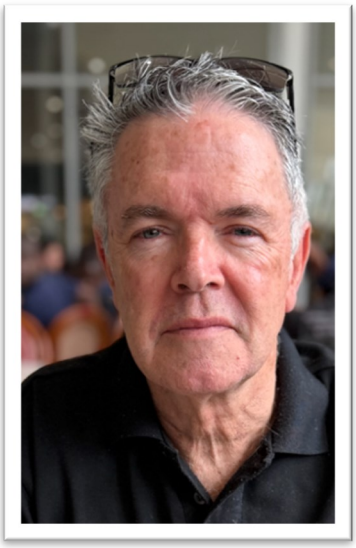


Mark Wenning's

# Financial Informer

Quarter 2 2026




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## War, markets and what history tells us

*A few years ago, when Russia announced that it had just invaded Ukraine, a whole series of scenarios loomed large, making markets jittery. Unsurprisingly, a lot of investors were worried and considering withdrawing investments – 'just until things settle down'.*

This thinking is nothing more than human nature and it always comes from a place of uncertainty, sometimes even fear. Fear of the unknown. Fear of loss. Fear of doing nothing. Fear that this time things will not recover and that all might be lost.

But history has shown us time and again that sometimes the best thing to do is nothing. Not to cave in to our desire to take our chips off the table. The data shows that, if anything, these are the times we should consider adding to investments. Often the best thing to do is choose wisely, do nothing and stay invested. It may be difficult, however most of the time it is best to trust and navigate the uncertainty.

### Markets hate uncertainty, not war

When war looms, markets often stumble. It's not necessarily the conflict itself that causes the panic, it's the uncertainty. Investors don't know what's coming next, how the political cards will fall, so they react.

But once the fog begins to lift, history shows us that markets recover. Often faster than you'd expect.

Take World War II. When Hitler invaded Poland in 1939, the world held its breath. But the US stock market climbed 10%. After Pearl Harbour, it dipped briefly – just 2.9% – and bounced back within a month. By the end of the war, the Dow Jones had risen by 50%.

That's not a fluke. It's a pattern.

### The power of perspective

Most people aren't aware of this pattern, so when in the middle of the storm and news outlets are reporting the worst, they find it hard to imagine the sun coming out again. Consider these events and the performance of the Dow Jones one year after the event:

History gives us perspective. It reminds us that markets are resilient. That investors who stay the course and resist the urge to react, often come out stronger and wealthier.

Across six major conflicts, from World War II to the Iraq and Afghanistan wars, US large-cap and small-cap shares have not only recovered, but often outperformed their peacetime averages. During World War II, small-cap shares surged by over 30%. Even during the Korean War, markets delivered double-digit returns.


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Why? Because once the initial shock wears off, markets begin to price in the new reality. Governments often increase spending, particularly in defence and infrastructure, which can stimulate economic activity. Certain sectors, like energy, defence, and manufacturing, may even benefit directly.

### What should you do when the world feels unstable?

When the world feels uncertain, it's tempting to do something quickly with your investments. But often, the best move is to pause, take a breath, and remember a few key principles:

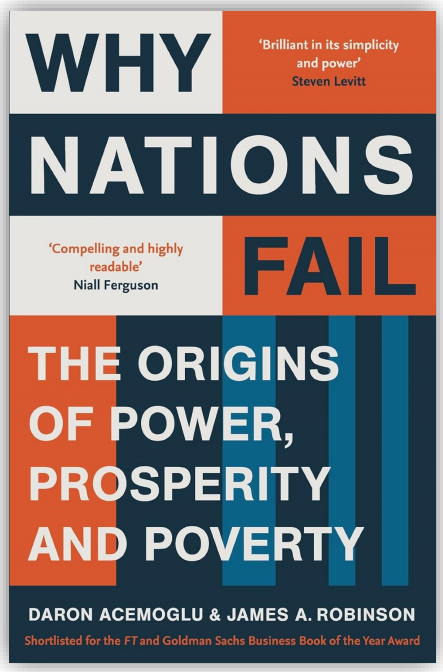
- **Don't panic.** Sharp volatility is a normal part of investing. We expect it. Making big financial decisions in the heat of the moment rarely ends well.
- **Stick with your plan.** Trying to jump in and out of the market based on feelings or headlines can seriously impact your long-term returns.
- **Spread your risk.** A well-diversified portfolio is like a shock absorber. It won't eliminate bumps in the road, but it makes permanent loss of capital highly unlikely.
- **Look at the bigger picture.** Markets have always had ups and downs. But over time, they've rewarded patience and discipline. Don't let short-term noise drown out your long-term goals.

### A final thought

At the start of the Ukraine war, clients who didn't pull out and stayed invested would have been relieved a year later to have made that decision. Not only did the market rebound, but also rewarded those that stayed with a sense of confidence that one shouldn't be influenced by outside noise.

The world will always have its moments of chaos. Markets will rise and fall. Headlines will come and go. But an investment strategy should be built to weather storms, not just the sunny days.

| | Date | Market turmoil and the Dow Jones Industrial average 95 years, 6 months (1/1/1928 - 30/6/2023) | One Year Change |
|---|---|---|---|
| 1 | 29/10/1929 | Black Tuesday | -17.10% |
| 2 | 1/9/1939 | World War II begins | -4.07% |
| 3 | 7/12/1941 | Japan attacks Pearl Harbour | 2.20% |
| 4 | 25/6/1950 | North Korea invades South Korea | 14.67% |
| 5 | 22/11/1963 | President Kennedy assassinated | 24.99% |
| 6 | 31/1/1965 | Escalation of Vietnam War | 8.83% |
| 7 | 9/8/1974 | President Nixon resigns | 5.98% |
| 8 | 4/11/1979 | Iran hostage crisis begins | 17.29% |
| 9 | 30/3/1981 | President Reagan shot | -16.90% |
| 10 | 19/10/1987 | Black Monday | 95.93% |
| 11 | 16/1/1991 | Operation Desert Storm begins | 29.52% |
| 12 | 19/4/1995 | Oklahoma City bombing | 31.56% |
| 13 | 11/9/2001 | Terrorist attacks of 9/11 | -3.81% |
| 14 | 19/3/2003 | Operation Iraqi Freedom begins | 23.24% |
| 15 | 15/9/2008 | Lehman declared bankruptcy | -15.58% |
| 16 | 22/6/2016 | Brexit vote passed | 18.79% |
| 17 | 11/3/2020 | WHO declares Covid-19 a pandemic | 37.92% |
| 18 | 24/2/2022 | Russia invades Ukraine | -1.22% |




*Why are some nations more prosperous than others? Why Nations Fail sets out to answer this question, with a compelling and elegantly argued new theory: that it is not down to climate, geography or culture, but because of institutions. Drawing on an extraordinary range of contemporary and historical examples, from ancient Rome through the Tudors to modern-day China, leading academics Daron Acemoglu and James A. Robinson show that to invest and prosper, people need to know that if they work hard, they can make money and actually keep it - and this means sound institutions that allow virtuous circles of innovation, expansion and peace. Based on fifteen years of research, and answering the competing arguments of authors ranging from Max Weber to Jeffrey Sachs and Jared Diamond, Acemoglu and Robinson step boldly into the territory of Francis Fukuyama and Ian Morris. They blend economics, politics, history and current affairs to provide a new, powerful and persuasive way of understanding wealth and poverty.*




Below, the latest projections for May 2026 as received by The South African website from the Central Energy Fund (CEF):

**FUEL PRICE CHANGE**

Petrol 93

increase of 202 cents

Petrol 95

increase of 236 cents

Diesel 0.05%

increase of 707 cents

Diesel 0.005%

increase of 709 cents

Illuminating Paraffin

increase of 581 cents

# Fasten your seatbelt

*South Africans are entering a period of heightened financial pressure as global geopolitical tensions continue to affect energy markets. With the cost of fuel increasing sharply on 1 April 2026, households are likely to feel the impact almost immediately. While the instability linked to Iran and the wider Middle East may appear geographically distant, its economic consequences are increasingly being felt at home—through higher petrol prices, rising food costs, and pressure on everyday living expenses.*

Understanding how these global developments affect the local economy is essential for managing personal finances, particularly if the situation becomes prolonged.

## Why Rising Fuel Prices Matter

South Africa imports most of its fuel, making local petrol prices highly sensitive to global oil market movements. When conflict or uncertainty threatens global oil supply, international oil prices tend to rise. These increases are then passed on to consumers, as seen in the significant fuel price hike coming into effect at the start of April.

Higher fuel prices affect far more than transport costs for motorists. Fuel is a core input across the economy. When it becomes more expensive to move goods, businesses often pass those costs on to consumers. This can lead to higher prices for everyday essentials, with food prices often rising soon after fuel costs increase.

At the same time, higher oil import costs can weaken South Africa's terms of trade. When imports become more expensive relative to exports, the rand may come under pressure. A weaker rand further increases the cost of imported goods and can contribute to rising inflation.

## What This Means for Interest Rates and Inflation

Sustained increases in fuel and import costs raise inflation risks. In response, policymakers may take a more cautious approach to interest rates, potentially delaying expected rate cuts while inflationary pressures are assessed. Although interest rate hikes are not currently seen as likely, borrowing could remain expensive for longer than anticipated.

For households already under strain from high living costs, this environment makes careful financial planning critical—especially if global instability linked to Iran continues for months rather than weeks.

## Practical Steps to Protect Household Finances

In times of rising fuel costs and ongoing uncertainty, households can take proactive steps to strengthen their financial position.

### Reassess your monthly budget

With fuel prices increasing from 1 April, transport and food costs may take up a larger share of household income. Reviewing your budget helps identify where spending can be reduced or reprioritised, ensuring essential expenses remain manageable.

### Cut back on non essential spending

Reducing discretionary spending can free up funds to absorb higher fuel and grocery bills. Even small changes can make a meaningful difference when cost pressures are persistent.

### Build or preserve an emergency fund

A cash buffer provides protection against unexpected financial shocks, such as sudden price increases or income disruptions. Maintaining savings can help households avoid relying on credit or withdrawing from long term investments during difficult periods.

### Be cautious about new debt

Inflationary pressures can keep borrowing costs elevated. Avoiding unnecessary debt reduces exposure to potential interest rate changes and helps preserve long term financial stability.

## Staying Invested During Market Volatility

Global uncertainty often leads to market

volatility, but reacting emotionally to short term fluctuations can be damaging. Selling investments during periods of instability can lock in losses, while staying invested allows portfolios time to recover and benefit from long term growth.

This is also a good time to review investment strategies to ensure they remain aligned with individual risk tolerance, financial goals, and time horizons. Any adjustments should be considered carefully and made with a long term perspective in mind.

### Planning for a Prolonged Period of Uncertainty

If tensions linked to Iran persist, South Africans may face sustained pressure on fuel prices and living costs. Forward looking financial planning becomes essential in such an environment. Reviewing financial plans regularly and seeking professional guidance can help households adapt to changing conditions while staying focused on long term objectives.




While global events are beyond individual control, disciplined money management, realistic budgeting, and thoughtful decision making can help South African households remain resilient as fuel costs rise and uncertainty continues.

# 20 Finance Terms Everyone Should Know

**Amortization:** Amortization is a method of spreading an intangible asset's cost over the course of its useful life. Intangible assets are non-physical assets that are essential to a company, such as a trademark, patent, copyright, or franchise agreement.

**Assets:** Assets are items you own that can provide future benefit to your business, such as cash, inventory, real estate, office equipment, or accounts receivable, which are payments due to a company by its customers. There are different types of assets, including:

**Current Assets:** Which can be converted to cash within a year

**Fixed Assets:** Which can't immediately be turned into cash, but are tangible items that a company owns and uses to generate long-term income

**Asset Allocation:** Asset allocation refers to how you choose to spread your money across different investment types, also known as **asset classes**. These include:

**Stocks/Shares:** A stock is a share of ownership in a public or private company. When you buy stock in a company, you become a shareholder and can receive **dividends**—the company's profits—if and when they are distributed.

**Cash and Cash Equivalents:** This refers to any asset in the form of cash, or which can be converted to cash easily in the event it's necessary.

**Capital Gain:** A capital gain is an increase in the value of an asset or investment above the price you initially paid for it. If you sell the asset for less than the original purchase price, that would be considered a capital loss.

**Capital Market:** This is a market where buyers and sellers engage in the trade of financial assets, including shares and bonds. Capital markets feature several participants, including:

**Companies:** Firms that sell shares and bonds to investors

**Institutional investors:** Investors who purchase shares and bonds on behalf of a large capital base

**Mutual funds / Unit Trusts:** A mutual fund or unit trust (in South Africa) is an institutional investor that manages the investments of thousands of individuals

**Hedge funds:** A hedge fund is another type of institutional investor, which controls risk through **hedging**—a process of buying one stock and then shorting a similar stock to make money from the difference in their relative performance

**Cash Flow:** Cash flow refers to the net balance of cash moving in and out of a business at a specific point in time. Cash flow is commonly broken into three categories, including:

**Operating Cash Flow:** The net cash generated from normal business operations

**Investing Cash Flow:** The net cash generated from investing activities, such as securities investments and the purchase or sale of assets

**Financing Cash Flow:** The net cash generated financing a business, including debt payments, shareholders' equity, and dividend payments

**Cash Flow Statement:** A cash flow statement is a financial statement prepared to provide a detailed analysis of what happened to a company's cash during a given period of time. This document shows how the business generated and spent its cash by including an overview of cash flows from operating, investing, and financing activities during the reporting period.

**Compound Interest:** This refers to "interest on interest." Rather, when you're investing or saving, compound interest is earned on the amount you deposited, plus any interest you've accumulated over time. While it can grow your savings, it can also increase your debt; compound interest is charged on the initial amount you were loaned, as well as the expenses added to your outstanding balance over time.

**Depreciation:** Depreciation represents the decrease in an asset's value. It's a term commonly used in accounting and shows how much of an asset's value a business has used over a period of time.

Harvard Business School




*"Good for the goose is good for the gander" (and its older form, "What's sauce for the goose is sauce for the gander") means that what is suitable or fair for one person must also be acceptable for another, promoting equality and prohibiting double standards.*

*It dates back to at least the 16th century, often attributed to 17th-century English proverb collections.*

***Origin and History***

***Original Phrase:*** *The original phrase, "What's sauce for the goose is sauce for the gander," was recorded in John Ray's 1670 "A Complete Collection of English Proverbs" .*

***16th Century Roots:*** *Earlier versions appeared in the 1500s, such as "As well for the coowe calfe as for the bull" (1549) and "as deep drinketh the goose as the gander" (1562).*

***Meaning:*** *The phrase uses "goose" (female) and "gander" (male) to indicate that rules or treatments should apply equally to both sexes.*

*It suggests that if a particular treat (or "sauce") is acceptable for the female goose, it is equally acceptable for the male.*

***Usage:*** *It is often used to argue that if a rule or policy applies to one person, it should also apply to another in a similar situation, such as in employment or social situations*

*The proverb emphasizes fairness and consistency, ensuring that the same standards are applied to all parties involved, regardless of gender or rank.*

# Good for the goose and the gander

*The execution of a Will is one of the most important duties a person undertakes during their lifetime. For a married couple, a Will has such far reaching consequences for the survivor of them that the planning and execution of their Will is often a combined effort, and their instructions are recorded in a combined document which is commonly called a "joint" or "mutual" Will. This article examines how a joint Will works and dispels some myths about this type of Will.*

## What is a joint will?

Essentially a joint Will is simply the instructions of two (or more) persons recorded for the sake of convenience in one combined document. It does not create a binding contract between the makers: either or both parties can separately cancel or amend his or her "part" of the Will, without the consent - or even the knowledge - of the other party. The normal rules relating to Wills apply: the Will must be signed by each party in the presence of two witnesses. The two Will makers need however not sign the document in each other's presence; so long as two witnesses witness and attest the signing of each of the two parties, the joint Will is valid.

## Who can make a joint will?

Whilst joint Wills are commonly executed by married couples, any two or more people may make a joint Will, whether they are related or not. Thus three business partners, three siblings, parents and any number of their children, or even complete strangers could make a joint Will! So long as the formalities relating to the execution of a Will are complied with, such a Will would be valid.

## Is a joint will binding on the survivor?

As a joint Will in itself not a binding agreement between the makers, the general rule is that the survivor can accept benefits given by the first-dying in the joint Will and then subsequently amend or cancel his or her "portion" of the joint Will, or make a new Will as he or she sees fit. The exception to this rule is if the parties intended in the joint Will to "mass" their estates (i.e. to irrevocably combine and dispose of their combined estate on an agreed basis), and the survivor accepted the benefits of such massing on the death of the first-dying. If this happens then the survivor is bound by the terms of the massing and the massed estate will devolve as determined in the original joint Will. But it is important to note that even if parties mass their estates in a Will, the survivor may on the death of the first-dying, repudiate the massing and in that way avoid being bound by the "agreed" terms of massing.

## Pitfalls of a joint will

There are a few issues to watch out for when executing a joint Will. However, these pitfalls can be overcome and often the convenience of executing a Will together will outweigh the potential pitfalls.

The first potential pitfall arises from a common construction of a joint Will. The parties often declare that if one of them survives the other for a stated period of time e.g. 30 days, then the survivor will inherit the first-dying's estate, but if they die together then each of their estates will devolve on others, such as children. The problem is that unless worded carefully, if the survivor survives the first-dying by more than the stated number of days but then dies some time after that, one could find that the original joint Will makes no provision as to how the survivor's estate must devolve. This has the unintended consequence of leaving the survivor dying "intestate" i.e. as though he or she left no Will.

The other problem is a practical one: on the death of the first-dying the original joint Will is lodged with the office of the Master of the High Court having jurisdiction, who retains the document permanently. If when the survivor dies, it is found that a different Master's office has jurisdiction (e.g. the survivor had relocated to a different part of South Africa), then there will be delays in the filing of the estate of the survivor as a Master sealed copy of the original joint Will

has to be obtained from the first Master's office before the winding-up of the survivor's estate can commence. As with the making of any Will, makers of a joint Will are advised to obtain specialist advice when planning and executing their parting document.

# Wills Q & A

*In South Africa, Wills are strictly regulated by the Wills Act 7 of 1953, which dictates the formalities for a valid will to ensure testamentary wishes are honoured and fraud is prevented. This quiz aims to test your knowledge of the legalities applying to the execution of a valid Will.*

**QUESTION 1:** Freddie, who is 16 years old, inherited a large estate from his father, who died some years previously. Freddie executes a Will leaving his estate to his mother.

True/False? The law does not permit Freddie to execute a valid Will as he is too young.

**QUESTION 2:** Elvis is a wealthy businessman, married to Priscilla in Community of property. Elvis executes a Will leaving everything to his mother.

True/false? - Because Elvis is married in Community of property, he requires his wife's consent to execute a Will dealing with the joint estate.

**QUESTION 3:** Julio, married with three adult children, has a child out of wedlock with his girlfriend. He executes a Will leaving his estate to his illegitimate minor child, to the exclusion of his wife and other children.

True/false? The law does not permit a person to leave their estate to an illegitimate child, to the exclusion of their spouse and legitimate children.

**QUESTION 4:** Benni is a wealthy musician. He signs a 3-page Will in which he leaves his entire estate to his friend Bjorn. Benni signs his Will at the end on the last page but doesn't sign or initial the other pages. (Assume all other legal formalities have been met).

True/false? Benni's Will is invalid as the law requires him to sign or initial every page of his Will.

**QUESTION 5:** Whitney has a Will prepared for her, and when she signs her Will, she has a witness watch her sign. Whitney and the witness sign every page of the Will.

True/false? - Whitney's Will is invalid as the law requires two people to witness her signing and for them to sign attesting that they have so witnessed.

**QUESTION 6:** Celine wishes to execute a Will. She signs in the presence of two witnesses, both of whom also sign the Will. One of the witnesses is a 20-year-old friend and the other is her 14-year-old daughter.

True/false? Celine's Will is invalid as her 14-year-old daughter is too young to legally witness her Will.

**QUESTION 7:** Elton instructs his lawyer to draft and email him a Will. Elton prints and signs the Will before two competent witnesses. But he omits to insert the date and his ID number into the blank spaces left in the document to insert this information. (Assume all other formalities have been complied with). True/false? Elton's Will is invalid as the date and his ID number have been omitted.

**QUESTION 8:** Aretha wants to sign her Will and asks two adult friends to witness and sign as required by the Wills Act. One of the witnesses is running late and so Aretha signs watched by one friend, who signs as a witness and leaves. Her second friend then arrives and Aretha signs again in front of him and he signs as witness.

True/false ? Aretha's Will is invalid as the two witnesses were not present at the same time to see her sign.

**QUESTION 9:** Rod marries when he is in his twenties and he executes a Will leaving his estate to his young wife, Alana. Shortly thereafter Rod and Alana divorce. Rod remarries and has six children with his second




*The last will and testament originated over 4,000 years ago in ancient Egypt, evolving from oral declarations into written papyrus documents (c. 2500 BCE) for asset distribution*

*Ancient Greece and Rome formalized these practices, establishing concepts of sound mind and witness-sealed documentation*

*The system evolved through Roman Law, church-influenced "canonical wills" in medieval Europe, and finally English common law*

***Ancient Egypt:** The earliest known will, by Sekhenren, dates back to 2500 BCE*

*Egyptians used written documents to distribute property, which were sometimes inscribed on tomb walls or kept as records to appease family and gods*

***Ancient Greece:** Athenian citizens and reformers like Solon (c. 6th century BCE) refined the will, allowing citizens to leave property to non-relatives, provided there were no direct sons*

***Ancient Rome:** Romans brought immense structure, developing the concept of a "testament" as a formal, legally binding document requiring witnesses*

*It became a critical tool to ensure inheritance was handled properly, often limiting changes to the will once finalized*

***Medieval Period & Church Influence:** In medieval Europe, the Church played a significant role, with the "canonical will" taking shape around the 12th century, allowing individuals to leave property, often to the Church, in front of a priest and witnesses*

***English Common Law:** Modern Western testamentary law is heavily rooted in English law, which formalized how both personal property (chattels) and land could be bequeathed, developing into the structured legal instrument used today .*




wife Penny. Rod dies 30 years after executing the aforementioned Will, without having executed a further Will.

True/false? By law Rod's Will has expired by the time he dies and his widow Penny and his children will inherit his estate in terms of the laws of intestate succession.

**QUESTION 10:** Lionel wishes to execute a Will, and signs it intending to have two friends sign as witnesses later. When he dies, his family discover that the Will is invalid as it was not witnessed.

True/false? The High Court has the power, on application by the family, to condone the lack of witnesses and declare Lionel's Will to be valid.

**ANSWERS**

**Q1: FALSE** - The Wills Act of 1953 governs the execution of Wills in SA. It provides that any person who has attained the age of 16 years may make a Will (unassisted by their guardian). Children under the age of 16 cannot make a Will, and their estates would be distributed according to the laws of intestate succession.

**Q2: FALSE** - A married person is permitted to make a Will without their spouse's consent, approval or knowledge. In the case of a couple married in COP, the surviving spouse is entitled to half the joint estate by virtue of marriage and the deceased spouse's Will applies to his/her half share of the joint estate

**Q3: FALSE** - SA law recognises the principle of "freedom of testation": one may leave one's assets to any person and may exclude or disinherit anyone including a spouse or child. A caveat is that an excluded spouse, minor child or any child needing support may institute a claim for maintenance from the deceased estate.

**Q4: TRUE** - The Wills Act requires the maker of a Will to "sign" at the end of the Will and on every other page. "Sign" includes making of a mark or an initial.

**Q5: TRUE** - The Wills Act requires two competent witnesses to witness and sign (or initial) the Will. Both witnesses and the maker of the Will must be present at the same time.

**Q6: FALSE** - Anyone person of sound mind aged 14 years or older may witness a Will. And family members are not barred from being witnesses. The Wills Act disqualifies a witness from inheriting from a Will (with certain exceptions) but the fact that a witness is named as a beneficiary in the Will is not a flaw which invalidates the Will.

**Q7: FALSE** - The ID number of the maker of a Will is not a required formality even though is it recommended to be included. The same applies to the date: the lack of a date does not invalidate the Will (although it may lead to problems proving where it ranks chronologically with other Wills and whether it revokes other Wills).

**Q8: TRUE** - Both witnesses and the maker of the Will must be present at the same time.

**Q9: FALSE** - Wills have no expiry date and in this example Rod's very old Will leaving everything to his ex-wife will be VALID and upheld (i.e. go to his ex-wife!). His widow may have a claim for maintenance from his estate but she and his children will not inherit by intestate succession.

**Q10: TRUE** - The Wills Act gives the court an overriding discretion to condone non-compliance with formalities, provided it is apparent or can be proved that the Will represents the maker's true intention.