

THE YEAR THAT WAS ... AND THE ROAD AHEAD

VIDEO TRANSCRIPT

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2016 was a tumultuous and eventful year for investors and investment professionals. A lot has happened, and we look at the year that was with the CEO, Daniël Kriel. From an investment and market perspective, how has this year fared?

The uncertainties and events that one couldn't plan for from an investment perspective, had an impact on our market. And unfortunately the JSE was for all practical purposes flat, as it was last year. So we are right into a low return environment. There were some highlights, however, and I think the most important for South African investors was that the old stalwart, Anglo American, which lost 70% of its value last year, gained over 200% this year. And then the rand appreciated after the turbulent time that it had last year. It continued with its volatility this year, but year to date it's gained 10% against the dollar. And then I think the other big news is the darling of the South African stock market, South African Breweries, delisting after the deal with AB InBev.

How has SPW helped investors weather the storms this year?

I think we can once again look back at a year in which we added value over the long term to the wealth of our clients.

We took a pragmatic approach, and that has worked for us, and I must say, year to date we have outperformed the index with about 400 basis points, and that is a very good result for us.

2016 was quite a successful year from a business perspective, having won the top wealth manager award for the third year running. What would you attribute this success to?

It was indeed great for us to receive that recognition third year in a row. But that is what it is – it is recognition for the team, and that obviously does the team very well from a motivational perspective. But we're not in the business of chasing awards. We're in the business of protecting and growing the wealth of our clients, and that is what we will continue to focus on.

We are particularly pleased about the fact that we continued to build upon the long-term performance track record, both locally as well as internationally. We've got a 10-year track record now that our investment team and our clients can be very proud of. On the international front, I'm particularly pleased with the performance of our global equity team in London. If you think about the fact that this capability was only set up four years ago, and they've attracted £500 million to date, they have done us very proud with their performance, outperforming the biggest competitors. And although very short term, for the last quarter they've been the best performing global equity fund. Lastly, one of the other highlights for the year was the conclusion of the transaction with Brackenham Investments in KwaZulu-Natal, and we are very fortunate to welcome Andrew, Dave and Maurice, and their clients as part of the SPW family.

Daniël, what message do you have for investors going into the new year?

From our perspective, the uncertainty and the low-return environment that we have become accustomed to over the last two years, will continue. Investors will have to buckle up and under these circumstances it is important to focus on the positives, because in all of these circumstances, there are always opportunities. Rest assured, we will find those opportunities, because that is what you reward us for.

What plans does SPW have for 2017?

We realise that in a low-return environment, cost is a factor. And therefore, from the 1st of January, we have decided to cut our brokerage rates on our discretionary portfolios. On average, clients should experience a 10% reduction in fees from the 1st of January 2017.

Thank you Daniël for sharing your insights and your reflections on the year that was. Any message for our clients?

Thank you Neli. I believe at this time of the year it is appropriate that we thank our clients for their continued support. I sincerely hope that we have met, and even exceeded your expectations. If not, I would certainly like to hear from you. From our side, we wish all our clients a wonderful festive season. May you spend a good time with your loved ones, and be assured that we will be up and ready for the challenges of 2017, and continue to look after your wealth.