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*Independent financial service providers whom you can depend on
Onafhanklike finansiële diensteverskaffers op wie u kan staatmaak*

Financial-, Estate- & Retirement Planning / Short Term Insurance / Budget Planning
Finansiële-, Boedel- & Aftreebeplanning / Korttermynversekering / Begrotingsbeplanning

Dear Clients and Associates

December 2013

2013 has almost come to an end and it's time for our annual newsletter. Every year we look forward to sharing the highlights of the past year with you.

A warm welcome to all our new clients. We trust we can provide the same value and achieve the same long-term relationship, as with our established client base. All our new clients are referrals. We appreciate the trust and support.

Again we have clients who retired during the past year. We wish you the best with the upcoming new phase and would like to encourage you to use the new-found and well-deserved time to the benefit of the community and other peoples' lives.

Thank you to all the clients who always make time for their biannual or annual appointments. It is important for us to review your portfolios and financial needs, to make revisions in an ever-changing environment. Please confirm if your situation has changed in any way, especially before an appointment, for us to take the changes into consideration.

We are proud of our clients who completed their studies. For those of you who haven't received an offer yet, e-mail your CV's to us and we can try to forward it to potential employers. We are proud to have assisted in successful appointments previously.

We appreciate and encourage feedback to constantly improve our practice. Thank you for all the e-mails we receive consistently.

Antoni designed a spreadsheet for our investment clients to view fund performances. The feedback has been great. We also upgraded our Financial Needs Analysis program (F.N.A) to determine our clients' financial goals and needs.

Sad News

We are sad about the passing of Oom Raymond la Grange, whom we've known for 15 years – it was a privilege to assist Tannie la Grange and the family with his illness and passing. Marius, thank you for the kind words at the funeral.

We are thinking of families who went through a divorce during the past year.

Our thoughts are also with the Laing family with their loss and wish you all the best.

A speedy recovery to all those who were diagnosed with a serious physical or mental illness.

Inspiration

Tannie Sarie Lombard was suddenly diagnosed with Alzheimer's and admitted to Geluksoord after a fall. Before her illness she transported the elderly, who couldn't manage on their own, to clinics. She went to the gym to swim every week at the age of 83 years.

Before Oom Raymond la Grange's death, he transported patients to the Wynberg Millitary Hospital. He assisted people everywhere he could and was 77 years of age.

Thank you for being an inspiration and example to us all.

We joined our business forum and got involved in cleaning our beaches monthly and also with other charity initiatives. We encourage you to also take on similar projects in aid of the community.

Reflecting on 2013

We are excited about the launch of our new website – www.tvzfinancialservices.co.za. Please visit us and comment on our Facebook page. Thank you to Tina Vlok (www.berryweb.co.za) for all the hard work. We also personalised our client folders.

Studies

We keep up with the prescribed studies and workshops to stay up to date with the ever-changing industry. We wish Antoni good luck with the continuation of his studies as a Financial and Investment Analyst, in 2014.

Tax assessments

The tax assessments are submitted and finalised. *E-filing* is an asset and big improvement on previous procedures. SARS has done audits mostly on clients with vehicle allowances and steep vehicle expenses. Please keep your log book up to date and forward the tax documentation as early as possible, to enable us to submit the assessments in good time next year.

Due to changing legislation for tax practitioners, we might perhaps have to make alternative arrangements in the future, but we will keep you updated.

Short-term insurance

Thank you to Elmarie for her extra effort in the takeover of Hannes Borman's clients, due to his retirement.

Rumours have it that traditional insurers like Mutual & Federal and Santam are under financial pressure, mainly due to brokers promoting quantity instead of quality. Our team's policy is, however, to offer the best, not necessarily the cheapest, products to our clients.

Statistics confirm traditional insurers maintain at least a 70% claim payment ratio, compared to the 52% of direct insurers. Cheaper premiums can, therefore result in losses during claims, which is ultimately the main reason for taking insurance. We don't promote certain companies' products, due to our own integrity and for ethical reasons. We only deal with companies that maintain a respected claims history. Before opting for cheaper insurance, make certain that they offer the same coverage as your current insurance, or you may be the loser in the long run.

We will contact you with the annual renewal to discuss your policy but in case your situation changes please contact us immediately.

For enquiries during the Festive season when our office is close:

Mutual & Federal clients Tel: 021-506 0100 (Claims)

Tel: 0860 247 365 (After hours emergencies)

Tel: 0860 637 373 (Enquiries)

Santam

Tel: 0860 505 911 (Claims and after hours emergencies)

Tel: 0860 726 826 (Enquiries and amendments)

Auto & General

Tel: 021-527 8666 (All claims, enquiries and amendments)

Tel: 0860 104 210 (After hours emergencies)

Estates/Wills

With a real life case study, a client's will with the bank was sent to four different agents, before an agent was appointed to deal with the Deceased Estate. This results in delays with the finalisation of the estate. Ensure that your will is reviewed annually. The same bank was also not willing to give discounts on Executor's fees. We work with respected attorneys, who can draw up and keep the Will for safekeeping without charging fees. Please contact us, should you have further more enquiries in this regard.

There were also cases where a loved-one passed away and the relatives couldn't find the will, or other personal documentation like the marriage certificate. Keep all the documentation in one folder or we can store it electronically on your behalf. This will save time and frustration when a claim must be submitted.

Thank you to Visagie, Vos and Partners and the legal advisors of the product providers, in particular Petri Lourens, for your expertise and personal service.

Investments/ creation of wealth

2013 was characterised with constant low interest rates and good share performances. Economists predict lower returns in 2014 and interest rates could increase in the last quarter. **Our biggest challenge is to choose the best and most successful fund managers.** Statistics show that clients working with advisors receive, on average, 1,8% better returns per annum than clients managing their own investments.

We are proud and grateful that we beat this percentage with ease.

Our portfolio performed as follows:

Risk Profile	2012	2013
Conservative	11%	10,13%
Cautious	12,2%	13,89%
Moderate	13,7%	17,07%
Moderately aggressive	16,6%	22,36%

Thank you to our consultants, fund managers and in particular Antoni from our office for the effort and support. Clients on the verge of retirement do, indeed, need professional assistance to make the correct decision. The incorrect advice/ decision can have far-reaching consequences. You are welcome to refer any person close to retirement, for a free presentation.

Life cover/ disability/ severe illness benefits

In 2012 the industry paid claims to the value of R263,2 milliard. However, R699,9 million claims were not paid, mainly due to fraud and misrepresentation. **We can proudly confirm not one of our clients had a claim rejection yet.** Please, therefore, be patient with us while we ensure the medical requirements are met, as we would like to keep the good rejection-free record, to the benefit of our clients.

It came under our attention that some advisors still replace policies every two years with new policies (after the full commission has been received). There are, however, new generation policies which are better than the old products and must, therefore, be replaced to benefit the client. You should obtain an independent opinion in this regard and report any irregularity to the FSB.

We reviewed bank statements of some clients who had funeral policies and hospital plans of which they weren't aware. In some cases, employees of the companies were nominated as the beneficiary, without the knowledge of the client. Please review your bank statements carefully, or we can assist you during our annual appointment.

As there is an increasing amount of marketing material focussing on premium paybacks after a certain number of years, please be cautious, as there are usually a number of conditions in respect of such paybacks. We have also found that the monthly premiums are usually more expensive than normal. If the

client invests the difference in premium over the same period, the client would most probably receive a better return (payback), without the applicable conditions.

Our work-load increased this year, due to requests for proof of income for, among others, municipal accounts, which must be done biannually or annually, and often on short notice.

On a personal note

Janneri is working full-time again after her maternity leave and Elmarie is working between 12h00 – 16h00. Our daughter, Kirsten assists us part-time to help with our work-load, while finishing her studies. Our grandchild, Anja, was born on 29 December 2012 and brings us great pleasure.

Our client base is still growing each year and we would like to thank each and every one of you for the part you have played in our success - we really appreciate your support.

We are positive and look forward to 2014. Our offices will be closed from 23 December and will re-open on 6 January 2014. We will use the short break to 'recharge our batteries'.

Merry Christmas and best wishes for the New Year!

Kind regards

From all of us at Toni van Zyl Financial Services