

1. Title: Switching for the better

Main message: Your ideal asset allocation & investment choices are not static. Regular changes (switches/rebalances) are essential.

The article discusses portfolio drift and the need to lock in profits from high performing investments. It reminds investors that switching is subject to CGT – but that there’s also an annual R40,000 exemption and that switching resets your base costs and helps to minimise future CGT. It briefly explains the process of switching on a LISP platform and the opportunity to rebalance when making additional contributions and withdrawals.

Conclusion: Failing to rebalance/switch increases exposure to risk without increasing potential returns.

2. Title: How to structure your retirement plan

Main message: RAs, tax-free savings accounts and unit trusts all have pros and cons – a combination of the three is often a good idea.

RAs have great tax advantages, but Regulation 28 means they are a bit conservative for some. TFSAs offer more flexibility, but they aren’t as attractive from a tax perspective and some investors may be tempted to dip into their savings. Unit trusts offer more variety, but the potential risks are higher too.

Conclusion: Consider contributing to RAs and TFSAs up to their tax thresholds. Then use surplus funds to invest in unit trusts.

3. Title: How to invest for education

Main message: Investing for children’s education is vital.

The article discusses tax-free investments and endowment wrappers in some detail, including the tax implications, limitations and penalties of both options. It links this to time in the market and investor behaviour. The article warns against using personal debt to fund education before highlighting how an education protector can add a useful extra layer of protection.

Conclusion: Don’t rely on your salary/ profits to fund educational fees – especially considering the astronomical education inflation rate.



4. Title: Is your business good retirement capital?

Main message: Owners of private companies shouldn't rely on the sale of their businesses as their only source of capital for retirement.

The article examines why entrepreneurs tend to rely on the sale of their business before referring to research that indicates that privately owned businesses are very hard to sell. It shows the diversification and tax benefits of investing consistently in retirement products and it also motivates business owners to work on the saleability of their business throughout its development.

Conclusion: Although drive, motivation and a propensity for risk are great for growing a business, they don't always translate into sound retirement planning.

5. Title: Discover the freedom of a tidy portfolio

Main message: Seek professional advice and consolidate your investment portfolios with one trusted advisor.

The article shows how easy it is to end up with an untidy portfolio and discusses the risks of having a messy portfolio, including not achieving primary investment objectives. It draws attention to the fact investors may be overpaying on fees and also refers to the logistical and estate planning advantages of a consolidated portfolio. The article does not ignore the short-term costs of consolidation.

Conclusion: The benefits of consolidation far outweigh the trouble and cost of the process.

6. Title: Investment jargon 101

Main message: Understanding key investment concepts is a great first step towards financial freedom.

The article, written in a snappy & humorous tone, covers a lot of ground in a relatively short space. It starts off by explaining assets and liabilities, asset classes and diversification, before going on to give more detail on unit trusts, time-based goals and compound interest. The last section deals with retirement jargon and products (both pre- and post-retirement).

Conclusion: This little blog isn't the A to Z of successful investing! But it's a great primer ahead of the next annual review with your advisor.

7. Title: Much ado about risk

Main message: Managed correctly, an appropriate amount of risk can yield fantastic rewards.

The article looks at types of systematic and unsystematic risk and explains that greater risks are associated with the potential for greater returns. It then examines the risk associated with different asset classes and the importance of diversification. A section on investor profiles is followed by the good news that it is possible to invest conservatively, moderately and aggressively at the same time.

Conclusion: Understanding the nature of risk and your risk profile *and* taking steps to manage these risks is vital to achieving your financial goals.

8. Title: The ins and outs of compulsory annuities

Main message: How you choose to invest your retirement capital is a big deal. So, do your homework.

The article provides a thorough analysis of the pros and cons of Life Annuities and Living Annuities. It covers aspects including wealth preservation, drawdown rates, asset allocation and tax (including lumpsum taxes on the remainder of your retirement capital). The final section looks at situations in which each product would be advisable.

Conclusion: Living Annuities offer more flexibility and seem more appealing to modern investors. But Life Annuities still have their place. Every situation is different.

9. Title: The magic of compound interest

Main message: Compound interest is great when you're investing and terrible when you're borrowing.

By using real situations and examples, this article hammers home the immense benefits of compound interest. After a basic comparison of simple and compound interest it dives into the details by showing that interest that compounds monthly is best and that monthly contributions beat annual ones. The article ends with a warning: compound interest works very hard against you when you're borrowing money.

Conclusion: Do your homework and make sure that the magic of compound interest works *for* and not *against* you.

10. Title: 6 ways to achieve financial freedom

Main message: *Financial freedom doesn't have to be a pipedream. Follow these six tips and make it a reality.*

This article takes some of the mystique out of financial freedom by showing how six easy-to-achieve steps can come together as one irresistible whole. It advises investors to start early, to understand asset allocation and diversification and to rebalance regularly. It warns against 'timing the market' and urges readers to use debt wisely and to automate saving and investing.

Conclusion: See your advisor to ensure all six ducks are in a row.

11. Title: Property investing: 10 common tax questions

Main message: *You cannot make important property decisions without a full understanding of all of the tax implications.*

Two types of tax apply when selling and renting properties: income tax, and capital gains tax (but there are significant CGT exemptions on the sale of your primary residence). This article takes an in-depth look at 10 common questions, including *What happens if I retire and move from my primary home to my holiday home?* and *I own property overseas. Do I need to declare the rental income I receive on this and the capital gain when I sell this?*

Conclusion: Tax planning is one of the essential components of financial planning and you can't leave anything to chance when buying or selling property.

12. Title: Barriers to the creation of wealth

Main message: *If you can avoid these six barriers to wealth, you should be able to retire happy and healthy.*

This article looks at six common barriers to the creation of wealth. It advises readers to start investing as early in their lives as possible and cautions against dipping into their pensions when changing jobs. It warns against overreliance on debt, managing risk poorly and trying to time the market before asking readers if they really need to live in such extravagant homes.

Conclusion: Learn from other people's mistakes and listen to your financial advisor! (They've seen it all before).

13. Title: Life cover: A must have

Main message: Life cover is the first step towards a comprehensive financial plan and an absolute must for families with debt and young children.

This article decodes the sensitive topic of life assurance. The first half of the piece helps readers to determine how much life cover they require, via a fool proof 4-step process. It then goes on to urge clients to read the fine print of their policies before detailing some of the other components to comprehensive life cover (severe illness cover, capital disability etc). It ends with a warning about risk.

Conclusion: You can never be too careful! If you have any doubts about your life cover situation, speak to your financial advisor now.

14. Title: Living Wills: A must have (despite the grey areas)

Main message: Living wills are currently up for debate in parliament. Despite the confusion about their legal status, there are still many more pros than cons.

A Living Will is a document describing your preferences for medical treatment if you are terminally ill or critically injured and are unable to communicate. This article outlines their benefits and explains the difference between a living will and a power of attorney. It then discusses their current legal status and asks why some doctors may still resist. It ends by urging readers to prepare Living Wills for themselves.

Conclusion: We all need Living Wills (regardless of whether the Bill in Parliament is passed) as they assist families and doctors to make critical decisions.

15. Title: Thinking of moving to Australia? Bear these numbers in mind

Main message: On paper, Australia may seem a better prospect than South Africa, but we've got some good stuff going here too. Think carefully before you take the plunge.

This article – written by a South African who lived in Australia for 16 years – combines a comparison of many of the key indicators (interest rates, income tax, estate duty, the price of a cappuccino) in the two countries with plenty of first-hand commentary and analysis. The gist of the article is that while Australia is safer and has a more reliable economy than South Africa, it is much harder to become wealthy, and live comfortably, in Australia.

Conclusion: The grass isn't always greener on the other side (but it may be). Do your homework carefully before making such an important decision.

16. Title: Stay calm when the bear prowls

Main message: *Selling when the bear prowls (and buying when the bull rages) can do no end of damage to your investment portfolio. Stay the course!*

This article uses statistics from three benchmark studies to illustrate the benefits of staying the course with concrete examples. It starts by explaining how selling at the bottom of a cycle locks in a loss before using JSE All Share Index data to show how investors who miss the best days in a cycle miss out. It then goes on to show how a lumpsum investment is generally better than phasing in before sounding a warning against trying to time the markets.

Conclusion: **While it may be hard to watch your investment** <https://fincommunications.com/wp-content/uploads/2019/03/Thinking-of-moving-to-australia.pdf>

portfolio take a short term hit, you'll do far more damage to your financial future by selling and thus locking in your losses.

17. Title: The ins and outs of financial emigration

Main message: *If you're officially emigrating or simply transferring your assets offshore, there are plenty of things to consider about financial emigration.*

After splitting financial emigration into two categories (official emigration versus transferring assets offshore) this article examines many of the tax and regulatory issues pertaining to both, in a clear and concise way. With sections on pensions, living annuities, wills and even citizenship, it is essential reading for anyone who is considering taking the plunge.

Conclusion: **If you are thinking about emigrating one day, it is probably a good idea to start the process of informal financial emigration sooner rather than later.**

18. Title: The miracle of debit orders

Main message: *Debit orders aren't all bad – far from it, in fact. Investing via monthly debit orders creates savings discipline and opens you up to the benefits of rand cost averaging.*



This article shows how investing via debit orders forces you to adhere to your budget and means that you are much more likely to achieve your investment goals. It explains the concept of rand cost averaging as it applies to monthly debit orders and it also urges readers to ensure that they set up auto escalations on all investment debit orders. It concludes by reminding readers that debit orders and auto escalations cannot replace annual investment reviews.

Conclusion: You are much more likely to retire happy, healthy and wealthy if you have an investment debit order in place.