



Congratulations SuperSpar St Francis Bay!

St Francis Bay SuperSpar is proud to announce SuperSpar Village Square in St Francis Bay has received a prestigious award for Service Excellence Top 20 Stores in Southern Africa 2018. The store was placed in the top 20 stores in South Africa for constantly achieving the highest store standards and consumer service as set by Spar organisation and its customers! Spar St Francis Bay management says it could never have done this without its exceptional staff and customers and thanks them all.

CCTV Project for St Francis Bay to go ahead

The St Francis Bay Property Owners Association (SFPPO) is going ahead with the CCTV project.

The CCTV will be funded by the SRA Levy, which came into effect for the village and canal property owners on 1 July this year. This is according to a statement from the SFPPO residents' association, which said it was awaiting municipal approval.

This is also despite controversy and planned boycotting of paying the levy to the municipality by the Concerned Residents' Association (CRA) that has more than 200 supporters.

The CCTV supplier will be Interspec and the St Francis Bay project will involve the placement of 100 hundred cameras to cover the main entrances/exits to St Francis Bay, the main arterial roads from the canals and village areas, Harbour Road and Tarragona Road. The placements will be at entrance and exit points, at certain bridges, high traffic pedestrian areas and at the beachfront.

Three camera poles with multiple cameras at three major intersections between Sarratene and the Port will also be installed and monitored by a high tech 24/7 Control

Centre, run by Atlas Security with links to SAPS and private security companies in St Francis Bay.

The cameras will be installed by December before the holiday period begins.

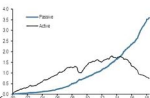
The association was approached by the St Francis Community Police Forum for assistance in combating crime through the installation of a CCTV monitoring system. It is considered that CCTV camera surveillance has proven to be an effective crime deterrent wherever it has been installed and will provide the SAPS and private security companies with the means to respond to incidences faster and possibly prevent crimes from taking place. In addition, CCTV recordings can be used as admissible evidence to secure convictions of criminals.

Workshops were held by the SFPPO and attended by the police, security companies and community police forums. The equipment will be rented over a period 10 years through Interspec. Renting the equipment will allow the SFPPO to have the equipment installed as soon as possible and will also mean the system will be maintained and upgraded regularly by the appointed service provider.

Passive investing continues its steady march

Passive investing has seen a meteoric rise over the past decade, with passive products in the US – the world's largest passive market – now receiving substantial inflows, while their actively managed counterparts are experiencing outflows (cumulative flows are shown in Graph 1).

Graph 1: Overall cumulative flows into US active and passive funds (\$trillion)*



Sources: ICI, J.P. Morgan

Many active managers have struggled to compete with the passive value proposition. Proponents of passive investing advocate low-cost returns, guaranteed to closely match those of the market. In contrast, many active managers globally have had a tough time achieving index returns. The industry's overall performance over the past five years has prompted much soul-searching: will the next five years be any different?

The surge in passive strategies has resulted in market distortions. By its nature, most passive investing is not price sensitive. We believe that this has contributed to popular, expensive stocks leading the pack in recent years – and in turn, to the tough environment price-sensitive managers have faced. Market areas that are dominated by passive products are also susceptible to large and sudden in- and outflows, which have the potential to create significant price distortions. Emerging

markets are a case in point, and experienced significant outflows in May and June this year as passive portfolios down-weighted exposures on the back of poor emerging market sentiment.

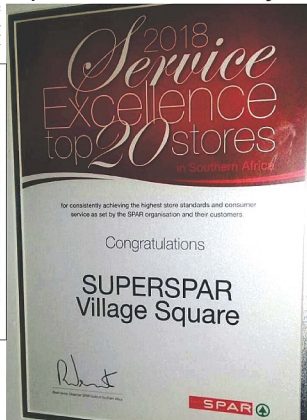
Could the pendulum have swung too far? Fidelity launched the world's first zero-fee index funds earlier this month, a move that lends further weight to the case for passive investing and which could spur competitors to follow suit. While investors seeking passive products stand to benefit, we would caution – as we always do – that when sentiment or expectations shift too far, there is the risk that results could fall short. (Conversely, excessive negativity often proves to be unfounded.)

Passive market distortions create opportunities for active managers. The past five years have not been supportive of price-sensitive active managers, as passive flows have been driving most prices higher. However, if we look to the next five years, we're quite positive on the opportunities astute active investors are likely to be presented.

We believe that the market distortions passive investing causes create fertile ground for active managers to capitalize on mispricing. Sustained inflows into popular market areas tend to drive the prices of expensive assets higher, while broad shifts in sentiment can result in abrupt and significant outflows that push prices down. This creates opportunities for active managers to sell high and buy low.

In the current environment, passive strategies may pose risks.

While we believe that passive investments have their place, we would caution that an indiscriminate passive strategy currently carries significant risk, as the bulk of passive capital is being allocated to expensive stocks. This is especially true for US-focused passive products, as the US market is currently the most popular (and one of the most expensive) globally, while also being the strongest passive foothold. We see far more attractive opportunities in the stocks that are being left



behind, and in uncrowded market areas that haven't enjoyed the benefit of considerable passive flows.

Opportunities for active managers look favourable.

Given the pronounced impact passive investing has had, we believe that opportunities for active managers on both a regional and stock-specific basis are improving. But to generate the alpha the market's so long been waiting for, an active strategy must be sufficiently differentiated from the passive alternative. We believe that if we stick to choosing wisely from uncrowded and unloved parts of the markets, our clients

will continue to be rewarded with benchmark-beating returns over the long run.

Source: Grant Moutjies, Head of Securities at PSG Wealth

Please note that this article does not constitute financial advice and that it is recommended you contact a Certified Financial Planner (CFP®) to facilitate with professional financial advice and portfolio management.

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Seeing the bigger picture gives you the advantage

Our services include:

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