Robert Cowen Investments

Growing families' wealth since 1982

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Newsletter

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Contact us:

Di Haiden

+27 11 591 0572

083 308 7928

di@rcinv.co.za

Mike Gresty

+27 11 591 0571

083 455 4408

mike@rcinv.co.za

Editor:

Eric Lappeman

+27 11 591 0573

eric@rcinv.co.za

The Family Office

You are welcome to pass this newsletter on to friends who may wish to learn more about investment.
To be added to our email, contact eric@rcinv.co.za

"Sanitize your hands, and sell your Rands." ~ Anonymous

Visit our website: www.rcinv.co.za for back copies of the newsletter, background information, etc.

Highlights of this newsletter are:

- A month in markets - February 2020
- Coronavirus COVID-19 and its effect on markets - by Mike Gresty
- SA Budget Wrap-up – by RSM South Africa
- Play your game, not the markets – by Eric Lappeman
- Charts/Memes of the month - February 2020
- Meet the RCI team - Monthly RCI staff profile - Marieke de Kock
- 'Currency Corner' - February 2020
- RCI Unit Trusts
- RCI – 'The Family Wealth Office' – What we offer

RCI BCI Worldwide Flex closed February at 136.75c, down 1.50% for the month and up 19.55% for the last 12 months. It is **ranked 3rd out of 75 funds in its category for the last year, and 5th over a rolling two-year period.**

A Month in Markets - February 2020

Despite a strong start to the month of February, we saw markets give up their gains as the coronavirus (COVID-19) came back into focus. Fears of near-term negative effects on Chinese and global growth, together with the expectation that central banks around the globe will provide further monetary policy support, sent core government bond yields lower and shares with it.

In the first few weeks of the month, the equity market largely shrugged off concerns about the COVID-19 outbreak, supported by better than expected Q4 earnings out of the US, improving business surveys and expectations that negative effects of COVID-19 would temporarily be normalised. However, increases in cases outside China led to a sharp sell-off towards the end of the month. Developed market equities fell sharply, with the S&P500 dropping 8.2%. The rand also gave up major ground to the US dollar to close at R15.65. This helped the RCI Growth and Worldwide Flexible Funds to close at down only 1.6% and 1.5% respectively for the month. This compares to a drop of 9% in the JSE All Share.

On the commodity front, we witnessed a second month of big gains in Palladium (now up 42% for the year to date) and, unfortunately, another drop in oil (now down 24% for the year).

Certain shares on the JSE also witnessed rather substantial moves, both up and down. Gold shares enjoyed a good month on the back of a fee to haven assets. On the other hand, iron ore producers and JSE REITS experienced a difficult month.

MONTHLY MARKET MATRIX

Indicator	Closing level	Monthly Move	Y-T-D
Equities			
MSCI World Index (USD)	**2141**	**-8.4%**	**-8.9%**
S&P500 (USD)	2954	-8.2%	-8.3%
FTSE 100 (GBP)	6581	-9.0%	-12.0%
Nikkei (JPY)	21143	-10.6%	-8.8%
MSCI Emerging Markets Index (USD)	**1006**	**-5.3%**	**-9.7%**
JSE All Share Index (ZAR)	51038	-9.0%	-10.5%
JSE All Share Index (USD)	51038	-13.4%	-20.6%
JSE Capped Swix All Share Index (ZAR)	20316	-9.5%	-11.9%
RCI BCI Worldwide Flexible Fund (ZAR)	136.75	-1.5%	5.7%
RCI BCI Flexible Fund (ZAR)	324.28	-9.5%	-8.7%
RCI BCI Growth Fund (ZAR)	127.74	-1.6%	6.5%
Bonds			
US 10 Year Treasury	1.15	3.2%	6.5%
SA 10 Year Govt Bond	9.12	-0.1%	1.1%

Indicator	Closing level	Monthly Move	Y-T-D
Currency			
USD/ZAR	15.65	-4.0%	-10.7%
GBP/ZAR	20.08	-1.2%	-7.6%
EUR/ZAR	17.27	-3.5%	-9.1%
Commodities			
Gold Spot (US$/oz)	1 586	-0.2%	4.1%
Palladium PM-fix (US$/oz)	2 719	18.5%	42.7%
Platinum Spot (US$/oz)	866	-9.9%	-11.1%
Copper Cash LME (US$/ton)	5 617	1.2%	-8.6%
Iron Ore (US$/ton)	81	1.2%	-7.9%
Brent Crude ($/Barrel)	51	-13.1%	-23.5%

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MAJOR MOVES IN SHARES

Gainers	
HARMONY GOLD MINING CO LTD	9.3%
DRDGOLD LTD	6.4%
TRUWORTHS INTERNATIONAL LTD	1.9%
MONDI PLC	0.4%
AECI LTD	0.4%
PIONEER FOODS GROUP LTD	0.1%
REINET INVESTMENTS SCA	-0.1%
PROSUS NV	-2.4%
NASPERS LTD-N SHS	-3.2%
CAPITEC BANK HOLDINGS LTD	-3.4%

Laggers	
FORTRESS REIT LTD-B	-33.2%
ASSORE LTD	-29.2%
TRANSACTION CAPITAL	-24.7%
REDEFINE PROPERTIES LTD	-24.5%
SAPPI LIMITED	-23.5%
DISTELL GROUP HOLDINGS LTD	-23.5%
TIGER BRANDS LTD	-23.1%
ANHEUSER-BUSCH INBEV SA/NV	-22.4%
SASOL LTD	-22.3%
BRAIT SE	-20.8%

Coronavirus COVID-19 and its effects on global markets...

By Mike Gresty

"It would be wonderful if we could avoid the common setbacks with timely exits" (Peter Lynch)

Stocks have historically provided long-term returns far better than bonds or cash but there is a price to pay. That price is coping with the meaningless short-term market swings that frustrate even the most seasoned investors. The psychological toll this takes can sometimes be very difficult indeed, but there's simply no getting around this point. Unfortunately, those that seek out endless alternatives often end up with the worst of all outcomes – expensive investment products and chronic underperformance.

Key messages are as follows:

- What drives markets in the short-term tends to be how events unfold relative to what expectations have been priced in. With valuations on the demanding side relative to history as we entered 2020, investment markets are vulnerable to events that threaten to derail the relatively upbeat outlook for the year.
- While it is doubtful the rest of the world could take countermeasures as draconian as those witnessed in China to contain the spread of Novel Coronavirus (COVID-19), as the virus shows signs of spreading globally, its impact on economic activity and company earnings in the short-term could be very pronounced.
- Markets could be in for a bumpy ride over the next few weeks or months as the spread of COVID-19 internationally, amidst a bombardment of media hype, has a real impact on the day-to-day lives of people and impacts sentiment.
- Keep perspective – the long-term value of companies is not impacted much at all by a few quarters of poor earnings (the anticipated period COVID-19 is expected to influence performance).
- We have raised cash levels in portfolios slightly and we think it is too early to consider "buying the dip". We may all have to brace ourselves to withstand the next "meaningless short-term market swing". We urge you to hold fast. In due course, we will learn to "bugger on", even if that means accepting that COVID-19 joins the list of other ailments that plague us each winter, and so will investment markets!

Although Chinese officials first announced they had identified a new virus on 7 January 2020, it was only post the announcement on January 20 of the first confirmed human-to-human transmission, followed by moves by authorities to quarantine the citizens of Wuhan, where the virus is believed to have originated, that the first shivers were seen in investment markets. However, markets soon rebounded, with US equities once again hitting all-time highs in the first weeks of February. This perhaps reflected the initial assumptions that China's draconian response to the outbreak would prove successful in containing it. This changed dramatically in late February as it became apparent that COVID-19 was spreading in a lengthening list of countries outside of China. In the last week of February, the US stock market fell by 11% - notably, this ranks as the fastest move into correction territory (defined as a decline of more than 10% from the market's high) since the Great Depression! In recent days, investment markets have recovered, thanks to a surprise cut in interest rates by the Federal Reserve. The net result of these volatile moves in equity markets since investors began to take note of COVID-19 is shown in the table below. While it is unsurprising that commodity-producing markets have been impacted most negatively, it is somewhat ironic that China, where the virus originated and the most disruption has occurred so far, has been least impacted!

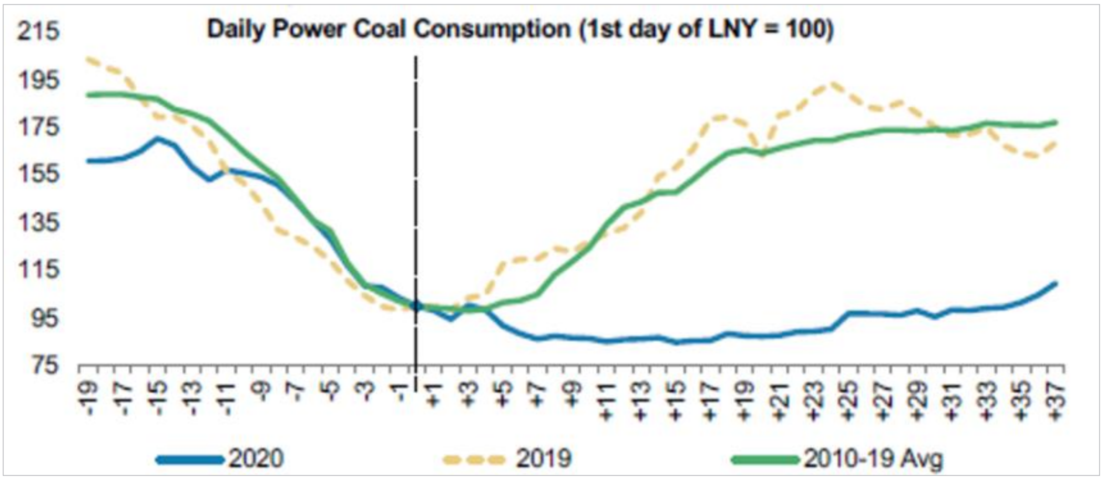
A modest pullback in equity markets so far…

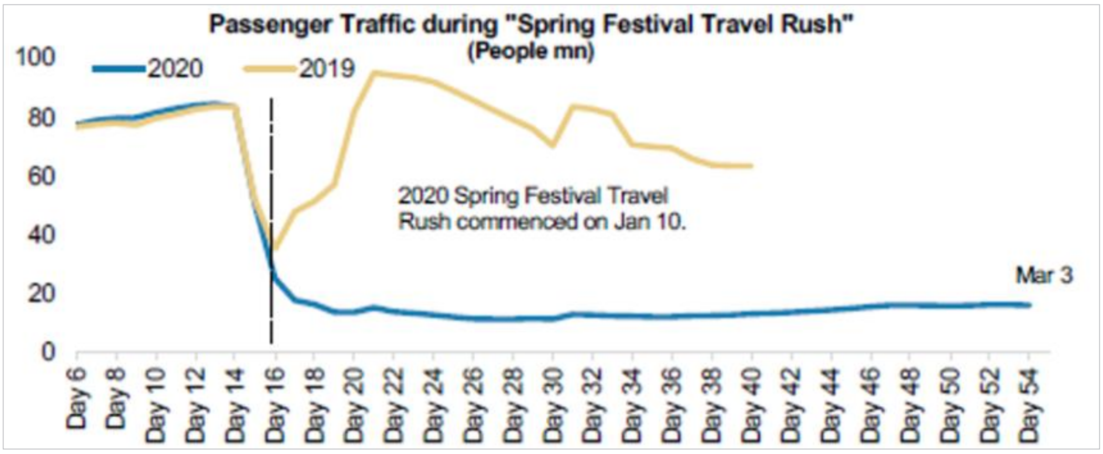
Index	Region	Since 21 Jan	YTD	1Y
MSCI World	Developed Markets	-6.7%	-4.7%	10.0%
S&P 500 INDEX	US	-5.5%	-2.8%	15.2%
NASDAQ	US	-3.6%	0.7%	21.5%
NIKKEI 225	Japan	-8.3%	-8.4%	5.1%
FTSE 100	UK	-11.2%	-11.8%	-3.4%
FTSE 250	UK	-10.5%	-12.5%	2.5%
Eurostoxx 50	Europe	-9.3%	-9.2%	4.9%
MSCI Emerging Markets	Emerging Markets	-7.8%	-6.8%	0.8%
Hang Seng China Enterprises	China	-2.3%	-3.8%	-3.0%
Shanghai Comp	China	-0.2%	0.9%	-2.1%
Nifty 50	India	-9.2%	-9.2%	-0.5%
MSCI Brazil	Brazil	-14.6%	-17.5%	-4.7%
MSCI Russia	Russia	-18.8%	-14.1%	17.8%
FTSE/JSE Capped SWIX	South Africa	-13.9%	-16.2%	-12.2%

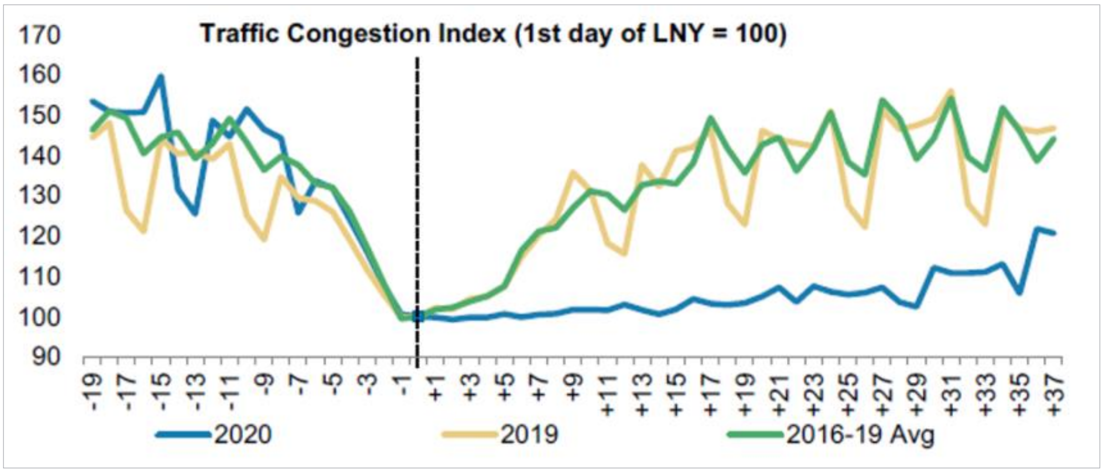
As far as valuation of investment markets are concerned, how much has this modest pullback changed the situation? In the chart below, we show price as a multiple of expected earnings for the S&P500 Index. Having entered 2020 with the valuation of the US market close to the highest level seen in the last 10 years, the recent pullback places the US market on valuation of c. 18x forecast earnings. This is still one standard deviation above its average over the last 10 years. It is also important to keep in mind that changes to company earnings since COVID-19 appeared have been very slight indeed. If, as seems likely, earnings forecasts need to be revised down, the valuation multiple is probably higher than 18x!

S&P500 Index Price as a multiple of expected earnings – still demanding relative to history

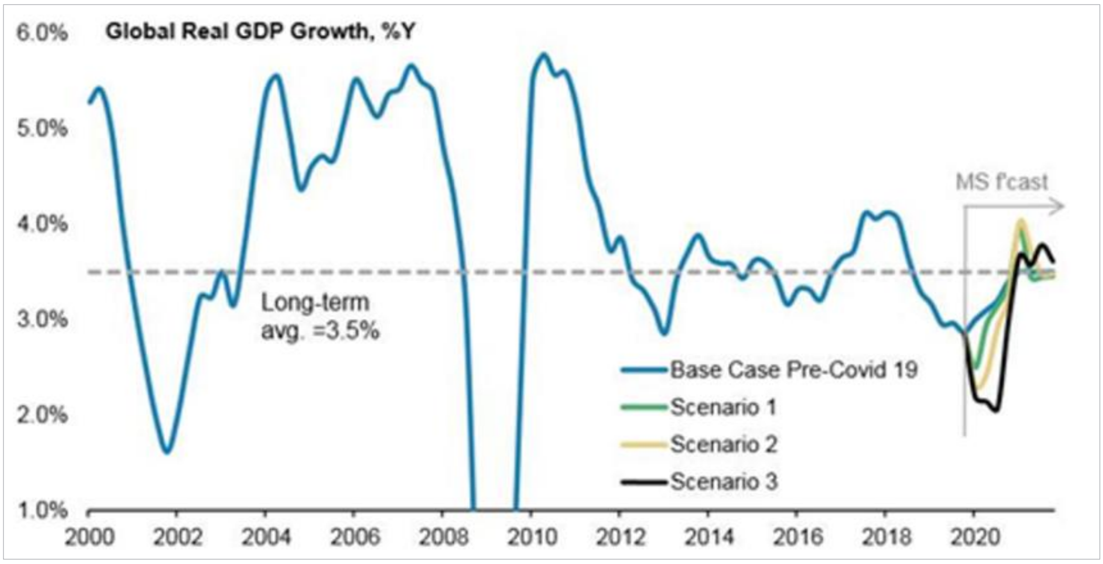
Just as analysts have yet to begin adjusting earnings expectations downwards for companies they cover in the wake of COVID-19, lack of certainty on many things about the virus means forecasts for economic activity have also been slow to adjust. However, a number of high frequency data points from China give one a sense of how significant the impact of its efforts to contain the spread of the virus has been on activity levels in the country.







It's hard to imagine that the authorities in countries less authoritarian than China will be able to take action as drastic as that seen in China, but it suffices to say that we are likely at the very early stages of disruption becoming a reality for the rest of the world over the coming weeks. Much debate at the moment revolves around how long this disruption is likely to last. Morgan Stanley recently published its estimates of what it thinks the impact of COVID-19 will be on global economic growth, depending on whether it is confined to just the first quarter of 2020 (scenario 1), extends into quarter 2 (scenario 3), or pushes into quarter 3 (scenario 3). While economic activity is expected to rebound sharply (a so-called "v-shaped" recovery), the chart shows how pronounced the impact could be in the short-term in context of the recessions of the early 2000s and the 2008-9 global financial crisis.



Market valuations for offshore equities that are still demanding, combined with an event which looks likely to have a pronounced impact on economic activity and company earnings this year. As the impact of COVID-19 becomes real for investors globally in the weeks to come, no doubt fuelled by considerable media hype, markets could well be in for a bumpy ride over the next while, during which our resolve will be tested. It will be important to keep perspective on what COVID-19 really means for the long-term value of companies in which you are invested. While there are no doubt sectors of the market for which earnings may be impaired for some time (travel-oriented companies could well feel the stigma of COVID-19 in their performance for quite a while, for example), but for most, earnings should return to normal fairly quickly. For some, the fact that consumption was merely deferred (car purchases perhaps?) rather than entirely forgone (visiting coffee shops and restaurants, for example) while consumers are cooped at home, subsequent results will be even stronger than they otherwise would have. We simply don't know at this point how severe the economic impact from COVID-19 will be over the next couple of quarters. However, a couple of weak quarters will have minimal impact on the fundamental value of companies in the long-term.

If one message is to “hold fast” in what could be a bumpy patch for investment markets, should another one be “buying the dip”? Market corrections triggered by sellers wishing to flee risky assets at the same time that buyers step back from the market tends to see shares sold off indiscriminately. Often when fund managers are forced to raise cash to meet redemptions, decisions about what to sell are driven more by which shares in their portfolio are easiest to sell rather than the fundamentals of those companies. These events often present very attractive opportunities for those hardy souls prepared to swim against the tide at the time. Our sense is that with valuations still demanding and so much still unknown about the severity of COVID-19’s impact on global economic activity in the coming months, patience is called for.

So, what action has RCI taken?

Having been holding cash levels of around 10% across most portfolios, believing markets to be stretched from a valuation perspective, we have used the recent bounce to raise cash levels to around 15% through sales of shares in portfolios that we believe may be most disrupted in the short-term by the actions of authorities to slow the spread of COVID-19. We are exercising patience in the hope of using potential periods of indiscriminate selling that we may see to redeploy cash into opportunities that present themselves.

A wrap of the SA Budget

By RSM South Africa

The 2020 National Budget Speech was presented by Finance Minister Tito Mboweni on 26 February 2020. The speech is being presented in trying times, considering the challenges of electricity supply in the country, scrutiny by international ratings agencies, high levels of unemployment and failing SOE’s.

In terms of tax revenue generation, personal income tax is still the biggest contributor, followed by VAT and then corporate income tax. In the interests of supporting growth, it was proposed that there would be no major tax increases. The following is a summary of certain more significant tax proposals included in the Budget:

Personal Income Tax tables

There has been an above-inflation adjustment in the personal income tax brackets and rebates (5.2). This is intended to offer a reprieve to taxpayers, which is budgeted to grant relief of R2 billion.

Medical Tax Credits

Government proposed an increase in the medical tax credits from R310 to R319 per month for the first two beneficiaries, and from R209 to R215 per month for each additional beneficiary. The justification of the adjustment at levels below inflation is to support and fund the roll out of national health insurance over the medium term.

Tax free savings

An incentive for personal savings is in a proposed increase in the annual limit on contributions to tax free savings accounts, from R33 000 to R36 000 per annum.

Taxation of SA residents working outside of South Africa

The new “expat tax” laws come into effect from 1 March 2020. It is proposed that the limit of remuneration qualifying for exemption be increased from a cap of R1 million to R1,25 million per annum.

Reimbursement of meals when travelling for work purposes

An anomaly exists whereby there is no relief for an employee who is reimbursed for travelling for work purposes on a day trip. It is proposed that the laws be amended to cater for reimbursement of both meals and incidental costs when travelling on a business day trip.

Anti-avoidance rules for trusts

The scope of Section 7C of the Income Tax Act was intended to curb the transfer of growth assets into trusts using low or interest free loans. The rules were already extended to address transfer of growth assets via loans to companies owned by a trust. Further revisions are being proposed to counter new forms of abuse related to the use of preference shares in companies owned by trusts.

Review of the venture capital company (VCC) tax incentive regime

There is currently a sunset clause of 30 June 2021 for the VCC tax incentive. Government proposes a review of the effectiveness, impact and role of the regime to determine whether the incentive should be discontinued.

Limiting excessive corporate interest deductions

It is proposed that a restriction will be placed on the net interest expense deductions to 30% of earnings for years of assessment commencing on or after 1 January 2021. This is intended to target a typical form of base erosion and profit shifting by multinational entities, where there could be an artificial inflation of the debt and/or the interest rate in favour of another jurisdiction with a lower corporate income tax rate.

Limiting the use of assessed tax losses to reduce taxable income

There has been an international trend to restrict the process of carrying forward a tax loss from a previous year to offset taxable income in a current year. Government proposed to broaden the tax base by restricting the offset of assessed losses carried forward to 80% of taxable income. This is proposed for years of assessment commencing on or after 1 January 2021.

PAYE and personal income tax reform

There will be a review of the legal framework and administration of the PAYE system with a view to implement a modern, automated process for employers that is easy to understand, access and maintain. This should reduce the administrative burden, and the annual return process for employers will be simplified. In time, this may mean that most individual salaried taxpayers will not be required to file personal income tax returns.

Financial emigration via the South African Reserve Bank and tax residency status

National Treasury has noted that certain advisors are recommending emigration as a method of breaking tax residency. This is however only one factor considered by SARS and is not in itself conclusive of a break in tax residency. Government seeks to encourage all South Africans that are working abroad to maintain their ties to the country and as a result the concept of emigration will be phased out by 1 March 2021.

Tax residency for individuals will then continue to be determined by the ‘ordinarily resident’ and ‘physical presence’ tests as set out in the Income Tax Act. As South Africa participates in the automatic sharing of information between tax authorities, it aims to ensure that South African tax residents with offshore income and investments will still be liable for the appropriate taxes.

Summary

Please note that the points addressed herein are limited to a summary of the more significant budget highlights and proposals from the 2020 National Budget Speech. There are a number of other aspects covered that we would be welcome to address if you so require. In addition, these matters addressed are not yet legislated and may be subject to further changes, so should not be used as a substitute for detailed professional advice.

Play Your Game, Not the Market

By Eric Lappeman

There's no way to predict what the full economic impact of coronavirus will be, as COVID-19 cases spread around the world seemingly unabated. But there are already signs things could get worse before they get better. Global oil demand is predicted to fall in the first quarter for the first time in over a decade, mainly because of the impact of coronavirus on Chinese consumption, and OPEC is scrambling to slash output to stabilize a market in freefall. Goldman Sachs is already predicting corporate earnings for U.S. companies will fall this year.

World governments are taking big steps and committing billions of dollars to arrest the spread, and the U.S. Federal Reserve slashed interest rates this week to what are now the lowest levels on record in an effort to provide stimulus to the economy in the form of cheap capital. But it's going to take months before we can measure what, if any, impact these efforts will have to stabilize markets and accelerate efforts to get ahead of the spread of COVID-19.

And in the meantime, markets will probably remain in some state of turmoil. The past three weeks have been some of the most volatile in the past decade, since the global economy started taking baby steps forward after the Great Recession. The lack of certainty will almost assuredly keep volatility high.

When markets get crazy, it is incredibly easy to lose focus on your goals and get caught up in the noise. But that's a mistake; you don't actually have to play the market's game, or beat other investors out when stocks are declining, or "get back in" at some perfect market bottom to build wealth.

That's a losing game that nobody can win, not even the experts. The only way to consistently win as an investor in stocks is to treat them as what they are: ownership in a business. The market's recent madness isn't a condemnation of individual businesses, so much as the market making guesses what will happen in the next few months.

Instead of getting caught up in a race for the exits that's likely to harm your wealth -- because it usually leaves people sitting on the sidelines when stocks recover -- a better approach is to keep some cash in your portfolio and start looking for opportunities to buy.

'Charts/Memes' of the month – February 2020

A great visual representation of the COVID-19 virus and its spread over the past few days

https://www.youtube.com/watch?v=6dDD2tHWWnU

The S.A. Budget, a big balancing act…

Who said working from home was safe for everyone?

Monthly RCI Staff Profile – Marieke de Kock

Joined Robert Cowen Investments in August 2019.

Marieke has a BA(Law) degree, a Post Graduate Certificate in Further Education and Training (English and Psychology) and a Post Graduate Diploma in Drafting and Interpretation of Contracts.

Marieke is Eric, Ross and Andrew's assistant.

She also helps with RCI's administration and the opening of client accounts.

Before working at RCI, Marieke was a High School English and Art teacher for almost eight years.

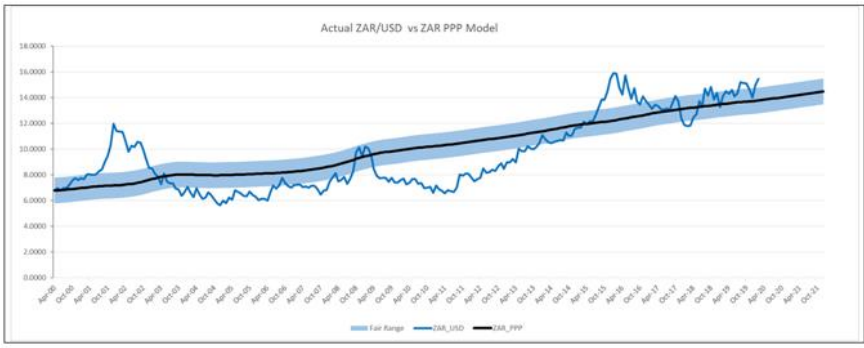
When she is not at work, Marieke likes spending time with her husband and her adopted (and very spoilt) cat.

Her hobbies include drawing with coloured pencils and charcoal, playing the piano and reading as much as she can. Her favourite books include the *Harry Potter* series and Classics like *Pride and Prejudice.*

She also loves to travel whenever she has the opportunity, especially to European countries and to Cape Town to visit her mom and dad.

'Currency Corner' – February 2020

By Nolan Wapenaar



The South African rand, along with most emerging market currencies came under extreme pressure in the last week of February as the financial markets adjusted to the novel coronavirus. Domestically, the markets are still digesting the surprise budget from the Minister of Finance and its implications.

The novel coronavirus continues to spread, having infected people in 49 different countries. There are numerous articles discussing the infection rates, cure rates and unfortunately mortality rates. Our role is to consider the possible impact of this on the value of investments and the economy. There are a couple of different forces playing out and how they converge will determine the likely outcome for investments over the next while. It is too early to take strong views one way or the other, though there are some eventualities for which we must prepare and adjust.

- The World Health Organization is still pursuing a quarantine and shut down strategy to curb the spread of the virus. This means that schools and factories are closed for the next two weeks in many regions of the world. Unfortunately, the virus struck in China's industrial heartland and as a result their factory production has been greatly diminished. Factories that are closed are unproductive and we expect that this will be a speed bump for their economy.
- Factories that are closed do not consume raw materials. China doesn't need to import iron or coal from South Africa while the factories are closed. We expect that demand from China for a number of their imports will slow down for a period. This will export some of the economic impact to other regions. We are in particular seeing concern about the impact on China's import of oil which has slowed. Brent crude oil is currently trading at $52.30 per barrel. This is about 25% lower than where oil prices started 2020. It is great for South Africa which imports oil, but will have a profound impact on oil companies and oil exporting nations.
- Industrial companies have been pushing towards greater efficiency. This means that they carry smaller stockpiles of their manufacturing components. Let's use the example of a car. If China stops producing one component for a car that is assembled in the United States, then the US assembly part will run out of inputs. That now means that the assembly plant for the car shuts down. Even more dramatically, the assembly plant will now reach out to all its other suppliers asking them to postpone orders and delay shipments. The suppliers of each and every component for the car now shuts down for a period. The global integration of the economy is such that the problem in China will likely lead to a cascading effect throughout the globe as various parts manufacturers slow down production. A ship takes about five weeks to take parts from China to the US. This means that the impact on production lines have not been felt yet in the US and that we should probably expect to start seeing these headlines in about two weeks' time.

- We look at the streets in Milan, China and a few other destinations and they are incredibly quiet. Consumers are nervous to go out. Consumers are cancelling travel and consumers are spending less. We expect that global sales figures are going to decline. The economy is also going to be impacted by a short term decline in demand. A vast amount of value has been wiped off the stock markets in the last week. The negative wealth effect of this means that the slump in demand might linger for a while.
- Against all of this, we see central banks readying their stimulus packages which will soften the impact. If there is one thing that we know it is that monetary stimulus is good for financial asset prices.

Domestically the budget was not enough to prevent a downgrade. In short, we are very positive on the budget and think that the South African Government is now looking at addressing the real problems rather than just fighting the symptoms. We accept that the government may not be able to achieve all that it is hoping, however, the paradigm shift towards acknowledging the real issues and starting to address them is immensely positive. This may in time prove to have been a turning point for the economic tide in South Africa. Unfortunately the fiscal dynamics are such that more needs to be done and our national debt levels will continue their upward march. As things stand we are still staring into a downgrade from Moody's. Maybe next month, maybe later. Either way the South African rand is nervous.

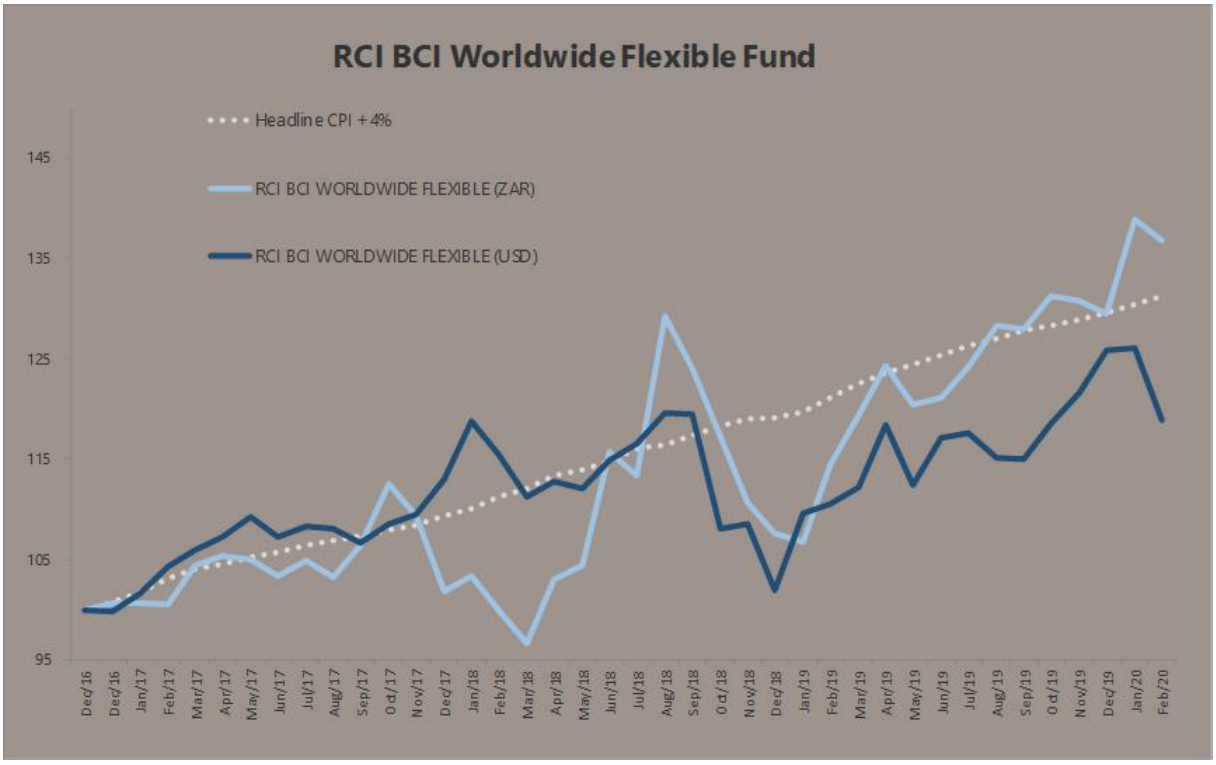
NOTE: We remind all our clients that your R1mil single discretionary/travel allowance, has renewed again for the new calendar year. This allowance does not require any approval from SARS.

*For those investors wishing to invest offshore, please do not hesitate to contact us.

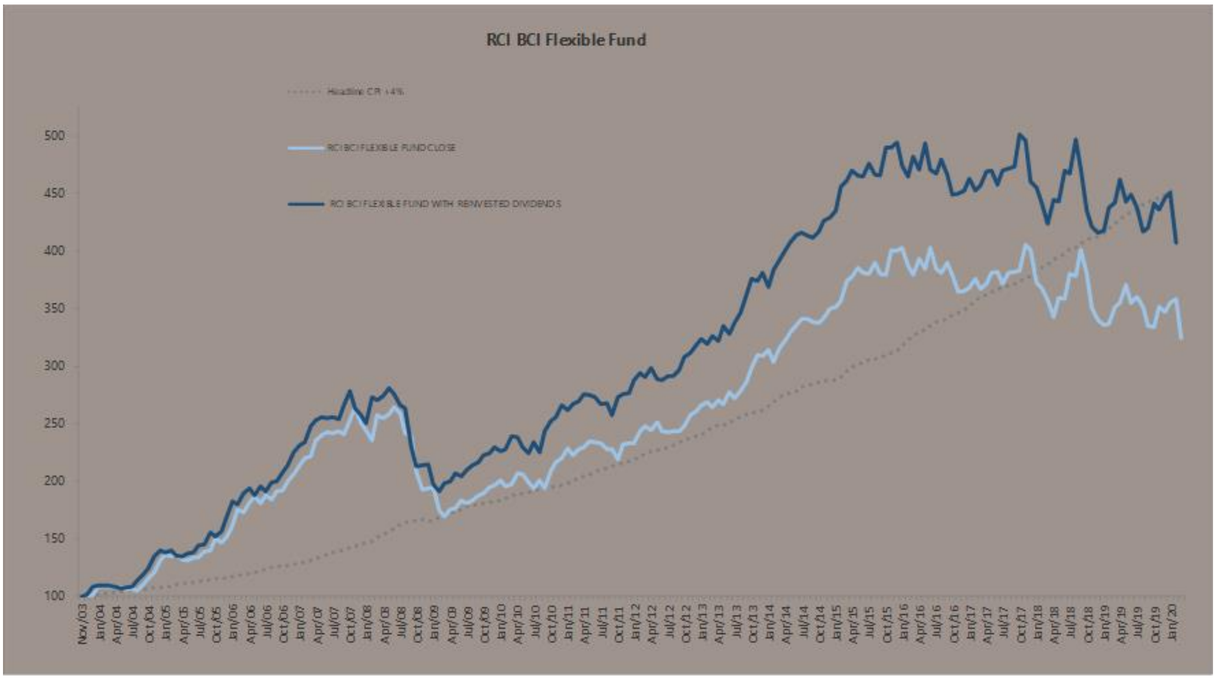
RCI Unit Trusts

Please contact Maggie on 011 591 0578 for any help on your unit trusts.

RCI BCI Worldwide Flex closed February at 136.75c, down 1.50% for the month and up 19.55% for the last 12 months. It is **ranked 3rd out of 75 funds in its category for the last year, and 5th over a rolling two-year period.**



RCI BCI Flexible Fund closed February at 358.46c, down 9.54% for the month and down 6.15% for the last 12 months.



Unit trust has flexibility – happy to take small amounts

The unit trust has the flexibility to buy and sell shares and to change weightings more frequently than in an individual portfolio. We are happy to take small amounts into the unit trust (from R1 000 per month or lump sums of R25 000). As you will not pay commission to any agents there is no cost to get in and out of our fund. On selling, the amount you receive back will depend on our performance.

Collective Investment Schemes in Securities (Unit Trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. The portfolio is registered under the license of Boutique Collective Investments, a member of the Association for Savings & Investment SA. Forward pricing is used. More details are contained in a fact sheet that is available on request.

To conclude

February was month of extreme volatility on global markets. In this newsletter, we give some context to the pullback we witnessed. Markets have already entered correction territory and we wait patiently, with cash on the side-lines, to see if they pull back further. We are waiting and ready.

The SA budget was relatively mild, from an investor point of view. RSM give us a good summary of the main aspects of the budget that affect you and I. All the worrying about increased capital gains tax rates, or dividend withholding tax rates, were unwarranted. As usual, people will pay more for their alcohol and cigarettes (now vaping). Your annual tax-free investment savings contribution has been increased from R33k to R36k.

Despite all the ‘chaos’ we are currently seeing in the market, we try to find a silver lining in the fact that, at least the petrol price should come down next month. 😉

We also urge all investors to remain calm and keep a cool head. We are excited that a lot of our favourite companies are now cheaper today than they were a month ago. We continue to keep a look out for companies on our watchlist that should be able to generate our clients solid returns from current levels.

A reminder that your annual R1 million travel/discretionary allowance for the 2020 tax year has renewed for the 2020 calendar year, and you may send more funds offshore again without having to apply for tax clearance.

We hope to continue assisting you, our clients, by being the best Family Office we can be!

Best regards

Di, Mike and Eric

RCI - "The Family Wealth Office"

What we offer

FINANCIAL NEEDS ANALYSIS OF YOUR FAMILY'S ENTIRE ASSET BASE

- Evaluate existing asset base and asset allocation
- Evaluation of current investment structures (retirement, endowment, company, trust etc)
- Establishment of future goals/objectives/risk appetite

RECOMMENDATION OF CHANGES TO EXISTING ASSET BASE AND ASSET ALLOCATION

- Suggested restructuring (per proposal)
  - Local/offshore split
  - Trusts; local and offshore
  - Companies
  - Insurance
- Estate planning
  - Calculating existing estate duty and capital gains tax
  - Assisting in reducing estate duty and capital gains tax
  - Reviewing trust deeds
  - Reviewing existing wills

INVESTING CLIENT FUNDS

- Bespoke local/offshore share portfolios
- Retirement funds
- Unit trusts (local/offshore)

ONGOING FULL CASH MANAGEMENT SYSTEM

- Fully managed transactional banking accounts for clients
- Third party payment functionality - debit orders and ad-hoc payments
- Transferring of funds offshore

FIDUCIARY SERVICES

- Trustees on more than 80 trusts
- Trust administration
- Trust accounting
- Tax compliance
- Assisting in applying for foreign tax clearances
- Legal compliance; drafting of resolutions, contracts and assisting with legal opinions

Robert Cowen Investments
Growing families' wealth since 1982