



Welcome

Now that the initial rush and fever of 2011 is behind us, and with the long haul ahead, it is a good time to reflect and think. What got us to where we are? What has to change? And why?

Warren Buffett once said:

"In the business world, the rear view mirror is always clearer than the windshield."

So looking back can provide a better 'view' and perhaps understanding of what happened, why, and how we can either repeat the success, or avoid the calamity.

We've chosen for this issue then to focus the Insider, on "financial defence". And so this Summer Edition carries excellent tips and ideas related to saving, reducing, protecting ensuring the things you hold most dear, remain close to you and safe. You'll also find the usual news items and insights.

Remember, the expert RBS team spends every day 'in the trenches' with our clients, helping them overcome obstacles, advising them on how to protect their assets, how to save on premiums, how to succeed with a claim, how to provide for their employees or family members, how to invest wisely, what products will best serve their needs they have the 'tracraft' to help you.

Enjoy it and please contact RBS directly should you have questions or need advice or assistance relating to your Financial, Insurance or Investment affairs.

Kind regards,

Michael Petersen
Group CEO

RBS Insider Info and News

10 Points to Test Your Financial Health and Wellbeing

It's a fact. We can get delusional about our situation. We make assumptions. We bury our head in the sand. We ignore realities and common sense. And we float along in a blissful daze to our financial demise!

So ... it's good to take one's temperature once in a while. Here are 10 points, 10 questions to help you uncover your situation, and perhaps trigger some smart action on your part.





1. Are finances often the source of contention and conflict between you and your partner / spouse / business partner?

What's your answer? "Never" or "constantly?" It may be an indicator, a reality check, that something isn't right, something needs urgent attention.

2. How much money do you save every month?

Do you save? If so, what percentage of earnings? Is it disciplined or hap hazard? Are you spending more than you're earning? Do you have financial reporting in place to accurately know your financial position? Knowing your situation is critical.

3. Do you keep your finances organised, including bank accounts, insurance policies, trusts, wills, etc?

Do you know where everything is, can you find it? Are your affairs up to date? Or is it chaos? Is it all a just a guess?

4. Are you financially prepared for the future?

Do you have at least 3 months of savings for emergencies? Are your assets adequately insured? When last did you last amend your coverage?

5. Do you have a retirement plan?

Have you planned it all out? You have a retirement date. You have a definite plan for achieving your financial goals, and you're sticking to it.

Or is it all just a little 'fuzzy'?

6. Financial literature.

When last did you read a book - or just an article - on financial matters - how to improve your situation, how to protect it, or how to grow it?

7. Know your figures!

When last did you actually sit down and look at the numbers - what life insurance you have VS what you need; what short term (household) insurance you have VS what you need; what retirement funding you have VS what you'd like?

8. Plan ahead.

Your financial health isn't a matter of luck. It takes planning. And the best time for that (other than 20 years ago) is today.

How are you holding up? This is one test we hope you "ace". However the reality is that for most, there's a health crisis! Call RBS now, we have a team of people dedicated to helping you get clarity on your situation and how to improve it within your means.

Are we Just Spoilt?

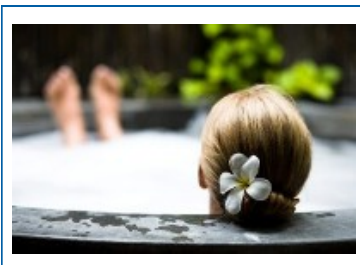
Help around the house - a gardener, a domestic worker - well, it's uncommon NOT to have it here in South Africa. But with increasing economic pressure and a need to tighten one's belt, to save a quick R2000 pm, one's part time (or full time) help comes under the spotlight.

Talk to many in New Zealand or the US and having any help around the home is considered a "luxury". Recently a South African posted on an Internet based financial / money saving forum. He gave details of his budget, wondering how he could save. The hired help attracted immediate attention as an area for saving.

However, the point is this: are we spoilt? Is saving beneath us? Is doing our own garden work, vacuuming our own homes, cleaning up the kitchen, ironing, beyond what we're willing to do? Or is being someone who's clearly cutting back, doing without, embarrassing to us? And is getting advice regarding our ailing financial situation a cause for shame?

Perhaps we need a paradigm shift? Isn't saving just smart? Isn't shopping around something we should all do anyway? Isn't cutting back just common sense? Isn't doing one's own housework actually the way it should be?

With the financial boom behind us, and a recession upon us, perhaps it's time change our minds a little? For our own



financial well being and in time, instead of when it's too late.

Financial Planning Myths SMASHED

You may be swallowing lies and disinformation! To your detriment. Financial Planners are there for your benefit. They are there to advise, guide and monitor your financial health. But myths are widespread! Here are 3 popular - but damaging - myths.

1. All Financial Advisors are the same.

Is someone behind the counter at your bank just as good as any Broker or Advisor? No. The advantage of an independent Advisor or Broker is that they can present the best products that are out there. One may suit you better than another. They can advise you and offer a variety of options.

And frequently you'll find a broker is someone who personally takes money very seriously, they've devoted their career to assisting people, they're personally committed and dedicated. This is perhaps more than you can expect from an across the counter, salaried service agent at any bank.

2. Financial Planners can't be trusted, they receive kickbacks and only work in their own interest.

There have been many instances of unprofessional conduct in the industry, but what's also true is that of late the industry has become one of the most regulated and professionally demanding. Being certified, working according to strict professional practices, ongoing learning, transparency and recourse for buyers/clients means that the industry has been cleaned up.

Now, you're most likely to find your Financial Planner to be a highly competent, trustworthy individual, well trained and up-to-date with the best products and best practices the industry has to offer.

3. "I've got an Accountant, I don't need a Financial Planner."

Accountants certainly perform a critical function. However their interest is perhaps focussed on how your money gets spent, where it comes from, where it goes, keeping the corresponding records and making submissions to SARS.

A Financial Planner on the other hand is more interested in you - where are you going? what are your financial and life aspirations? - and how to structure a plan that will help get you there.

How the USA Has Benefitted from the Financial Crisis. Will We?

They do say that a crisis is good, it forces us to re-evaluate and improve. And according to Jim O'Neill of Goldman Sachs, the US is doing just that.

US households have unloaded some bad financial habits. They were up to their ears in debt, they didn't save and they "over-consumed". But that's changed. Their savings rate is up by 4%. Evidently the crisis sparked an awareness of the need to save, to cut unnecessary spending and to be less dependent on debt.

South Africa's saving rate on the other hand has improved by only just over 0.5% - from a low in 2007/8 of 0.1% to now around 0.4%. Household consumption has increased since the partial economic recovery, car sales are up 25%, retail sales volumes up 7% and overall consumption reaching towards 3% in 2010. In contrast, fixed investment fell by 4% compared with 2009.

It remains to be seen whether the US trend will continue. But either way, it's a lesson to be learned. Will South African households see it?



Why Use an Insurance Broker - Instead of Going Direct?

Isn't it just more expensive to use a Broker? He's a "middleman" - we can do without him. Isn't that a smart move?

Superficially, this line of reasoning - popular in the hard core television advertising of so called 'direct' insurers - makes sense. But it doesn't hold up on examination.

Here's what we know:

- The Financial Services environment is highly competitive
- Insurance products are complex and very hard to compare

- Policy wording, clauses and language is not easy to read or understand
- Every customer's situation is unique and requires special consideration and their policy tailored to suit their needs and optimise their investment

Can these challenges be met by anyone other than a dedicated professional? Hardly. Direct Insurers talk a good game, but when it comes down to realities ...

Here's what we know:

- Only a Broker/Advisor will sit down with you, entertain and discuss your questions and seek to understand your unique situation; present to you multiple options; provide you with access to preferential rating, make recommendations for savings; warn of poor claims record on the part of some Insurers; and be your expert single point of contact in a crisis (with the back up of a 24/7/365 helpline behind them of course).

Does a broker earn commission? Sure, but are you told that this is regulated at 12.5% for motor and 20% for non motor - low margins for any industry. But what should one expect? No-one works for philanthropy, not the Broker, not the direct insurer's Call Centre Agent.

With a Broker, however you have a dedicated professional, wanting to protect you the best way Insurance can, for the lowest possible rate. And in the end, you'll likely find it's no more of an investment, but much more Insurance for your money.

5 Insurance DANGERS!

1. Not being insured. If you can afford to replace, okay then, this is no problem. But truthfully, can you afford it? Your car? Your home? Your collectables?
2. Contributing to the cause of the claim. If you're driving drunk, if you neglect maintenance on your car, if you're irresponsible, reckless and non-compliant, your claim stands to be rejected. Read your policy and comply with the terms, then you'll be fine.
3. Making a fraudulent claim. You stand to be charged with a criminal offence and future insurance applications may be rejected.
4. Not reading your policy. Not understanding your responsibilities and the scope or terms of your cover.
5. Not regularly updating your policy - adding new possessions; or when sharing a home with a partner not taking into account their valuables.



5 Ideas for Teaching Kids to Save

1. Sit down and regularly discuss the value of savings, the concept and benefits.
2. Use savings 'containers' - yes encourage the use of a piggy bank with younger kids and more sophisticated instruments with older ones.
3. Divide savings into categories - some for gifts for brothers and sisters; some for charity or church donations; and some for personal items.
4. Set the example. If your financial life is chaos, your children may well learn similar habits and experience similar challenges as a result.
5. Reward their savings, perhaps with a "if you save R100, I'll match it with R100" or something similar.



RBS has supported the Saartjie Baartman Centre for abused women and children for the last 5 years and this forms an integral part of our community involvement. RBS in conjunction with the Barn Yard theatre in Willowbridge, Cape Town is hosting a fundraiser on Thursday the 19th of May 2011 to benefit the Centre.



The Big Five! is a tribute concert to five of the biggest stars in showbiz history - Michael Jackson, Tina Turner, Rod Stewart, Madonna and Elton John. Tickets are only R120 and the proceeds of the event go directly to centre, assisting them in caring for abused women and children.

For more information call Donne Faasen on 021 443 440 or email donne@rbs.co.za

In Contact with RBS

· **Most Matriculants Unemployable**

"A matric certificate alone will not offer job seekers a real advantage ... what's more, the pass rate of subjects like mathematics, accounting and physical science is extremely poor" says Dr Dirk Hermann, Deputy General Secretary of Solidarity. And he adds, "You do an 18 year old an injustice by telling him he is ready for further study or skilled work on the basis of a cut-off mark of 30%".

· **Thieves Steal SIM Cards from Jo'burg's Traffic Lights**

More than 400 of the city's 600 hi-tech traffic lights - which use a SIM card, modem and GPS system have been vandalised. Each traffic light costs about R22 000 to fix.

· **The Rise of Mobile Money** - By 2015, up to 15% of the world's money transfers will be made using a mobile handset.

Quote of the Quarter:

"All men dream: but not equally. Those who dream by night in the dusty recesses of their minds wake in the day to find that it was vanity: but the dreamers of the day are dangerous men, for they act out their dream with open eyes, to make it possible." - Lawrence of Arabia

[Contact Us](#)

[Edit Profile](#)

[Print / PDF Version](#)

[Unsubscribe](#)

This newsletter uses a permission-based mailing system only.
If you did not give permission to receive emails from this sender, please unsubscribe by clicking on the link provided above.

www.rbs.co.za - 1st Floor Soho-on-Strand, 128 Strand Street, Cape Town, 8001, South Africa

RBS is an Authorised Financial Services Provider



powered by triggertext.com