

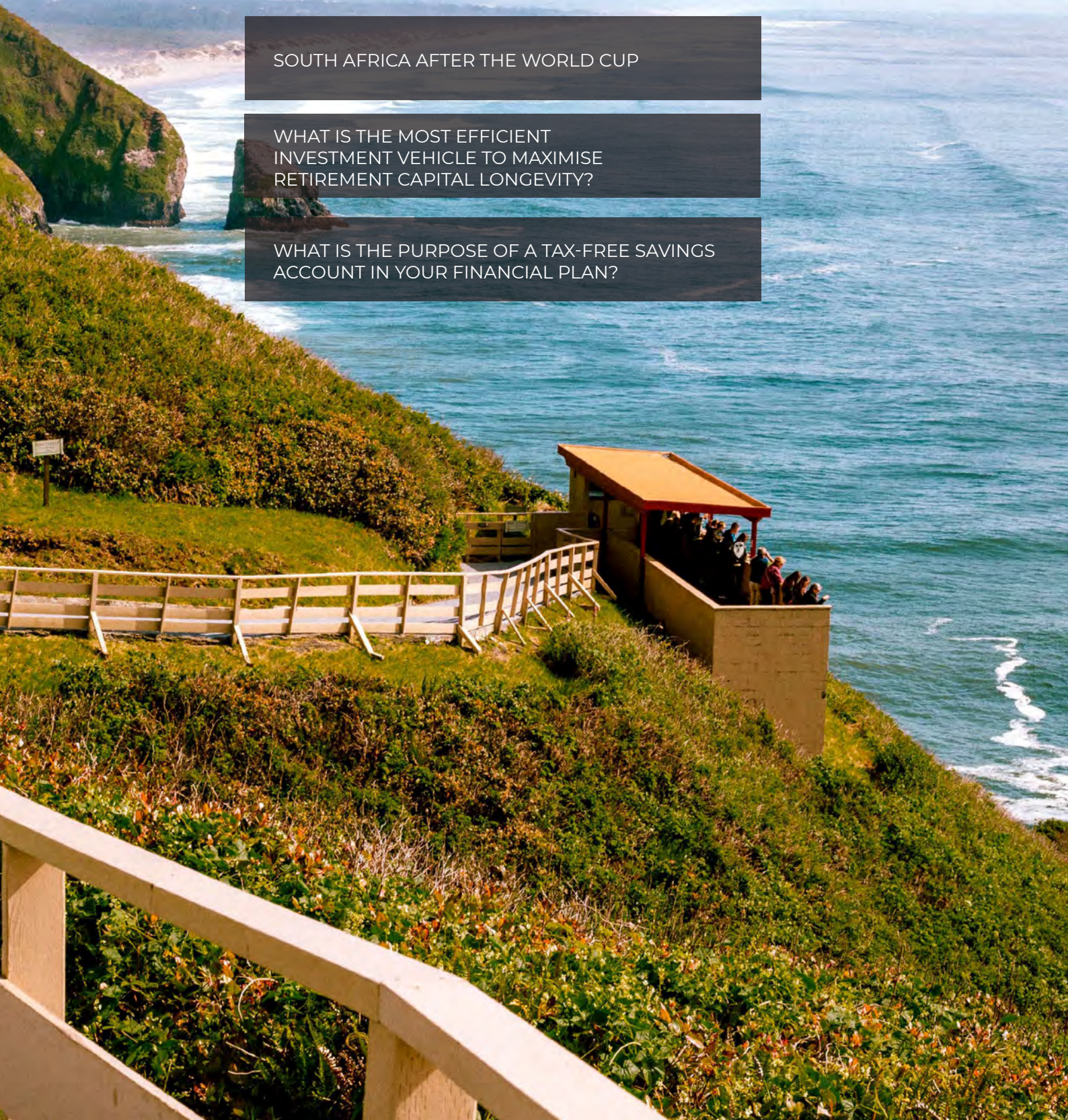
PwM CONNECT

WHERE WEALTH AND LIFESTYLE MEET

SOUTH AFRICA AFTER THE WORLD CUP

WHAT IS THE MOST EFFICIENT
INVESTMENT VEHICLE TO MAXIMISE
RETIREMENT CAPITAL LONGEVITY?

WHAT IS THE PURPOSE OF A TAX-FREE SAVINGS
ACCOUNT IN YOUR FINANCIAL PLAN?



WHAT'S INSIDE

A WORD FROM PIETER	2
ECONOMIC & MARKET OVERVIEW	
SOUTH AFRICA AFTER THE WORLD CUP	3
PWM WEALTH MANAGEMENT - INVESTMENT INTELLIGENCE	
WHAT IS THE MOST EFFICIENT INVESTMENT VEHICLE TO MAXIMISE RETIREMENT CAPITAL LONGEVITY?	7
RETIREMENT ANNUITY AND TAX PLANNING	
MAKE THE MOST OF YOUR RETIREMENT ANNUITY AND TAX FREE SAVINGS ACCOUNT FOR 2023/2024	10
INVESTMENT INTELLIGENCE	
WHAT IS THE PURPOSE OF A TAX-FREE SAVINGS ACCOUNT IN YOUR FINANCIAL PLAN?	13
COMPANY NEWS	
LOCAL EQUITIES	16
LIFESTYLE	
10 HEALTHY WAYS TO MANAGE LIFE STRESSORS	17
CONTACT US	18

A WORD FROM PIETER

Welcome to the final edition of our newsletter for 2023.

It is hard to believe that we've come to the end of another challenging year in the local and global economies, along with other stressful factors in the local political and socio-economic environment.

While we may be faced with numerous challenges, we need to remain positive and focus on growth, making a positive impact in our immediate environment and within ourselves as individuals. Focusing on the things we can change will enable us to make a positive contribution towards society.

Having said this, while most of us start to unwind and prepare for the December holidays, this is also a good time to reflect on the year gone by and the personal and business goals we've set for ourselves to achieve.

Similarly, we could ask ourselves whether we have met our financial goals. Did you have that crucial review discussion with your financial planner to evaluate your financial plan adjusting your strategies or goals if necessary? If not, consider making an appointment with your financial planner.

During the months of January and February, we typically focus on retirement annuities and tax-free savings accounts. In this edition of our newsletter, we explain how you could benefit from a tax perspective by utilising these investment vehicles. We encourage our clients to take advantage of the potential tax savings before the end of the 2023/2024 tax year.

I would also like to take this opportunity to congratulate our investment business, PWM Wealth Management, on achieving more than R3.2 billion of assets under management to date. This is a huge achievement considering the fact that the investment arm of our business only recently celebrated its second year in operation.

I wish all our clients a peaceful and happy festive season in the company of their loved ones and friends, and let's return refreshed and ready to take on 2024.

Take care

Pieter Bester
CEO



ECONOMIC AND MARKET OVERVIEW

SOUTH AFRICA AFTER THE WORLD CUP

By Izak Odendaal | Chief Investment Strategist | Old Mutual Wealth

Let's hold on to that euphoric feeling a bit longer and talk about rugby. Specifically, does winning the Rugby World Cup for a record fourth time change South Africa's economic reality? (One can ask the same question of the Proteas' strong run in the men's Cricket World Cup.)

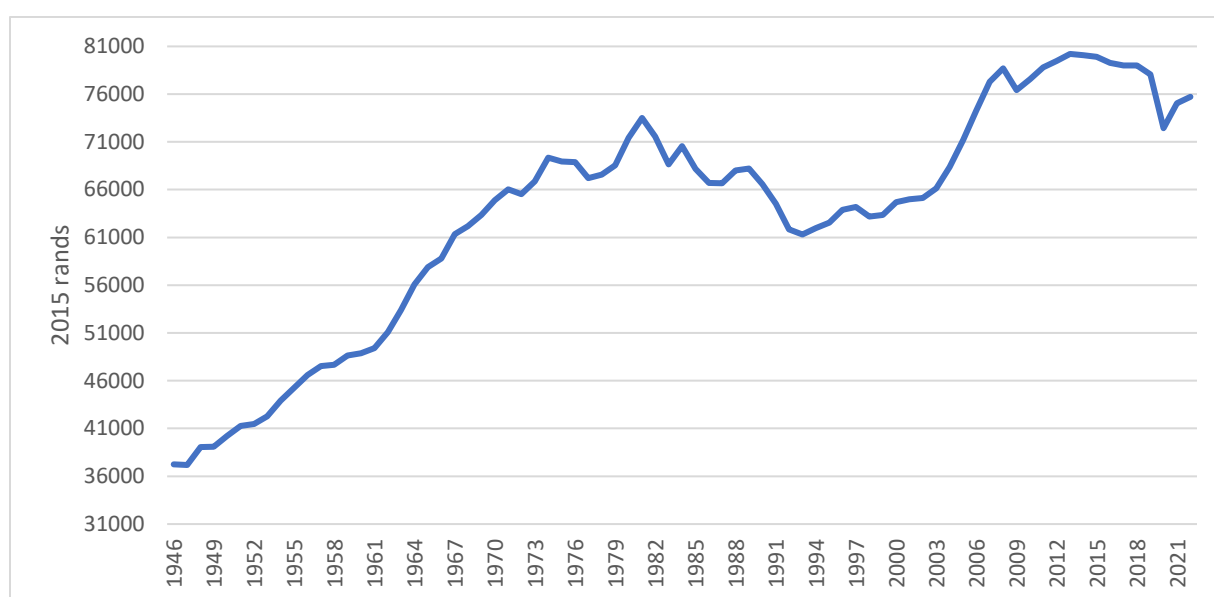
No, of course not.

Even as the Springboks' victory parade rolled through South African cities, many experienced hunger pangs, hopelessness and fear of violence. For others, the situation is not as extreme, but the daily frustrations of crime, load shedding and inefficient public services still grate.

Winning the Rugby World Cup in 2019 did nothing to prevent things from going backwards in South Africa, as seen in the decline in real GDP per capita for instance, though the shock of the Covid pandemic takes much of the blame.



CHART 1: SOUTH AFRICAN REAL GDP PER CAPITA IN RANDS



SOURCE: SA RESERVE BANK

We can also look at the experience of other countries. Since winning the 2022 FIFA World Cup in Qatar late last year, Argentina's economic crisis has only worsened. Inflation is running at 140% per year and the peso

has halved in official forex markets (in parallel markets, it has lost even more). No wonder the country just elected a controversial outsider as president. Spain won the 2010 version (hosted in South Africa, of course), but in the following year it was swept up in the Eurozone debt crisis that saw its unemployment rate shoot up to 25%. The feel-good factor of winning big sporting tournaments has little bearing on day-to-day economic realities.

NEGATIVE NARRATIVES

What the Boks' victory can do is to start shifting the extremely negative narrative inside and outside SA.

Inside the country, there is a pervasive sense of pessimism. The term “failed state” gets thrown around loosely and recklessly these days.

Meanwhile, major foreign media outlets have had nothing good to say about SA for years. The coverage is all about corruption, load shedding and decline.

However, lifting the William Webb Ellis trophy tells us that South Africa is still capable of achieving exceptional things. It proves South African “resilience” is not just a synonym for “stoic suffering” but can also translate into excellence.

TABLE 1: REAL PER CAPITA GDP IN PPP DOLLARS

Argentina	22,429.63
Australia	52,531.30
France	47,686.00
Ireland (Republic of)	112,097.98
Italy	43,893.24
New Zealand	44,008.00
South Africa	13,320.82
United Kingdom (England, Wales, Scotland)	46,432.03

SOURCE: INTERNATIONAL MONETARY FUND

After all, as table 1 shows, South Africa is by far the poorest of the top 10 rugby-playing nations measured on a GDP per capita basis in purchasing power parity (PPP) dollars – in other words, accounting for the cost of living. (Ireland's number is somewhat distorted by the fact that large multinationals use it as a tax base, but it is still one of the richest countries on earth, a huge achievement given its troubled history.)

Yet, the Springboks are the dominant team globally. You would expect that South Africa would have lots of raw talent given that we have a larger population than most of these countries. However, turning talented boys into world-class players requires systems and structures that usually cost money, supposedly giving richer countries an advantage.

Much of the credit goes to schools, and despite the poor reputation of South Africa's overall education system, there are clearly enough pockets of excellence to carry the whole. The same is true in other areas, whether its medicine, science, finance, technology or business. Even within Government, there are a few centres of excellence that could and should be examples for the broader public sector.



But the reason for the success of this current generation of Springboks is not just that they all received a proper rugby education, but also that Rassie Erasmus and his colleagues moulded them into a team – indeed, into a family. In a country as divided as ours, that is a remarkable achievement. One just has to look at the tragic events in Israel and Gaza today to realise again what a miracle it is for us to be where we are today, despite the country's myriad of problems. If one wound the clock back to the 1980s and asked international observers whether South Africa or Israel would be the more peaceful country by 2023, few would have chosen the former.

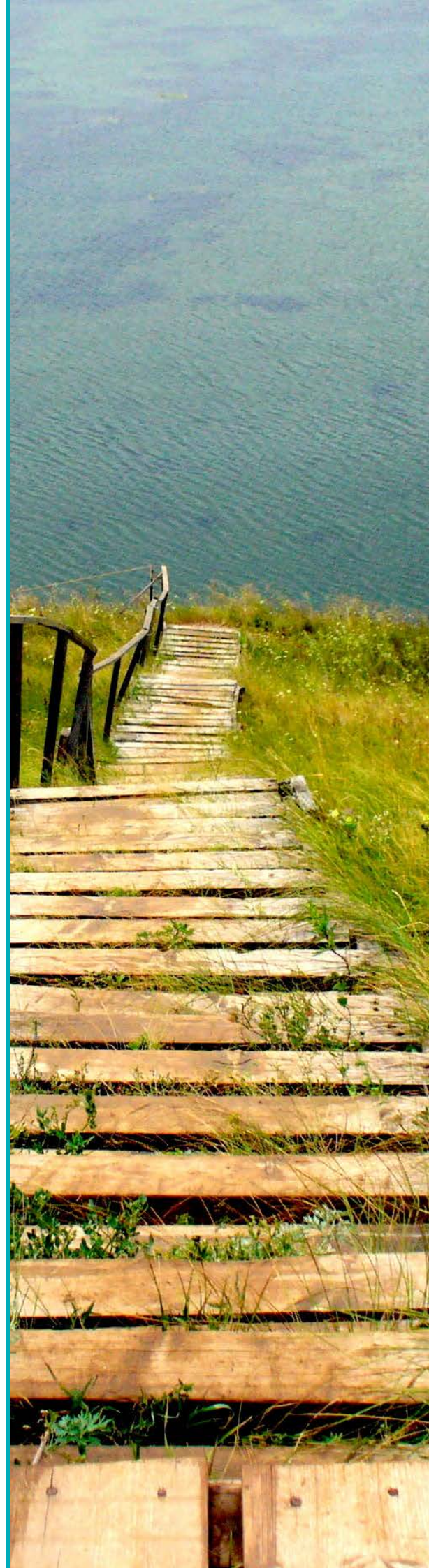
Therefore, if a diverse South African rugby team could use unique strengths to conquer the world, surely, we can do the same to tackle our most urgent social and economic problems.

ACTION SPEAKS LOUDER THAN WORDS

For the narrative to shift meaningfully, there must be action. The right lessons must therefore be learned from the Boks' success. I can think of seven.

And since President Ramaphosa was there on the podium when Siya Kolisi lifted the trophy, let's hope he can take these learnings back with him.

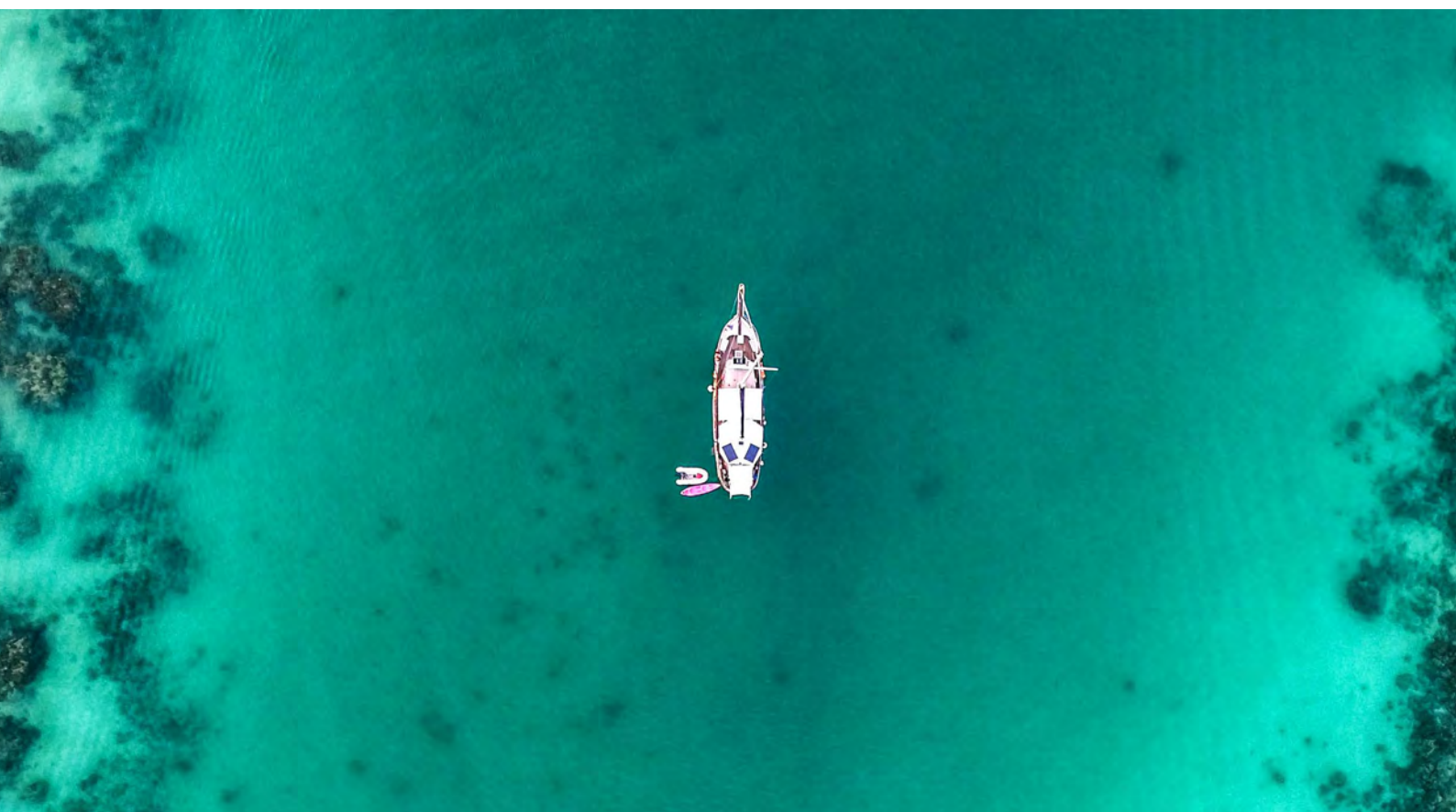
1. There must be a **vision and a strategy**. Rassie Erasmus and Jacques Nienaber had a plan, and the seeds of this success were sown years ago. You don't win a World Cup in six weeks; it is won over many years. But you need to start now.
2. **Leadership matters** immensely in implementing the strategy, but also to sell the vision and rally the troops. The strategy will need to be tweaked when facing the reality of the rugby field (or the global economy). Leaders must be present, visible and engaged, and earn the trust of those around them. Siya Kolisi has been a phenomenal presence on and off the field.
3. Have the **right people in the right positions**. There cannot be room for has-beens, free riders, and old buddies. No sports team will go to a major tournament full of deadwood and expect to win. But our political system is unfortunately stuffed with underachievers, and our public servants are often not independent or professional. This needs to change.
4. SA rugby has become so much stronger since it started **drawing on a wider talent pool**. This took many years, and transformation was often a sore point. The team that won the 2007 World Cup only had two players of colour, for instance. But today, the team represents the full rainbow, and will inspire generations of black boys (and girls) to take up the sport. In the economic sphere, this means we must do more to upskill our people. Outside of the small group of world-class schools, the education system fails our children. This, while the world is changing rapidly in terms of technology and the nature of work. Education must be a national obsession, not an afterthought. Also remember that the Springboks did not always select internationally based players. Drawing on the skills of South



African expats can benefit the local economy, but we must also do more to keep talented people in South Africa. And where we lack skills, these need to be imported from the rest of the world. The economy of the 21st century revolves around ideas and knowledge. We can never have too much of it, and the notion that skilled foreign workers displace locals needs to be let go quickly.

5. **Get the basics right.** This goes without saying in sports, but it is true in economic policy too. Roads, water, electricity, ports and railways that work – none of this is rocket science. But it is often easier for politicians to dream up fancy schemes that do simple things right.
6. **Play to your strengths.** South Africa plays a certain brand of rugby, and while it is not necessarily sexy, it works for us. Similarly, our economy has natural strengths in mining, agriculture and tourism that we must build on. These neglected sectors are often derided as “old economy” but they have the potential to create jobs and spread prosperity.
7. Discipline is crucial, and so is **accountability**. Each major sports tournament ends with a spate of resignations and firings of coaches and captains. People must be empowered to deliver, but if they do not, there must be consequences. This is one of our biggest failures as a country. Leaders are not held accountable. We must look in the mirror too, for we as voters, taxpayers and citizens too easily shrug our shoulders and let them off the hook.

Realistically speaking, will any of these lessons be adopted? Again, it is up to us to make sure political leaders get the message. Fortunately, there is evidence that Government is feeling the pressure and is taking steps in the right direction. The recent Medium-Term Budget, for instance, is very clear and honest about the country's fiscal crunch and the steps needed to repair it. Despite a looming election, when you might have expected populist giveaways, the message was one of belt tightening instead. Similarly, we know that the severity of the load shedding crisis forced Government to relax its grip on the sector and allow private electricity generation by companies and households. Something similar is happening in logistics. There is enough on the go to suggest that the economy's dismal performance of the past few years will improve, but unfortunately, nothing to suggest that the economy will suddenly follow the Springboks into the upper echelons of high performance. However, bear in mind that the Springboks themselves are not an overnight success. Remember the embarrassment of Kamp Staaldraad in 2003, losing 49-0 to Australia in 2006, a shock defeat to Japan in 2015 or being thumped 57-0 by New Zealand in 2017? Sometimes things must get worse before they get better. That is true in sport, it is true in life, and it is true in economic policy too.



WHAT IS THE MOST EFFICIENT INVESTMENT VEHICLE TO MAXIMISE RETIREMENT CAPITAL LONGEVITY?

By Andrew Whitewood | Managing Director | PWM Wealth Management

In South Africa, we are incentivised to save towards a retirement annuity, pension and provident fund. However, we are not incentivised to save towards, for example, a unit trust or a tax-free savings account. For starters, saving is important but is a retirement fund the most efficient investment vehicle to maximise retirement capital longevity?

Two things to consider in retirement:

- Tax liability
- Liquidity

I have made use of our financial planning tools to summarise our train of thought:

ASSUMPTIONS – FINANCIALS

Pension fund: R4 million

Monthly savings: R10 000

Income needs in retirement:

- R30 000 Lifestyle (escalating at inflation)
- R6 000 Medical aid (escalating at inflation +3%)

Current age: 50

Retirement age: 65

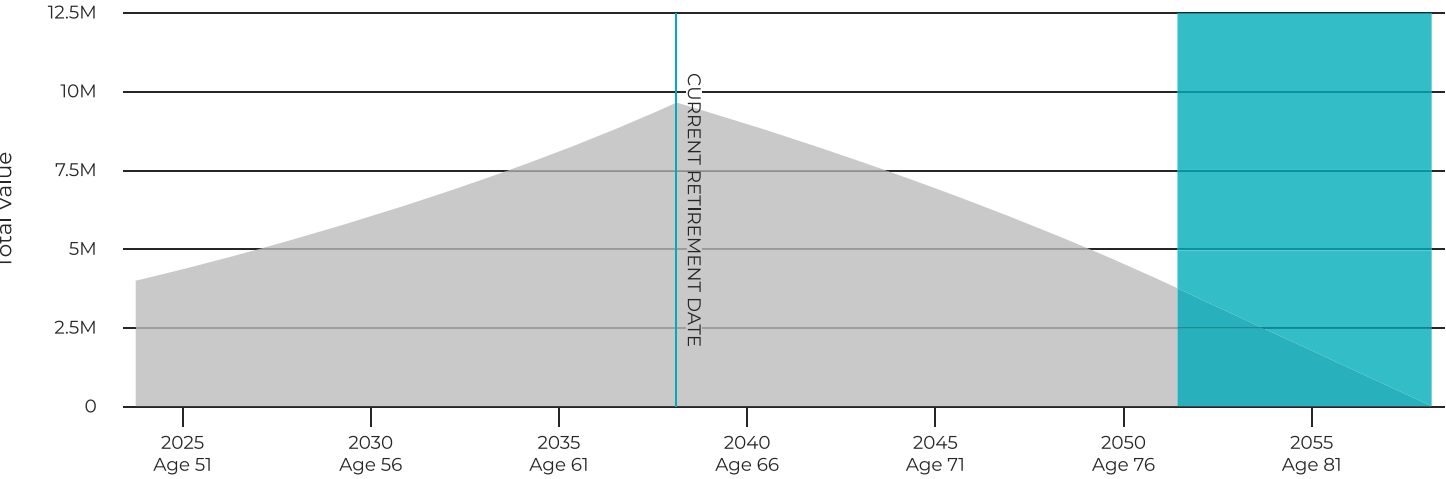


SCENARIO 1:

Save 100% in a pension fund; access tax-free lump sum at retirement.

INTERGRATED: LIFE

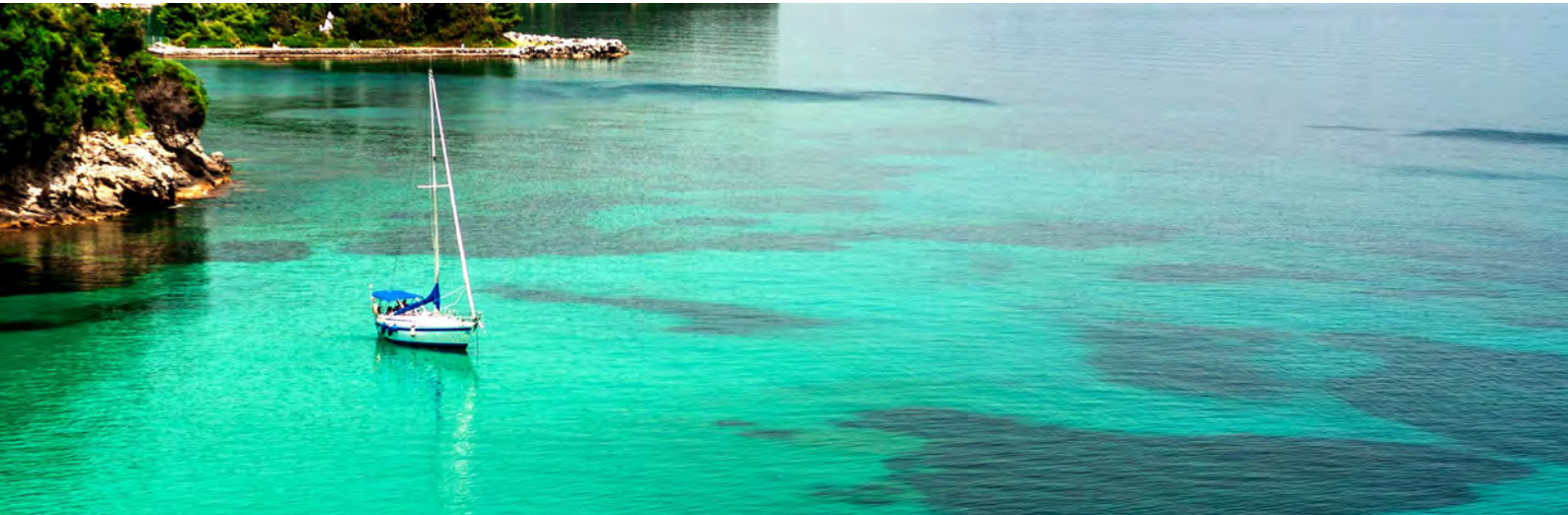
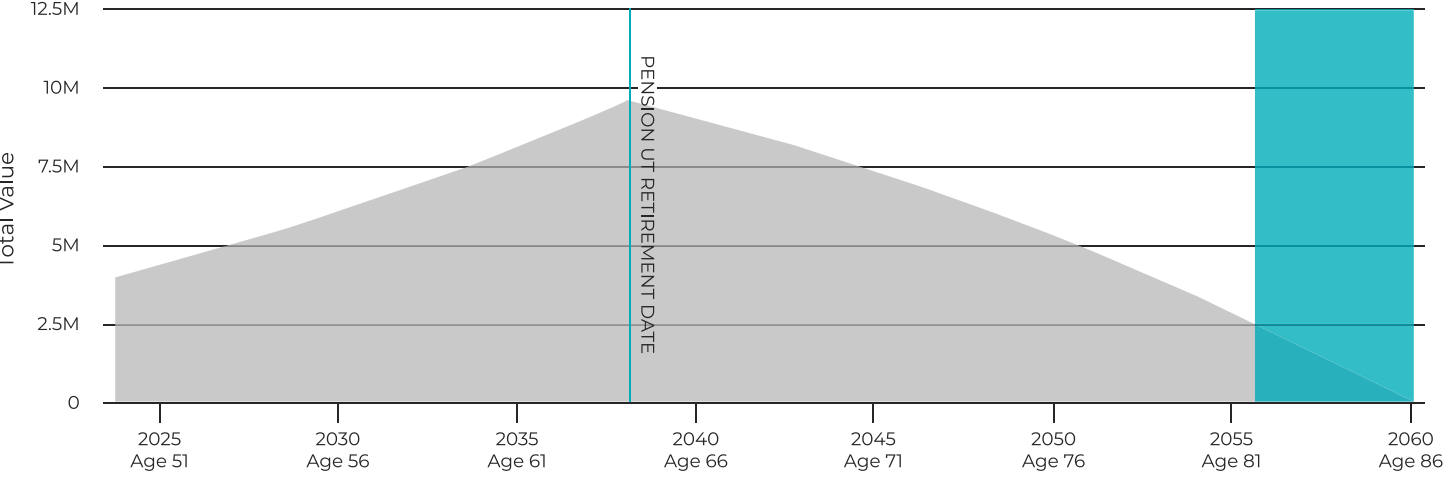
YOU CANNOT SUSTAIN YOUR DESIRED LIFESTYLE BEYOND AGE 78



SCENARIO 2:

Save 50% in a pension fund and 50% in a unit trust; access tax-free lump sum at retirement.

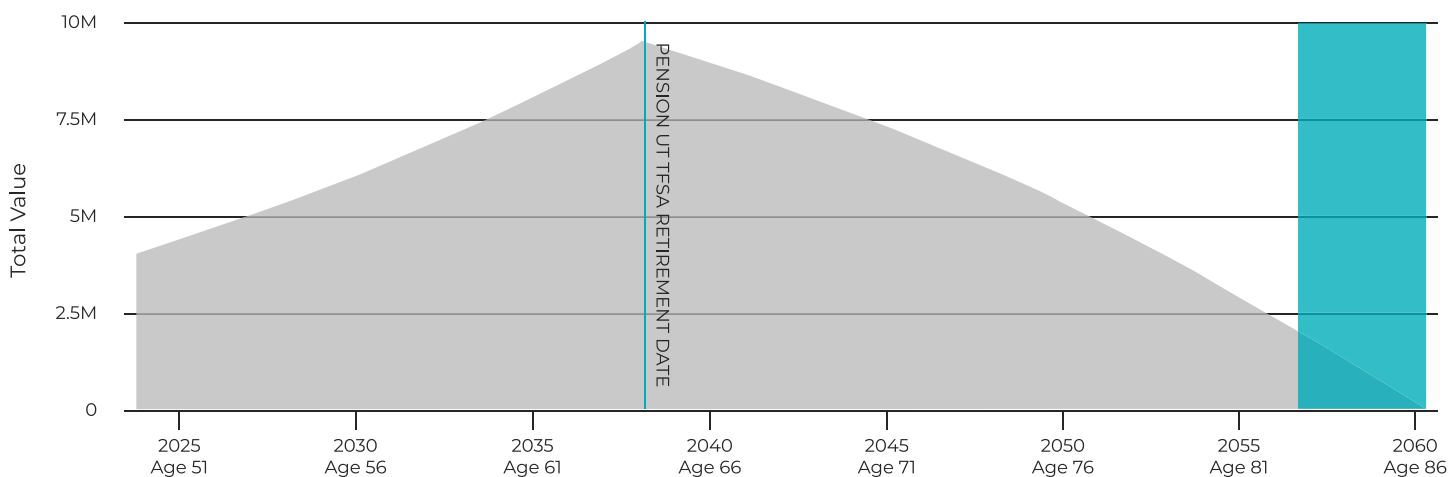
YOU CANNOT SUSTAIN YOUR DESIRED LIFESTYLE BEYOND AGE 82



SCENARIO 3:

Save R3 500 in a pension fund, R3 500 in a unit trust and R3 000 in a tax-free savings account (TFSA); access tax-free lump sum at retirement.

YOU CANNOT SUSTAIN YOUR DESIRED LIFESTYLE BEYOND AGE 83



IN SUMMARY

In summary, we were able to enhance the longevity of the investor's retirement plan by contributing savings towards different investment vehicles. We did not increase the monthly savings amount, we merely contributed savings to a unit trust or a TFSA prior to retirement. We have not provided for any capital goals over and above the monthly need, which is not a fair representation of the likely outcome. This would place immense pressure on especially scenario 1, as the investor in this scenario has limited liquidity available.

Saving towards retirement is important but the investment vehicles you make use of are as important! Access to liquid funds in retirement is key – if you have no cash flow, you are insolvent.

Disclaimer:

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MAKE THE MOST OF YOUR RETIREMENT ANNUITY AND TAX-FREE SAVINGS ACCOUNT FOR 2023/2024

Now is the perfect time to make sure your contributions towards your retirement annuity (RA) still meet your retirement goals, and to take full advantage of the current tax deduction regime.

The 2023/2024 year of assessment ends on 29 February 2024. This means you only have until the end of February 2024 to make additional (tax-deductible) contributions to your RA, or to make a lump sum (tax-deductible) contribution to a new RA if you don't already have one.

Don't miss out on this opportunity to maximise your tax deduction and boost your retirement savings.

WHAT IS A RETIREMENT ANNUITY?

A retirement annuity is a type of private pension fund funded by individual policies.

RAs offer you an opportunity to provide for a shortfall in retirement savings while obtaining tax deductions at the same time. Retirement from a retirement annuity is allowed from age 55 onwards (with no maximum retirement age), which encourages disciplined savings. Tax is only payable on the cash lump sum elected or on the pension income received in retirement, as an investment in an RA does not attract tax on its growth during the investment period.

RAs have a number of significant benefits, including:

- A tax deduction (discussed below) for contributions, within certain limits.
- Contributions in excess of the allowable tax deduction are carried forward to future years and contributions not yet allowed as a deduction may be utilised to decrease the taxable lump sum at retirement, or as an exemption against the annuity income (received after retirement).
- Compound growth and build-up of capital without capital gains tax (CGT) or income tax payable before retirement. The first R1 155 000 cash lump sum taken at retirement is effectively only taxed at 12.4%, and no CGT is payable. It is important to bear in mind that tax tables are cumulative and, therefore, each band can only be used once in your lifetime. Cash lump sums are restricted to one-third of the RA's value, unless the total retirement benefit is less than R247 500.
- No estate duty (at 20% on the first R30 000 000 of the dutiable estate and 25% on the amount exceeding R30 000 000) is payable on the investment value of an RA upon the death of a member.
- Protection against creditors and insolvency in terms of the Pension Funds Act.
- Choice of investment portfolios.

ALLOWABLE DEDUCTION

With effect from 1 March 2016, all contributions to retirement funds – i.e. approved pension, provident and retirement annuity funds – are treated the same way for tax purposes, with one allowable deduction totalling 27.5% of the greater of “remuneration” or “taxable income” (as defined in the Income Tax Act). The 27.5% deduction is limited to the amount of taxable income excluding any taxable capital gain, subject to an annual maximum of R350 000. In addition, employer contributions to the above funds will be treated as a fringe benefit for the employee and deemed to be contributions made by the employee for purposes of the above deduction.

PRACTICAL EXAMPLE

Let's say you earn an annual salary of R750 000, a bonus of R150 000, and your employer is making a monthly contribution of R4 600 to your pension fund (in addition to your contribution).

If you are currently contributing R1 200 per month to your RA and R4 600 per month to your pension fund, you could consider making a lump sum contribution before the end of the tax year to obtain the maximum allowable tax deduction for the year of assessment.

Here is an example of the tax payable with and without an additional RA contribution:

	TOTAL AMOUNT (IN RANDS)	SUBTOTAL
Remuneration	955 200	
Salary		750 000
Bonus		150 000
Fringe benefit employer contribution to pension fund		55 200
(Less): Allowable deductions	(124 800)*	
RA: own contribution (R1200 x 12)		14 400
Pension fund: own contribution (R4 600 x 12)		55 200
Pension fund: employer contribution		55 200
Taxable income	830 400	
Tax payable	223 298	

	TOTAL AMOUNT (IN RANDS)	SUBTOTAL
*Maximum deduction: 27.5% x the higher of remuneration or taxable income		262 680
Remuneration and taxable income are the same in this example = R955 200		
Subject to a maximum of R350 000. Therefore, the total contributions can be deducted as they are less than the maximum above.		
Additional allowable RA deduction	137 880	

	TOTAL AMOUNT (IN RANDS)	SUBTOTAL
Revised taxable income (R830 400 – R137 880)	692 520	
Tax payable	169 524	
Tax saved due to additional RA contributions	53 774	

To maximise the tax saving by utilising your full retirement fund tax allowance, consider a lump sum top-up prior to the end of the 2024 tax year as per the calculation above. The additional RA contribution of R137 880 will result in a tax saving of R53 774.

This example is purely for illustration purposes. Each individual's financial plan should be based on their unique circumstances, taking into account applicable legislation at the time. Tax savings should also not be the sole reason for contributing to an RA, and a full needs analysis is important.

TAX AT RETIREMENT

At retirement, annuity income (purchased with your compulsory two-thirds portion) is taxed at your marginal rate at retirement (where contributions were made that were not allowed as a tax deduction or exemption, an exemption will be applicable). A maximum of up to one-third may be taken in cash, which would be taxed as follows:

TAXABLE INCOME FROM LUMP SUM BENEFITS AT RETIREMENT

TAXABLE INCOME BRACKET	TAX RATE
R0 – R550 000	0% of taxable income
R550 001 – R770 000	R0 plus 18% of taxable income > R550 000
R770 001 – R1 155 000	R39 600 plus 27% of taxable income > R770 000
R1 155 001 and above	R143 550 plus 36% of taxable income > R1 155 000

Please note that prior lump sums taken upon withdrawal or retirement, as well as severance benefits taken or received on or after certain specified dates, are taken into account when the tax on the lump sum is calculated.

TAX-FREE SAVINGS ACCOUNTS

Tax-free savings accounts were introduced in South Africa on 1 March 2015, to encourage South Africans to save more. They offer a very low pricing structure, plus growth is free of dividends tax, income tax on interest and capital gains tax. A further benefit is that you can access these funds at any time.

Currently, you are permitted to contribute a maximum of R36 000 per tax year with a maximum contribution of R500 000 over your lifetime – if you exceed either of these two limits a penalty will be levied. The deadline for contributions for the 2024 tax year is 29 February 2024.

The benefits can be considerable over time and a tax-free savings account can make a valuable and flexible addition to your retirement income.

Your PWM financial planner is best placed to conduct a personal lifestyle financial needs analysis to help you meet your retirement goals.



WHAT IS THE PURPOSE OF A TAX-FREE SAVINGS ACCOUNT IN YOUR FINANCIAL PLAN?

By Kyle Janse van Rensburg | Financial Planner | PWM Rustenburg

Bill and Betty are a happy and healthy married couple in their 30s, enjoying life as professionals. Bill is an engineer and Betty a medical doctor. Their priority goals are to put their newborn baby through tertiary education one day, and make sure they can maintain their current standard of living when they reach retirement. Both of them opened a tax-free savings account at the bank when they were students. Now, they are not quite sure where this investment vehicle fits into their financial plan, and how they should structure it to benefit them in the best possible way.

Unfortunately, this is the experience of most young adults. They open a tax-free savings account (TFSA) but are not sure how it aligns with the purpose of a TFSA in their holistic lifestyle financial plan.

The road to achieving your long-term financial goals can be daunting and require a lot of sacrifice. The smallest mistake can have dire consequences. The first thing to realise is that money is a means, not an end. More important than building a pile of money is building a plan for that money. The plan will be as unique as you are.

This is my view on the subject:



TAX-FREE SAVINGS ACCOUNTS

Tax-free savings accounts had their eighth anniversary in February 2023 (this incentive has been available from 1 March 2015). Over the years, many product providers – including long-term insurers, banks, unit trust companies and investment platforms – have jumped on the bandwagon and promoted TFSAs.

The biggest appeal to many investors is that you don't have to pay income tax, dividends tax or capital gains tax on the returns from these investments.

However, there is a limit – the maximum amount you may contribute to a TFSA is R36 000 per tax year (either a lump sum or in instalments) and the maximum lifetime contribution is R500 000. Any contribution in excess of these limits will be taxed at 40%.

VIEW THEM AS LONG-TERM INVESTMENTS

Think of your TFSA as a long-term investment. The tax benefits achieved by investing in a TFSA are not realised early on, which means that TFSAs do not make good emergency fund accounts. The value of the tax benefit in the first five years is incredibly small; the investment return and tax saving only become more meaningful closer to 10 years. It is also important to take note that any amounts withdrawn cannot be replaced if this means that you will exceed the maximum annual (R36 000) or lifetime contributions (R500 000). You will incur a tax liability on the excess amount, as discussed above. As such, it is advisable for investors to take a long-term view when setting up a TFSA. Although TFSAs are not necessarily intended as retirement funding vehicles, you can use yours to supplement your retirement savings.

When setting up your TFSA, carefully consider how you intend to use the proceeds in the future and then choose an investment portfolio that is aligned with your timeline. For instance, you may wish to use it as a savings vehicle for your newborn child’s tertiary education (which is an option for Bill and Betty), in which case your investment horizon is approximately 18 years. On the other hand, if you want to use it to supplement your retirement funding, you may be looking at a longer time horizon. Either way, if you’ve taken a long-term view on your TFSA, consider having a higher allocation to growth assets and a lower allocation to cash and fixed income, which are poor long-term investments.

EXAMPLE

In the table below, I have assumed that Bill and Betty contributed up to the annual contribution limit (these allowable limits have been increased over time as indicated in the table) at the beginning of each year and then applied a growth rate of 9%.

Year of Assessment	Annual Contribution Limit	Growth at 9%	Investment Amount (Contribution + Growth)	Taxable Amount
2016	R30 000	R2 700	R32 700	R0
2017	R30 000	R5 643	R68 343	R0
2018	R33 000	R9 120.87	R110 463.87	R0
2019	R33 000	R12 911.75	R156 375.62	R0
2020	R33 000	R17 043.81	R206 419.43	R0
2021	R36 000	R21 817.75	R264 237.18	R0
2022	R36 000	R27 021.35	R327 258.53	R0

Interest earned in an investment other than a tax-free savings account is exempted from income tax up to a maximum of R23 800 per tax year for persons under the age of 65. So, if we assume the growth in the above table amounted only to interest earned, the tax-free saving in the above scenario is minimal, as the annual growth only exceeded R23 800 in 2022.

Although TFSAs may not add up to substantial tax-free savings over a short period, in the long run, you will experience the benefits of a TFSA’s tax-saving superpower as the capital amount grows.



WHY IS THE APPROPRIATE UNDERLYING INVESTMENT IMPORTANT?

As indicated above, if you are under the age of 65 you receive an annual tax exemption of R23 800 per tax year on all interest earned. Over the age of 65, this exemption increases to R34 500. Assuming you receive an annual interest rate of 5% on your savings, you would need to have at least R476 000 under the age of 65, and R690 000 over the age of 65, in your TFSA to receive a single rand of tax benefit by using a TFSA for interest-bearing investments. Therefore, your TFSA will only really start working in your favour if you target the growth asset classes with underlying assets that pay dividends or trigger capital gains tax, which you are now exempted from in your TFSA. Also, TFSAs are not as restricted as investments in pension, provident, retirement annuity and preservation funds are in terms of the asset classes in which the money can be invested.

BENEFITS OF HAVING YOUR TFSA ON A LINKED INVESTMENT SERVICE PROVIDER (LISP) PLATFORM

There are several benefits in choosing a well-established investment platform:

- Investors have access to a wide choice of local and international funds covering all risk profiles.
- Investors can simply switch between funds on the platform if needed, avoiding the need for cumbersome TFSA transfers.
- Investors and financial planners can monitor contributions to TFSAs centrally to ensure they do not exceed their annual TFSA contribution limits.
- Investors have easy access to a consolidated view of their entire investment portfolio, which might include a retirement annuity and discretionary investments, in addition to a TFSA.

IN CLOSING

There is definitely an important place for a TFSA in your financial plan. The beauty of paying zero tax is that it allows your investment to maximise its potential over time. This is due to the positive effect of compound interest year after year – in other words, earning interest on your interest. Einstein is rumoured to have said: “Compound interest is the eighth wonder of the world,” and “he who understands it, earns it; he who doesn’t, pays it.”) While R36 000 a year may not seem like a huge amount, throw the full effect of compound interest into the mix and it can grow into a tidy sum over the years. A little makes a lot.

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COMPANY NEWS

LOCAL EQUITIES

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

RICHMONT

Global luxury goods company, Richemont reported a resilient half-year result despite significant foreign exchange headwinds. Excluding foreign currency fluctuations, revenue and operating income grew 12% and 15% respectively with operating profit margin expansion of 90bps. However, including currency fluctuations, revenue and operating income grew by a more modest 6% and 2% respectively, with the operating margin contracting by 210bps. Sales were driven by continued support for the group's Jewellery collections, while Specialist Watchmakers reported a modest decline in revenue and profitability. A rebound in China partially offset a deceleration in key markets including Europe, Japan, and the Americas. Management is cautious on the outlook amid deteriorating sentiment in response to the escalating geopolitical tensions and conflict in the Middle East. With a net cash position of EUR5.8bn, Richemont remains in a sound financial position, with the ability to invest in both organic and inorganic growth opportunities.

WALT DISNEY

Media and entertainment giant, Walt Disney reported full year results that were in line with prior guidance, with both revenue and adjusted earnings per share up by 7% year-on-year. Revenue growth continued to be driven by the group's Direct to Consumer (DTC) channels and Experiences, which offset declining broadcast network revenue. Operating income (+6%) growth was driven entirely by Experiences, which offset sustained losses in DTC and declining profitability from linear networks. Management remains optimistic about the outlook, advising that they are on track to exceed their initial US\$5bn cost saving target while also achieving profitability in DTC by Q4 2024. In addition, with cash generation improving, the group has made an offer to Comcast to acquire the minority interest in Hulu, which will allow for further integration of the platform into Disney's DTC business. Along with the improvement in free cash flow, management has recommended a resumption of the group's dividend.





10 HEALTHY WAYS TO MANAGE LIFE STRESSORS

Stress affects everyone. The Mayo Clinic describes stress as “a physiological and psychological response to a change in a situation the body and mind find overwhelming.”

Although we all experience stress, our triggers may be different. Stressors can include work, relationships, money, relocation, living in a busy city, or any other factor that causes a feeling of overwhelm. With Stress Awareness Day on 2 November, it's important to maintain healthy habits to help minimise stress and increase our resilience and strength.

Healthy habits that help combat stress:

- 1. Daily physical activity** – exercise is proven to relieve stress and improve our overall quality of life, confirms the Mayo Clinic. Start with small fitness goals that align with your schedule.
- 2. A balanced and nutritious diet** – eating whole foods, lots of fruits and vegetables and avoiding processed foods contributes to a healthy body and mind.
- 3. Sufficient quality sleep** – sleep and stress are directly linked; less quality sleep can increase stress levels, and vice versa, says the American Psychological Association. Focus on unwinding before bed to improve sleep and enable a recharged brain and rested body.
- 4. Muscle relaxation activities** – taking a warm bath, massaging your body, and stretching can help your body destress, suggests WebMD.

5. Meditation – meditation app Headspace notes research that found consistent daily meditation helps build mental capacity to manage stress more effectively.

6. Deep breathing exercises – take a moment to be still and focus on slowly breathing in and out for around 5 – 10 minutes.

WebMD suggests this helps activate the parasympathetic nervous system responsible for relaxing the body and mind after a stressful situation.

7. Staying connected with family and friends.

8. Limiting social media and news.

9. Spending time outdoors.

10. Recognising stressors and eliminating those that you can.

Going back to the basics for caring for your body and mind can make all the difference when feeling stressed. Most importantly, remember to be gentle with yourself; you deserve rest.

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