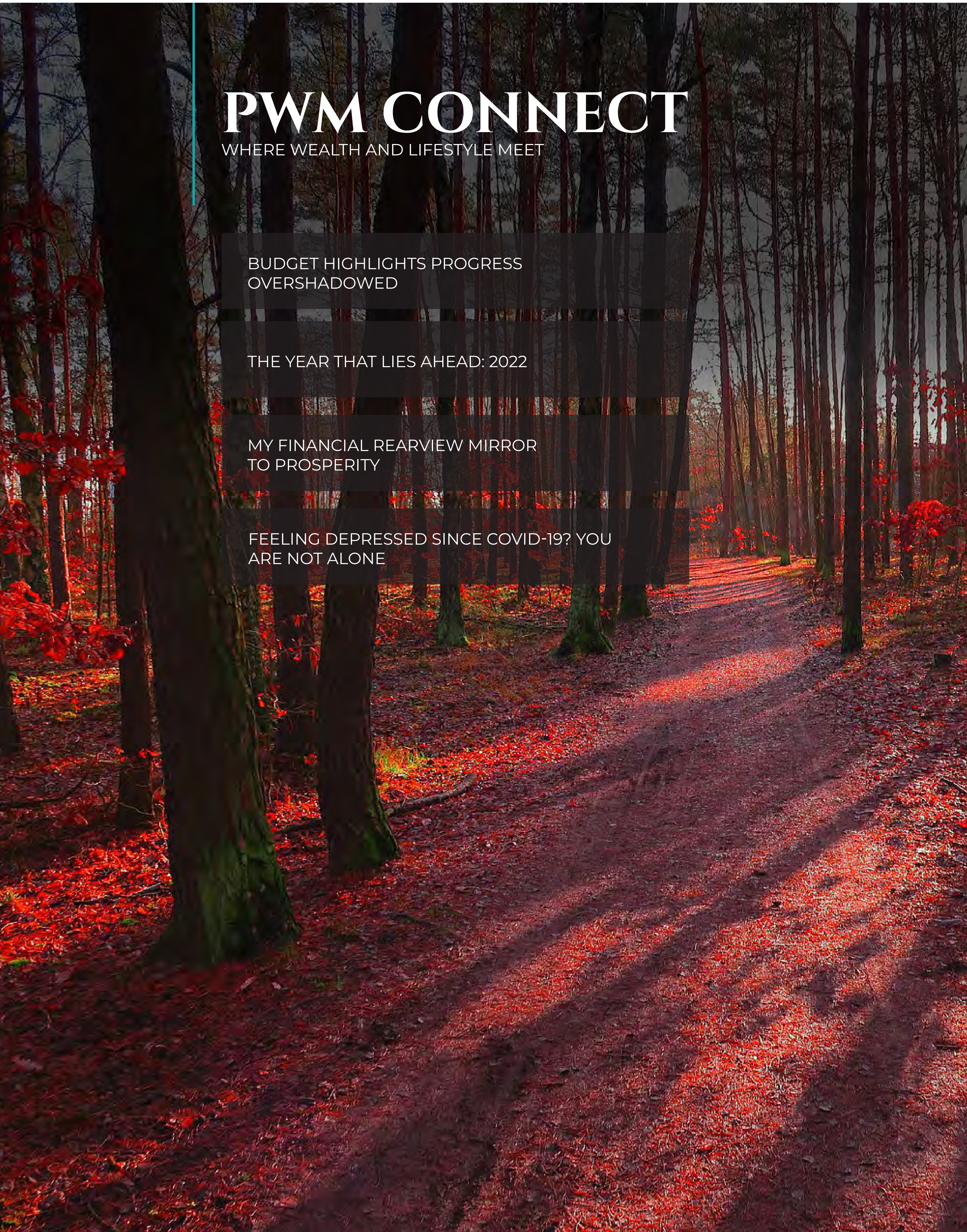
PRIVATE WEALTH
MANAGEMENT



PWM CONNECT

WHERE WEALTH AND LIFESTYLE MEET

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It is a pleasure to share the first 2022 edition of our PWM Connect newsletter with you.

The 1st of March 2022 marked our second year as an Registered Financial Advice (RFA) business and the business continues to grow. I am also pleased to report that our investment management business, PWM Wealth Management (Category II business), was well received in the market. We have recorded considerable investment inflows over the past few months since the launch of our first four investment funds on the 1st of November 2021 (these solutions are exclusively available to PWM clients).

I would like to take this opportunity to thank Andrew Whitewood, Managing Director of PWM Wealth Management, as well as our Chief Investment Officer Andrew Salmon and the members of the Investment Committee for their commitment and dedication in making positive strides towards the success of our investment business, which is on track to becoming an investment partner of choice in the market. To date we have almost R1 billion of investments in these solutions.

I would also like to thank our dedicated clients who showed their support in our investment expertise by taking the leap to invest into our newly registered funds. We are inspired by the trust you are showing us and appreciate your commitment in having a long-term relationship with PWM and your Financial Planner. We are grateful to have you on this journey with us.

In this edition, Izak Odendaal - Investment Strategist at Old Mutual Multi-Managers, shares his view on the outcomes and overarching themes of the SA Budget Speech. Andrew Whitewood - MD of PWM Wealth Management, shares some key themes and expectations for the year that lies ahead. We also look at the different annuity income solutions available at retirement and are excited to share an article from one of our clients about the investment lessons he has learnt over the past few years.

Happy reading!

Rudolph van Eck
CEO

BUDGET HIGHLIGHTS PROGRESS OVERSHADOWED

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

The 2022 Budget Speech was completely overshadowed by the tragic events in Ukraine. However, it also reflects the fact that there was little drama in the Budget this year, and frankly, that is how it should be. The Budget should be boring and predictable, and devoid of existential angst. Progress in that direction is therefore welcome.

Since there has been considerable commentary on the detail of the Budget, this article focuses on four overarching themes that emerged from the Budget Speech.

INVESTOR FRIENDLY

Firstly, the overall impression is that it was an investor-friendly budget, and definitely not populist. To give a few examples, the corporate tax rate was cut to 27% to bring it closer to the global average. Increased pressure for a basic income grant was not acceded to. South Africa simply cannot afford it within the current framework. As the Minister pointed out, further expansions in the social safety net will have to be funded by a permanent increase in tax revenues, not borrowing.

Another example is the increased prudential limits on offshore investments, which effectively moves to 45%. South African investors will now have more choice in terms of where to invest. While there was a widespread fear that exchange controls will be tightened ("get your money out while you still can!"), Government in fact continues to gradually ease these controls. This is important if you want to attract investment from abroad.

LONG-TERM GROWTH

Secondly, beyond the headline debt and deficit numbers, which we'll get to below, it is also important to look at the intent and the message. Apart from the emphasis on fiscal consolidation, there is a strong focus on economic reforms to raise the country's long-term growth potential. Most of these reforms need to be carried out by departments other than Treasury, so it is often a case of two steps forward, one step back – or simply waiting ages for the first step to be taken. Treasury is involved in Operation Vulindlela, a joint initiative with President Ramaphosa's office to drive meaningful cross-cutting reforms.

We need real economic growth to increase from the 1% average of the past decade towards the longer-term (since 1960) average of 3%, for the fiscal numbers to make sense in the future. That is why the reforms underway are so important, and why more are needed to improve the business climate.

If we are going to see higher economic growth rates, we will need to invest in infrastructure. There is no way around it. While Treasury has budgeted R812 billion for capital projects over the next three years, that is not enough to meet the country's needs, and almost half is allocated to provincial and local governments where implementation capacity is limited. Therefore, the efforts to crowd in private capital and expertise across a broad range of projects are crucial.

Recent years have seen much scaremongering over the imminent imposition of prescribed assets, which would force pension funds to invest in government or state-owned enterprise assets. Instead, pension fund regulations will be amended to allow for – not force – greater investment in infrastructure projects. Infrastructure investing is likely to become a bigger feature of local pension funds, as is the case globally.

The problem is not convincing pension funds of the merits of the asset class, but the lack of bankable projects in the country. Here too, there is some progress with the new Infrastructure Fund launching four key projects worth R90 billion that will involve private capital. Beyond that, the Budget noted a streamlined pipeline of 61 projects at feasibility stage, with a total estimated cost of R500 billion. Apart from securing funding, there is also work to remove obstacles in the planning and approval stages. Nothing is moving at lightning speed, but things are moving in the right direction.

COMMODITY BOOM

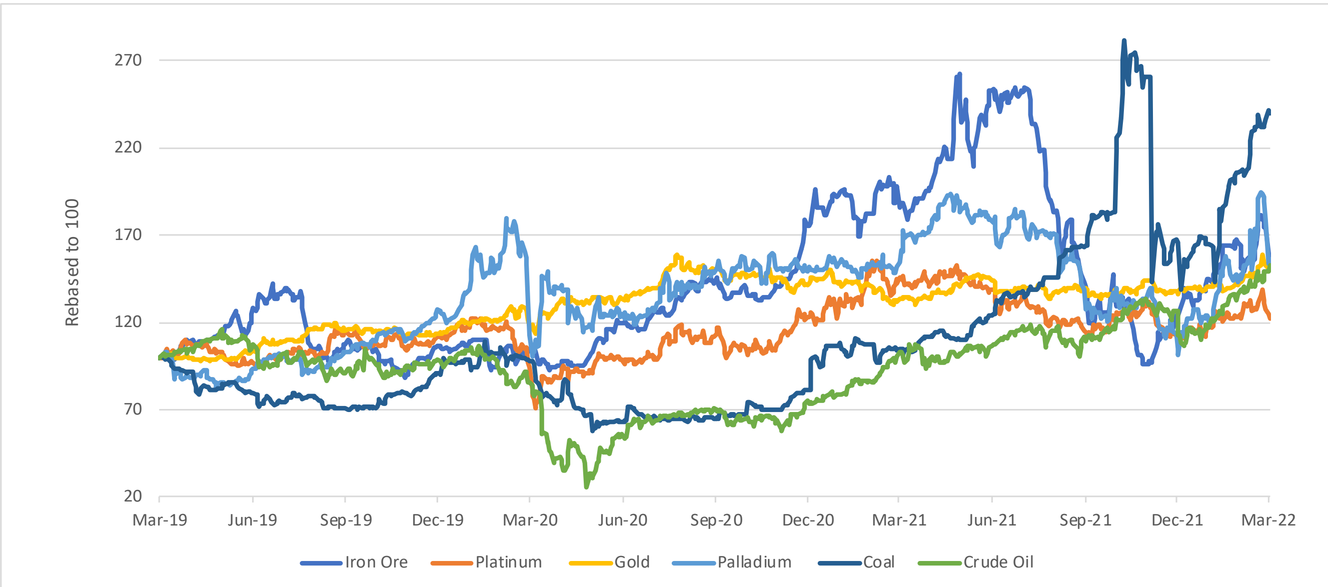
Thirdly, Government's finances are in better shape, largely thanks to a supportive global environment, particularly in the form of elevated commodity prices. Tax revenues in the fiscal year ending February 2022 will now likely exceed the updated October projections by R62 billion, with company tax a big (but not the only) reason.

Commodity prices have increased further over a broad front in recent days, due to fears that the increased economic isolation of Russia could lead to shortages of the raw materials it exports. Russia is, of course, a major exporter of oil and gas, but also of wheat, coal, palladium, nickel and aluminium. Ukraine is also a major exporter of agricultural commodities, and one will have to expect supply disruptions if the conflict escalates.

While South African consumers are likely to pay more for food and petrol (and therefore, Government has not raised the fuel levy for the first time since 1990), our own exporters should benefit from these higher prices.

That said, Government is wisely not banking on commodity prices remaining high. This was a mistake it made a decade ago, before China's economic slowdown brought commodity prices crashing down.

CHART 1: KEY COMMODITY PRICES IN US$



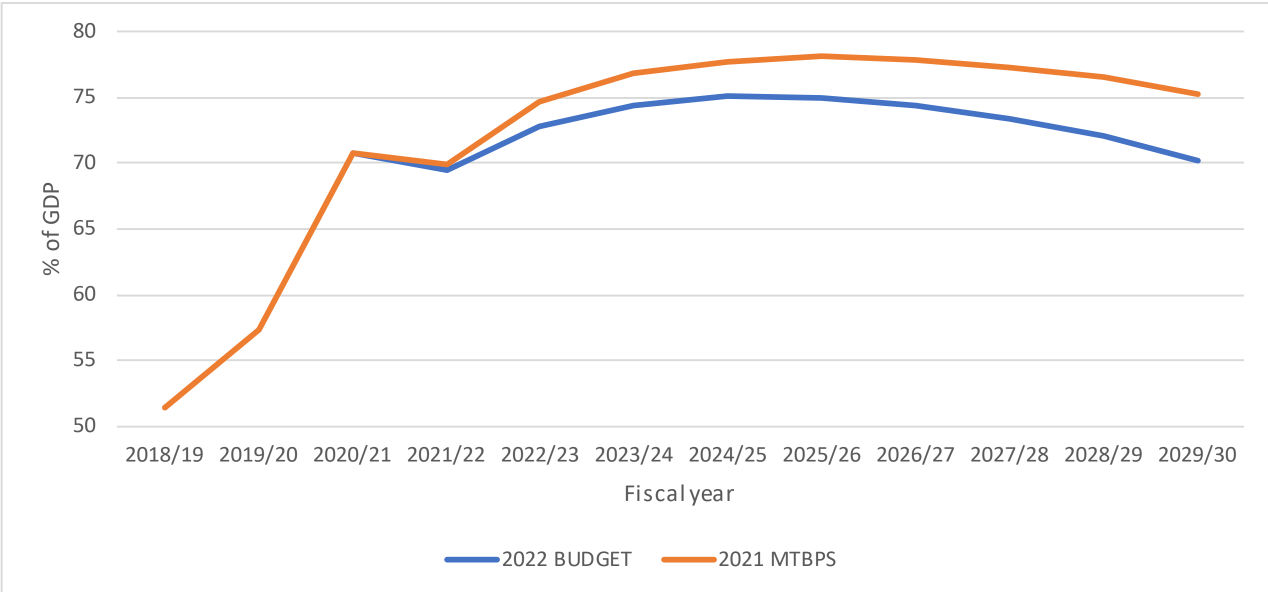
SOURCE: REFINITIV DATASTREAM

BETTER NUMBERS

Finally, the headline numbers are looking much better, and this is what markets care about most. Thanks to the revenue overshoot and reasonable discipline on the spending side, the debt-to-gross domestic product (GDP) ratio is now expected to peak earlier and at a slightly lower level than projected in the October mini-budget, namely 75.1% in 2024/25. By that point, Government expects to run a primary surplus, meaning that revenue will slightly exceed non-interest spending. The budget deficit will then entirely consist of interest payments in excess of R300 billion per year.

This remains the key reason for staying on the fiscal consolidation path: interest payments are already the fastest growing item in the Budget and are crowding out other worthy areas of spending. Since the South African government borrows at a high interest rate, debt service costs compound quickly.

CHART 2: PROJECTED GOVERNMENT DEBT-TO-GDP RATIO

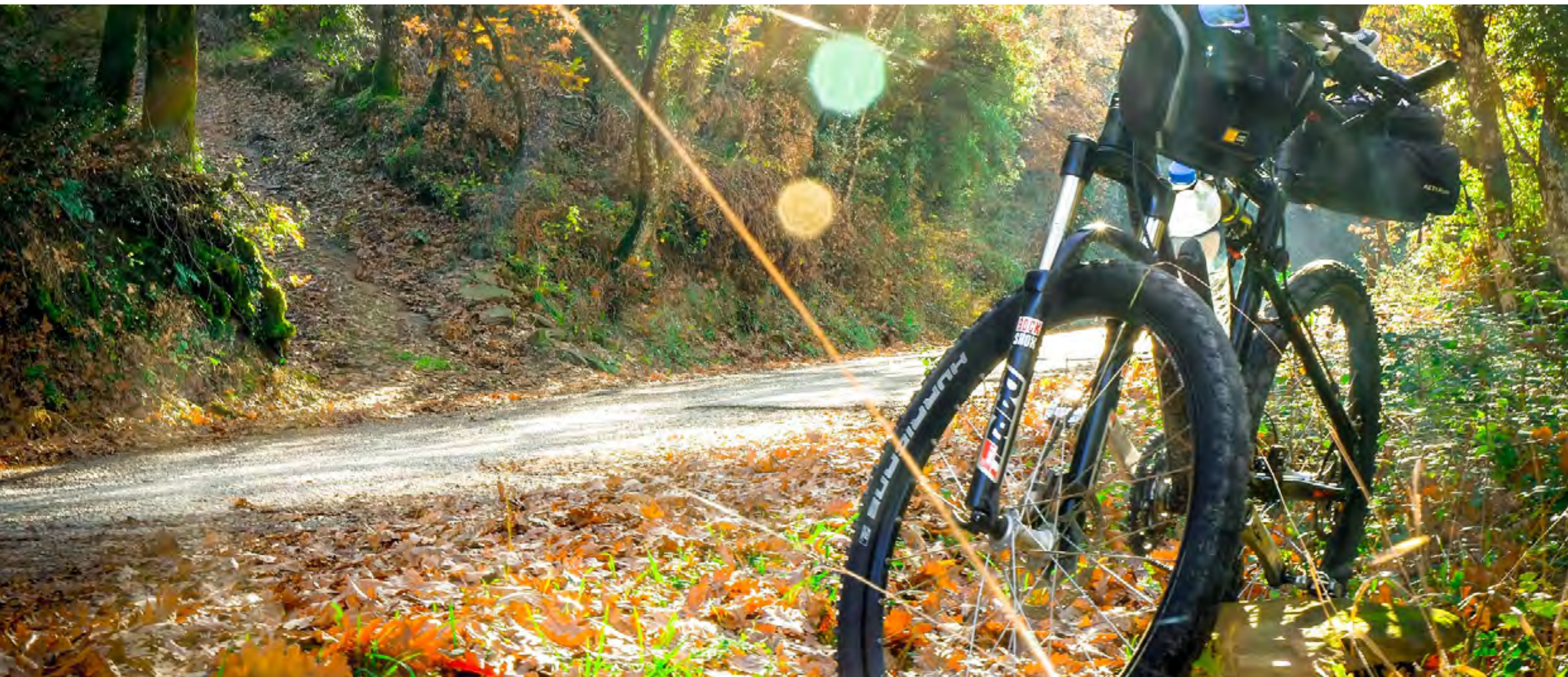


SOURCE: NATIONAL TREASURY

This high interest rate – for instance, Government pays 9.4% to borrow in rands over 10 years – still reflects a hefty risk premium. A lot of things can still go wrong politically and economically, and investors want to be compensated for this. However, we think that investors are compensated quite generously for these risks, as South African government bonds remain an attractive asset class.

IN SUMMARY

South Africa remains reliant on a healthy global economy – and, of course, the Russian invasion of Ukraine clouds the global economic outlook – but we are slowly taking steps to get our house in order and raise the long-term growth potential of the economy. This is very important, since the world increasingly seems like a very uncertain place. The Budget and other recent announcements again reflect the fact that for all our challenges – and there are many – South Africa is not a failed state, and the extreme pessimism over the prospects of the country and its financial markets is not warranted.



THE YEAR THAT LIES AHEAD: 2022

By Andrew Whitewood | Managing Director | PWM Wealth Management

Firstly, what a 2021! Despite all the noise, the market volatility and everything that went with it, 2021 was a fantastic year for clients that stayed invested. Starting with global returns, developed market equities returned 21.8% and offshore property 26.1%, with the detractor being emerging market equities returning -2.5% (all in US dollars). Closer to home, SA equity returned 27.1%, SA property 38.6% and SA bonds 8.4% (all in ZAR). These are fantastic returns!

Looking forward to the expectations for 2022, we believe there are a couple of key themes that will be focused on and that will potentially cause volatility in investment markets, but these shouldn't unsettle you as a long-term investor.

THEME 1 – US CENTRAL BANK

The US central bank (known as the Federal Reserve or Fed) is slowing down its support of the US economy and this support (bond buying programme) will likely end in March 2022. Why are they slowing down the support of the US economy? Unemployment has dropped dramatically in the US since the Covid-19 crisis hit and it is nearing full employment. Secondly, inflation is a concern in the US, currently sitting at approximately 7% (higher than in South Africa – yes, higher than South African inflation).

Lastly, we are expecting interest rates to rise in the US, but hopefully modestly. Markets don't like rising interest rates, and hence the volatility we expect in 2022.

THEME 2 – UNCERTAINTY DUE TO DIVERGENT CENTRAL BANK BEHAVIOUR

We will in all likelihood see a divergence in approaches implemented by central banks globally. The likes of the Bank of England have already increased interest rates, even though this was not expected. The European Central Bank stated that they will be more cautious in their approach of unwinding the support of the local economy and increasing interest rates.

The key message coming from central banks is that they want to be accommodative, as they are aware of the inflationary challenges being created by, for example, supply chain issues, increased spending– specifically in developed markets, etc. But there is the risk of policy error increasing interest rates too quickly and too aggressively, which impairs the recovery of economies.

THEME 3 – LOCAL NOISE

Closer to home, we have our own challenges that need to be managed by the ruling party. Simply put, we need to ensure that our budget is managed efficiently, and Finance Minister Godongwana definitely stuck to this path in his recent Medium-Term Budget Policy Statement, but there definitely still is implementation risk.

In December this year, the ANC will hold its elective conference and will decide on a party leader. President Ramaphosa is saying all the right things, but the state-owned enterprises still face many challenges, and the cogs unfortunately take a long time to turn.

THEME 4 – SA RELIANCE ON GLOBAL CONDITIONS

In closing, from a market return point of view, South Africa is reliant on what happens in global markets. This also influences the rand and the volatility thereof. A prime example is 2021, and the phenomenal returns experienced once again highlight the disconnect between people on the street in South Africa and the companies listed on the Johannesburg Stock Exchange. For example, our commodity companies are reliant on demand outside of South Africa, China being a key trade partner. We must not forget that we are an emerging market – as soon as there are some concerns about global growth, inflation in developed markets, etc. investors have the tendency to “dump” riskier assets and rush to safe havens like the US dollar!

THEME 5 – STICKING TO YOUR PLAN IS CRITICAL

2022 will likely be a bumpy ride, and although that does not mean we won’t experience positive returns over time, positive returns are not guaranteed year on year. Therefore, we believe that diversified portfolios and the need for clients to stay committed to their long-term investment strategies will be the most appropriate way to ride out volatility and increase the likelihood of long-term portfolio growth.

RETIREMENT AND INCOME: MAKING THE CHOICE THAT'S RIGHT FOR YOU

By Jurie de Kock | Financial Planner | PWM Cape Town

Investor confusion is an increasing phenomenon nowadays, arising as a natural response to the ever-growing volume of data and information investors are bombarded with daily. Currently, a stream of podcasts, news articles and opinion pieces constantly compete for our attention. The result is confusion, uncertainty, and investor fatigue. For retirees, this barrage can be downright frightening.

In a world where investors are increasingly seeking guarantees, retirees are no different, but do guaranteed annuities really provide the right retirement solution for you?

CASH FLOW SCENARIOS

When preparing for retirement it is essential to understand your financial needs in retirement, to be able to address the key question currently affecting all retirees: How long will my retirement capital last (and is that going to be long enough)?

A cash flow scenario is a tool designed to answer this exact question. It is essentially a table showing starting capital, income drawdown and return assumptions on your capital. It shows how many years your money will last into retirement (and at what age you will run out of money). This is the cornerstone of sound retirement planning.

Assume you will live longer into retirement than your parents and grandparents, etc.

Increased longevity is a very real phenomenon in our modern world, and your retirement plan should reflect this (the longer you live, the more retirement capital you will need).

Remember to examine the key assumptions used in your retirement cash flow scenarios, as these determine the accuracy of the plan (and therefore the relevance to your specific situation and circumstances). These assumptions typically include retirement age, starting capital, income required, annual income increases, and investment returns achieved. Ideally, this should reflect a conservative view of your financial situation in retirement. Also try to build some leeway into your retirement budget to cater for the unexpected and, if possible, have some cash on hand to fund these eventualities.

Once you have a firm grasp of your income needs it is time to make an annuity selection. This is where the "compulsory" money will be invested, including money from retirement annuities (RAs), pension funds, provident funds and preservation funds.

The current annuity options at retirement are:

- Living annuities (LAs); and
- Guaranteed annuities.

LIVING ANNUITIES

An LA is effectively a basket of assets from which an income is withdrawn. The income is limited by legislation to a range of 2.5%-17.5% p.a., which can be changed on an annual basis. Returns are not guaranteed and depend on the underlying investment portfolio returns.

LAs must be constantly reviewed to make sure that a sustainable level of income is chosen (to avoid depleting the retirement assets). If properly managed, LAs offer retirees a way of drawing a flexible income during their lifetime, and then leaving the remaining assets to their nominated beneficiaries on death.

The advantages of an LA include:

- Income flexibility
- Beneficiaries receiving the remaining asset value on death
- Assets within an LA grow free of tax
- The ability to convert an LA to a fixed annuity at any time during retirement
- Investing 100% offshore.

The disadvantages are:

- Income is not guaranteed.
- There is a risk of depleting assets and experiencing a reducing income in later retirement years.

GUARANTEED ANNUITIES

Guaranteed annuities are designed to take the worry out of retirement by providing guaranteed income (and guaranteed annual income increases) for life. The rates offered are based on age, gender and prevailing interest rates. Annuity rates change every week and will increase the older you get. Both spouses can be covered, providing income security for both, for life.

The advantages are:

- Income is guaranteed for life.
- Annual increases are guaranteed for life.

The disadvantages are:

- There is corporate risk (the insurer guaranteeing the income must be around to pay it).
- Capital is forfeited on the death of the last life assured (after any guaranteed term has expired).
- Inflation risk – there is usually a cap on annual inflation-linked increases, so high SA inflation will erode the real value of income over time.
- Once money is invested in a guaranteed annuity it can’t be switched to an LA at a later stage.

WHAT IF MY RETIREMENT CAPITAL DOESN'T PRODUCE ENOUGH INCOME?

Consider reviewing the guaranteed terms and increase options selected on guaranteed annuities (as these affect the income offered). It is also advisable to source multiple quotes, as each insurer offers a different annuity rate.

Consider increasing the income drawdown percentage of your living annuity. However, it is very important to remember that the higher your percentage drawdown on your capital, the higher the investment risk you need to take on, for your capital to last. If you don't adjust the risk, your capital will run out sooner.

The next step would be to revise the retirement budget and cut down on expenses (this is not a fun exercise). Remember to apply for state benefits on offer.

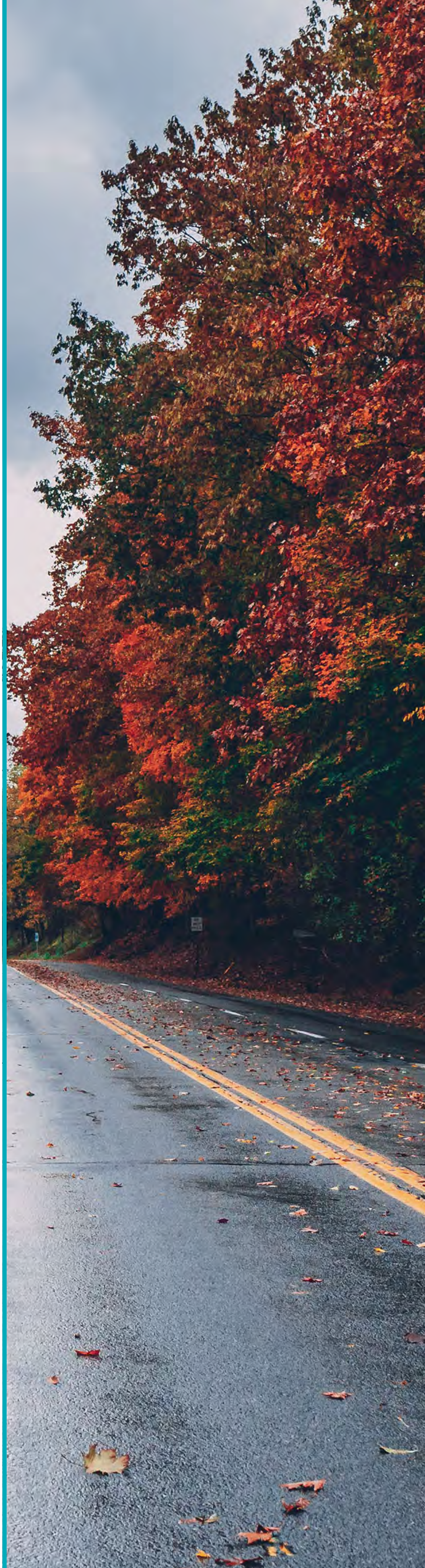
Do you qualify for Government's old age grant to supplement your income? You can access information on the grant on the SA Social Security Agency (SASSA) website.

IN SUMMARY

Seeking competent advice is highly recommended, as the choice of annuity will have a lasting impact on your retirement finances. There is a plethora of options within each annuity, and the retirement capital can even be split between a guaranteed annuity and an LA, in order to provide a guaranteed income underpin as well as investment/income flexibility. Alternatively, start with an LA and "buy" guaranteed annuities as time goes on when the rates are more beneficial.

Assess the options within each annuity and tailor the income to your specific needs and circumstances. Finally, remember to regularly revisit the retirement cash flows with your financial planner, to make sure your retirement remains on track.

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.



MY FINANCIAL REARVIEW MIRROR TO PROSPERITY

BY DES VAN ROOYEN | PWM PRETORIA CLIENT

I come from a middle-class Afrikaans home. My father worked for the Post Office and my mother was a typist at the local law firm. My father was very thrifty, or stingy as he was sometimes called, as he rarely contributed to the household's monthly expenses. His salary went straight into the bank, so we lived off my mom's meagre typist salary with no money for eating out, holidays or treats.

MY FIRST OPPORTUNITY TO SAVE

In grade 9 (standard 7), I got pocket money for the first time – R4 a month. I kept the big R1 coins in a pile under my underpants. Every month the pile got bigger, and the drawer heavier!

AN EXPENSIVE LESSON

When I was in grade 10, I was playing at a friend's house when I accidentally threw a lemon through their lounge window. Despite two hidings from both fathers, neither wanted to pay to fix the glass. I ended up using four months' worth of my savings (R16) for the repair and learned my first big lesson of why saving from a young age is so important. This event gave me a sense of financial independence and encouraged me to focus even more on saving. Two years later, I could hardly open my drawer thanks to the weight of all my R1 coins! My dad's saving habits and the lemon incident were some of the most important factors that shaped my future "financial blueprint".

MY FIRST JOB

As a young student constable in the police, my first pay cheque was R260, but I still saved a small amount each month. I was known as the guy who "always had money". While not true, I did have better savings habits than most of my friends. I regularly lent money to friends who I could trust to pay me back – I didn't inherit my dad's stinginess when it came to helping others!

THE POWER OF COMPOUND INTEREST

In my early twenties, I opened my first savings account at Trust Bank and deposited small amounts every month. It wasn't about the amount but the fact that I did it every month, like clockwork. I believed that "cash was king". When my bank statement arrived, I would first look at the interest I'd earned. The first month's interest was R2.55, the second month was R3.10, then R4.05, etc. That was the compound interest lesson. I knew that by continuing to save and not touching my savings, I would reap the rewards.

MONEY AND MARRIAGE

Early in our relationship, Louisa and I agreed to discuss what we wanted to do with our money. We each had our respective salaries, pension and savings, but helped each other as needed and saved as much as we could. Thirty years later, we are still happily married. Collaboration leads to success!!

MY FIRST HOME AND DEALING WITH "BIG" DEBT

I bought my first home in 1995 and made it my mission to pay off my home loan as quickly as possible. At the time, I travelled overseas about 14 times a year for work and would save my S&T allowance, which was tax free, and plough it into my home loan. I paid back more than I owed every month and with smart financial planning had paid it off after seven years. I decided not to close my Access Bond but used it as “good debt” to invest and make money. I did this for two years, making sure that the return on my investments was always higher than the bank’s interest rate.

MY PASSIONS – CARS AND COINS

While cars have always been my passion, having owned 25, after an accident in a brand-new Golf GTI, I made one of the best decisions of my life – no more cars! I have always had a weakness for coins. For more than 10 years, I bought the Natura animal range of gold and silver coins every month. While it was an expensive hobby, it was a good long-term investment and part of my diversification strategy.

FINDING A FINANCIAL PLANNER – A MUST FOR ANY SERIOUS INVESTOR

I was referred to Lourens Coetzer from Old Mutual Private Wealth Management and he has been my financial planner for 15 years. My journey started with a lump sum investment into unit trusts and a 5-year endowment policy. I continued to make monthly contributions after the 5-year period was up, which has made a huge difference to its current value. Lourens and I also spoke about direct equity investments and which platforms to use – another hobby of mine. I am extremely grateful that our paths crossed in 2006, as Lourens has become a trusted friend.

PRESERVATION IS KEY

After 24 years’ service, I resigned from SAPS and joined IBM SA as a risk manager, and approached Lourens about reinvesting my SAPS pension. He helped me to transfer the amount tax free to a pension preservation fund. By preserving my savings, I took a big step to being financially secure at retirement. Most people don’t preserve their pension when they resign and lose the opportunity for compound interest to work its magic. Sadly, you can’t make up for lost time and you are seldom able to make up for these lost savings. When I left IBM, I again transferred my pension and provident fund values tax free to preservation funds. I can’t stress enough how important this habit is – always preserve your retirement fund savings regardless of how small the amount is.

READ, READ, READ!

I’ve always loved reading financial books and magazines. Many years ago, I read “The Millionaire Next Door” by Thomas J. Stanley, which left a lasting impression. Some key takeouts include:

- Always live within your means.
- Don’t raise your standard of living when you get a salary increase.
- Extravagance usually prevents you from achieving your financial goals.
- Don’t try to keep up with the Joneses.

MY INTEREST IN ONLINE TRADING

I always joke that a hobby must make money! Another hobby was my Standard Bank Share Trading online account, which I opened in 2006. The markets fascinated me, and I started reading about companies, their management, products, prospects, etc. Today, I have a robust share portfolio consisting of local and foreign ETFs, large blue-chip companies and speculative, smaller companies. I always reinvest any dividends to accelerate compound growth.

DIVERSIFICATION IS KEY

With almost no debt and a good salary at Bloomberg, I have been in a privileged position to build on my good savings habits on a large scale. I started my journey early, saved as much as I could for the last 10 years, contributed the maximum to my retirement fund and invested 50% of my monthly salary in the markets. Diversification, however, is key. I learned this lesson with my shareholding in Steinhoff where I lost R250 000. The 2008/9 financial crisis and Covid were more financial shocks for investors and highlighted the need for a well-diversified portfolio. With retirement around the corner, I'm confident that with Lourens's help, we'll be able to retire comfortably.

SUMMARY

The importance of a sound financial advice partnership

Some of the lessons I have learned over the years as a private investor:

1. Save a percentage (20% if you can) of your monthly salary from an early age and don't touch it until you retire.
2. Today's winners are not necessarily tomorrow's winners – many companies that I invested in 15 years ago don't exist any more.
3. Compound interest is definitely the 8th wonder of the world.
4. Reinvest your dividends to accelerate compound growth.
5. What you give, you will receive again in abundance – be generous when you can.
6. With financial focus, commitment, a lot of discipline and good decision-making, you won't go wrong when it comes to your finances.
7. Manage debt from a young age – don't let debt drive you.
8. Markets are volatile. Keep emotions out of the market and stay focused on what you do and want to achieve.

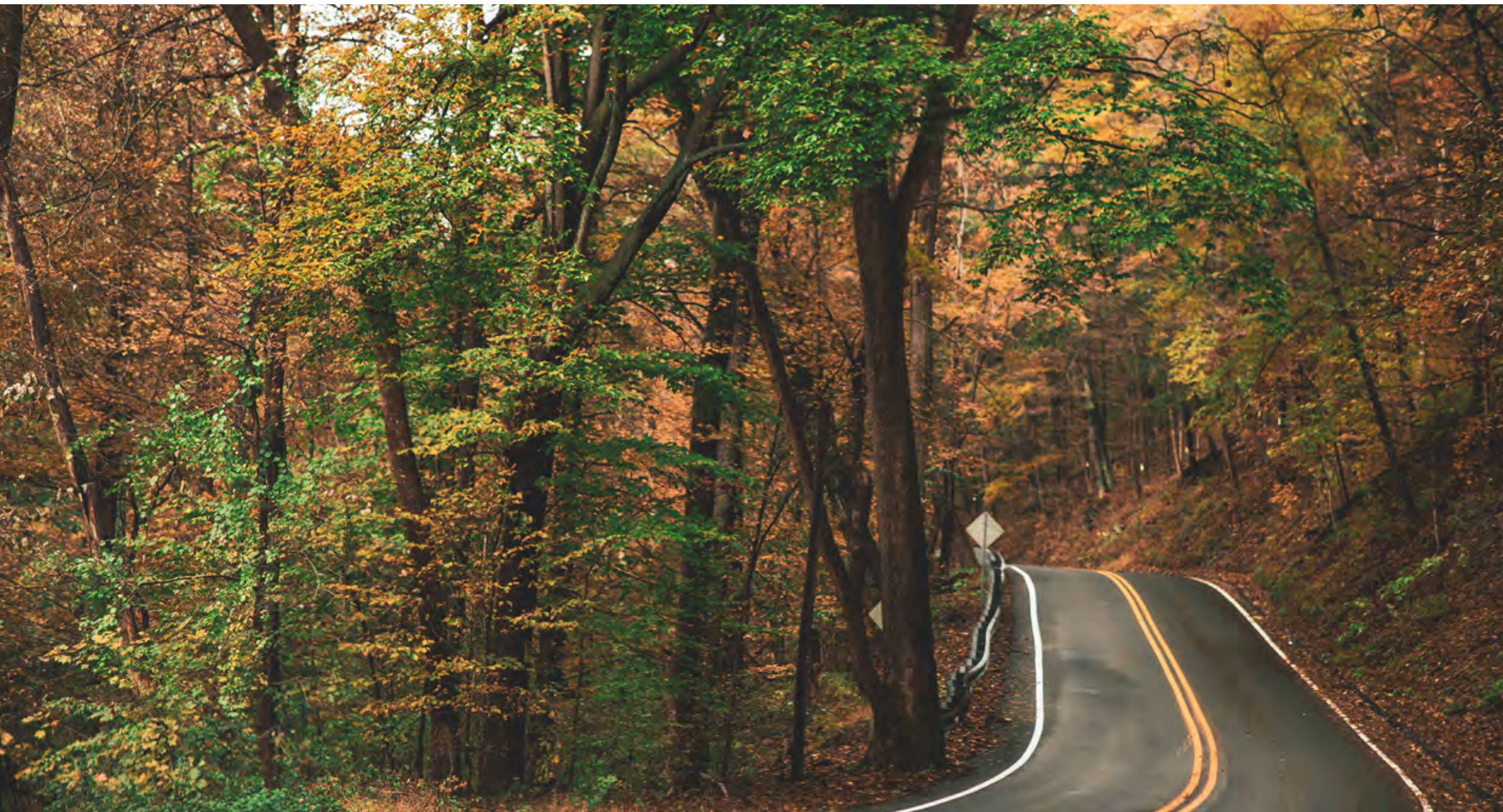
COMPANY NEWS

GLOBAL & LOCAL EQUITIES

By Michelle Matthews | Portfolio Manager | Old Mutual Wealth Private Client Securities

Microsoft

Microsoft produced outstanding Q2 2022 results, surpassing estimates for both revenue and earnings per share. Revenue (+20%) and earnings per share (+22%) came in at US$51.7bn and US$2.48 over the quarter, respectively. Intelligent Cloud grew revenue 26%, followed closely by Productivity and Business Processes (+19%) and More Personal Computing (+15%). Cost growth was managed in line with sales growth, resulting in an unchanged gross margin while prudent sales and marketing expenditure allowed for operating margin expansion. Commercial bookings growth remained strong at 32% with an annuity mix of 94%. Within Commercial, a highlight was the strength from Microsoft Cloud, growing 32% off an already high base. The offering continues to gain support for Teams, advanced security offerings and LinkedIn Talent Solutions. Microsoft announced its intention to acquire one of the largest game development platforms in the industry, Activision Blizzard. The game developer is famed for its portfolio, which contains flagship gaming titles and franchises that include Call of Duty, Overwatch, World of Warcraft and Diablo. The deal values Activision at US$68.7bn and marks Microsoft's largest acquisition to date. If the deal is approved, it will make Microsoft the world's third largest gaming company by revenue and place Microsoft's Xbox console and Game Pass subscription service at an advantage over main competitor Sony and its PlayStation console and services. A noteworthy mention from Microsoft management was that the acquisition will form part of their efforts to grow their metaverse presence, an area which has generated much hype and debate. We have yet to see other typical big tech names, outside of Meta (Facebook's parent company), explicitly state their intentions in this space. Gaming can be seen as the metaverse 1.0, and in these "worlds", intellectual property rights attached to gaming franchises can be very profitable, as evidenced by the likes of Fortnite. The deal is expected to close in FY 2023. However, it will face many hurdles in the interim, particularly with regard to antitrust across the many regions both Microsoft and Activision operate in.



Given the backdrop of Covid-induced supply disruptions, Nike reported a decent set of results for the 2Q 2022 reporting period. Revenue for the period was up 1% compared to the prior year, although it was unchanged on a constant currency basis. It is worth noting that revenue for the reported period remains higher than 2019 levels prior to the pandemic, highlighting how quickly Nike has recovered from the pandemic disruption. Geographically, North America and Europe were the standout performers, with China being the laggard. Revenues from Greater China were down 20% on the back of lower levels of inventory resulting from factory closures. However, the group's net income for the period grew by 7% because of higher margins (lower markdowns) and improved product mix. Digital sales, a metric that investors are now watching closely post the pandemic, rose 12% during the last quarter, led higher by 40% growth in North America. Considering that Nike's physical stores in North America were open during the period, this is an impressive feat and further highlights how the group's Consumer Direct Acceleration strategy, which seeks to engage customers more digitally, is paying off. Dividends declared for the period were up 14% from the prior year, a continuation of the group's history of growing dividends for each of the last 19 years. Furthermore, the group bought back US$968m worth of shares during the period as part of a four-year US$15bn repurchase programme. Nike is the global leader in sportswear, a position that it has earned through strong product innovation, often being first to market, and good operational execution. We believe that these are difficult competencies to replicate at a global scale and give Nike a competitive edge relative to peers. The group's fastest growing regions are outside the US (60% of revenue), a trend that we expect to continue. Nike's market leadership, particularly in China, will be a key growth driver as consumers spend more, particularly within the digital space. We expect the continued focus on direct-to-consumer sales, coupled with continued product innovation, to result in higher sales and margin enhancement. The Nike Direct business continues to grow at double digits, increasing its contribution to group profitability.

MENTAL HEALTH

FEELING DEPRESSED SINCE COVID-19? YOU ARE NOT ALONE

If you're feeling anxious or depressed, take heart. Many people are in the same situation as you. Mental health challenges have escalated since COVID-19, and young people, the elderly, and women are among the most affected.

The world is noticing

A report from the World Health Organization (WHO) found that mental health services have been disrupted for vulnerable people, children, adolescents, the elderly, and women before and after childbirth.

The WHO looked at 130 countries and found that:

- 67% said counselling and psychotherapy had been badly affected,
- 30% reported less access for medications for mental health, and
- around three-quarters said school and workplace mental health services had been impacted.

More people are affected

An article in Nature reports that 42% of people surveyed said they were anxious or depressed, compared to 11% the previous year. The situation is affecting people all over the world in a similar way.

Drawing attention to the inequality

Because it's worse for some than for others, the World Federation for Mental Health has chosen 'mental health in an unequal world' as the focus for the year.

What is being done?

The WHO encourages the following behaviour to look after our mental health:

Keep yourself informed. When it comes to your health, 'listen to advice and recommendations from your national and local authorities", says the WHO.

Maintain a routine. Go to bed and wake up at the same times daily, exercise regularly, set aside time to do things you enjoy doing.

Avoid alcohol and drugs and minimise exposure to news and social media posts that may make you feel fearful or anxious,

Reach out to others and maintain social contact, even if it is online or via telephone.

SA CHEESE FESTIVAL

The award-winning SA Cheese Festival returns after two years! You can look forward to a brand-new experience – a month-long journey of discovery with a series of SA Cheese Festival Pop-up Picnics over four weekends in April 2022 at four exquisite destinations!

Sat 2 & Sun 3 April at Warwick Wine Estate, Stellenbosch
Sat 9 & Sun 10 April at Benguela Cove Lagoon Wine Estate, Hermanus
Sat 23 & Sun 24 April at Groote Post Vineyards, Darling
Sat 30 April & Sun 1 May at Sandringham Wine Estate, Stellenbosch

www.cheesefestival.co.za

PRETORIA GIN FESTIVAL

People of Pretoria, we hope you are ready! It is once again time for the Schweppes Pretoria Gin Festival. This year will be bigger and better, so gather your friends and get your tickets.

Guests can expect to explore a variety of local gin products at this event. As usual, there will also be awesome food trucks and amazing live music available. Picnic blankets and camp chairs are welcome.

The Pretoria Gin Festival will be held at Fire and Wine in Zwavelpoort on Saturday 2 April from 11am until 8pm.

Book your tickets at https://www.howler.co.za/events/pretoria-gin-festival-f7f4

THE PLANT-POWERED SHOW

Aimed at those looking to live and enjoy a healthier, more conscious, and sustainable lifestyle with a smaller environmental footprint, The Plant-Powered Show features the rising stars, celebrity chefs and cooks presenting live cooking demos, diverse and compelling talks by the health and wellness experts, premium and interactive experiences, exclusive industry networking, as well as a marketplace filled with hundreds of vegan and plant-based food, drink and lifestyle brands and product launches.

The Plant-Powered Show is for vegans, vegetarians, reducetarians, flexitarians, the veggie-curious and health-conscious, sports and fitness enthusiasts, and family-friendly.

The show will take place virtually at the Cape Town International Convention Centre from 27 May until 29 May. For more information, you can check out their website.

For more information visit: https://plantpoweredshow.com

CONTACT PRIVATE WEALTH MANAGEMENT

National Office Tel: 021 555 9300	BEDFORDVIEW Tel: 011 455 8600	BLOEMFONTEIN Tel: 051 110 1179	BRYANSTON Tel: 011 685 7400
CAPE TOWN Tel: 021 555 9300	DURBAN Tel: 031 267 5800	GEORGE Tel: 044 803 1200	MOSSEL BAY Tel: 044 601 9000
GQEBERHA (PORT ELIZABETH) Tel: 041 394 1700	PRETORIA Tel: 012 366 1100	RONDEBOSCH Tel: 021 658 2600	RUSTENBURG Tel: 014 533 1883