

# market place



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## FUND IN FOCUS: MI-PLAN IP GLOBAL MACRO FUND

By Jaco Visser

# Banking on companies with strong brands and disruptive business models

The MI-PLAN IP Global Macro Fund, managed by Vunani Fund Managers, is rated the top performer over 12 months in its class by Morningstar Research. The fund is fully invested in offshore equities with a cash buffer. The fund manager, Tony Bell, picks stocks and allocates funds based on the global macroeconomic outlook.

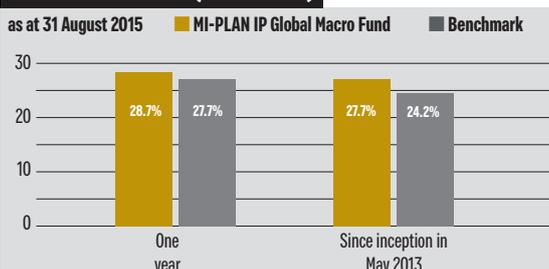
### FUND INFORMATION

Benchmark:	MSCI World Index – 80%; US\$ Cash – 15%; STeFI cash – 5%
Minimum lump sum/ subsequent investment:	R5 000 lump sum or R500/month
Fund manager:	Tony Bell
Total Expense Ratio (TER):	0.98% (retail)
Fund size:	R364m
Contact details:	clientservices@ipmc.co.za or 021 671 1650

### PORTFOLIO COMPOSITION

as at 31 August 2015:	% of fund
1 Amazon.com Inc.	4.6%
2 Nike Inc.	4.5%
3 Starbucks	3.7%
4 Visa Inc.	3.5%
5 Novavax Inc.	3.3%
6 Yum! Brands Inc.	3.2%
7 Inditex US	3.1%
8 Google Inc.	3.1%
9 Novartis	3%
10 Apple Inc.	3%
<b>TOTAL</b>	<b>35%</b>

### PERFORMANCE (annualised)



### Fund manager insights

In an environment of structurally low interest rates, the fund is looking for companies with earning and pricing power, says Tony Bell, fund manager and chief investment officer at Vunani Fund Managers. "A lot of companies are struggling to maintain earnings power in this sort of environment because they've got to compromise on product or price," he says. Thus, the fund chooses to invest in companies with so-called "new-world brands" that invest in research and development and launch new products regularly, Bell explains.

Holdings include Google, Amazon and Apple, companies that brought disruptive business models to the world and market them aggressively. Bell is also looking for companies with global footprints that mainly operate out of the US.

"The Fed has positioned the US very well in relation to the eurozone and Japan,"

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“new-world brands”

that invest in research and development.

says Bell. The Fed pulled the US economy out of contraction faster than the European Central Bank and Bank of Japan did in their jurisdictions. The US, with its more flexible labour market, was able to expand company profit margins much faster, Bell explains. "That has combined quite nicely into solid output of those companies and market," he says. Stronger consumer spending in the US, and the Fed's low-interest rate policy are pushing companies such as Nike, Starbucks, Visa and Apple.

The fund has "studiously" avoided stocks with a "negative macro story" and has no exposure to

### Why finweek would consider adding it

The fund is invested in some strong brand-driven companies such as Apple, Starbucks, Visa and Yum! Brands, which is the owner of KFC, among others. These companies have been pushing hard into the emerging markets over the past decade or two and didn't leave their home market, the US, behind. As American consumer confidence keeps on rising amid net job creation, low interest rates and low energy costs, these brands will grow both sales and profits. The fund also gives the investor exposure to offshore stocks amid local currency weakness, acting as a rand hedge. With no exposure to resource stocks, which got a beating in the market recently due to China's economic slowdown, the fund is a good bet on the global consumer. ■

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