

# PWM CONNECT

WHERE WEALTH AND LIFESTYLE MEET

RAND'S ROLLERCOASTER RIDE RESUMES

INTRODUCING PWM WEALTH  
MANAGEMENT (PTY) LTD

STRETCHING YOUR INVESTMENT BEYOND ITS  
MONETARY VALUE

7 LONG-TERM INVESTMENT LESSONS – A SOLID  
FOUNDATION FOR YOUR FINANCIAL PLAN

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# A WORD FROM RUDOLPH

Welcome to the winter edition of our PWM Connect newsletter.

The last few months have been quite busy. By now, all our clients would have received a communication from PWM regarding the FSCA's approval of our company's Financial Services Provider (FSP) licence. As mentioned in said correspondence, it is a requirement that all our clients re-appoint their Financial Planner and PWM. This appointment will approve access to your portfolio for the appointed Financial Planner, as well as allow a transfer of your risk and investment portfolios to the new FSP. We are in the process of contacting all our clients to sign the necessary forms and documentation to transfer their portfolios to our new FSP. I would like to use this opportunity to thank you for your patience and for going through this tedious process with us and appreciate your ongoing support. This is a regulatory requirement and as stated before, it does not impact your relationship with your Financial Planner, PWM or any of your investments/contracts you hold with PWM.

We have also been quite busy implementing the business structures for PWM's Investment Manager business called PWM Wealth Management (Pty) Ltd. This business was also registered as a Financial Services Provider and a Category II licence was approved recently by the FSCA. The company is now fully operational and will launch its first investment funds within the next month. Please take a look at the summary of their objectives, investment strategy and selection of investment managers in the article that forms part of this newsletter.

With the year reaching the half-way mark, a reminder to schedule time with your Financial Planner, if you have not done so yet, for your annual review. Assisting you in reaching your goals and aspirations and ensuring your aspirations are on track and aligned to your financial plan remains our main focus. Please feel free to contact your Financial Planner for an appointment.

In this edition, Izak Odendaal, Investment Strategist at Old Mutual Multi-Managers, discusses the reasons for the fluctuation of the rand. Prescient, our newly appointed administrator for the PWM Wealth Management Business, shares views on Environmental, Social and Governance (ESG) investments. We also look at the seven essential investment lessons that should underpin every financial plan. Considering the impact Covid-19 had on people's health in general, we asked Universal Health to share some pointers on the importance of investing in your health.

I trust that you will find the articles interesting and insightful.

**Kind Regards**

**Rudolph van Eck**  
**CEO**



## ECONOMIC OVERVIEW

# RAND'S ROLLERCOASTER RIDE RESUMES

By Izak Odendaal | Investment Strategist | Old Mutual Multi-Managers

The rand's ability to surprise all and sundry has been on full display. Certainly, a year and a bit ago, when the exchange rate hit R19 to the US dollar, few would have imagined we'd be here in early June with the rand trading around R13.50 to the dollar.

However, the surprises aren't always on the upside. At the start of 2020, when the rand was trading around R14 to the dollar, few imagined the epic collapse the next few months would bring. Once it gets going, the rand has a tendency to overshoot expectations in either direction.

### CHART 1: RAND TO US DOLLAR EXCHANGE RATE



SOURCE: REFINITIV DATASTREAM

How do we interpret the recent strength of the currency given all the problems in the country, and what are the implications? To begin with, it is important to remember that most of the gains in the rand over the past year or so largely represent the recovery from the March/April collapse.

Such massive collapses of 30% or so in the currency have occurred before – in 1998, 2001, 2008 and 2015. What these episodes have in common, is a global or an emerging market financial crisis, meaning that the sharp decline in the rand was driven largely by factors emanating from outside South Africa, usually coinciding with a spike in the US dollar. What these episodes also have in common, is a strong recovery in the rand, as evidenced once global risk aversion abated.

The pandemic panic was such an external episode, and it was completely unpredictable. When it turned out that the worst financial fears of Covid-19 would not materialise, the rand started recovering.



## EXHALING

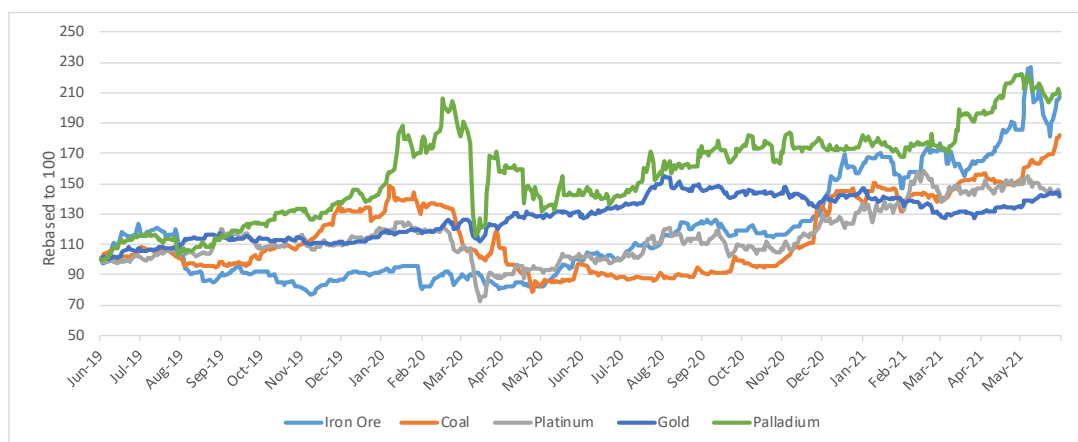
As global investors exhaled after a period of intense financial stress, this has resulted in the ultimate safe-haven currency, the US dollar, retreating.

Since the big pandemic scare on financial markets in March and April of last year, the dollar has been losing ground. It rallied again in the first quarter of this year as investor worries about inflation increased, leading to expectations that US interest rates would have to rise. While current inflation levels are quite high globally, this seems to largely be the result of temporary factors as economies reopen and demand recovers faster than supply. Central banks, especially the all-important US Federal Reserve, have reiterated that they see the inflation jump as transitory, and for now investors are taking them at their word. Markets seem more relaxed about inflation now, and expectations for future interest rate increases in the major developed economies are still muted. As a result, some investors feel more comfortable turning to the relatively higher interest rates on offer in places like South Africa.

## COMMODITY BOOST

The other factor helping the rand is buoyant commodity prices. The global economy has roared back to life after last year's pandemic-induced collapse. The latest round of purchasing managers' indices indicates that current business conditions for manufacturing and servicing firms in the major economies are exceptional. Amid fears that mines would not be able to respond to this rise in demand, commodity prices have shot up over a wide front. This has benefited South Africa tremendously by pushing exports to record levels, raising government tax revenues, lifting the JSE and, of course, supporting the currency.

### CHART 2: DOLLAR PRICES OF SOUTH AFRICA'S MAIN EXPORT COMMODITIES



SOURCE: REFINITIV DATASTREAM

The longer-term outlook for many commodities still seems favourable, though calling it a supercycle would be overdoing it. The transition to green energy and transportation is expected to keep demand for certain key minerals at elevated levels for some time, but eventually supply will respond, which should moderate prices.

There is a third element that could have played a role in the rand's recent gains. It appears as if global investors' view of South Africa has improved from terrible to merely average for a developing country. Government debt and slow progress on economic reforms continue to be seen as problematic. But the boost from commodity prices can paper over many cracks, while the recovery in the local economy has been better than expected. The third wave of Covid-19 infections seems unlikely to derail this recovery, but can of course deal another blow to the hospitality sector. Developments within the ruling party are strengthening President Ramaphosa's position, making it likely that he will serve a second term and see through the economic and governance reforms that are slowly taking place.

Domestic politics play a far smaller role in the level of the exchange rate than what is commonly believed, but it does help when both local and global dynamics are supportive. Further gains for the rand will depend on these factors remaining in place.



## IMPACT AND IMPLICATIONS

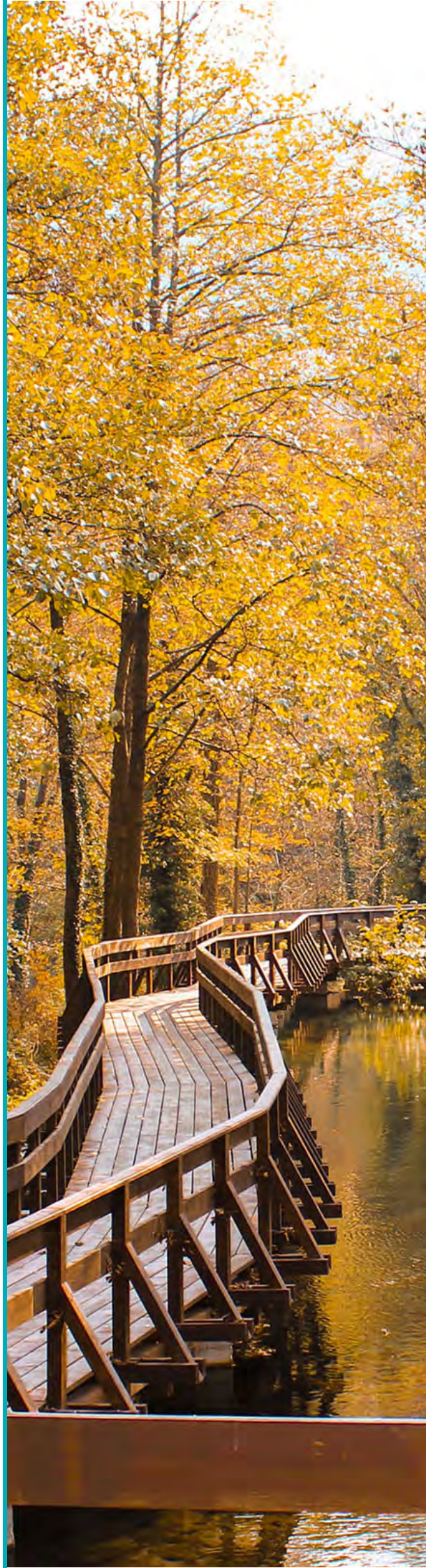
In terms of the impact of the stronger rand, firstly it offsets some of the impact of higher global oil prices, which ended May close to US\$70 per barrel, and higher global inflation in general. Therefore, assuming everything else is unchanged, a stronger rand implies that the SA Reserve Bank's Monetary Policy Committee can keep interest rates at current levels for some time. This in turn is good news for borrowers, but also for a range of domestic interest-rate sensitive assets such as bonds, property, retailers and banks.

Secondly, a stronger rand can hurt the revenues of South African exporters who don't have the luxury of rising dollar prices enjoyed by the miners. Similarly, by making imports cheaper, firms who compete in the local market might lose market share to importers.

Thirdly, a stronger currency will depress investment returns from offshore assets, all else being equal. The rand should eventually revert to its longer-term trend of weakening against major currencies, but it can appreciate for uncomfortably long periods for investors who assume it is always a one-way bet. Portfolio diversification is always important, but given the rand's volatility and ability to surprise, it is particularly important for South African investors. Just as it would have been a mistake a year ago to assume the rand will continue declining indefinitely, it would be foolish to believe now that it can only appreciate further.

A stronger currency does provide a more attractive entry point for local investors wanting to increase offshore exposure, but beware of placing too much emphasis on timing. Since the rand's gains are usually driven by improving global risk appetite, global equity prices tend to rise at the same time. Therefore, what investors score in terms of a stronger currency can be lost on the underlying global assets becoming more expensive.

In summary then, the following seems true when it comes to the rand: be prepared for a volatile ride, be prepared to be surprised, avoid market timing, and diversify to get the most out of the ups and the downs.



## OBJECTIVES

- 1 Provide returns that **align with your targeted goals and objectives**
- 2 Construct optimised, risk adjusted **unconstrained portfolios**
- 3 Optimise **cost efficiency** within portfolios

## WE PARTNER WITH TRUSTED INDIVIDUALS AND ORGANISATIONS

Our investment research partner **(Old Mutual Multi-Managers)** has more than **200 years' collective industry experience** and oversees asset manager due diligence as well as providing input regarding our strategic/tactical asset allocation process.

**Prescient Fund Services** manages all fund administration in a highly cost efficient and legislatively compliant manner. We are able to leverage off **Prescient's Asset Management capability**.

**Andrew Salmon**, Chief Investment Officer (CIO), has been managing clients' wealth for **35 years**. Andrew's focus is on embedding a robust investment process underpinned by a team philosophy.

## ACTIVE AND PASSIVE (INDEX) MANAGERS ARE IMPLEMENTED PRUDENTLY

In consultation with our research team, we identify which asset classes will benefit from an active or passive investment methodology.



## FLEXIBLE INVESTMENT MANDATE

Our investment strategy process is unconstrained which allows full flexibility from a portfolio construction point of view. Therefore, we are able to invest locally and offshore without any regulatory constraints like Regulation 28.



## WE PARTNER WITH THE FOLLOWING INVESTMENT MANAGERS



- LOCAL** Catalyst, Coronation, Ninety One, Prescient, Prudential, Sefikile
- OFFSHORE** Allan Gray Orbis, Baillie Gifford, BlackRock, Catalyst, Coronation, Federated Hermes, Gins Global, Harris Associates, Ninety One, Resolution Capital

## PORTFOLIOS



PWM Stable Prescient Fund of Funds	<b>Return Target: Inflation +2%</b>
PWM Dynamic Prescient Fund of Funds	<b>Return Target: Inflation +4%</b>
PWM Balanced 28 Prescient Fund of Funds*	<b>Return Target: Inflation +4.5%</b>
PWM Worldwide Prescient Fund of Funds	<b>Return Target: Maximising returns over the long term</b>

\*Regulation 28 compliant

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# Prescient STRETCHING YOUR INVESTMENT BEYOND ITS MONETARY VALUES

By Vanessa Mabophe | Quantitative Analyst | Prescient Investment Management

Risk, by its nature, is exceptionally difficult to quantify. As a result, the consequences of prolonged risky behaviour only become evident when the damage has already been done, and often at a substantial personal or financial cost.

I have yet to meet a person who does not understand the importance of a healthy lifestyle. However, how many of us find ourselves day in and day out indulging and making bad dietary choices? Eventually, the day comes when our illusory bubble bursts, awakening us to the reality, leaving us with the thought that “surely, we should have known better”!

Similarly, Environmental, Social and Governance (ESG) investments are the ‘healthier’ options on the investment diet. ESG investments are generally known as sustainable investments, because healthy investment choices are much more likely to deliver beneficial outcomes well into the future. These are investment practices that go beyond traditional investment principles and include a strong focus on attaining persistently positive returns while also aiming to have a sustainable positive impact on the environment, corporate governance and society at large.

The generally accepted understanding is that a company that fully integrates ESG practices within its day-to-day business should be in a position to improve overall risk management, attain persistently positive long-term performance and build/maintain long-lasting relations with key stakeholders. Furthermore, such a company would play an active role in socially and environmentally sound initiatives, thereby remaining in the front line and combating matters such as global warming and social injustices.

Though ESG investments are the ‘relatively healthier’ option, not all investors are buying into the idea. There is an ongoing debate on whether integrating ESG factors into the investment process means trading financial returns in favour of positive social and environmental impacts. To get closer to a resolution on this issue, it is critical to understand why ESG integration is so essential from a risk management perspective.

By definition, risk management is about setting behavioural or investment restrictions to manage unforeseen – and potentially adverse – circumstances. Provided the boundaries and no-go zones introduced by the risk management process are reasonable and set with clear objectives in mind, risk management is likely to deliver. A risk management strategy itself is a long-term approach that seeks to manage the unknown in the long run, aligning closely with the process of explicitly managing risks related to ESG factors.

When it comes to governance, one of the benefits of employing ESG as a risk management tool is that it introduces conscious and ongoing ethical oversight of corporate governance behaviour in investee companies. In so doing, there is less likelihood of management indulging in illegal activities, such as fraud





and corrupt behaviour, which could prove costly from both a financial and a reputational perspective when they come to light. Incorporating measures to prevent this allows potentially affected stakeholders to be at ease, knowing that their interests are being protected.

The social factor ensures that companies treat their employees and their surroundings equitably. Managing the risks associated with this factor would ensure that the company behaves in a way that maximises employee retention and is generally less likely to become entangled in lawsuits instituted by disgruntled employees. The social aspect also encompasses a company's attitude towards, and impact on, the community within which it operates.

Matters that directly affect us in the here and now tend to affect the decisions we make directly. When it comes to the environmental aspect of ESG integration, it becomes more difficult. The positive outcomes of our actions now are not likely to be visible for years to come. Thus, there tends to be a misalignment in the perceptions of how environmental factors will affect the average person or a company.

For instance, some investors fully subscribe to Keynes's notion of "in the long run, we are all dead", making them less willing to channel their hard-earned money into environmentally conscious investments. However, what they do not understand is that environmental issues are arguably one of the most significant risks facing companies and the performance they deliver for investors.

The adverse impact of global warming on our overall environment is becoming clearer by the day. From uncontrollable wildfires in Australia, which killed more than a billion native animals, to extreme droughts in various parts of Africa – clearly, something is wrong! The side effects of global warming have become so familiar that only the very naïve could see global warming as an issue of the future and nothing to worry about until then. Therefore, there has never been a more appropriate time to factor environmental considerations into investing.

However, most investors are still not quite able to properly digest the overall value proposition of ESG-centric investments, due to their inability to make long-term decisions based on what they can see and understand now. ESG is by no means a risk-free strategy that guarantees superior returns. However, it is a strategy that enables investors to limit the impact of difficult-to-quantify future ESG risks, as well as to stretch the impact of their funds beyond their own narrow personal interests.

Until we reach a point where ESG integration is no longer considered to be a nice-to-have or an attempt to stay ahead of the curve but becomes a non-negotiable, we will have more convincing to do regarding its valuable role in investment portfolios.

## **ABOUT PRESCIENT:**

Prescient Holdings (Pty) Ltd is a diversified, global financial services group with a 23-year track record of providing solutions to its clients in asset management, investment and platform administration, retirement solutions and stockbroking. As at 31 March 2021, the group had R103 billion in client assets under management (AUM) and administered R551 billion worth of client assets (AUA). Prescient has established operating businesses in the following main jurisdictions: Prescient has successfully operated for 23 years in South Africa, 14 years in Ireland and the UK, and 8 years in China. Prescient Management Company (RF) Pty Ltd (the manager) is approved under the Collective Investment Schemes Control Act (No. 45 of 2002). Prescient Investment Management (Pty) Ltd and is an authorised financial service provider (FSP No. 612) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002). Prescient Fund Services (Pty) Ltd is an authorised financial services provider (FSP No. 43191). This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of, or which may be attributable directly or indirectly to the use of or reliance upon, the information. There are risks involved in buying or selling a financial product. There are no guarantees provided.

# 7 LONG-TERM INVESTMENT LESSONS – A SOLID FOUNDATION FOR YOUR FINANCIAL PLAN

By Jurie de Kock | Financial Planner | PWM Cape Town

With lots of known unknowns, caused by excessive market volatility and the unequal responses by governments the world over, the Covid-19 pandemic has left even the most seasoned investor feeling uncertain about the future.

Often, to make sense of the noise, investors ought to take a step back and regain perspective. Analysing long-term data is crucial to our investment process and it also teaches us some profound lessons and principles. Understanding these lessons will help you build the right investment solution to achieve your goals.

While these are well-known principles, in times of crisis, we tend to forget them. However, it is during these tough times that we need these lessons the most.

We have seen this time and again, that during a crisis, investors essentially go into survival mode. They lose sight of what we are trying to achieve, and their focus starts to narrow. They are more interested in how the crisis plays out in the short term, when we should be doing the complete opposite.

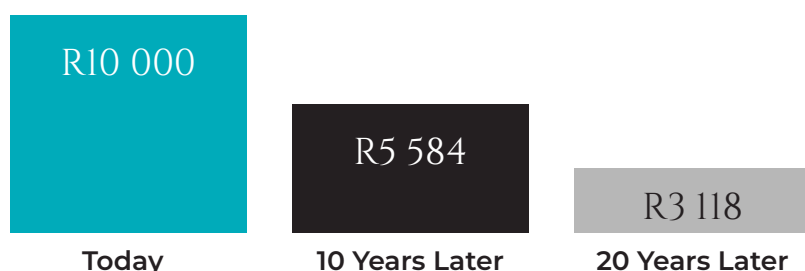
Here are seven simple, yet fundamental lessons that will help you as an investor to build a more resilient portfolio, even amid widespread uncertainty. They will help you look beyond the short-term volatility and discover the truth about investing, charting a path forward.



## 1. INFLATION IS YOUR ENEMY

Most investors underestimate the erosive impact of inflation on their spending power. Inflation is still the biggest enemy of savers, as they do not notice how destructive inflation can be over time. It is therefore important to generate real returns over time, i.e. inflation-beating returns.

LOOK AT WHAT A 6% INFLATION RATE CAN DO TO YOUR MONEY OVER TIME:

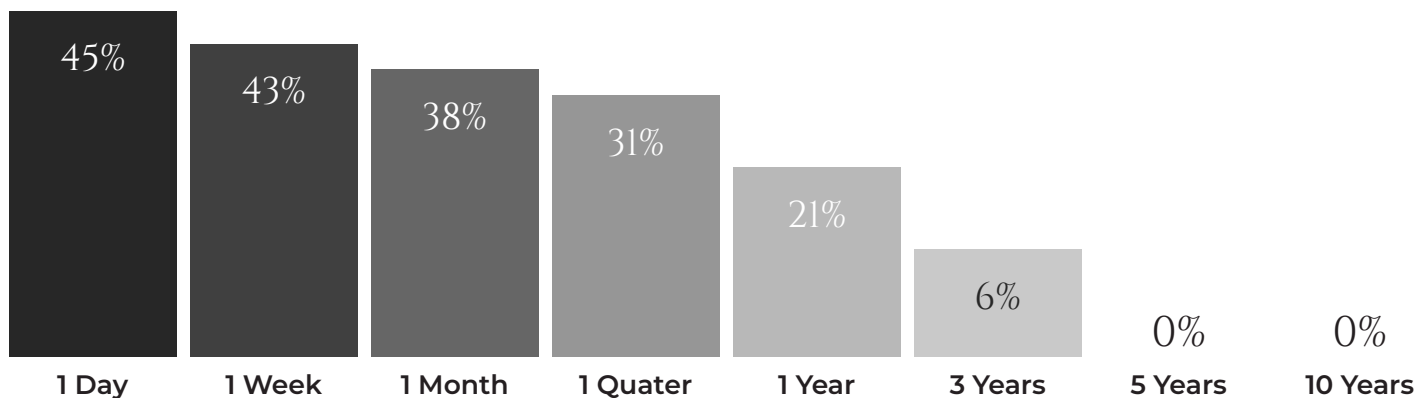


“Inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hitman.” Ronald Reagan

## 2. TIME IS YOUR FRIEND

The main reason investors prefer cash to equities is the fear of losing money. The best way to manage the risk of losing money is to remain invested in equities for longer. It is all about time in the market, not timing the market. The best way to decrease the probability of losing money is to invest over the long term. As soon as you extend your holding period for more than three years, SA equity's past performance shows that the chance of losing money becomes negligible. Take what happened in 2008: after a negative 30% real return, the market rebounded to deliver 14% a year over the following five years!

### FREQUENCY OF NEGATIVE EQUITY RETURNS OVER DIFFERENT TIME PERIODS



Sources: MacroSolutions, FactSet

1 day and 1 week: Rolling total returns for SA Equity; June 1995 - December 2020

1 Month to 10 years: ROLLing returns for SA equity, January 1960 - December 2020

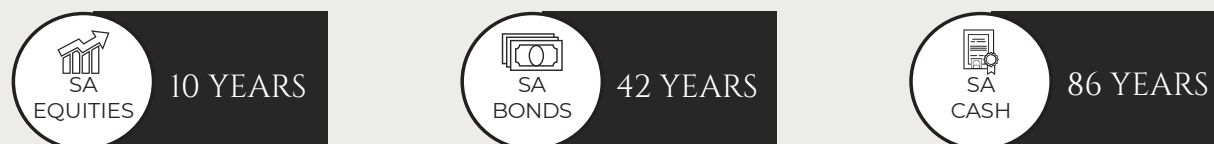
## 3. YOU NEED EQUITIES, AND CASH IS TRASH

Many investors will not retire with enough money. Equities have the potential to provide higher growth than other asset classes. This is important, as you will need your money to beat inflation and last longer – especially considering that people are living longer than before, and their money will need to last well into retirement.

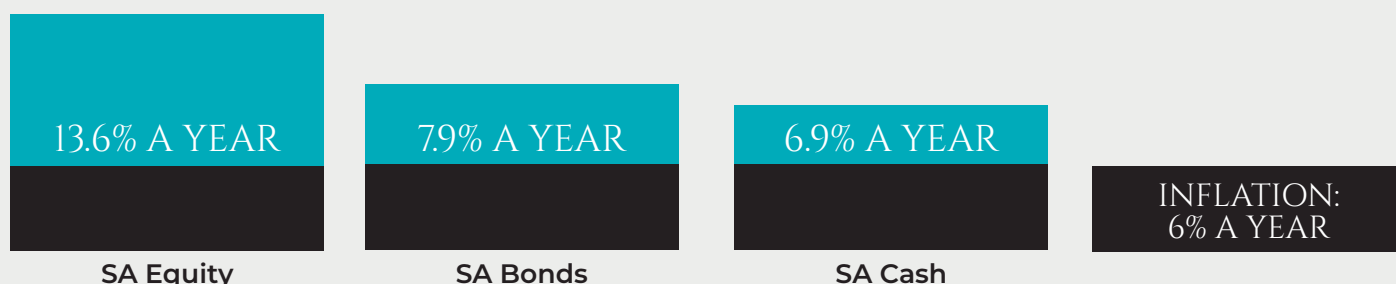
While cash in the bank is considered low risk, it does not increase your real (inflation-beating) wealth over time. Over the last 100 years, cash has had an after-inflation return of less than 1% a year. Using each asset class's long-term average real returns, this is how long it will take to double your investment value:

### TIME NEEDED TO DOUBLE YOUR MONEY

Using each asset class's long-term average returns, this is how long it will take to double your REAL investment value.



### PERFORMANCE OVER 91 YEARS (NOMINAL RETURNS)

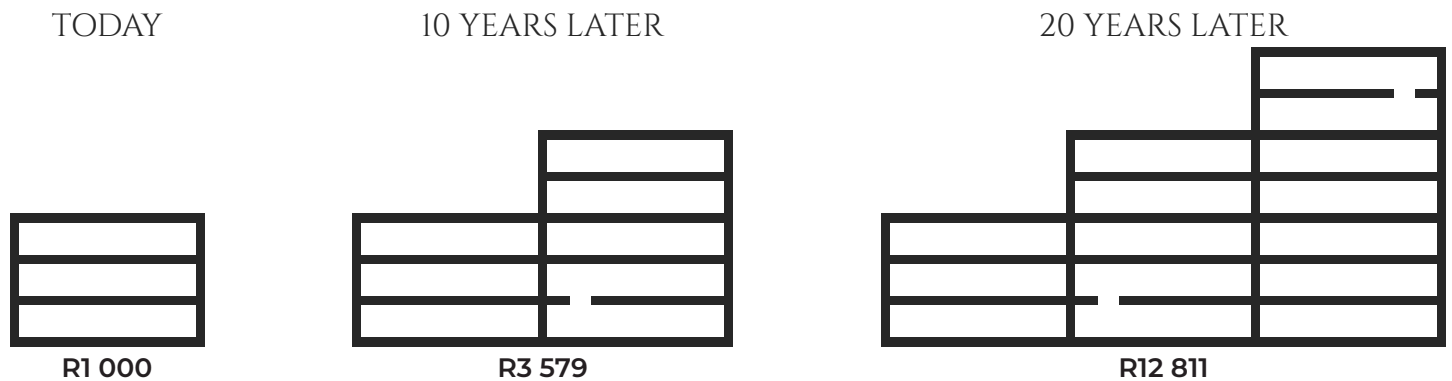




## 4. COMPOUNDING IS A POWERFUL WEALTH GENERATOR

Staying invested over time offers the benefit of compound growth, which means that you make money on your original investment as well as on the gains made in previous years. Money needs time to benefit from the full potential of compounding. Start saving as soon as you can, leave it for as long as you can, and let compounding do the work for you. Choose to reinvest your dividends when appropriate to maximise your growth.

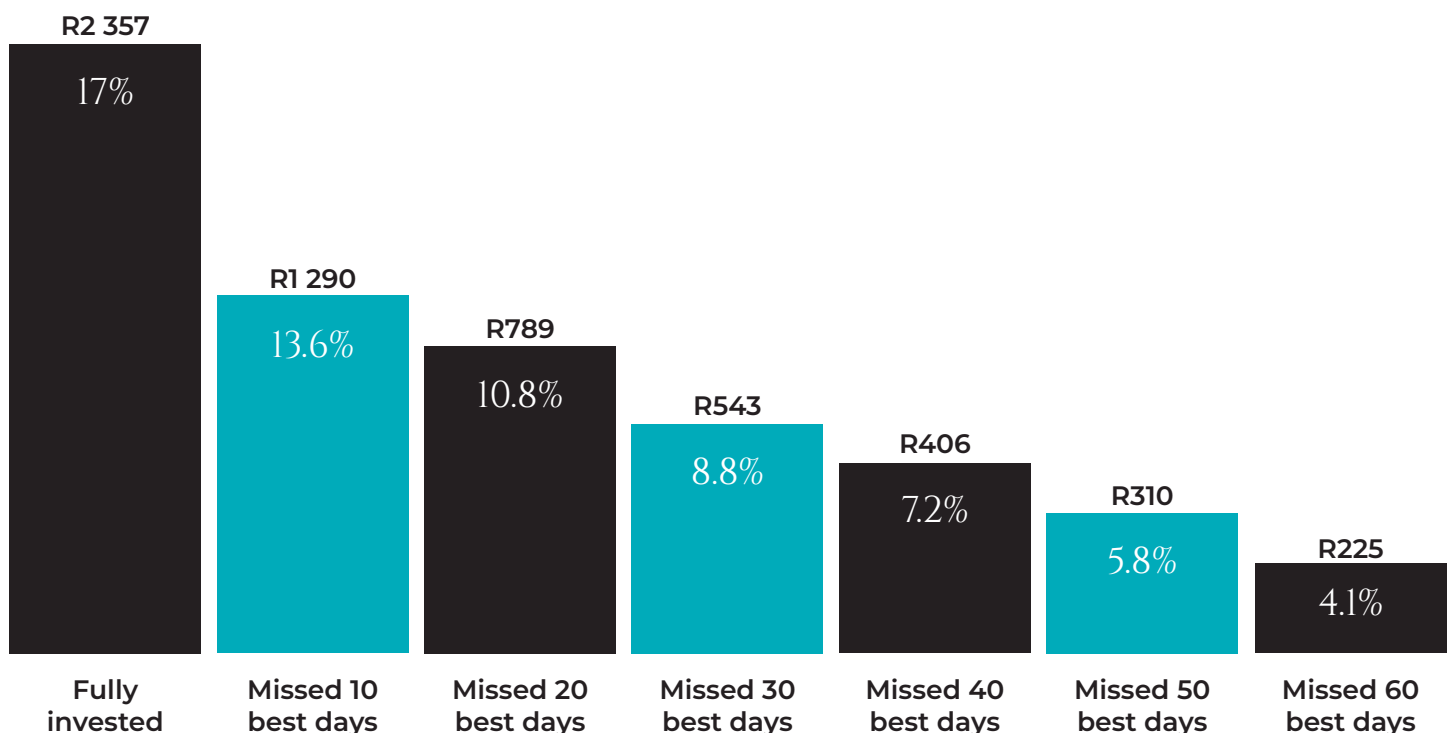
Using the long-term nominal average return of 13.6% a year, look at what happens when your money is invested in SA equities over time:



## 5. CONSIDER THE HIGH PRICE OF MISSING OUT

Short-term volatility often leads to investors selling their investments at the worst time – it costs you more if you exit the market prematurely. Research has shown that the 10 best days on the JSE occurred after periods of the worst performance. Missing out can drastically affect your investment plan. Sitting on the sidelines and missing those good days can be detrimental to your savings. The only thing you can control is having a well-considered plan and ensuring that you stick to it. It is the best way of improving the likelihood of achieving your intended portfolio performance.

The performance of R100 invested in the FTSE/JSE All Share Index (January 1999 to December 2020) is illustrated below.



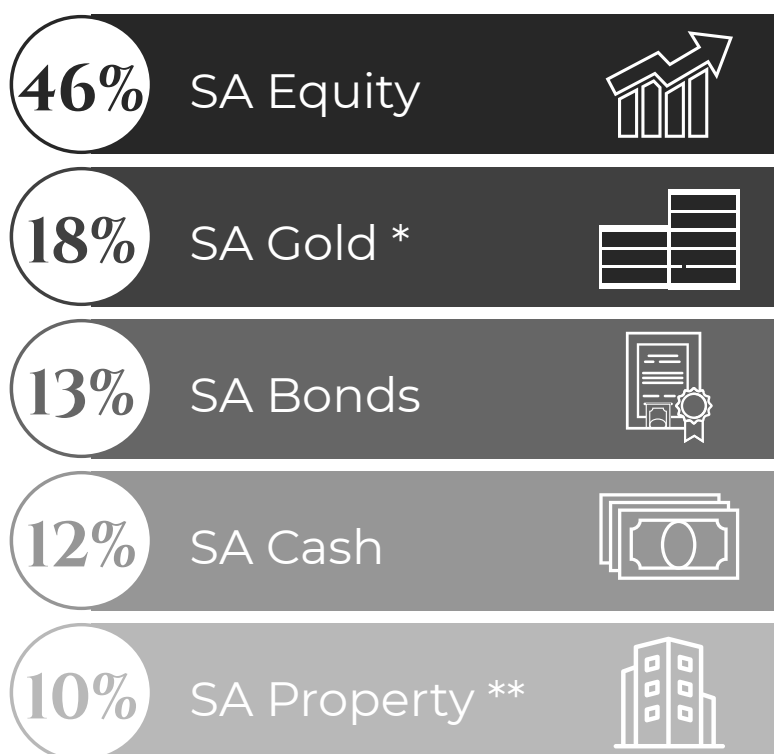
## 6. DIVERSIFICATION IS THE ONE FREE LUNCH IN INVESTMENTS, SO USE IT

Although you need growth assets like equities to grow your investment, equities have not always been the top-performing asset class each year. The best way to reduce volatility is to diversify across different asset classes.

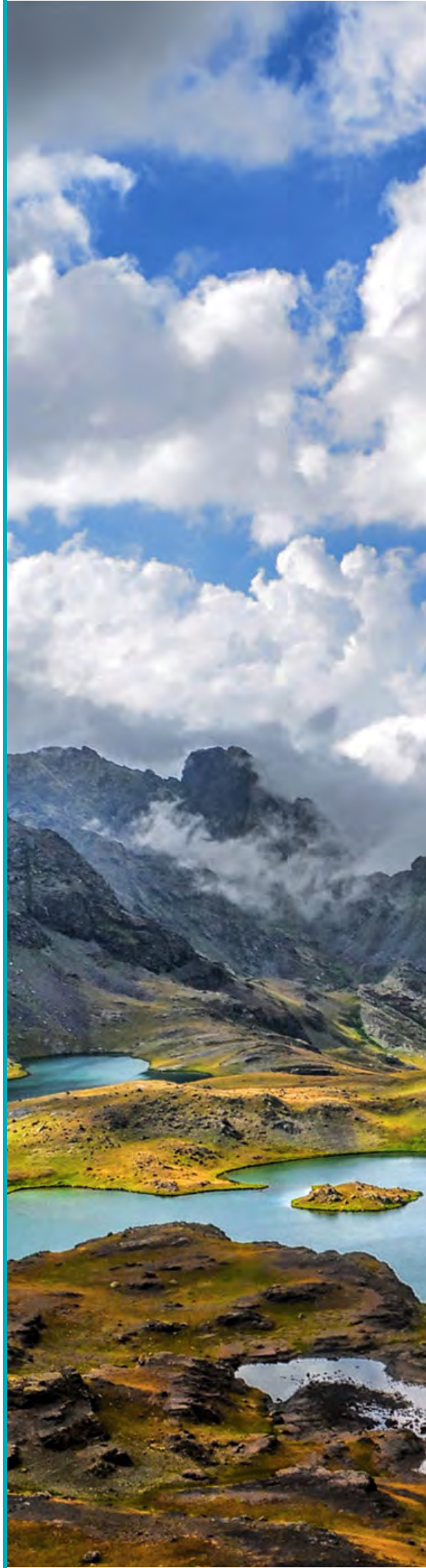
Equities may have been the best performing asset class since 1930, but cash was the best performer for 11 of those 91 years and listed property for nine years.

After time in the market, diversification is the second most valuable tool you can employ to manage risk, as it reduces the impact that a single, poorly performing asset has on your overall portfolio. To this end, it is vitally important to ensure that your portfolio is optimally diversified across asset classes to reduce the chance of large drawdowns and, ultimately, enhance the portfolio's resilience to overall volatility.

### PERFORMANCE OF TIME AS THE YEAR'S BEST PERFORMING LOCAL ASSET CLASS (1930 - 2020)



\*Since 1967 \*\*Since 1980



## 7. ACTIVE ALLOCATION ADDS VALUE

It is important to remember that asset classes have distinct secular or long-term periods of under- and outperformance. An expanding investment universe creates an opportunity for active managers to add value by managing portfolios across asset classes, which can be a vital tool in delivering superior returns on a risk-adjusted basis.

### UNDERSTAND THAT MARKETS MOVE IN CYCLES



#### Listed Property

went nowhere for 15 years, before becoming the best performing asset class for the next 20.



#### SA Bonds

delivered a negative real return for 40 years, before delivering a great return over the last 30 years.

#### Disclaimer:

The name(s) and the example(s) used in this article are for illustration purposes only. Each person's circumstances are unique and should be assessed on their own with a financial planner before deciding on any action steps.

Source: Old Mutual Investment Group's Long-Term Perspectives 2021





# GLOBAL & LOCAL EQUITIES

By Paul Steven | Portfolio Manager | Old Mutual Wealth Private Client Securities



Visa's second quarter results showed payments volume increases that were ahead of estimates, demonstrating the company's resilience and success at capturing a greater share of payment flows. While the business has seen improvements, particularly the positive growth in credit and card-present transactions, the pandemic still weighs on the results. Earnings per share for the quarter declined 1% to US\$1.38, beating consensus estimates comfortably by 8.6%. While payments volume for the quarter grew 11%, cross-border volumes declined as travel-related transactions (two-thirds of cross-border volumes) remained muted. The dramatic decline in travel since the start of the pandemic has partially been offset by an increase in e-commerce. Revenue and operating profits are running above 2019 levels, despite a 60% decline in high-yielding cross-border travel spend, driven by a strong and sustained shift to debit and card-not-present transactions. This suggests that significant upside remains from the inevitable recovery in travel-related spend. Over the period, Visa returned US\$1.7 billion of capital to shareholders in the form of share repurchases. The board declared a Q2 dividend of US\$0.32 per share.

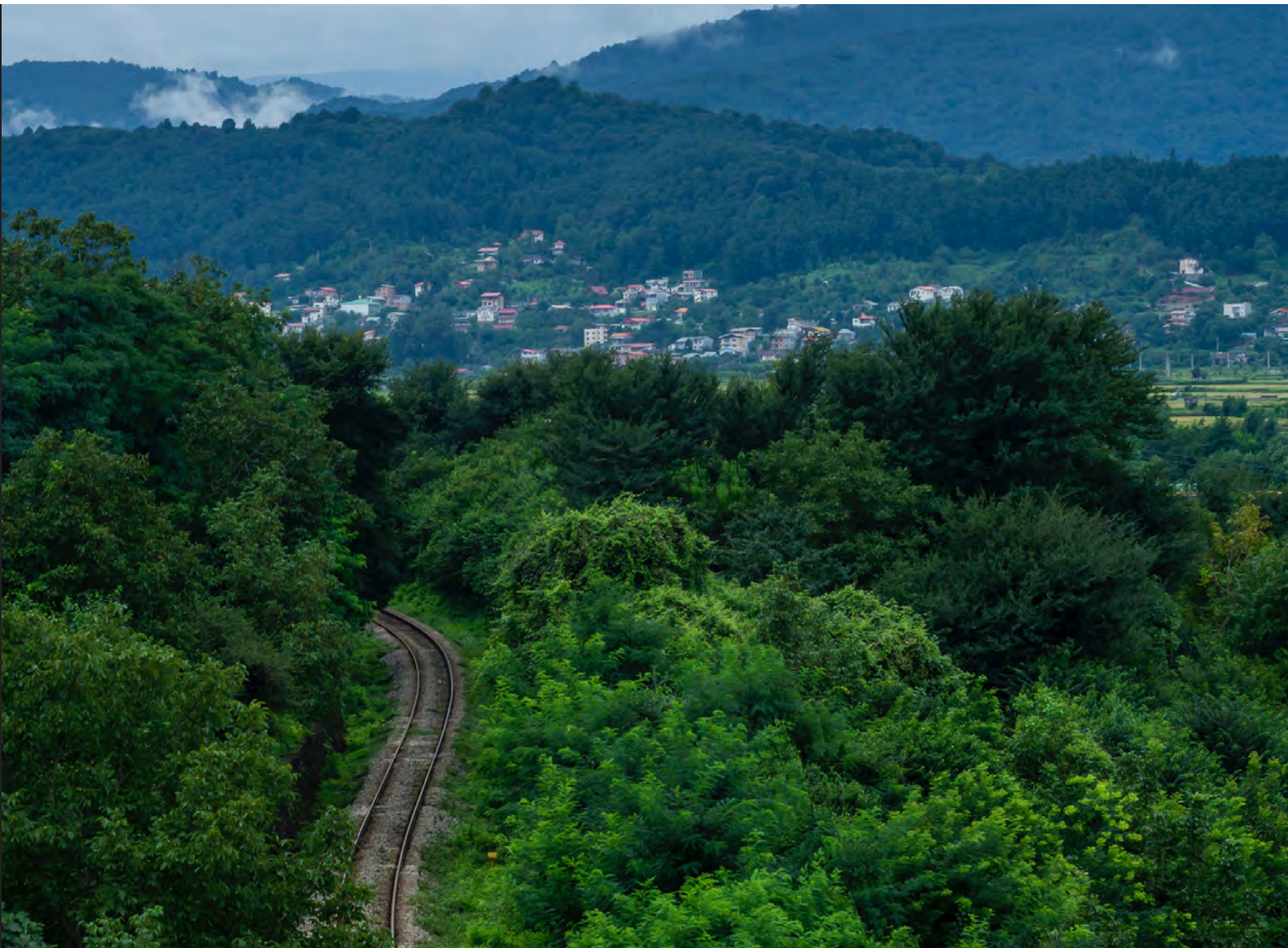
Visa benefits from the megatrend that we are seeing globally as payments move from being cash to electronic and card based. The key drivers of this trend are an increase in the number and size of transactions. We expect Visa's reported metrics of these drivers to continue to grow in both developed and emerging markets. Visa has invested significantly in its payment network, VisaNet, which has seen the network report high reliability, security and speed – all of which are critical within the electronic payment industry. We believe that the strength of VisaNet, coupled with Visa's symbiotic relationship with financial institutions, presents a high barrier to entry for new entrants into the electronic payment platforms. Visa's business model allows the group to earn recurring revenues, maintain high margins and generate high levels of free cash flow in an industry dominated by very few players. We believe that these are the quintessential qualities of a great long-term investment.

## Honeywell

American industrial juggernaut Honeywell raised its full-year 2021 guidance after seeing signs of a faster-than-expected recovery in key markets in the first quarter of 2021. Adjusted earnings per share of US\$1.92 outperformed the top end of management's guided range of US\$1.68 – US\$1.83. First quarter organic sales growth was down 2%, materially better than expectations of a 5% to 10% decline. This was driven by a rebound in building services, broad-based building technology solutions demand and robust warehouse and workflow solutions. Personal protective equipment continued to post double-digit sales growth, with orders up 40% year on year. Commercial aerospace remained the laggard, with organic sales down 22% due to depressed flight hours. However, management expect an aerospace recovery in the upcoming quarters as vaccination programmes are rolled out and economic activity normalises across most developed markets. Despite being more than a century old, Honeywell was named one of the World's Most Innovative Companies in 2021 for their breakthroughs in quantum computing and innovative customer solutions in addressing the effects of the Covid-19 pandemic.

# Alphabet

Owners of the world's default search engine, Alphabet delivered strong first quarter 2021 results highlighting the prowess of their online advertising empire and strong cash generation abilities. Revenues were 34% higher than the prior year, contributing to a record-high quarterly net income of US\$15.2 billion. Search remains the largest driver of revenue growth for the group while recent trends of increased digital adoption and online eyeballs have seen YouTube rise as a meaningful online advertising platform. A recent addition to YouTube, direct response advertising, which allows viewers to click straight through to product websites from a YouTube video, has seen good uptake. Statistics provided by company management show that more 18- to 49-year-olds are watching YouTube than linear TV combined. While search still dominates online advertising, the rise of online video consumption, via websites like YouTube and Amazon's Twitch, look to not only take share away from traditional advertising platforms, but grow the addressable market as well. Another highlight from the results was the consistent growth of Google Cloud. Google Cloud grew revenue by 46%, with strong uptake for Google's cloud infrastructure and platform products. Although Google still lags the more dominant cloud players Amazon and Microsoft by a large margin, it is gaining share in the core data cloud market. Google is attracting clients who are looking to move to the cloud, leveraging what they call the multi-cloud, which incorporates a hybrid on- and offsite solution. This is ideally suited to those companies making the transition to the cloud. Once in the ecosystem, clients can then opt to make use of Google's platform products, which consist of data analytics using artificial intelligence and machine learning.





# CompCare

Medical Scheme

## Invest in your health today to save for tomorrow



**There is a saying that your health is an investment, not an expense. Some may argue that this is difficult to justify. After all, we live in a world where an equities fund may give an annualised return of 7% but healthcare costs continue to rise well above inflation each year – and with financial stability top of mind for most, health is often put on the back burner.**

And yet it is this very point that makes the case for health as an investment – not in place of financial wellness but certainly alongside it. Markets, like life, are unpredictable. You can however hedge your bets when it comes to your health by assessing it, monitoring it and tending to it, much in the same way that you would your personal investment portfolio.

Minimising risk is always a good place to start. By taking preventative measures you build a strong foundation and can be alerted to any potential issues while they are still at a manageable stage, saving you Rands and unnecessary strain in the future. Covering your bases with access to comprehensive women's, men's and general health checks as well as an outstanding wellness programme is a sound starting point.

It is important to align with a scheme where wellness benefits extend well beyond free gym membership. This is not to say exercise is unimportant – indeed, in today's world you would expect nothing less than the best in exercise and nutrition programmes, under the knowledgeable guidance of specialists of course. However, physical wellness can be optimised far beyond this by having access to accredited biokineticists and dieticians, for example.



For many people, when it comes to planning for the future, the legacy you leave to your children is a focal point. It goes without saying that setting a healthy example for your kids is an important part of getting them on the right track in life, but beyond that medical scheme benefits tailored to the needs of children are a particularly important factor for young families. So much so, in fact, that it may be a deal-breaker if a scheme does not offer an extensive range of healthcare benefits providing cover for everything from baby wellness visits to childhood immunisations, school readiness assessments and pre-school eye, hearing and dental screenings. Added to this, a consultation with an occupational therapist, a fitness assessment and exercise programme as well as a nutritional assessment and healthy eating plan for children, affords young families the chance to get a head start in life.

When it comes to investing in your health, it is important to treat the cause and not the symptoms, however it cannot end there. When life does throw you a curveball, it is good to know that you have the kind of cover that really counts. Any member who has the misfortune of facing a cancer diagnosis, for example, needs to be certain that their medical scheme's unlimited treatment programme is available to support them along every step of their journey.

Finally, when it comes to making any investment, a background check is essential before placing your trust in an organisation. A scheme with not only an excellent reputation but also a proven track record and, naturally, a solvency level well above the regulated 25% is a non-negotiable.

So, while it may not be possible to exactly quantify the return on investment in a healthy heart, a strong pair of lungs or balanced blood sugar levels, we do know this – the rules for looking after your health are much the same as those you apply to looking after your money: manage risk, plan for the future and when your investment is not performing, it is time to make a change.



# SOME HELPFUL TIPS FOR SETTING UP YOUR WORK FROM HOME OFFICE (ICAS)

## HOME DESK SET UP

When assessing your workstation at home it is important to look at the different components that make up the workstation. Common areas would be the following:

- Room
- Chair
- Desk
- Computer keyboard
- Wiring and other potential hazards.

We will look at each individually and will ask questions regarding each to determine if they are ergonomically correct.

## ROOM

Whilst a room is not an ergonomic factor, it is an environmental one and one that can have a marked effect on our concentration and overall health.

What is the lighting like in the room? (ideally you want as much natural light coming in without causing eye strain or discomfort)

- Do we have to strain our eyes to see what we are working on?
- Are we experiencing a glare from the lights and are they hurting our eyes?

Is the light coming through the windows around you an issue?

- Use blinds or curtains to control the light

Are you experiencing eye fatigue or eyestrain?

- Follow the 20/20/20 guidelines (every 20 minutes, take your eyes off the screen for 20 seconds, focus on something 20 meters away)
- Consider adjusting your monitor settings as well to reduce eye fatigue (brightness, contrast, colour, etc.)

Is the room adequately ventilated?

## CHAIR

Is my chair height adjustable?

Do your feet rest comfortably on the floor?

- If the chair is too high use a footrest or alternative (sturdy binder, box, pack of copy paper) to support your feet and ensure you have a stable base of support

Does the chair support your lower back?

- Consider adding a small pillow or folded towel to provide additional lumbar support.
- Make sure the lumbar support is not pushing you too far forward though, your hips and shoulders should still be in contact with the backrest

Does the chair support your upper back?

- Make sure that your chair comfortably supports the upper body as well, to avoid a slouching posture

Is the front of the seat pan hitting the back of your knees?

- Look for an alternative chair with a smaller seat or add a firm cushion behind your back to push you slightly forward without

Does the edge of the seat cut into the back of your legs?

- Look for a firm pillow to sit on to “extend” the seat. Ideally, you only want 3-4 finger spaces from behind the knee to the edge of the seat

Are your shoulders tight and aching?

- If possible, use a chair with armrests at the same height as the desk.
- Rest the arms on the armrests to offload the pressure on your shoulders and upper spine.
- Otherwise, move the chair extra close and under the desk so that the arms can rest on the desk space.
- Elbows should be at 90 degrees

Is my chair mobile on a stable base?

- Chair should ideally be on wheels with five feet to offer solid support and preventing it from toppling over

## DESK

Are you able to place your legs comfortably under your desk?

- The desk should be finger length below the height of the elbows, with the arms hanging in a relaxed vertical position.





Are you able to adjust the height of your desk?

Is the desk too low?

- Consider propping your equipment on a raised surface (textbooks, boxes, etc.).

Is the desk too high?

- Try sitting up higher by putting a cushion or some towels on your chair to bring you up to the work surface, and if that lifts your feet off the floor, add a footrest to support your feet.
- If not then you will either need to use books or wood pieces to safely raise the level of your desk if it is too low.

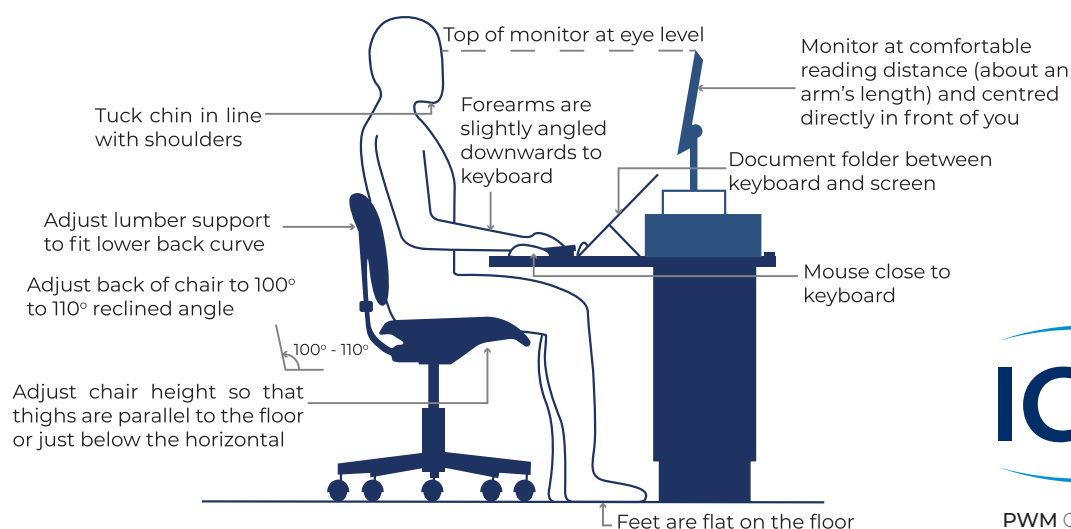


Do's	Don'ts
Working Chair	
<ul style="list-style-type: none"> <li>• Seek adequate armrests that keep arms at a 90-degree angle</li> <li>• Allow feet to rest lightly on the floor</li> <li>• Adopt a chair with a comfortable cushion</li> <li>• Equip the chair with adequate lumbar support</li> </ul>	<ul style="list-style-type: none"> <li>• Elect for a chair with non-adjustable seat height</li> <li>• Hold forearms and wrists out of line</li> <li>• Hold elbows and knees outside of 90-degree angles</li> <li>• Neglect back support</li> </ul>
Working Desk	
<ul style="list-style-type: none"> <li>• Put frequently used items within reach</li> <li>• Use headsets to maintain proper posture</li> <li>• Place monitors at eye level. If not at eye level, elevate your monitor using laptop stand, a box or books</li> <li>• If using two screens, your screens should be positioned in the midline</li> <li>• Adjust font and brightness settings</li> <li>• Take short breaks to walk and stretch (every 30 minutes)</li> </ul>	<ul style="list-style-type: none"> <li>• Place telephones and other common items out of reach</li> <li>• Cradle a handheld phone between head and neck</li> <li>• Remain seated throughout the entire day</li> <li>• Squint at the monitor</li> <li>• Place the monitor above or below the line of sight</li> <li>• Sit for too long, it'll cause additional problems</li> </ul>
Lighting	
<ul style="list-style-type: none"> <li>• Put bright lights to the side of monitors to avoid glare</li> <li>• Use direct lighting to avoid eye strain</li> <li>• Opt for yellow-tinted lights versus fluorescents</li> <li>• Provide glare filter, light filters, and ancillary task lights</li> </ul>	<ul style="list-style-type: none"> <li>• Put bright lights directly above workstations</li> <li>• Create an atmosphere that is too bright or too dim</li> <li>• Position monitors near windows that can cause glare</li> <li>• Create excessive contrast between the task and the background</li> </ul>

## ERGONOMIC TIPS FOR DESK AND COMPUTER WORK.

- Your head and neck need to be straight and looking forward, not bent, curved or looking down.
- Eyes need to be level with the top of the monitor, use thick books or a stack of paper to raise your laptop or monitor screen higher to the correct height. Screen should be about an arm's length away.
- If you are using a laptop, try to invest in a laptop stand with a separate keyboard and mouse OR use an external monitor as your main screen at the correct height.
- If you regularly use a telephone, consider using a headset. Avoid pinching the telephone handset between your shoulder and ear.
- Elbows need to be bent at 90 degrees and shoulders relaxed with your arms resting comfortably on the desk or armrests to easily reach the keyboard or mouse.
- Your keyboard and screen need to be right in front of you, not at an angle.
- Your wrists should not be bent, consider using a padded mouse pad and keyboard/keyboard pad that supports your wrists.
- Make sure everything you need is within easy reach and close to you, especially the mouse.
- Shoulders should be relaxed, but a good posture must be maintained, ears must be in line with the shoulder joints. Don't slouch or poke your chin forwards.
- Sit as far back in your chair as possible, so that your back is completely supported and in the optimal position to align your spine. Use a small pillow if your chair does not have low back support.
- Remove the arm rests if they are in the way of moving your chair in close underneath the desk.
- Feet need to be flat on the floor or resting on a footrest but your hips and knees need to stay in a range of 90 degrees, with a few extra degrees allowed for the hips.
- To adjust the chair to the correct height: stand in front of your chair, the chair's seat should be at the level of your knees.
- Take regular breaks, every 30-45min. Stand up, move around and stretch.
- Look up from monitor and focus in the distance at regular intervals to reduce eye strain.

## WORKSTATION ADJUSTMENT AND WORKING POSTURE GUIDELINES



## LIFESTYLE EVENTS

COVID-19 IMPACT – LARGE GATHERINGS AND EVENTS ARE POSTPONED UNTIL FURTHER NOTICE.



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