SAVEST
FINANCIAL

2024 MID-YEAR REPORT

INVESTING IN TOUGH TIMES

JULY 2024

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Half Full or Half Empty?

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MD/CEO

"During inflation, however, the figures lie. Money still tends to be considered the standard of value and to be a value in itself, but in inflation this is a delusion." ------ Peter F. Drucker (Managing in Turbulent Times).

Inflation, which has indeed been a global problem in the past two years, has affected various economies in different ways. While many countries have seen a deceleration in inflation rates recently, Nigeria remains an exception. A barrage of reforms initiated at the onset of the new administration of Tinubu have sent inflation soaring to a level not seen since March 1996. Inflation is bad for everyone including investors, who now need a "shylock-type" return to earn a positive return.

Despite the significant challenges of currency instability and devaluation, high energy costs, and widespread insecurity, the Nigerian stock market has delivered a remarkable return of almost 33.81% at the end of the first half of the year. Contemporaneously, the fixed income market has seen yields soar, with one-year Treasury bill yields reaching as high as 26.00%. These high returns in both equity and fixed income markets present a paradox, reflecting a variance between the economy and the stock market. Following the recapitalization mandate to banks by Cardoso, aimed at propelling Nigeria towards a $1 trillion economy, the market is gearing up for a new wave of public offers and other fundraising activities by these banks. This initiative is expected to strengthen the financial sector and stimulate further economic growth, even in the face of the current challenges.

On the other hand, global markets led by the US stock market have done very well this year. Slowing inflation and healthy economic growth have created the best scenario for investors in these markets. Artificial intelligence has been the major catalyst driving the stock markets, and as Wedbush Analyst Dan Ives says, "the AI party is just getting started".

Investors often grapple with whether the glass is half full or half empty. Both perspectives—seeing opportunities or challenges—can be valid. Our role is to illuminate the paths that investors trod to make informed decisions. As a group with a long-term investment philosophy, our goal is to help investors navigate current economic challenges and build resilient portfolios for long-term outperformance.

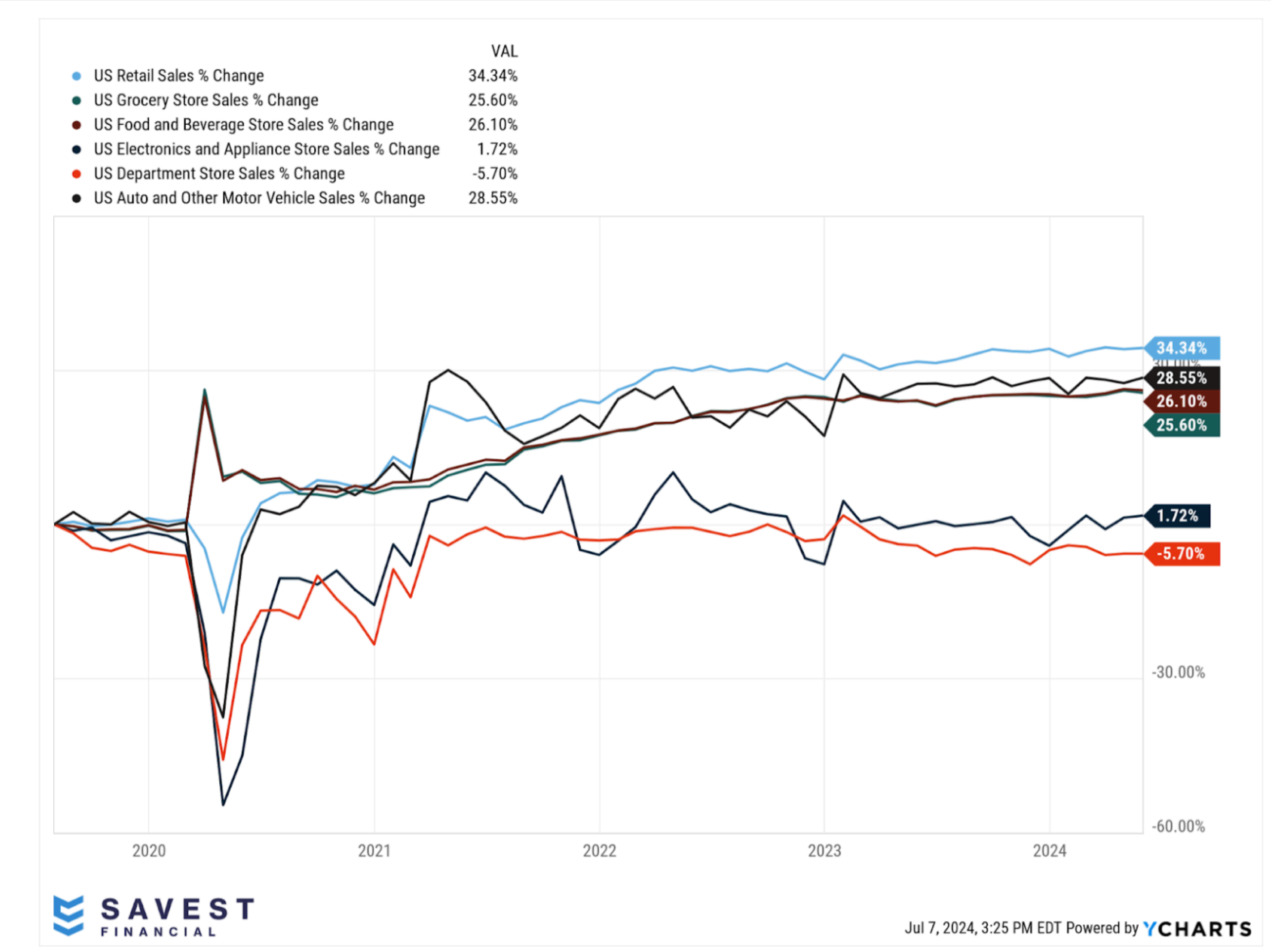
Enjoy and share the report.

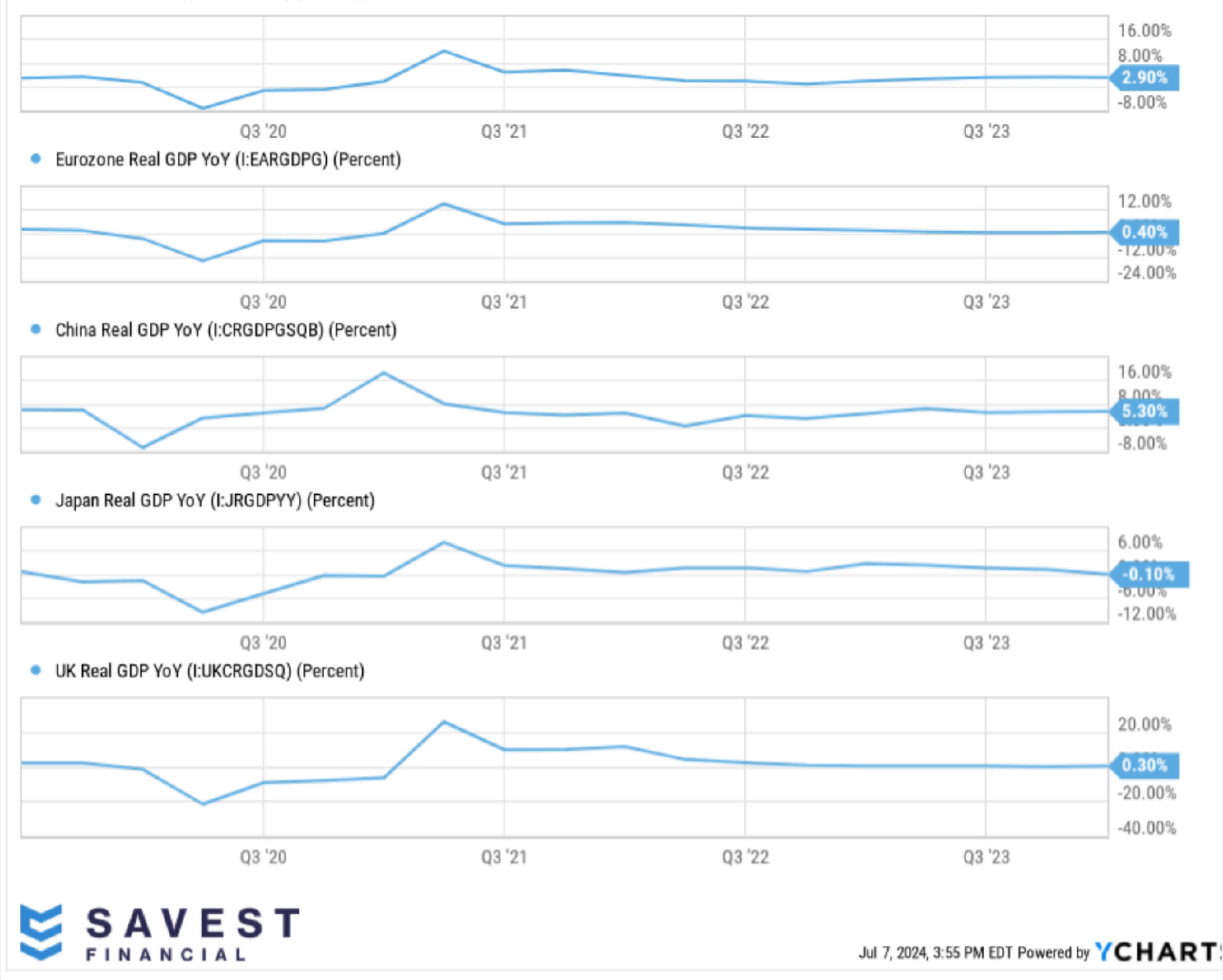
SAVEST FINANCIAL

GLOBAL ECONOMIC UPDATE

US - World Most Important Economy

The US economy has been a lifeline for many economies, such as Europe and China, which are struggling with weak economic growth. Europe faces challenges beyond inflation, including demographic issues and sluggish economic activity, particularly in Western Europe. China is grappling with low domestic demand, high youth unemployment, a debt crisis in the property market, and ongoing trade wars. The IMF projects GDP growth for the Eurozone and China to be 0.8% and 5.00%, respectively, in 2024.



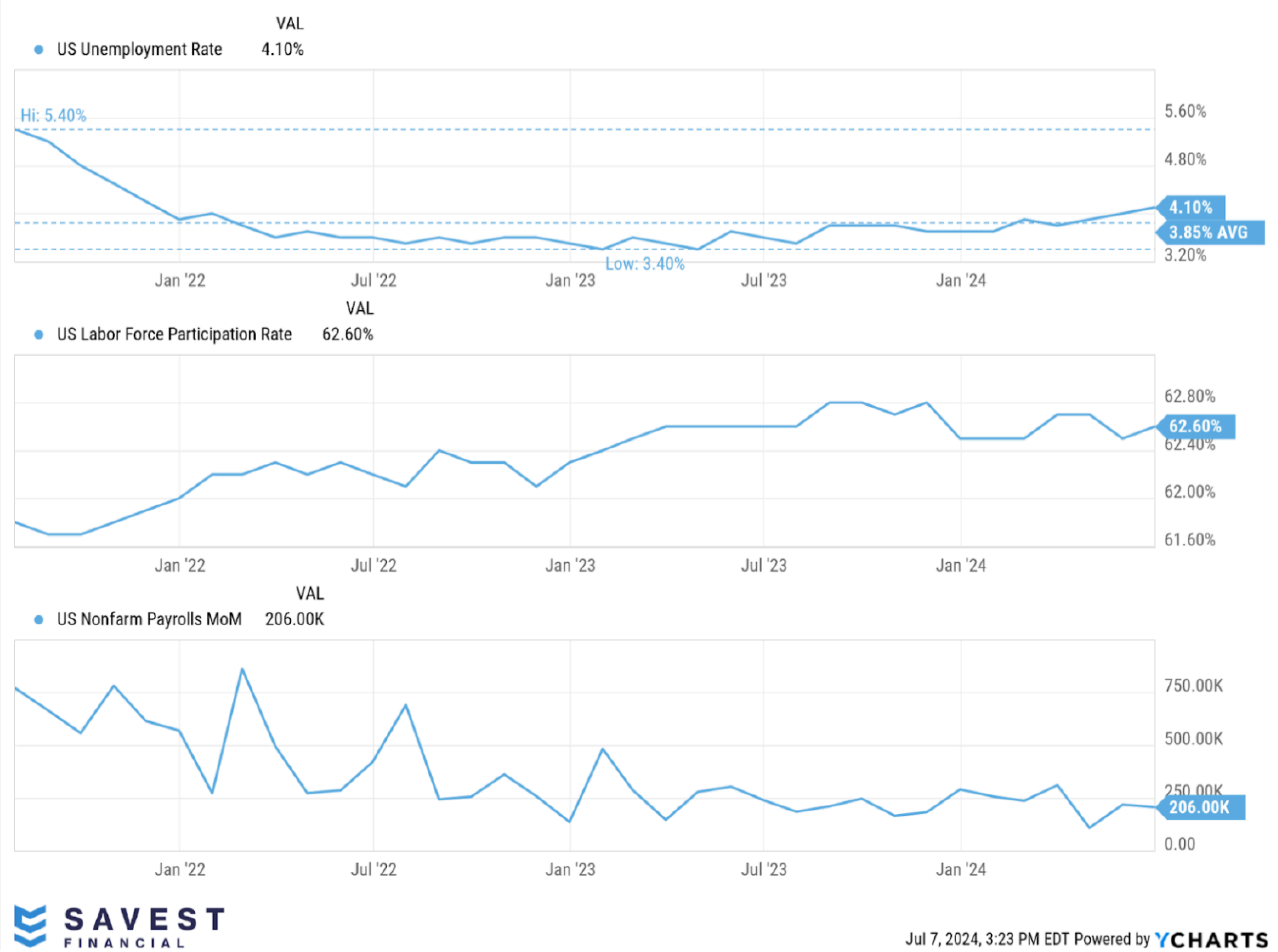


In contrast, the US has experienced strong economic growth, primarily driven by consumer spending, immigration, and a surge in private fixed investment. Despite a recent slowdown in retail sales and a slight increase in unemployment, the US economy continues to grow steadily, with an expected growth rate of 2.70% in 2024, surpassing its historical trend line.

US - World Most Important Economy

The resilience of the US economy enables it to absorb imports from Europe, Asia, and other regions, providing a buffer for global economic growth. Additionally, the US has significantly benefited from advancements in Artificial Intelligence (AI), being home to many of its leading innovators. The progressive integration of AI across industries has enabled several US companies, especially the technology mega weights, to see a bump in corporate earnings.

Beyond the prevalent belief that the US Federal Reserve will cut interest rates at least once before the end of 2024, many pundits are also considering the potential outcome of the November presidential election on the economy. Although the broader market is familiar with both Biden and Trump as presidents, and one could argue that the market is comfortable with both though they differ significantly in their approaches to issues like immigration and economic warfare with China. These differences have implications for various industries, including hospitality, semiconductors, healthcare, as well as small-cap stocks.

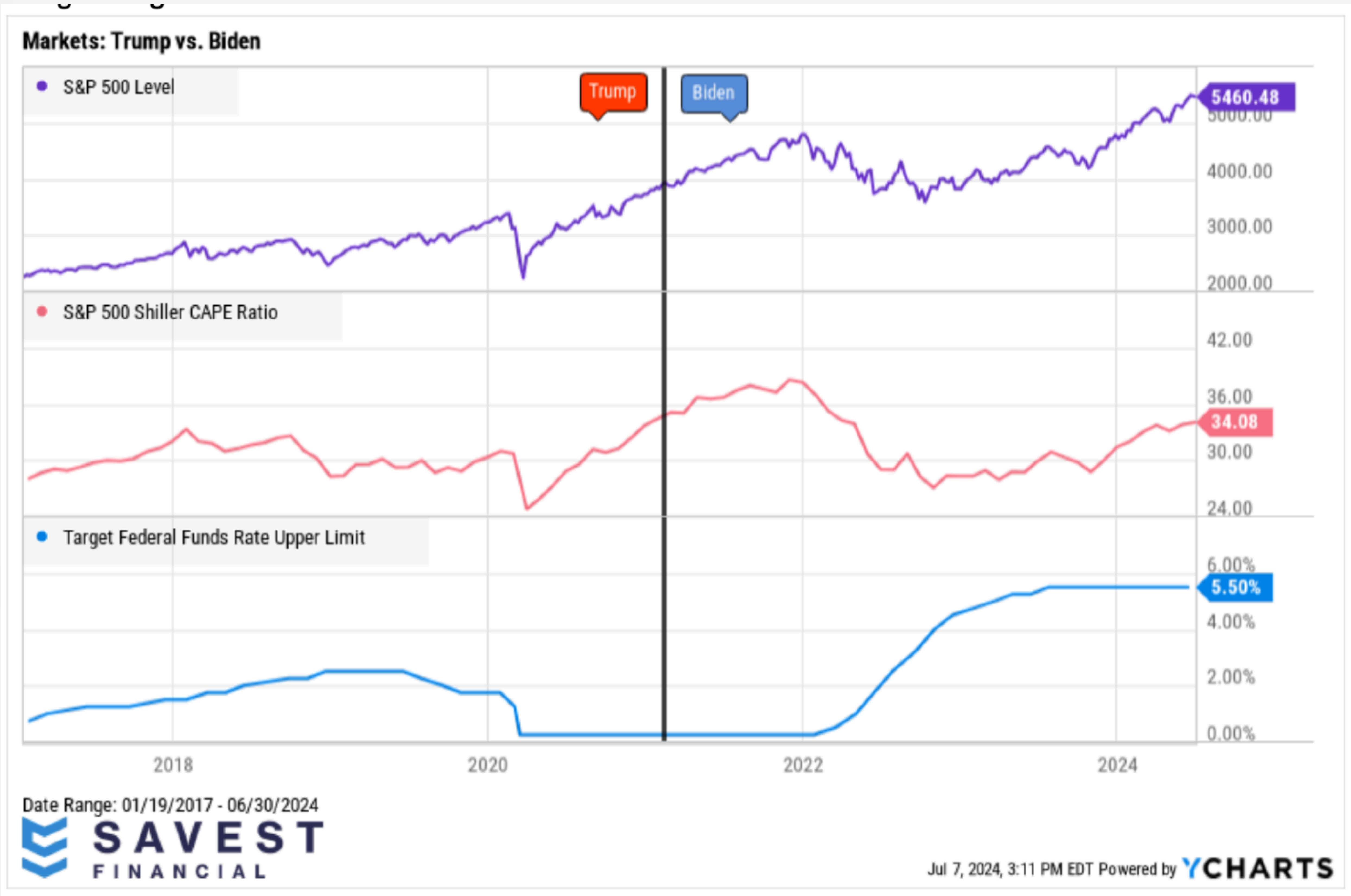


Geopolitics or Not?

The ongoing conflict between Israel and Hamas has defied all attempts at a ceasefire. On top of that, increasing exchange of fire between Israeli forces and Iran-backed Hezbollah is raising concerns of a full-fledged war on a second front. While the Israeli-Hezbollah conflict is not new, an escalation involving Iran could lead to supply disruptions in the oil market, even if not to the extent seen in the Russian-Ukrainian war. Such disruptions can trigger a resurgence in oil prices and higher global inflation.

Iran accounts for only 4% of global oil production and is inclined to avoid a direct conflict with Israel due to its own economic struggles arising from international sanctions, soaring inflation, and a currency crisis. The concern is not so much about an Iran-Israel confrontation, but a broader conflict across the Middle East. In the event that a broader conflict causes significant supply disruption, OPEC plus producers and the US should have enough capacity to cover any shortfalls at the current demand levels.

With many countries holding elections in 2024, it is a pivotal year for regional stability, international relations, and trade. We have already seen interesting outcomes in elections in India, South Africa, France, and the European Union. The Biden/Trump race for the White House, however, appears to have the most far-reaching consequences for the global economy.



Geopolitical tensions and wars often cause apprehension for investors due to the amount of devastation, casualty, and fractured relationships that come along with it. However, their impacts on the global markets are typically short-lived and often overestimated. While geopolitics warrant consideration by investors, they often have minimal long-term impact on portfolios outside the conflict zone, except in cases of large-scale economic disruptions. Historical evidence suggests that the most successful portfolios are those that invest through various geopolitical uncertainties. The key is maintaining well-diversified portfolios with sound fundamentals closely aligned with investors' long-term goals.

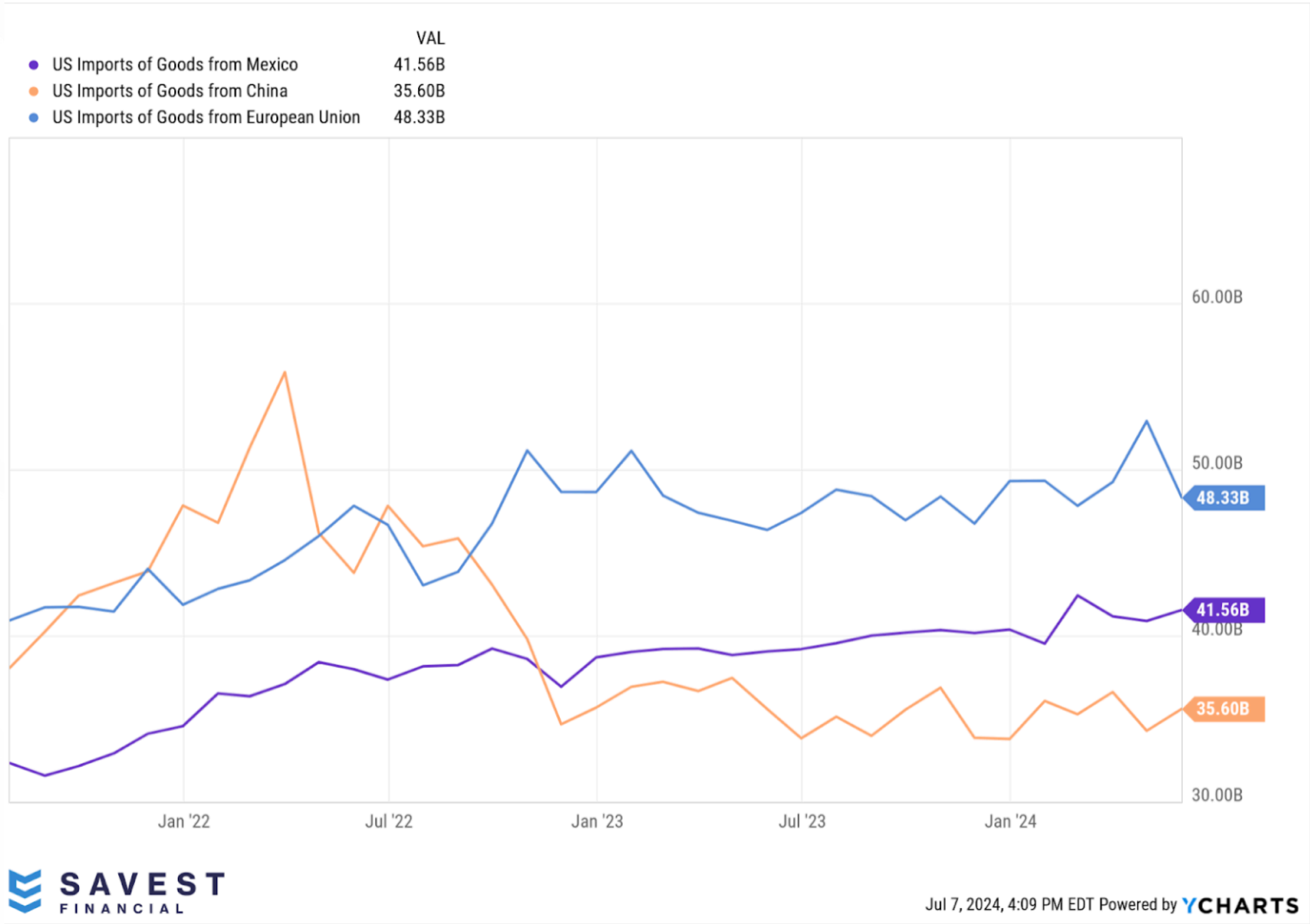
Global Trade War: The Unlikely Beneficiaries

China has found itself at the heart of an evolving global trade war. Accused of overproduction, unfair competition and dumping, several Western economies, led by the US, have imposed higher tariffs on many of China's critical exports, including electric vehicles, solar systems, medical supplies, and minerals. Additionally, the Biden administration is restricting the export of advanced semiconductor technologies to China on national security grounds as part of its "de-risking strategy."

Economists generally do not support trade wars and protectionism, viewing them as political posturing rather than effective tools for long-term economic growth. These trade conflicts raise concerns about de-globalization, fractured relationships, higher consumer prices, and a resurgence of inflation.

One creative response to these trade disputes is the rise of "intermediary countries." For instance, China, which held the top position for the highest share of US imports for several years, was overtaken by Mexico in 2023. However, China is countering this setback by making significant investments in assembly plants in intermediary countries like Mexico and Vietnam, allowing it to maintain some share of US imports through indirect channels. In essence, the response of these various competing countries indicate a re-globalization driven by economic and political alliances and interests, rather than de-globalization.

India is poised to benefit from these trade wars as manufacturing shifts to stable, low-cost developing countries close to the Asian market. Significant investments from some of the world's largest companies, such as Apple, Micron, Applied Materials, Foxconn, and Tesla, are being directed towards India. With the Indian economy projected by the IMF to grow at 6.80% in 2024, its strong demographics, healthy domestic demand, and investment in technology and infrastructure position it well to capitalize on trade diversions from China.



Africa Round Up

The impact of global inflation and sluggish growth still lingers for many Sub-Saharan African (SSA) countries, marked by widening inequality and the fiscal quandary in which many find themselves. Kenya for one, finds itself dealing with weeks of anti-government demonstrations claiming dozens of lives. This followed an attempt to pass a finance bill that is supposed to impose new taxes on key consumer goods, to plug its budget deficit and fulfill a key objective of an International Monetary Fund (IMF) program. The Kenyan crisis points to a graver problem for many SSA countries, many of which run fiscal policies that are largely disconnected from the majority of the citizens.

Inflation has moderated slightly in some countries like Ghana, South Africa, Kenya, and Egypt but remains a key concern, impacting household budgets and business activities. Central banks are expected to continue tightening monetary policy to curb inflation.

Sub-Saharan Africa's trade balance improved marginally due to increased exports of minerals and agricultural products, but the region still faces a trade deficit due to high import costs of manufactured goods and energy. Many countries continue to struggle with fiscal deficits, and public debt levels remain high, though debt restructuring efforts have provided some relief.

South Africa

- Inflation and economic performance: YOY inflation at 5.2% in May; economy contracted by 0.10% in Q1 2024 due to power crisis that affected key economic sectors.
- Political developments: Formation of a Government of National Unity led by the ruling ANC and the Democratic Alliance (DA), perceived as market friendly, heightened optimism with strong performance in the Johannesburg exchange and the local bond market.
- Foreign exchange and investor sentiment: Investors optimism from the new political alliance, and foreign exchange reserves increase, capital flows and rising gold prices is driving the Rand higher.
- Monetary policy and financial markets: The South African Reserve Bank (SARB) is expected to hold its benchmark interest rate steady as inflation is expected to moderate towards 4.50% target range.

Kenya

- Protests and policy reversals: Government reversed the 2024 finance bill after protests; calls for President Ruto's impeachment persist.
- Inflation and currency: Annual headline inflation rose slightly to 5.14% in May; Kenyan Shilling strengthened due to increased inflows and policy measures.
- Monetary policy: Central Bank of Kenya expected to maintain interest rates unchanged in the August meeting.
- Kenya faces risk of higher inflation, and increased revenue shortfall as President Ruto expects the budget deficit to reach 4.60% of GDP, up from a 3.30% previous estimate.

Ghana

- Economic growth: 4.7% YOY in Q1 2024 the fastest in 2 years, driven by the industrial sector.
- Inflation: Decreased slightly from 23.5% in January to 23.1% in May 2024.
- Currency and export earnings: The local currency faced downward pressure due to low production and decreased cocoa export earnings due to adverse weather.
- Debt restructuring and IMF support: Ghana reached a $13 billion debt restructuring agreement with international lenders, paving the way for the receipt of about $360 million from its Extended Credit Facility (ECF) with the IMF, reducing short-term debt burden.
- Economic outlook: IMF projects that the economy will grow at 3.10% in 2024 following success of its fiscal reforms and monetary policies to stabilize the economy.

Egypt

- Financial relief and IMF support: Financial pressures eased with the $35 billion deal with the United Arab Emirates and an expanded IMF support program.
- Currency: Egypt has had a quartet of currency devaluation since 2022 as part of IMF's condition for its support program. In 2024 alone, the Egyptian pound has lost about 51% of its value as of June 28, 2024.
- Inflation and monetary policy: Inflation fell to 28.10% in May. Removal of subsidies on bread and petroleum products, and increase in power tariffs is expected to have minimal impact on inflation.The authorities however expect that "monetary policy conditions need to remain tight in the short term to bring inflation" lower.
- The economy is expected to grow at a slower pace due to the war in Gaza which is causing a fall in its Suez Canal revenue. The IMF forecasts a 3.0% GDP in 2024 and 4.4% in 2025.

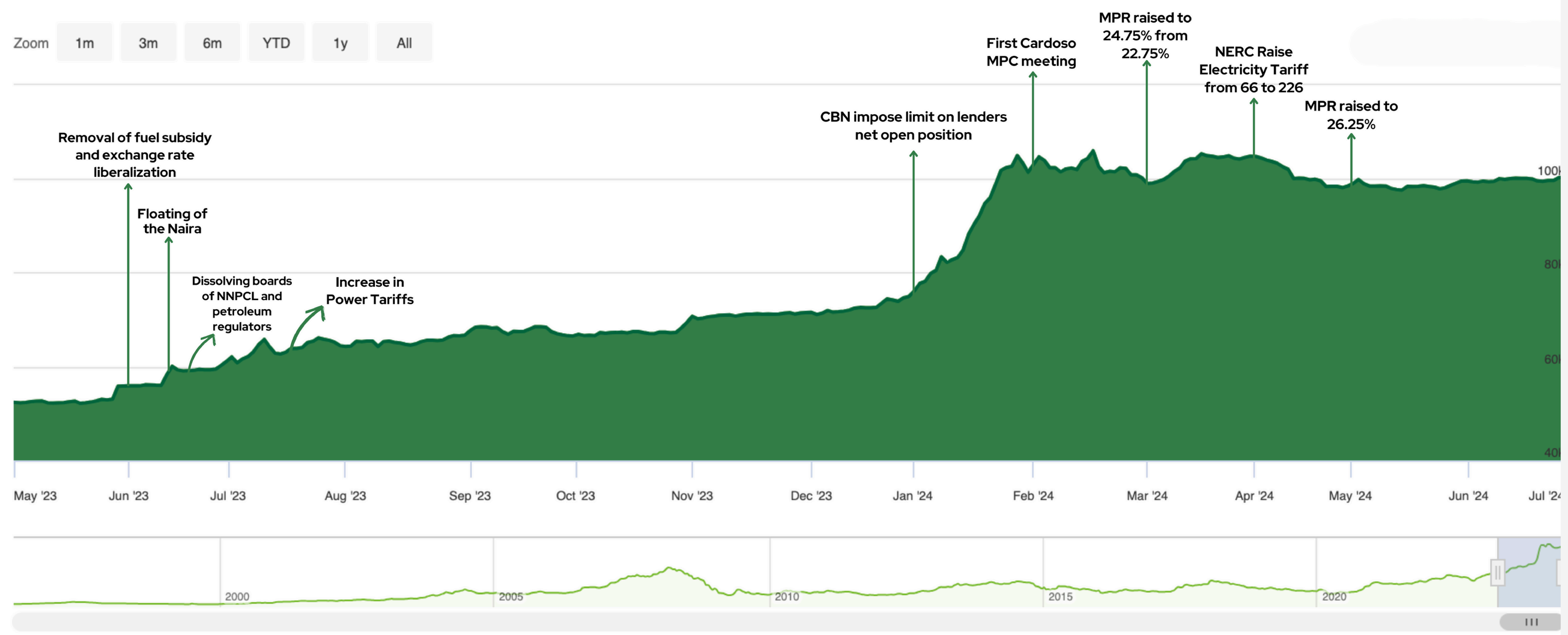
NIGERIA MACRO VIEW

Tinubu's Reforms: Awaiting Fiscal Reforms

For years, Nigeria's overreliance on crude oil and failure to diversify its revenue sources, combined with inconsistent policies, have left the economy fractured, stagnant, and vastly inefficient. Consequently, the majority of its over 200 million population live in abject poverty.

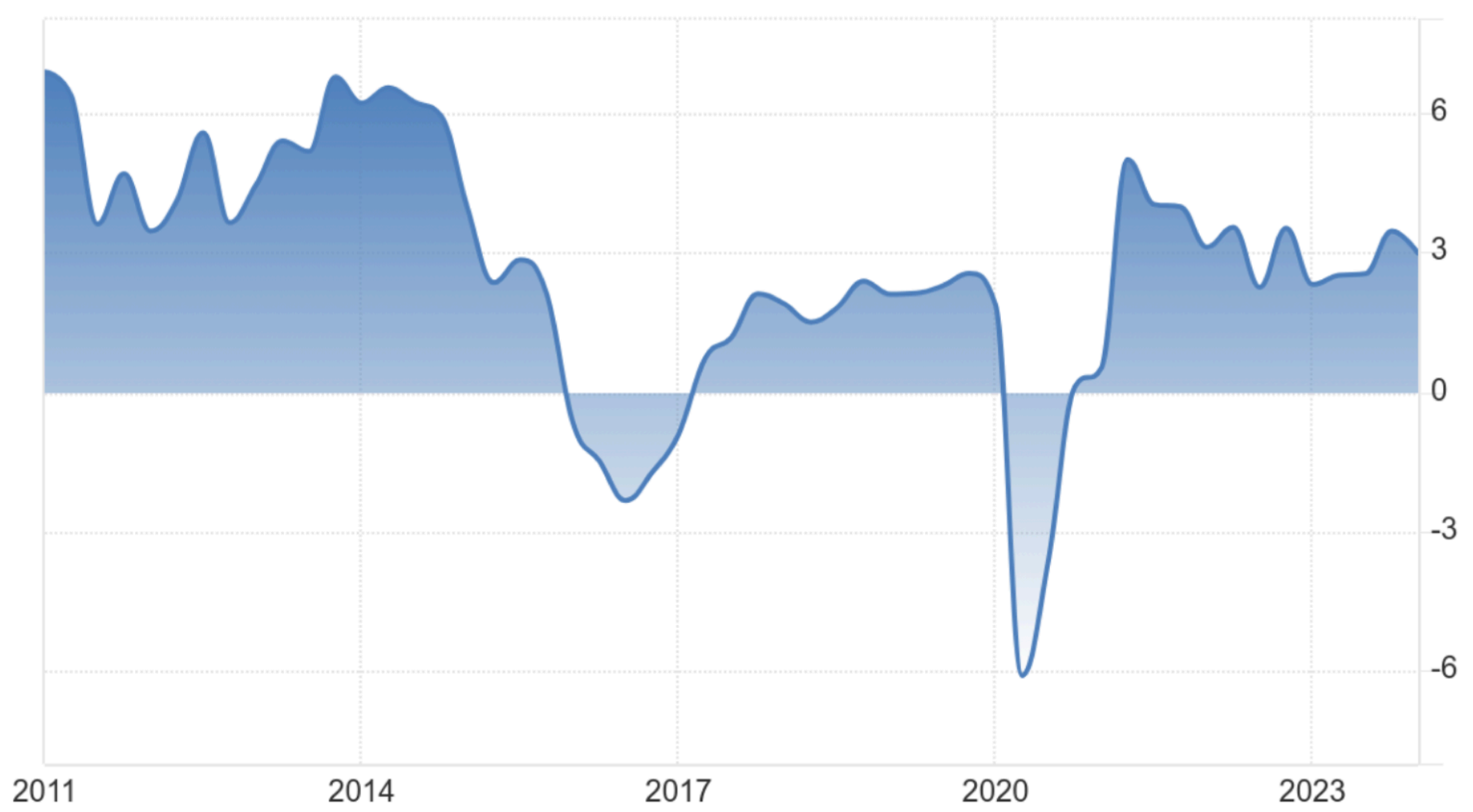
The current administration has initiated a series of long-overdue reforms, signaling a shift towards a free-market economy. In theory, these reforms are necessary to boost national savings and attract foreign investments (FDIs and FPIs) needed to fund private and public fixed investments, increase national productivity, and accelerate economic growth. However, the urgency and flurry with which the administration implemented these reforms have inevitably brought hardship.

Policy Announcements



Source:NGX, Savest

NG GDP Annual Growth Rate - percent



Source: tradingeconomics.com | National Bureau of Statistics, Nigeria

These reforms have led to a drastic rise in food prices, as well as increases in transportation and energy costs, exchange rate hike, and inflation. Families and businesses were provided with no buffers to cushion the effects of the reforms, leaving them to fend for themselves. More families were plunged into poverty, and some multinational institutions have exited the country. With rising prices weighing heavily on households and their purchasing power, the effects are transmitting to the private sector. A recent reading from the Stanbic IBTC Bank Nigeria Purchasing Managers Index (PMI) showed a decline from 52.1 in May to 50.1 in June 2024, indicating weaker consumer demand and a stagnant private sector. Weak domestic demand and a stagnant private sector are recipes for sluggish economic growth.

Tinubu’s Reforms: Awaiting Fiscal Reforms

One of the greatest believers in Tinubu's reform is certainly the stock market. Since the inauguration, the NGX All Share index has almost doubled, closing at 100,057.49 points at the end of the first half of 2024. While the stock market has been buoyed by these reforms, crossing the 100,000 points mark, these levels of returns cannot be sustained without significant capital investments and a flourishing private sector.

Market confidence is always a big deal in the financial system. Beyond the hardship faced by individuals and businesses, investors' confidence has rarely been this high in the last decade. According to the NBS, capital importation at the end of Q1 2024 showed a massive 198.06% annual growth reaching $3.37 billion. This speaks to the quality of the monetary policy under Cardoso, which has seen a recent stability in exchange rates. Source tracking indicates that 61.48% of the capital importation came from FPI, with FDI which is preferred for sustainable economic growth accounting for only 3.53%.

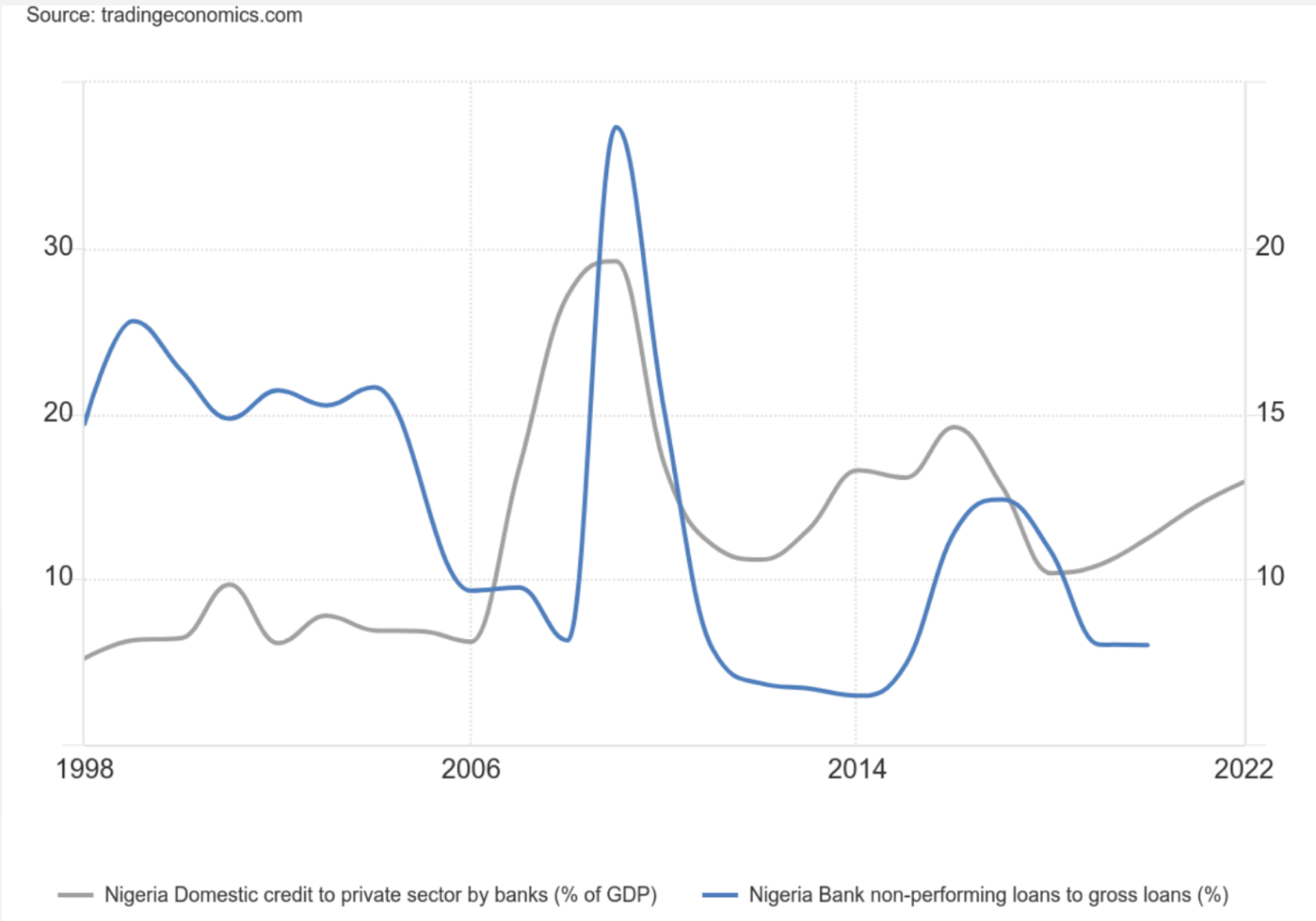
This underscores the importance of getting the fiscal side of the equation right. To sustain the recent investors confidence requires **“consumption reforms”** on the part of the authorities, in addition to optimizing and diversifying sources of revenue. Can oil production reverse up towards the 1.8mbpd long term average? Will the government prioritize capital investment over consumption? Will savings from the subsidy stoppage be channelled to productive assets instead of fiscal profligacy? These are some of the many questions which if answered soundly will retain market confidence and establish the economy on the path of sustainable growth.

Banking for a $1 Trillion Economy

Banks play a very important role in driving economic growth, especially in less developed markets like Nigeria. They serve a critical role in financing industries and trades, and ensuring allocation of capital to the country's most productive assets. In addition, they act as custodians of savings (which is an important contributor to economic growth) for individuals, corporations, subnationals and national governments.

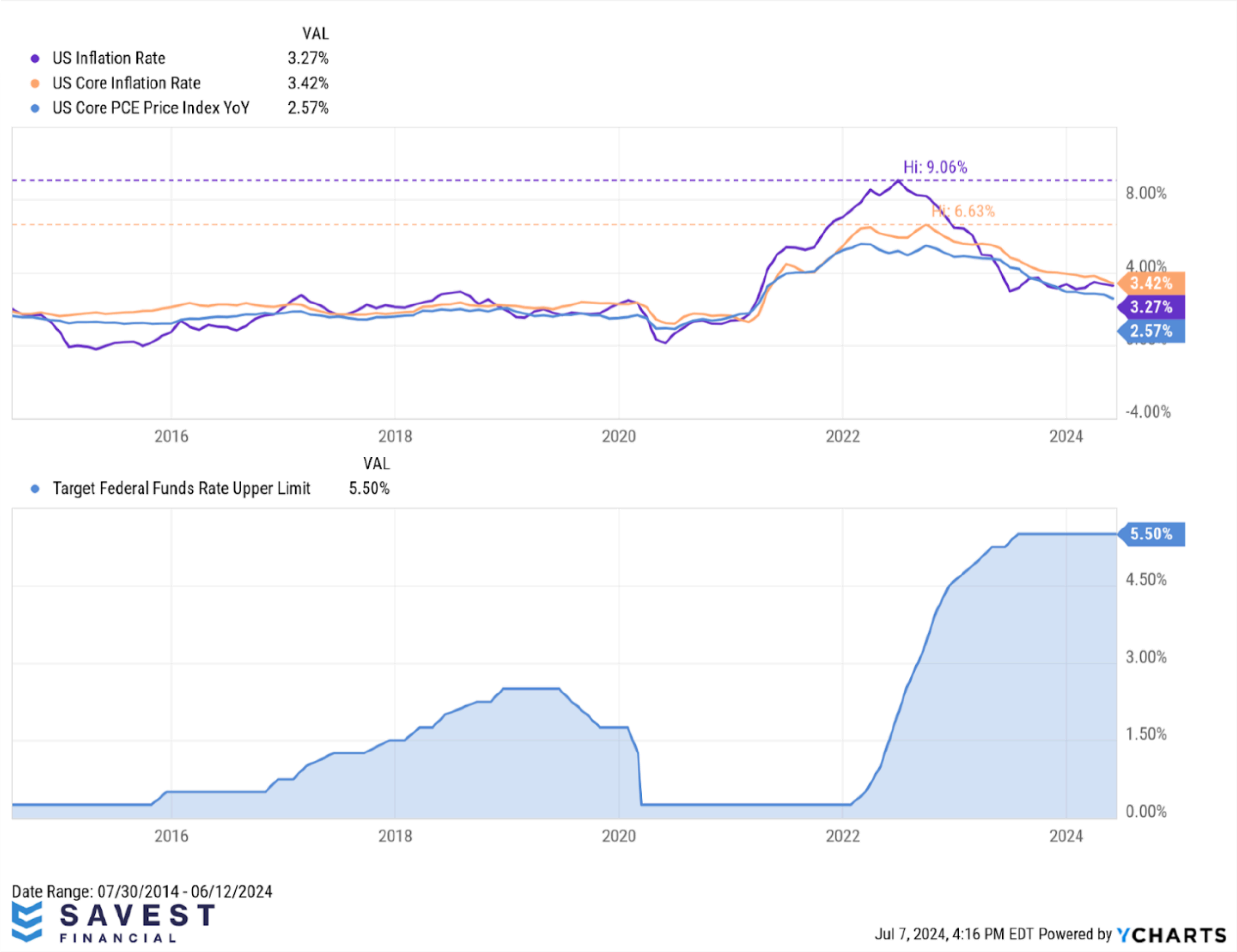
The recent recapitalization mandate by the central bank aims to solidify the capacity of the banks to act as engines in the mobilization of savings for lending to individuals and corporations, driving capital formation for investment and private sector development. Over the years, steep naira devaluation, high inflation and a sputtering economy has depressed the capital ratio of Nigerian banks relative to its international peers. This is a necessary move, especially in the light of the CBN's goal of transforming the GDP to a $1 trillion by 2030. While more capitalized banks are necessary, Cardoso knows this alone is insufficient for sustainable economic growth.

A sound financial system must be complemented by a conducive macroeconomic environment. Extending credit to the private sector will have little impact on economic growth if it does not lead to increased corporate profits and savings. Without these outcomes, banks may face new problems, such as larger bad loan portfolios—a situation they encountered following the last recapitalization exercise in 2004-2007, from which they have learned valuable lessons.



The current difficulties in the business environment, though expected to be short-lived, do not support the ambitions of the present administration. On their part, the central bank needs to slow inflation towards a single digit, stabilize exchange rate and the financial markets. Fiscal authorities also have a responsibility to create an enabling environment where businesses can thrive and repay their obligations to banks with ease. The market also seeks better fiscal discipline to prevent authorities from using this opportunity to fund their own excesses in direct competition with the private sector, as seen in prior years. Without breaking the status quo, we risk crowding out the private sector again, circling back to the same spot in years to come, and perpetuating stagnant economic growth.

Cardoso's Next Move With Interest Rate



For most central banks in advanced economies, cooling inflation and stronger-than-expected economic growth create an ideal scenario for a soft landing. Many believe that while inflation is slowing, it remains sticky, and prefer to see it moderate further to a more comfortable level before starting to cut rates.

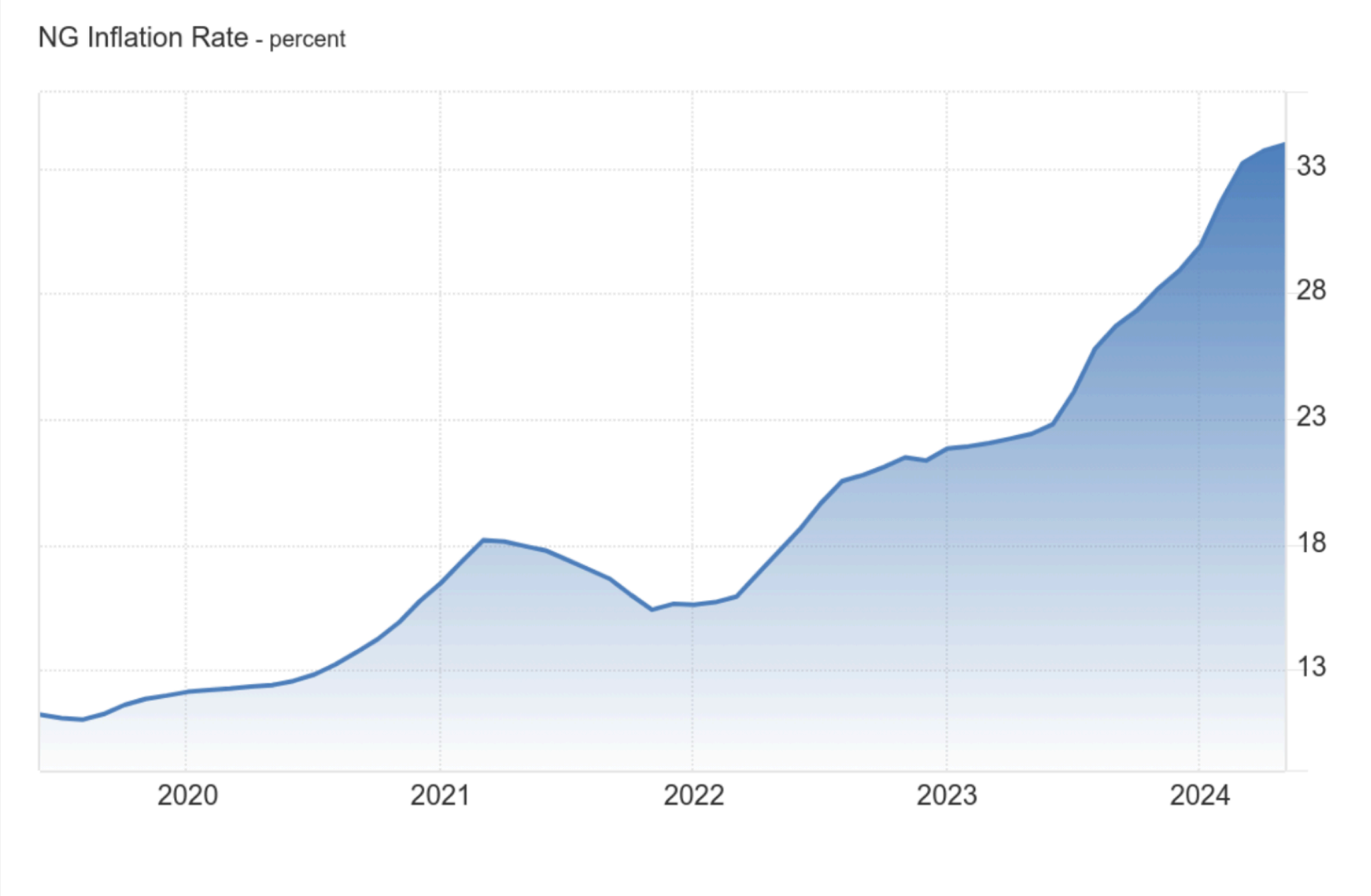
A few central banks, such as those in Canada, Sweden, Switzerland, Brazil, and Mexico, have already cut interest rates. Notably, the European Central Bank (ECB) implemented a 0.25% rate cut in June, bringing rates down to 3.75% to 4.00%, following a slowdown in inflation to 2.6%.

In the US, the Federal Reserve has refrained so far from cutting rates this year, supported by a strong labor market and consumer spending. Although these indicators are beginning to show signs of slowing, the Federal Reserve hopes they do not slow too much, which would force a rate cut before inflation decreases towards its 2.00% comfort level. Personal consumption expenditure (PCE) in May eased to 2.60%, bolstering optimism for a potential rate cut as early as September. However, it is unlikely that we will see more than one rate cut in 2024, suggesting that treasury yields will likely remain high for the rest of the year.

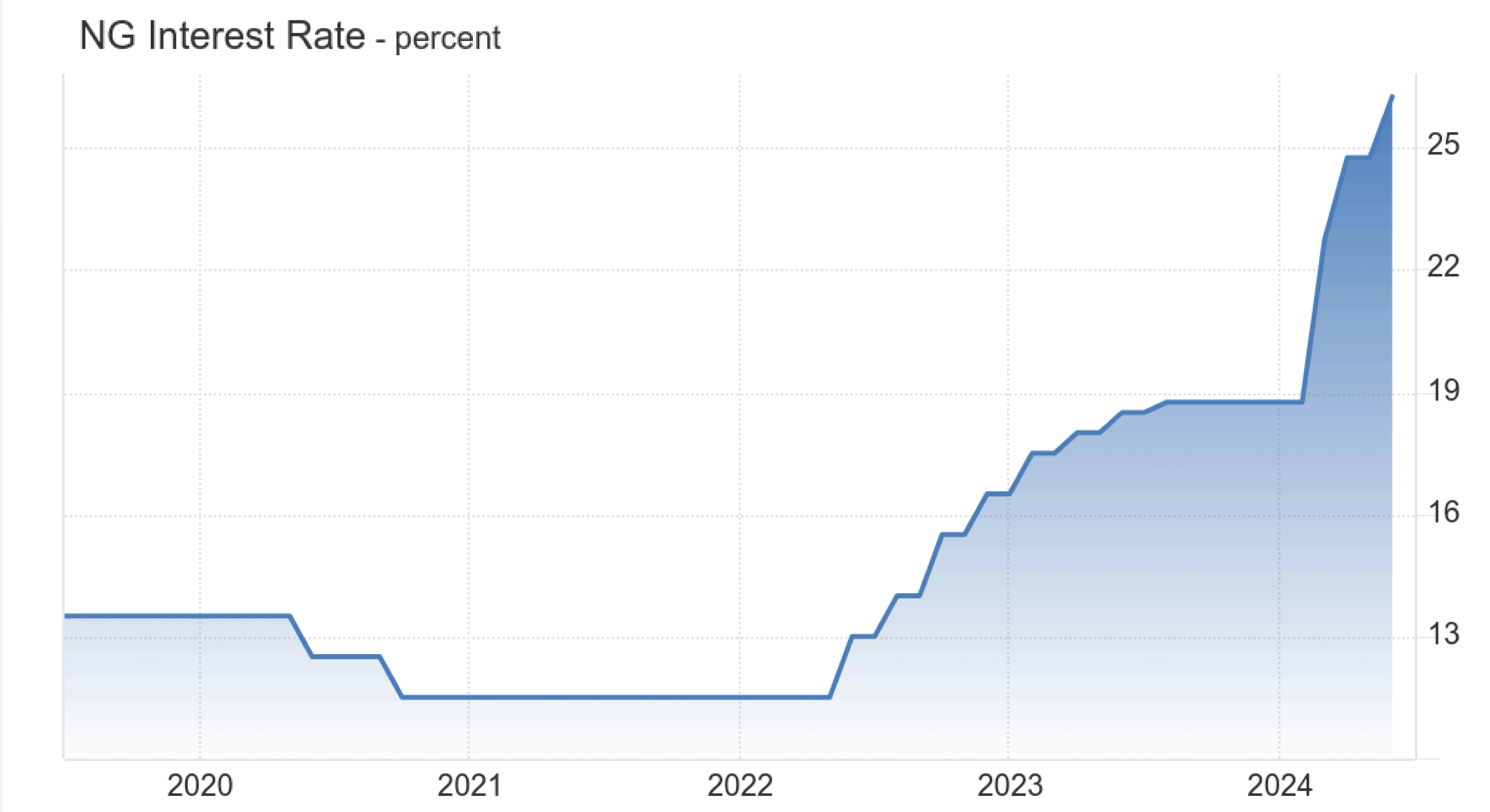
Cardoso's Next Move With Interest Rate

On a secondary basis, the Nigerian central bank is likely to gauge the evolution of interest rates in developed markets, particularly in the USA, to ensure that rates in the Nigerian market remain attractive on a risk-adjusted basis. Domestically, inflation continues to rise, albeit at a slower pace, reaching a 28-year high, with food inflation being the major culprit at 40.66% as of May. One positive for the central bank is the stabilization of the exchange rate, which has been a major contributor to food and energy inflation. The central bank has increased dollar supply to the market through loans from multilateral institutions and its Foreign Portfolio Investments (FPI), which should help inflation start to moderate.

The central bank is likely to hold rates at current levels or continue its hiking streak, but at a slower pace, to preserve interest from foreign portfolio investors, bolster forex liquidity, and slow down inflationary pressure from imported food, services, and energy prices. Signals from the most recent bond and treasury bill auction in late June indicate that bond and treasury yield rates are not slowing anytime soon. This trend will likely continue at least until late September, when we expect to have more clarity on inflation and the direction of global interest rates



Source: tradingeconomics.com | National Bureau of Statistics, Nigeria

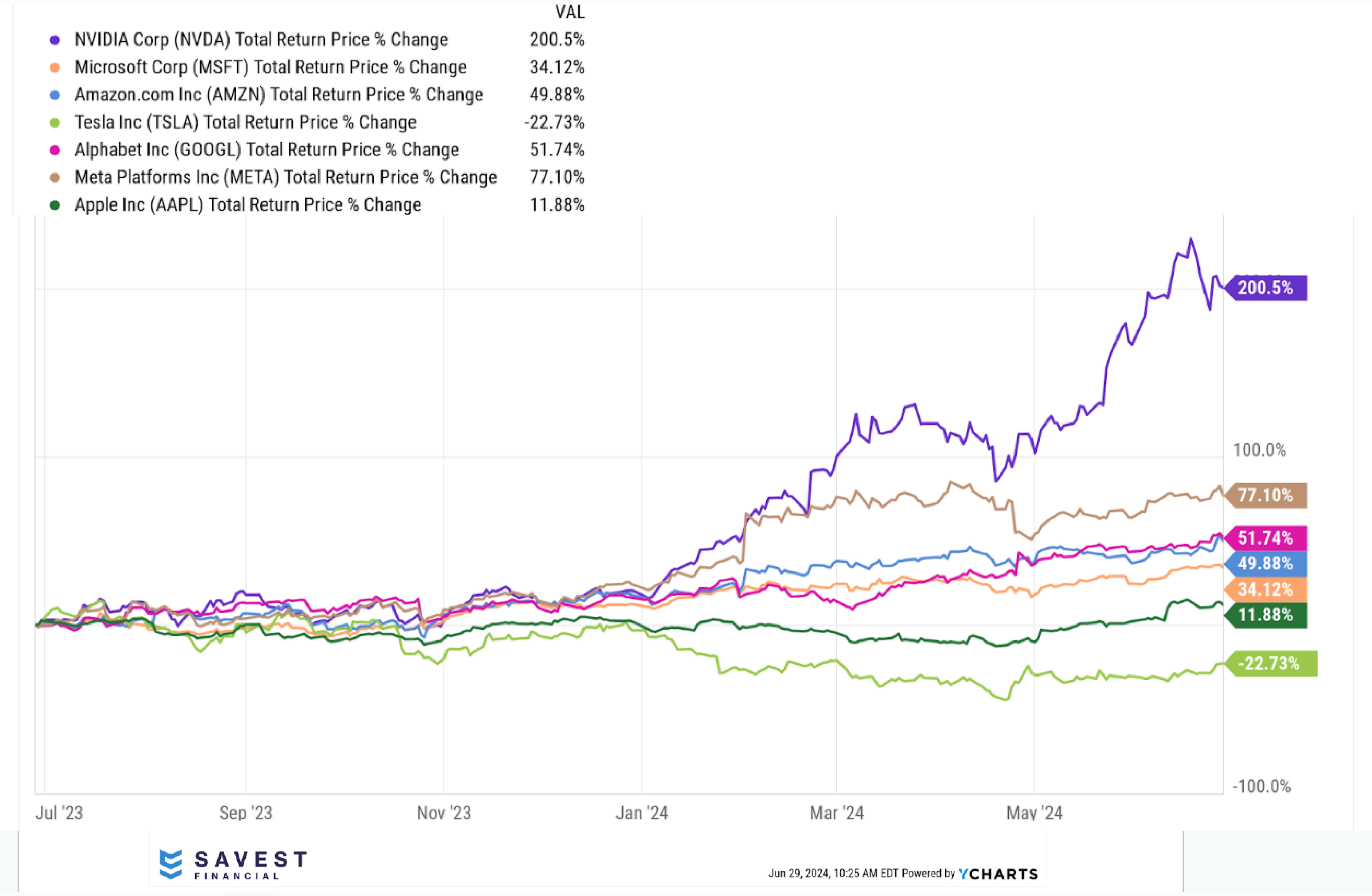


Source: tradingeconomics.com | Central Bank of Nigeria

EQUITY INVESTMENT OPPORTUNITIES

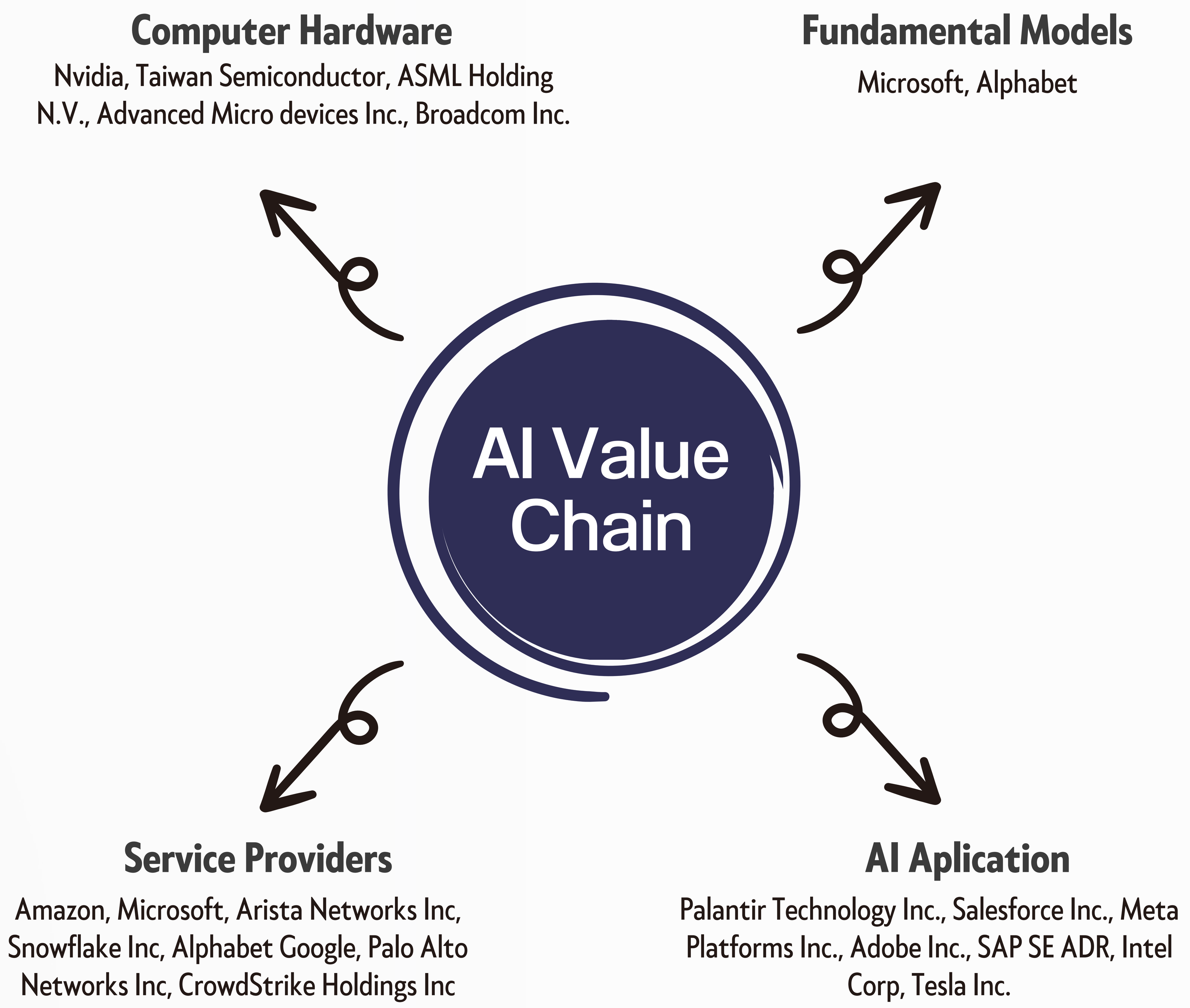
Artificial Intelligence - The Gold Rush

Since the summer of 2023, AI has been the ultimate force driving a tremendous run of stocks in the US market. Undoubtedly, AI is a transformative trend that will change many industries. It is going to make many industries more efficient and productive, and ultimately translate to more revenue and growth. However, many investors are still trying to figure out industries where AI has the most compelling use.



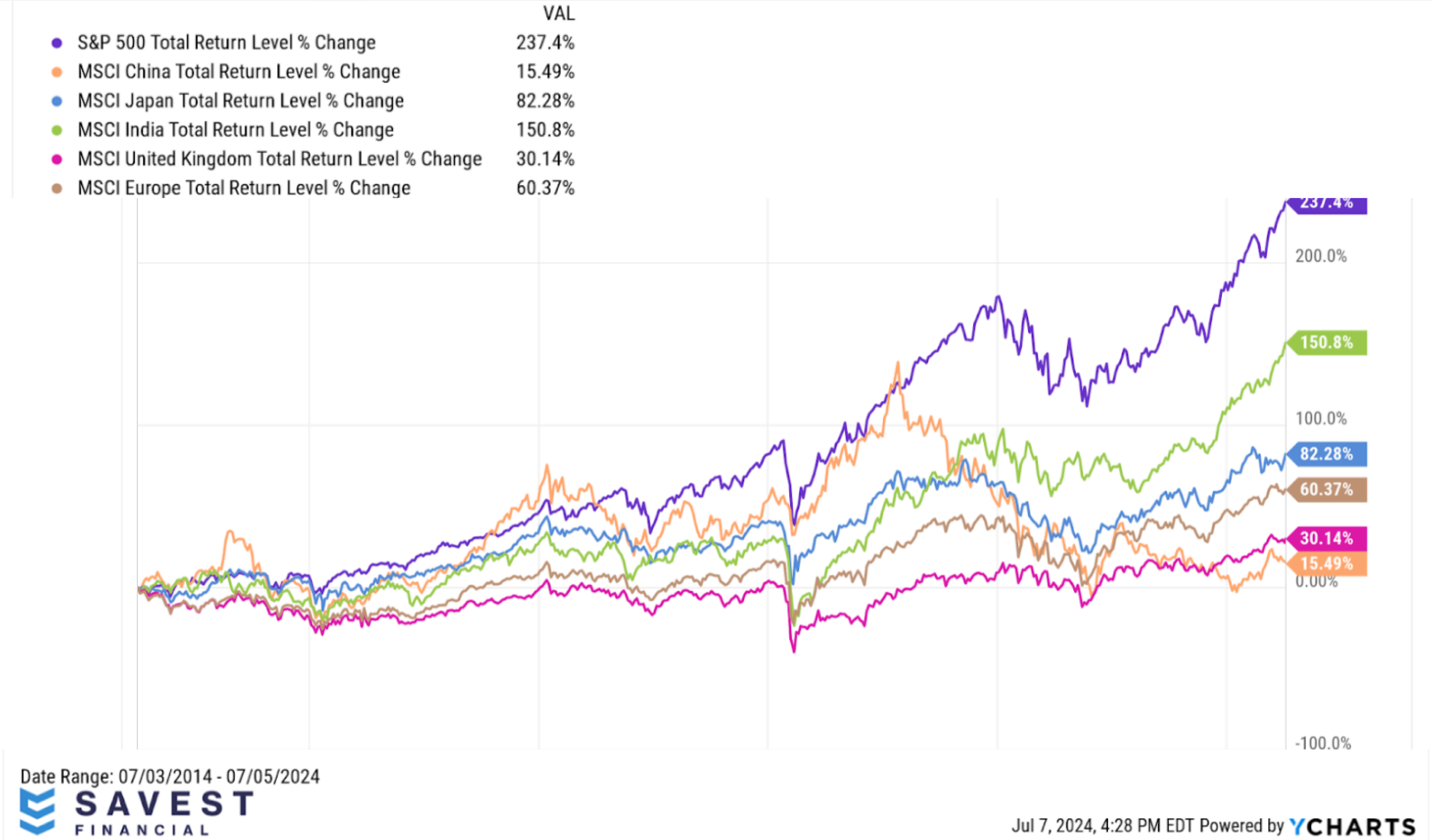
While this is not clear yet, it is clear that it is the technology sector which is directly involved in building the infrastructures for AI that have the domain advantage to reap the first fruits of AI. This is where Jensen Huang's Nvidia has built a goldmine, around which the likes of Amazon, Microsoft, Google, Amazon, Meta, Adobe, etc are scrambling for market share.

Although the AI infrastructure ecosystem is just evolving, it cuts across several industries in the technology sectors including semiconductors, cloud computing, cloud security, AI language models and nuclear power. Our goal is to identify names along these value chains that are already ahead of competition in the AI gold rush.



Beyond the core AI infrastructure ecosystem, AI will permeate various industries and sectors including healthcare, energy, utilities, finance, manufacturing, autonomous driving, retail etc. Although the use cases in these sectors are still evolving, we believe that one key to identifying winners is in finding companies with access to **large consumer data, capital and access to the market (customers)**. This is exemplified by the recent excitement around Tesla (autonomous driving) and Apple (Apple Intelligence).

International Equities - Europe Heavy Weights & Beyond the Magnificent 7



Global stock markets often focus heavily on the US market, particularly the "Magnificent 7"—Apple, Nvidia, Microsoft, Alphabet, Amazon, Meta, and Tesla. Historically, international stocks, excluding US equities, have underperformed relative to the US market. Factors such as political instability, weak economic growth, and government influence, especially in countries like China, contribute to this trend.

However, there are several heavyweight international stocks with strong competitive advantages that investors should consider for portfolio diversification.

The international market, excluding the US, presents opportunities to find undervalued, high-quality stocks. Europe and emerging markets, in particular, offer a range of companies with compelling reasons to be included in a global portfolio. Many of these companies are undervalued and provide opportunities for investors seeking high dividends. These opportunities span various industries, such as healthcare, technology, consumer cyclical, and industrial goods.

International Equities - Europe Heavy Weights & Beyond the Magnificent 7

With inflation slowing, a stronger than expected recovery across major economies, and the stage almost set for interest rate cuts, European stocks appear set for a breakout. We overweight companies with global operations and a revenue base cutting across several continents. One of such names is Siemens, a German multinational conglomerate with operations in Africa, Asia, Middle East, America and Australia.

From a risk management perspective, the current US market rally is dominated by technology stocks. A decade ago, the 10 largest US companies accounted for 14% of the S&P 500, today the figure is about 34%. On the average most portfolios, including index funds, are heavily concentrated in technology stocks. With a positive outlook for the US market in 2025, most sectors are expected to see a double digit earnings growth in 2025. According to Factset, "industry analysts in aggregate predict the S&P 500 will report year-over-year earnings growth of 11.3% in 2024 and 14.4% in 2025".

Our expectation of a broader 2025 market presents opportunities for diversification beyond the technology sector even within the US, especially in sectors like healthcare and utilities where we believe that the forward multiples are attractive.

INTERNATIONAL: NON-TECH (U.S STOCKS)	INTERNATIONAL STOCKS (EX U.S)
Amgen Inc.	Siemens
Intuitive Surgical Inc.	Novo Nordisk A/S
Johnson & Johnson	ASML Holdings N.V
UnitedHealth Group Inc.	Roche Holding AG
Bristol-Myers Squibb company	MercardoLibre
Visa Inc.	AstraZeneca
Cheneire Energy Inc	LVMH Moet Hennessy Louis Vuitton SE TDR
Duke Energy Corp.	Total Energies SE

Domestic Equities - “All Weather 9”

After several years of inconsistent performance and depressed valuations, it appears that The Nigeria Exchange (NGX) has finally turned the corner following what has looked like a sustained investors confidence. Implementation of a much needed reform by president Tinubu is all the catalyst that the market needed to stage a comeback. The NGX all share index followed a 46% return in 2023 with 33.81% in the first half of 2024.

Despite the spectacular run that the market has had, valuations still appear to be cheap relative to peers. On an inflation adjusted basis, these returns are still relatively very modest, underscoring the fact that the market still has a lot of room to run. A handful on the NGX have seen consistent revenue growth, especially in the banking, agriculture, energy and industrial sectors.

Years of weak macroeconomic environments created many uncertainties that forced many retail and institutional investors to the sidelines. Foreign portfolio investors and pension funds, important components of the NGX, have underweighted the market for years.

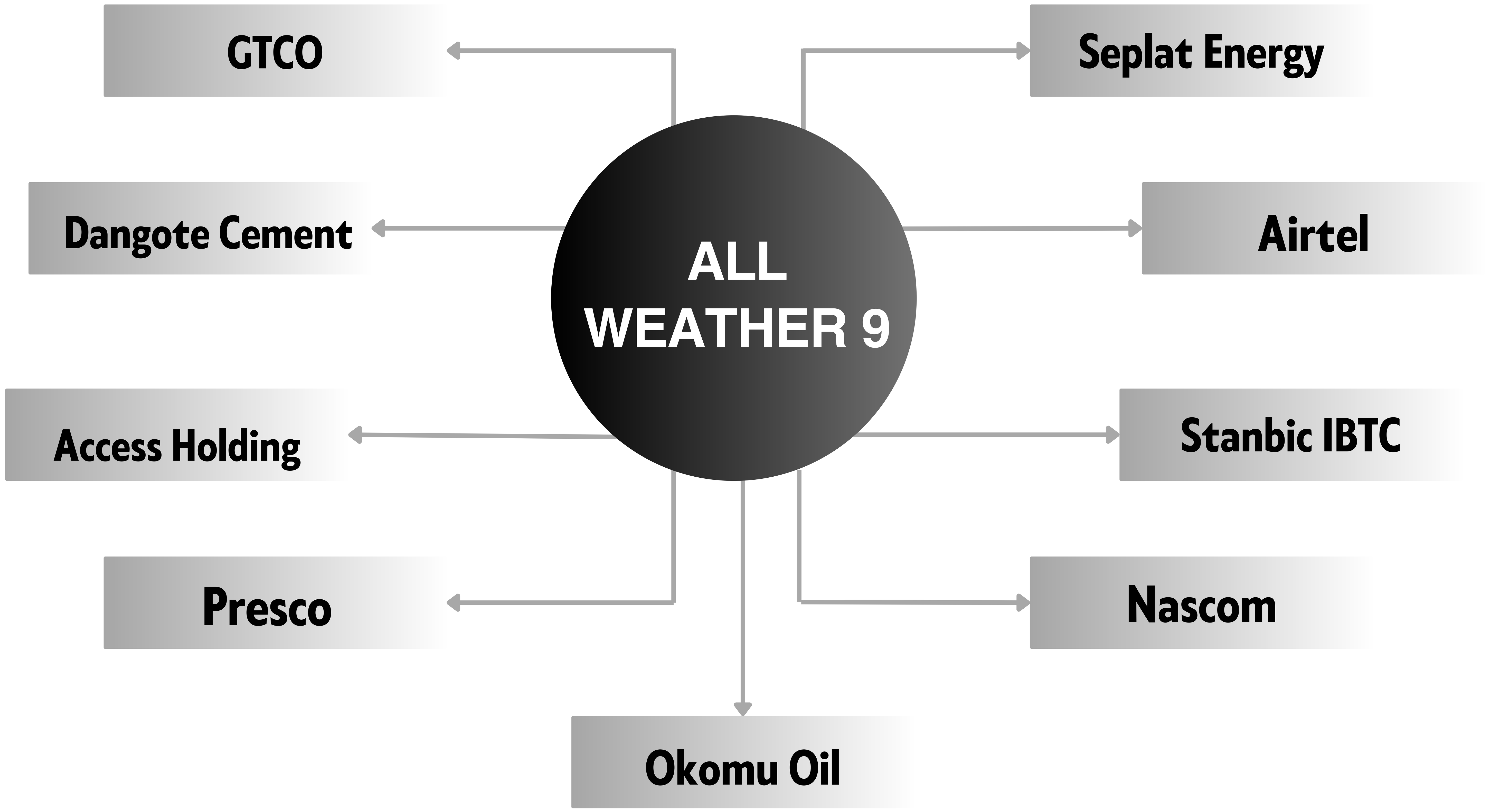
Even in the euphoria of this rally, investors still have questions. Will the new found enthusiasm be sustained? Will the recent reforms usher in a new era of macroeconomic tailwind for the market? Will institutional investors and FPIs return?

Domestic Equities - “All Weather 9”

A handful of stocks have found a way to remain attractive even through the sluggish years. A combination of sound fundamentals, industry leadership, have enabled these companies to grow their revenues through the years. Our “All Weather 9” represents this elite group which includes the two horses, Presco and Okomu Oil, in the palm oil business. This group also includes the dominant players in cement manufacturing, communication, food and beverages. We believe that the large moat status of these companies in their sector will allow them to continue to grow revenue, however the current rally pans out, relative to the rest of the market.

The recent recapitalization mandate for the Nigerian banks creates an interesting, all too familiar, plot in the sector. A combined additional capital of about 4 trillion Naira will come into the banking sector, if all the makes meet their requirements. Although the sector is undervalued in our opinion, the banks face varying degrees of shares dilution from the exercise. We are very selective of where we are overweight.

For those recapitalizing through public offers and right issues we should consider making moves after the completion of their offer, hunting for any pullback in prices. We anticipate that there may be a few mergers and acquisitions that may present some opportunities.



How We Select Stocks:

01 Consistent Dividend Growth

02 Consistent 5-Year Revenue Growth

03 Healthy Return on Assets (ROA)

04 Healthy Free Cash Flow

05 Less Leverage (Debt)

06 Low Volatility

07 High Return on Equity (ROE)

A sticky global inflation and global interest rate hikes has somewhat restored the lost glory of fixed income securities. Now they can better play their traditional role in portfolios: risk/return diversification, provision of periodic income/cash flow, and hedging against inflation.

Domestic Bonds - The Party is Not Over

The current yield on the 10 Years government bond is unprecedented. At the last auction just before the end of the first half of the year, the yield on the 2033 maturity closed at 21.50%, an all time high. Given the global trend in interest rates, rates are more likely to remain at the current elevated levels until we see significant rate cuts from major central banks. Although the party is not yet over, as we have come to learn from even in the last 4 years, all that can change very quickly.

Our bond strategy is focused on intermediate high quality sovereign (Nigerian) bonds. The intermediate duration will provide stable income over the long term without excessive exposure to interest rate risks.

Treasury Bills - The Calm Before the Storm

Treasury bills have become a favourite darling of many investors. With yields of the 1 -year bills hitting 26%, it is a better hedge against inflation compared to bonds. However, caution is warranted in terms of allocation weights. Portfolios with long term objectives cannot overweight treasury bills, even at the current yields.

The current yield level is an outlier and is not guaranteed to persist in the next 364 days, as markets anticipate that central banks will be more aggressive in cutting rates in 2025. Money market funds will face reinvestment risks if interest rates fall in 2025 as expected.

Eurobonds - Managing Local Currency Risk

The role of domestic bonds in portfolio diversification is compromised in an environment of high inflation as we have it today. The steep currency devaluation has spared very few asset classes, including local currency bonds. Dollar denominated bonds offer an alternative for investors seeking to offset local currency risks.

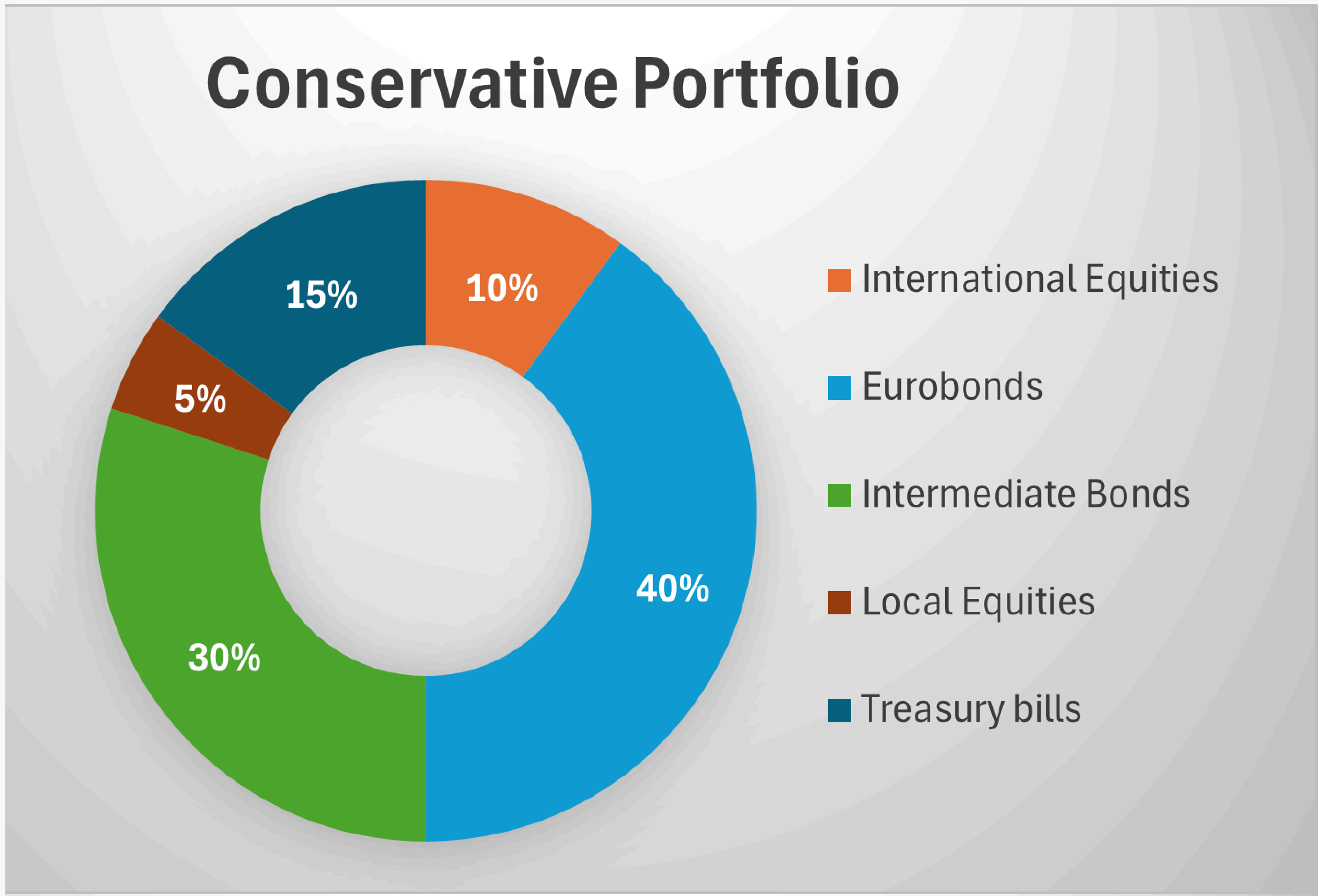
However, the recent debt crisis in Ghana, Zambia and Egypt is a reminder that sovereign debts (especially foreign currency debts) have more potential for default than many may be willing to admit. We consider credit risk management an important strategy for eurobond allocation. Lately Eurobonds have become very attractive due to the currency crises in many Sub Saharan African markets. In the current environment, investment grade (sovereign and corporates) eurobonds with strong fundamentals offer more portfolio protections.

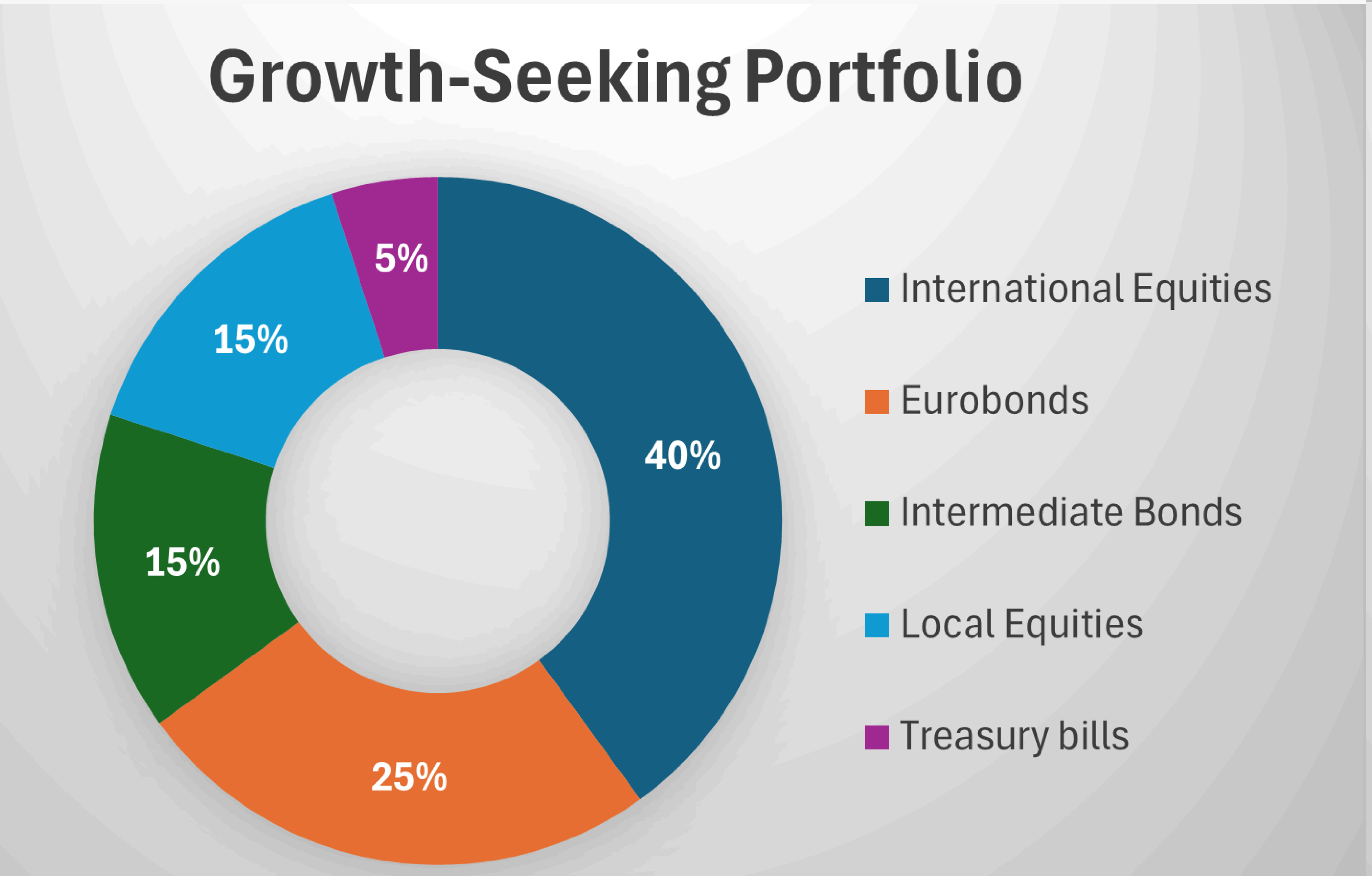
source: tradingeconomics.com

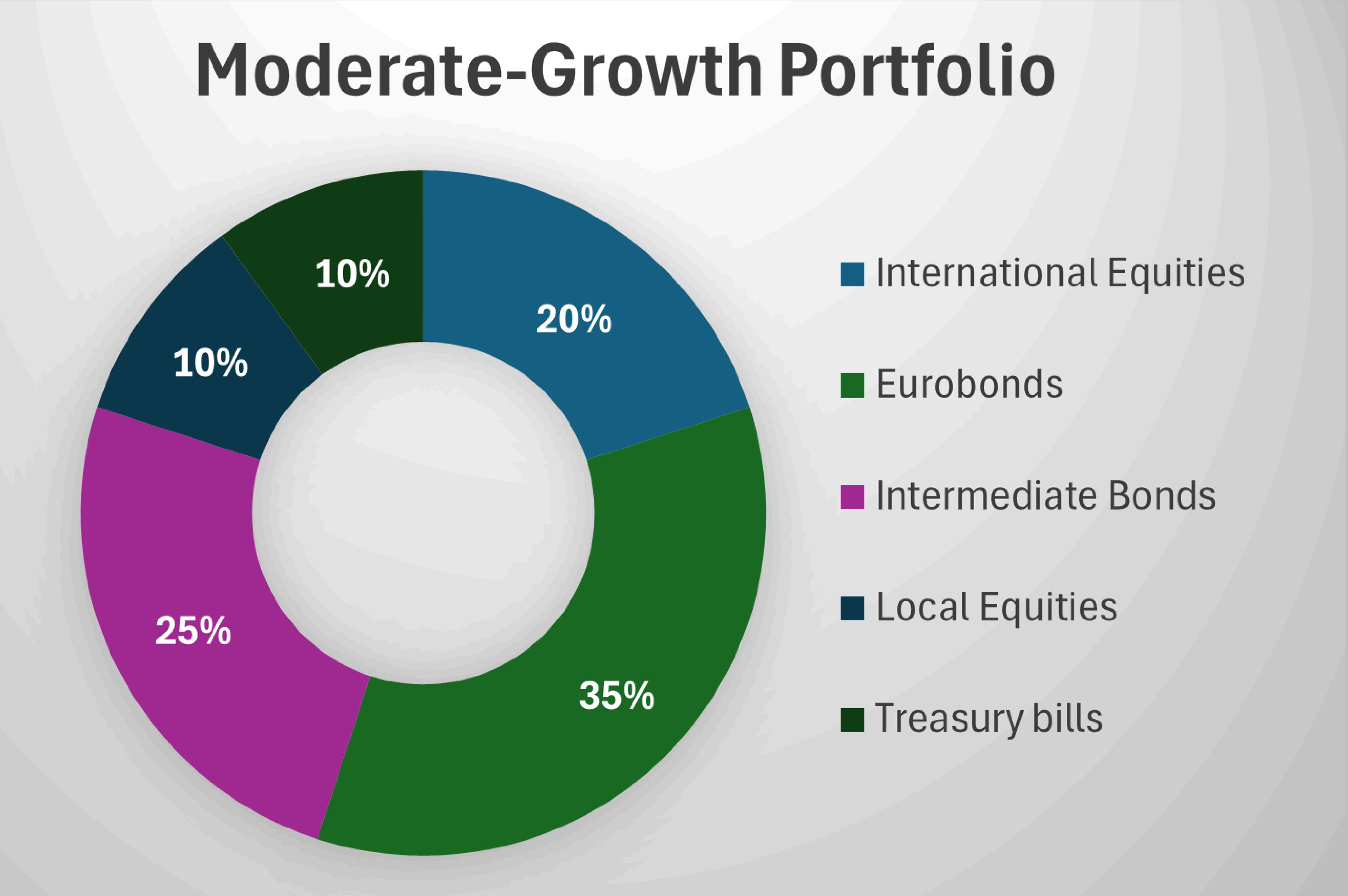
How Our Model Portfolios Have Evolved

Savest offers a series of model portfolios, providing a blueprint that investors can easily replicate in the construction and management of their portfolios, with the guidance of a qualified investment advisor, saving time and energy.

Our various model portfolios mirror a spectrum of risk/return objectives:







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To kick off your investment advisory process, go to the website, www.savest-financial.com to schedule a meeting with an investment adviser in Savest at your preferred time.

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