A WORD FROM THE MD | THE VALUE OF DIVERSIFICATION - PTI
OFFSHORE FUNDS | OFFSHORE ALLOWANCES AND EXPOSURE
| OVERCOMING LIMITATIONS OF THE PENSION FUNDS ACT |
RETIREMENT FUNDS: UNDERSTANDING THE DEATH CLAIM PROCESS
## 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
On 6 August, with nine US states reporting increased Covid-19 cases and with most other states announcing a status quo situation, Donald Trump stated, “This thing’s going away. It will go away like things go away.” Speaking directly after the President, Dr Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases, described the virus as ‘smouldering’. A brilliant description: like a bushfire that glimmers only to break into flames in unexpected places, to be doused, and then appear aflame elsewhere. Covid-19 is not going to be a one-wave wonder.

If anyone had any doubts about the world situation that we are in, UN Secretary General Antonio Guterres made matters crystal clear: “The world is in turmoil. Economies are in free-fall. We have been brought to our knees by a microscopic virus. The pandemic has demonstrated the fragility of our world. It has laid bare risks we have ignored for decades: inadequate health systems; gaps in social protection; structural inequalities; environmental degradation; the climate crisis.”

Here, at home, in his Supplementary Budget on 24 June, Finance Minister, Tito Mboweni stated that, “Debt is our weakness … Tax revenue for 20/21 will drop by R300 billion.” This statement was underscored by the disclosure that irregular expenditure in municipalities totalled R32 billion in the 2018/19 financial year.

Is Mboweni correct? Is it Debt that is our weakness or is it Corruption? How do we stop the corruption that seemingly pervades every level of our society? Every time I read about a major tranche of money — e.g. Ramaphosa’s R500 billion relief package and the IMF’s $4.3 billion — I find myself imagining politically affiliated porkers stuffing their snouts in the communal money trough. My apologies to all pigs!

All the old regulars — Eskom, SAA, Denel, Prasa, SABC and others — owe their present dire straits to the past and continuing corruption in their organisations.

Francis Fukuyama, an American political scientist and economist, described the Covid-19 pandemic as a global stress test. “Countries with capable, legitimate governments will come through relatively well and may embrace reforms that make them even stronger and more resilient, thus facilitating their future outperformance. Countries with weak state capacity or poor leadership will be in trouble, set for stagnation, if not impoverishment and instability.” Powerful words. He listed countries such as South Korea, Germany, New Zealand and, in Africa, Rwanda, as passing the test. However, in mid-August, all four countries experienced a spike in Covid-19 reported cases — the virus had indeed been ‘smouldering’.

In the first Quarter, unemployment dropped to 30.1%; despite the quite amazing effort of NGOs and private individuals in organising Feeding Schemes, poverty and starvation continue to stare us in the face; GDP fell by 2% between January and March, with mining and manufacturing the major losses. Investors are understandably looking for countries outside South Africa in which to invest their money. Articles by Mark Huxter, Dave Edgar and Nick de Villiers explore the possibilities, and advantages, of offshore exposure.

Some wise words to ponder — a quote from Paul Tembe, Ass. Prof. at the Institute of African Studies, Zhejiang University: “In fighting past historical injustices, South Africa should not be caught re-inventing the wheel or vindictively wanting to right the wrongs of the past at the expense of technological and economic growth for future generations.”

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SEPTEMBER 2020 PERSONAL OPINIONS 2

David Anderson, a Personal Trust client, is Editor of Personal Opinions
As we reach the third quarter-end in 2020, many of us have lost track of the Covid-19 infection rates and numbers, both in South Africa and internationally.

What is clear is that more and more people are growing anxious, even as global equity markets have made a remarkable recovery. This anxiety comes about partly as the result of a combination of the following:

- Loss of a loved one(s)
- It is not clear when this pandemic will end (there is talk of a second wave as some countries come out of their summer season)
- The Lockdown across the globe has damaged economies and livelihoods, thus giving a sense of ‘falseness’ to the equity market recovery
- South African Lockdown regulations have not all made sense
- Corruption has reared its ugly head again in South Africa, and it is clear that President Ramaphosa continues to be undermined by his political party.

However, if you look back in South African history, this feeling of anxiety or a sense of loss of control is not unique. The South African story has many chapters, yet most of us choose to believe that the lasting legacy will be one of hope, humanity and courage. I continue to choose to work towards this legacy.

Indeed, there is still much work to be done. We cannot go back to the old way of doing things. If anything, this pandemic has reminded us of the emotional burden that most of us still live with. It has also highlighted the many crises the majority of our people continue to suffer. I believe it is time for the next generation to stand up to be counted.

At Personal Trust, we have been fortunate to be seen as rendering an essential service. Managing retirement capital becomes even more critical in times of crisis, and not less. Excessive risk-taking may be rewarded in a bull market for a short while. However, fundamentals come through in times of crisis, and we have seen that in this year as well. These fundamentals include principles of diversification, investing for the long term looking through the cycle, and having a full understanding of client circumstances. As a result, our Fund Managers, Trust Officers and the entire team has worked even harder throughout this period.

We are pleased with the general performance of our funds through this testing period, in particular the flagship retirement funds: the Personal Trust Managed Fund and the Personal Trust Conservative Managed Fund over both the short, medium and long term.

Rendering an essential service has also meant that Personal Trust has not had to lay off staff as many other businesses have been forced to do. For this, we must not only be grateful, but we have a responsibility to help others less fortunate.

We have also been fortunate to be able to continue working safely throughout this period. Most of our staff have been working and will continue to work from home whilst being available to be of service to you at any point. Nicole McIntyre writes about this in more detail.

In closing, I would like to thank you, our clients, for trusting us with your retirement capital. Without you, we do not have a business. We will continue to work hard to earn this trust.
Andrew Calmeyer and John le Roux, both Founding Directors at Personal Trust, advise our clients of the cancellation of our planned celebrations.

We cannot believe how quickly the last 40 years have gone since we started Personal Trust.

It all started with a dream, that changed to commitment and which finally became a reality when on 1 December 1980 we opened our doors.

This reminded us of a wonderful saying: “Difficult roads often lead to beautiful destinations.”

Like any business starting out from scratch we have had our fair share of problems, which is to be expected, but we have also had wonderful moments and memories along the way to look back on and be grateful for.

This was to be the year that we celebrated our 40th Anniversary with our staff and you, our loyal clients – some who have been with us from the very start.

We started planning our festivities at the beginning of the year as this was going to be a special year for us, but little did we know how things would change, and change it did at the beginning of March when Covid-19 struck not only South Africa but the world.

So many things that we all took for granted suddenly changed, and we are not sure if things will be the same as we knew them when normality returns.

With all this uncertainty we had to make the tough decision to cancel all our planned functions and celebrations with our staff and clients for this year.

As per Belinda Danks’ article in this edition we have decided to donate the money, which we would have spent on the end of year functions and gifts, to charitable organisations that do amazing work in the poorer communities and that have been affected the most due to the Coronavirus.

The road ahead is still uncertain and many obstacles will still have to be overcome but, when they have been surmounted we will be in a position to celebrate our 40 years with you, our loyal clients, who have supported us throughout our journey.

We would like to take this opportunity to thank you for your continued support, because without this Personal Trust would not be in existence today.

Cybercrime is on the rise; please remain vigilant to cybercrime and hacking attempts.

- Change your password regularly and never share it with anyone else
- Never disclose personal information, banking details or pin numbers to anyone via telephone, fax, text messages or email
- Verify all requests for personal information and only provide it when there is a legitimate reason to do so
- Verify bank details before making payments.
“Men make their own history, but they do not make it as they please.” Karl Marx.

The potential “black swan” is China! Under the leadership of Xi Jinping, the politburo now believes that China as a nation is strong enough that it can forcefully assert its agenda both at home and abroad, because it has reached the point at which it can withstand whatever sanctions are applied. Xi thinks that the Global Order under the Chinese Communist Party is a superior offering. ESG (Environmental, Social and Corporate Governance) guided capital flows and history will prove this thought to be extremely misguided.

China vowed retaliation after the US forced the closure of its Houston consulate, in one of the biggest blows to diplomatic ties between the two countries in decades. The State Department subsequently confirmed in a statement that it had ordered the consulate closed “to protect American intellectual property and Americans’ private information.” The agency said that international agreements required diplomats to respect the laws and regulations of the host nation and not interfere in its internal affairs. After China’s announcement, immediate market reaction saw Futures on the S&P 500 Index drop, with European stocks; while Treasuries edged higher and the dollar erased its losses.

Given the above it is clear that one needs to keep in mind potential geopolitical risks and that history shows, in a major crisis (Covid-19), the problems generated by crises cannot be resolved with the tools of the old order. Novel circumstances demand creative and collective action, and have a unique tendency to reveal, exacerbate and confirm existing trends. Even in cities that have managed to contain the virus, daily life appears trapped in a kind of twilight world between the medieval, home-bound existence of the lockdown and the not-so-distant dream of normalcy.

Understanding the current regime of financial repression that we are under, and recent changes wrought by it, is key for successful investment strategies going forward. Such strategies must embrace a global investment horizon and a world of freer and more mobile labour, of increasing specialisation of production and more extensive use of credit.

And Shock! Horror! At the centre of all this “new normal” is the mighty, infallible, indefatigable, all-knowing state. Elections on this basis have just become even more relevant; given the urgency of electing qualified parliamentarians as stewards of the people’s wishes. Governments who tax and, in exchange for this contribution by the people, deliver poor personal safety, ineffectual security and other inadequate social and democratic benefits, will be voted out!

The impact of lockdowns imposed in several countries during this extraordinary time has been softened by online connectivity, which has enabled many of us to continue to live and work from remote locations. Our continued reliance on technology has not gone unnoticed in market prices, with the five largest technology companies in the world having significantly outperformed so far this year. The Sovereign “induced coma” of Covid-19 has resulted in an incredible wealth transfer from small businesses to these tech giants.

The key assumption, in our view, is that people quickly revert to most of their previous behaviour patterns. And importantly, if the virus returns, it will be in small, localised repeat outbreaks; we believe that most countries will be able to dampen these down without having to impose renewed draconian lockdowns. History is instructive regarding this key assumption. We can refer to 9/11 and to SARS and, more especially, to the diary of Samuel Pepys during the Great Plague in 1665. His diary entries make mention of the normalisation of his visitations to the local tavern, only six months after the plague peaked; having decimated 25% of the population! The so-called “new world” will probably look more like the old world than we think. Past examples of urban shocks seen this millennium suggest for one, that transportation habits in cities are sticky and resilient (e.g. the SA Taxi industry).

However, the post-coma economic recovery will see not all sovereigns treated equally; especially South Africa given our pre-existing shortfalls, inflexible labour markets and disrupted tourism sector. The post Covid-19 landscape points to permanent output losses! As investors remain wary of the sustainability of the recovery,

Mark Huxter, Fund Manager, writes about Personal Trust’s Offshore Funds and why we should have offshore exposure.

**The Value of Diversification:**

**PTI Offshore Funds.**

Mark Huxter, Fund Manager, writes about Personal Trust’s Offshore Funds and why we should have offshore exposure.
South Africa’s fund managers are trying to navigate the fine line between controlling ongoing risks and taking advantage of the significant opportunities that the volatility has presented to them. These opportunities must be assessed against an environment where South Africa is likely to suffer particularly weak recoveries over the coming quarters, especially as officials have struggled in the aftermath of the virus. Public debt ratios are on unsustainable upwards trajectories, while austerity politically is unpalatable and thereby prompting a shift towards financial repression. This risk is highlighted in the profile of local bonds, which are fundamentally higher than they have been for decades, as for the first time we are questioning the creditworthiness of our sovereign debt.

The overlay is that globally “helicopter money” has muddied the waters of pure price discovery and US presidential elections in November will also further muddy the waters. Presidential candidate Joe Biden’s VP pick of Kamala Harris is not a game changer, but it does avoid an unforced error and potentially solidify his electoral strategy. Trump still has a 35%-42% chance of winning. Too close to call? Creating further volatility and uncertainty.

Equally the recent performance of the JSE has not gone unnoticed in market prices. However, history also reveals that recent underperformance of the JSE relative to the US isn’t new or a unique happening. It, therefore, clearly demonstrates the validity of diversification and that of geographic diversification. In reality, it is the norm rather than the exception as witnessed in the graphic below.

**WHY OFFSHORE FUND EXPOSURE?**

The strategy offshore in both Personal Trust International “PTI” funds is designed so wealth is preserved and created by following a long-term investment horizon, low-turnover policy. However, investors need to remain steadfast to their investment strategy and always implement the golden rule of matching their local liabilities against local assets.

As we believe that not all sovereigns will be treated equally, despite given time and enough policy support, demand should eventually recover. Once it does, then the global economy could in theory still return to, and continue along, its pre-virus path. But that can only happen if the crisis has no lasting effects on the ability of the world economy to produce goods and services.

It is vital to recognise that the JSE is part of the EM universe and, as such, will only attract fund flows when we see a rotation from “Growth stocks” into “Value”. It is our conviction that the catalyst for this rotation will be triggered when three conditions are evident in the market. Firstly, China’s economy should embark on a cyclical recovery; secondly, the US dollar enters an extended bear market; and, finally we see signs of inflationary expectations rise and rates start to normalise. Then, and only then, global equity sector leadership rotates from growth (tech) to value stocks (EM; EU; resource-related Counters and banks).

It is important to bear in mind the differing strategic functions offered by the Personal Trust International “PTI” suite of funds. For example, the Cautious Fund should be viewed as a temporary parking bay to improve cash-like returns while one’s monies are phased into the decided long-term investments such as the Opportunities Fund. At present, the returns are on an improving trajectory; positioned currently in the top half of the peer group of 43 funds and not an above average risk profile, given a volatility of 15.35. PTI Global Select Managers Opportunities Fund over 3 years with a R20,000 lump sum – returning 12.96% (R28,827) is ranked 12th; and 14th on a R5,000 monthly contribution – delivering a return of 16.21% (R232,971). They are worthy of consideration to attain offshore exposure; to enhance and diversify one’s portfolio returns.
South Africa makes up a very small percentage of World GDP; this together with concerns about the future of South Africa both politically and economically, have recently raised many questions regarding offshore investing. Offshore exposure has always been an important component of a well-diversified portfolio, especially for those living in South Africa, and may possibly become even more important in the future. Mark Huxter, in his article in this issue, discusses the importance of investing offshore and I will discuss the ways in which an individual can gain this exposure.

The two ways South Africans can get direct offshore exposure are by using their Single Discretionary Allowance (SDA) or using their annual Foreign Investment Allowance (FIA).

South African residents over the age of 18 with a bar-coded or ID smart card can avail themselves of the SDA. This allowance is R1 million per calendar year and can be used for investments, gifts, travel, maintenance and overseas studies. The SDA does not require approval from the South African Revenue Service or the South African Reserve Bank and is the simplest way to get direct offshore exposure. If an individual goes over the R1 million allowance in any calendar year, the funds will need to be brought back to South Africa and there possibly could be penalties. It is therefore important to keep a record of how much of this allowance is used for the different purposes, other than investment.

Residents can further avail themselves of R10 million per year using their Foreign Investment Allowance. The FIA requires an application to the South African Revenue Services for a tax clearance certificate. Personal Trust tax clients may ask for this to be done via SARS e-filing. SARS will require your tax affairs to be up to date, three years of assets and liabilities statements, as well as proof of the funds that you would like to apply for. You therefore cannot apply for the R10 million and only have R2 million as proof of funds. Once the FIA has been approved you have one year to utilise this before the application expires.

Both the above allowances can also be utilised by South Africans living temporarily abroad and any funds externalised using these allowances do not need to be repatriated back to South Africa at any stage.

The above-mentioned allowances allow an individual to get direct offshore exposure in hard offshore currency. However, there are other ways to gain exposure to offshore and this can be done indirectly through the offshore exposure that your rand-denominated unit trusts have. The Personal Trust Conservative Managed Fund, Personal Trust Prudent Fund of Funds and Personal Trust Managed Fund all already have approximately 30% invested in offshore assets (30% is the limit that Regulation 28 compliant funds are permitted to invest offshore). Further to this there are a variety of rand-denominated offshore feeder funds that an individual can invest in that are 100% offshore.

Another simple way of increasing your offshore exposure is through your Living Annuity. A Living Annuity does not need to be Regulation 28 compliant and can effectively have 100% exposure to offshore through various feeder funds. Switching funds in your Living Annuity does not attract capital gains tax and can therefore be a cost-effective way of increasing your offshore exposure. For more information on this please see the article by Nick de Villiers in this issue (Overcoming limitations of the Pension Funds Act on your investment decisions).

There is a further way to get offshore exposure for local Trusts, as well as individuals who have fully utilised their allowances, and this is by using the asset swap capacity of an asset manager. Asset managers are allowed per SARB to invest a portion of their assets offshore. Personal Trust, depending on capacity, passes some of this allowance onto individuals and Trusts who need additional exposure. It is worth noting that assets taken offshore through our Foreign Direct Investment allowance must remain under Personal Trust’s control. Proceeds from any sales may only be repatriated back to South Africa and cannot be paid to foreign recipients.

As you can see from the above there are many ways in which to get offshore exposure. There are also differences in how the capital gains are taxed depending on which route you choose. The best route as well as the percentage is dependent on a specific client’s needs and will best be discussed with your Trust Officer who understands your holistic situation.
Overcoming limitations of the Pension Funds Act on your investment decisions

Nick de Villiers, Trust Officer at Personal Trust’s Noordhoek office, provides information on the aspects of Regulation 28.

There has been much discussion in the Press about potential changes to legislation governing Pension Funds and retirement funds and how they may invest. Government has been mulling changes to Regulation 28 of the Pension Funds Act which governs all Pension, Provident, Pension and Provident Preservation Funds and Retirement Annuities. The suggested changes are aimed at forcing these funds to invest a certain percentage in either government bonds, or government projects. It is not yet certain what the exact nature of these changes will be.

Many of you may remember the legislation in the 1980s compelling Pension Funds to hold a certain percentage of their assets in government bonds, effectively serving as an additional tax and reducing fund returns. There is already criticism levelled at Regulation 28 because it prescribes that no more than 30% of assets in the fund may be invested offshore. It also places a limit on how much may be invested in equities — a maximum of 75% of the fund’s assets.

This article will deal with a specific aspect of Regulation 28 and that is the 30% offshore limit. Personal Trust’s investment risk matrix suggests that between 30% and 50% of your assets be invested offshore. People who have family overseas or who wish to travel frequently may want to have more than this offshore to hedge against further Rand weakness. While many have the means to do this using their discretionary cash (non-retirement funding money), most people do not have the funds to make up the shortfall in offshore investments using spare change they may have found behind the couch. There is a solution to this problem, but it is only available to those who are 55 years old or older.

We will not discuss here the benefits and risks of offshore investing – that would be a more appropriate discussion to have with your Trust Officer should you be interested in investing offshore.

At retirement (from the age of 55 or older) retirees may take a one-third lump sum in cash from their Pension or Retirement Annuity. This would be tax-free if it is not more than R500,000 and they have not taken any previous lump sums. The remaining two-thirds of the Pension / Retirement Funds must be used to purchase an Annuity.

The traditional Guaranteed Life Annuity offered by Life Insurance companies invests this capital on behalf of the investor and pays a fixed monthly pension or allows for an inflationary escalation for the life of the annuitant. On the death of the annuitant some pay a lesser amount to the annuitant’s spouse. Once the spouse dies, heirs cannot inherit whatever capital may be left. Investors also have no say over the initial income taken and no flexibility to make changes once they purchase the product.

In recognition of some of the drawbacks of Guaranteed Annuities, most specifically that capital could not be inherited by heirs after the death of the last spouse, Living Annuities were created.

There are two main forms of Living Annuity:

- **In-Fund** – this refers to an Annuity that is housed within an existing Pension / Provident Fund. These are typically institutional Pension Funds or government Pension Funds. These usually have lower costs, but you are limited to four funds. These funds are subject to the Pension Funds Act and Section 37C applies. This (Sec 37C) governs the distribution and payment of lump sum benefits payable on the death of a member of a Pension Fund, Provident Fund, Pension and Provident Preservation Fund and Retirement Annuity Fund. These benefits are colloquially known as “death benefits”.

- **Out-of-Fund** – this refers to a separate Annuity product not contained within the retiree’s existing Pension Fund. You may invest in an unlimited number of funds and most importantly you are governed by the Long-Term Insurance Act, not the Pension Funds Act. This means that you are not subject to Regulation 28.

Many people may not be aware that an ‘In-Fund’ Living Annuity is still governed by the Pension Funds Act as the funds are housed within the institutional or government Pension Fund. Therefore, they must comply with Regulation 28, and section 37C applies.

Astute readers may now see the solution to avoiding Regulation 28. The way to invest more than 30% of your retirement funds offshore is to purchase an ‘Out-of-Fund’ Living Annuity (you would need to be 55 or older to take advantage of this). This allows the investor control over how the underlying funds are invested (you may invest 100% offshore in a domestically domiciled feeder fund) and the funds are not subject to any section of the Pension Funds Act.

Personal Trust offers clients the option of purchasing an ‘Out-of-Fund’ Living Annuity from select service providers and we can also assist in the management of the underlying assets. Talk to your Trust Officer about an ‘Out-of-Fund’ Living Annuity to see how avoiding the terms of the Pension Fund Act may benefit your retirement investments.
Dealing with the death of a loved one is not easy. Similarly, the administrative processes that follow can be distracting and daunting. And for many it will be an unfamiliar process. At Personal Trust, we stress the importance of having an up to date Will to ensure the estate process is as smooth as possible, placing less administrative burden on the bereaved family. But how does the process work for benefits that fall outside of the estate; benefits not dealt with in accordance with the deceased’s Will?

Death benefits received from Pension Funds, Provident Funds, Preservation Funds and Retirement Annuities are expressly excluded from the deceased’s estate and are governed by Section 37C of the Pension Funds Act (the Act). Section 37C of the Act places the burden of allocating death benefits onto the Funds’ Board of Trustees. The intention of the Act is to protect dependants, ensuring the benefit is allocated and paid in a manner that is deemed fair and equitable, as well as striving to ensure that no one who was, or will, become financially dependent on the deceased is left without support.

The misconception of who will receive the death benefit from a retirement fund on the passing of its member is often borne during the application process. The retirement fund application form will prompt members to nominate beneficiaries. Clients often assume that the nominated beneficiary will receive the death benefit. This is not always the case. Section 37C of the Act aims to protect dependants and not the nominees elected by the member. Dependants are defined as spouses, children, anyone proven to be financially dependent on the member at the time of distribution, anyone entitled to maintenance, as well as anyone who may in the future become financially dependent on the member. A nominee, on the other hand, is any party whose details the member provided to the retirement fund in writing, indicating that they should be considered by the Trustees for possible allocation of the death benefit, and the Trustees will take such nominees into consideration – but will be bound by the allocation process set out by the Act.

The Act requires the Trustees to conduct an enquiry into the member’s dependants at the time of their death, evaluate the individual circumstances, and come to a determination within 12 months. The Trustees are not bound by this 12 month period and can come to a determination sooner if they are satisfied they have completed their enquiry. The process is outlined as follows:

**Step 1:** The process begins with your Trust Officer assisting with the death benefit claim form. This forms the basis of the enquiry process, to identify all possible dependants and their financial status.

**Step 2:** The Trustees use the death benefit claim form and do further research to identify all dependants of the member at the time of the member’s death and make enquiries into the personal and financial circumstances of each dependant and nominee. When deciding how to allocate the death benefit the Trustees consider various factors, including:
- The financial position of the person
- Other sources of income and financial support available to the person
- Age of the person
- The person’s future income or their ability to earn an income
- How much money the person needs
- How the person was related to the member
- The value of the death benefit that is available for allocation
- The written wishes of the member (listed nominees).

**Step 3:** From the information gathered, the Trustees decide how to divide the death claim based on the unique merits of each claim. There are a few possible scenarios. If there are only dependants, or dependants and nominees, then the benefit will be distributed at the Trustees’ discretion. Being a nominee does not guarantee that that person will receive all/part of the benefit. If there are no dependants and only nominees are listed, the Trustees must determine whether the member’s estate is solvent. If the estate is solvent and can pay its debts, the benefit will be paid to the nominees in the proportions in which they were nominated. If the estate is insolvent, the benefit will be used to pay the estate’s shortfall and pay the remaining benefit to the nominees. If there are no dependants and no nominees, the Trustees will pay the benefit to the member’s estate after the 12-month waiting period.

Lastly, once the benefit has been allocated, the beneficiaries have various options available to them:
- Purchase a Compulsory Annuity (i.e. a Living or Guaranteed Life Annuity) in their name (no tax consequence).
- Take the full benefit as a cash lump sum, from which tax may be deducted as per the deceased’s retirement tables.
- Take a combination of a cash lump sum (from which tax may be deducted) and a Compulsory Annuity (no tax consequence).

If the beneficiary is a minor or a legally incapacitated adult, the Trustees may pay the benefit to a beneficiary fund, or to the parent or other person who has a legal responsibility for that beneficiary. The benefit may also be paid to a Trust, if nominated by the member, and approved by the Board of Trustees.

Since 1 March 2019, the amendment of the Pension Funds Act compels Trustees of retirement funds to offer an In-Fund Annuity option; providing retirement fund members the option to remain in the fund post-retirement and receive an annuity. This would be an alternative to purchasing an insurance product (Life or Living Annuity) with the retirement benefit – the difference being that the In-Fund Annuity is still governed by the Pensions Fund Act and not the Long-term Insurance Act. Consequently, Section 37C will apply to death benefits of In-Fund Annuities, and not as per the member nominated beneficiaries as in the case of an insurance product. Another section of the Pensions Fund Act that will also apply to In-Fund Annuities is Regulation 28; the regulation that limits the exposure to certain asset classes, such as equities and foreign investments. More information on Living Annuities can be found in Nick de Villiers’ article: Overcoming limitations of the Pension Funds Act on your investment decisions.

Should the above information prompt any questions regarding the revision of your Will, retirement fund nominations, or Annuity options, please do not hesitate to contact your Trust Officer for assistance.
The last few years have seen a growth in hype around investing in cryptocurrencies, along with a push by some for a move away from traditional fiat currencies to cryptocurrency. Cryptocurrencies are digital currencies which can be traded like shares or can be used to make payments for a wide variety of products online.

Your online ‘wallet’ is secured by a private key, or password, which gives you access to the contents of the wallet. This is, essentially, where the problem lies when it comes to passing on your cryptocurrency as part of an inheritance. If this private key is ever lost, there is no way of retrieving the cryptocurrency you own. It is therefore very important to make sure that the password is kept in a safe place and that you make some form of copy of it to pass on to whoever will receive the cryptocurrency as an inheritance.

Although widely used, the term Common Law Spouse is not formally recognised in our legal system, irrespective of the duration of the relationship or cohabitation arrangement. Unlike a married couple, the partners in a cohabitation arrangement will not be recognised as spouses for purposes of the Intestate Succession Act 81 of 1987, and will also not be able to call on the provisions of the Maintenance of Surviving Spouses Act, 27 of 1990, if disinherited or negatively affected by the wishes of a deceased partner.

Notwithstanding the above, the Income Tax Act 58 of 1962 does include reference in the definition of a spouse for income tax purposes, to: “a person who is the partner of such in a same-sex or heterosexual union which the Commissioner is satisfied is intended to be permanent.”

The implication of this inclusion, for estate planning purposes, is that it entitles a partner to the same abatements where he or she leaves assets to his/her partner in terms of a Will. The value of such a bequest shall be exempt from Estate Duty under Section 4g of the Act and the rollover relief, pertaining to Section 4A and Capital Gains Tax between spouses, will also apply.

Cohabitation is recognised in The Pension Funds Act 24 of 1956, and a partner may receive Pension Fund benefits if nominated by the member as a partner or who qualifies in terms of the rules of a fund as a dependant. This, however, only applies to death and not termination of the relationship. A partner will not have any claim to the pension of a former partner akin to a spouse on divorce.

It is important to talk openly and honestly to each other to ensure that you are both protected and aware of the pitfalls in the rules and regulations as outlined above.

What can you do to protect you and your partner?

- Ensure that you have valid Wills in place, reflecting your wishes, and that it is recorded that you are in a relationship intended to be of a permanent nature.
- Ensure that you enter into a Cohabitation Agreement that clearly sets out your shared responsibilities, maintenance requirements etc. for the duration of the partnership and what your intentions are from an asset split and maintenance point of view, should your partnership come to an end.
- Ensure that you record your partner as such with your Pension Fund.

Keith Scott, Trust Officer, provides important information on cryptocurrency and cellphone contracts with regard to deceased estates.

- Cellphone contracts can be extremely frustrating at times, none more so than when a loved one passes away. We have noticed that cellphone companies tend to expect the remainder of the contract to be honoured by the family or the estate of the deceased. This can create a headache for the beneficiaries of an estate as well as for the executors.
- However, cellphone companies do allow for contracts to be taken over by a beneficiary or family member of the estate. It is important to make sure that there is someone either willing to take the contract over or to pay for the remainder of the contract.
Global economies have come under extreme financial pressure recently due to the Coronavirus pandemic. It is precisely during crazy times like these that people may require cash now from funds that they had previously ‘saved for a rainy day’. In such volatile and uncertain financial times it is always best to focus on that which can be controlled, and that happens to be our individual spending and saving habits.

**Here are some general tips:**

- **Establish an emergency fund for unforeseen events (e.g. Coronavirus Pandemic)**
  - An emergency fund is generally anywhere between three to six months’ worth of household expenses.
  - It needs to be easily accessible and will ideally be invested in low risk assets.
  - You need to be sure that you have access to funds in a crisis. There couldn’t be a more appropriate time than right now, to reiterate exactly why it is so important to have quick, easy access to emergency funds.

- **Budget**
  - Rather cut down on your spending/consuming than cut out saving altogether
  - One of the biggest mistakes people make is not to budget for their expenses, and many fail to allocate money first to savings
  - Monthly savings should form part of your budget.

- **Make saving automatic and consistent**
  - If possible, make use of a monthly debit order when investing for a future goal, as opposed to trying to save what you have left over at the end of the month.
  - Make use of rand cost-averaging. It is a very important tool for an investor. This removes the risk of trying to ‘time the market’.
  - This is when you invest an equal rand amount in an investment at regular intervals (debit orders work well), ensuring that the price you pay for the investment averages out over a period of time. When the price is high, your money buys less; when the price is low, your money buys more. This may mean you miss out on some of the gains, but it certainly helps to reduce the sting of downturns.

- **Pay off your debt as quickly as possible**
  - Consumers are susceptible to the mental accounting bias. For instance, some people keep a special fund set aside for a vacation or a new home, while at the same time carrying substantial credit card or other debt. In this specific scenario ‘saving’ for a specific goal (e.g. home or vacation) can actually be detrimental to their total net wealth. They are likely to treat the money in this savings account differently from the money they use to pay down their debt, in spite of the fact that diverting funds from the debt repayment process increases interest payments, thereby reducing their total net worth.
  - It doesn’t make sense to maintain a savings account that earns little interest while simultaneously holding credit-card debt. In most cases, the interest on this debt will erode any interest you could earn in a savings account. Individuals in this scenario would be better off using any money already saved up to pay off the more expensive debt.

- **Let compound interest work for you**
  - Start saving as soon as possible, every rand counts
  - Compound interest takes into account not only your original savings amount, but also accumulated interest of all previous periods
  - This shows how much money you can save by paying off loans more quickly, and how much you can earn by starting to save as soon as possible.

- **Reduce unnecessary capital withdrawals where possible**
  - If you currently receive an income from a Living Annuity, try to reduce when possible.
  - Government has temporarily increased access to Living Annuities for a 4-month period from 1 June to 30 September 2020. During this time, you can change your income withdrawals outside of your anniversary month and reduce or increase your income to 0.5% and 20% (normally 2.50% and 17.50% respectively) i.e. reduce below 2.50% if at all possible.
  - Try to withdraw a lower percentage from your investments that have been the most severely affected by the global pandemic.

- **Review Medical Aid/Insurance Policies**
  - Re-evaluate your medical aid, funeral and insurance policies and premiums to ensure that you are getting the best deal
  - Make sure that you or your assets are not over-insured

- **Make use of financial products that offer tax relief & other benefits**
  - Take advantage of the tax relief offered by products such as tax-free savings accounts and retirement fund contributions.
  - Compare the cost and features of financial services products before committing to one. These will range from a wide variety of loans, current accounts, debit cards, foreign exchange and unit trust investments.

- **Don’t be afraid of taking on some risk**
  - When focusing on making long-term investments, don’t be afraid to take on some risk (in the investment sense). One of the biggest mistakes people make is to stick to low-risk investment instruments such as Money Market or cash accounts.
  - Your funds require some riskier asset class exposure to give you a return that will beat inflation – for example, growth assets such as offshore and local equities. The level of risk you take must match your ability to tolerate risk and fit into your investment expectation.
  - One should never invest out of fear or greed. These are the times when you are most likely to make emotive and irrational investment decisions.

It’s important to remember that everyone has their own unique set of financial situations and circumstances. That is why it’s highly recommended that you consider contacting a competent financial advisor, if you don’t already have one. They can help guide you to achieving your future financial goals. It all comes down to establishing a suitable but realistic plan and sticking to it over the long term.
Gavin Ashwell, Associate Director at Personal Trust, reminds us of the importance of donations when many people are going through very difficult times.

As we are all aware, Covid-19 has had a major impact on people’s livelihoods globally. The austerity measures announced by the South African Government soon after Lockdown have provided limited relief to the business community and to individuals.

The hard Lockdown imposed in South Africa over the past five months has highlighted the incredible work undertaken by charitable organisations to assist local communities during these extremely tough times. One such example is the Peninsula School Feeding Association who, together with their community kitchen partners, have been able to provide a daily cooked meal to hundreds of children and families affected by poverty.

However, none of this would be possible without these charities receiving funds from generous donors.

The [Personal Trust Charitable Foundation](#) was established some years ago to enable clients to make a meaningful contribution to society in a sustainable way. The intention was to be able to offer clients all the tax benefits of having their own small charitable Trust without the costs involved in setting up and administering one. The Foundation is registered for Income Tax purposes as a Public Benefit Organisation and for Section 18(A) purposes. This means that not only are the donations and bequests free of donations tax and estate duty, but any donation made by an individual to the Foundation is also deductible for income tax (up to a maximum of 10% of taxable income).

The [Personal Trust Charitable Foundation](#) provides a platform and enables individuals to make a difference to those in genuine need of assistance. Should you be interested in donating or bequeathing funds to the Foundation please contact your Trust Officer.
In March of this year, Personal Trust, like most South African employers, found itself in a period of rapid change and re-orientation. In a period of just 10 days, the operations, support, managerial and executive teams all sprang into action to ensure that we could be open for business but working safely from home by the dawn of 27 March 2020.

During these preparations, and the period thereafter, the extended Personal Trust team showed great resilience, diligence and determination in overcoming every challenge and seeking better solutions, so that our essential operations could continue and excellent services could be delivered with confidence to clients at a time of such global uncertainty.

As an essential service provider, many members of the Personal Trust team were issued with essential work permits to ensure that select members of the team would be able to travel to and from the office, if needed, and to meet with clients if any essential meetings needed to be held during the lockdown period.

There were many challenges to overcome as a team, not least refocusing our efforts in order to seek out opportunities to offer our traditional service offering in new ways: **Old Fashioned Personal Service with a Personal Touch.** This meant changing our thinking in how we grow as a business, how we connect with clients in their time of need, and how we ensure connectivity so that essential transactions and reporting happen in a way that certainly would not have been envisaged 40 years ago when Andy, John and the rest of the founding partners first dreamed of a professional Trust Company providing personalised services.

You will read elsewhere in this edition of how the delivery of services manifested itself throughout this time of rapid change. This period of reflection, innovation and renewal, although challenging, has been met by the team with creativity and, with hindsight, a healthy sense of accomplishment and pride.

As an essential service provider, it was paramount that our office environment risks were reviewed and changes made so that clients and staff, needing to be in office, would be safe to be so.

This has resulted in many changes to allow for touch-free access, as far as this could be arranged: masks, hand and desk sanitizers have been provided and our team focus has been on matters relating to health and safety both at work and at home, for ourselves, our families and our clients. From a wellness perspective, Covid-19 has touched the lives of many clients and our extended Personal Trust staff members and their families. This has meant a period of community focus for us whilst we support and encourage each other in our family’s journey to wellness. Our Client Liaison and Wellness Advisors, Pepe Cooper and Toni Tickton, have been active in supporting our clients and staff alike in need of wellness support during this time.

At the time of writing of this edition of Personal Opinions, Level 2 lockdown has just been announced. The plan is to work from home where it is possible to do so but to be available to be in office as needed. As the demand for in-office support of clients increases, the respective service teams will rotate attendance in office so as to keep overall numbers in the office relatively low.

All Personal Trust team members continue to be available telephonically during normal working hours and calls are re-directed via our main switchboard number to our cellular phones.

Nicole McIntyre, Human Resources Director at Personal Trust, describes some of the challenges that we have been faced with over the last few months.
The effect of Covid-19 has been felt across the world and, although many countries are seeing some relief from infections, the impact of the pandemic will be felt for some time.

According to the World Bank, Covid-19 is likely to cause the first increase in global poverty since 1998 and, in a country already stricken by poverty, many South Africans will be left destitute and starving. Our reality is that there are so many with so little and, as individuals and as a company, we felt compelled over this time to help those in need in whatever way we could.

Personal Trust was fortunate to be in a position to provide some financial assistance to charitable organisations that were doing phenomenal work in poorer communities. Our primary focus was to try to ease hunger so the majority of the help provided was to support Feeding Schemes that were delivering food parcels and meals within the communities in which Personal Trust operates. However, we were also able to assist other essential causes such as the distribution of masks, assisting abandoned animals and providing educational resources to children who otherwise had no stimulation. In addition, we tried to identify initiatives that supported different segments of the population, from children to the homeless and the elderly. Our contributions are a mere drop in the ocean of what is needed to alleviate the problems, however we have been able to assist 18 organisations over the past few months and we hope that it has brought some relief to those in such dire need.

Belinda Danks, Associate Director at Personal Trust, outlines how Personal Trust has been able to contribute towards giving during tough times.

"The Future depends on what we do in the Present."

Mahatma Ghandi
Wellness during Covid-19

Belinda Danks, Associate Director at Personal Trust, provides information on the challenging role of our Wellness Advisors.

It has been said that the greatest wealth is health and never before has this been more true. Covid-19 has certainly forced us to realise the value of good health and our Wellness Advisors have been hard at work assisting clients and staff during this period of uncertainty. For Christine Cooper (aka Pepe) and Toni Tickton, Wellness Advisors at Personal Trust, the start of lockdown necessitated a change from home visits to predominantly telephonic contact with clients – just checking in on their mental and physical wellbeing. According to Pepe, she was amazed at the positive attitude of the people she connected with. “This does seem to be a trait of the Personal Trust family of clients,” she said.

Having already started reading extensively on Covid treatment options and management, Pepe signed up to as many courses on FutureLearn that she thought might give her a greater understanding of the pandemic. As the disease spread and got closer to home, Pepe’s role changed to assisting the company by providing information for staff which included preparing and presenting a manual for the cleaning assistants. This was an interesting exercise as a lot of habits with respect to cleaning were examined. 20 years as a nurse in a Respiratory Clinic proved advantageous and new procedures have been adopted as future best practice. During the height of the pandemic, Pepe and Toni worked closely together as a support to many of our clients. In many instances, they were able to help our clients by taking them to hospital, sourcing carers and shopping for those that weren’t able to do so for themselves. For clients with no family or those with adult children living abroad, Pepe and Toni’s involvement extended to keeping in touch with relatives and providing logistical support to ensure the continuity of care.

Toni had some unusual requests during lockdown, from finding a restaurant in McGregor that would make and deliver a cake to a client staying in the village, to more complicated matters such as facilitating the sale of a client’s car. It has been a time of learning for all of us. Toni discovered that a lot can be achieved remotely: “It is worth rising to the digital challenges, but nothing replaces a hug. That is the thing I have missed the most with client interactions.”

From a company management perspective, having two such qualified individuals on hand to provide support and advice to staff and their family members, as well as clients who have been affected by the disease, has been invaluable.

More recently, we are pleased to hear that our Wellness Advisors have found that the demand for Covid-related information has decreased. They are available to assist with all non-financial matters pertaining to lifestyle decisions – for example, appropriate retirement facilities given your situation, specialised care facilities, home care nursing services, home modifications and bereavement support, amongst other issues.

Please contact our Wellness Advisors directly on 021 689 8975.
The planning for our holiday began way back in 2018. We knew that 2019 was going to be a landmark year for our family – two 50th birthdays, a 21st and a 25th wedding anniversary. That does not happen very often. None of the celebrants was looking forward to hiring a hall and inviting a host of people. We preferred the quiet, low-key celebrations at home.

However, as a family celebration, we decided that a trip to the US would be ideal; NBA games, New York, Boston and Washington, that would be perfect. We decided to include Mihlali in this trip. She is best described as our daughter – she also turned 21 in 2019, without any thought of a party.

We completed the passport applications, sourcing of hotels, cheap airline tickets and eventually the very stressful US Visa application. All done and ready for take-off. We were scheduled to leave on Saturday, 14th March and return on Sunday, 29th March 2019. It was about the end of February that the news of Covid-19 – the Corona Virus – started surfacing in the news. The closer our departure date got, the bigger the news story became but, at that time, the infection was still considered to be a “strain of flu”, and you could avoid and possibly treat it as you would the flu.

Jacinta (my wife) and I briefly spoke about the possibility of postponing the trip, but the financial commitment was already quite substantial. Little did we know how much we would come to learn about this in the next few weeks. The Wednesday evening before we left, we asked our son Adrian (AD) and Mihlali if they still wanted to go; we did not want anyone to feel forced to go. They laughed it off, and we were ready to leave. For the remainder of the week, we said our goodbyes to the family, and at 06:00 on Saturday morning, we were on our way to New York.

We arrived at JFK International Airport on Sunday, 15th March in the afternoon, and were immediately surprised at how empty one of the busiest airports in the world was. When the customs official suggested that we had come at a really “bad time”, we were a little concerned. But by the time we reached the subway, and AD started figuring out how to get to our hotel, we were on holiday.
Breathing New York air, asking New Yorkers for directions to 39th Avenue, Long Island City – it was just as we imagined it would be. Once at the hotel, we went for a walk about, and immediately took to the Deli way of life. You just buy what you need for about two days, and then back to the Deli again.

We spent our first week on the subway every day. Even though all the sight-seeing places were closed, we were not phased as we could still take a walk through Central Park and Times Square, and also take the ferry ride around the Statue of Liberty. That was good enough for us; mostly we enjoyed walking through the various suburbs.

It was after one such trip that our holiday changed. On Sunday, 22nd March, we were out for the day; on the way back to the hotel, Jacinta and I stopped for supper, while AD and Mihlali went ahead to prepare some tea. As we arrived at the hotel, the normally friendly receptionist seemed a bit stressed. She told us that we had one hour to pack up and leave the hotel. All the other guests had left already – the hotel management had decided to close the hotel, because the staff could no longer work there due to the Covid-19 restrictions. We had nowhere to go. While the three of us hastily packed everything, Jacinta started searching the booking apps for a suitable hotel in the area. The receptionist suggested a nearby Backpackers Lodge at $44/person per night.

By some intervention, Jacinta found a hotel a few streets away that would do. While we finished the packing, AD plotted the route that we would walk. That was the first of the few stressful, uncertain walks that we would take. We had no idea what this hotel would be like. As things turned out, this hotel was much better, in terms of cost, location and staff assistance, than our first one. The main challenge was that it was a one-bedroom space with a bathroom. However, it would become our home for the next month.

The next morning, Monday, 23rd March, my oldest brother Rodney sent me an urgent message requesting a quick call. His friend, who worked in the travel industry, had just let him know that the President was about to announce a national lockdown, and that the airlines had been given a few days in which to arrange flights to South Africa. That morning we went to JFK airport to see if we could arrange an earlier flight with our airline, Qatar Airways. We arrived at the airport at about 11:00am, and none of the airline counters was manned – the airport seemed deserted. Fortunately, an extremely helpful airport staff lady assisted us with making calls to the Qatar Airways office. They gave us a new airline helpline number to call and said that the staff would only be coming to the airport at about 17:00. We spent the day there, waiting. When they eventually arrived, the conversation was short – they could not help us - call the office helpline number. The remainder of that day, at the hotel, we called that number every thirty minutes, and it was either engaged or no one would answer when it rang.

The next morning, Tuesday, 24th March, we decided to go to the Qatar Airways offices at the Empire State Building. In the cold and rain, we walked up and down looking for the entrance to this building. When we eventually found it, we were told that all offices there were closed until further notice. Quite despondent, we went back to the hotel. Another urgent call from my brother suggested that we go to the airport with all our luggage, as the airlines would be cancelling South Africa flights by the weekend.

On Wednesday morning, 25th March, we took our second stressful, uncertain trip - this time to the airport. We arrived there early, and again waited till 17:00. Again, the conversation was short, “We are not flying to South Africa because the airport is closed.”

Fortunately, we had retained our room at the hotel, and we would be there until Saturday, 18th April. In that time my siblings started a chat group, in which we explored all opportunities to get back home. My brother’s travel agent friend provided some inside information as to when airlines might be flying to South Africa again, as well as news about repatriation. We started our relationship with the SA Embassy in New York, sending many emails, explaining our situation. We even tried a surprise visit, only to find that they too were closed. After the first two or three emails, we were placed on their database of South Africans stranded in the US. Thereafter, it became a waiting game, as it became clear that the Embassy staff knew little more than we did.

This was also the time that we learnt about travel insurance. It was our impression that the travel insurance would be a good investment, especially as we were travelling at a time when there was the smallest possibility that something could go wrong. Well, that possibility happened, and travel insurance was as helpful as a fork in a sugar bowl. The fact that Covid-19 was a worldwide pandemic, or that almost all the countries in the world implemented a lockdown in one form or another, meant nothing to the travel insurance. They could only assist us when we submitted our invoices for accommodation; they did not cover meals or laundry. They would only cover the difference in the flight costs when there was proof that the flight had been cancelled. We were told to just turn on the TV. We were forced to survive the rest of our time in the US, and pay for our flights home, without a cent of support from our travel insurance.

We were stuck in one of the biggest cities in the world, New York, also the city with the largest Covid-19 infection rate in the United States. We were there when there were 900 deaths every day, when there were large cold storage trucks parked at the hospitals because the hospital morgues were not big enough, when Central Park became a field hospital, when bodies were buried in unknown graves. Throughout this time we had to survive, financially, emotionally and physically. The lockdown in New York was in the form of a ‘stay in place’ order. People were encouraged to stay at home, and only go out when necessary. We could not stay in our one room, so we bought a single plate burner, a pot, kettle and pan. We went out every day, first on the subway, to different parts of the city, keeping our social distance and sanitising regularly. Eventually the subway became too dangerous. Then we would go out for a walk every day. Some days we would walk more than seven kilometres. Our formula for survival was getting out for walks, making a simple soup with every supper meal, and having our daily dose of honey, lemon and ginger every night. Our budget was $15/ day for meals; when we managed to go for two days below this budget, we would treat ourselves to a take-away meal. The spirit of the New York people inspired us. No matter how bleak things seemed, when we were out we always encountered helpfulness, willingness to assist and pride in being able to survive and work in New York City. We followed Governor Andrew Cuomo’s daily briefings, inspired by his firm leadership during such a difficult time.

We received a message from the Embassy that there was the possibility of repatriation flights from Washington. Those wishing to be on board this flight had to find their way to Washington. The choice was to either wait in New York for more confirmation, or to go to Washington and hope that the flight left on the 20th April as indicated. With things getting a bit worse in New York, we decided to go to Washington. Through some intervention, AD found a hotel there, that suited our budget. On Saturday 18th April we took our third stressful journey – by Greyhound to Washington, and then on their public transport system to the hotel. The Washington subway and bus system is different to that of New York, so it took AD a while to figure it out. As a result, we took a bus to what was the nearest point to the hotel and, after travelling for most of the
day, we had a twenty minute walk to the hotel. The reward after our hard day’s travel was that this was a time-share resort, with self-catering flats – two bedrooms both with bathrooms, a lounge and a full kitchen. It was the perfect blessing with which to end our extended holiday.

We ended up staying in Washington for two weeks, waiting for the repatriation flight, which eventually left on Saturday 2nd May. We continued with our formula for survival in Washington, as we had done in New York. After spending seven weeks in the United States, we were able to leave healthy, relieved to be going home, but also with a determined resolve that in eight years’ time, we would be back to continue our relationship with one of the largest cities in the world.

The repatriation was a bitter-sweet experience – sweet because we knew that we were eventually on our way home, and bitter because it revealed some unpleasant realities. In order for us to board that plane, we had to pay R15,150.00 per person. A ridiculous amount of money for a one-way ticket. The flight was scheduled for 19:30 and we had to be at Dulles International Airport by 15:00. We arrived there by 11:00am. Already there were almost one hundred people there, some knowing that they were leaving and others hoping to be leaving. Every hour closer to the departure, the crowd grew larger and more restless, with people trying to force their way into the lines or arguing with the check-in staff because their names were not on the list. Sadly, this commotion could have been reduced if the Embassy staff had been there early to facilitate the boarding process. They arrived at 17:00.

We boarded the 2001 SAA aircraft, relieved but anxious. It would be a 15 hour “masked” flight to OR Tambo. An hour into the flight, we were served our cardboard box dinner; 12 hours later, the only other serving, we were served our next refreshment – a cardboard box brunch at 15:00 hours. It took one flight to clearly show why our National Airline is in the mess in which it finds itself.

Landing in Johannesburg was greeted with spontaneous applause by the tired, frustrated passengers. We spent the next three hours on the tarmac. Everyone had to collect their luggage, then go through customs in the deserted terminal and then wait in our transport until all passengers had been cleared. Any thoughts of spending quarantine in a hotel were dashed when we arrived at Esselen Park Training Centre. It is an old, well-used facility and, even though it had been cleaned, it was no Holiday Inn. The staff at the quarantine facility were very friendly, polite and extremely accommodating. However, the feeling of being in prison could not be escaped. We were not allowed to leave our rooms, meals were delivered to our rooms, and we were allowed 30 minutes in the courtyard every afternoon. Jacinta and I were in the couple’s room, and AD and Mihlali had single rooms away from ours. We did not see them for two days. We had survived the Covid-19 virus in the United States by eating healthily, taking daily walks for exercise and being aware of our body. After two days in quarantine, we felt more unwell than we had ever felt in the past seven weeks. This prompted our meeting with the supervisor of the facility. We spoke about the lack of fruit with the meals, the fact that our meals were cold and that, after two days, we had not yet been tested. While the very next meal was accompanied with fruit, we could not afford to stay there much longer, so we paid R850 per person to be tested by private medical personnel who also service the quarantine venues. The next twenty-seven hours waiting for our results were gut-wrenching. It did not help that the results were released one at a time, with mine being the last released at 01:45 am on the morning of Thursday, 7th May. By 11:00 am that same morning, we were looking at possibilities for the final leg of our journey. The lack of flights to Cape Town; the health risks of taking an 18 hour bus ride; or spending R10,000 to hire a car left us with very few options to get home. That was until a Good Samaritan availed his car for us to end our eight-week “holiday” with a road trip. Truth be told, the 16 hour road trip was the perfect way to end our holiday. AD was co-pilot and never slept for the entire trip. We were driven not just by that Fortuner, but also by our excitement to be moving and the quiet knowledge that we had just shared the experience of a lifetime.
The newsletter of personal trust (pty) ltd

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OK Moses, LS Petersen, BG Prettejohn BCom Hons, RO Smith HDip (Tax), KA Sontsele CFP® BCom, N Taal BScSocSc PGD Mgmt (HR),
A Theron BCom LLB PGDFP, L van Wyk BCom (Hons), PB Vlotman (DMS) Dip BusM, L Wasmuth

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