500 premium. Typically, growth stocks may have a premium as high as 50% more than the S&P 500. That premium has shrunk dramatically. So, what you pay for the S&P, let's say 16 times earnings, now you are paying only about 19 times earnings for many of these tech stocks. The whole premium relative to the rest of the market has shrunk. In many cases, yeah, there's a bargain basement sale. You just saw Mr Buffett, Warren Buffett, buy a part of Taiwan Semiconductor overnight, and spent about five billion there. That's also a boost for the tech sector. We think the industry has been pummelled disproportionately in some ways, whether it was an Apple type stock or an Amazon or even some of the the mid-caps and smaller large caps that we utilise, we actually have an integrated approach. There is a big difference towards investing here, whether you go the Nasdaq route and you have a domination, almost a smothering effect of seven or eight stocks controlling our entire tech portfolio. If you do a much more broad-based look, we have over 100 holdings and these are essentially equally weighted across all these various sub-themes, whether it's social media awards, cloud, cyber or robotics."

On whether the markets believe the fast-growing companies are now very close to the ratings of the old stolid ones or if values should have its run for a lot longer than a couple of years

"Fair enough. I will just say that we see institutional investors in America getting back into the market. They may be dipping their toes in rather than jumping in full heart but we have seen a turn in terms of sentiment. It's not going to happen overnight. But if you look at how many of us are old enough, back in 1980, when inflation hit double digits and what happened the subsequent year when the prints started coming down, you had a 25% rebound on the S&P 500. Now, we're not saying you are going to have the exact same situation, but history does tend to rhyme. And most likely we'll see a positive 2023 and growth stocks will push it higher. They've been beaten down indiscriminately, quite frankly. And again, whether you were on Facebook or Apple, everybody just got slaughtered. We think we're not going to see previous levels. I think we were in agreement that the tech was overvalued, but at this point, many of those well-placed stocks have been beaten down by 30% to 40% and their earnings have not actually given up the ghost. Their earnings in many cases remain strong. Just to give you a quick sense in terms of big tech, cloud was driving 30% to 40% gains year on year during just the second and third quarters. This is for the likes of Amazon, for Microsoft, which has been good as Uber and also Google's cloud. So big tech, incidentally, are moving into things like online gaming, into social media. There's a lot of crossover going on. Yes, we talk about anti-trust issues or anti-monopolistic issues, but big tech is able to move all over. One thing I will say about cloud being embraced by the likes of JPMorgan, a big healthcare, hospital groups, financial services group, that didn't happen five years ago. Cloud was seen as a bit risky, that you put all your eggs in one cloud provider's basket today. You can use multiple clouds, or hybrid clouds, we call it here. So, outsourcing has definitely caught on and the big regulated industries are now adopting."

Listen to the full interview

BizNews Radio

Welcome to BizNews Radio where we interview top thought leaders and business people from SA and across the globe.

BizNews Radio

Thiago Almeida – Divisional Executive-Client Coverage, Nedbank Corporate Investment Banking – weighs in on Water Day at COP27, Sharm el-Sheikh, Egypt.

BizNews Radio

Opposition to the electoral amendment bill, in its current form, continues to grow, with Ramaphosa under increasing pressure to act before the 10 December deadline. In 2020, the Constitutional Court ordered Parliament to make the necessary legislative changes to the existing electoral law, which makes it impossible for an independent candidate to stand for office without being part of a political party. This provision is at odds with the country's Bill of Rights.

BizNews Radio

In this long-form interview with Dr David Wiseman, the significant risks associated with continued boosting were meticulously examined. According to Wiseman, attempting to boost our way out of the pandemic is the immunological equivalent of heroin addiction. He furthermore provided critical insight into the FDA and CDC's egregious abandonment of once well-established standards, evidenced by the EUA issued for the new untested BA4/5 bivalent boosters.

BizNews Radio

***BizNews* correspondent Michael Appel spoke with Dr Corné Mulder, the Western Cape leader of the Freedom Front Plus, but in his capacity as the chairperson of the coalition technical committee. Mulder admits that the continuous in-fighting between parties is robbing the alliance of valuable energy it should be expending on service delivery, never mind tarnishing the image of the workability of coalitions as an alternative to one-party rule come 2024.**

BizNews Radio

A theme that has stood out for Peter van Kerckhoven, Co-Head: Debt Finance, Nedbank Corporate Investment Banking, at COP27 is that of carbon credit trading which appears to be gaining some real momentum. Van Kerckhoven believes that given the robust conversations he's heard at COP27, we may see concrete steps on carbon credit training trading sooner than anticipated.

BizNews Radio

In the run-up to COP27, Lewis Pugh became the first swimmer ever to cross the Red Sea, from Saudi Arabia to Egypt. He invited world leaders to put their heads in the water to see what would be lost if the world continues on its track of global warming. Pugh told *BizNews* that the planet has warmed by 1.2 degrees Celsius, which resulted in devastating floods, wildfires and displacement. If it warms to 1.5 degrees Celsius, "We lose 70% of the world's coral."

SA INVESTING

Renergen's share price drop

Renergen's story about turning a Free State helium and natural gas deposit into a massive profit generator attracted a horde of retail investor fans. But in recent months, Renergen's share price has fallen 34% and at its current R27, is a world away from respected small cap analyst Keith McLachlan's R67 valuation. The stock returned to earth after its pilot plant's production deadline was missed – first because of Covid-lockdown related delays, then by a faulty oil heating system. CEO Stefano Marani has also had to deal with a cold shoulder from controversial mining company Ivanhoe, and leaks in Australia that aborted a capital raising exercise. On the upside, he reckons the glitches have all been dealt with and expects the pilot plant to produce its first helium soon.

Renergen chief executive officer Stefano Marani

Expectation to start production at the beginning of the year and why it was delayed

"So to say that we were expected to start producing at the beginning of this year that was it. That was a target set down in 2019 prior to Covid-19. Obviously, Covid-19 changed the game for everyone. What happened in terms of the delays? Where we got to was with the with the turn on the turn on the revised schedules with the turn on would have seen the plant come online in about commissioned in August and then coming online and production in September. We managed to get the plant into production in September and by production that means bringing the energy online first. And then you go systematically through the different modules. There are three modules, there's an energy module and then there's a nitrogen module and then there's a heating module and you need all three running in to produce liquid here. Once we commissioned, fully commissioned and got the energy system working and in full production, we then turned our attention to the nitrogen module, got that under wraps, got that working and got the helium module switched on. And helium going into the plant was great and recoveries were excellent. We were about 10 hours away from reaching liquid helium status in the liquid helium tanks. And then one of the system utilities, a conduction oil system, went down the installer and installed the conduction oil system properly. It had worked on and off, but once it was stable we got the plant working to within literally 10 hours of liquid helium and then the conduction oil system went down. So we decided to do the Yeah. And make the hard decision and, and be responsible about it, shut the plant down. And we have subsequently removed the conduction oil system. We reinstalled the conduction system that is now operating 100%. So since then touring the plant on it and now we're going through the motions of turning the plot back on due to full operational capability.

I'm loath to give an exact date, but it is very close. It's very, very close. It's not, you know, it is not months away, let's put it that way."

On the production of the pilot plant phase one and phase two and is there enough generated to turn Renergen into profitability

"Yes. Phase one. Phase one is profitable. That washes its face and it produces positive results. And that's the important thing. So to put it into context, phase one will accept 3 million standard cubic feet of gas, per day phase two will accept 24 million cubic feet of gas per day. It gives you an idea of the order of magnitude. Now, the benefit about that is that you get massive economies of scale with these large scale gas plants that are significantly more profitable."

On the share price decline

"Look, I think at the end of the day, it's just that we missed our targets on the turnon. And these things happen. While we're not proud about the fact that we missed the helium turn on especially having gotten to within 10 hours of achieving it and knowing full well what the repercussions would have been and the fact that we were going to be hammered in the markets, we needed to do the responsible thing and protect the plant. Pushing through and reducing liquid for the sake of producing liquid was not an option. A lot of the risk of the plants. So yeah I think what's reflected in the share prices is a market reaction to just missing our anticipated turn on of the helium facility."

Listen to the full interview

WEALTH ADVISORS

Rethinking your retirement

Brought to you by Brenthurst Wealth

Sonia du Plessis, CFP®

Predicting the future might be a fool's errand, but that doesn't mean you shouldn't be planning your financial future. Especially in the context of the highly anticipated global recession and how this may affect investment returns in the coming years.

It's useful to look at historical market returns to get an idea of what we can expect. However, that seems less reliable given some of the fundamentals shifts we've seen in the past three years. Globalisation, for instance, has gone from a driving force of the world's economy to a major hiccup as countries look inward to shore up their supply chains.

How this plays out and how the global economy recovers will be crucial for investors who are saving for their retirement. The big question is whether the models and projections we've relied on in the past are still relevant. Because if they're not, then it's time to relook at your portfolio to check that it can still deliver what your retirement plan demands.

Looking to past to plan for the future

Historical market returns are a simple tool we use to guide our expectations of what we can expect in the future.

The roughly 10% compound annual growth over 20 years has long been a fair assumption to use for your long-term projections when putting your retirement plan together.

And while it's tempting to look at the higher returns achieved over the most recent five and 10 year periods, don't be fooled into relying on those numbers for your long-term strategy.

What the experts predict for the next 10 years

If you want to get a more realistic picture of what we can expect in the coming years, look no further than the projections of some of the US's largest fund managers. The likes of BlackRock, Grantham Mayo Van Otterloo and Morningstar Investment Management were recently asked to predict market returns for the next 10 years.

As you'd expect, the projections vary quite a bit between the various fund managers. The over-riding conclusion however, is that returns are projected to be much lower over this period than the previous 10-year period.

What this means for your retirement planning

While it's important to digest and understand these projections, this is not a signal to up-end your portfolio. Or, rather, the projections alone aren't reason enough to have to re-evaluate your portfolio composition.

However, factors such as the domestic economy and inflation, and rising life expectancies could give you some cause to reassess and rebalance your retirement plan. How you choose to do that, and the reasons for doing that, will differ from one person to the next. It's unreasonable to expect that your circumstances, goals and ambitions are the same as your neighbour's or a work colleague's.

These very personal circumstances are at the heart of what your retirement plan is about and how it's going to allow you to retire comfortably.

Reassessing your plan and your portfolio is something you definitely need to do from time to time. Preferably together with a financial advisor who understands your goals and is able to give you qualified advice on how best to respond to markets and global economic conditions.

Doing these occasional reassessments help give you the confidence that your plan is still on track, while giving you the room to tweak components that need to be recalibrated.

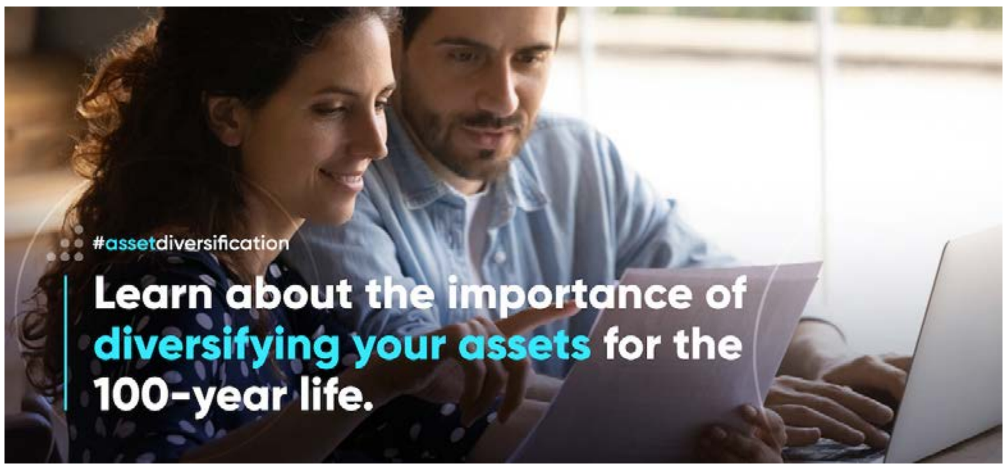
These are conversations that we expect to have with clients in the coming months as the world drags itself through the inevitable recession. In fact, those in the know say we're already in the recession, which means that we're also already making our way out of it. That's unlikely to happen this year, and probably won't happen next year but there are glimmers of hope that 2024 will see us emerge from this tough period.

By riding out the down cycle, we're all likely to emerge better off once the up cycle kicks in again. Until then, it's important not to panic and to keep your eyes on your long-term goals. And only if needed, make adjustments that can help you emerge stronger.

The 100-year life looms ahead

Brought to you by Wealth Migrate

Wealth Migrate's Chief Investment Officer, Riaan van der Vyver explains his perspective on financial planning with increased longevity in mind. He provides insights on why he believes diversification is the way forward and why it's never too late to start becoming financially literate. A 100-year life will give you more time to build a foundation to create and protect your wealth, and by adapting an investor mindset, it will accelerate this process of wealth creation.



For a broader picture of the problems we have identified with the 100-year life and how it is affecting financial planning, read this article on the 100-year life. Where we discuss how investors need to accept that a 100-year life means having a new mindset for achieving financial freedom, which works together with financial independence.

Lead with a diversification investment strategy

Certainly, in the global markets there is a lot of uncertainty and volatility, Russia's war with the Ukraine is causing worldwide supply shortages, and most economies are still recovering after the Covid-19 pandemic. Investors need to pivot investment strategies in order to lower investment risks and diversification may be the best defensive play for investors considering these types of market concerns.

Diversification is important to investors as it is a way of harmonising the risk-reward ratio and capitalising on beneficial investor opportunities. Allocating capital into a variety of assets lowers risk exposure when it's based on an investor's personal comfort level with risk. When an investor builds their portfolio, they choose investments aiming to earn a high return for lower risk.

Alternative assets are often attractive because of the types of returns they can offer, and the opportunity they provide to diversify an investment portfolio that may already include traditional investments. Therefore, this reduces overall portfolio risk.

Understanding alternative assets

I hear a lot about the fear of not knowing enough or not knowing how to leverage information to make the best investment decisions. That's why I personally believe that financial literacy is important to unlocking future wealth creation and protection. Before I go into what the future holds for alternative assets and the potential growth for this industry, I will explore these investment concepts in more detail.

1. Portfolio diversification

Alternative investments generally have a low correlation to more traditional asset classes. Alternative assets offer portfolio diversification, lowering the overall risk exposure across investments, and provide a hedge against inflation.

2. Improving returns

There are other reasons as to the appeal of alternative assets to investors, one of these is the possibility of gaining high returns. Traditional assets, especially in the current bull market for stocks and shares offer lower returns, the trade-off is that alternative investments generally require a higher amount of capital for investment for a longer term.

However, Wealth Migrate has managed to remove the barrier of high capital by ensuring that our investors can pool wealth together through a crowdfunding vehicle. This grants more investors the accessibility option of investing in alternative assets, as previously this used to be restricted to the ultra-high net worth investors that could afford to invest by themselves.

You may have heard of absolute returns and relative returns. These are the performance measures that fund managers use to determine whether an investment is providing good returns.

Investopedia defines these types of returns as:

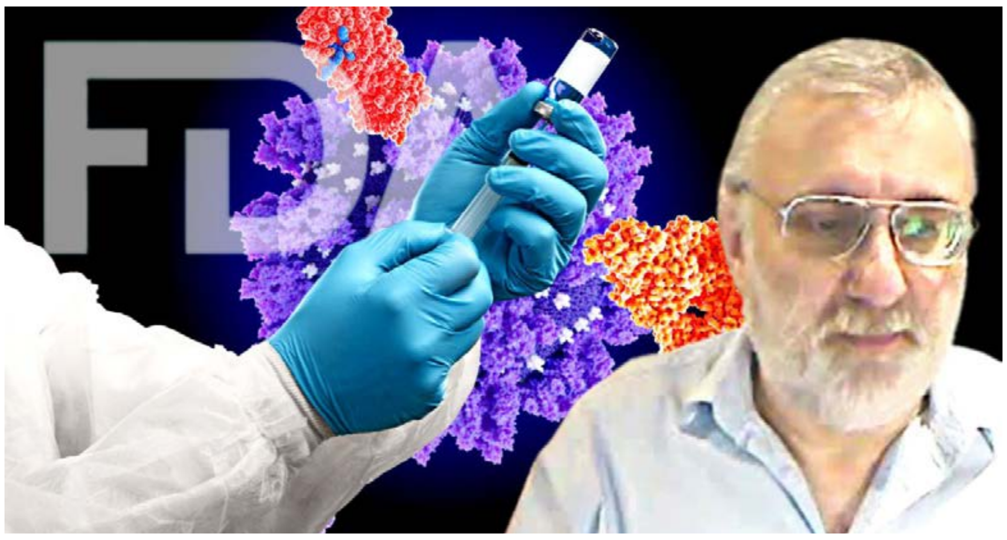
- Absolute returns are whatever the asset or portfolio returned over a specific time period
- Relative returns use the difference between an absolute return and market performance as a comparable benchmark, also known as alpha.

Read the full article here

What does the 100-year life mean for your investment goals?

Risks of continued boosting

In this interview with Dr David Wiseman, a PhD research bioscientist with a background in pharmacy, pharmacology and immunology, the significant risks associated with continued boosting were meticulously examined. According to Dr Wiseman, attempting to boost our way out of the Covid-19 pandemic is the immunological equivalent of heroin addiction. – Nadya Swart



Dr Wiseman on FDA's changing guidelines

"We've seen a progression from having lots of meetings, going to great detail, going all the way down, down, down, down, down to where we don't get no meetings; just "that's it", goodbye, it's approved, it's authorised. So that's the process. You asked what the bivalent vaccines are. Okay. So, this is really important to understand what's going on here. The key here is the FDA's basis for approving authorising these bivalent vaccines. And here is an excerpt from a guidance document. The FDA produced an updated version in March 2022, which was just before the April meeting. They didn't really tell the committee they had done this. The committee thought they were going to have to be reviewing data, and they didn't realise the FDA had just actually changed the rules on them. Although this contains non-binding recommendations, which are all the guidance documents.

But the committee was, I think, misled, frankly, on 6 April; not being fully informed that the FDA had changed its guidelines. But this is the essential part of the guidelines. First of all, the guidelines refer to changing the variant type of the vaccine. This applies to monovalent vaccines, which aren't bivalent. But the FDA seems to ignore that part of this. And one of the key elements is that if these new variant vaccines are made by the same manufacturing process and all you're doing is just changing the variant, then basically most of the basic toxicology studies – you know, animal studies, that type of thing, and even some of the clinical studies – really do not need to be repeated if all you're doing is just varying a little bit from your original prototype version, your original version of your vaccine.

So, the FDA is using this grandfather clause, as it were, to say, "Well, the new vaccines are basically like the old vaccines. They are made by the same process and you don't have to do very much. That's what they did in March. They didn't tell the committee they had done it. Well, they eventually did, but the committee didn't realise that. And, in fact, FDA's Dr Fink – who is the sort of second in command of Dr Peter Marks – said at a recent meeting that, yes, these bivalent vaccines are actually made by this very same process as the original ones, and they are otherwise the same, except for the fact they now contain two messenger RNA sequences. Well, you have some doublespeak right there. The process for making a two-pronged mRNA introduces a lot of manufacturing issues that aren't present in a one-pronged RNA. And that poses huge quality assurance issues: how efficient is the mixing, all sorts of things. And that's a significant problem."

On the bivalent boosters mice studies

"We did not see mice with no Covid-19 at the end after they were given the vaccine, so everyone had some level of Covid-19, I think. But it wasn't a cure, even in the treated group. I know people make a whole fuss about that. Animal models can be … You have to calibrate them differently. I think the most important part to me of that story is not that they survived or didn't survive, there was a reduction in whatever it was they were measuring. Okay, that's fine. But the point is, it was only eight or so mice. It doesn't matter if it was 800 mice. It doesn't matter. You know, we need clinical data."

What is causing Long Covid?

As emphasised in a previous article on Long Covid, the condition predominantly remains a mystery. This article, published on *The Defender*, provides the most comprehensive review of the condition as it explores several different theories about the mechanisms behind it as well as treatment options. – Nadya Swart

By Dr Joseph Mercola

Story at a glance:

- Long Covid refers to symptoms that persist for four or more weeks after an initial Covid-19 infection. Many are also reporting Long Covid symptoms after getting the Covid-19 shot.
- Symptoms of Long Covid include but are not limited to brain fog, memory problems, headaches, blurred vision, loss of smell, nerve pain, heart rate fluctuations, dramatic blood pressure swings and muscle weakness. The feeling of 'internal electric shocks' are also reported.
- The primary difference between post-jab Long Covid and Long Covid symptoms after infection is that in people who get it from the infection, early treatment was withheld and the resulting infection severe. Post-jab Long Covid, on the other hand, can occur either after very mild breakthrough infection or no breakthrough infection at all.
- Several different theories about the mechanisms behind Long Covid are reviewed, as are treatment options.
- Swiss research has found the rate of subclinical myocarditis is hundreds of times more common than clinical myocarditis after mRNA injection and ALL mRNA shot recipients had elevated troponin levels, indicating they had some level of heart injury, even if they were asymptomatic.

Long Covid, also known as long-haul Covid, chronic Covid or long-haul syndrome, refers to symptoms that persist for four or more weeks after an initial Covid-19 infection.

However, while this condition has primarily been viewed as a side effect of the actual infection, many are reporting Long Covid symptoms after getting the Covid-19 shot as well, regardless of brand.

As reported by *Science* magazine, "In rare cases, coronavirus vaccines may cause long Covid-like symptoms", which can include (but are not limited to) brain fog, memory problems, headaches, blurred vision, loss of smell, nerve pain, heart rate fluctuations, dramatic blood pressure swings and muscle weakness. The feeling of 'internal electric shocks' are also reported.

The primary difference between post-jab Long Covid and Long Covid symptoms after infection is that in people who get it from the infection, early treatment was withheld and the resulting infection severe. Post-jab Long Covid, on the other hand, can occur either after very mild breakthrough infection or no breakthrough infection at all.

Reluctance to publicly address post-jab Long Covid

In January 2021, National Institutes of Health (NIH) researchers initiated testing and attempted treatment of patients suspected of having Long Covid following their shot, but for unknown reasons, the investigation petered out by the end of the year, leaving patients high and dry, without answers.

According to *Science*, NIH researchers did continue their work behind the scenes and other researchers, worldwide, have also started studying the phenomenon. Still, there appears to be extreme reluctance to addressing post-jab Long Covid symptoms publicly.

Why?

Dr Avindra Nath, clinical director at the National Institute of Neurological Disorders and Stroke and the one leading the NIH's investigation into Long Covid, gives us a clue.

"Probing possible side effects presents a dilemma to researchers: they risk fomenting rejection of vaccines that are generally safe, effective and crucial to saving lives," *Science* writes.

Read the full article here

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Regulating cryptocurrency

In the third episode of our four-part series, *Unpacking Crypto*, Luno's GM Marius Reitz and Bowman's partner Joshua Janks have the perfect platform to discuss South Africa's digital currency regulation.

Marius Reitz on what the impacts are on regulation in SA and how it is reflecting or affecting the global market

"I think it's important to note that there has been a clear global trend as far as regulation goes over the last year or so. We've seen licence regimes in South East Asia and in Europe and in many other parts of the world. And I think the first point is that what we have seen in SA, on 19 October, is in line with the global trend. It's not unique to SA and that is a good thing because it prevents regulatory arbitrage where people can take advantage because of different regulations in different countries. What we have seen over the last couple of years is that there's a really strong demand for cryptocurrency from consumers, and it could be an emerging market thing where you have a new class of investors coming online for the first time because the socio-economic circumstances have improved vastly; they now have access to the internet, they now have first-time job opportunities and disposable income. So we are seeing a new type of, let's call it, retail investor emerge across pan Africa. And so that's why we've seen a massive demand for cryptocurrency as an investment specifically. It's not really about hedging against inflation. You know, to some extent, yes there is some level of sophistication, but at large it's because of access to a financial service. As a result of advances and progress being made from socio-economic development, you know, that aspect of things. There is clear consumer demand and consumer protection is paramount. And again, we have to commend the local regulators as part of the Inter-Governmental FinTech Working Group for identifying the risks, which is that it's still relatively difficult for the average person to access crypto, and you can do so through some of the more legitimate platforms like Luno. But there are myriad other ways in which you can access cryptocurrency. And what we've seen in some other markets across Africa and globally is that where there is a ban, an outright ban on cryptocurrency activity or, for example, on banks providing banking services to cryptocurrency platforms. You tend to see less collaboration between the private sector and the regulators. You tend to see innovation slowing down. You tend to see the use cases not being well understood from a regulatory perspective, and that slows down the progress being made on the regulatory front. It also leads to regulations that are not fit for purpose in the local market. So I think the regulators got it right and they've allowed the industry to grow but, at the same time, remaining in touch and keeping in touch with the data. Currently, by far the biggest use case for crypto in South Africa is as an investment, as a speculative essence, not necessarily as a means of payment. Sure, we are at the very early stages of that and we have seen different adoption curves globally. What it means is that the rate of adoption and the use cases won't grow uniformly across global markets. Different use cases will emerge according to different regions and different markets at different times. But currently, in SA, the biggest use case is investing."

Joshua Janks on whether regulation can be a negative for the industry

"Well, absolutely. Marius used the word innovation today, and I think that is the key here. Right. This is an industry that is all about innovation."

Listen to the full interview