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WHERE WEALTH AND LIFESTYLE MEET

SECURING THE LEGACY OF OUR YOUTH

THE IMPORTANCE OF A VALID, WELL-DRAFTED WILL

RUNNING THE WASHIE 100 MILER 161.4 KM

CELEBRATING 25 YEARS

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A WORD FROM PIETER

Welcome to the third edition of our newsletter for 2025. As we head into the final stretch of the year, it is the perfect time to focus on a topic that is often overlooked but incredibly important – our wills and estate planning.

In this edition, we highlight the importance of having a comprehensive estate plan in place and ensuring your will is valid, up to date and truly reflects your current wishes. With the December holidays fast approaching, now is a great time to review your estate documents, so you can enjoy a well-deserved break with peace of mind.

If your personal or financial circumstances have changed recently, - e.g. due to marriage, divorce, birth of a child or changes in your assets, - we strongly encourage you to schedule a meeting with your financial planner.

Without proper estate planning, your investments could face delays, unnecessary taxes and unintended distribution, which may compromise the legacy you wish to leave for your loved ones.

Please don't hesitate to reach out to your financial planner to review your will or to discuss any necessary updates.

Enjoy the read!

Kind regards

Pieter Bester
CEO



ECONOMIC AND MARKET OVERVIEW

A LOWER INFLATION TARGET IS A BIG DEAL

By Izak Odendaal | Chief Investment Strategist | Old Mutual Wealth

The South African Reserve Bank (SARB) recently announced that it will be shifting its focus to the bottom end of the 3% to 6% inflation target range. This may be a very important development, but one that most people don't fully understand.

WHAT IS INFLATION?

As a starting point, just a quick reminder that inflation refers to the annual change in a broad basket of goods and services as captured in the consumer price index (or similar index). Inflation indicates how quickly these prices rise over a fixed period, not whether things are cheap or expensive. You can have a low inflation rate with very high prices, and a high inflation rate with low prices. There are important benefits to maintaining a low and stable inflation rate, as discussed later on.

WHAT IS INFLATION TARGETING?

Over the past 35 years, most central banks adopted inflation targeting as their main policy goal. As the name suggests, it means central banks aim for inflation around a specific point or within a particular range. As chart 1 shows, most developed countries target 2%, and for many of South Africa's emerging market peers, the target is 3%. Inflation targeting involves a degree of flexibility, and many central banks have a tolerance band of 1% or 2% around the target point. This is because economies will always be hit by shocks. For instance, central banks will typically not immediately respond to a jump in the global oil price but rather keep an eye on whether companies raise their selling prices in response to higher fuel prices. The point of inflation targeting is not that the reported inflation rate may never deviate from the target, but that it must return to the target within a reasonable timeframe after a shock hits, while hovering around the target the rest of the time.

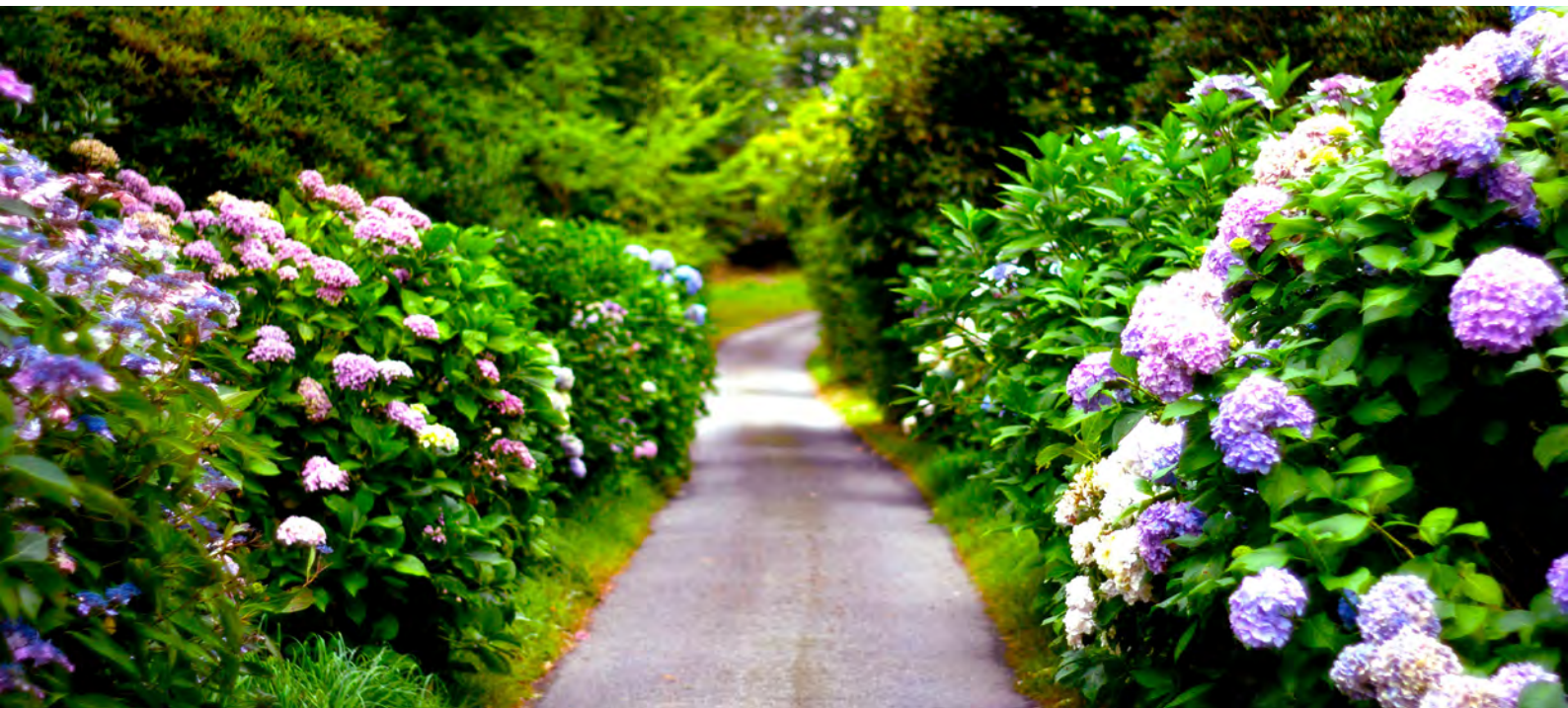
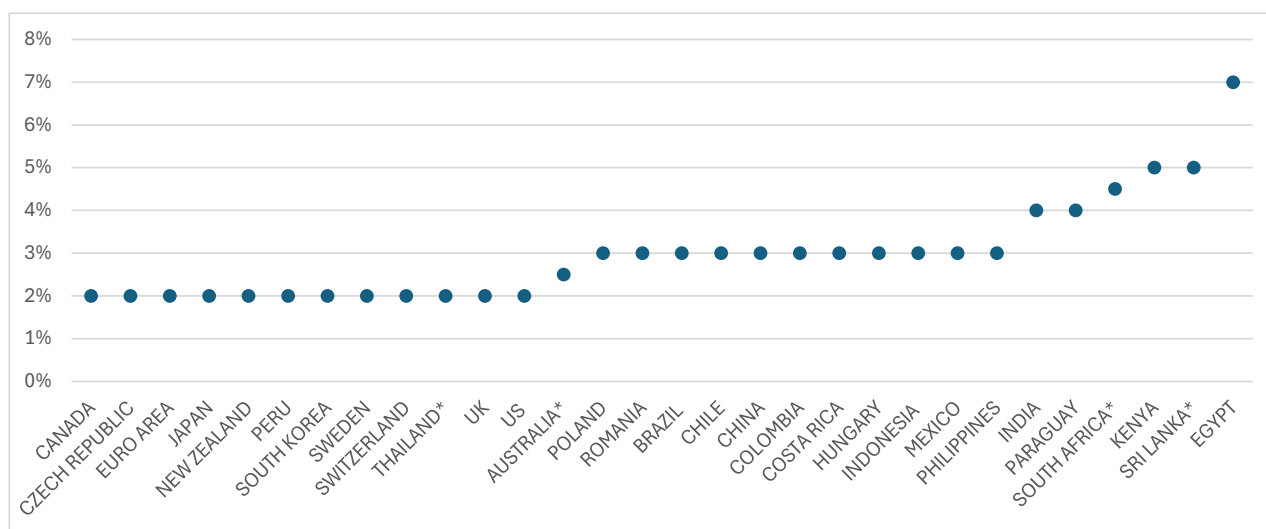


CHART 1: INFLATION TARGETS OF SELECTED COUNTRIES



SOURCE: CENTRAL BANKS' *TARGET RANGE MID-POINT

HOW DOES IT WORK?

Somewhat surprisingly, inflation targeting rests on belief. The central bank explicitly states what level of inflation it wants to achieve over time, and if people take it seriously, their expectations of future inflation will gravitate towards that point. This will influence price-setting behaviour throughout the economy. For instance, if the inflation target is 3% and people are aware of it, and know that the central bank will act to achieve this target, they will keep 3% at the back of their minds when negotiating salary increases, rental escalation or contracts with suppliers. Though there will always be cycles, if people believe inflation will return to the target, they are usually able to ignore short-term price volatility. However, if they believe inflation will be higher in the future, they will act accordingly. It is all about self-fulfilling prophecies.

Inflation targeting therefore rests on the central bank's credibility, since people need to believe the bank will act if necessary – for instance, by raising interest rates when inflation moves away from the target point. For this reason, central banks that engage in inflation targeting are usually independent of direct government control, since politicians almost always prefer lower interest rates regardless of the inflation outlook.

In South Africa, the independence of the Reserve Bank was written into section 224 of the 1996 Constitution:

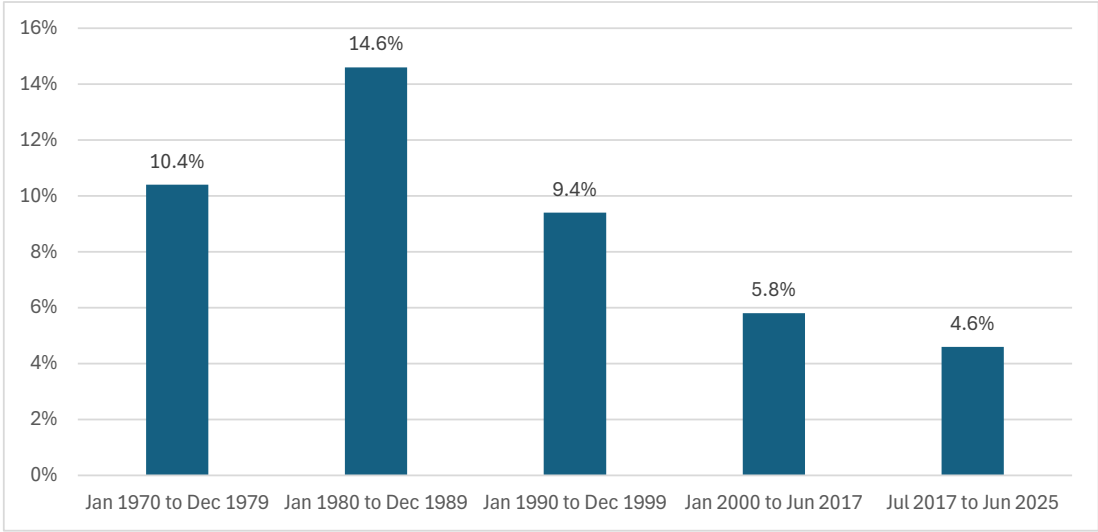
1. The primary object of the South African Reserve Bank is to protect the value of the currency in the interest of balanced and sustainable economic growth in the Republic.
2. The South African Reserve Bank, in pursuit of its primary object, must perform its functions independently and without fear, favour or prejudice, but there must be regular consultation between the Bank and the Cabinet member responsible for national financial matters.

WHAT IS SOUTH AFRICA'S INFLATION TARGET?

In practice, protecting the “value of the currency” means protecting the purchasing power of the rand in the pockets of South Africans – not necessarily its value in foreign exchange markets. As a result, in 2000, the finance minister gave the Reserve Bank a mandate to maintain inflation between 3% and 6%. The initial intention was that the target range would be gradually moved lower, but this never happened.

Instead, the general assumption among the public, unions, businesspeople and investors was that the de facto target was 6%, rather than a range of 3% to 6%. Chart 2 suggests that this belief was justified. Reported inflation and inflation expectations settled around 6%. While there were international and domestic trends that supported the decline in inflation in the 2000s, such as deregulation, technological improvements and globalisation, it nonetheless appears that inflation targeting worked.

CHART 2: AVERAGE SA INFLATION OVER SELECTED PERIODS

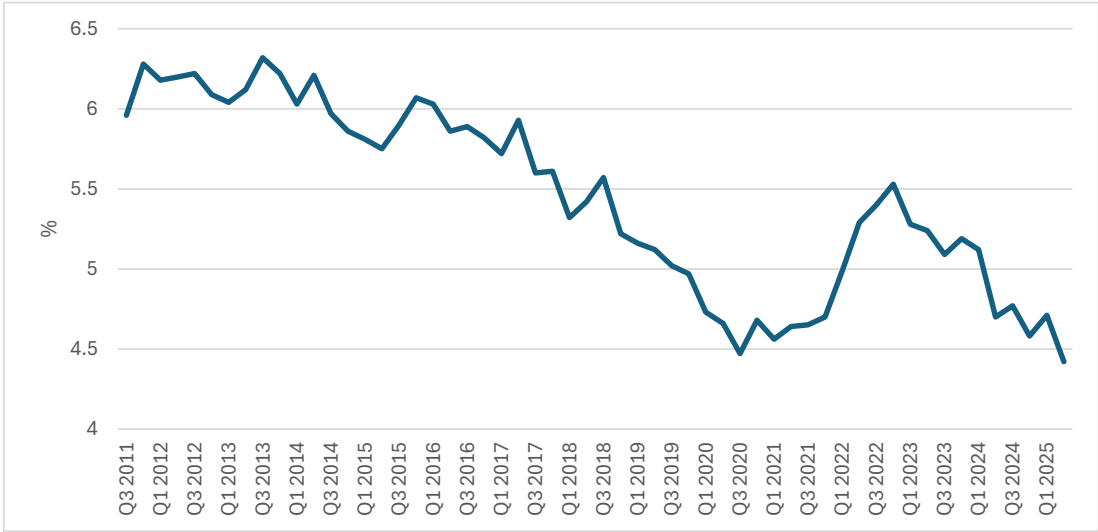


SOURCE: LSEG DATASTREAM

The problem from the Reserve Bank’s point of view is that inflation expectations became anchored at the top end of the range, not solidly within the range – hence, the decision in mid-2017 to explicitly focus on the midpoint, i.e. 4.5%. Again, chart 1 suggests that inflation targeting has worked, since inflation has averaged close to 4.5% since 2017.

Chart 3 tells the story from a different perspective. Since 2011, the Bureau for Economic Research at Stellenbosch University has conducted a quarterly survey of households, unions, businesses and analysts to gauge their expectations for inflation one, two and five years into the future. The results broadly show that inflation expectations stabilised around the de facto 6% target before 2017 and around 4.5% thereafter.

CHART 3: SURVEYED INFLATION EXPECTATIONS OVER THE NEXT FIVE YEARS



SOURCE: BUREAU FOR ECONOMIC RESEARCH

WHY GO DOWN TO 3% NOW?

With inflation hovering around 3% in the past few months, the Reserve Bank decided that it was an opportune moment to shift the de facto target to 3%. The official target remains 3% to 6%, but it will now aim for the bottom end. The SARB's communications will focus on 3%, and its forecasts will use 3% as the starting point.

Authority for changing the 3% to 6% target sits with the finance minister. While acknowledging the benefits of lower inflation he has been reluctant to change the target because it might require a period of high interest rates at a time when the economy is soft. Economists refer to this as the "sacrifice ratio" – how much economic growth must be given up to achieve lower inflation, or how much short-term pain must be experienced for long-term gain. The Reserve Bank argues that the sacrifice ratio is low while the finance minister and his team at National Treasury are worried it might be too high. Discussions between the Reserve Bank and the Treasury were still underway when the Bank announced the shift in focus to 3%, and the finance minister was not terribly pleased. Ideally, Treasury and the Reserve Bank would have moved in lockstep, but the official target is eventually likely to be shifted to 3%.

WHAT ARE THE BENEFITS OF LOWER INFLATION?

Firstly, low inflation reduces macroeconomic instability and microeconomic inefficiency. When inflation is high, price signals get muddled. People don't know whether the price of an item is rising because of strong demand or supply disruptions, or because prices across the economy are rising. At worst, this can distort incentives and reduce economic efficiency.

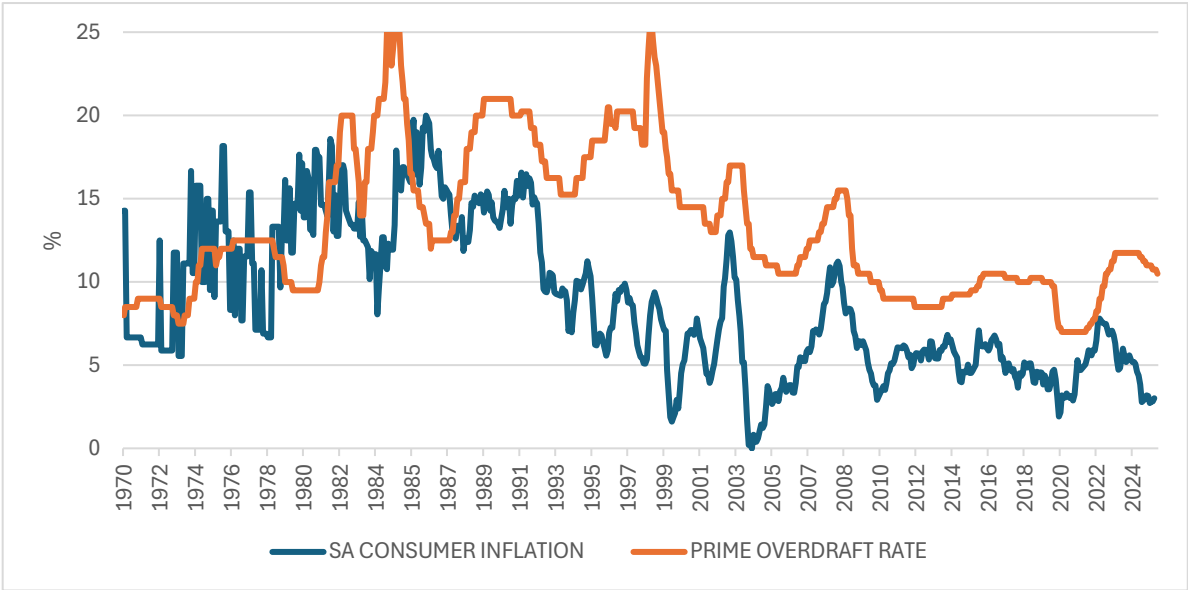
Secondly, if the price level of a country rises more than its peers, it will lose competitiveness over time. As chart 1 clearly shows, most members of South Africa's emerging market peer group moved towards a 3% inflation target. South Africa now stands out for the wrong reason. If its price level continues to rise by 4.5% per year, and the peer group's price level rises by only 3% per year, in a decade, South Africa's cost base will be 20% higher. Compared to countries with a 2% average inflation rate, the loss of competitiveness will be 35% over the same period.

The theory of purchasing power parity (PPP) suggests that exchange rates will adjust over time to compensate for this loss of competitiveness, and this is one of the main reasons behind the rand's long-term depreciating trend. If South Africa can achieve lower inflation on a sustained basis, it will reduce the pace at which the rand loses value against other currencies. A more stable exchange rate will encourage foreign investment into South Africa, since the returns of international investors decline when the rand depreciates.

Thirdly, interest rates will start declining once the Reserve Bank is confident that inflation and inflation expectations will stay close to 3%. There will still be cycles, but the peaks and troughs should be lower, with obvious benefits to households and businesses. Importantly, lower interest rates will also make South African bonds, equities and real estate more valuable. Owners of South African asset classes should get a significant boost.



CHART 4: INFLATION AND INTEREST RATES OVER TIME



SOURCE: LSEG DATASTREAM

Success is not guaranteed. Most of the inflationary pressures in recent years have come from municipal tariffs and utility costs that are not responsive to interest rates or broader economic conditions – hence, the importance of Government getting fully behind a lower target. Nonetheless, the Reserve Bank has demonstrated that inflation targeting does work despite these challenges, though some patience will be required. Inflation will always move in cycles, but the trend is likely to move lower, with a positive impact on the local economy and local asset classes. Since this coincides with a series of other reforms that are aimed at improving the longer-term performance of the economy, it reiterates that the pervasive pessimism around South Africa’s prospects is not justified.



ESTATE PLANNING: WILLS

UNSIGNED WILLS – A COSTLY LESSON FROM THE UNGERER CASE

By Tony Rolo | Director | Bespoke Executor Services – BEXs

The Eastern Cape High Court's recent decision in *Ungerer v Ungerer* (2024) serves as a cautionary tale for clients and financial and estate planning professionals. It emphasises the stark reality that in South African law, the distinction between a valid will and an unenforceable piece of paper can be as minuscule as a missing signature, yet equally devastating.

BACKGROUND OF THE CASE

In January 2022, Estelle Ungerer and her husband decided to update their wills. Their intention was to leave their estates to each other, and thereafter to their daughter. Draft wills were prepared to reflect these wishes. Before these new wills could be signed, however, Estelle fell seriously ill. She passed away without ever executing the document.

Under her existing 1999 will, the daughter stood to inherit her entire estate. This outcome conflicted with what the surviving spouse believed had been her final instructions. Seeking to give effect to her more recent intentions, he applied to court to have the unsigned 2022 will recognised as valid under section 2(3) of the Wills Act, 1953.



THE LEGAL POSITION

Section 2(3) of the Wills Act provides that a court may order a document to be accepted as a valid will even if it fails to meet formal execution requirements (such as being signed, dated or properly witnessed), if the court is satisfied that the deceased intended the document to be their final will. This provision exists to prevent genuine testamentary intentions from being defeated by minor technicalities.

The court considered earlier case law, including *Grobler v Master of the High Court**, where an unsigned will was validated based on compelling evidence of the testator's intent. However, in the *Ungerer* case, the absence of any signature or date was viewed as a serious shortcoming.

THE COURT'S DECISION

Judge Hartle acknowledged that the primary purpose of the Wills Act's formalities is to prevent fraud and to ensure certainty. While section 2(3) offers a measure of flexibility, it is not a free pass to bypass these requirements. In this case, the court was not convinced that the unsigned draft reflected Estelle's final, settled intentions with sufficient certainty.

As a result, the 1999 will remained in force, and the husband's application was dismissed. This meant the estate passed entirely to the daughter, leaving the surviving spouse with no inheritance under the will – the precise outcome the couple had intended to change.

RISKS FOR CLIENTS

The Ungerer case starkly illustrates how fragile an estate plan can be if it is left incomplete:

1. *Unintended beneficiaries* – An unsigned will means the most recent instructions may be ignored, and outdated wills or intestacy rules may apply.
2. *Family conflict* – Disputes are almost inevitable when there is a discrepancy between what survivors believe was intended and what the law recognises.
3. *Emotional and financial costs* – Litigation to prove an unsigned will can be costly, stressful, and rarely guaranteed to succeed.

For clients, the lesson is clear: no matter how well drafted a will is, it is worthless unless signed and executed in strict compliance with the law.

THE TAKEAWAY

The Ungerer judgement is not simply a technical point of law. It is a reminder that in estate planning, timing and formality matter as much as content. A will should be executed as soon as it is finalised, witnessed correctly, and stored safely. Delays can render the entire process meaningless and cause irreversible consequences.

PRACTICAL TIPS TO AVOID THE UNSIGNED WILL TRAP

- *Sign immediately:* Arrange to sign your will as soon as the final draft is ready – don't wait for "a better time".
- *Follow the rules:* Ensure the signing takes place in the presence of two competent witnesses, all present at the same time.
- *Keep it accessible:* Store the original will in a safe and an accessible place. BEXs offers the storage of your will free of charge.

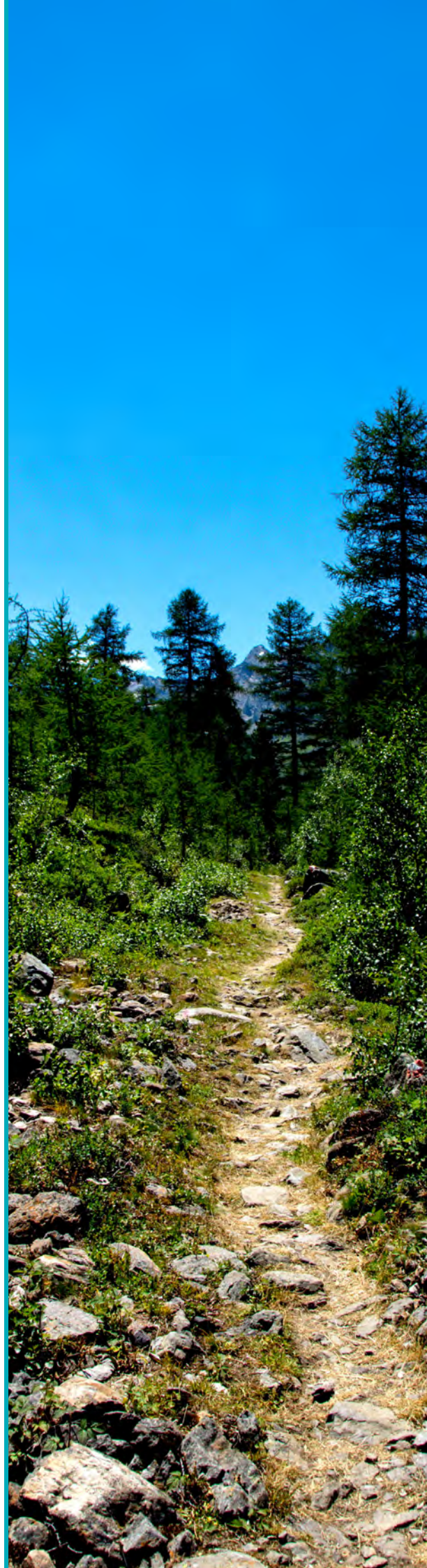
FINAL WORD:

In law, an unsigned will is often no will at all. The cost of procrastination can be measured in lost inheritances, damaged relationships, and avoidable legal battles.

*** Grobler v Master of the High Court**

CASE BACKGROUND

Mr Leon Peter Grobler had an earlier valid will (signed in 1996). In 2013, he instructed a financial adviser to draft a new will to reflect his updated intentions. Over the following months, drafts were exchanged via email, and he actively guided the revisions. However, the will was never signed before his death in December 2015.



LEGAL ISSUE

The core question was whether the unsigned draft could be accepted as Mr Grobler's valid will under section 2(3) of the Wills Act 1953, which allows courts to condone a document that fails formal execution – **only if** (1) it was drafted or executed by the deceased, and (2) the deceased intended it as their final will.

SUPREME COURT OF APPEAL (SCA) RULING

The SCA dismissed the appeal. It found that:

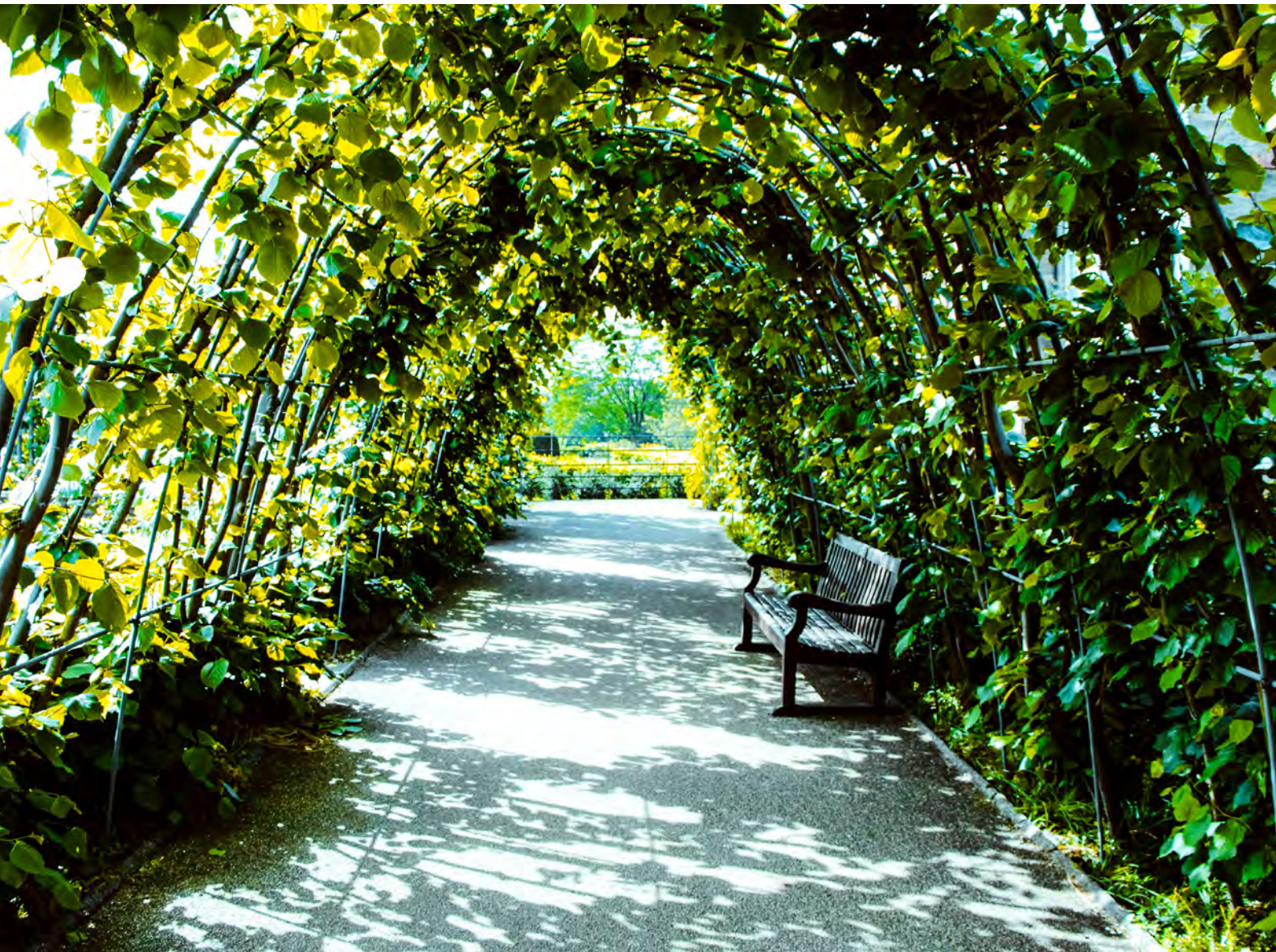
- There was no evidence Mr Grobler had received, perused and approved the final draft.
- The mere involvement in drafting, via email, was **insufficient** to establish final intent.

LEGAL SIGNIFICANCE

- **Strict application of section 2(3):** Courts require clear proof that the testator **received, reviewed, and intended** the unsigned document as their will. Drafting alone – absent such evidence – won't suffice.
- **Draft vs. final document:** A distinction is recognised between preliminary instructions (e.g. instructing someone to draft a will) and a finalised will personally endorsed by the testator. The law demands the latter for condonation.

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LEGACY PLANNING

SECURING THE LEGACY OF OUR YOUTH

By Capital Legacy

South Africa is home to a significant youth population, with roughly 19.7 million children under the age of 18 – about 32% of the national population, according to UNICEF data for 2023. Among this group, 12.3% could be classified as orphans, having lost one or both parents. The structure of families is varied: 45% of children live with their mother only, 4.2% with their father only, and only approximately one-third live with both parents, according to the General Household Survey report released by Statistics South Africa in 2023.

Given so many single parent households, it's essential that we as parents do not leave our children's legacy to fate, but rather have clear plans in place in case we pass away while they are still young – a scenario that happens more often than you realise.

Capital Legacy believes strongly in widespread financial and legal literacy among adults: having a valid will, nominating preferred guardians, establishing testamentary trusts, and ensuring sufficient estate liquidity are key pillars of protecting our vulnerable children.

HERE ARE 3 THINGS PARENTS SHOULD KNOW WHEN PLANNING FOR THEIR CHILDREN'S FUTURE:

1. Why every parent needs a will

Drafting your last will and testament is the logical starting point. Without a legally valid will, the deceased's assets are handled according to intestate succession laws. If minor children are involved, authority over their inheritance transfers to the Guardian's Fund, administered via the Master of the High Court. This central fund is meant to protect funds of minors and persons lacking legal competence and capacity. Yet, the Guardian's Fund has significant limitations:

- Backlogs and delays are commonplace. It is widely reported that in recent years, R17 million was stolen from the Fund, compounding distribution delays.
- The Fund has a massive amount of unclaimed capital.
- Administrative sluggishness: Payments are made only after application procedures have been followed.
- Forfeiture: If funds remain unclaimed for 30 years, they revert to the state.

Contrast this with a testamentary trust, which can be established in your will to ensure that your children's inheritance is professionally managed and accessed only for their benefit – think school fees, food and accommodation, medical expenses, or later disbursements – while providing the flexibility you prefer.

2. The power of testamentary trusts

Children under 18 cannot directly inherit vast sums, due to risks of mismanagement and manipulation. A testamentary trust, set up within a will, empowers a trustee – often a trusted adult or professional fiduciary – to manage the inheritance responsibly until beneficiaries reach an age specified by you (e.g. 21 or 25). Advantages include:

- Protection from unscrupulous or unprepared guardians.
- Flexibility to adjust disbursements to education costs, housing or healthcare.

- Avoidance of the Guardian's Fund, with its delays and risk of theft.

3. The importance of liquidity in your estate

A will and testamentary trust are only elements of the strategy. Without sufficient liquidity, cash or cash equivalents, your estate could suffer, because:

- Debts and taxes may consume assets, leaving little or nothing for beneficiaries.
- Legal and executor's fees can significantly reduce available funds.
- Funeral costs and medical bills seldom have dedicated funds, draining what could have supported surviving children.

Deenisha Nadesan, Executive Director: Estates at Capital Legacy, says: "It's devastating to see families grapple with loss and then face an estate devoid of proper planning. Minor children end up caught in drawn-out legal processes; sometimes homes must be sold just to settle administrative costs or debts. We need to educate people on available solutions, from the power of a simple will to testamentary trusts. Planning for the unthinkable isn't pessimistic, it's responsible.

These words echo the stories too often hidden behind administrative statistics: households broken apart, inheritances mismanaged, and futures forced into uncertainty.

MORE FINANCIAL EDUCATION IS NEEDED

Despite these stark realities, financial and legal awareness remains low. The fact that nearly a third of the population are minors and 70% of South Africans pass away without a will in place, underscores the urgency of proactive planning. In such a setting, family structure vulnerabilities highlight the need for legal preparedness.

CALL TO ACTION

Every parent with dependants should ask themselves:

- Do I have a legally valid will?
- Have I nominated a preferred guardian I fully trust?
- Have I included a testamentary trust to protect and manage funds for minors?
- Have I ensured liquidity to cover estate costs and debts?

The alternative – relying on the Guardian's Fund – leaves children vulnerable to slow processes, fraud and potential forfeiture.



A SHARED RESPONSIBILITY

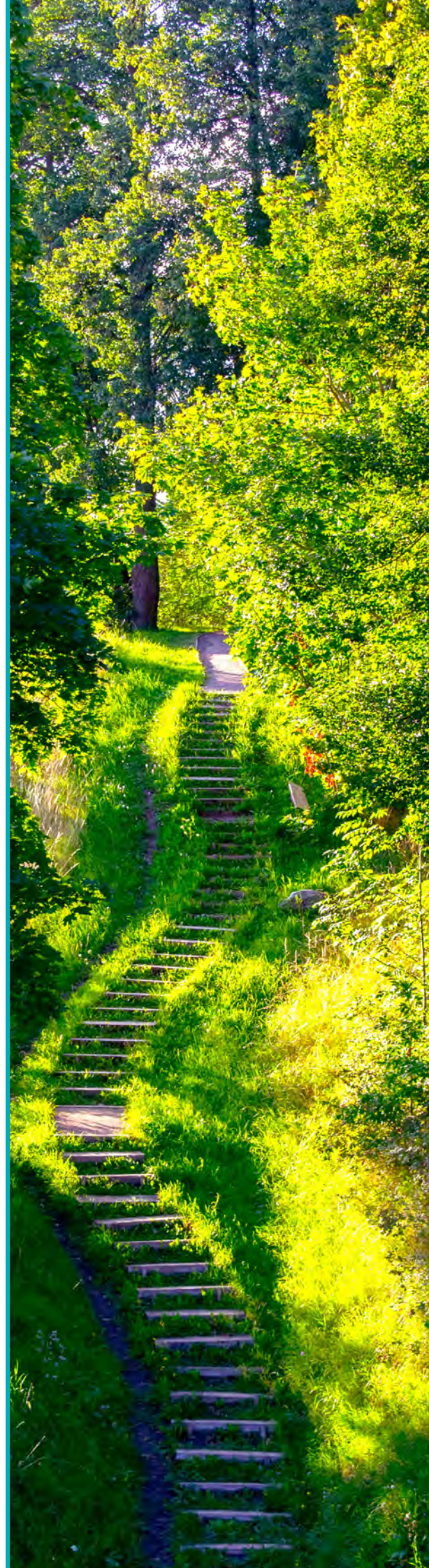
Educating South African parents on fiduciary readiness, estate planning and wills is vital. When children are protected by foresight and legal preparedness, we strengthen communities and safeguard future generations.

Capital Legacy has been actively pushing this message and helping educate South Africans since 2012 through media partnerships, hosting training workshops for financial advisers and rallying behind the LSSA's National Wills Week every September (which has now expanded to Capital Legacy's **Wills Month**).

"Our mission is to make the loss of a loved one easier. Let us transform the tragedy of unplanned estates into a legacy of care, empowerment and security for our children by continuing to join forces and spread this message," Nadesan concludes.

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THE MOST COMMON ESTATE PLANNING MISTAKES (AND HOW TO AVOID THEM)

By Jurie de Kock | Financial Planner | Cape Town

Estate planning is not just about paperwork – it's about real people (you), real families (your wife/husband/kids/parents etc.), and the legacies we leave behind. Unfortunately, most families in SA experience unnecessary stress, delays and heartbreak because of simple mistakes that could have been avoided. This is mostly due to the lack of talking about death – as if it will bring it on sooner if we talk about it.

I thought, rather than rattling off common mistakes most people will just skim through, I would use real-life stories, which could easily have been your friend or family member making these mistakes. I did this purposefully, so that you don't just update your estate plan after reading this, but also speak to the people you care about and hound them to update their wills too.



1. WRONG EXECUTOR – KAREN'S STORY

Karen named her brother – who lived overseas – as the executor of her estate. When she passed, her brother struggled to deal with the South African legal system and tax requirements. It took three years (and thousands of rands in extra legal fees) to wind up her estate, leaving her children frustrated and financially strained.

Lesson: Choose an executor who is both capable and local, or consider a professional executor who understands the law. We have great partners in the will fiduciary space who will be able to take over the burden of an executor from a family member.

2. OUTDATED WILL AFTER DIVORCE – JULIA'S STORY

Julia got divorced but never updated her will. When she died her ex-husband, whom she had been estranged from for years and had left for a very good reason, benefited from her life insurance and inherited a number of assets because she had never amended her will.

Lesson: Always update your will in the event of major life changes such as marriage, divorce, or the birth of children.

3. ASSETS FOR MINORS – JOHAN'S STORY

Johan left a generous inheritance to his two young children but didn't set up a trust. The funds were moved to the Guardian's Fund, a state-managed account, which made it difficult for his sister (who became their guardian) to access money for their school fees and daily needs.

Lesson: Create a testamentary trust in your will to manage funds for minors or vulnerable dependants.

4. PROPERTY DISPUTES – THE THREE SIBLINGS

When their parents passed away, siblings Sipho, Lerato and Tom inherited the family holiday home in equal shares. Sipho wanted to keep it, Lerato wanted to rent it out, and Tom wanted to sell it. The dispute tore the family apart, and the property was sold below market value.

Lesson: Avoid leaving fixed property to multiple heirs; rather consider placing it in a trust for structured management.

5. ESTATE LIQUIDITY – MARIA'S STORY

Maria's estate included a lot of valuable assets – farmland, antiques and property – but almost no cash. Her heirs were forced to sell prized family land at a loss to cover estate taxes, funeral costs and debt.

Lesson: Ensure that your estate has enough liquidity through life insurance or easily accessible funds.

6. TAX TRAPS – MARK'S STORY

Mark, a widower, left his entire estate to his two children. Unfortunately, he had not made provision for the payment of capital gains tax and estate duty. Nearly R5 million of his estate was lost to taxes, leaving far less for his children.

Lesson: Always factor in estate duty and other taxes when doing estate planning. Estate duty, capital gains tax and income tax can potentially be avoided or reduced through proper estate planning. Where tax is payable, provision should be made for sufficient liquid assets to facilitate payment thereof.

7. FORGETTING DIGITAL ASSETS – NALEDI'S STORY

Naledi was an early cryptocurrency investor. When she died, her family had no idea how to access her digital wallets, and her substantial investment was effectively lost.

Lesson: Keep a record of digital assets (like crypto accounts) and social media accounts to ensure that a trusted person knows how to access them securely.

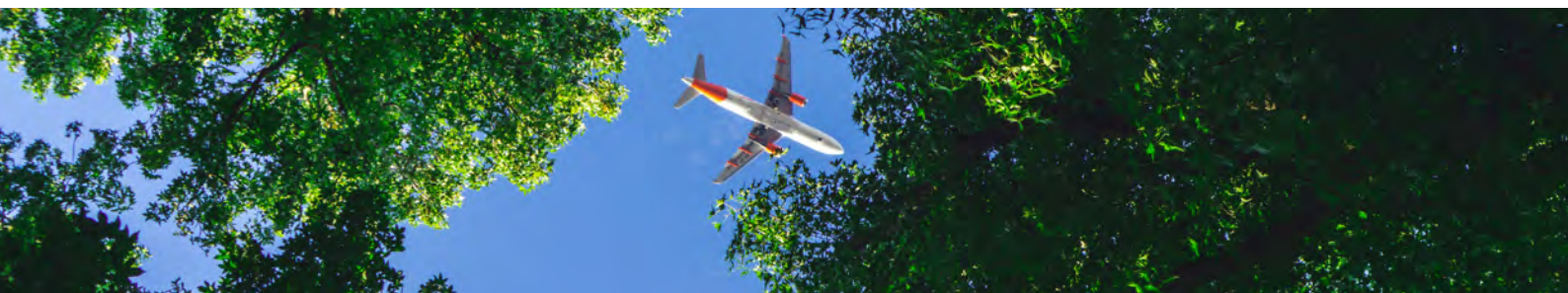
8. IGNORING YOUR MARRIAGE REGIME – SIPHO'S STORY

Sipho was married in community of property, but didn't realise his will could only distribute his half of the estate. His children from his first marriage were left with much less than expected, because he hadn't planned around his wife's 50% ownership of the estate.

Lesson: Make sure that you understand your matrimonial property regime, and plan accordingly. If you are married in community of property, it is important to understand that you are only 50% owner of all the assets in the joint estate. Where you are married out of community of property with inclusion of the accrual system, a calculation needs to be done to ensure that a potential accrual claim can be satisfied on death.

BOTTOM LINE: PROTECT YOUR LEGACY

Each of these stories reflects a common estate planning pitfall that could have been avoided with proper planning. Estate planning isn't just about numbers – it's about people, memories, and peace of mind for your loved ones. At Private Wealth Management, we can assist with your estate planning needs to ensure that risks are mitigated.



THE IMPORTANCE OF A VALID, WELL-DRAFTED WILL

By Charl Coetzer | Financial Planner | PWM Pretoria

A will is a legal document containing your wishes and stipulating how you want your assets to be distributed after your death. However, it is more than just a legal document – in the event of your death, it provides clarity to everyone involved surrounding your wishes, making it easier to wind up your estate and speeding up the process, affording a measure of security for your loved ones.

Estate planning and drafting a valid will are very important aspects of financial planning. If you die without a valid will in place, your estate will be distributed according to the laws of intestacy, which may not align with your intentions. This may result in adverse consequences like unnecessary delays, bitterness, conflict and emotional stress for those you leave behind, who would need to deal with unforeseen and unintended consequences.

HERE ARE THE MOST COMMONLY USED TYPES OF WILLS FOR SOUTH AFRICAN CITIZENS, EACH SUITED TO DIFFERENT CIRCUMSTANCES:

- 1. Simple will** – The most ordinary and regularly used type of will, the provisions of which will be executed after your death. You nominate heirs and an executor, as well as appointing guardians for minor children if necessary. It is usually suitable for people whose estates are relatively straightforward with less complexity, bequeathing their assets to specific people or institutions.
- 2. Joint will** – This document contains the instructions of multiple individuals, most commonly spouses, and outlines their wishes. It may be well suited to couples who wish to coordinate their estate plans, with clear and transparent instructions in line with their mutual wishes.
- 3. Will incorporating a testamentary trust** – Your estate or part thereof is placed in a trust upon your death. Assets are managed by trustees for nominated beneficiaries (usually minors, vulnerable individuals or dependants with special needs). It offers controlled distribution of income or capital over time and is suitable for providing structured and protected inheritances, especially for minors or beneficiaries who need financial guidance and supervision.
- 4. Living will** – This is not a will in the conventional sense. It is a document specifying your medical care preferences, in the event of you not being able to communicate and make decisions anymore due to complications like illness or injury. This document does not focus on the distribution of assets but specifies your near-death or end-of-life medical preferences – such as resuscitation or life support should you become incapacitated. A living will is a valuable tool for end-of-life planning, ensuring that your medical wishes are known and respected.



KEY ELEMENTS WHEN CONSIDERING A WELL-DRAFTED WILL:

1. Testamentary capacity

It is important to note that all legal requirements (for example, that the testator must be of sound mind and that the will must be signed by two competent witnesses etc.) must be satisfied. Non-adherence to these legal requirements may result in the entire will being declared invalid, meaning that your wishes will not be honoured.

2. Executors

It is critical to nominate a capable and trustworthy executor, preferably a professional, to administer your estate, settle debts and distribute assets. Appointing an incompetent executor may cause problems, delays and conflict and may have adverse financial implications.

3. Heirs

Clear identification of your heirs prevents confusion and legal challenges. A well-written will that specifies to whom the assets are to be distributed, minimises potential problems and will protect the testator's wishes from being misinterpreted.

4. Protection of heirs against marital regimes

It is important to stipulate that an inheritance will not be subject to specified marital regimes, in order to protect heirs in the event of a divorce.

5. Guardianship provisions for minors

If you have minor children, it is critical to appoint a trustworthy guardian (and a backup guardian) when drafting your will. This ensures that your children will be cared for by someone you trust, instead of ultimately leaving that decision to a court of law. It will give you peace of mind knowing that in the event of your death, your children will be in the custody of trustworthy people, enabling them to grow up in a good environment with people who love them.

6. Residuary clause

This clause ensures that any assets not specifically bequeathed are still inherited in line with your intentions. In the absence of a residuary clause, unspecified assets may be distributed in terms of the Intestate Succession Act, which might not reflect your wishes.

7. Revocation clause

For the sake of clarity, your will should contain a clause clearly stating that any previous wills are revoked and that the terms of the current will shall prevail, ensuring that your most recent wishes are fulfilled.

By addressing these issues, you will create a will that is not only legally sound but also a clear, straightforward and an actionable expression of your wishes, providing certainty and peace of mind for everyone involved.

Another important aspect of estate planning that is often neglected, is the regular review of a will. As your life circumstances change over time, so may your priorities. Therefore, it is important to update your will to ensure that your wishes are up to date and relevant.



The following events are examples of instances where you should consider updating your will:

1. Change in marital status
2. Change in life stage
3. Birth or death of an heir
4. Increase or decrease in assets or asset values.

The relevant provisions of your will may depend on factors such as the complexity of your estate, your personal circumstances, and your wishes and expectations. Having a valid and well-drafted will in place is to your benefit and could lead to savings in estate duty, capital gains tax and executor's fees. Having your affairs in order also gives you peace of mind, prevents uncertainty and helps those close to you to find comfort during difficult times. It reduces the potential for conflict and disputes in the event of your death and allows your loved ones to focus on grieving instead of worrying about legal issues. It provides clear instructions to follow during a time when emotions run high and making decisions is difficult. For many, this comfort is as important as the legal protection itself.

Ultimately, drafting and regularly updating your will is beneficial for everyone involved, as it ensures that your intentions are honoured, your dependants are protected, and your legacy is preserved in the way you envisioned. It is highly recommendable to speak to a professional when deciding to draft a will – this will guarantee the creation of a valid and practical will that reflects your wishes.

It is estimated that less than 15% of South Africans die with a valid will in place. Ironically, this is something that could easily be avoided. Like the saying goes: "By failing to prepare, you are preparing to fail." Death is not something we like to think about. However, considering the serious ramifications involved when dying without a valid will, it's a no-brainer to ensure you have a well-drafted will in place. This will give you peace of mind that your estate will be distributed according to your wishes and your family's needs are taken care of.

Source: <https://www.pps.co.za/business-brief/less-15-south-africans-have-will-when-they-pass-away>

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COMPANY NEWS

By Michelle Matthews | Portfolio Manager | Old Mutual Wealth Private Clients

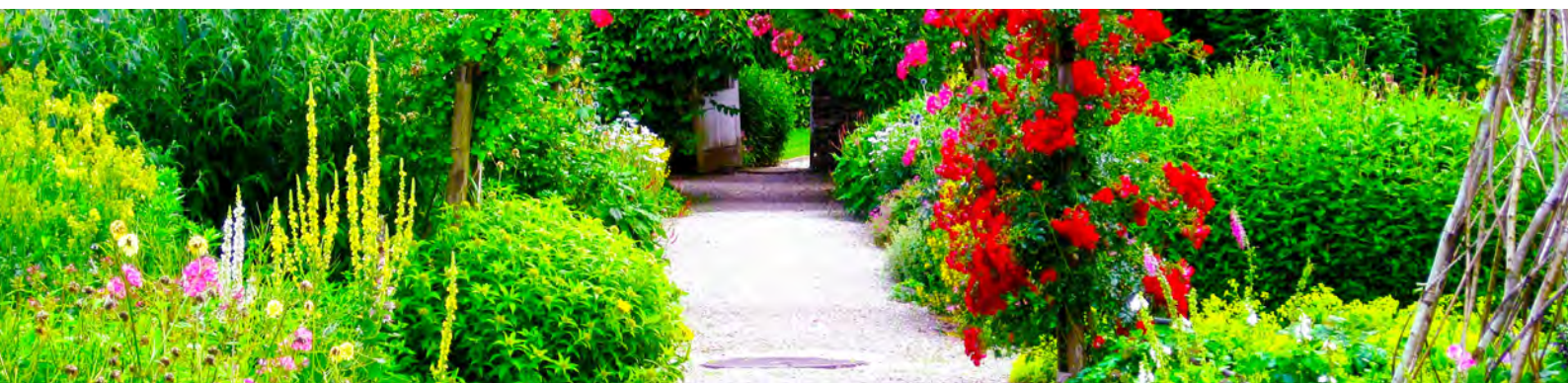


Standard Bank's interim 2025 results exceeded management's initial guidance, with headline earnings per share up 10%, positive jaws# of 60 basis points, and return on equity rising to 19.1% – the best performance since the Global Financial Crisis in 2008. Growth was driven by Corporate and Investment Banking (CIB) and strong performance across the Rest of Africa portfolio, while SA Retail, Business and Commercial Banking remained under pressure. The interim dividend per share rose in line with headline earnings per share (HEPS), up 10% to R8.17. From a macroeconomic perspective, the group expects inflation to continue moderating despite tariff pressures, creating scope for rate cuts. In SA, however, interest rates are expected to remain stable for the remainder of 2025, with the SARB's potential new 3% inflation target adding uncertainty to forecasts beyond 2025. Operating in 21 countries, Standard Bank is Africa's leading financial services provider. We expect the group to maintain its pivotal role in driving economic development across multiple African economies while delivering attractive returns to shareholders.

"Jaws" refers to the Jaws ratio, which is a financial metric that tracks the difference between a bank's rate of revenue growth and its rate of growth in operating expenditure. A positive ratio indicates that revenue is growing faster than operating expenses.



Zoetis delivered strong second-quarter results, with total revenue up 8% organically to US\$2.5 billion. US revenue grew 7% while international operations rose 9%. Sales of both companion animal and livestock grew 8% and 6%, respectively. Operating expenses increased by 5%, primarily driven by a 6% increase in selling and general administration expenses, leading to 10% growth in organic net income. The business remains solid, supported by a durable global portfolio and a steady pipeline of innovative products. Companion animal sales were fuelled by strong demand for Simparica Trio, with the ongoing shift towards triple combinations, making it the fastest growing segment in animal health and dermatology products. Management expects double-digit growth across these categories in 2025. Livestock growth was supported by growth across all core species in the international segment. Notably, growth was primarily underpinned by swine, partly due to tailwinds in China, and vaccine growth in Latin America. Zoetis has a robust portfolio of market-leading, long-lasting products, supported by a strong and direct sales force that drives deeper and faster customer insights. This enables continuous innovation in animal care, supporting the company's growth and leadership position. Backed by industry tailwinds such as rising pet ownership and protein consumption, and underpinned by disciplined capital allocation, Zoetis remains a compelling long-term investment, as reflected in the share price trading below our fair value range.



RUNNING THE WASHIE 100 MILER 161.4 KM

By Stanley Tordiffe | Financial Planner | PWM Cape Town

The Washie 100 Miler (161.4 km) stretches from Cathcart through Stutterheim, the halfway point, to East London.

My fourth Washie finish was epic, brutal, pristine, beautiful, serene, surreal and tough. Finishing in a safe 24 hours 19 minutes, well before the 26-hour cut-off, was my quickest time in a 100 miler.

I only completed just under half of the required 2 000 km of training from the start of the year, yet I knew my body and mind were right. This was my first back-to-back completion of the Washie, having done it last year as well.

What makes this event so special is being the oldest 100 miler in the world, point to point (not a loop or out-and-back course), and its difficulty level. If you know the Eastern Cape, there's not one flat section.

There are only four water points, which serve more as timing checkpoints. The rest is up to the runners' team of seconds, which is compulsory. Unlike the other well-known ultras, where supporters only see their runner a few times, my seconding team is with me the whole way, feeding and hydrating me and willing me on – in fact, whatever it takes to keep their runner going, and alive! They also have their own special spiritual journey under the Washie full moon.

This year, the run took place during the school holidays, meaning I had the privilege of having my family with me the whole time, which was fantastic in creating further family memories.

Over the first 130 km, the valleys typically drop about 100 m over 1-3 km and then climb the same 100 m over the next 1-3 km. And then this keeps repeating until, with 25 km to go, there's a significant descent into East London (by which time my legs were so utterly done, that I couldn't benefit much).

The run starts at a 1 200 m altitude in Cathcart at 17h00 on the Friday evening, fairly quickly climbing to 1 500 m, and eventually finishes at the coast, so there is also the altitude factor to contend with, which would catch up with me around halfway.

Breaking down the 161 km into 4 x 40 km sections, the first 3 quarters I ran fairly evenly. With big hill climbs in the first 16 km, I started conservatively easy, doing the first 40 km (actually 43 km) in the slowest time I have ever done for the first segment of a 100 miler, in 5 hours 30 minutes.

At this stage, I was feeling strong and relaxed, and I had a great few hours ahead of me on the road through the night.

The second segment, which features large rolling hills, took me 5 hours and 40 minutes to complete.

Just before finishing this section and reaching the halfway mark, though, coming into Stutterheim at 03h00 in the morning, the altitude took its toll on me, with nausea and dizziness setting in. Being well ahead of schedule, I took a 6-minute break at the halfway checkpoint, having a cup of coffee to recover.

In hindsight, this break didn't help. Shortly afterwards, as I went out in the main street of Stutterheim, my



dizziness caused me to stumble and trip over my own feet, taking a solid fall. I didn't know which was tougher: falling on the tarmac at the 83 km mark, or having to pick myself up at that stage. I must have looked quite the sight!

I was only just hanging in there until the 90 km mark, when I asked my wife Liesl to prepare me a magnesium fizzy. At this point, though it was too harsh for my body to handle, inducing a solid vomiting session.

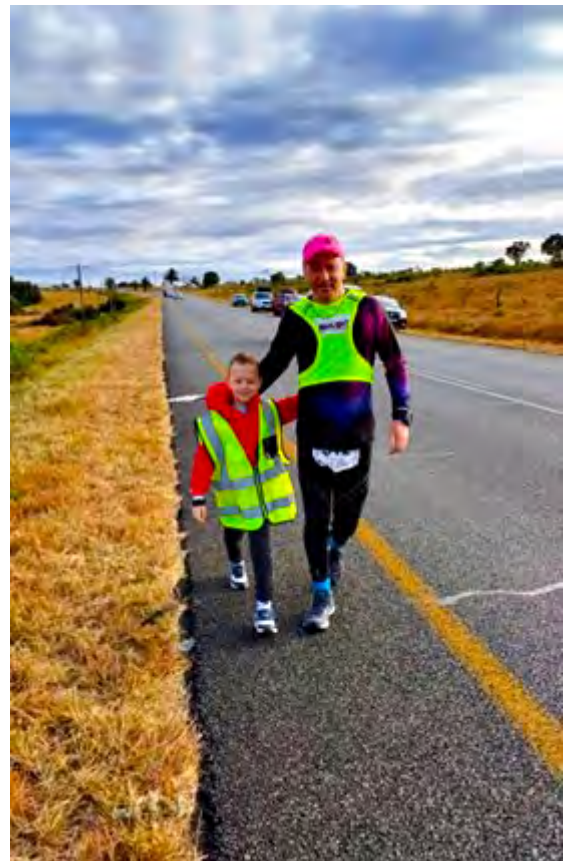
The following three water breaks would consist of flat Coke, and thereafter I could start eating again to recover.

The sunrise, which was glorious for both the runner and his seconds was at the 100 km mark at 07h00, where I refocused, got my second wind, and felt comfortable again, to give it my all for the rest of the day. My seconding team all took chances to run with me, including Liesl, who ran the last 28 km with me.

If Comrades is the "ultimate human race" as it is known, Washie is the "sheer overall journey of experience". It is an extreme privilege to be able to do this.



At 83km halfway mark in Stutterheim, in good time



My son, Keith, now 7 years old, is putting in a 2km shift with me at 125km

FINANCIAL PLANNING AND ULTRARUNNING PARALLELS

Financial planning and ultrarunning have many parallels. Like ultra-running, financial planning is not a short-term sprint, but rather a long-term and, in fact, a life-long commitment.

On this run, I started conservatively slower than ever before on the first segment of 43 km. I was very comfortable from here to the 75 km mark, cruising well. Yet, immediately after this, the wheels came off in the nausea heightened by the severe drop in altitude.

Although I was battling at this stage, I still managed to complete the third segment from 80 km to 120 km in 5 hours 50 minutes. In my mind, I was under a great deal of strain, yet on a relative basis, my best time was recorded during this third segment. I actually did far better than I thought and felt at the time.

I was reminded, almost forcefully, of needing to be patient.

Petulance or impatience is often punished when it comes to investments. We need patience, which is sometimes severely tested.

The plan had to be certain, and it was. I had done this before, and so had the leader of my seconds. She knew what they were all doing, harnessing their various skill levels collectively.

The last 40 km segment from 120 km to 161.4 km was slower, taking just over 7 hours. Yet this was alright, since the compounding effect of doing well earlier was now being emphasised.

My seconds haven't run a 100 miler, and probably never will. However, they knew what was needed and were there for me every step of the way. Sometimes, I required support like other clothes; at other times, I just needed to be loved, and at other times, I needed to be told firmly to chin up.

IN CLOSING

Tiger Woods and Novak Djokovic are widely regarded as legends in their respective sports, golf and tennis. Yet neither of them has a coach who plays as well as they do. Their coaches, however, know how to best optimise their skill sets, where even the most minor changes can make significant differences, often being the difference between winning or not.

At PWM, financial planners coach and guide you through your financial needs. We have done it before and know what is needed. We are watching and mentoring you even when you may not realise it. We are here to support you every step of the way.



My wife and I reflecting at the 135km mark on one of the many up-hills needing much love.



Our finish at the Buffs Club in East London at 17h20



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