New Personal Trust Directors

10 years since the launch of two Funds

Tough times ... Tough decisions

The keyboard is mightier than the sword

World Economic Forum
PERSONAL TRUST – VALUE PROPOSITION

To provide personal, professional investment management, financial planning and ancillary financial services to our clients and their families:

PERSONAL SERVICE AND TRUSTED RELATIONSHIPS
- Build long-term, personal relationships of trust and care with our clients and their families to ensure their and future generations’ financial security and well-being.
- Provide excellent, ‘old-fashioned’ personal and caring service to our clients on an ongoing basis.
- Provide care and support to clients in difficult family situations through our social wellness initiative.

HOLISTIC FINANCIAL PLANNING
- Provide holistic management of client affairs under one roof – Investment Management, Financial and Estate planning, Tax, Wills, Trustee services and Administration of deceased estates.
- Deal with one Trust Officer who manages all elements of clients’ affairs with Personal Trust.
- Gain a detailed and thorough understanding of our clients’ financial needs and family set-up, ensuring all-encompassing advice on investments and estate planning.
- Determine clear and understandable financial and investment goals and develop portfolios and a financial plan as a roadmap to achieving these goals.

INVESTMENT PERFORMANCE AND RISK
- To protect and grow clients’ capital over the long term based on their investment mandate and agreed risk profile.
- Target consistent and competitive investment performance through an experienced investment team and a robust investment decision-making process.
- Provide cost effective investment solutions through our in-house asset management offering.

EASE OF ADMINISTRATION
- Provide cash management and other administrative services to clients who are less able to manage these aspects of their own affairs.

INVESTMENT BEHAVIOUR AND DISCIPLINE
- Instil financial discipline and encourage clients to improve their financial behaviour through close relationships and ongoing monitoring and review of their portfolio and financial plan.
- Improve the clients’ investment decisions by understanding the behavioural and emotional biases of investing. Emotional and irrational decisions are the largest destroyer of investor value.

FOR MORE INFORMATION, PLEASE CONTACT BELINDA DANKS ON 021 689 8975
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Last November’s and early December’s ESKOM black-outs – still euphemistically called ‘load-shedding’ – affected mine production, manufacturing, building construction, business operations, schools, hospitals, you and me. Municipal debt of R1.7 billion is a major problem this SOE is facing. The NHII continues to experience pre-natal complications; SAA “is asking for assistance to keep afloat” (Pravin Gordhan’s description); the SABC seems to spend more time broadcasting its woes than broadcasting news; Transnet, Denel and SANRAL all want a bail-out from a government whose pockets are basically empty; the Steinhoff debacle resulted in financial institutions, investment portfolios and pension funds losing billions of rands; revelations of State Capture emanating from the Zondo Commission, politicking ahead of the forthcoming elections and the ever-present threat of down-grading by the Ratings Agencies complete the picture of South Africa today.

**BUT**, and I may have said this before, the mountains have not moved and remain a comforting symbol of stability; the sea still pounds the rocks and washes gently on a sandy shore; the sun still shines and the wine is as palatable as ever. South Africa is changing, yet it is still a wonderful place in which to live, especially in the Western Cape.

A December Business Day ‘Leader’ article made interesting and thought-provoking reading. It put forward the argument that ‘superpowerdom’ would shortly come to an end – that the age of one country having global or near-global influence (Rome, Spain, Russia, Great Britain and, presently, the USA) would be replaced by a triad consisting of the United States, China and India. China has improved its global diplomacy while India’s economic growth has been remarkable; together they more than make up for Trump’s US Isolationism. Last year’s India/South Africa Business Summit was invaluable in the light of India’s burgeoning economic influence, both in and outside the BRICS bloc. The fact that Cyril Ramaphosa was the chief guest at India’s Republic Day celebrations on 26 January further cemented the ties between the two countries.

Slowly the destruction of the Zuma years is being redressed. With the appointment of Pravin Gordhan to the Public Enterprises Ministry; Tito Mboweni as Minister of Finance; Shamila Batohi to take over as head of the National Prosecuting Authority (NPA) and an expected appointment of a new SARS commissioner, we can hope for a corruption-free, proactive government leadership running the country. Shamila Batohi’s appointment is of particular importance. She brings to the position of National Director of Public Prosecutions (NDPP) 23 years of experience with the NPA and a decade working at the International Criminal Court (ICC). Restoration of staff morale within the NPA and, hopefully, the re-employment of competent prosecutors who left in the Zuma years will be high on her agenda.

Both the JSE and the Rand experienced a bumpy ride in 2018. Amid the positivity of ‘Ramaphoria’, the JSE All Share Index (ALSI) on 25 January recorded a high of 61,684.77. Thereafter it experienced a steady slide down a slippery slope. However, we must not be too concerned. Since the first stock exchange was formed (the Amsterdam Stock Exchange established in 1602 by the Dutch East India Company), ups and downs, bulls and bears, promise and disappointment have been a hallmark of exchanges. The JSE and stock exchanges around the world have, over the last few years, enjoyed a bonanza. We, as investment clients of Personal Trust, have watched our investments steadily rise. The good times cannot last for ever, and at present we are experiencing a downturn – considerable as it may be.

The Rand also had its problems, varying from a high of R11.56/USD on 23 February to a low of R15.41 on 5 September. For South African investors, the decline in the value of local equities was the major determinant in the depreciation of their investments. Global equities fared slightly better but listed property values decreased by some 25%. Emerging Markets suffered in 2018 as investors turned their attention elsewhere.

What can we expect in 2019? We hope for peaceful elections, as we do for a favourable Brexit outcome; we look forward to a diminution of the US/China impasse; we dream, probably unrealistically, of a less unpredictable and more mature US president; we trust that the question of Land Expropriation will be sanely and satisfactorily determined; and we contemplate a year in which the investment climate will hopefully improve. However, optimism is often tempered by reality. In early January the World Bank lowered its outlook for the South African economy from its June 2018 forecast of 1.8% growth to 1.3%. (Dave Edgar’s article, ‘Tough Times …’ is most relevant.)

In mid-December Cyril Ramaphosa received a boost when he was given a strong vote of confidence by IMF head, Christine Lagarde, who was visiting South Africa. However, despite this support, the following statement by Ian Cruickshanks, chief economist at the SA Institute of Race Relations, was most pertinent: “There are probably more countries ‘developed or started until after the election.” Jean-Claude Juncker, president of the European Commission, put it differently: “We all know what to do, but we don’t know how to get re-elected once we have done it!”

The ANC manifesto had analysts concerned regarding the independence of the SA Reserve Bank. The Bank’s independence is at the heart of the differences between the Ramaphosa and Zuma factions of the party.

Readers may wonder at the ‘raison d’être’ behind the choice of our front cover. We are acknowledging that 10 years have passed since the 2008 market mayhem, while congratulating Glenn Moore on the 10 years since the launch of the Personal Trust Managed and Conservative Managed Funds. **Ed.** (31/01/2019)
Personal Trust are delighted to announce the appointment of three new Directors to the Board as at 1 January 2019. Renette Hendriks, Svend Nielsen and Kristin van den Berg are all long-standing members of the team, with a cumulative 36 years between them.

Renette joined Personal Trust in July 2007, bringing with her a wealth of knowledge and experience gained previously as an attorney and advocate, with specialised fiduciary knowledge which has been invaluable to the team since her appointment. Renette heads up Personal Trust’s Fiduciary department, ensuring that clients receive personalised, professional services for Wills, Deceased Estates and Trust matters.

Svend joined Personal Trust in May 2006, complementing our existing Executive team in the area of Investment Administration. Svend’s prior experience in managing risk, compliance and ensuring an efficient operations service, both locally and offshore, has enabled the Personal Trust Management Company operations to strengthen during a season of change in legislation and increased regulatory requirements.

Kristin joined Personal Trust in July 2008, initially joining John le Roux’s team as a young Trust Officer. Kristin has demonstrated a keen knowledge and aptitude for the investment market and client services. As a chartered accountant, Kristin has been able to assist and service clients with a broad range of advisory and estate planning support as needed.

As an intergenerational business, it is important that we continue to strengthen the depth of our Executive team and that we create space for successful succession. These three appointments will help ensure that our clients remain our primary focus and that our service levels ever improve.
Glenn Moore, Personal Trust Director and Fund Manager, describes how he has navigated the turbulent investment world on behalf of our clients during the first 10 years of the Personal Trust Managed and Conservative Managed Funds.

Last year was a truly dreadful year for South African equity and property investors. The JSE All Share Index declined by 8.5%, while the Listed Property index was down 25%.

What was unusual about this downturn was that some of the really defensive shares in food, drink and tobacco sectors lost nearly half their value in 2018. The following table reflects some of these performances:

<table>
<thead>
<tr>
<th>Company</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>British American Tobacco</td>
<td>-43.4%</td>
</tr>
<tr>
<td>Tiger Brands</td>
<td>-40.4%</td>
</tr>
<tr>
<td>Anheuser-Busch InBev</td>
<td>-30.1%</td>
</tr>
</tbody>
</table>

Other major components of the JSE All Share Index also suffered large declines:

<table>
<thead>
<tr>
<th>Company</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN Group</td>
<td>-34.8%</td>
</tr>
<tr>
<td>Remgro</td>
<td>-17.4%</td>
</tr>
<tr>
<td>Naspers</td>
<td>-16.1%</td>
</tr>
<tr>
<td>Richemont</td>
<td>-16.1%</td>
</tr>
</tbody>
</table>

The saving grace for multi-asset balanced funds was the positive returns received from cash, bonds and offshore assets in particular (see table below):

The two Personal Trust multi-asset high equity funds performed as follows against some of the most highly rated funds in the sector.

| Fund Performance 1 Year Multi-Asset High Equity |
|------------------|---------------------------------------------|
| Fund I           | -1.04%                                      |
| Personal Trust Prudent Fund of Funds A         | -2.47%                                      |
| Fund A          | -3.11%                                      |
| Personal Trust Managed Fund A                  | -4.34%                                      |
| Fund C          | -6.34%                                      |

Contrast these numbers against the 10-year performance of the exact same set of Fund Managers:

| Fund Performance 10 Years Multi-Asset High Equity |
|------------------|-----------------------------------------------|
| Fund C           | 11.26%                                        |
| Personal Trust Managed Fund A                     | 10.99%                                        |
| Fund A          | 10.69%                                        |
| Fund I          | 9.86%                                         |
| Personal Trust Prudent Fund of Funds A            | 8.62%                                         |

The two Personal Trust multi-asset high equity funds performed as follows against some of the most highly rated funds in the sector.

10 years since the launch of two Personal Trust Funds
Somewhat surprising is that the best over 10 years, were the worst over one year. Its very important to remember that every manager has their good and bad periods in the market, when their strategy succeeds or fails over a specific time period.

I cannot comment on the other managers, but I can comment on what failed on a relative basis for the Personal Trust Managed Fund:

- Not enough offshore exposure, the winner in 2018. When Regulation 28 changed to allow 30% offshore we remained at 25%.
- Too much exposure to defensive stocks British American Tobacco, Anheuser-Busch InBev, Tiger Brands, Remgro and MTN.
- Offshore property exposure which declined quite substantially, while all other offshore assets were rising in Rand terms.

The markets tend to revert to mean and so often the worst performing sectors turn into the best performers a year later. The performance of platinum shares last year is a case in point. As an Asset Manager you have to stay for the whole journey and not capitulate at the bottom if you are to succeed over the long term.

Turning now to the Personal Trust Conservative Managed Fund which also had a difficult year in 2018 against highly rated competitors:

<table>
<thead>
<tr>
<th>FUND PERFORMANCE 1 YEAR MULTI-ASSET LOW EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund I</td>
</tr>
<tr>
<td>Fund C</td>
</tr>
<tr>
<td>Personal Trust Conservative Managed Fund A</td>
</tr>
<tr>
<td>Fund P</td>
</tr>
</tbody>
</table>

Source: Morningstar (Multi-Asset Low Equity fund performance over 1 year, as at 31/12/2018)

One needs to be a little more careful in assessing the relative performances in this sector as some of the funds run perennially low equity weightings relative to the 40% maximum allowed in the low equity multi-asset sector. This is borne out in the table below which shows the 10-year relative performance of the same managers:

<table>
<thead>
<tr>
<th>FUND PERFORMANCE 10 YEARS MULTI-ASSET LOW EQUITY</th>
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<tbody>
<tr>
<td>Fund C</td>
</tr>
<tr>
<td>Fund P</td>
</tr>
<tr>
<td>Personal Trust Conservative Managed Fund A</td>
</tr>
<tr>
<td>Fund I</td>
</tr>
</tbody>
</table>

Source: Morningstar (Multi-Asset Low Equity fund performance over 10 years, as at 31/12/2018)

The table suggests what we all intuitively expect: that in the long run equity and property give the best relative return compared to inflation. However, all assets were comfortably ahead of inflation except offshore cash which will probably astonish the Rand bears but, taking into account zero interest rates over the period, it’s not surprising.

The Million Dollar question is: what about the next 10 years? Well, one has to make an assumption around inflation. Will monetary policy authorities keep it between 4% and 6%? If that is the case, then one can expect real returns from cash and good real returns from bonds which currently yield 9%. Equities are on their highest dividend yield for eight years at 3.5%, so it is possible that from this low base equities will deliver double digit returns.

One word of caution: the United States is in the middle of a macro experiment (fiscal stimulus on top of full employment) which could see the return to higher inflation and therefore higher bond yields and lower equity prices. Good for commodities and emerging markets, if it happens, but with the headwind of lower global equity valuations.

During the last 10 years the various asset classes at the disposal of multi-asset managers have performed as follows relative to inflation. No surprise that offshore equities were the best performers given that 10 years ago we were in the middle of the so-called great financial crisis.
The market in South Africa has been less than kind to investors over the last few years. We are often posed with some tough decisions as Trust Officers and investors as how to approach these periods. When clients are retired and already drawing an income from their hard-earned retirement savings the decisions become even tougher.

What should investors be doing when the markets are volatile and producing low returns? As hard as it may sound, often the best decision is to do nothing and keep a long-term perspective. If you have a well-diversified financial plan in place, have faith in the fund managers you have chosen and understand your goals, then you should not be letting short-term ‘noise’ derail your long-term plan. Remaining calm and not allowing emotions to take the better of you is often the toughest decision.

Investors often want to switch their investments into cash during tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflation-tough market periods; however, research has shown that a healthy exposure to growth assets is very important to achieve inflatio

Inflation risk (erosion of capital due to rising costs) and longevity risk (outliving your capital) are real concerns, but unfortunately we do not have control over these. Where investors do have control, is making sure that their investments are correctly allocated and that their withdrawal or contribution levels are appropriate. You may not be able to cut back on essential items like medical aid and insurance, but you can make a conscious decision around not doing that overseas trip or buying that new car this year. Match your expenses to a sustainable income rather than matching your income to your expenses.

Every client situation is unique, but the new year may present a good opportunity to discuss whether your withdrawal levels are at an appropriate level or, if you are in the accumulation phase of your life, that your saving rates are on course. It’s often in tough times where financial coaching around the psychological traps that investors should be avoiding become very important.

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**SNIPPETS**

**Malibuye Tom**, Trust Officer, provides information on the SA Expatriate Tax Law, Offshore Trusts, and One-Third cash withdrawals at retirement.

**A LEGISLATIVE AMENDMENT TO THE SOUTH AFRICAN EXPATRIATE TAX LAW IS SET TO COME INTO EFFECT ON 1 MARCH 2020. HERE IS WHAT YOU NEED TO KNOW:**

- One can emigrate financially. This means one ceases to be a SA tax resident and will not have to pay SA tax on one’s worldwide income; except income sourced from SA, e.g. rental income.
- SARS has begun a process of prosecuting expats that are non-compliant.
- A commitment by SARS to implement the Common Reporting Standards (CRS), a United States Federal Government initiative, means that there will no longer be hidden offshore money. Financial institutions are forced, upon request from tax authorities, to disclose information on any accounts owned or connected to South African citizens.
- SA citizens or residents who do offshore banking will be reported to SARS, and there will be an audit trigger if one’s SARS profile is not correct.

**SOME TAX POINTS FOR SA RESIDENTS INHERITING FROM AN OFFSHORE TRUST FOUNDED BY A NON-RESIDENT:**

- Estate Duty: Provided that the assets remain offshore once inherited, they will not be subject to estate duty once in the name of the beneficiary.
- Donations tax: If the founder donated the assets to the trust, on his death these assets will be viewed as being ‘donated’ to the beneficiaries. This ‘donation’ from the offshore trust to the beneficiaries is exempt from donations tax in terms of Section 56(1)(g)(i) and (ii) of the Income Tax Act.

- A direct transfer from the offshore Trust founded by the deceased to a new offshore Trust founded by a beneficiary will not be subject to South African Exchange Control Provisions.

**COULD THIS BE THE MADNESS TO THE METHOD OF THE RETIREMENT “ONE-THIRD CASH LUMP SUM LIMIT, AND TWO-THIRDS COMPELLS ANNUITY?”**

A recent study conducted by Ciaran Ryan of Moneyweb has revealed the following using these assumptions:

- Investing 15% of your earnings throughout your working life from 25 years to 65 years of age
- Earning an annualised return that is 5% above inflation (CPI +5%) per annum

**At death (assumed age 90), and given the above:**

- 6% of your retirement money at age 65 would have come from the contributions that you made while working
- 32% would have been money generated from the earnings yielded by your investment during your working life (roughly one-third)
- 64% was earned while you were retired (roughly two-thirds).

Key take-away: your one-third retirement lumpsum is a withdrawal of the growth in your investment earned during your working life.

**As we ride out another year of potentially tough and definitely uncertain markets and global events, remember: “Investment planning is not a “one-size-fits-all” exercise. Each person has unique needs that change throughout their lifetime.”**
With Cybercrime on the rise and in an era where freedom of speech seems to have been misconstrued as a right to air one’s views on social media platforms, without due consideration of the consequences thereof or the basic principles of measuring what you say or re-post against what is true and in the public interest, the soon to be enacted Cybercrimes Bill is a welcome and somewhat overdue piece of legislation.

The Bill has come a long way since its first publication. You may recall that some of the provisions contained in the initial draft of this Bill, that was published in August 2015, led to a number of public debates on the potential threat it might hold for internet freedom, the expansion of government surveillance and the threat of enabling social media clampdowns. Parliament eventually agreed to effect major amendments to the draft, which led to the concerned provisions being omitted in the updated version that was published in January 2017. The latest version of the Bill, that was published on 23 October 2018, was recently adopted into law and is in the process of being enacted.

The Bill criminalises, amongst others, the following acts:

- **The distribution of another’s personal details:** By sharing a person’s personal details online for malicious purposes, without their knowledge and/or consent.

- **The unlawful sharing of intimate images:** Publishing and/or distributing another’s images of an intimate nature or multimedia files will constitute a harmful disclosure of pornography. This includes instances where the person is identifiable through descriptions in a message or from other information displayed therein.

- **Enticing damage to property belonging to “a group of persons”:** Sharing messages encouraging people to damage property belonging to a certain demographic group, including any implied threats of violence against “a group of persons”.

- **The sharing of information regarding investigations into cybercrimes.**

Contravening the provisions contained in the Bill could lead to a fine or imprisonment for a period not exceeding three years, or to both a fine and imprisonment.

It will be interesting to observe the manner in which the implementation and the enforcement of these measures will shape the cyber landscape of the future, hopefully for the better.
Q When is one deemed to be a South African tax resident?

A The Republic of South Africa utilises a residence-based tax system. What this means is that residents are taxed on their worldwide income, irrespective of where the income was earned. Certain exclusions are allowed. Non-residents, on the other hand, are only taxed on their income from a South African source.

Under South African law, a person can be deemed to be a South African tax resident under two scenarios: if an individual is ordinarily resident in SA or if all the requirements for the "physical presence test" are met.

The following excerpt from the SARS website helps to explain what is meant by the term “ordinarily resident”:

“An individual will be considered to be ordinarily resident in South Africa, if South Africa is the country to which that individual will naturally and as a matter of course return after his or her wanderings. It could be described as that individual’s usual or principal residence, or his or her real home.” It requires some degree of continuance.

The “physical presence test” is comprised of four components, all of which must be met for an individual to be classified as a tax resident.

An individual must be physically present in South Africa for a period or periods exceeding:

- 91 days in total during the year of assessment under consideration;
- 91 days in total during each of the five years of assessment preceding the year of assessment under consideration; and
- 915 days in total during those five preceding years of assessment.
- He/she must not be outside of the Republic of South Africa for a continuous period of at least 330 full days.

If an individual does not meet all the above requirements of the “physical presence test” and is not regarded as ordinarily resident, that individual will be classified as a non-resident for tax purposes. This individual will only be taxed on income that has its source in South Africa, such as interest earned from a SA bank account, services rendered from within SA or from rental income earned from a property in South Africa.

Q How much offshore exposure should my portfolio have?

A When looking to invest money offshore, it is imperative that potential investors are doing so for the right reasons and not just out of fear, often caused by political shenanigans in the country!

South Africa represents less than 1% of the total World economy! By investing abroad, you can get exposure to industries that are not yet prominent in South Africa (e.g. information technology, biotechnology, pharmaceuticals), in addition to gaining access to a much wider set of opportunities than those already established industries in SA.

Allocating a portion of your investment portfolio provides the attractive feature of reducing the level of risk required to achieve a specific rate of expected return. The research that has been done on optimal portfolios (optimisation) recommends a minimum offshore allocation of 20% to 30% for long-term investors who hope to achieve a return of inflation plus 4% to 5% in rand terms.

This is the general recommendation for people saving for their retirement, who need to buy local goods and services in rands. Investors with more diverse spending requirements, including a larger share of foreign currency denominated spending, can typically justify a larger offshore allocation.

All investors can benefit from the portfolio optimisation benefits described above, making 20% the minimum suggested strategic offshore allocation for all long-term investors.

Pensioners and other investors who need to fund a long-term rand income from their investment portfolio should be wary of having too much offshore exposure; rand movements can be very volatile, as it is one of the most liquid Emerging Market currencies.

High net-worth investors, without immediate income requirements, have more flexibility, being able to invest up to 100% of their investment portfolio in offshore assets, depending on their objectives and tolerance for risk.

The above-mentioned allocations and commentary should be used as guidelines only. This is a complex question and should be analysed through a comprehensive financial planning process with the assistance of your Trust Officer.
“The World Economic Forum (WEF) is an independent non-profit organisation dedicated to improving global economic and social conditions on a global scale … (it) is a forum attended by business, political, policy-making and other leaders to discuss current economic and social issues, problems, ideas and possible solutions.” (ft.com/lexicon).

This year’s Davos conference was attended by over 3,000 delegates. The central theme of the 2019 convention was: ‘Globalisation 4.0: Shaping a Global Architecture in the Age of the Fourth Industrial Revolution.’ It has been customary for leaders of the G7 countries to attend the convention but this year President Trump, President Macron and Prime Minister Theresa May were absent due to pressing problems at home. In their absence, Angela Merkel and IMF Head Christine Lagarde led the debate on gender equality, with reference to ‘inclusion’ and ‘diversity’.

The primary focus of the convention was to address the risks caused by the rise in populism, protectionism and nationalism – such as the Paris ‘yellow vest’ riots, the formation of the ‘Black first, Land first’ movement at home, Brexit and the US’s isolationism. There is increased concern globally regarding unequal growth and the failure to raise living standards. In this regard South Africa continues to fail, the 2018 World Bank report stating that “South Africa is the most unequal country in the world.”

Cyril Ramaphosa led South Africa’s delegation, comprising leaders of business and labour organisations such as the Motsepe Foundation, Absa, Telkom, MTN, Mitsubishi and Sasol. The President admitted that global and domestic economic conditions were difficult. With this in mind he assured potential investors at the Forum that governance at South Africa’s state-owned enterprises (SOEs) was being strengthened; that the national economy, devastated by ‘State Capture’ of the Zuma years, was on the road to recovery; that the Reserve Bank’s independence would be maintained; and that the land reform process would be undertaken in line with the country’s constitution. South Africa’s theme for the conference was: ‘Mobilising public-private collaboration for inclusive growth and development, with particular focus on increasing investment.’

As above, the principal purpose of the SA delegation’s attendance at Davos was to seek investment – unfortunately at a time when sentiment at the conference was that global growth was slowing. The WEF convention has often been criticised as ‘all talk and no action’. In South Africa’s case this is true. We want investment, we want to be a more equal society, we want to eradicate poverty – but political uncertainty and labour practice restrictions have resulted in our becoming a questionable investment destination.

In last quarter’s Personal Opinions, on Page 11, Greig Phillips gave an excellent, detailed explanation of what constitutes the Fourth Industrial Revolution (4IR). The question posed to delegates at Davos was in what way could Globalisation be encouraged and, perhaps, achieved in the 4IR – a merging of technologies that links physical, digital and biological structures. Within the Globalisation context, developing countries – nowhere more so than those in Africa – are markets for digital technology expansion. We, in Africa, come in at ground level whereas the developed world, half-way up the existing technology ladder, may find itself handicapped by existing systems and modi operandi which the new technology now replaces.

Climatic change is regularly on the agenda at Davos and, on the first day of the convention, Prince William interviewed Sir David Attenborough. The 92 year old Attenborough claimed that the world has now entered a new geological age, ‘The Anthropocene’, the Age of Humans. The previous age, ‘The Holocene’, saw 12,000 years of climate stability that had allowed civilisation to flourish. Now, “The Garden of Eden is no more … the human race is so numerous, so powerful, so all-pervasive and the mechanisms that we have for destruction are so wholesale and so frightening – we are destroying our very existence.” These statements by Sir David should have been the ones with which to conclude the conference. They conclude this report.
Personal Trust clients, Judith Shopley and Frans Bolder, were part of the South African/Lesotho delegation of nearly 50 people who attended the Slow Food International Convention in Turin, Italy in September 2018. This convention is held every second year. They are passionate about the Slow Food movement and Judith has kindly undertaken to tell us a bit more about this.

Slow Food envisions a world in which all people can access and enjoy food that is good for them, good for those who grow it and good for the planet. Our approach is based on a concept of food that is defined by three interconnected principles:

- **GOOD**: quality, flavoursome and healthy food
- **CLEAN**: production that does not harm the environment
- **FAIR**: accessible prices for consumers and fair conditions and pay for producers.

To describe Terra Madre as overwhelming is an understatement. It is difficult to adequately describe the visual and sensory experience and being amongst the international Slow Food Community … it was awesome, and five days was not enough time!

The Oval was the venue for stands and displays for the countries, presidia (groups of farmers preserving traditions of products), several interest groups as well as themed stands representing different components of Slow Food. Three pavilions hosted stands representing producers from various regions in Italy. There were offerings of free tastings of pasta, cured meat, wine, cheese and sweet products. There were various conference rooms where hundreds of forums, meetings and workshops were held.

The delegates represented convivia from every country – Australia to Zambia. This is where gourmands, farmers, herders, fisher folk, artisans, chefs, and food activists came together to represent and share a sustainable model for producing food.

The year’s theme in Terra Madre Salone del Gusto was #foodforchange. This was brought to life by most interesting thematic booths which were tactile and experiential. The five themes were: Slow Meat, Slow Fish, Seeds, Food and Health, and Bees and Insects. As part of our delegation we were expected to attend various workshops/lectures … but as each event was about two hours long, there was little time left for manoeuvring, and many workshops had to be missed.

The important aspect of attending Terra Madre was the chance to interact and meet people from around the world. Many delegates wore their traditional clothes and made music; the stands reflected the food and culture. We did stand duty over the period. It was fun to meet people and promote our products. Some were for sale: Rex Union marmalade (which went like hotcakes), Baleni salt; Sea products from the Cape; Agave buds from the Karoo and indigenous herb teas.

The organisation for Terra Madre was excellent and accommodation and logistics for delegates ran smoothly. We stayed with a host couple, a metro and bus ride away, near the Po River.

The highlight for the delegates was the closing ceremony, which happened at night and entailed a march through the streets of Turin. It was electric. Every country’s representatives held their flag high, literally and figuratively. It culminated in a square … delegates read messages espousing the ideals of Slow Food. Then Carlo Petrini, the founder, addressed the crowd. He was very inspiring and spoke through a translator. He envisages a food-secure future for all food producers.

Should you require any further information, please contact Judith at judithshopley@telkomsa.net or the Slow Food South Africa website https://slowfood.co.za/
The march through Turin

Delegates from Africa

The South African stand

South African Slow Food products

Region of Italy
How long have you been with Personal Trust?
I started at Personal Trust in July 2015. It’s been a great experience and has given me the opportunity to interact with all the talented and special people who work here at Personal Trust. It’s also been a privilege to get exposure to the workings of some very astute business minds within the company – fortunately all within a minute’s walk from my desk!

What department do you work in and what is your role at Personal Trust?
I work in Keith Andrew’s department, along with Dave Edgar, Margot Arends, Colleen January, Magen Dirks and Faranaaz Kenny. My role is currently that of a Trainee Trust Officer, working under Dave Edgar’s supervision. This entails assisting Keith and Dave’s clients with investment proposals, reviews, queries etc, as well as managing my own small client base, which will hopefully grow with time!

Apart from this, I am also a member of Personal Trust’s Financial Planning Committee, the Investment Council Sub-committee and the Social Committee.

Tell us about yourself
I hail from the friendly Eastern Cape city of East London. I grew up there with one younger sister, who is also currently living in Cape Town. I studied for a BCom in investment management and statistics at Stellenbosch University and loved the Cape so much that I decided I didn’t want to leave after completing my degree! I recently completed my Postgraduate Diploma in Financial Planning through the University of the Free State (UFS). I plan to qualify as a Certified Financial Planner (CFP) this year, by passing the FPI’s Professional Competency Exam (PCE). I have also passed the first of three exams required to become a Chartered Financial Analyst (CFA) Charter holder.

What are your interests?
I have a keen interest in both domestic and international politics. I also enjoy having a glass of wine at a picturesque vineyard or going for an afternoon run along the beautiful promenade.

I’m a keen squash player and try to play at least once a week! There are a couple of us from the company who play every week and I must admit that it’s always nice beating my supervisor Dave (he’s quite competitive), once in a while when he lets me win!

I also love travelling and have been fortunate enough to have been to Europe a few times, which I thoroughly enjoyed! It’s been quite a couple of years since my last wanderings, so I am hoping to travel again in the near future.

In one sentence how would you describe yourself?
An analytical individual, who’s always up for a good laugh!
On 17 and 18 January 2019 the Hermanus Bowling Club hosted the 92nd annual Ayala Bowls Tournament. In total, 32 teams from various Clubs as far afield as Plettenberg Bay, Somerset West and Constantia competed this year.

After two very challenging and enjoyable days of Bowls, the winners of the various sections were:

**Division A:**
Robertson Club (Skip: Mark Beviss-Challinor)

**Division B:**
Constantia Club (Skip: Roy Clark)

**Division C:**
Hermanus Club (Skip: Keith Kruth)

Pictured are the Division A winning team with the Hermanus Bowls Club President and the Sponsor from Personal Trust.

Personal Trust has been a loyal supporter of Bowls in the Western Province, Eden, Boland and Eastern Cape for many years and we are proud of our ongoing association with the Hermanus Bowling Club.

We thank the Club President, Alick Bruce-Brand, and his Committee for allowing us the opportunity to once again sponsor this Tournament. Thank you also to Colin Butler and his organising Committee for organising the Tournament so well.

Walter Oosthuizen, from the Durbanville Bowling Club, participated in his 30th consecutive Ayala Tournament – a fine achievement indeed!

From left to right: Alick Bruce-Brand (President) Mark Beviss-Challinor, Johan du Plessis, MP Olivier, Callie van der Merwe and Greg Nasson (Personal Trust).
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However, market conditions are subject to constant fluctuations locally and globally. We advise, at all times, that investments be made only after consultation with us, and after individual circumstances have been thoroughly considered.

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