

Investing in Our Future

On a weekly basis, our investment experts tackle a wide range of topics that equip the reader with the knowledge and skills to understand, monitor and grow their investment portfolios. In the week leading up to Nelson Mandela Day, our team has decided to look at a simpler, and highly sustainable, form of investment – the future of our country.

In the most recent General Household Survey (GHS) as published by Statistics South Africa, the country's unemployment rate rose to 27.6% in the first quarter of 2019, from 27.1% in the previous quarter. This is the highest unemployment rate since the third quarter of 2017, as the number of unemployed individuals skyrocketed by 62,000 to 6.2 million and employment fell by 237,000 to 16.2 million.

Education is one of the most important factors to an individual's success within society. Whether a person is living in poverty or among the wealthiest in the world, education is necessary to advance in any situation. Education was labelled "*the most important revolution of our time*" by National Public Radio, yet so many people continue to ask why education is so important. In a recent survey carried out by the Borgen Project, researchers identified the following five key areas in which education can have a powerful positive impact on society :

1) Decreasing Poverty

It is estimated that 61 million children globally are not currently enrolled in primary school. Of these, 40 million children live in poverty. It is hardest for those living below the poverty line to even imagine sending their kids to school because in many countries, obtaining an education is not free. If there must be a choice between eating a meal and educating a child, most families would choose eating a meal. In addition, the boys within the household are often kept out of school so that they can work and contribute to the household income.

A quality education would offer the youth in this position the opportunity to extricate themselves from these living conditions. They can find a job and earn a stable income, which plays a key part in addressing poverty. They can become self-sufficient and independent from outside aid. An education is an invaluable tool for anyone living in poverty today.

2) Promoting Health

Educated individuals are significantly healthier than those who are not. Maternal health benefits hugely from education. A child who is born to an educated mother is 50% more likely to survive past the age of five. In the same way, every additional year of education a mother has lowers the child mortality rate by 2%. Educated mothers are twice as likely to immunize their children, and they are more likely to seek prenatal care and assisted childbirth.

Another area in which health could improve with education, is addressing the ongoing HIV/AIDS epidemic. If every child in the world were to receive a primary education, 7 million cases of HIV/AIDS could be avoided over the next 10-year period. A secondary education furthermore lowers an individual's risk of HIV by 75%. Such a strong correlation has been observed, that education is considered a "*social vaccine*" for girls in the avoidance of HIV/AIDS.

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3) Closing the Gender Gap

For many years, the global community curbed the female population from attending school or obtaining an education. Because of this, there is a large gender gap. Women who gain an education are working toward minimizing the gap to further the abilities of women around the world. An education often prevents young girls from being married off into a potentially limiting, or even harmful, situation.

Additionally, women with an education are able to make more informed decisions. They often wait longer to have children than those who do not have an education, ensuring that they are ready to provide for their children rather than depending on the general society to do so in their stead. Women with an education have on average three children, while uneducated women have on average seven children.

4) Minimizing Malnutrition

Malnutrition is a severe problem that many poor countries are facing today. Education has the potential to drastically decrease malnutrition in our country. According to The United States Agency for International Development (USAID), educating girls is one of the best ways to fight hunger, even outperforming temporarily increasing a country's food supply.

Education can provide people with new, more effective farming techniques, which can increase crop production and decrease malnutrition. Additionally, studies show that if female farmers had the same education as male farmers, long-term crop production could rise by up to 20%.

5) Impacting Economic Growth

In order for a country to see steady economic growth, education must be a priority. For every year of education obtained, an individual's average earnings increase by 10%. This means an increase in Gross Domestic Product (GDP) of 1% per year if all citizens were to receive a quality education. No country in history has seen a steady economic increase without at least a 40% literacy rate. By obtaining a steady job and earning an income, each citizen contributes to the country's economy as a whole.

Is 67 Minutes Really Enough?

The current economic landscape in South Africa indicates a dire need for quality education to be made available within our communities, now more than ever. The Seed Team places great value on a quality education and the vision to make this a possibility for the youth of our country. We have made it our ongoing mission to invest into this cause. While we will be getting our hands dirty for Nelson Mandela Day next week, we realize that making a difference is more than just 67 minutes once a year.

In our quest to make a difference every day, we have aligned ourselves with two deeply deserving causes, both of which strongly reflect our vision and values in their mission to bring quality education to our South African communities.

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Eagle's Nest Christian Primary School

Eagle's Nest Christian Primary School, based in Wallacedene, Cape Town, is one of our long-standing commitments to the cause. Their vision is to uplift disadvantaged communities by providing children with an education of excellence, irrespective of their religious, social or financial background.

On a daily basis, this organisation strives to achieve this by providing a high standard of education in the English medium, ensuring that all teaching is based on Christian foundations, equipping and developing high quality teachers through providing training and resources and serving the families of the learners by sharing the Gospel through their lives.

In March 2016, the Seed Team hosted our first annual charity golf day to raise much needed funds for the school. This trend has continued into 2019, raising in excess of R 145,000 to date. We also make a monthly financial contribution, which enables the school to provide daily meals for the students.

Each member of staff also visits the school each term during the examination period to assist in the task of scribing to the learners with learning challenges. The kids greatly look forward to the extra love and guidance, and a sharp increase has been noted in their results.

To get in touch with Eagle's Nest Ministries, please contact Anel Smit on +27 79 582 5026 or via email on anelsmi@eagles-nest.org.za. Alternatively, please visit the Eagle's Nest website at www.eagles-nest.org.za.



Calling Education

We have also pledged our ongoing support to Calling Education, based in the outskirts of Stellenbosch. This organisation has established a unique and inspirational approach in raising future leaders, fathers and mentors. Calling Education is a private high school that delivers education of outstanding quality to young boys at a school fee of less than R 7,000.00 by applying an innovative model.



In addition to sponsoring a handful of these learners' school fees on a monthly basis, the Seed Team hosts a few of these incredible young men at our offices on an annual basis, where Sean Farrell (CEO) and Mike Browne (Portfolio Manager) spend some time talking to the boys about the Investment Industry. The boys, who are all exceptionally bright students, always leave our offices in high spirits, excited about the Financial Industry and all the possibilities that their future holds.

On the 18th of July, our team will be visiting Calling Education for Nelson Mandela Day. While a few of our guys are leading talks with the students, the rest will be digging up a play park, increasing water flow to the premises, shifting rocks and taking on a monster patch of weeds.

To get in touch with Calling Education, please contact Werner Cloete on +27 83 655 1044 or via email on callingeducation@gmail.com. Alternatively, please visit the Calling Education website at www.callingeducation.org.za.

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For more information, or to get involved in one of these incredible projects, please contact the Seed offices on +27 21 914 4966 or send an email to communications@seedinvestments.co.za.

To quote late legend Nelson Mandela, *“Education is the most powerful weapon which we can use to change the world”*. We encourage you to make every day a Mandela day!

Kind regards,



Carmen-K Dippenaar

Marketing & Communications

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ADDITIONAL INFORMATION (where applicable)

Performance has been calculated using net NAV to NAV numbers with income reinvested. Full performance calculations are available from the manager on request.

DEFINITIONS (where applicable)

Annualised Return Annualised return shows longer term performance rescaled to a 1-year period. Annualised return is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest and Lowest Annual Return The highest and lowest returns, since launch, for any rolling 1-year period have been shown.