ROBERT COWEN INVESTMENTS

NEWSLETTER – END JUNE 2020

6 July 2020

The Family Office

"Don't give 1,000 excuses for not doing something, just give 1 reason for doing it…" - *Vish Hemnani*

"Successful investing is about managing risk, not avoiding it". - *Benjamin Graham*

HIGHLIGHTS OF THIS NEWSLETTER ARE:

- A month in markets – June 2020
- South Africa's supplementary budget speech and budget review
- Why we have added some gold to portfolios…
- The RCI Growth Fund moves into 1st place in the Worldwide Multi Asset Flexible category
- Charts/Memes of the month
- RCI Unit Trusts
- RCI – 'The Family Wealth Office' – What we offer

A few interesting articles to read when you are done with this newsletter:

➢ All of the world's money and markets

➢ A useful website to track coronavirus numbers

Note: If any of our clients wish to be added to the Anchor research and news mailing list, kindly let us know and we will gladly add you.

*If you know of anybody who would like their financial affairs looked at, please do not hesitate to send them our contact details and we will ensure we get back to them with a proposal plan. They can contact us at eric@rcinv.co.za or 082 561 3124.

RCI WEBINAR

Dear Clients

Thank you for registering for our webinar by Graeme Codrington entitled "Same Planet, Different World", which was held on the 12th June 2020.

Please find below a link to view the recording of the webinar:
https://www.youtube.com/watch?v=pLz-ck3lvG0

A MONTH IN MARKETS

JUNE 2020

By Eric Lappeman

The Family Office

After two months of strong gains in risk assets, we ended the quarter with another good set of returns in June. Developed Market Equities returned their best quarter since 1999, up 19.5% for Q2, with Emerging Market Equities up 18.2%. These returns come on the back of a second quarter that is likely to see the cyclical low point in global economic activity, with annualized GDP as weak as -30%.

Markets seemed to shrug off some of the poor economic data and chose to focus on the rate of change of cyclical indicators, which has been far more positive than expected, to the extent that Global Equities are now up 3% for 2020. Once again, most of this rally has been led by growth (up 25.6% in Q2), with value lagging (up 12.9% in Q2). The S&P500 index returned 2% for the month and is now only down 3.1% for the year. The JSE All Share increased 7.7% in ZAR, helped predominantly by Naspers and the mining stocks. The Rand gained 0.9% against the US Dollar, to close at R17.38. The RCI Worldwide Flexible Fund and RCI Growth Fund closed up 1.7% and 8% for the month and are now ranked 3rd and 1st in their respective categories over the last year. The RCI Growth Fund is now up 36.23% over the last 12 months and is ranked 3rd over the last 3 years.

On the commodity front, despite a strong rebound in risk assets, traditional portfolio hedges such as gold held up well, up another 3.1% for the month and 17% for the year to date, while oil continued to recover (up 16.5% for the month). Copper had a strong showing too, up 12% during June, albeit still negative for the year. Among shares that made large moves, investors looked to pick up some beaten down property counters such as Redefine and Echo Polska which were up 72% and 54% respectively for the month. DRD also had another solid month, up 55% on the back of its gearing to the yellow metal. On the other hand, “SA Inc” shares continued to dominate the underperformers in June , with the likes of Firstrand, Bidvest, Pepkor and Dischem all falling during the month.

Overall, the market (particularly in the US) has rallied on the back of fiscal and monetary stimulus, combined with the re-opening of economies. We believe the monetary stimulus is here to stay, but that in some countries there is risk that fiscal stimulus may become less generous. Meanwhile, rising infection rates could lead to further social distancing measures being imposed and other prolonged lockdown measures. For this reason, we favour a flexible and active approach to investing in equities at this time. After all, we invest in companies, not indices.

MONTHLY MARKET MATRIX

Indicator	Closing level	Monthly Move	Y-T-D	Indicator	Closing level	Monthly Move	Y-T-D
Equities				**Currency**			
MSCI World Index (USD)	**2202**	**2.7%**	**-5.5%**	USD/ZAR	17.38	0.9%	-19.6%
S&P500 (USD)	3100	2.0%	-3.1%	GBP/ZAR	21.51	0.9%	-13.7%
FTSE 100 (GBP)	6170	1.7%	-16.8%	EUR/ZAR	19.53	-0.2%	-19.6%
Nikkei (JPY)	22288	2.0%	-4.7%				
MSCI Emerging Markets Index (USD)	**995**	**7.4%**	**-9.7%**	**Commodities**			
JSE All Share Index (ZAR)	50483	7.7%	-3.1%	Gold Spot (US$/oz)	1 784	3.1%	17.1%
JSE All Share Index (USD)	50483	9.3%	-24.7%	Palladium PM-fix (US$/oz)	1 905	-0.8%	0.0%
JSE Capped Swix All Share Index (ZAR)	19246	7.0%	-10.7%	Platinum Spot (US$/oz)	829	-1.0%	-14.9%
RCI BCI Worldwide Flexible Fund (ZAR)	158.72	1.7%	22.6%	Copper Cash LME (US$/ton)	6 005	12.2%	-2.3%
RCI BCI Flexible Fund (ZAR)	318.98	6.6%	-8.9%	Iron Ore (US$/ton)	96	0.9%	12.8%
RCI BCI Growth Fund (ZAR)	154.17	8.0%	29.7%	Brent Crude ($/Barrel)	41	16.5%	-37.7%
Bonds							
US 10 Year Treasury	0.66	0.1%	11.2%				
SA 10 Year Govt Bond	9.26	-1.2%	-8.8%				

Robert Cowen Investments
Growing families' wealth since 1982

MAJOR MOVES IN SHARES

Gainers		Laggers	
REDEFINE PROPERTIES LTD	72.4%	CAPITAL & COUNTIES PROPERTIE	-11.4%
TELKOM SA SOC LTD	65.5%	CLICKS GROUP LTD	-9.6%
DRDGOLD LTD	54.6%	PEPKOR HOLDINGS LTD	-8.3%
ECHO POLSKA PROPERTIES NV	53.9%	LIFE HEALTHCARE GROUP HOLDIN	-7.9%
SASOL LTD	46.1%	BIDVEST GROUP LTD	-6.5%
MAS REAL ESTATE INC	37.9%	DISTELL GROUP HOLDINGS LTD	-5.8%
FORTRESS REIT LTD-B	28.8%	ASTRAL FOODS LTD	-5.3%
HARMONY GOLD MINING CO LTD	25.2%	FIRSTRAND LTD	-5.2%
VUKILE PROPERTY FUND LTD	24.6%	DIS-CHEM PHARMACIES PTY LTD	-5.1%
OCEANA GROUP LTD	22.9%	RCL FOODS LTD/SOUTH AFRICA	-4.9%

SA SUPPLEMENTARY BUDGET SPEECH AND BUDGET REVIEW

BY ERIC LAPPEMAN

Finance minister Tito Mboweni delivered SA's supplementary 2020 budget, to allocate money for the coronavirus disaster response, on the 24th of June.

Suffice to say, the revised national budget painted a pretty grim picture. The aim of the revised budget was to outline some of government's plans to cope with the catastrophic impact of the coronavirus crisis. If the government does not embark on a process of structural reform timeously, the government debt to GDP ratio could breach 100% of GDP by 2023/24. According to National Treasury, the targets set out are only achievable if we can "stabilise debt, increase the efficiency and composition of public spending, and implement cross-cutting reforms to boost long-term growth".

In summary, South Africa is expected to record its worst economic performance in nearly 90 years, due to the pandemic and subsequent lockdown measures. As a result of this, the government introduced a three-phase economic response to mitigate the disastrous impact of the virus. The supplementary budget speech dealt mainly with the second phase of the government's economic response – the introduction of a R500 billion fiscal stimulus package to support both households and businesses. However, given the far-reaching impact of COVID-19, all aspects of the National Budget that were presented by the Minister in February needed to be revised. A few key takeaways included:

GDP FORECASTS ARE REVISED DOWNWARD

National Treasury now expect GDP growth to be -7.2% in 2020, 2.6% in 2021 and 1.5% in both 2022 and 2023. This in contrast to the GDP forecast of 0.9% growth in 2020, 2.1% in 2021 and 1.6% in 2022, given in the February 2020 budget.

INFLATION IS EXPECTED TO FALL

The one silver lining in the revised budget was that prices are expected to moderate substantially in 2020. This downward revision in expected inflation will have a critical effect on the outcome of the upcoming 2021 wage negotiations. National Treasury now expects inflation to fall to 3.0% from 4.1% in 2019.

PUBLIC SECTOR WAGE BILL STILL NEEDS TO COME DOWN

The government has made it clear that in order for it to achieve its desired outcome of controlling the wage bill over the next two years, they will need to ensure that the new wage agreements are as close as possible to expected inflation. Treasury made clear its intentions to cut government spending by about R230 billion over the next two years.

SA PLANS TO BORROW $7 BILLION AT LOW INTEREST RATES

South Africa wants to borrow R127 billion from international organisations, at preferential rates. It has already received $1 billion from the New Development Bank (the so-called Brics Bank) and plans to borrow R4.2 billion from the International Monetary Fund's low-interest emergency facility.

TAX REVENUE COLLECTION IS REDUCED FURTHER

National Treasury now project collecting only R1.12 trillion, about R304 billion less than what they budgeted for in February. This new forecast implies that total revenue will decline 17.3% year-on-year when compared to last. This will officially make 2020 South Africa's worst tax year since 1996, in terms of collections.

The tax shortfall is likely due to the relief measures implemented to combat the economic effects of the lockdown as well as the negative economic growth expected this year that will have a dire effect on tax revenues.

GROWING DEBT/GDP

The increased reprioritised expenditure together with the reduced tax revenue will likely see National Treasury's projected budget deficit increase, from -6.8% of GDP to -14.6% of GDP in 2020/21, moderating to -7.7% by 2022/23.

The increased borrowing requirement to fund the deficit is expected to push government debt up from 63.5% of GDP in 2019/20 to 81.1% of GDP in 2020/21.

Figure 4.1 Main budget revenue and expenditure

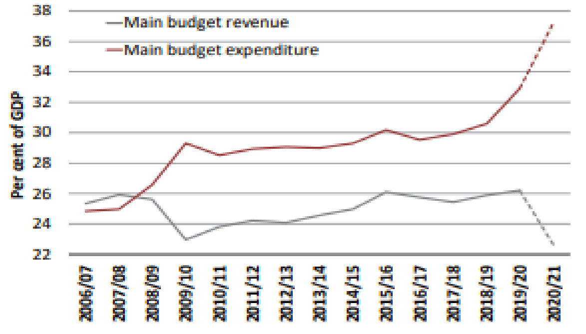
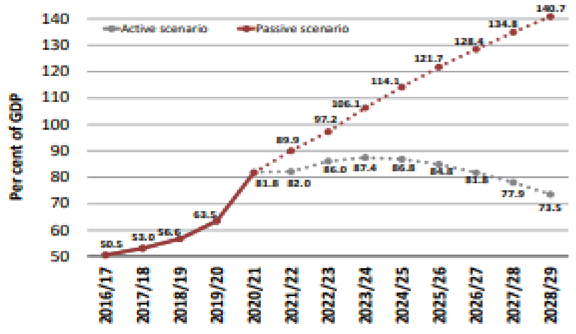


Figure 4.2 Debt outlook scenarios



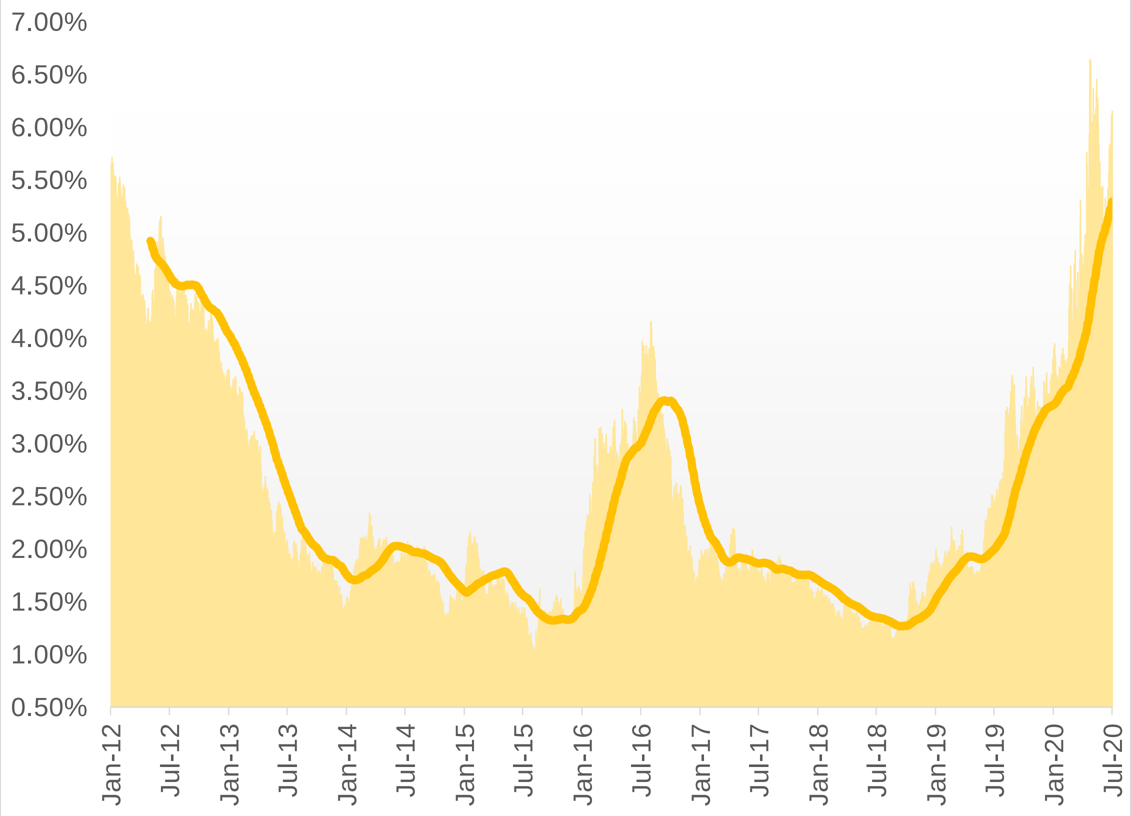
Source: National Treasury

WHY WE HAVE BEEN ADDING GOLD TO PORTFOLIOS?

BY STEPHAN ENGLEBRECHT

In this note, we look at the arguments for, and against, holding gold shares in an investor portfolio. We also look back at how the current global financial system came to be and how the Bretton Woods system, which lasted from 1944 to 1971, came to an end when ex-US President Richard Nixon abolished the gold standard and gave the US Federal Reserve (Fed) a greater influence in economic policy. While not a sector in which we are long-term investors (gold miners have not demonstrated an ability to deliver high sustainable returns on their capital), there are arguments to be made for holding gold counters, especially in the current market environment, where gold mining shares now account for a significant weighting in the FTSE JSE All Share Index (ALSI).

Figure 1: Gold* mining companies as percentage of the FTSE JSE All Share Index



Source: Bloomberg, Anchor

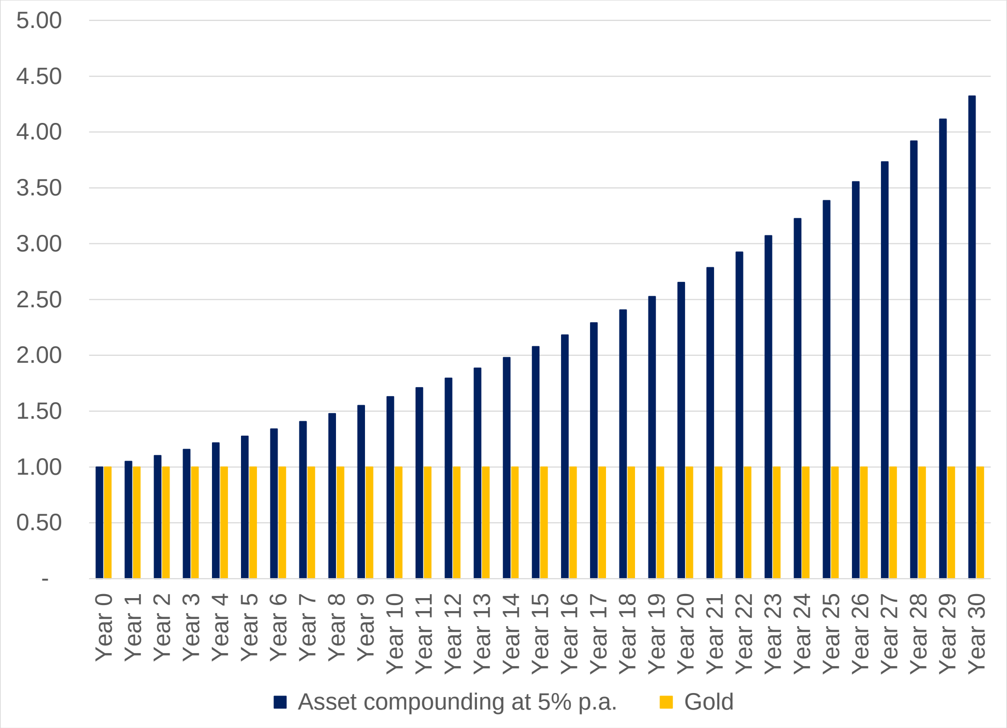
*Combined market cap of AngloGold, Goldfields, Harmony, Pan African Resources, DRDGold, and Sibanye Stillwater

GOLD IS A STORE OF VALUE

By referring to gold, and other precious metals, as a store of value it means it is something which can be saved, retrieved and exchanged at a time in the future - it maintains its future purchasing power, since its so-called shelf life is perpetual. In the past, before the rise of the fiat currency system, all currencies were linked in some way to the value of gold.

Conversely, an investor cannot derive cash flows or cost savings from physical gold holdings. Gold is thus, at best, a currency. In this regard, our investment view is that long-term portfolios should invest in assets that can compound earnings. However, the theoretical quality of gold as a good store of value can add value to more tactical portfolios when there are concerns of a market correction.

Figure 2: The power of compounding



Source: Bloomberg, Anchor

REASONS TO OWN GOLD

Below we look at the reasons to own gold by discussing the following points:

1. *The Doomsday scenario – monetary policy failure;*
2. *A hedge against inflation; and*
3. *A safe haven, when markets pull back.*

1. The Doomsday Scenario

Initially all currencies were backed, in some way or form, by gold. This form of monetary policy was known as the gold standard and was in use in the 19th and the early 20th century. However, World War I and World War II made it increasingly difficult for European countries to balance their fiscal demands with gold standard obligations. To assist European countries, a new monetary agreement was reached – the 1944 Bretton Woods system of monetary management, a negotiated monetary system intended to govern monetary relations between countries. The main feature of the Bretton Woods system was that it allowed countries to "fix" or "peg" their currency to the US dollar and this exchange rate could be adjusted by governments as needed to make their currency more competitive. The US dollar was in turned pegged to the gold price at $35/oz.

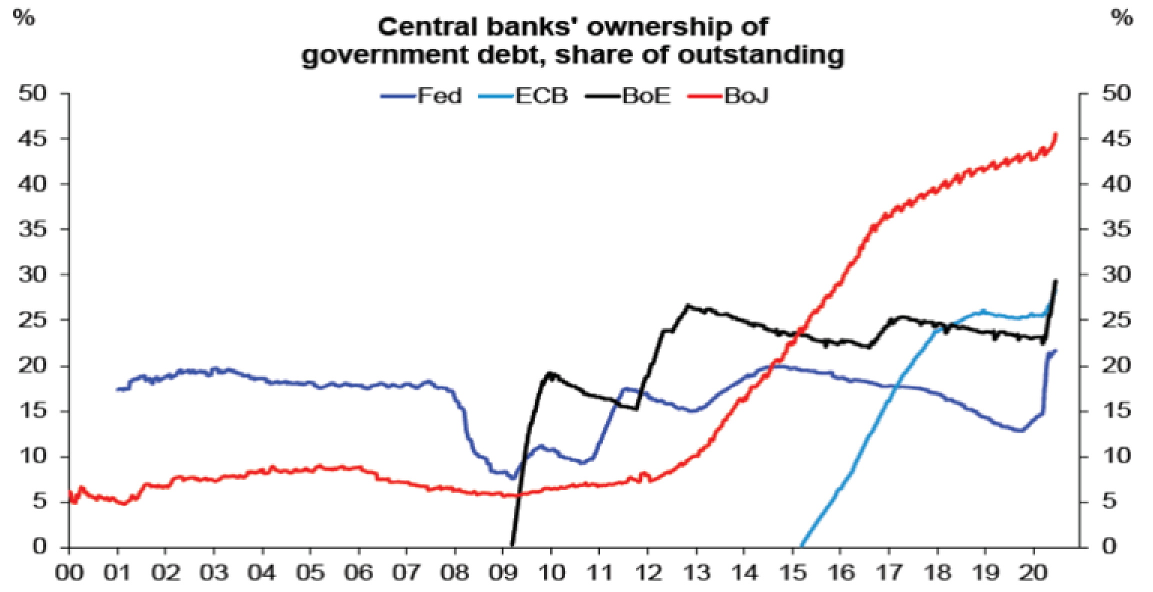
In 1971, however, the so-called Nixon Shock and the rise of fiat currencies changed gold's position in the world. The Nixon Shock describes the impact of economic policies touted by the former US president. Importantly, these policies led to the collapse of the Bretton Woods system of fixed exchange rates that went into effect after World War II. Since the onset of the Bretton Woods system, the US started running massive trade deficits and printed money to fund the Korean and Vietnam wars. At the same time, European economies were guilty of depreciating their currencies excessively, thus making the US uncompetitive. This resulted in many European countries (especially France) starting to distrust the US dollar (and by implication the US government) and to demand gold in exchange for their currency. This placed significant strain on the US fiscus and in August 1970, Nixon (without consulting the IMF, other countries or even his own government) announced a 90-day freeze on wages and prices and no physical exchange of US dollar to gold.

This 90-day period, which kicked off the world's move into a new monetary regime of fiat currencies, continues to this day. Fiat currencies are basically government issued currency, which is not backed by, for example, a commodity such as gold. By having the freedom to decide how much money is printed, it gives central banks greater control over a country's economy. Most modern paper currencies are fiat currencies (the US dollar, British pound, etc.).

Then, in 2008 the global financial crisis (GFC) hit, and the reaction of the Fed was to embark on a policy of quantitative easing (QE). The Fed chairman at the time, Ben Bernanke, promised that QE would be rolled back once the economy was strong enough. However, this never truly materialised under Bernanke, although his successor Janet Yellen did start to reduce liquidity during her term.

Fast forward to 2020 and COVID-19, with its subsequent lockdowns, and the Fed is forced to reverse the trend of reducing liquidity in the financial system, resulting in the world now being in uncharted territory.

Figure 3: Central banks' ownership of government debt as percentage

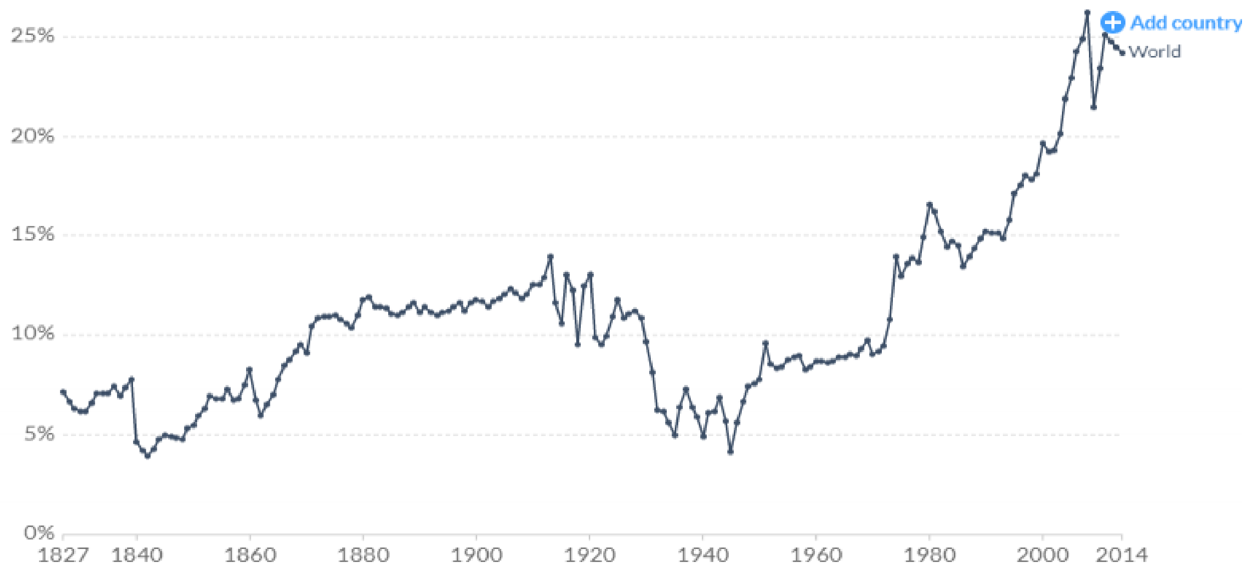


Source: Bloomberg

2. The Hedge Against Inflation

Over the past two decades inflation has been kept under control remarkably well. This was during a period of material global GDP growth and unprecedented low interest rates. Globalisation has been a key driver of keeping inflation rates low since the early 2000s as corporations managed to reduce the production cost of products by manufacturing said products in the most cost-effective regions.

Figure 6: The value of exported goods as a share of GDP, 1827 to 2014



Source: Fouquin and Hugot (CEPII2016)

Note that the estimates correspond to export-to-GDP ratios.

But, two key events over the past few years could disrupt this:

- **Trumponomics,** a term which essentially describes US President Donald Trump's economic policies, which includes:
    - *Lowering the tax burden of US citizens, with the wealthy getting a disproportionate share of the cut*
    - *Corporate tax, which he decreased significantly in December 2017*
    - *Simplifying income tax to only three tax brackets (10%, 20%, and 25%); and*
    - *Enforcing the repeal of estate tax*
    - *Trade wars and tariffs becoming political talking points and negotiating tactics*

The rise of Trumponomics forced many corporations to reconsider their usual supply chain decision process. In the past they source products from the country able to produce them at the lowest price, whether due to availability of certain commodities, cheap labour, low transport costs or attractive tax incentives. Now, with global politics and the resultant trade deals being far less secure than in the past, corporates are looking to bring production closer to home where changes in global politics will have a less significant impact.

- **The COVID-19 pandemic.** The restriction of trade has resulted in a severe strain on many products' supply chains.

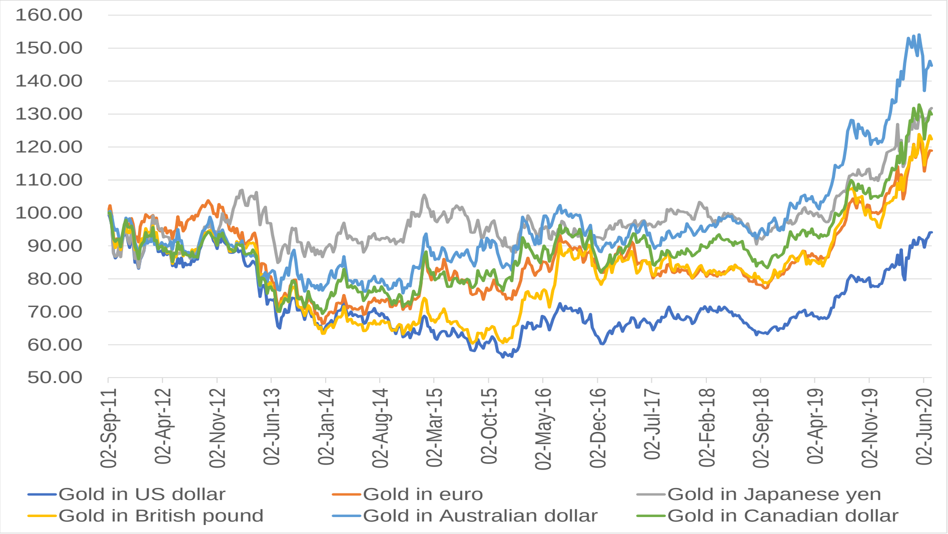
It is difficult to imagine that companies will be willing to absorb the higher manufacturing costs as they start to re-align their supply chains to the new reality. This shift by companies could result in cost-push inflation. Cost-push inflation is a type of inflation caused by substantial increases in the cost of important goods or services where no suitable alternative is available.

3. Gold As A Safe Haven

During times of market turmoil defensive investments, such as gold, are seen as safe haven investments. The gold price usually moves in the opposite direction to the US dollar. As the COVID-19 epidemic spread globally in March, risk averse investors initially pulled their money from emerging markets and into cash. However, when the Fed lowered rates to zero there was less incentive to hold cash (dollars), while already low returns from US government bonds and debt were pushed even lower. This, together with continued uncertainties around the COVID-19 pandemic clouding the global economy, buoyed gold's appeal as a safe-haven investment, resulting in the gold price recording another great run in June (up 2.9% MoM, after May's 2.6% rise), topping $1,800/oz at one stage – its highest finish since 2011. This saw gold miners on the JSE rally c. 20% for the month.

It is also important to note, that the gold price has reached all time highs in all major currencies other than the US dollar. This, we believe, is because international investors regard gold and the US dollar as the best safe haven assets in the current economic climate. Given the concerns that we have raised regarding the current policy action by the Fed, we believe that gold may reach new all-time highs in US dollar in the not too distant future.

Figure 11: Gold price movements in various currencies, rebased to 100



RCI BCI FLEXIBLE GROWTH FUND

PLACES 1ST

BY ERIC LAPPEMAN

Many years ago, our mentor and colleague, Alan McConnochie, who is now retired, reminded us to enjoy small victories. “Once you are on top, there is only one way to go from there”. So, given those immortal words, we thought it exciting to celebrate while we can.

The RCI BCI Flexible Growth Fund is a moderate to aggressive risk profile portfolio that aims to deliver a high long term capital growth. The fund was established in September 2016. It started the year with R98 million worth of assets, and was sitting with R154 million worth of assets at the time of writing this newsletter. The fund ranked 1st out of 82 funds in June, 1st year to date out of 81 funds, and 1st over the last year out of 79 funds. The fund is now ranked 3rd out of 69 funds, with an annualised return of 16.31%.

FUND INFORMATION

Portfolio Manager:	Eric Lappeman
Launch date:	27 Sep 2016
Portfolio Value:	R 128 748 586
NAV Price (Fund Inception):	100 cents
NAV Price as at month end:	143.62 cents
JSE Code:	RBFGL
ISIN Number:	ZAE000223657
ASISA Category:	Worldwide Multi Asset Flexible
Fund Benchmark:	CPI+ 5% p.a.
Minimum Investment Amount:	None
#Monthly Fixed Admin Fee:	R15 excl. VAT on all direct investor accounts with balances of less than R100 000
Valuation:	Daily
Valuation time:	15:00
Transaction time:	14:00
Regulation 28:	No
Date of Income Declaration:	30 June/31 December
Date of Income Payment:	2nd working day of Jul/Jan

Performance Report NAV to NAV - Local Currency To: 30/06/2020	1 Month To: 30/06/2020	Rank	Quartile Rank	Year to Date	Rank	Quartile Rank	1 Year To: 30/06/2020	Rank	Quartile Rank	3 Years To: 30/06/2020	Annualised Performance	Rank
Worldwide - Multi Asset - Flexible												
RCI BCI Flexible Growth Fund	7.96%	1	1	29.73%	1	1	36.23%	1	1	57.35%	16.31%	3
RCI BCI Worldwide Flexible Fund - A	1.74%	51	3	22.62%	3	1	31.05%	3	1	53.62%	15.38%	5
W/W - Multi Asset Flex	2.30%	/82	--	7.55%	/81	--	11.83%	/79	--	25.87%	7.97%	/69

The local equity exposure of the fund focuses on companies that generate most of their earnings offshore, to take advantage of a weaker rand over time. The fund does not ascribe to market timing but rather focuses on businesses that are able to provide good long-term cash generation potential while allowing for positive operating leverage over time. Offshore equity exposure is structured to give investors exposure to new world technologies and services. The aim is to diversify investors across a broad range of internet, e-commerce, cloud computing, software as a service, cyber security, payments, streaming and online gaming businesses, which subsequently gives investors exposure to businesses that are relevant and integral to ways in which consumers live their lives in today’s modern age. The fund’s risk profile is moderate to aggressive, with a focus on capital growth at a reasonable level of risk. Over time, we expect the underlying businesses to compound their growth as they reinvest their earnings at rates of returns that are well in excess of their cost of capital.

Some of the fund’s holdings include, but are not limited to:

BAOZUN

NASPERS

DRDGOLD LIMITED

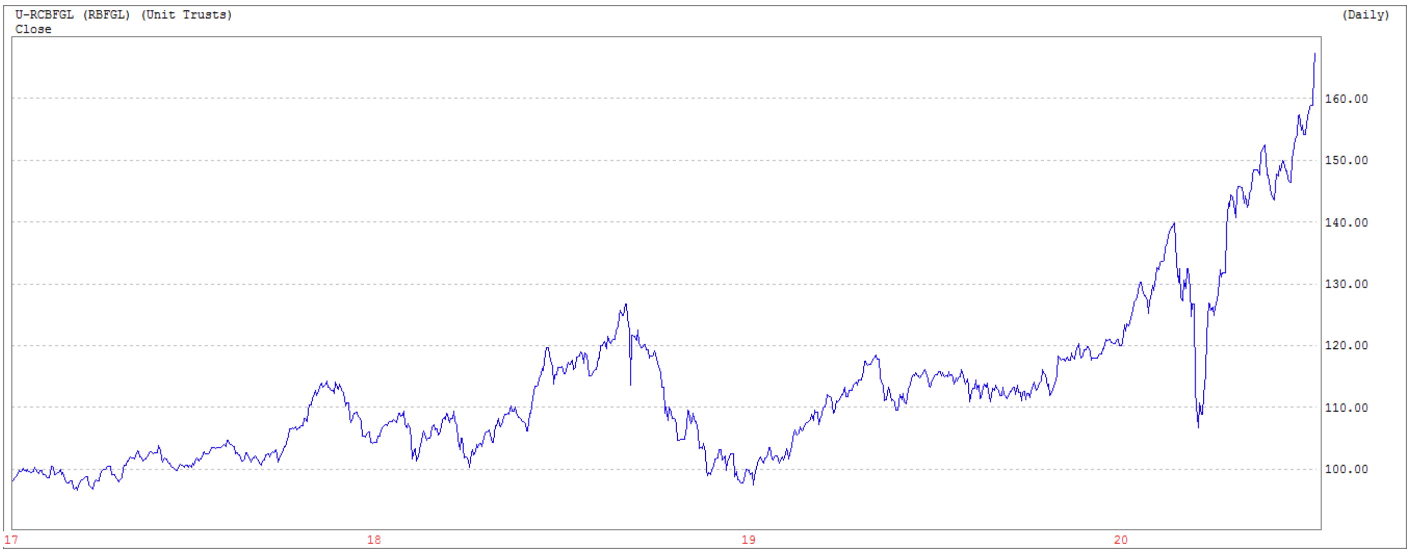
TELADOC

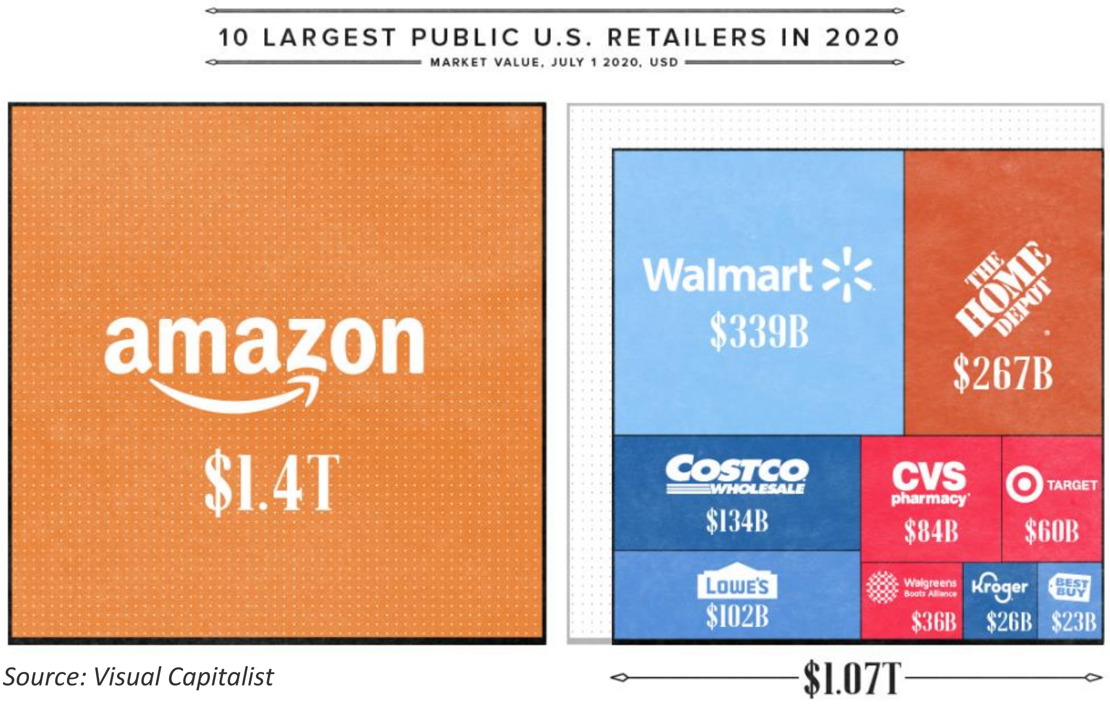
Adobe

amazon

Square

NVIDIA



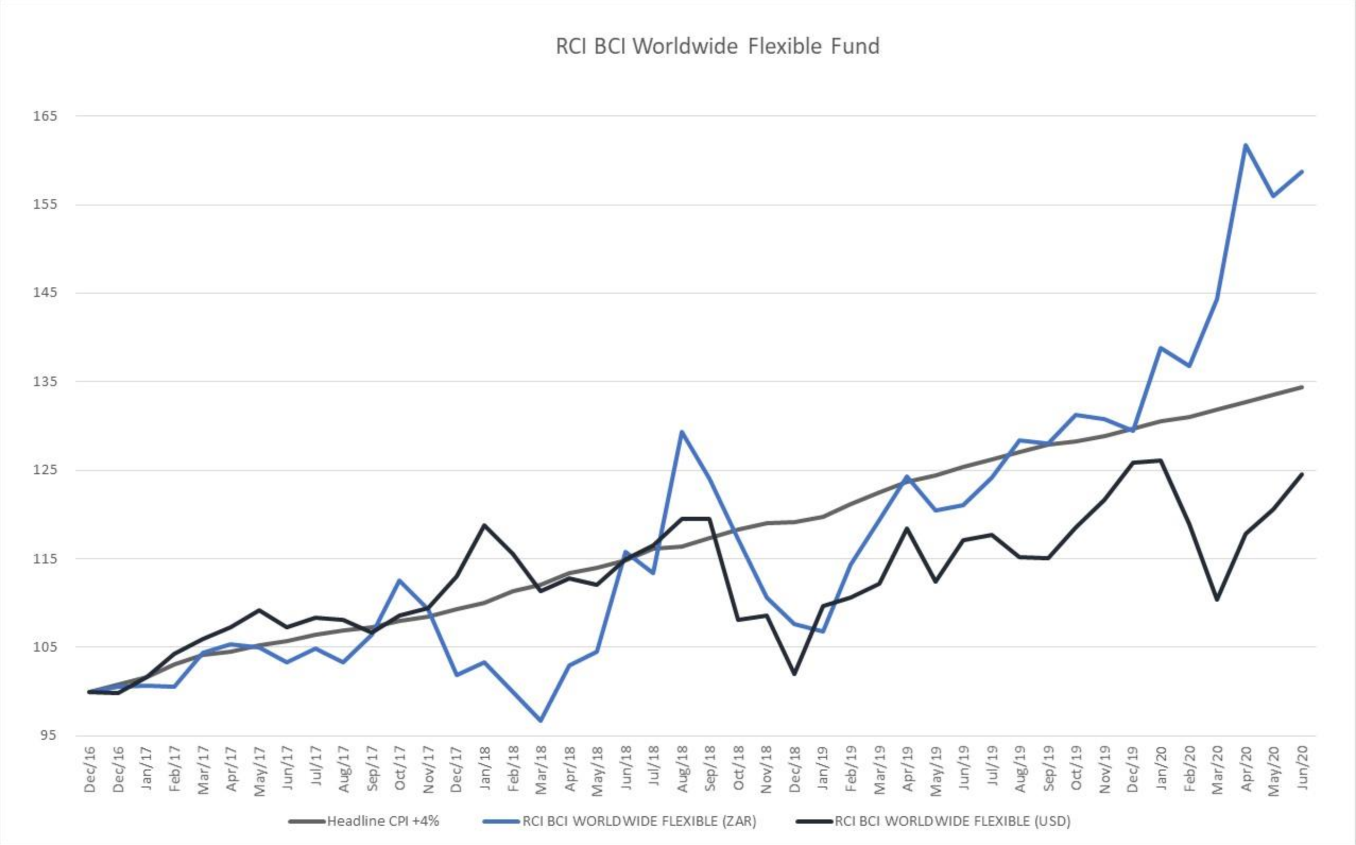


Source: Visual Capitalist

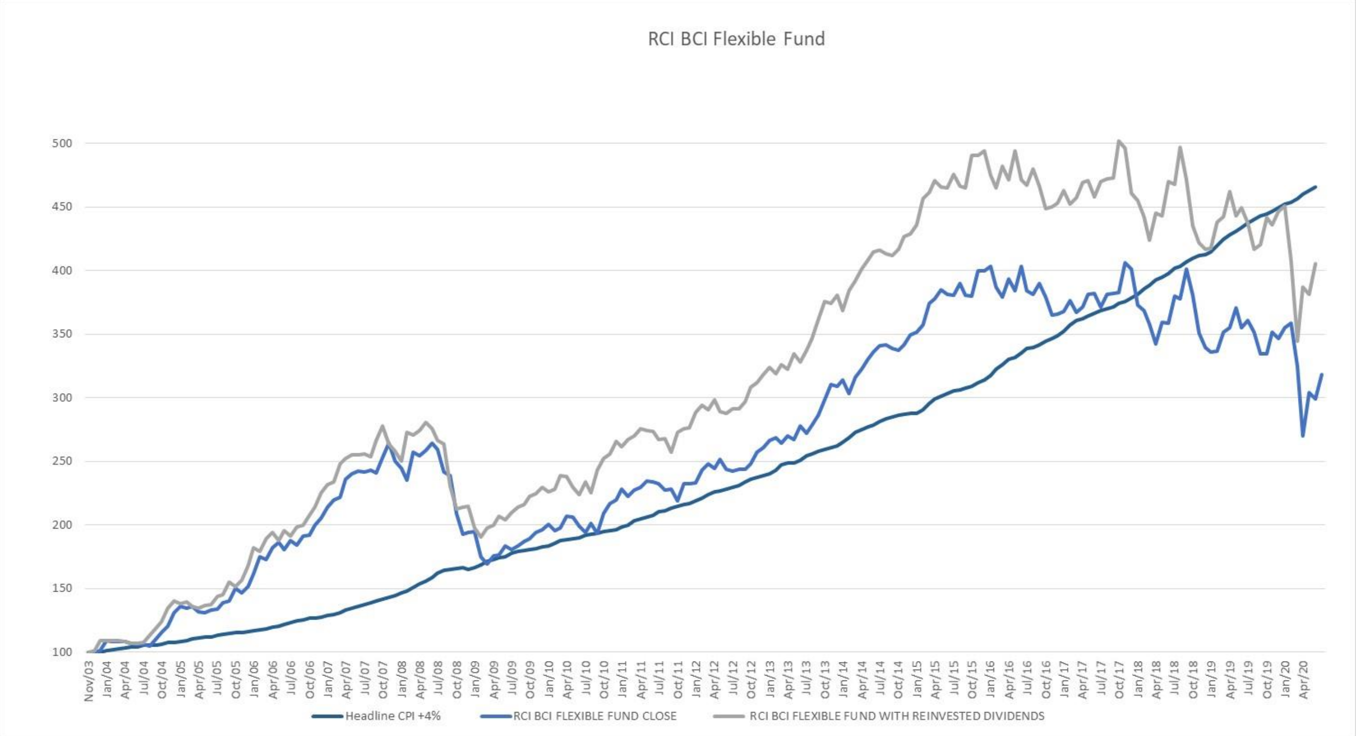
RCI UNIT TRUSTS

'HAPPY TO TAKE SMALL AMOUNTS'

RCI BCI Worldwide Flex closed June at 158.72c, up 1.74% for the month and up 31.05% for the last 12 months. It is ranked 3rd out of 79 funds in its category for the last year, and 5th over a rolling three-year period.



RCI BCI Flexible Fund closed June at 318.98c, up 6.57% for the month and down 9.19% for the last 12 months.



Our unit trusts have 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 R1000 per month, to lump sums of up to R25 000). As you will not pay commission to any agents, there is no cost to get in and out of our fund. When 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 upon request.

TO CONCLUDE…

JUNE 2020

June saw markets continue their strong rally to end one of the strongest 2nd quarters since 1999. The disconnect between Wall Street and Main Street continues to widen as global equities moved into the black for the year. Developed Market equities continued to outperform Emerging Markets and Growth continues to lead the race, while value lags as the world grapples with rising infection rates again.

In this newsletter, we highlighted some key takeaways from the recent supplement budget given by Minister Tito Mboweni. A pretty grim picture has been painted, with almost all economic indicators revised downward from the budget given in February. The most worrying takeaway is the increased need for funding which is placing increased pressure on our budget deficit and hence debt servicing costs. It looks as though the road to recovery for SA Inc grows ever longer...

Stephan Englebrecht presented a good investment thesis for gold. We have slowly been increasing our gold exposure in client portfolios on the back of increased central bank printing, lower interest rates and increasing economic and geopolitical uncertainty. We now hold c.5-6% of gold in most portfolios as an alternative to cash.

We took time to celebrate one of our funds ranking 1st in the worldwide multi asset flexible category over 1 month, year to date and 1 year. Alan always reminds us to enjoy it while it lasts, because once you get to the top of the mountain, there is only one way go from there… Hopefully not too soon though, we like the view!)

We are already 50% of the way through 2020 and most of our client portfolios are very well positioned, and many have turned positive in dollars this year, while the S&P500 and JSE All Share are still trading in the negative. June was a great month. Although portfolios are up, we continue to exercise caution when investing clients' hard-earned savings. The world is likely going to re-enter a second wave of infections as we try to re-open economies. We are already seeing the numbers rising rapidly. Please take care out there. Health should be our number one priority.

We are excited about what the future holds and continue to keep a close look out for companies on our watchlist that should be able to generate our clients' solid returns from current levels, over the medium to long term.

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

Di, Mike & Eric

PS: Please feel free to pass this newsletter on to friends and family who may wish to learn more about investing. To be added to our mailing list, contact eric@rcinv.co.za

Note: We had an incident this last month in which a client's email address was hacked and we were requested to redeem an investment and pay funds to a new bank account. This is not the first time it has happened and certainly will not be the last. Thanks to the processes we have in place we picked up the scam and the request was not processed. It is our standard practice that whenever a client changes a bank account, apart from requesting proof i.e. bank statement or letter from the bank, we always phone the client to confirm. In this case, the requested proof of bank arrived (it was a doctored one!!) but on phoning the client, we discovered this to be a scam.

To assist us in making sure this happens as little as possible we would encourage you to change your email passwords regularly and if you are sent a password by a supplier, e.g. mweb, that you must please change it immediately.

RCI – "THE FAMILY WEALTH OFFICE"

WHAT WE OFFER:

The Family Office

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 clearance
- Legal compliance; drafting of resolutions, contracts and assisting with legal opinions

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