Intergenerational Wealth

And the Bears set upon Goldilocks …

Saving for short term needs?

Medical Aid claims allowed for tax purposes

Pros and cons of having a carer
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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Snippets  
Malibuye Tom writes on Behavioural Risk and gives tips to retirees and youngsters.
The first item in last quarter's Editorial was Eskom and it is again the state power utility that has priority grading. Nersa's grant to Eskom, on 7 March, for the utility to effect a tariff increase of 9.41%, when added to the 4.4% rise in October 2018, meant an effective increase of 13.8%. With Eskom's production, delivery and financial woes far from over, it was with considerable interest that the report, by Energy Minister Jeff Radebe, on the Government's Renewable Energy Independent Power Producer Procurement programme (REIPPPP) was received in late February. To help alleviate Eskom's troubles, the Government is now renewing its commitment to utilise IPPs in the form of solar, wind, hydro and natural gas energy. (The original Integrated Resource Plan {IRP} was first promulgated in March 2011 – at the time of writing, the Cabinet has not yet approved the plan, but it would seem that steps are being taken). Meanwhile, the Eskom saga has more twists and turns than the switchbacks on the Grande Corniche above Monte Carlo!

An interesting article in the Sunday Times of 17 March concerned the Federated Hospitality Association of South Africa. New CEO, Lee Zama, was forthright in her views regarding the government’s failure to implement an inbound tourist-friendly visa system. Still there is confusion around unabridged birth certificates, but the introduction of an electronic visa structure (e-visas) would reduce some of the problems encountered by tourists wanting to visit our country. South Africa is in competition with Kenya and Rwanda, both wildlife destinations for tourists, and both countries are ahead of us in the implementing of e-visas. With our economy stagnating, domestic holiday-making is decreasing, thus incoming travellers and sightseers are vital to our tourist industry.

I'm not sure why we 'crunch' numbers, but let's do some crunching. Investec chief economist, Annabel Bishop, reported: "The ALSI (JSE All Share Index) saw marked recovery through the first quarter of the year." Good news for investors. Standing at 51,264.06 on 2 January, it had strengthened to 56,462.55 by 29 March – up 5,198.49 points. Conversely, the PMI (Purchasing Managers’ Index) fell to a five-month low in March due, mainly, to load-shedding effects.

Much is written presently about electric vehicles (EVs). What is their future in South Africa? The Dept of Trade & Industry detailed its Electric Vehicle Industry Road Map in March 2013 but progress, if any, has been slow. Battery electric vehicles (BEVs) use electricity stored in a battery pack; when depleted, the batteries are recharged using grid electricity. Oops! Back we go to Eskom!

The electricity crisis has taken our minds off the water predicament. Only time will tell whether the Cape Town Municipality was wise in reducing the Level 6 regulations to Level 3. At the end of March, South African Breweries (SAB) announced that, in partnership with Cape Town and Tshwane municipalities, they would help provide additional water for residents – in Cape Town’s case 4.67 million litres per day (1.7 billion litres per year), a supply previously lost through water leakages in the municipal system.

Late March saw three economic positives – the appointment, as SARS Commissioner, of Edward Kieswetter who stated that his main focus would be to continue the work, started by Acting Commissioner Mark Kingon, of the collection of outstanding taxes; the decision by the SARB’s Monetary Policy Committee (MPC) to keep the repo rate unchanged at 6.75%; and Rating Agency Moody’s decision to delay its evaluation and to leave South Africa’s sovereign rating unchanged at Baa3, the bottom level of investment grade.

Moody’s news could well have been ‘The Moody Blues’. Relieved as we are that the Agency has allowed us a breather – and commented positively on our credit profile – we must heed the warning of North West University Business School economist, Raymond Parsons, that “Moody’s decision should be seen as a stay of execution, rather than as a reprieve”. Moody’s, and Fitch and S&P Global, will be watching very closely the result of the 8 May election. Will there be policy changes; will a new Cabinet be structured; and what will be the country’s economic direction? A downgrade by Moody’s would result in capital outflows, as the country’s government debt would be excluded from the WGBI (World Government Bond Index). In February, Moody’s said that it was awaiting details of a clear and comprehensive plan of how Eskom would be restructured – still the power utility casts a pall over South Africa’s public finances.

**Ed.** (11/04/2019)
Intergenerational Wealth

Greg Nasson, Director and Trust Officer, discusses the importance of having conversations with one’s family regarding one’s wealth.

Most parents want their children to be financially secure and to have the assurance that their children will be able to lead better lives than they were able to, with the benefit of their financial legacy for intergenerational wealth.

In most cultures, there are sayings about the status of family wealth between the different generations. The Japanese have “Rice Paddies to Rice Paddies”, the Irish have “Clogs to Clogs”. There is also “Shirtsleeves to Shirtsleeves”, which I believe originates in American culture. I think that the Scottish summarise it the best: “The father buys, the son builds, the grandchild sells, and his son begs”. Basically, what all these proverbs are saying is that most families fail to hold onto any semblance of wealth for more than three generations.

My son is 12 years old and now in Grade 7. One of his class subjects is Economics and Management Sciences (part of the new mathematics curriculum) which covers topics such as tax, the role of informal and formal businesses, the role of money, consumer economy and Maslow’s Hierarchy of Needs. Dinner conversations are sometimes quite testing, but what it shows is that the younger generation are more in tune with finance and their entrepreneurial minds are working all the time (they still have no concept of money though when dad or mom must pay).

At Personal Trust, we encourage our clients to have conversations with their families about wealth, or more so, the awareness of wealth creation and the preservation thereof through effective estate and financial planning tools. We often speak of leaving a legacy behind, but the importance of managing the legacy could benefit the second and third generations.

Some food for thought:

- Don’t avoid the topic of talking about wealth with your heirs and start having the conversations as early as you can
- A Family Constitution can help instil values and manage conflict – especially as families become more complex, due to migration, second marriages, etc.
- The importance of keeping an up-to-date Will – one that also considers the different tax regimes that may apply to assets and family members in different countries
- Discuss the contents of your Will with your children, especially where you foresee unhappiness between heirs one day
- Estate duties in other countries, or situs taxes, can have a major impact on the transfer of wealth
- Creating a Trust either during your lifetime or out of your Will to secure the wealth for future generations.

A recent survey conducted in South Africa showed the following:

- 75% felt it was important to leave their heirs better off, while 24% wanted to contribute to their community, society at large or the environment
- 59% said they had conversations around succession, wealth distribution and philosophies around dealing with money
- 21% said they felt they were well prepared to transfer their wealth to the next generation
- 41% said they felt moderately prepared and
- 38% were either slightly or not prepared.

Parents can hand a chunk of wealth over to their children in the form of a formal education, their first home, a company to work at, or a loan to start a company … the list goes on. All these things can be considered wealth. Simply handing over inheritance with no planning or preparation could result in heirs being ill-equipped or perhaps incapable of managing their inheritance effectively, hence the importance of having these valuable, difficult conversations.

In this regard, you are very welcome to call on your Trust Officer for further guidance.
Mark Huxter, Fund Manager, and Anda Tyali, Junior Equity Analyst, observe three scenarios that affect investments.

We have experienced a rollercoaster period in markets since the beginning of 2018, with global equities returning record lows followed by record highs in sequential quarters. Much of the movement was driven by sentiment, as determined by the perceived mood in the US Federal Reserve, as well as downward revisions to growth outlooks across the board, on the back of the US trade war with China.

Consequently, China slowed efforts to deleverage its economy, resulting in domestic growth slowing to multi-decade levels at just above 6%, and dragging Europe to the brink of recession along with it. As the US stock market rallied, the Fed raised US interest rates four times during 2018 but, after initially suggesting that there might be additional increases in 2019, it adopted a significantly more dovish tone at its January 2019 meeting, signalling a pause in both the rate hikes and the unwinding of its balance sheet.

This came on the back of what was the worst December since 1931 for US stocks, with the three major US indices – S&P 500, Dow Jones Industrial, Nasdaq Composite – each losing approximately 10%. This drove risk-off sentiment across the globe and we saw strength in the traditional safe-haven assets at the expense of Emerging Market assets, which saw outflows. Accentuating this changing sentiment, we saw buying in the risk-off space, with US Treasuries exhibiting significant strength in December.

Overall for 2018, the three major indices showed the following losses: S&P 7%, Dow Jones 6%, Nasdaq 6%. For the S&P and Dow Jones, this was the worst showing since the 2008 Financial Crisis. The world’s major indices, which often take their lead from the US, also experienced material selling pressure, with the Stoxx600 in Europe down 11.7% and the Nikkei in Japan down 13% in December. Closer to home, the JSE lost 8.9% over 2018 as it experienced widespread weakness, which covered 60% of listed stocks. The change in global sentiment was magnified by local policy uncertainty, continued consumer weakness and tepid growth.

The reaction from investors has been to call for increasing cash balances and underweight equity positions. It would seem to make intuitive sense to reduce exposure after underperformance and to increase exposure during a more positive performance period. This strategy often leads to investors missing out on gains and partaking in a greater proportion of losses, ultimately leading to capital reduction. We cite three compelling empirical scenarios to demonstrate:

1. The first relevant characteristic of equity markets is that returns tend to be lumpy, with most long-term returns being generated in sporadic, short and sharp bursts. This means that the best way to access the reliable long-term capital appreciation inherent in equities, is to remain patient through often long periods of rangebound trade and negative return periods (see Snippets on Page 9 for an illustration of this).

2. The second observation concerns the JSE returns in the immediate aftermath of years of negative returns. Let us consider the last three instances of such profound weakness:
   - During the 1998 Asian crisis the ALSI lost 6% in the calendar year. Subsequently, in 1999, the JSE recorded its highest annual return of the last four decades, an astronomical 61%.

AND THE BEARS SET UPON GOLDFILOCKS…
• During the 2008 financial crisis, we saw annual losses of 23%; in response, 2009 gave investors a 32% uptick.
• The 2018 sentiment meltdown wiped 8.9% off JSE value; so far 2019 has seen a 9% recovery.

To access these gains, one would have to have stayed invested during the preceding years of losses. If one buys irrationally, one exposes one’s capital to limited upside and pronounced downside. This outcome is avoided by a combination of diligent and skilled fund management, together with patience and trust from investors.

3. The third observation is counter-intuitive. We observe two things: firstly, that over the 40 years to 2018, the JSE returned 15 times on initial investment. Over the same period, bonds have returned three times, and cash has doubled. Secondly, if we assume an individual has a thirty-year work life, consisting of investment toward retirement, followed by a 30-year period of withdrawal during retirement, 87% of the value of the retirement capital is accrued during the post-retirement withdrawal phase.

This is assuming a 68% replacement ratio (monthly retirement income of 68% of pre-retirement income) and that the capital is invested in equities beyond the conventional risk-parity portfolio structure – defined as a 60/40 equity vs bond allocation. If, holding all else is equal, the portfolio is ‘de-risked’ by significantly reducing the equity allocation, this strategy could reduce the withdrawal phase (through an accelerated reduction of capital) by as much as eleven years.

We thus stress that the best path to long term security and achievement of financial goals is through capital appreciation. The more pronounced one’s drawdown needs become, the higher should be the allocation to growth assets. The best tool available to investors in pursuit of this goal is equity exposure.

Our job, as custodians of capital, is to apply our collective minds to disciplined and thoughtful portfolio building and management. We also endeavour to acquire and utilise the psychological tools to divorce ourselves from natural human emotion and bias, in order to make sound investment decisions. We aim to scour the global markets for data and insights, using specialised techniques to methodically build robust opinions on the intrinsic value of assets.

Here’s the rub: market prices at any given time are never a reflection of what we might consider intrinsic value. There are many countervailing forces that influence this market price, brought to bear by the many different market participants, with differing investment goals. These include short-term effects and various other behavioural and technological phenomena that serve to create mispricing in the markets.

This is what creates the divergence in performance between actively managed funds and the markets, called Alpha generation. Sometimes we receive the short end of this divergence, but we work to ensure that we come out on the right side of it over the long term. The recovery in risk-on sentiment that we have seen in 2019 has been the result of several factors. Robust job and wage data are emerging out of a US economy assumed to be heading to recession soon. This data is being supported by slowing – but not sharply declining – GDP, measured at 2.2% quarter-on-quarter in the last quarter of 2018. In addition to this, there is the prevailing tailwind of the dovish Fed, with the market seemingly pricing in no more rate hikes in 2019. We think the uptick in oil prices, coupled with a strong labour market in the major economies, increases the prospect of a pick-up in inflation, which would reignite the discussion for further hikes.

In global trade, the US and China have recently been releasing statements indicating that a compromise deal is on the cards. This tailwind, along with targeted efforts at curbing slowing growth by authorities in Beijing, has led to an improvement in sentiment surrounding the prospects of the Chinese economy, encapsulated in the estimate-beating first quarter 2019 GDP of 6.4%. This is an important development for commodities and, by extension, for the many emerging markets and commodity-producing economies, including South Africa. We feel that much of the positivity surrounding the trade war has been priced in, with limited visibility on further, broad-based catalysts for growth.

In Europe, where growth was sluggish in 2018, and is in large part dependent on exports to China and the US, there have also been some encouraging signs emerging in the data. However, this has been offset by a German economy on the brink of recession, Italian politics threatening stability in the region, and socio-economic instability in France. We expect the effects of a Brexit deadline extension and this political uncertainty to soon put a cap on prospects in the Economic and Monetary Union of the European Commission.

Yield curve inversion, the phenomenon by which longer dated bonds trade at rates lower than shorter dated notes, is conventionally understood as, and empirically proven to be, a harbinger for a coming recession. Despite a brief inversion in March of this year, major indices across the developed world are trading at near record highs. For the moment, the major safe-haven assets have all eased, having been bought in the wake of the December equity sell-off.

We expect this to continue as the deceleration of growth in China stabilises, acting as a catalyst for the whetting of risk appetite in the markets. However, an improvement in the global growth outlook could lead to a Fed rate hike. It is our opinion that the market, through aggressively risk-on positioning, has not contemplated this eventuality. The irony is that even a Fed rate cut this year could be interpreted as a bad sign by markets, taken as a signal that the Fed thinks the recession is closer than currently thought.

The pertinent question for South African investors is whether the external stimuli that transpire in the global economy will be enough to help sustain inflows into local currency assets and buoy the ALSI. It is our opinion that the layer of SA-specific issues will act as a cap on any irrational upside.

Much hinges on our elections in May; a powerful outcome will see a migration of the ANC to the centre, led by the Ramaphosa faction, post-elections. SA will be in a better position to deliver the reform and supply side-spending that the economy so craves. In the meantime, the deterioration of consumer disposable income will continue to be the leading factor in a depressed outlook. Further, the market applies a discount to SA assets based on Eskom, land reform, and the mining charter.

We continue to recommend a defensive strategy and an underweight position in SA credit and currencies versus their US/Developed Market peers. A salient reminder is the highway to high rates is often lined with low rates, as an extended period of accommodative monetary policy is usually the precursor to igniting inflationary expectations. Hence the call for a barbell approach to asset allocation – long equities and cash. An increased cash position during this period of market turmoil serves two important purposes. Firstly, it allows investors to manage risk by avoiding a portion of the downside price action and, secondly, it allows an investor to be more flexible with portfolio investment decisions.
Portia Vlotman, Associate Director and Money Market Manager, tells us about the differences between Money Market Savings Accounts and Money Market Funds.

Saving for short-term needs?

The most popular short-term savings options offered are Money Market Savings Accounts or Money Market Mutual Fund offerings.

A Money Market Savings Account is different from a Money Market Mutual Fund: Money Market Mutual Funds are offered by investment companies and certain banks, and Money Market Savings Accounts are offered by banks or investment houses such as Personal Trust.

Money Market Funds and Income Funds:

Money Market Funds and Income Funds are mutual funds that invest in high-quality, short-term debt instruments, cash, and cash equivalents. Money Market Funds refer to a section of the financial market where financial instruments and short-term maturities are traded. Though not quite as safe as cash, Money Market Funds are considered extremely low-risk.

- A Money Market Fund generates income (taxable or tax-free, depending on the portfolio make-up), but little capital appreciation
- Money Market Funds should be used as a place to park money temporarily before investing elsewhere and are not suitable as long-term investments
- Both interest and dividends are earned
- There are certain risks that investors should be aware of, one of these being defaults on securities such as commercial paper.

The fundamental difference between a Money Market Fund and an Income Fund would be liquidity, which will tie in with returns. The capital on both is not 100% guaranteed as is the case with the Money Market Savings option. The Income Fund would carry a larger risk due to the instruments invested in the fund i.e. government bonds, corporate bonds, property trusts and the like, which allows for capital appreciation but also capital loss at times.

Money Market Savings Accounts:

These are deposit vehicles very similar to a regular savings account. Money deposited in a Money Market Savings Account earns interest and is very easily accessible. As with a savings account these funds are immediately available and sometimes limited to a few withdrawals per month.

Money Market Savings Accounts have requirements such as the following:

- Opening balances are necessary to justify a higher interest rate
- Minimum balances must be maintained
- Interest is earned (there are no dividends).

In most countries, banks are regulated by the national government or central banks.

We at Personal Trust invest with the major banks in South Africa. We took this decision after the demise of Saambou Bank in 2002, when the South African Reserve Bank (SARB) did not come to the aid of the failing bank.

Banks are rated as either F1 or F2, this being the short-term ratings by rating agencies such as Fitch. Saambou was in the category of F2, which led us to take the decision to only deal with the bigger F1 institutions.

Our view is that should any of these F1 banks run into trouble, the SARB would offer a bail-out option, as it will cause a huge financial crisis should any of these bigger banks be allowed to fail. Therefore, we believe it is imperative to check which banks you are investing with and not only be swayed by the interest rate on offer.

The banks Personal Trust would typically invest funds with are as follows:

- Standard Bank
- First Rand Group – FNB/RMB
- ABSA
- Nedbank
- Investec
- Sanlam

For further information, please contact your Trust Officer (if you have an existing portfolio with Personal Trust). Alternatively, contact me directly should you wish to discuss the interest rates we offer on Money Market Savings Accounts or Fixed Deposits.
As the 2019 tax-filing season gets underway on 1 July 2019, it is a good opportunity to re-cap on allowable medical benefits afforded by SARS.

**Medical Tax Credits (MTC)** is a rebate which reduces the normal tax a person pays and is non-refundable. Therefore, any excess that is not allowed in the current year may not be carried forward to the following year of assessment.

Standard MTC is a fixed monthly amount which increases according to the number of dependants. For the year of assessment 1 March 2018 to 28 February 2019: R310 p.m. is allowed for the main member contributing to the medical scheme and a further R310 p.m. for the first dependant, thereafter R209 p.m. for each additional dependant.

Allowable additional MTC is calculated as follows: **Taxpayers under 65** years of age may only qualify for additional MTC if costs incurred exceed 7.5% of taxable income, excluding retirement fund lump sum withdrawal and severance benefits. Qualifying costs include the value of all contributions that exceed four times the amount of the MTC to which the taxpayer is entitled, as well as the medical expenses including physical impairment paid by the person which has not been claimed from the medical scheme. **Physical Impairment or Disability Expenditure** is deductible subject to certain limitations. If a taxpayer or their dependant has a Physical Impairment that is not a “disability” as defined by the Income Tax Act, qualifying costs to the extent that the amount exceeds 7.5% of taxpayer’s taxable income may be claimed. **Disabled** taxpayers or their dependants are entitled to claim MTC equal to 33.3% of qualifying costs incurred. The disability, and the extent thereof, must first be diagnosed by a registered medical professional. Similarly, **Taxpayers over 65** years of age may claim MTC of 33.3% of qualifying medical expenses. These include contributions to a medical scheme exceeding three times the amount of the MTC to which the taxpayer is entitled as well as costs incurred. This will then be offset against the tax liability, should there be one.

Qualifying “Out of Pocket” medical expenses are as follows:
- Services rendered, and medicines supplied by a registered medical practitioner, dentist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor and orthopaedist
- Hospitalisation in a registered hospital or nursing home
- Registered home nursing, midwife and services supplied by a nursing agency
- Prescribed qualifying expenses must be presented with an invoice and payment receipt which both need to be in the name of the taxpayer who made the actual payment
- Expenditure incurred and paid outside of South Africa in respect of services rendered or medicine supplied which is substantially like the listed physicians above
- Only expenses over and above “claims not paid” on the medical contributions certificate may be claimed following the above requirements.

It is noteworthy that when medical benefits changed, the ability to accumulate losses fell away.
In trying to decipher this question, I think it is important to first define what exactly fixed and variable interest rates are.

A variable interest rate loan is a loan in which the interest rate charged on the outstanding balance varies as market interest rates change. As a result, your payments will vary as well. The interest charged on the loan will be directly impacted with an increase or decrease in the repurchase (repo) rate by the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB). With a fixed loan, the rate and repayment will remain the same for the duration of the fixed term no matter what market interest rates do.

Generally, a fixed rate option would be advisable in a rising interest rate environment for those clients wanting to manage their expenses over a specific period.

Banks typically offer 2-year fixed options and would load the rate to adjust for possible hikes over the period so as to protect themselves.

Whether a fixed-rate loan is better for you will depend on the interest rate environment when the loan is taken out and on the duration of the loan.

When getting a loan from a bank (especially longer-term loans such as Home Loans etc), it is imperative that potential borrowers do their due diligence before choosing.

If you are presented with the option of a fixed rate or a variable rate, which one should you go for? It is almost always better to choose a variable interest rate instead of a fixed interest rate.

Studies have found that, over time, the borrower is likely to pay less interest overall with a variable rate loan versus a fixed rate loan. Historical trends aren’t necessarily indicative of future performance though (cite Investopedia). This is because “Banks hedge their own risk of the interest rate going up by only allowing consumers to fix their repayments at a rate higher than the one they were paying before”. (Quote: Kay Geldenhuys from Ooba Home Loan experts).

At the beginning of a loan, only a small amount of the repayment value goes towards the principal (capital) component of the debt. The rest of the debt repayment goes towards interest. It is beneficial for a borrower to have a lower interest rate at the start of the loan, rather than later, towards the end of the loan.

The only time it would be advisable to investigate taking out a fixed interest loan as opposed to a variable one is when the fixed rate is only slightly higher or even below the variable rate the borrower gets quoted, although this is very unlikely to happen.

One should always keep in mind that lenders of funds (banks) are not non-profit organisations. Be assured that they will try to give themselves the upper hand as far as possible. If they are offering you a fixed rate you can be fairly certain that they have weighed up all their potential risks and will try to place the odds in their favour. They will want to be compensated, for taking on the risk of fixing your interest rate for a long period of time!
Pros and cons of having a carer

Toni Tickton, Client Wellness Advisor, discusses the advantages and disadvantages of home care in later life.

Carers bring many advantages, especially to independent living and to personalised care, but this option may not suit everyone. Here are some factors to consider:

Advantages of having a carer

- Personalised care: one of the main advantages of having a carer is the individualised attention provided. This can include personal care, cooking favourite meals, and helping to identify risk factors such as falling.
- Staying in your own home: the familiarity of one’s own space and possessions can be enormously comforting.
- Less pressure on relationships: family and friends can more easily enjoy themselves by being relieved of the caring role, which could be stressful and time consuming for them.
- Keeping pets: a carer can assist in managing pets, which might otherwise need to be re-homed if you moved to another residential setting.
- Peace of mind: a carer can provide companionship for you and often great peace of mind to concerned family members.
- Staying together: for couples, it may be preferable, and more cost effective to have a carer in your home for one partner, rather than to split up and move a spouse to another facility.
- Alternative to retirement village or frail care: whether by choice or because of “having left it too late”, carers can enable seniors to remain at home, even in the palliative care stage of life. Medical and professional nursing services are increasingly available on a home visiting basis.
- Driving: if a person is no longer driving, a carer/driver can help prevent isolation and maintain contact with regular or special outings.

Disadvantages of having a carer

- Finding the right person: the key is to find the right person who is competent and sympathetic to the needs of the client.
- Cost: will vary depending on the hours worked by the carer. The hours could range from a few hours per day, or a couple of days per week, all the way through to 24 hours per day. Remember that carers, too, have personal lives and will need appropriate time off.
- Available space: if a couple requires a night carer for one spouse, the intrusion into bedroom space may require a change of sleeping arrangements.
- Balancing the relationship: despite the temptation for a very close bond, especially with a long-time carer, it may be useful to remember that this is an employer-employee relationship. Structured channels of accountability are often useful and sharing confidential information such as a banking pin number is risky. Written daily logs, in a specific format, can help with continuity of care and with accountability. This is especially relevant if medication is being administered.

How to find a carer

There are basically two avenues to sourcing carers:

- Agencies: in most cities and towns there are several home care agencies to choose from, some registered for medical aid purposes and others not. The advantage of using an agency is the provision of continuous service – if the carer cannot make a shift, then the agency would provide an alternative person. Some agencies require a minimum number of hours for the carer to work, while others are more flexible. Some agencies, and also medical practices, provide private recruitment services, so that carers are screened before being employed.
- Word of mouth: this usually means a carer is privately contracted and will negotiate conditions directly with the client/employer.

Other factors to remember

- Carers can be hired for temporary assignments, such as recovering from surgery.
- Sometimes one might prefer to start with just a few hours of carer time, growing as the need arises.
- Personal Trust does not recommend carers directly; rather we can offer names of reputable agencies that we are aware of.

Source: adapted from https://www.which.co.uk/later-life-care/home-care/organising-home-care/pros-and-cons-of-having-live-in-carers-a5d0p5z0uvr

Case Study by Christine “Pepe” Cooper

Earlier this year, I was asked to assist a client whose health was deteriorating, to establish what options were available to her in order for her to stay in her own home.

It was clear that the client’s very loving and caring tenant was no longer able to cope with the demands of a frailer person. It was clear that the client’s very loving and caring tenant was no longer able to cope with the demands of a frailer person.

A care agency was approached, an assessment was done, and a carer was booked for a couple of hours three times a week. There were strict criteria set by the client which the agency acknowledged and fulfilled.

A significant positive outcome of employing a carer was greater mobility for the client. She had felt trapped in her bedroom as her legs were too weak and the stress of moving insurmountable. With encouragement from the carer, the client could venture into her art room which was uplifting and gave her immense pleasure.

The tenant was also supported by the carer as he could attend to his business knowing that the client had someone to assist and feed her.

Situations change quickly and, in this case, having a carer in situ, also proved invaluable as she was able to identify further health issues which, left undetected, may have proved problematic.

Toni joined Personal Trust in March 2019 as a Client Wellness Advisor. She is a social worker by training and has a Master’s degree in social administration. Toni has many years of experience working in the mental health field, in hospice and in palliative care. We are delighted to have Toni working with our clients at Personal Trust. Toni and Pepe Cooper work together offering retirement lifestyle support and advice to clients and their families.
Hermanus is a town in the Western Cape’s Overstrand, known for its unique local character and immense natural beauty: a combination of majestic mountains, a stunning, enormous bay visited by whales in winter, well-maintained cliff paths through fynbos, as well as boutique hotels, well-rated guest houses, and restaurants with views of the bay.

What local and foreign visitors staying in top-class hotels and guest houses may not know, however, is that in Hermanus the lives of residents who live barely a mile apart are really worlds apart. Along Marine Drive, some houses with five to eight bedrooms and multiple garages are unoccupied for most of the year. In Zwelihle township one-room shacks, where four or more people live, are literally on top of each other. In 2018, the residents of the townships, calling for more land, housing and services, mounted protests that resulted in the closure of the CBD and considerable damage to businesses and other property.

These protests were among events that have contributed to a remarkable experiment in tertiary education. Each year, about 800 young people in the Overstrand region matriculate with a pass fraction has any hope of attending a course, let alone obtaining accommodation, going away to study is not an option; only a tiny percentage of students and local businesses, among courses under consideration are ones to improve the quality of teaching and in marine biology.

Students will pay fees for their studies, but to make tertiary education feasible the Varsity aims to subsidise course-related costs. The Trust must also raise funds for the capital costs of setting up the campus, with its IT infrastructure, cover operating costs, including rent (until it is able to purchase the building) and pay the salaries of a tiny administrative staff.

In the few months that it has been underway, the Varsity has fortunately found benefactors willing to support this initiative, including immediate seed funding for R500,000. When the Trust’s registration as a Public Benefit Organisation is finalised, donations will qualify for tax benefits. Individuals and organisations wanting to contribute, or interested in finding out more about the Varsity, should email Bev Moller, admin@hermanusvarsity.co.za.

The volunteers involved in this initiative are motivated both by the desire to make a difference in the lives of individuals with education and the possibility of contributing to transformation of the region. More than this, Hermanus Varsity could become a model for tertiary education in other towns in South Africa and beyond.

Gavin Ashwell, Associate Director and Trust Officer, tells us about a new experiment in education.
From my first day at Personal Trust 31 years ago, we have been involved with many of the surgeons in what is now Matley and Partners at Kingsbury Hospital. From my beginning, Sydney Cullis and Peter Jeffery were clients, as was Sydney’s father, Robin Cullis (a GP). For almost as many years Sydney’s wife Catherine and his sisters Muffy Jeffery (widow of Peter Jeffery) and Betsy Joubert have been clients as well.

Sydney has been involved in the history of Antarctic exploration, I think, for most of his life.

The Simon’s Town Wall of Memory on the wall of the West Dockyard was established to highlight some of the aspects of the history of Simon’s Town over the centuries and the people who contributed to that history. There are 18 posters, the first erected in 2014 and now completed by those of the Antarctic and Admiralty House. One of the less well-known elements of Simon’s Town Heritage is its importance as one of the historic “Gateways to Antarctica”.

The Antarctic poster shows the other Gateway Cities in the world and lists the eight historic Antarctic expeditions that from 1840 to 1922 made use of Simon’s Town.

The English Polar explorer, Robert Scott, spent two years (1883-5) in Simon’s Town as a midshipman in HMS BOADICEA – and then returned in command of Discovery in 1901 and Terra Nova in 1910 – prior to his unsuccessful and fatal attempt to be the first to reach the South Pole. His second-in-command in Terra Nova was Lt Teddy Evans, who in 1933 returned as Officer Commanding the Royal Navy in the South Atlantic. While resident in Admiralty House he had Afrikaans lessons from Mnr Jan van der Poll, Headmaster of the Simon’s Town School. Discovery returned to Simon’s Town in 1926 where she underwent a major refit in the Selborne Dry Dock – prior to embarking on a pioneering oceanographic research voyage in the Southern Ocean in the region of the island of South Georgia. The “Discovery Investigations” contributed to the worldwide ban on whaling enacted in 1936.

The poster also reminds visitors to see the comprehensive Antarctic Display in the Simon’s Town Historical Museum, the only such display in South Africa.

Personal Trust is proud to have been associated with the Wall of Remembrance since its inception. In 2015 we sponsored one of the original Boards which commemorates the creation of the railway link from Cape Town to Simon’s Town in the 1890s. The railway remains an important transport link to this day.

With the opening of our Noordhoek office in 2016 our clientele in the area has grown and it is with great pride that we have now associated ourselves with this important new initiative by Syd Cullis.

Happy 3rd Birthday!

Personal Trust Noordhoek turned three on 1 May.

Kathy and I would like to thank you, our faithful clients, for your unwavering support and for referring your beloved family and friends to us.

We look forward to sharing another happy and successful year with you all.

Conrad Hendrick and Kathy Candy

PERSONAL TRUST NOORDHOEK
How long have you been with Personal Trust and what made you apply to join the company? I have been with Personal Trust for nearly 13 years. I joined in July of 2006.

I had known about Personal Trust for many years before joining the company – my parents had been clients since I was a child and I did vac work here whilst I was studying at UCT, so the company and some of the people were very well known to me.

What was your first impression of the company? It is such a long time ago now, I can’t remember! I don’t think much has changed in the 13 years in terms of the company’s culture. There has always been a very strong focus on servicing clients and that attitude continues to thrive within the business.

What department do you work in and what is your role in Personal Trust? I am the Marketing Manager so am responsible for the company’s marketing activity which includes initiatives for both existing as well as potential clients. Fortunately, it is a busy and varied role which keeps things interesting.

A few years ago, we launched the ‘Wellness in Retirement’ offering which has become a very important part of the marketing function. It is a service offered to clients and their families who may need retirement lifestyle support or advice. We now have two in-house advisors, Toni Tickton and Pepe Cooper who very ably fulfil this role.

Tell us about yourself I am a born and bred Cape Townian and proud Rustenburg Old Girl. After spending a year coaching sport at a school in England, I came back to study at UCT. After qualifying, I moved to the UK with my then boyfriend, now husband and spent the next few years building my career in Public Relations and, later, Marketing. After eight years, we made the decision to move back to South Africa to be closer to family and returned to Cape Town after spending an incredible and very memorable six months travelling around the world. We settled quickly and now have three beautiful children aged 11, 9 and 8 who keep us exceptionally busy. A gorgeous Labrador puppy is the most recent addition to our family and my new baby.

What are your interests – music, art, books, films, garden, sport? Between work, my husband and three children, I don’t have much time for interests, but I do love to read - Gail Schimmel, Jodi Picoult, Jojo Moyes – all light reads that put me to sleep at night. I also enjoy running – on my own when I have a gap, or with friends on the weekends. Spending time with friends, hiking and camping are all family favourites which we try to incorporate into our many weekends away.

I have always loved to travel but life doesn’t afford us that much opportunity these days, so I look forward to exploring more of the world when my kids are a bit older.

In one sentence how would you describe yourself? Painfully organised but for someone who lives for her holidays, it helps to have a plan!

Photos, clockwise from top: In Turkey with the kids | Having a drink with my folks after completing the Inca Trail | A family wedding | At the Taj Mahal, India | Our most recent addition | Thailand
Bradley Janse van Rensburg reports on this year’s Challenge:

Personal Trust once again entered a corporate team in the annual Cableway Charity Challenge. The challenge sees 195 runners attempting to see how many times they can summit Table Mountain via Platteklip Gorge, from sunrise to sunset, for charity. Each lap amounts to 5.5km and 760 metres of climbing.

The charities selected for this year’s event were Cool Play, Paedspal and Ons Se Plek with 10% of the amount sponsored going to Wilderness Search and Rescue. This year’s fund-raising target was R1 million – a target that was exceeded as the day went on thanks to all the sponsors! In fact, this year marked the most money raised with R1,084,211 being pledged.

At 07:02 precisely the start gun fired, and the day’s challenge began. The five of us, armed with water bottles, sunblock and sheer determination, embarked on our first of many ascents up Table Mountain.

As a team we summited Table Mountain 21 times (7 more than in 2018) accumulating a total team distance of 115.5km and 15,960 metres of climbing – more than twice the height of Mount Everest.

The day gave us the opportunity to step out of our comfort zone by challenging ourselves both physically and mentally, while being able to contribute towards some great causes. A feel-good kind of event and one that added to the team’s esprit de corps. We look forward to doing our part again in 2020.

Jeanine Koopman tells of Personal Trust’s participation in the 2019 marathon:

This year Personal Trust proudly sponsored 10 athletes to compete in the 50th Old Mutual Two Oceans 2019 Half Marathon in aid of St Luke’s Hospice. Interested staff were requested to put their names forward and towards the end of last year the names were randomly selected and forwarded to St Luke’s to take part in the 2019 Charity Run.

In addition, two of our Directors, Philip Kilroe and John Falconer, both seasoned athletes, had permanent numbers for the run. Regular inspirational quotes and a countdown to the big day were sent to the athletes. The team did not disappoint, and everyone turned up on the day in varying degrees of fitness.

Congratulations to Philip Kilroe who was the first member of Personal Trust to cross the finish line in a time of 2.00.38.

We look forward to entering again next year with some new Personal Bests to achieve.
**Men’s Winners (Westview Sports Club):** Andrew Hynch, Curt Fischer (skip), Rodger Wilson and Grant Hardman, with Neil Burkett, our Personal Trust Brand Ambassador, second from right.

Carl Vermeulen, Trust Officer from the Personal Trust Port Elizabeth office, congratulates the **Ladies Winners (George):** Wendy Murray (skip), Jenny Sinclair, Marti Pringle and Petro Breedt.

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Established in 1980. Active Founding Directors: JP le Roux, AD Calmeyer

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**15 PERSONAL OPINIONS MARCH 2019**

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