



Office open for client visits

We are pleased to announce that our office, 4th Floor Capricorn House, 119 Independence Avenue, Windhoek is now open for physical client visits.

The health and safety of our clients, employees and their families remain important.

Therefore, we encourage you to make use of our digital service channels:

- Capricorn Online, which allows you to view and transact on your investment portfolio from the comfort and safety of your home. (If you are not yet registered please complete the registration form available on our website and email the completed form to cam.service@capricorn.com.na)
- Bank Windhoek Internet Banking Platform

Make the sensible choice, practice social distancing and stay safe.

Instruction Cut-off times

In order to ensure the timely processing of your instructions, please take note of the following cut-off times.

- The cut-off time for any investment or withdrawal instruction is 11:00.
- The cut-off time for any investment or withdrawal instruction with an amount exceeding N\$ 5 million is 10:00.
- The cut-off time for an instruction submitted via Capricorn Online is 12:00.

Any investment/buy or withdrawal/sell instruction received after the indicated cut-off time will be processed the next business day.

Supporting our Namibian Athletes

We are immensely proud of the performance of our Namibian athletes at the Tokyo 2020 Olympic Games.

In light of this and to continue the support of our Namibian athletes to provide them with the opportunities to participate we donated N\$ 25 000 to the Janine & Suzelle Davin Sport Trust.

The Trust is a Namibian charity organization with the main focus on providing financial assistance to top junior Namibian sports men and women.

The importance of having a Last Will & Testament

If we were to single out one important wealth aspect that was of utmost importance during this ongoing COVID-19 pandemic, it is the absolute necessity of having a valid last will and testament at the time of death.

At Capricorn Private Wealth, a joined offering between Bank Windhoek and Capricorn Asset Management, we have dedicated experts that are ready to assist our clients in getting their affairs in order.

The ultimate purpose of estate planning is to transfer your wealth to the next generation or nominated

heirs in the most economical, tax-friendly and efficient manner and a valid will is an integral part of this. By ensuring that you have a valid will, you will save time, money, and stress for your loved ones who will already be going through a difficult period. Assets in foreign countries may pose additional complexities and even incur inheritance tax from such jurisdictions.

A few questions to think about includes:

- Who will manage your assets in your estate?
- Who will inherit your assets?
- Who will take care of your minor children (if any)?
- Who will look after your pets?
- What should happen at your funeral?


While the entire concept of creating a valid will may seem challenging, with the assistance of our professional fiduciary team, the entire process will be manageable and will provide you with peace of mind that your loved ones will be well looked after.

Should you have any queries or need our assistance to draft or review your last will and testament, please contact our dedicated wealth team at 061-299 1950 or email us at cam.info@capricorn.com.na

For more information read the full article [HERE](#).

Economic Update

The world seems able to generate a never-ending deluge of bad news. Renewed Covid-19 waves, the botched



withdrawal from Afghanistan, hurricane Ida that is worse than Katrina, a regulatory crack-down by China, riots and looting in the midst of extreme unemployment and a corruption exposé per day are some of the issues we have to contend with.

In the midst of what feels like a cauldron of uncertainty, it is imperative that we focus on what we can control, especially when it comes to the investment decision making process. By this we mean that we must apply the lessons learnt over many years of how asset classes behave over time and what the key drivers are, while looking below the surface of news flow.

Despite the negative news and global uncertainty, financial markets have, generally, delivered excellent returns for those investors that stuck with it. Global shares returned 36 % in US dollars over the 12 month period to July 2021, the equivalent of 17 % in Namibian dollars due to the appreciation of the latter. The JSE All Share returned 27 % and JSE listed Property stocks 28 %. At the time of writing, the 12 month return from the domestic bonds amounted to 15 %, while returns from the money market were decidedly muted in the order of 4 %.

Following a strong post-crisis bounce in 2021 and 2022, the global economy is likely to settle down at around its average growth rate of 3 % for the next couple of years, with DM's at 1.5 % and EM's at 4.5 %. The hit to confidence, the imperative of fiscal consolidation and a shockingly weak 1st quarter, means that Namibia will show hardly any growth in 2021, but SA and Botswana should grow by 3.5 % and 7.5 % respectively.

Lockdown driven production disruptions, shortages, a surging oil price and disinflation-to-inflation base effects, together with a degree of return of mobility, have conspired to push up global inflation substantially. Producer Price inflation in the G7 is at 10.3 %, largely driven by the oil price which is up nearly 60 % from the very weak levels of last year. Consumer inflation in the USA is at 5.4 %, in SA at 4.6 %,

in Namibia at 4.0 % and Botswana at 8.9 %. The latter has a large transport component which is running at 21 % yoy. Namibian inflation is likely to drift up into 2022 but should peak below 5 %. In the USA, SA and Botswana, it is likely to have peaked already.

As we noted in previous newsletters, inflation bears a close watch therein that it has the potential to change the interest rate outlook if it proves to be higher and more stubborn than currently expected. Furthermore, we noted that "Central Banks, with one eye on unemployment, are likely to be more tolerant of inflation than in the past, given a patchy and frail general economic outlook. Therefore, any adjustments to accommodative monetary policy settings will, in all probability, be gradual and slow, with unchanged rates for another couple of years, the most likely outcome."

This means that we continue to expect that returns from the money market will remain around the current historically low levels for another year or longer. Combined with our view that inflation, albeit contained, will drift up over the next 12 to 18 months, it implies virtually no real return from the money market.

In the bond market counter party risk remains at the forefront as creditworthiness of the Namibian and SA Governments have been deteriorating. We do not foresee defaults by either, but fiscal pressure will remain high for as long as the economies remain in a slump. It means that borrowing requirements will remain large relative to the economy. Still, this makes for a very steep yield curve and attractive yields on longer dated maturities, which means that double digit returns from this asset class are likely on a 12 month view.

Similarly, we expect double digit returns from the growth-oriented asset classes, but more muted than over the past 12 month period. Offshore returns looks set to be supported by a weaker currency, the domestic equity market by a rerating, and the listed domestic property market by a return to moderate distribution growth.