

PWM CONNECT

WHERE WEALTH AND LIFESTYLE MEET

WHERE TO NEXT FOR INTEREST RATES?

SEVERE ILLNESS AFTER RETIREMENT: THE
HIDDEN THREAT TO RETIREMENT CAPITAL

A REMARKABLE JOURNEY BY
ONE OF OUR CLIENTS

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A WORD FROM PIETER

Welcome to the third edition of PWM Connect for 2026.

As we approach the final months of the year, it is an ideal time to review your financial plan, particularly your will, beneficiary nominations and broader estate planning arrangements. Ensuring these remain aligned with your circumstances and intentions can provide valuable peace of mind for you and your family.

With South Africa approaching municipal elections and the United States entering another election cycle, there is likely to be increased discussion around economic and policy matters. While such events often attract attention, they also serve as a reminder of the value of maintaining a long-term financial plan focused on your personal goals and objectives.

I am pleased to share that PWM has partnered with LPJ Financial Services, expanding our international financial services offering. This partnership enables us to assist clients with offshore investment transfers, foreign allowances, international property transactions, offshore estate administration and a range of foreign exchange solutions.

We have also decided to strengthen our in-house fiduciary capability, and I am delighted to welcome Alida Brink to the PWM fiduciary team. Alida's extensive experience in estate planning, wills, trusts and deceased estate administration further strengthens our ability to provide specialist fiduciary support to our clients and financial planners.

We trust you will enjoy this edition of PWM Connect and find the insights valuable as you prepare for the year ahead.

Kind regards

Pieter Bester
CEO



WHERE TO NEXT FOR INTEREST RATES?

By Izak Odendaal | Chief Investment Strategist | Symmetry

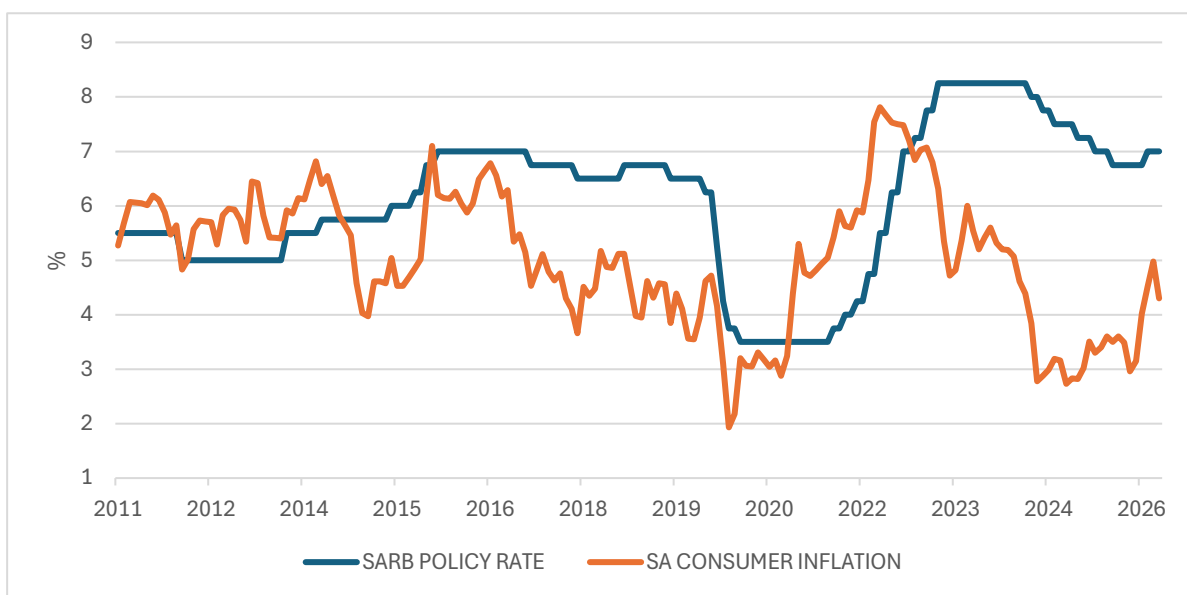
Most of us think our jobs are difficult, at least sometimes. But spare a thought for central bankers who have been navigating their economies through one shock after another in the past few years. From lockdowns to reopening, wars, and US tariffs. The most recent challenge has been the closure of the Strait of Hormuz and on-again, off-again peace talks between the US and Iran. The next crisis could well be a “super” El Niño and associated upward pressure on global food prices.

Central banks are caught between the risk of overreacting to what might be a temporary rise in inflation due to war or drought on the one hand, and the risk of allowing inflation to become entrenched on the other. Many developed market central banks made the latter mistake in 2021 and 2022 by not responding quickly enough to the post-pandemic global inflation surge.

So far, the major central banks have moved cautiously in response to renewed inflationary pressures. In recent weeks, the Bank of England and Bank of Canada kept rates unchanged, while the Bank of Japan, European Central Bank and the US Federal Reserve raised rates by 25 bps. The South African Reserve Bank's Monetary Policy Committee (MPC) hiked in May but the market was surprised when the MPC held its policy rate (formerly known as the repo rate) at 7.0% at the July meeting.

However, unlike these other central banks, the SA Reserve Bank (SARB) had a favourable starting point before the war broke out. The first step towards containing inflation is to lift the policy rate above the inflation rate. This discourages fresh borrowing and raises the cost of existing debt, thereby slowing economic activity and making it difficult for firms to raise prices. The SARB's policy rate was already elevated relative to inflation (i.e. it was positive in real terms) at the start of the year, as chart 1 shows. This will remain the case even if inflation rises further, which is unlikely. June's 5% inflation reading was probably the peak in the cycle. July's inflation rate was already a bit lower at 4.3%. Inflation will probably hover around 4% for the next few months before drifting lower towards 3% next year. Importantly, inflation refers to the rate of change in prices. Lower inflation does not equal lower prices; it equals slower price increases.

CHART 1: SA INFLATION AND INTEREST RATES



SOURCE: LSEG DATASTREAM



NO PAIN, NO GAIN

The SARB remains committed to achieving its 3% inflation target. Successful inflation targeting doesn't mean the target will be achieved every month or quarter. Rather, it means that if inflation is knocked off course, it will eventually return to target since companies become unwilling or unable to keep raising prices, and workers do not keep pushing for higher wages. Central banks can do nothing about a supply shock like food or fuel price spikes, but they can prevent these from spilling over into the prices of other goods and services.

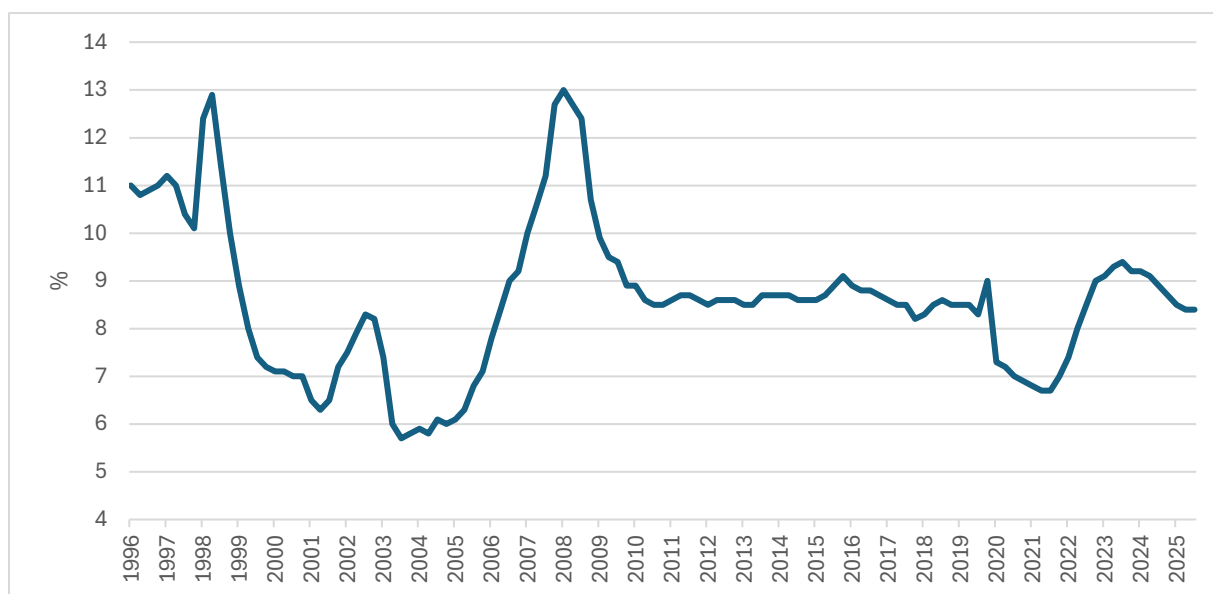
Many people remain sceptical that South Africa can get to 3% inflation on a sustained basis. After all, administered prices keep rising rapidly, while food and fuel prices are always volatile. However, when the 3% – 6% [R1.1]inflation target was first introduced in 2000, there was also widespread disbelief since the experience over the previous three decades was of persistent double-digit inflation. Nonetheless, inflation did subsequently move towards this target range.

While it may be a case of some short-term pain for long-term gain, the benefits for the broader economy will not only be lower interest rates (eventually), but also a more competitive economy and more stable exchange rate.

At the time of writing, the market was still pricing in further rate hikes, but it will depend on how the inflation and growth outlook evolves over the next few weeks. The September MPC meeting can go either way, but as we head into 2027, the conversation is likely to turn to rate cuts. More importantly, whether there is another increase or not, this cycle will be muted compared to past interest rate cycles.

Therefore, the impact on household finances should be limited. SARB data shows that households' cost of servicing debt relative to disposable income was 8.4% in the first quarter, broadly in line with its average level of the past decade. In other words, while many individual families struggle with indebtedness, there is no crisis at an aggregate level.

CHART 2: HOUSEHOLD DEBT SERVICE PAYMENTS AS A SHARE OF DISPOSABLE INCOME



SOURCE: LSEG DATASTREAM

So far, the domestic economy has handled the global energy price shock reasonably well. It helps, for instance, that even though South Africa is spending much more on importing crude oil and fuel, this is exceeded by an even bigger increase in overall export revenues thanks to elevated gold and platinum prices. So, unlike some other countries, it did not experience a balance of payments shock from higher oil prices. The trade surplus for the full six months was R109bn, up from R81bn over the same period in 2025, according to SARS data.

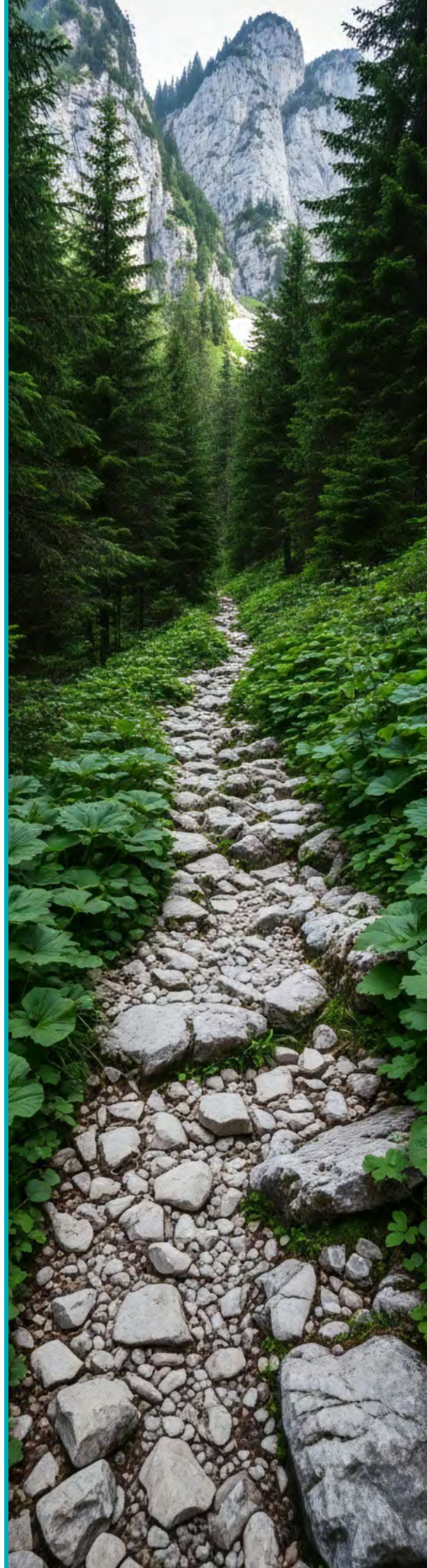


However, despite historically high precious metals prices, the latest mining production data from Stats SA shows that the long-term stagnation of South African mining output continues as the industry battles regulatory uncertainty, logistical bottlenecks and expensive electricity. The surge in mining sales income is entirely due to price changes, as volumes have been broadly flat over the past decade. Nonetheless, it has contributed to a better fiscal outcome over the past year. This in turn helped to fund a temporary reduction in the fuel levy, offering a cushion against the fuel price shock in the second quarter. The improvement in Government's finances has been recognised by the major ratings agencies.

While consumer spending is likely to take some strain, July's new vehicle sales numbers were robust. Sales of passenger cars were 12.5% higher than last year's level, according to industry body Naamsa. People only buy cars if they are confident about the economy, and if banks are willing to advance them credit, as most cars are bought on credit.

However, the longer-term economic outlook does not depend on consumer spending, but on whether the country can fix its infrastructure, increase private investment and improve the ease of doing business. There is evidence that this is gradually moving in the right direction. The recent announcement of a private sector concession to manage a part of the port of Cape Town – considered to be the worst-performing major port in Africa – is an example. A similar concession at the port of Durban is already bearing fruit.

From an investor's point of view, this means economic fundamentals are improving, while a structural shift to lower inflation and interest rates over time should result in a rerating of domestic asset classes. Since local equities, bonds and property trade at reasonable valuations, the prospects for decent real returns over time remains.



WILLS AND ESTATE PLANNING

MORE THAN AN INHERITANCE

BUILDING A LASTING LEGACY

Why a valid, up-to-date will is one of the most important stewardship documents you may ever sign

By Jurie de Kock | Certified Financial Planner® | PWM Cape Town
Assisted by Danja Meyer | Associate Financial Planner

“The goal of estate planning is not simply to transfer assets. It is to transfer assets, responsibility and opportunities in a way that strengthens future generations.”

A few years ago, I sat across the table from a successful businessman who had spent decades building wealth.

He owned property, had substantial investments, carried no debt, and had worked hard to create opportunities for his family that he himself never had.

As we worked through his estate planning, I asked a simple question that changed the conversation:

What would happen if you were not here tomorrow?

He immediately started listing assets: the house, the investment portfolio, the life policies and the business interests. But then the conversation shifted. Who would look after the children? Who would make financial decisions on their behalf? Would the family know what he wanted? Would there be enough cash available in the estate? Would the wealth he had spent a lifetime building help his family, or create uncertainty and conflict?

The discussion quickly became about far more than money. It became about responsibility, and legacy. And it became clear that a will is not simply a legal document. It may be one of the most important stewardship documents a person ever signs.



ESTATE PLANNING AT A GLANCE

CLARITY	PROTECTION	LIQUIDITY	LEGACY
Who receives what, who administers the estate, and what instructions should be followed.	Guardianship, testamentary trusts, beneficiary nominations, and protection for vulnerable heirs.	Enough cash to take care of loved ones, settle debts, taxes and costs without forcing the sale of important assets.	A plan that transfers not only assets, but values, responsibility and opportunity.

WE ARE TEMPORARY OWNERS

Most of us spend a lifetime accumulating assets. We buy homes, build businesses, save for retirement and invest for the future.

Yet one day, every one of us will pass those assets to someone else.

Estate planning reminds us of an important principle: wealth is never truly permanent. We are simply entrusted with managing it for a season.

“The question is not whether wealth will transfer. The question is whether it will transfer intentionally.”

Without proper planning, even a well-structured estate can face unnecessary delays, costs, taxes and disputes. Families can be left making difficult decisions during an already tough emotional time.

A properly drafted will brings clarity when clarity is needed most. It allows you to decide:

- Who will inherit your assets
- Who will administer your estate

- Who should care for your minor children
- Whether a testamentary trust should be established
- How family assets should be handled
- How wealth should ultimately flow to future generations

Every will tells a story. It reflects priorities, relationships, values and intentions.

THE HIDDEN RISK FACING YOUNG FAMILIES

The other day, I met with a couple in their thirties. They had done almost everything right. They had bought a home, built a healthy emergency fund, contributed to retirement savings and started investing for their children's future.

When we reviewed their estate planning, I asked a simple question: If something happened to both of you tomorrow, who would look after the children?

They looked at each other. Neither was completely sure. They had spoken about it over the years, but nothing had been formally documented.

What was missing?

No valid will. No nominated guardian. No testamentary trust. No clear instructions for their family.

What struck me was that they had spent years carefully planning for their children's future, yet the most important questions had never been recorded anywhere.

Fortunately, they had time to put the correct structures in place. But that conversation highlighted something many families overlook.

"The greatest gift a will provides is not financial. It is clarity for the people you love."

Estate planning is not primarily about protecting wealth. It is about protecting people.

A properly drafted will allows parents to continue caring for their children even when they are no longer here. It creates structure, direction and protection for those left behind and helps prevent uncertainty during an already difficult time.

PREPARING HEIRS, NOT JUST ASSETS

One of the most common misconceptions in estate planning is that success is measured by the size of an inheritance. In reality, the most successful wealth transfers are rarely about money alone.

Two families, two very different outcomes

One family leaves a substantial inheritance but never discusses money, values or responsibility. Another family intentionally involves the next generation in conversations about stewardship, generosity and decision-making.

Which inheritance is more likely to have a lasting impact?

Research consistently shows that family wealth often disappears within a few generations. The reason is seldom poor investment performance. More often, it is a lack of communication, preparation and shared family values.



As financial planners, we encourage families to think beyond the transfer of assets and focus on the transfer of wisdom as well.

To establish a successful estate plan, the following questions should also be addressed:

- Do my heirs understand the responsibility that comes with this wealth?
- Are they prepared to manage it wisely?
- Does this inheritance align with the family’s values?
- Have I provided enough guidance to help future generations make good decisions?

Wealth can create opportunities, but wisdom and stewardship ultimately determine what people do with those opportunities.

“The goal is not merely to leave an inheritance. The goal is to leave future generations in a stronger position than they would otherwise have been.”

That is true legacy.

ALIGNING THE PIECES

A will is only one element of a broader estate plan. Other elements playing a role include retirement funds, beneficiary nominations, living annuities, life cover, offshore assets, discretionary investments and property ownership structures.

One of the most common planning challenges occurs when there is significant wealth on paper but insufficient liquidity available in the estate. In these circumstances, families may be forced to sell assets simply to be able to settle taxes, debts or administration costs.

A well-structured estate plan helps ensure that your will, investments, beneficiary nominations and estate liquidity all work together to achieve your objectives.

THE PIECES THAT SHOULD WORK TOGETHER

Will	Beneficiaries	Investments	Liquidity	Family goals
Your instruction manual	Who receive proceeds directly	How wealth is structured	Cash to cover costs, debts and taxes	The purpose behind the plan



FINAL THOUGHTS

A will is not about preparing for death. It is about caring for the people who continue living. It is about creating clarity instead of confusion. Order instead of uncertainty. Opportunity instead of unnecessary complexity.

Ultimately, proper estate planning is an act of stewardship. It recognises that the wealth we build during our lifetime should continue to serve the people and purposes that matter most long after we are gone.

The question is not whether your wealth will one day transfer to the next generation. The question is whether you have a plan in place to ensure it happens the way you intended.

WHEN LAST DID YOU REVIEW YOUR WILL?

Marriage, divorce, children, property transactions, business interests, inheritances and changes in your financial circumstances can all affect your estate plan.

LIFE EVENT	WHY IT MATTERS	REVIEW ACTION
Marriage or divorce	Your heirs, marital regime and estate duty position may change.	Update your will, beneficiaries and liquidity plan.
Birth or adoption of a child	Guardianship and child trust planning become essential.	Nominate guardians and consider a testamentary trust.
Purchase or sale of property	Property can affect liquidity, debt and inheritance planning.	Check ownership, bond cover and estate cash flow.
Business interests	Succession and continuity may require specific instructions.	Review shareholders' agreements and relevant business assurance structures, including buy-and-sell cover where applicable.
New offshore assets	Different jurisdictions may create complexity.	Confirm whether a local or an offshore will is required.
Major investment changes	Beneficiary nominations and product structures may change.	Align your will, policies, retirement funds and investments.

Next step

Speak to your PWM Financial Planner to review your will, beneficiary nominations and overall estate structure to ensure they remain aligned with your wishes and your family's future.



SEVERE ILLNESS AFTER RETIREMENT: THE HIDDEN THREAT TO RETIREMENT CAPITAL

By Danie van der Merwe | Financial Planner | PWM Rustenburg

Most retirement plans are built around a familiar question: “Will my capital produce enough income for the rest of my life?” That is the right starting point, but not the only question to address. A severe illness can change a retiree’s financial position almost overnight, especially in the absence of severe illness, dread disease or critical illness cover and sufficient liquidity.

Before retirement, severe illness usually creates two financial risks: medical costs and loss of income. After retirement, the risk scenario changes. The retiree may no longer need to replace a salary, but the illness can place immediate pressure on retirement capital, monthly pension income, medical aid benefits, family support structures and long-term care arrangements. In many cases, the biggest financial shock is not felt when the diagnosis is made, but in the months or years of care that follow.

WHY SEVERE ILLNESS AFTER RETIREMENT IS DIFFERENT

During working years, severe illness cover is often used to protect an individual’s income, pay for treatment shortfalls, settle debts or fund lifestyle adjustments while they recover. After retirement, many clients believe the need for this type of cover falls away because they are no longer earning a salary. This is a dangerous assumption.

In retirement, the financial impact of illness often comes from four areas:

- 1. Direct medical expenses:** Medical aid may cover many hospital and treatment costs, but co-payments, oncology limits, specialist shortfalls, chronic medication, non-formulary drugs, rehabilitation, travel to treatment centres and assistive devices can still involve material out-of-pocket costs.
- 2. Lifestyle and home adjustment costs:** A stroke, heart attack, advanced cancer diagnosis, Parkinson’s disease, dementia, severe arthritis or loss of mobility may require wheelchair access, bathroom alterations, a hospital bed, oxygen equipment, mobility aids, home nursing, transport assistance or vehicle adaptations.
- 3. The need for care:** A spouse or family member may initially assist, but over time the retiree may need a caregiver at home, assisted living, step-down care after hospitalisation, or full-time frail care.
- 4. Investment pressure:** Funding these costs by selling investments or increasing living annuity withdrawals may permanently reduce the capital base from which future income must be drawn.

This is the core issue: retirement capital is usually designed to provide income over many years – seldom structured to absorb a sudden, large, unforeseen healthcare or related cost event.

THE DANGER OF INSUFFICIENT LIQUID CAPITAL

Many retirees appear financially secure on paper because they own a home, have retirement capital and receive a monthly pension or living annuity income. However, their wealth may not be liquid.

A home provides shelter and emotional security, but it cannot easily pay for a caregiver next month. Retirement capital invested in a living or conventional annuity is also not freely accessible as a lump sum. The retiree may only draw an income within prescribed limits. If a large amount of cash is needed quickly, the retiree may have very few options.

This can force difficult decisions – e.g. selling discretionary investments during a market downturn; increasing the living annuity drawdown rate; relying on children or family members; using credit; cancelling medical aid or gap cover; moving to a cheaper care facility; or selling the family home under pressure.

Liquidity is therefore not a luxury in retirement planning. It is a risk management tool. A retirement plan should include accessible capital for emergencies, medical shortfalls and care needs, separate from the income-producing portfolio.



LIVING ANNUITIES AND THE CAPITAL EROSION PROBLEM

A living annuity gives retirees flexibility and investment choice, but it also places longevity and investment risk on the retiree. The income is not guaranteed for life. It depends on the capital value, investment returns, fees, inflation and the selected drawdown rate.

When a retiree is healthy, a carefully selected drawdown rate may be sustainable. But severe illness can disrupt the plan. If monthly expenses rise sharply because of care costs, the retiree may be tempted to increase the drawdown rate. This may solve the immediate cash flow problem but can create a longer-term capital problem.

For example, let's assume a retiree has R4 million in a living annuity and draws 5% per year, or about R200,000 per year before tax. This may support a modest retirement lifestyle. If frail care or home care adds R25,000 to R40,000 per month, the additional annual cost could be R300,000 to R480,000. The required income could more than double.

If the retiree increases withdrawals significantly, the portfolio has less capital left to recover after market declines or to provide future income. If investment returns are poor at the same time, the damage can be permanent. This is known as sequence-of-return risk: withdrawing heavily during weak markets can shorten the life of the portfolio.

The practical lesson is simple: a living annuity should not be the only funding source for severe illness and frail care. It is an income vehicle, not a medical emergency fund.

WHAT FRAIL CARE INCLUDES, AND WHY IT IS SO EXPENSIVE

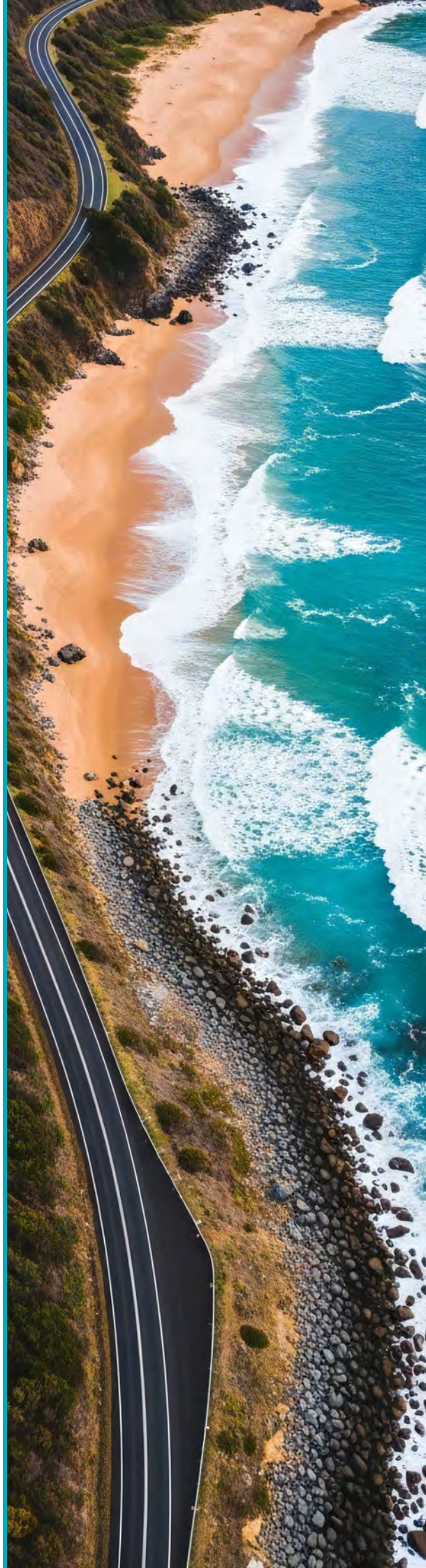
Frail care is residential or intensive care for people who can no longer manage daily activities independently. This may include help with bathing, dressing, eating, toileting, moving safely, medication management and ongoing nursing supervision.

Frail care costs vary widely depending on the facility, location and level of care required. Basic or subsidised care may be cheaper but is often limited and subject to waiting lists. Private frail care, especially in urban areas or higher-acuity facilities, can cost tens of thousands of rand per month.

Typical frail care costs may include: accommodation; meals; laundry; 24-hour supervision; nursing care; care workers; medication administration; assistance with bathing and dressing; wound care; dementia or Alzheimer's supervision; continence care; physiotherapy or occupational therapy; emergency response; cleaning; electricity; and administration fees.

However, families should not assume that one monthly fee covers everything. Additional costs may include: doctor's visits; specialist consultations; chronic medication; nappies or continence products; wound dressings; physiotherapy; occupational therapy; speech therapy; transport to medical appointments; oxygen; medical equipment; personal toiletries; hair care; special diets; private caregiver top-ups; and once-off admission or assessment fees.

This is why frail care can quickly become unaffordable for a retiree who depends only on a monthly pension or living annuity income.



THE PRESSURE ON A MONTHLY PENSION OR ANNUITY INCOME

A guaranteed pension or life annuity may provide stable monthly income, but the income may not be enough to absorb major care costs. A living annuity provides flexibility, but increasing income can reduce future capital. In both cases, the problem is the same: frail care is a large monthly expense that may rise faster than normal living costs.

Consider a retiree receiving R25,000 per month from a pension or living annuity. If full-time frail care costs R30,000 per month, the care cost alone may exceed the retiree's total monthly income. This does not include medical aid, gap cover, medication, personal expenses, spouse's living costs, levies, utilities, insurance or tax.

Where a married couple is involved, the pressure can be even greater. One spouse may need frail care while the other still needs income to live independently. If all available retirement income is redirected to the ill spouse's care, the healthy spouse's financial security may be compromised.

As one of the most overlooked retirement risks, severe illness can financially affect two people, even when only one person is ill.

SEVERE ILLNESS COVER AFTER RETIREMENT

Severe illness cover, also called critical illness or dread disease cover, generally pays a lump sum when the insured person suffers a specified illness or medical event that meets the policy definitions and severity criteria. The conditions and payout levels differ between insurers, so clients should review the definitions carefully.

The greatest value of severe illness cover after retirement does not lie in replacing a salary, but providing cash exactly when the retiree may need liquidity most.

A lump sum can be used to: cover medical aid shortfalls; pay for treatment not fully covered by medical aid; fund rehabilitation; make adaptations to the home; pay for a caregiver; fund transport to treatment facilities; reduce debt; pay for temporary step-down care; protect the living annuity from excessive withdrawals; or provide financial breathing room while the family makes longer-term care decisions.

The challenge is that severe illness cover becomes more expensive with age and may not be available after health has deteriorated. This means clients should not wait until retirement to consider it. The best time to structure this protection is usually before retirement, while the client is still insurable and premiums are more manageable.



BEFORE RETIREMENT: PROTECT THE BALANCE SHEET

Prior to retirement, clients should consider severe illness cover as part of their broader risk plan. The objective is not only to survive the illness, but to prevent it from compromising the retirement plan.

Recommended actions prior to retirement include:

- Reviewing severe illness cover at least 10 years before retirement. The cover amount should be linked to likely medical shortfalls, debt, emergency capital and possible lifestyle adjustment costs.
- Building a dedicated healthcare reserve. This should be separate from normal emergency savings and separate from retirement income capital.
- Reducing debt before retirement. Bond repayments, vehicle finance and credit commitments reduce flexibility when illness strikes.
- Protecting retirement contributions. A severe illness in the final working years can interrupt saving for retirement at the worst possible time.
- Reviewing medical aid and gap cover annually. Clients should understand oncology benefits, hospital networks, co-payments, specialist reimbursement rates and chronic medication rules.
- Discussing care preferences early. Family members should know whether the client would prefer home care, assisted living or residential frail care if independence declines.

AFTER RETIREMENT: PROTECT INCOME, LIQUIDITY AND DIGNITY

After retirement, the focus shifts from wealth accumulation to income sustainability, liquidity and care planning.

Retirees should keep a liquid reserve for unexpected healthcare and related costs. This can be held in bank deposits, money market funds or other conservative discretionary investments. The reserve should not be exposed to high market volatility because it may be needed at short notice.

Retirees with living annuities should avoid relying on the maximum drawdown rate as a long-term solution. A high drawdown rate may be necessary in a crisis, but it should trigger a full review of the plan, not become the default.

Clients should consider ring-fencing discretionary capital for future care. This may include a separate "late-life care fund" that is not used for holidays, vehicle upgrades or family loans.

Families should obtain realistic frail care quotes before a crisis. Waiting until hospital discharge often leaves little or no time to compare facilities, understand contracts or negotiate costs.

Retirees should review estate planning documents. A valid will, updated beneficiary nominations, a living will, and appropriate powers of attorney or curatorship planning can reduce stress when decision-making capacity declines.



PRACTICAL RECOMMENDATIONS FOR CLIENTS

A strong retirement plan should include five layers of protection:

1. Medical aid and gap cover: These help manage treatment costs but should not be mistaken for long-term care funding.
2. Liquidity: Retirees should have accessible capital for emergencies, medical shortfalls and care transitions.
3. Severe illness cover (where available and affordable): This can provide a lump sum to protect retirement capital from sudden withdrawals.
4. Sustainable retirement income: Living annuity drawdowns should be reviewed annually, and the impact of higher withdrawals should be modelled before changes are made.
5. A frail care plan: Clients should understand the likely monthly cost of care, what is included, what is excluded and how long the capital could support those costs.

QUESTIONS EVERY RETIREE SHOULD ASK

Clients should be encouraged to ask:

- What would happen if I needed R300,000 to R500,000 for medical shortfalls, rehabilitation or home adjustments?
- Would my spouse still be able to live comfortably if I needed full-time care?
- How long would my retirement capital last if frail care costs R25,000 to R40,000 per month?
- Do I have enough liquid capital outside my living annuity?
- Would increasing my living annuity drawdown solve the problem or simply delay a bigger one?
- Do I still qualify for severe illness cover, and is it affordable?
- Do my children know my care preferences and where to find my financial documents?

CONCLUSION

Being diagnosed with a severe illness after retirement can be one of the greatest threats to retirement capital. It can turn a sustainable income plan into a liquidity crisis, especially where the retiree has no severe illness cover, limited discretionary savings and depends mainly on a monthly pension or living annuity income.

The goal of planning is not to predict every illness or every cost, but to build flexibility before the crisis arrives. Clients who plan for healthcare shocks, frail care costs and liquidity needs are more likely to preserve their retirement capital, protect their family and maintain dignity in later life.

Retirement planning should therefore ask more than, “Can I retire?” It should also ask, “What happens to my plan if I become seriously ill?”

**Sources available on request.*

Disclaimer:

This communication is for information purposes only and does not constitute financial advice in any way or form. It is important to consult a financial planner to receive financial advice before acting on any information contained herein.



A CLIENT JOURNEY: DRIVEN BY PURPOSE

A REMARKABLE JOURNEY BY ONE OF OUR CLIENTS

A PURPOSE WORTH SUPPORTING

Every client has a story.

Sometimes, through the relationships we build with our clients, we are privileged to see those stories develop in ways that extend far beyond the financial matters that originally brought us together.

One such story is that of Arrie Rautenbach, one of our clients.

In mid-2024, Arrie was diagnosed with Parkinson's disease. It was a life-changing diagnosis that required him to reconsider his lifestyle, his priorities and what he wanted the next chapter of his life to represent.

He could not change the diagnosis. But he could decide how he would respond to it.

That decision has developed into a remarkable journey.

FINDING A NEW DIRECTION

Arrie's journey did not start with an extraordinary bicycle ride of 4 000 kilometres. It started more quietly, with a pilgrimage – a time to cycle, reflect and process the significant change that had taken place in his life. Physical activity, and particularly cycling, increasingly became part of his response to Parkinson's. It became a way of remaining active and strong, but also a means of setting new goals, finding renewed purpose and supporting causes bigger than himself.

During 2025, Arrie joined former Springbok Joel Stransky on the Sea to See Hope Ride, a cycling journey of approximately 2 500 kilometres from Durban, across South Africa and through Namibia to Swakopmund. The purpose of the ride was to raise funds to help provide eye care and restore sight to children who would otherwise have limited access to these services.

Earlier this year, Arrie took on yet another formidable challenge by participating in the Race Across South Africa (RASA), a part of the Freedom Challenge.

But an even bigger dream was waiting.



MORE THAN 4 000 KILOMETRES TO THE NORTH CAPE

In 2026, Arrie set out on the NorthCape4000, a self-supported ultra-distance cycling challenge stretching from Rovereto in northern Italy all the way to the North Cape of Norway.

After 21 days on the road, Arrie reached his destination, having cycled 4 062,5 kilometres across eight countries, climbing more than 30 000 metres and completing more than 661 000 pedal strokes.

It is an extraordinary physical achievement for anyone.

For someone living with Parkinson's, it carries an even deeper meaning.

The journey was never simply about reaching the North Cape. It became an opportunity to change the conversation around Parkinson's and demonstrate that a life-changing diagnosis may change the road ahead without necessarily removing one's ability to dream, set goals, contribute and find purpose.

As Arrie himself has reflected: "Parkinson's does not always accommodate your plans – sometimes you have to adjust."

That message extends well beyond cycling and Parkinson's. Circumstances change. Plans change. Sometimes our dreams need to change as well. But that does not mean that we stop dreaming.

TURNING A PERSONAL JOURNEY INTO A GREATER PURPOSE

Out of Arrie's experience came another important idea: to create something that could help other South Africans affected by Parkinson's.

Nantes Veldtman, a PWM financial planner, joined hands with Arrie and Arrie's close friend, Alex Darko, to establish the Arrie Rautenbach Parkinson's Foundation.

What began with one person's diagnosis has subsequently developed into something with the potential to reach many others.

The foundation is working towards building a stronger national platform for Parkinson's in South Africa, with a focus on awareness and education, earlier diagnosis, research, and support for patients and their caregivers.

It is another example of what can happen when people choose not simply to observe someone else's journey, but to get involved in it.

OUR OWN SMALL PART IN THE JOURNEY

Private Wealth Management has also had the opportunity to support Arrie in his journey.

During the NorthCape4000, Arrie cycled in jerseys branded by Private Wealth Management, representing our support for Arrie, his initiative and the cause for which he was riding.

It may seem like a relatively small gesture when compared with cycling more than 4 000 kilometres across Europe.



But perhaps that is exactly the point.
Not all of us can cycle 4 000 kilometres.
Not all of us will establish a foundation.
And we do not need to.

WE CAN ALL PLAY A PART

Behind almost every significant dream or achievement are people who, in one way or another, decided to get involved. Sometimes that support is financial. Sometimes it is professional expertise. It could be an introduction, opening a door, sharing a message, attending an event, offering encouragement or simply asking: "How can I help?" The contribution does not have to be big to matter.

As individuals and colleagues, we encounter people every day who are pursuing dreams and goals, facing unexpected circumstances, or trying to turn a difficult chapter of their lives into something meaningful. Arrie's story reminds us that we have an opportunity to do more than simply observe those journeys. We can choose to become part of them.

A life-changing diagnosis caused Arrie to reconsider his priorities and purpose. His response was not to stop dreaming, but to create new dreams – dreams

that now extend beyond himself and have the potential to positively affect many other people living with Parkinson's.

Perhaps there is a simple challenge in his story for all of us: When someone around us has a dream, a goal or a cause worth pursuing, is there some small way in which we can help? Because sometimes a small contribution, offered at the right moment, can help someone travel a very long way.

READ MORE ABOUT ARRIE'S JOURNEY

For more about Arrie, his Parkinson's journey and the NorthCape4000 challenge:

Arrie Rautenbach Parkinson's Foundation

The website of the foundation provides Arrie's story, its purpose and information about how people can become involved.

[Visit the Arrie Rautenbach Parkinson's Foundation](#)

Good Things Guy – Arrie completes the NorthCape4000

Coverage of Arrie reaching the North Cape after 4 062,5 kilometres, eight countries and more than 661 000 pedal strokes.

[Read the Good Things Guy article](#)

041Online – 4 062 km, eight countries and Parkinson's

A detailed account of the challenges Arrie experienced during the ride and the broader message behind his journey.

[Read the 041Online feature](#)

LinkedIn – The Parkinson's nobody sees

A detailed reflection on some of the less visible realities Arrie experienced while completing the NorthCape4000.

[Read The Parkinson's Nobody Sees](#)

Sea to See Hope Ride with Joel Stransky

Background to the 2025 charity ride in which Arrie joined Joel Stransky and the LumoHawk Foundation team.

[Read about the Sea to See Hope Ride](#)



COMPANY NEWS

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



Both parent company, Naspers, and its subsidiary, Prosus, delivered solid full-year 2026 performances. Naspers reported a 51% revenue increase to US\$10.8bn, a 24% increase in core headline earnings and free cash flow improving by US\$522m. Prosus reported a 57% increase in revenue to US\$9.7bn, a 24% rise in core headline earnings per share and a US\$493m improvement in free cash flow. Through Prosus, the group continued to strengthen its ecosystem through the acquisitions of Despegar and Just Eat Takeaway, while disposing of non-core assets to simplify the portfolio. Management has positioned full-year 2027 to be an investment year, with increased spending to support growth across its key platforms.

Naspers and Prosus continue to trade at a meaningful discount to both net asset value and the value of the Tencent stake. While the group's underlying businesses continue to improve profitability and cash generation, the current valuation remains attractive relative to its underlying assets.



Valterra Platinum delivered a strong first-half 2026 result, with revenue increasing by 93% year-on-year and EBITDA of R33.4bn exceeding expectations. Higher PGM sales volumes, the operational recovery at Amandelbult and disciplined cost control supported strong cash generation, allowing the group to declare an interim dividend of R57 per share. Management maintained full-year production guidance of 3.0 to 3.4 million ounces. While cash unit costs are expected to finish towards the upper end of the R19,000 – R20,000/oz guidance range, all-in sustaining cost guidance remains unchanged. Supported by a strong balance sheet, disciplined capital allocation and continued operational improvement, Valterra Platinum remains well positioned to create long-term shareholder value.



Alphabet delivered another strong quarter, with revenue increasing by 24% and Google Cloud revenue surging 82% to US\$24.8bn. Google Search, YouTube and Cloud all continued to deliver robust growth. Management remains exceptionally bullish on the group's AI opportunity and is accelerating investment to meet strong demand. Capital expenditure doubled to US\$44.9bn during the quarter, while full-year 2026 capex guidance was increased to US\$195bn – US\$205bn (up from US\$180bn – US\$190bn). Management reiterated that these investments continue to be assessed under a strict return on invested capital (ROIC) framework. Despite the strong quarterly results, the share declined as investors become increasingly concerned about the pace, scale and potential returns of AI-related spending by hyperscalers. Alphabet retains a strong balance sheet, ending the quarter with a net cash position of US\$144bn. Management continues to see significant long-term growth opportunities driven by advances in AI.





Danaher delivered a mixed second-quarter result, with revenue increasing by 5.5% to US\$6.27bn and adjusted earnings per share rising 8% to US\$1.94, both ahead of expectations. Management increased full-year adjusted EPS guidance to US\$8.45 -- US\$8.60, from US\$8.35 -- US\$8.55, while narrowing core revenue growth guidance to 3% -- 4%. During the quarter, Danaher concluded its US\$10bn acquisition of Masimo's patient monitoring business. The acquisition is expected to be immediately earnings accretive, contributing around US\$0.07 per share for the remainder of 2026. Despite the acquisition, Danaher's balance sheet retains capacity for further acquisitions, aided by the group's strong free cash flow generation.

NETFLIX

Netflix reported mixed second-quarter results, with revenue increasing by 13.4% while earnings per share exceeded expectations by 2.5%. Although management reaffirmed full-year guidance, weaker-than-expected third-quarter guidance weighed on investor sentiment. Management expects content spending to grow more slowly than revenue, supporting continued margin expansion and stronger free cash flow. However, investors are looking for a new growth catalyst beyond live sports, advertising and gaming, and the latest results did little to change that view. With the share price having weakened over the past month and following the results, we believe the risk-reward ratio is becoming increasingly attractive. We remain confident in Netflix's long-term growth prospects.



Meta reported second-quarter headline earnings below expectations after one-off legal and restructuring charges affected the quarter. Excluding these items, underlying profitability remained strong, with revenue continuing to grow by more than 20%. Management continues to invest heavily in AI while expecting operating income to remain above 2025 levels. Meta's scale, cash generation and AI leadership continue to support its long-term growth outlook.





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