SECOND QUARTER | 2017

PWM CONNECT

WHERE WEALTH AND LIFESTYLE MEET

PRIVATE WEALTH MANAGEMENT | OLD MUTUAL

WHAT'S INSIDE

A WORD FROM RUDOLPH

I can't believe that we are almost halfway through the year! There is a chill in the air and winter is definitely upon us.

On the economic front, we have seen another challenging first and second quarter, almost a repeat of 2016. Not only was there a controversial cabinet reshuffle that caused a political tsunami, but South Africa's sovereign credit rating was also downgraded to below investment grade by key global rating agencies, Standard & Poor's (S&P) and Fitch.

However, history taught us to always focus on the end goal. Now is not the time to panic, but rather to stick to a robust financial plan. Since the future is unknown, it is important to have an appropriately diversified portfolio that can deliver returns under a range of scenarios. The key to success is to choose a responsible partner and ignore short-term noise.

Your financial planner can help you to distinguish between emotional and well-informed investment decisions. Investors who switch in and out of investments based on how they read the market are far worse off, generally, than those who stay true to their long-term strategy. There are always opportunities for those who recognise and pursue them.

In this edition, we will discuss offshore investments. We also focus on the importance of having sufficient liquidity to provide additional income at retirement, and the options available. You can also read more on the emotional side of investing during turbulent times.

Our client-centric and advice-led approach ensures that you, as our valued clients, remain our top priority. Your financial planner is always available and on call to discuss your financial plan to help you reach your long-term investment goals.

WE APPRECIATE YOUR FEEDBACK

The purpose of this newsletter is to provide you with interesting and useful information and insights. Your suggestions and ideas are important to us. Please feel free to send your feedback as well as topics or ideas for future newsletters to PWM@privatewealth.co.za.

Kind regards

RUDOLPH **VAN ECK**
Head of Private Wealth Management

ARE SOUTH AFRICANS **TOO PESSIMISTIC?**

IZAK ODENDAAL
OLD MUTUAL MULTI-MANAGERS

South Africans are currently very pessimistic about the future of our country. Somebody recently made a joke saying that, given the Springboks' recent poor form, hosting the 2023 Rugby World Cup might be our best chance of qualifying. However, the Blitzbokke are basking in glory after winning the 2016/17 HSBC World Rugby Sevens Series. In other words, the country still has huge potential as a rugby powerhouse. We have just not fully exploited this potential.

This is not to make light of the three difficult realities investors are facing currently. Firstly, returns over the previous three years have been disappointing and barely kept up with inflation. Secondly, the local economic growth rate declined sharply over the past few years, from 2.5% in 2013 to only 0.3% last year. Thirdly, investors are justifiably anxious given the local political turmoil with a general expectation that things will get worse – economically, politically and financially – now that we're a junk status country.

It is no surprise that some commentators are issuing ominous warnings of "financial tsunamis", "fiscal cliffs" and "ticking time bombs".

But in the same way that the Blitzbokke proved the underlying strength of South African rugby, we need to ask ourselves whether South Africa's fundamental economic potential has really declined and if investment returns will be permanently impaired as a result. There are five misconceptions that need to be addressed to answer these questions:

1. DISAPPOINTING RETURNS ARE ABNORMAL AND INDICATE THAT SOMETHING IS WRONG

At the end of March, three–year annualised returns were 6.5% for local equities (JSE All Share Index), 7.9% for bonds and 6.8% for the money market. Listed property did better at 14% and global equities returned 13% in rand terms. But since local equities are the biggest component in most balanced funds, the average balanced fund (ASISA Multi-Asset High Equity category) returned 6.4% (with a range of -3.8% to 8% between the 109 funds listed by Morningstar). Inflation averaged 5.3% per year over this three-year period, but was as high as 6.7% in December.

Markets move in cycles and periods of poor returns are normally followed by periods of better returns as valuations improve. Periods of disappointing returns are therefore very normal. No one can consistently time the turning points, but equity markets move up over time and therefore it is important to stick to your plan through periods of disappointing returns to achieve long-term goals. The alternative, jumping around between asset classes and funds, usually does more harm than good.

2. JUNK STATUS LEADS TO SOARING INTEREST RATES

This was one of the most widely repeated concerns prior to South Africa's credit ratings downgrade. Broadly speaking, there are two types of relevant interest rates. The first is the repo rate set by the SA Reserve Bank, which influences how much consumers pay on their home or car loans. The second is the prevailing rates (or yields) in the bond market where the government and large corporates borrow money.

In terms of the former, the SA Reserve Bank is very unlikely to hike the repo rate, and in fact may even cut rates later this year in response to a much better inflation outlook. With a stronger rand than a year ago, a well-behaved oil price and sharply lower maize and wheat prices, inflation is declining.

In terms of the bond market, there was volatility at the time of the downgrades, but Government's borrowing costs are pretty much unchanged this year, as foreigners have continued buying.

It is not junk status per se that should concern us. After all, South Africa did not even have a credit rating prior to 1995, and many of our international peers are not investment grade. An unexpected change in

ratings can cause volatility in financial markets but it does not by itself limit Government's ability to fund itself or cause its borrowing costs to rise. The latter will depend on what the benchmark global borrowing costs are, and the spread that we pay over that rate to compensate for political and currency risks.

3. POLITICS DRIVE THE RAND

Similarly, it was claimed that the rand would weaken sharply in response to the downgrades. It is not that markets don't respond to political developments; they do, but only for a few days. The main global drivers of the rand tend to overshadow local issues over the longer term. These drivers are the US dollar (and expectations of US interest rates), commodity prices and sentiment towards emerging markets. In December 2015, these three factors were all positioned against us and when Finance Minister Nene was fired, the market reaction was severe. When Finance Minister Gordhan was sacked in March, these factors had all improved in our favour (fortunately). Looking ahead, there is reason to believe that these factors will remain supportive, as they are still historically stretched: commodity prices are still very low in real terms, the dollar is strong and emerging markets have a long period of under-performance to claw back.

4. POLITICAL UNCERTAINTY IS UNIQUE TO SOUTH AFRICA

By now it should be clear that South Africa is not the only country facing political uncertainty. The Brexit referendum and 2016 US presidential election both resulted in surprise outcomes, and many of the old political certainties in those two countries are gone. But you wouldn't tell looking at their respective stock markets. The London FTSE 100 has rallied due to a sharply weaker pound, while the US S&P 500 has surged after the election on the expectation that President Trump would cut taxes and regulations and increase infrastructure spending. But elsewhere, in Europe specifically, markets have rallied when elections didn't deliver surprise results. In Turkey, President Erdogan narrowly won a referendum that granted him almost-dictatorial powers. Markets responded positively, preferring the devil they know to the ones they don't. The point is not only that political uncertainty has increased, but markets can react to political events in unexpected ways. It is therefore risky to take large bets and safer to have a diversified portfolio that can perform under a range of outcomes.

Similarly, there is a difference between hedging your portfolio against unfavourable political outcomes in South Africa by having a portion invested abroad, and making a bet that South Africa will decline politically and economically by placing all your capital offshore. Our Strategies are currently at the maximum 25% allocation to global assets allowed by Regulation 28, which will benefit from a weaker rand. But there is also an overweight to local bonds that will benefit from a stronger rand and a reduction in local political uncertainty.

5. THE LOCAL ECONOMY IS ENTERING A DEEP AND LONG RECESSION

The slowdown in the economic growth rate is due to a number of shocks that hit the economy: load-shedding, plunging commodity prices, a food price spike, the worst drought in decades, prolonged strikes, capital outflows (along with outflows from other emerging markets) and rising interest rates. As recently as 2014, the economy was growing by around 2.5%. This was still below the long-term average of 3%, but for many it seems impossible that we could ever return to such a growth rate, pedestrian as it is. But there is no fundamental reason why we cannot grow at that rate again. Think of the Blitzbokke — although it could take two or three years to get there while the impact of these shocks fade, we will benefit from faster global growth.

The Reserve Bank's composite leading indicator, which points to the trend of economic activity in six to 12 months, increased further to the highest level in two years. This does not tell us how fast the economy will grow, but it does suggest that the economy has bottomed and that the worst is behind us.

6. KEEPING YOUR HEAD WHEN ALL AROUND YOU ARE LOSING THEIRS

The future is uncertain. It always has been and always will be, particularly in South Africa. In 1985, following President PW Botha's infamous Rubicon speech, South Africa declared a debt standstill, effectively defaulting on its foreign loans (although South Africa was not rated by any of the major agencies, its hard currency credit rating would probably have been cut to D). Inflation was at 16% and the prime rate at 21%. The rand halved against the US dollar and the economy was in a recession. A state of emergency was imposed and there was literally blood on the streets.

We simply do not know what tomorrow holds and therefore we always stress the importance of appropriate diversification. But it is also important to be able to sit through unpleasant periods. US fund manager Michael Batnick* recently used a great metaphor for understanding the importance of a long-term mindset when investing:

"Floating in outer space and looking down on earth, one would see a perfectly smooth, spherical ball. But zoom in and you'll find valleys drilled thousands of feet into the surface, and mountains shooting miles into the sky. Likewise, looking at the growth of a long-term investment and focusing on the destination provides little insight into the journey one experienced to get there."

R100 invested in the JSE 20 years ago would be worth R1 480 today (with dividends reinvested). To get to the R1 480 outcome meant going through many bumps and bruises along the way, but it is during those challenging times that mistakes are made. As Batnick concludes, "Most investors fail to capture market returns… because they overestimate their ability to stay calm when the terrain gets rough. We spend too much worrying about the final destination that we're often unprepared for the journey."

To use a slightly different sporting analogy, Canadian ice hockey legend Wayne Gretzky famously attributed his success to the fact that he skated "where the puck is going", not where it is. Investors need to focus on their goals, and not get distracted by the noise. On our part, we focus our energies to ensure that your Strategies are balanced, robust under a wide range of eventualities, and positioned to deliver the real returns that our investors require.

*http://theirrelevantinvestor.com/2017/05/11/the-map-versus-the-terrain

SHOULD YOU BE **INVESTING OFFSHORE?**

ANDREW WHITEWOOD,
BUSINESS COACH, PRIVATE WEALTH MANAGEMENT

Investing offshore has become very topical in recent times, partly due to the political uncertainty in South Africa. Despite taking this uncertainty into consideration, it is still key to base your investment decisions on sound financial planning principles.

Firstly, it is important to understand how you can invest offshore.
Option 1: Invest offshore via a rand-denominated fund.
Option 2: Invest in a fund which is US dollar, sterling, etc. denominated.

Many individuals invest offshore via a rand-denominated fund without actually knowing they are doing so. Many unit trust funds in South Africa are permitted to invest in offshore assets via an asset swap mechanism. However, the funds always have to come back into South Africa and are paid out in rand. Certain South African unit trust investment solutions are regulated with regard to how much they can invest offshore, and these solutions are referred to as being Regulation 28 compliant.

Investing into a fund which, for example, is US dollar denominated is a little more complicated from a currency point of view. When converting funds into a foreign currency, the South African Reserve Bank regulates how much you as a South African can take out of South Africa per annum. Currently, a South African can take R1 million p.a. offshore without tax clearance and another R10 million p.a. with tax clearance. Once you have invested in US dollars, these funds don't have to be converted back into rand.

I have now explained how you can get exposure to investment markets outside of South Africa. The next question I should answer is why do we need to consider investing outside of South Africa?

When looking at the Johannesburg Stock Exchange (JSE), there are 472 companies listed for trade. Therefore, 472 companies that you could potentially invest in. It sounds like a lot of companies, but the JSE is dwarfed by exchanges such as the New York Stock Exchange, with 2 400 listed companies, and the mighty Bombay Stock Exchange, with 5 749 listed companies. My point is that the JSE offers 472 different options whereas other exchanges offer a broader selection of companies, which can provide the benefit of additional diversification to one's investment portfolio.

When moving funds offshore into a foreign currency, we as South Africans need to be careful of letting our emotions cloud our investment decision-making process.

The reasons behind moving funds offshore into a foreign currency can be vast, but I have highlighted some that spring to mind:

- Diversification
- To protect personal capital goals such as overseas trips, tertiary education, etc.
- If you are an expat and have the option of returning "home"

All the above make sense. The next step is to ensure that you have the correct expectations and understanding regarding how an investment in a foreign currency could behave. When investing offshore, you need to be cognisant of the fact that certain solutions may be impacted by the fluctuating currency. So what do I actually mean? You could move money into, for example, US dollars at an exchange rate of R14 - $1. If the rand strengthens to R12 - $1, your offshore investment in rand terms could be worth less. However, a strengthening rand is actually a good thing for the majority of South Africans.

Your dreams, goals and aspirations are key to the lifestyle financial planning philosophy. Investing offshore needs to be considered when doing holistic lifestyle financial planning. However, the key is to ensure that you are basing your investment decisions on sound principles and that you invest in a suitable investment solution via a suitable investment vehicle.

THE DEVIL IS **IN THE DETAIL**

TIAAN HERSELMAN
BUSINESS COACH, PRIVATE WEALTH MANAGEMENT

Two things in life are certain: death and taxes. When it comes to retirement, a lot of investors are uncertain as to whether or not they will have sufficient provision available for retirement. Building up enough capital for retirement is one thing. Ensuring that you are invested into the most appropriate investment structures for retirement is something that in itself requires a whole lot of detailed financial planning.

WHAT IS RETIREMENT?

Retirement is a phase of life that many look forward to. Some people want to hit the off switch at retirement and exit the corporate or working environment entirely, while others prefer to go on semi-retirement and keep themselves busy with some form of work that can also generate an additional income.

Academics generally refer to the concept of retirement as the action of leaving one's employment after a specific period or upon attaining the age of 60-65. However, retirement is not merely based on reaching a certain age. There are other aspects that can also influence an individual's decision to retire, such as: state of health, financial reasons, retrenchment or redundancy, work or family considerations.

THE SOUTH AFRICAN RETIREMENT LANDSCAPE

National Treasury stated in 2014 that retirement savings make up nearly 60% of South African household savings. (Source: National Treasury. 2012. Strengthening retirement savings: An overview of proposals announced in the 2012 Budget. South African Government Online.) Our local retirement industry is one of the world's largest relative to gross domestic product, when total assets under management are taken into account.

OPTIONS AT RETIREMENT

Members of retirement funds generally tend to retire from age 55 onwards, at which point in time an investor can commute up to a maximum of one-third as a cash lump sum in respect of retirement annuity funds, pension and pension preservation funds. Currently, provident and provident preservation fund members can take the entire amount as a cash lump sum. The cash lump sum amount is taxed according to the retirement tax table, in terms of which up to the first R500 000 of the cash lump sum is taxed at 0%. The next R200 000 (R500 000 to R700 000) is taxed at 18%; the subsequent R350 000 (R700 001 to R1 050 000) at 27% and all amounts above R1 050 000 at 36%. The table applies cumulatively over the person's life time. Prior lump sums (i.e. retirement fund lump sum benefits as of 1 October 2007 and retirement fund lump sum withdrawal benefits as of 1 March 2009) and severance benefits (as of 1 March 2011) received are taken into account when the tax is calculated (the tables are cumulative). The benefit of investing in a retirement fund is that the growth within the retirement funds is tax free, and contributions are tax deductible up to 27.5% of the higher of taxable income or remuneration, capped at a maximum of R350 000 per tax year. At maturity (or at retirement), an investor needs to decide how much to take as a cash lump sum (subject to the maximum of one-third in the case of pension funds and retirement annuities). The remaining balance will have to provide the investor with an income for the rest of their life. Every R1 drawn is taxed as income (as your salary would be taxed), unless the investor has previous disallowed retirement fund contributions where they did not receive a tax benefit which could possibly be further written off against their taxable income. Members can also access their retirement funds when they resign or move between employers, subject to more punitive tax tables (only R22 500 tax-free).

THE CURRENT STATUS QUO – ASSET RICH BUT CASH POOR

Most retirees are asset rich, but cash poor. What this means is that retirees have assets such as retirement funds and lifestyle assets (vehicles, properties, furniture, etc.), but these are not liquid. Income from retirement funds is either fixed for a period of 12 months (living annuity) or guaranteed for life (guaranteed life annuities).

Most retirees tend to only withdraw up to the tax-free amount of R500 000 across all retirement funds so as to not incur any tax liability when deciding on their commutation from a retirement fund. However, this is often done without considering that there are many unforeseen capital expenses that can hurt your nest egg in retirement, especially medical aid, home maintenance and frail care, as well as goals such as vehicle replacements and travel needs that would need to be funded from your retirement funds account. In addition, one's tax after retirement is often not taken into account. This means that a much higher income is often required than what would have been required had a larger cash commutation been made at retirement, or had voluntary investments been earmarked for these expenses.

A need to make provision for discretionary capital is often overlooked. It is important that, when planning an income in retirement, planning should take into account both voluntary savings you have built up, as well as compulsory (retirement) income. In some instances, it may be prudent to take the minimum draw down from a living annuity (2.5%), with the lions share being made up of withdrawals from voluntary investments such as unit trusts and tax free savings accounts. Other than where a disallowed contribution is deductible from a retirement income draw-down, discretionary investments such as unit trusts and tax free savings accounts are often more tax-efficient (and more liquid) as a source of income.

As the name suggests, tax free savings accounts are completely tax-free. Unit trusts only tax the investor on growth (in the form of capital gains tax, which is taxed at a maximum effective rate of 18% for individuals) when withdrawals are made. Interest (where currently the first R23 800 for individuals below 65 and R34 500 for individuals who are 65 and older is exempt) is taxable and dividends are subject to dividend withholding tax at a flat rate of 20%. For investors in the higher income tax bracket, endowments are also available where all interest and capital gains (when triggered) are taxed at a flat rate of 30% within the fund. Withdrawals are, however, limited. (only one loan and one disinvestment is permitted during the first five years, subject to a cap based on contributions plus interest).

Taking all of this into account, it seems very short-sighted to merely assume that only an amount equal to the tax-free R500 000 should be commuted from retirement funds at retirement, without considering the liquidity within your financial plan during retirement.

A PRACTICAL EXAMPLE

As an example: If an investor withdraws an amount of R1 500 000 from his retirement fund, his tax liability would equate to R292 500 or 19.5% effectively, provided no prior lump sums were taken. Had he only withdrawn the R500 000 tax-free amount at retirement, and thereafter drawn a higher income from his retirement funds to fund (expected and unexpected) capital goals, such as vehicles and holidays, he could pay more tax than he could have. If his marginal income tax rate increases to 31% per year as a result of the extra income drawn to fund capital expenses, he would incur a higher income tax rate for every year during which the higher income is required. The funding for these capital goals (such as vehicles, holidays, medical aid, etc.) could easily have been drawn from voluntary liquid capital investments instead. If he had included these goals in his original financial plan and considered liquidity constraints, his savings on the additional once-off tax paid to SARS at the time of commuting could have been invested.

THE BEST OF BOTH WORLDS IS KEY

It is important to build sufficient retirement provision through the utilisation of retirement fund vehicles (such as retirement annuities, pension and provident funds), which offer significant tax benefits, in combination with discretionary investment vehicles. Capitalising on the annual income tax deductions on offer for retirement fund contributions, and the tax at 0% on the build-up within the fund, could significantly enhance a retiree's retirement provision. However, it is just as important to ensure that you get the balance right between having sufficient retirement provision to meet your income needs during retirement and also ensuring you have enough liquidity to fund any capital goals and unplanned expenses that might creep in during retirement. Retirement is not the end of your financial planning road, but simply a new chapter which brings about its own unique challenges and considerations.

THE DEVIL IS IN THE DETAIL

Two things in life are certain: death and taxes. However, the devil is in the detail now more than ever. With a comprehensive financial plan and the assistance of a CERTIFIED FINANCIAL PLANNER® (who can look at various aspects such as liquidity, cash flows and a withdrawal strategy), a retiree can have a much more tax-efficient and successful retirement that caters not only for the expected, but also the unexpected.

INVESTING IN SOUTH AFRICA – WHAT IS THE KEY?

DANIELLE MULLER
BUSINESS COACH, PRIVATE WEALTH MANAGEMENT

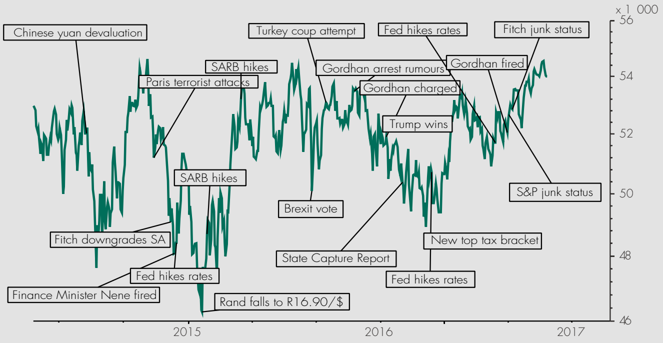
A human being must be one of the most well-equipped species to create a unique identity from all others of its kind. Our intelligence and independent thinking should make us the most self-regulating species alive. In many ways we are, except when threatened and frightened. Time after time, when panic sets in and we fall under pressure, our focus blurs and we join the safety of the collective. However, there is nothing more dangerous in investing than panicking and following the herd.

Throughout the past few months, South Africa has seen extreme political turbulence. This has rippled through every aspect of our society, from financial markets to community outcries, and an angry and a rather ominous feeling has settled over the country. Negative sentiment is everywhere and our day-to-day-conversations with planners and clients clearly indicate how deeply people are affected by the events occurring in our beautiful country.

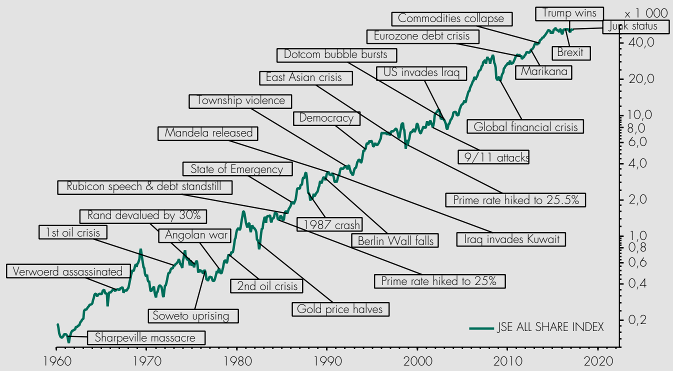
KEEP CALM AND FOCUS ON THE LONG TERM

So how do we endure and survive this? It would be easy to join the masses, retreat into safety, sell out of our portfolios, buy gold like there is no tomorrow and start investigating the requirements for an Australian visa. However, it is exactly at this point that we need to remember to act as true South Africans; we need to focus, remain calm and remind ourselves that we have faced tough times before and we will face them again. South Africa may be a turbulent environment, but we are a strong nation of incredibly resilient people.

To simply stay put and keep calm is not always that easy, but history has proven that time heals and the same applies to our markets. The graphs overleaf show how the JSE has moved sideways over the past two years of extreme volatility, but despite this, the positive growth is clearly evident over the longer term.



Sources: Thomson Reuters Datastream/Old Mutual Multi Managers

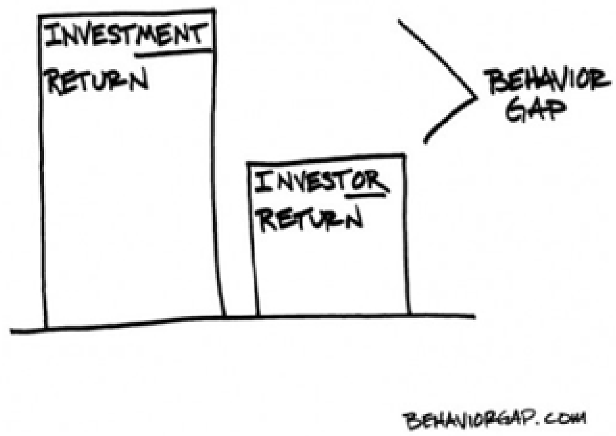


Sources: Thomson Reuters Datastream/Old Mutual Multi Managers

SECRET TO INVESTING SUCCESS

We believe the key to successful investing over time is a combination of a long-term strategy, a solid investment philosophy, careful due diligence and a trusted partnership between you and your financial planner. Within our business, it is not the "clever" client who switches to cash "in time" or "saw the offshore opportunity" or the planner who "called the rand move" that succeeds over time, but rather the investors with long-term defined strategies, solid investment philosophies and well-structured holistic plans designed to their unique time horizons and strategic asset allocations managed by professional asset managers. The key to the success of this combination, however, is the relationship and trust between you and your planner.

Understanding that markets will have ups and downs and focusing on your long-term financial plan are key to reaching your financial goals.



WARREN BUFFETT SAID:

"The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd."

PAUL STEVEN
PORTFOLIO MANAGER,
OLD MUTUAL WEALTH PRIVATE CLIENT SECURITIES

DOING THINGS **RIGHT**

In its H1 interim results, Woolworths reported a 6.7% increase in turnover to R37.8 billion and a 2.4% decline in adjusted headline earnings per share to 244.9c. Over the period, 73% of operating profit was generated from clothing and general merchandise, 24% from food and 3% from financial services.

Within clothing and general merchandise, sales rose 3.5%, the gross margin declined 0.4% to 47.7% and the operating margin was down 140 basis points to 16.5%. EBIT for the division was down 4.8% and price inflation was at 7.3%. Cost management was aided by increasing local sourcing, which helped margins not to decline more than the 0.4% decline in gross margins.

In the food division, sales rose 9.5%, the gross margin declined 0.4% to 25% and the operating margin was down 30 basis points to 6.9%. Price inflation was 9.2%. In Australia (which generated 42% of operating profit), David Jones's adjusted sales rose 4%, the gross margin improved by 0.8% and the operating margin was maintained at 8.5%. This is a decent result, assisted by the inclusion of private label sales in David Jones. Numerous changes and improvements are currently underway in David Jones (e.g. CRM/finance/inventory systems, food and private label inclusion) and management expect these to continue in this fiscal year.

Notwithstanding the slight improvement towards the later part of 2016 (Q2), the results highlight the difficult trading environment in South Africa and slow turnaround in David Jones/Australia. Management guided to a H2 which is in line with H1. Regarding strategy, management continues to focus on "doing the right things" that will drive long-term success, once the macro-environment improves.

NINE GRUELLING DAYS **OF MOUNTAIN BIKING FOR A GOOD CAUSE**

Alec Riddle, financial planner at PWM in Port Elizabeth, teamed up with South African adventurer and motivational speaker Sibusiso Vilane (who has summited Mount Everest twice) to tackle the gruelling 900-kilometre Old Mutual joBerg2C to raise funds for a very worthy cause.

While leading the annual Trek4Mandela and Caring4Girls expedition on Mount Kilimanjaro last year, Sibusiso lost one of his close friends. Gugu Zulu tragically passed away, leaving his wife Letshego and their one-year old daughter Lelethu behind.

Alec invited Sibusiso to join him on the Old Mutual joBerg2C in honour of Gugu and to raise funds for a trust set up by the Mercantile Foundation to fund Lelethu's education. They commenced their journey on 21 April and reached Scottburgh after 70 hours in the saddle.

"It was very tough and I am not sure if I would have completed the journey if I was doing it for myself. However, whenever I wanted to give up I thought of Lelethu and how I am making a difference in her life," said Riddle.

For more information and contributions to this worthy cause, please visit: https://morethanyourself.co.za/cause/mercantile-bank-foundation/

ALEC TACKLING THE JOBERG2C

BARRY (LEFT) WITH HIS RACING PARTNER

JOBERG2C **MOUNTAIN BIKE RACE**

PWM received the following letter from a very grateful client after completing the Old Mutual joBerg2C:

Hello Old Mutual Private Wealth Management team,

Trust you are all well.

First, I want to report back that I successfully completed the joBerg2C race on Saturday which, in my book, has been a huge achievement considering the 900km in 9 days.

What an unbelievable experience to have taken part in this journey across four provinces and I feel absolutely privileged to have been given the opportunity to do it. For me, the fact that we were riding on roads and trails less or never ridden and being able to share the passion of riding a mountain bike with around 800 other cyclists, including over 130 international cyclists, was truly special. It was fantastic to meet new people and, hopefully, to make lifelong friends because of a common cause. I was paired up with André van der Merwe, who was a great partner and now new friend. We were very well matched and had a fantastic ride together where we aided and helped each other each day to cover the 900 km.

Each night we spent in a different town or area and we were treated to the finest hospitality and food. Nothing was ever too much effort for anyone and it was a wonderful experience to be treated so well. As we finished each day, we would hand in our bikes to the mechanics who would clean and repair the bikes in the most efficient way making them ready for the next day's trail challenge. After a hot shower and great lunch we would head off for our daily massage where the aches and pains from the days riding would be massaged away. Thank you for including these services, they truly made a difference to our experience.

The ethos of the race is community involvement and it was amazing to see how communities are uplifted and empowered at each water table or race village as they benefit from the race passing through their area. We can be truly proud that our contribution does make a difference to many communities.

I want to thank Old Mutual as the title sponsors, together with all the other sponsors, for making this race and experience possible for so many. Without them, the logistics and costs of putting on an event of this magnitude would not be possible and so many would not have the experience of this wonderful ride.

Thank you Private Wealth Management for giving me this opportunity to ride for Old Mutual. It was a life experience that will be remembered and shared for many years to come.

Kind regards

Barry Goble

LIFESTYLE **EVENTS**

JOHANNESBURG

THE LIPIZZANERS – STALLION SHOW

Enjoy your Sunday morning in the country at a performance of the magnificent white Lipizzaner stallions! After the show, visit the stable courtyard, meet the riders, feed the horses and enjoy light refreshments at Cafe Capriole.

Date: 21 May – 30 July
Time: 10:30
Venue: Lipizzaner Centre, Kyalami

For further information, see http://www.lipizzaners.co.za

DURBAN

VODACOM DURBAN JULY 2017

The adrenaline will be flowing like water amongst the massive crowd of South Africans and overseas visitors for the Vodacom Durban July, the greatest racing, fashion and entertainment extravaganza on the African continent.

Date: Saturday 1 July 2017
Venue: Greyville Racecourse

WESTERN CAPE

ANDREW YOUNG SAX IN THE CELLAR

Lourensford Wine Estate proudly presents Andrew Young with his band in a brand new programme "Sax in the cellar". Andrew tours the world performing internationally but this will be a premier to perform amongst the vats in the heart of this wine cellar. The Cellar will be transformed into a theatre of lights and music to entertain the audience.

Date: Saturday 8 July
Venue: Lourensford Wine Estate

TAKE PART IN THE IMFOLOZI MTB CHALLENGE

The iMfolozi MTB Challenge — part of the Old Mutual sponsored Wild Series — is an exciting and a gruelling mountain bike challenge that runs its course through the iMfolozi Game Reserve in KwaZulu-Natal.

With a limited entry field, this event must rank as one of the most sought-after entry events in the country.

The iMfolozi MTB Challenge forms part of the Wildlands Conservation Trust's pledge to save the wild dogs of iMfolozi.

Sadly, there are fewer than 5 000 African wild dogs left in the African wild today. By taking part in this amazing challenge, cyclist contribute directly to the conservation of this threatened species.

Race day: 29 July 2017

Visit http://www.wildseries.co.za for more information.

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