Charles Merrington
Executive Financial Services (Pty) Ltd

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CMEFS WEEKLY NEWS AND VIEWS NEWSLETTER – FRIDAY 04/02/2022

In this edition: Welcome aboard/A fond farewell/Covid-19 Quo Vadis/Concourt Ruling-Life Partners/The Markets

And February is upon us already! Where on earth did January go?

As we have some returns for January, the table below starts anew for the year. It is still too early in Feb for Stats SA to provide us with an inflation figure for January, which is why it is not showing in the table below.

January was a bad month for all asset classes, as can be seen from the table below. Basically, everything going negative because of what is happening offshore in the US in so far as market valuations are concerned, made worse by the threat of war breaking out between Russia and the Ukraine – dragging a whole bunch of superpowers into the fray along with it.

The one thing that is not negative of course is oil, which is pricing in a major disruption to the world oil supply should the worst happen between Russia and the Ukraine.

Let’s hope it does not.

We really do not need a third (and final, given the proliferation of nuclear weapons) world war.

From 1 Jan to	ALSI actual return to date as %	ALSI projected annual return for the full year as %	CMEFS Flexible Fund actual return to date as %	CMEFS Flexible Fund projected annual return for the full year as %	Money Market actual return to date as %	Money Market projected annual return for the full year as %	Cost of Living Increase for the period as %
End Jan	-0.47	-4.24	-0.10	-0.99	0.22	2.65	
End Feb							
End Mar							
End Apr							
End May							
End June							
End Jul							
End Aug							
End Sep							
End Oct							
31/12/2021							

Welcome aboard

We are happy to announce that the following three learners have agreed to come on board with us effective as of the beginning of this month.

They are (alphabetically)

Maheshrie – who will be working with Brady.
Nathan – who will be working with Andrisha, and
Nazipho – who will be working with Andrew

Thank you, guys, for agreeing to come on board with us. We look forward to the pleasure of working with each and every one of you in the years to come.

A sad and fond farewell.

Stella has been offered a wonderful opportunity to take on a new challenge with a Durban based brokerage and we take this opportunity to wish her every future happiness and success.

We also take this opportunity to thank you Stella, from the bottom of our hearts, for having taken such good care of all of our clients' various short-term insurance needs during your time with us.

You will most certainly be sorely missed by so very many, both for what you do and for who you are.

Stella will be leaving us at the end of this month, and we are currently looking for someone to fill the very big shoes she will leave behind.

Covid-19-Quo Vadis?

Some countries have already completely abandoned any precaution in so far as preventing the spread of the latest version of the virus is concerned. (I hear there is now a B2 version of the Omicron)

We ourselves in SA have relaxed certain rules already around self-isolation and allowing everyone "back-to-school".

At the same time, the World health Organization is telling us not to abandon any kind of preventative measure currently in place as it is certainly not "game-over" yet.

Huh?

As for myself, as a business owner, I follow the SA numbers daily and this version of the virus is proving (to me) to be exceptionally "sticky", with the number of those currently infected decreasing much more slowly than was the case with the previous version.

With the previous version of the virus, over a period of 52 days, from peak to the 51st day, the number of active cases per day decreased at the rate of 2 812 cases per day, as compared to 2 297 cases per day with the current version of the virus.

And it seems that this B2 version of Omicron is now again 1.5 X more infectious than the original B1 variant.

Let's hope that it is even more benign than the B1 variant, although it is still early days.

I am officially confused; I don't know about you?

Concourt ruling on long-term relationships and claims against the estate of the deceased.

The constitutional court has recently ruled that wo/men in long-term heterosexual relationships can inherit from their partner's estate.

In short, if you are unmarried, but in a long-term relationship with your partner, and they pass with either not having a Will in place or not mentioning you in their Will, then in terms of the ruling, you can now lodge a maintenance claim against your late partner's estate under the ruling.

This claim will then have to be met prior to the distribution of any assets in the estate, to beneficiaries in the estate, whether in terms of the law of testate or intestate succession.

Put another way, if you are in a relationship with someone, that to all intents and purposes is seen by both parties to be permanent, then although you will not be, and never will be, a spouse as defined in terms of the matrimonial properties act, when it comes to making a claim against the deceased's estate you will, however, be "seen" to be a "spouse" at that time. You will therefore be allowed to make a claim against the deceased estate for maintenance purposes, just as a spouse in the ordinary sense of the word would have done under the "Maintenance of Surviving Spouses Act."

This is really important for those of you who are not married and in a permanent relationship and hope to leave the better part of your estate to (say) your children from a previous marriage, after making "some" provision for your partner in your Will.

If this provision is not sufficiently large enough to maintain a reasonable lifestyle for your life partner following on from your death, then your life partner can lodge a claim against your estate which could result in your children receiving nothing at all out of your estate, despite them being named beneficiaries in your Will.

It is my view that entering into a co-habitation agreement would not do the trick either, as nowadays even if one is married out of community of property without accrual, the surviving spouse can still lodge a maintenance claim against your estate.

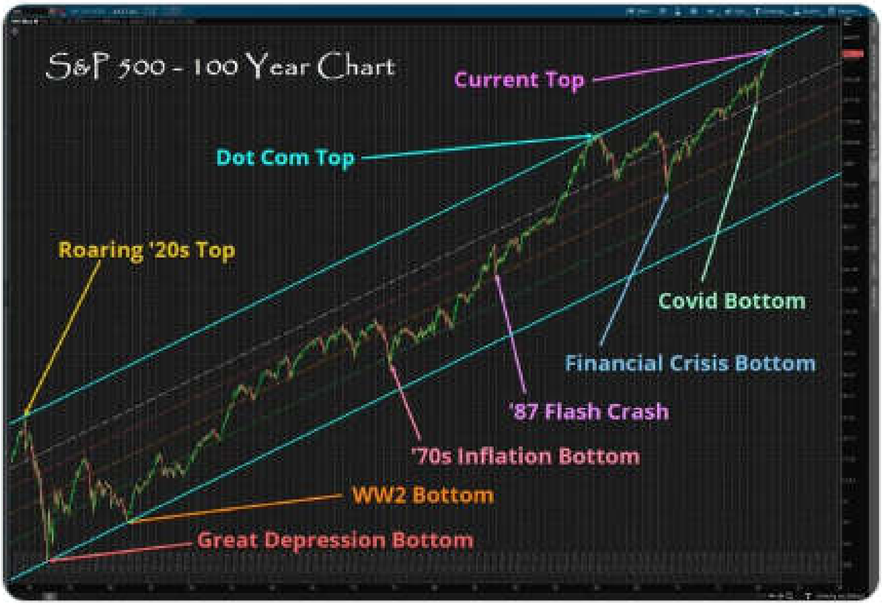
It may be however, that a co-habitation agreement will carry some weight should you eventually split from your partner, and you then go your separate ways.

The markets

The madness continues…some snips from a few twitter accounts.

Jim Lewis 💰⚒💰
@Galactic_Trader

Nah, it'll be fine.



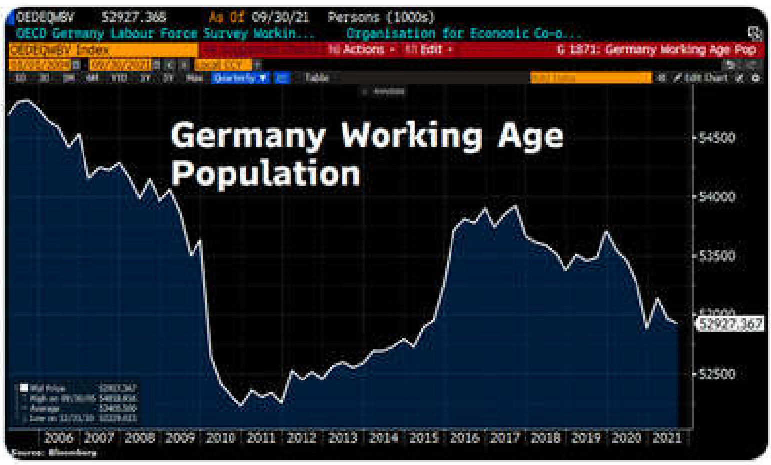
11:23 pm · 29 Jan 2022 · Twitter Web App

The next 10 – 20 years and an ageing population. (The baby boomers)

From the largest economy in europe (The engine room of the european economy)

Holger Zschaepitz
@Schuldensuehner

Good Morning from #Germany which needs to attract about 400,000 foreign workers per year to mitigate the economic impact of its aging society. Labor shortages are 'dramatically slowing' economic activity. Strategies needed to handle aging society. bloomberg.com/news/articles/...



8:48 am · 23 Jan 2022 · Twitter Web App

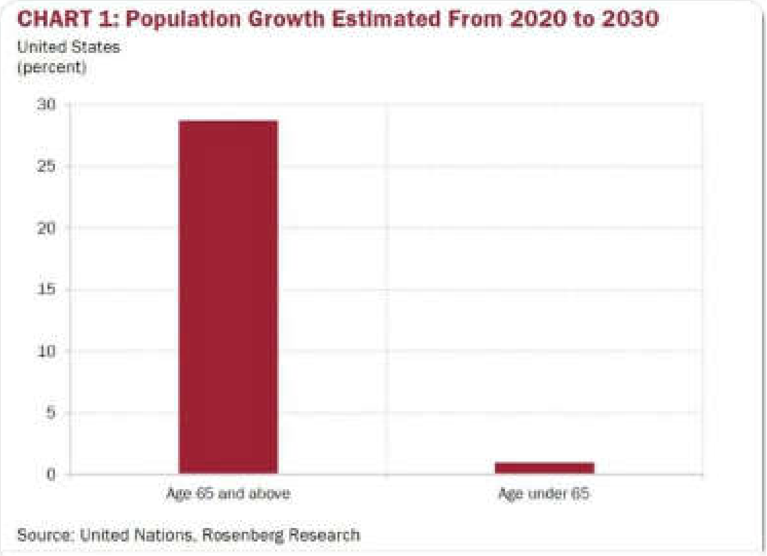
Meanwhile over in the States…

Alf
@MacroAlf

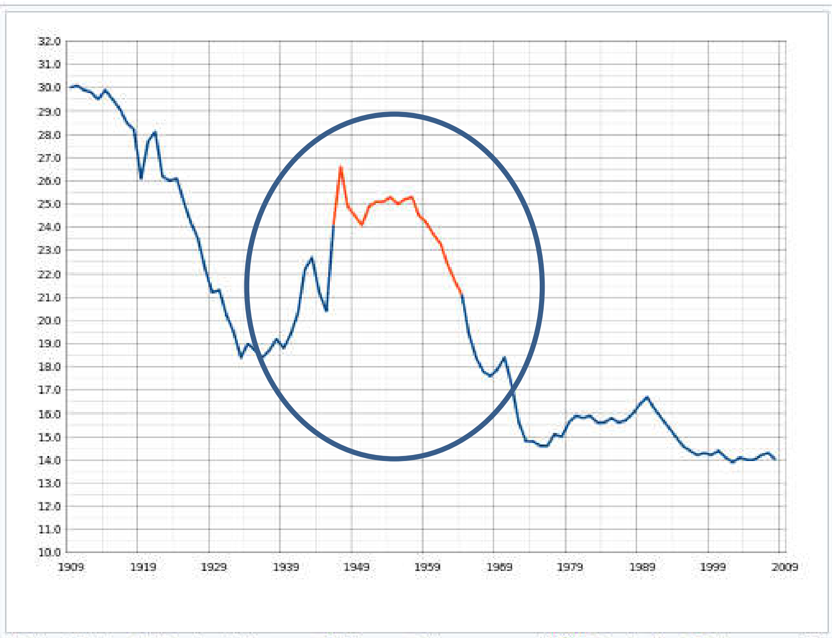
The roaring ‘20s upon us...

...led by an army of 65+ year-old.

Demographics speaks the truth about long-term economic growth, and it does it very loudly: listen to it.



<u>These skills are going to be exiting the workplace in the next 10-15 years (Proxy for world-wide problem)</u>



United States birth rate (births per 1000 population per year).[13] The United States Census Bureau defines the demographic birth boom as between 1946 and 1964[14] (red).

And the money printing continues to deepen the level of debt that ultimately needs to be repaid, reneged on, or inflated away…despite utterances to the contrary.

Lisa Abramowicz @lisaabramowicz1

Wall Street analysts spend a lot of time worried about quantitative tightening and restrictive monetary policy. But for now, the Fed's balance sheet is still expanding to new record highs, reaching $8.9 trillion as of the latest data:

Now remember that the only reason to invest in anything at all is for the return that investment will give you over time…S&P real earnings down to -3.2%

Liz Ann Sonders @LizAnnSonders

Another new historical low for S&P 500's real earnings yield

And finally, against the above backdrop, stocks continue to test new highs…Note that the plot is on a **log scale**…so for simplicity's sake imagine all of this happened over the last 10 minutes.

Need I say more, other than to repeat the maxim coined in the 1930s, by renowned economist at the time, John Maynard Keynes "Markets can stay irrational longer **than you can stay solvent**."

Agreed.

I remain conservatively invested.

I trust you enjoyed the read. Until next time, do take good care of yourselves.

Kind regards. Nine, Charles and the rest of the team.