The Financial Planner

Issue 45 (3 of 2017)

Supporting Excellence in Financial Planning

Lead, Inspire and Build Trust
ONE fine SATURDAY
AT A BRAAI
SOMEBWHERE IN MY NEIGHBOURHOOD
SOMEONE WILL ASK
WHAT DO YOU DO?
& I WILL ANSWER
I AM A CERTIFIED FINANCIAL PLANNER®
PROFESSIONAL
AND EVERYONE’S FACE WILL LIGHT UP
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The Financial Planner magazine is now available on the MoneyMail App
Transformation, Diversity and Inclusion

It’s time to get it right

As leaders in the financial planning profession in particular and financial services industry in general, who are guiding workplaces striving to be successful, we cannot ignore that change is here. For some the change has been present for years. For others, it is imminent.

In an ever-changing economic environment, it seems inevitable that inclusion of new or varied perspectives is not only necessary, but critical to the successful growth of any industry. In order to flourish, companies MUST embrace diversity and inclusion, as key business imperatives.

Research shows diversity and inclusion increase the richness of ideas and problem solving abilities within organisations. A diverse mix of voices leads to dynamic discussions and better decisions. As leaders, we need to commit to questioning our own beliefs and assumptions to help cultivate flexible and reflective thinking. As a leading professional body, we at FPI recognise the importance of acting as a champion of diversity and inclusion, increasing awareness of, and sensitivity to, these important concepts within the Institute, the financial planning community, and the financial services industry in general. Hence, the development of our Transformation, Diversity and Inclusion Policy 2016 – 2018.

In principle and in practice, and in keeping with FPI’s vision of “Professional Financial Planning for All,” we have embarked on a mission to champion transformation, diversity and inclusion within the Institute, the financial planning and advice professions, and the greater financial services industry.

But then, what does diversity and inclusion mean?

Diversity refers to the composition of a group of people from any number of demographic backgrounds, identities, and the collective strength of their experiences, beliefs, values, skills, and perspectives. The variability in a diverse group is apparent in the characteristics we see and hear as well as through behaviours and expressions that we encounter and experience in workplaces and organisations. A diverse organisation is not necessarily by definition inclusive.

Inclusion is the act of establishing philosophies, policies, practices, and procedures to ensure equitable access to opportunities and resources to support a diverse group of individuals in contributing to an organisation’s shared success. Inclusion creates infrastructure for allowing the diversity within an organisation or team to exist and thrive in a manner that can enhance innovation and problem solving. An inclusive organisation is by definition diverse at all levels.
To put it in the words of some leaders in diversity education, “Diversity is the mix. Inclusion is making the mix work.”–Andrés T. Tapia. Put differently by Pauline Higgins, “Diversity is being invited to the party. Inclusion is being asked to dance.”

The business value of diversity and inclusion
To give effect to the FPI Diversity and Inclusion Policy Framework 2016 – 2018, we are providing leadership and committing time and resources to accomplish these objectives set out therein, while serving as a model to other organisations engaged in diversity and inclusion endeavours.

To be successful in an increasingly diverse world, leaders must be able to manage and leverage the differences that exist in their workforce, suppliers, and clients. FPI is actively working to educate leaders in the financial planning profession about why diversity is important and how we can work together to bring diversity and inclusion to the financial planning workplace.

Far from being just a societal and moral responsibility, there are clear business benefits to leveraging the diversity of South Africa to achieve the objectives of businesses. To be successful in an increasingly diverse South Africa, leaders must see the benefits in leverage the differences that exist in their workforce, suppliers, and clients.

While stalwarts of some perceived tradition may remain unchanged, even in the face of the evidentiary benefits of diversity and inclusion, we can all do our part to encourage the promulgation of these tenets, and work to ensure the most-timely end to antiquated traditions.

As with almost any new effort, change can come swiftly or slowly. Either way, it will require openness, a willingness to listen, hard work and patience.

A look at FPI’s Diversity and Inclusion Policy Framework 2016 – 2018
As part of the FPI Diversity and Inclusion (D&I) Strategic Plan, we have identified five strategic focus areas (listed below) to concentrate on.

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<th>FPI D+I Pillars</th>
<th>Goals</th>
<th>Key achievements so far</th>
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<tr>
<td><strong>Knowledge</strong></td>
<td>Goal 1 - Resources and Recognition: Define and implement a strategy to establish a “Resource Centre for D&amp;I” for the financial planning and advice profession, accessible by the public.</td>
<td>• Over 50 resources available in online home for D&amp;I resources. • Over 20 thought leadership interventions promoting D&amp;I in financial planning profession. • Rolled out the FPI D&amp;I Scholarship Programme.</td>
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<td><strong>Learning</strong></td>
<td>Goal 2 - Reach and Relevance: Achieve seamless integration of D&amp;I content and diversity into FPI meetings, events and governance structures.</td>
<td>• Developed Diversity toolkit for speakers and content developers for FPI events.</td>
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<td><strong>Compliance</strong></td>
<td>Goal 3 – FPI Education and Training Fund: Set and implement an FPI Education Fund that is aimed at facilitating diversity and inclusion in the financial services industry and profession.</td>
<td>• Trust fund created and trustees appointed. • Over 15 scholarships awarded thus far.</td>
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<td><strong>Community</strong></td>
<td>Goal 4 – BBE: Ensure compliance with set target of Level 6 in two years.</td>
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<td><strong>Financial Inclusion</strong></td>
<td>Goal 5 – FPI Membership Composition: Define and implement a strategy to recruit and retain a membership base that reflects the evolving demographics within South Africa.</td>
<td>• Membership base – above 30% are female and 20% are made up of individuals from previously disadvantaged race/ethnic groups. • Emergence of female-only FPI Approved Professional Practice™ firm. • Emergence of 100% Black-owned FPI Approved Professional Practice™ firm.</td>
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<tr>
<td><strong>Financial Inclusion</strong></td>
<td>Goal 6 – Expand consumer access to financial planning and advice services: Define and implement strategies to ensure that ordinary South Africans can access quality and professional financial education, planning and advice services.</td>
<td>• Fully developed FPI MYMONEY123™ Financial Education Programme. • Developed and launched the pro bono paper, &quot;The value of true professionalism&quot;. • Developed the Pro Bono Policy, including guidelines. • Developed and activated the FPI Disaster Assistance Pro Bono Programme.</td>
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To find out more about the FPI D&I Strategy and how you can get involved, please visit www.fpi.co.za/diversityandinclusion.

Better yet, come listen to our talk on “How to succeed at Transformation, Diversity and Inclusion” at the Financial Planning Institute’s (FPI) Professionals Convention in Cape Town on Thursday, 19 October from 15h00-15h45. During this thought-provoking dialogue, I will be joined by esteemed panel members Caroline Da Silva (Deputy Registrar of the Financial Services board), Prem Govender, CFP® (Regional Chairperson of the KwaZulu-Natal branch of Women in Finance, Chairperson of the FSb Consumer Education Foundation) and Navin Ramparsad, CFP® (FPI Chairperson-Elect).
Interview with

*Kirsty Scully, CFP®*

Kirsty is a practicing CERTIFIED FINANCIAL PLANNER® professional, with more than 20 years’ experience in the financial services industry. Her passion and expertise are positioned in assisting people reach financial security and building wealth. Let’s get to know this woman, who has pushed the boundaries for more than two decades.

Let’s start at your foundational years; tell us about your parents, what they did, how they influenced your decision to enter the financial services industry?

My mom was a school principal and my dad spent his working career in engineering. I started in the financial planning profession 28 years ago and I clearly remember the day when I received two job offers. One was a secretarial position in a tiny company. It offered a higher salary. The other was with Southern Unit Trusts. My mom insisted that I take the job with Southern Unit Trusts, even though it was lower paying. How insightful of her; I had no idea what opportunities lay ahead of me. As a large corporate, there were ladders available for me to ‘climb’.

What has been one of the major obstacles in your life and how have you mastered it to achieve success in your career?

A number of years ago I was in a situation where I could either be retrenched or take voluntary resignation. I had been in a very comfortable position working for a large asset management company. At the time, this was a huge shock to my system, but as this door closed on my comfy salaried position, so an opportunity arose in a position working as a CERTIFIED FINANCIAL PLANNER® professional at Core Wealth. I have had amazing support from my colleagues within our business and I have been fortunate to be invited to participate in various media outlets, thereby increasing my personal branding.
Have you had a life-defining moment that has shaped you into the person you are today?
Yes. I was tragically widowed at the age of 28 when I was 10 weeks pregnant with my son. My late husband, a South African Airways (SAA) pilot, was killed in an aircraft accident. While this was devastating at the time, I already had a dream to make a success of my life and I set out to do that, all be it in a different direction and even a different trajectory. I am a very determined person (some people close to me call it stubborn!), and I worked hard on creating my own financial independence. This has taught me so much and helped me to influence other women so that they, too, can know that ‘A Man Is Not a Financial Plan’ - the title of my key note address to many audiences.

You were a finalist in the Regional Business Achiever Awards 2017 for the Businesswomen’s Association of South Africa; tell us more about this recognition.
I was truly honoured and humbled to be a finalist in the Professional Category of the Regional Business Achiever Awards. The high standard of businesswomen in this competition was phenomenal and each and every finalist was a winner in my mind. These women are all amazing leaders in their various professions, but most importantly is the way they all give back to their communities. It reminds me, again, that it is not what you receive in life, but rather what you give, that makes a lasting difference.

What is your personal vision for the future?
At Core Wealth, I mainly work with high-net worth individuals, but my personal conviction is that all South Africans need access to financial planning advice. Through my role in the media, I am thrilled that the message, financial planning advice, is broadcast throughout Africa. After all, a professional financial planner can change every person’s life.

One thing, silly or serious, that people don’t know about you?
For fun, I coach ice skating. I skated competitively as a teenager, and now I coach a class once a week. So ‘spin, spiral and jump’; come quite naturally to me!
Interview with Thembisa Mngadi, CFP®

Thembisa Mngadi, a young vibrant CERTIFIED FINANCIAL PLANNER® professional, hit the road running hard. She graduated from the University of the Free State in 2016 having completed her Postgraduate Diploma in Financial Planning; she immediately registered to write the FPI Professional Competency Examination (PCE) in February 2017, and passed it with ease.

This young lady is passionate about the profession and we are excited to see her grow in the industry.

You were spotted at the PSG Conference in Sun City and made quite an impression, that’s how we heard of you; who is Thembisa, and where are you from?

I am very grateful for that conference and the opportunity to connect with FPI at the PSG conference this year. I am a 27 years old, passionate and goal driven young lady from Ixopo. I grew up in Inanda, a small township in Durban where I attended both primary and secondary school. I lived there with my mother and my two older sisters, making me the third and last born. I grew up without a father but my mother was there to fulfil both roles. Growing in an under-privileged community and a poor home did not stop me from pursuing my dreams. After Matric in 2007, I knew that I had to go to university to achieve my dreams but back home there were no means to take me there. In 2008, I enrolled at the University of KwaZulu-Natal (Westville) to do my Bcom Degree and, at that time, I had no funding and so my only hope was to get a government loan (known as NSFAS). I studied on appeal until I got the loan in May of that year. Fast forward to 2011 when I completed my under-graduate degree majoring in Economics and Marketing.

With limited job prospects at that point and because further finance was available to me, I decided to pursue my postgraduate studies. In 2012, I did my Bcom Honours in Marketing Management at UKZN and completed it the same year. The journey of completing my studies was not an easy one since the NSFAS funding was the only income and financial support I had, however, with the grace of God it assisted me in realising a part of my dream.

I like working with people but more than that... I get satisfaction in changing peoples’ lives.
Thembisa, you’re a CFP® professional at the age of 27; tell us a little bit about your journey and how you decided on a profession in financial planning.

I always say this profession chose me. After finishing Honours in 2012, I was employed at the KZN Provincial Treasury as an Economics Intern in 2013. After working there for about six months I started looking for other employment opportunities with greater prospects to pursue my dream of working with people and having the opportunity to change people’s lives.

In October 2013, I was employed by Sanlam Life in Durban on their first graduate programme for trainee financial advisors. This is where my love for financial planning developed. It was a one-year programme and there were 10 graduates, but by the end of the graduate programme, there were only four of us left. With everything that I had learned on this programme I realised that financial planning is one of the most important aspects in a one’s life that we often neglect.

Being a CFP® professional presented me with an opportunity to change the lives of people, more especially the black society. They often have less financial literacy and I am of the belief that not knowing any better, plays a major role in the persistence of poverty. I want to educate people to know that it’s not the amount of money you have, but rather about planning and using whatever source of income you have efficiently.

Working as a wealth advisor at PSG Wealth, has given me an incredible foundation to continue growing as a professional financial planner while achieving my dream of making a difference in the lives of those who need financial guidance.

Everyone has a story; what are some of the challenges you’ve had to face and how have you mastered them to get to where you are today in your career?

I have only been in the industry and this profession for four years; I still anticipate many challenges but I believe they are part of my growth. At this point, the main challenge I have faced in this profession is maintaining a high level of professional advice in an industry that is still sometimes very sales driven. Sadly, many people still don’t want to pay for financial advice but prefer to buy financial products. Trying to survive and maintain a high level of professional advice in an industry that is still very important to me. Other than that, I like reading books, watching movies and hanging out with friends when time prevails.

Perseverance and my belief in myself and my abilities have placed me where I am today. Whilst I may not have achieved all my dreams yet, I believe I am where I need to be at this time and the future looks bright.

You wrote the FPI Professional Competency Exam in February 2017 and passed it. We know that it’s not the easiest exam to pass, so we understand that a lot of preparation had to go into it. What advice can you give other candidates who are contemplating writing this exam?

After passing my Postgraduate Diploma in December 2016, I thought there is no better time to write my PCE than in February 2017 when my mind was still captivated and fresh from studying.

There is no miracle that goes into passing but hard work and full preparation. I would advise my fellow candidates to go the extra mile into researching the subject matter and not just read the given material, also plan your time well in answering the questions. If you have studied your material and you have segmented your work well, the exam nerves are lessened, tackling your exam in the right frame of mind.

As a young black woman in a male dominated industry, what do you envision for your future and that of other young black women wanting to enter this profession?

I would like to see a lot of young female CFP® professionals, who want to change people’s lives for the better. I envision more professionals getting involved in educating the society more than trying to push financial products. If we could have more educated and qualified financial planners in the industry that could mean an advice centric profession not a product push industry.

My dream for young black women who want to enter the profession is for them to be confident and have the drive to succeed. This profession needs people with a passion for it but also requires that they have the resilience to rise above challenges that will come. For new financial advisors entering this profession, self-development and education is vital. This will ensure that we give our clients’ quality, relevant and professional advice at all times.

How would your mother and siblings describe you?

This was a very interesting exercise to do in having to ask them to describe me. I am grateful for this interview because I would never have known all the great things they feel and think toward me.

My Mother (Nomandla Mngadi) said: “My little baby, my beautiful last born is the smartest of all my children, a child that is always thinking about the future and has made me proud always”

My older sister (Lungile Mngadi) said: “My sister is a young, brilliant woman who has always been real, original and inspires others. She is that sibling that always picks us up as a family”

Lastly my cousin sister (Nokwanda Mngadi) who is like a best friend to me said this: “My sister is a best friend to everyone, always willing to help and a very good listener. She is kind, respectful and a very straight forward talker. Although she can be serious, she makes me laugh a lot and I call her “Miss Know it all” because she is very vocal and updated in a lot of things. She is the most intelligent, strong and hard-working woman I have ever met. She is my inspiration”

What do you do when you aren’t working?

I am blessed with two beautiful sons, so during my spare time or when I get back home, I love spending time with them; family time is very important to me. Other than that, I like reading books, watching movies and hanging out with friends when time prevails.

One thing, silly or serious, that people don’t know about you?

One silly thing most people don’t know about me is that I can’t dance. One thing, silly or serious, that people don’t know about you?

My sister that always picks us up as a family”

How would your mother and siblings describe you?

What do you do when you aren’t working?

I am an inpatient woman who always wants to learn more about financial planning. Being a CFP® professional presented me with an opportunity to change people’s lives for the better. I envision more professionals getting involved in educating the society more than trying to push financial products. If we could have more educated and qualified financial planners in the industry that could mean an advice centric profession not a product push industry.

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One thing, silly or serious, that people don’t know about you?

One silly thing most people don’t know about me is that I can’t dance or sing to save my life.
PS has a reputation for being an exclusive society that looks after the interests of its clients. Entrance into the society is dependent on an appropriate qualification (at least a four-year degree) from a reputable tertiary institution. Originally the brainchild of a group of eight dentists back in 1941 during the height of the Second World War, these founding fathers sought a better system of financial protection as a consequence of being unable to practice their trade due to sickness or injury.

76 years is a long time, and a lot has changed. From portable music players to TVs to the digitalisation of cameras, which now are all housed conveniently in the palm of your hand; oh, and you can talk on your cellular phone too. The needs and requirements of their clients have evolved.

It, therefore, goes without saying that there is a need to transform financial services from being an industry to being a recognised and well respected profession. From a historic “product provider” where the service was in the form of providing a policy and a suitable product, PPS has transformed the traditional sales firm into a newly formed financial planning firm. This service aligns to what their clients are demanding and has helped PPS evolve as their clients have evolved.

To this end, PPS Financial Planning was created to help their clients live the lives that they want to live by providing them with lifestyle financial coaching. It was clear that client experiences needed to extend beyond the historic “What if I die” interventions, to “how do I sculpt my spending habits to enhance and create the lifestyle I desire?”

A robust relationship between a Lifestyle Financial Planner and the client goes further than just advising or dictating certain actions. It’s about a partnership where the financial planner influences the client’s money behaviours too; hence there is a particular focus from PPS Financial Planning to establish relationships from graduate level already; and this relationship continues throughout the individual’s working career, helping them set up their lifestyle in such a way that they can live comfortably within their means, protect that which is most valuable to them, and enjoy the fruits of their labour in their retirement years.

The main aim here, is helping people make better financial decisions; thus providing them with one of the greatest gifts they can provide themselves: empowerment and the ability to make confident money choices. This is achieved through outcomes based financial plans, integrated product advice and fast, efficient execution.

In order to support these outcomes, there is a strong drive and strategy which sees PPS Financial Planning invest a considerable amount of time, energy and money into the continuous development of those engaging with their clients. Over and above PPS Financial Planning’s induction and financial planning programmes, there are regular training interventions to ensure that skills and knowledge are maintained at the highest and most relevant levels possible. Imperative to this is sponsoring their financial planners to complete their studies, and furthermore ensuring that they are coached and mentored by experienced CFP® professionals.

Influencing this change does not only rest in the hands of the financial planner. PPS Financial Planning regularly engages with its clients through events that focus on addressing real world problems. By enlisting the help and partnering with subject matter experts, PPS Financial Planning seeks to enhance the lives of their clients by providing them with the necessary tools and information to enable them to make better, real world decisions.

To ensure consistency across the board, the organisation provides financial planning services through a dedicated advice analytics team responsible for the analyses and planning of client lifestyles and money choices; this ensures that financial plans and subsequent advice is product agnostic and bears no bias to specific product solutions.

The service offering is set up to not only provide an in-depth face-to-face experience (Do It For Me), but also a virtual advice portal (Do It Together) to support and assist clients with their own planning. For those of their clients who simply cannot afford the time, PPS Financial Planning also provides them access to its digital advice tools. These provide sophisticated but simple planning solutions for those wishing to do it themselves.

"Partnering with the Financial Planning Institute of Southern Africa (FPI), as an FPI Corporate Partner™, was the obvious next step to ensure that PPS Financial Planning not only remains current and relevant but also a contributor to the financial planning profession. It is important to PPS Financial Planning to be seen as a planning firm, and not just another product provider” said Nico Coetzee, Executive: PPS Financial Planning.

“ The FPI partnership has further given PPS Financial Planning access to the broader skillset of FPI and its partners, adding credibility to the training and upskilling of our financial planners. More than just "ticking the box", this gives credence and credibility to the overall service offering of PPS Financial Planning”, he added.
For the First Time in FIA Awards History, There were 353 502 Winners in a Single Category.

This year, the Financial Intermediaries Association (FIA) awarded PPS as the winner of the Long-Term Insurer of the Year in the Risk category.

Yet we'd like to think our win is more than an award, but an honourable reflection of our service to our special breed of intermediaries. The ones who we share our success with for the great strides we've made together, taking our 353 502 members to great heights and now being recognised for our efforts and our mutuality ethics.

Here's to many more wins, with all 353 502 of us.

Visit pps.co.za to find out more about our financial solutions for graduate professionals.

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PPS offers unique financial solutions to select graduate professionals. PPS is an authorised Financial Services Provider.

#RAREISREWARDING
Independent Wealth Managers’ clients find comfort that the practice’s unique team-based, principled approach delivers a unique blend of specialist skills. Thereby linking financial planning and wealth management in what they like to refer to as considered custodianship. The practice has established a worldwide network to ensure their advice is relevant at a global level, and to assist their clients with various aspects of their financial needs both domestically and internationally.

When advising their clients on how to reach their financial goals, as well as to safeguard themselves and their families, it is critical that a professional process and approach is followed, to ensure that these objectives are met in an effective and efficient manner.

Upskilling professionals
In their continued efforts to upskill financial planners, Independent Wealth Managers have adopted the FPI Mentorship Programme, with several of their team members that are currently working towards achieving their CFP® designation. The practice currently has four team members in the process of attaining the designation, with a total of nine CFP® professionals. They focus on the ongoing management and training of existing designation holders, as well as those in the process of achieving it, to instil best practice and their way of holistic financial planning.

In addition to the training and upskilling of their own team, Independent Wealth Managers believe it is important to educate clients and partners on the importance of professional and considered wealth custodianship. In order to achieve this, the practice has focused their attention on a combination of articles and publications for their in-house quarterly newsletter, as well as other monthly corporate publications. They also host a regular review session with their clients as well as various other functions, with fund managers and other speakers of interest. They feel this is critical to promote professional financial planning.

Professional advice
It is vital to have an overall plan in place, taking both short- and long-term capital and income requirements into account, in order to achieve one’s lifelong goals. Independent Wealth Managers believe
that seeking out professional advice from an FPI Approved Professional Practice™, represented by CFP® professionals, is the first step towards reaching these objectives. Their ambition is to make an impact through quality financial planning to ensure the preservation, growth and transferral of wealth for their clients.

At Independent Wealth Managers, they strive for the highest standards of ethical, process driven business practices. By applying these high standards, it enables them to provide professional, independent and considered financial advice. They believe that it is important for the practice’s processes and level of professionalism to be continually tested and objectively assessed against the high standards of the Financial Planning Institute (FPI). As a result, by being recognised as an FPI Approved Professional Practice™, it affirms their commitment to the above, while also displaying a standard of excellence to their clients, product providers and the general advice community.

About Independent Wealth Managers

Independent Wealth Managers are accountable professionals that focus on creating long-term wealth based on each of their clients’ unique circumstances. Their highly personalised approach ensures that they gain an in-depth understanding of their financial objectives while really getting to know their clients personally. This is a necessity to navigate them in what has become a complex, ever-changing economic landscape. Above all else, they are custodians of their client’s wealth, futures and legacy; and remain accountable for the advice the team provides. They believe there is no greater responsibility.

Their heritage dates back to 2003, when they were established in Durban, KwaZulu-Natal. Expanding themselves and their business purpose, today they advise an affluent base of clientele residing and conducting business throughout South Africa and abroad. In 2015, they opened a Cape Town office, and look forward to expanding their physical presence further in the future.

Their services:
- Investment planning and structuring (domestic and international)
- Retirement planning
- Fiduciary/Legacy and estate planning
- Personal risk assurance
- Cash management planning
- Corporate and business planning

Visit www.iwm.co.za for more information.
Over the past few months, I cannot tell you how many times I heard the terms millennial, fourth industrial revolution, blockchain, cryptocurrency, robo-advice etc. If you fell asleep as early as 2004 and woke up today – you would really think that you are on a different planet. The human race is developing technology at the speed of light and with it comes even more new terms such as “TE or Techno Ethics” and “NextGen”.

With the focus on NextGen which means: adjective. pertaining to the next generation in a family; also, pertaining to the next stage of development or version of a product, service, or technology, we wish to re-inform the reader of FPI’s Next Generation Certification Standards and provide a brief update on the implementation thereof.

A very brief background
The Next Generation Standards was circulated for public comment during 2014 and the final draft was approved by the FPI board during the same year. In addition to upholding the high certification standards of the FPI professional certification process, FPI’s strategy for furthering its certification objective includes upholding the high standards of the Professional Competency Examination (PCE) and reviewing the experience requirement, with the goal of bringing more of the standards in line with international best practice guidelines.

The main focus areas of the Next Generation Certification Standards are:

- Introducing a multi-tier approach to the CFP® Professional Competency Examination in the form of a closed book, multiple choice PCE1 exam, an open book constructed response PCE2 exam as well as the evaluation of a financial plan;
- Incorporating a Challenge Examination for specific designated professionals or applicants with relevant qualifications and senior work experience;
- Developing Mentorship Centre criteria; and
- Enforcing ascribing to the ethics declaration at the point of applying for membership and/or examination purposes.

Update on membership categories
The following membership categories have been implemented:

- **Paraprofessional**: including para-planners, compliance managers, technical managers, academics in financial planning, practice managers and others who support the profession. A Paraprofessional should be employed in the financial services industry. Direct supervision by a professional member would not be a requirement.

- **Candidate affiliate**: a candidate is a person on the learning pathway in becoming a professional designated member of FPI

- **Student affiliate**: a person still studying towards obtaining a relevant qualification

- **Subscriber**: this category was implemented as “contacts” on the FPI database and includes, but is not limited to, suppliers, advertisers, regulators, media and others with an interest in financial planning.

- **FPI Corporate Partner™** as well as **Representative Advisors**: Representative Advisors are representatives, as defined in the FAIS act, and are linked to an FPI Corporate Partner™.

- **FPI Professional Practice™**: specific criteria apply to this category such as, but not limited to, the practice must be completely independent and must have at least two key individuals that are CFP® professionals.

- **FPI Recognised Education Provider and FPI Approved CPD Provider**: additional categories implemented.
Update on curriculum expansion to both FSA™ professional and CFP® professional curricula to enable more specific examination setting processes
With the assistance of a working group, consisting of FPI professional members, practicing advisors in the industry and academics, we developed the competency profile and curriculum components for a financial advisor. To request the Financial Advisor Competency Profile and Curriculum Components document, email certification@fpi.co.za. The same will be available on the FPI website in due course.

Update on introducing a multi-tier approach to the CFP® Professional Competency Examination
The above, with the necessary board approval, has been postponed until 2021/2022 due to the massive amount of regulatory changes happening at the moment. We are in the process of developing a “capstone” course that will speak to the financial plan submission component. The development of the multiple-choice question exam should commence in 2019/2020 with the first exam for CFP® professionals to be written in 2022.

Update on Challenge Examination criteria
The Challenge Status Examination criteria has been developed and is available on www.fpi.co.za. This exam is the exact same exam as the CFP® PCE and serves as a recognition of prior learning (RPL) mechanism at FPI that provides individuals access to certification towards the CFP® designation (refer to page 26-27 for more information on the Challenge Examination Criteria).

Update on the development of the Mentorship Centre criteria
The criteria, with the assistance of the FPI Certification Advisory Panel, has been developed and will be published in due course. It is envisaged that membership centre applications will go live on www.fpi.co.za by January 2018.

Update on enforcing ascribing to the ethics declaration at the point of applying for membership and/or examination purposes
This has been included in the membership declarations and the update of the PCE examination policy.

In conclusion
It has been an exciting journey in gearing the Institute for the NextGen Standards and the journey continues as the industry and profession evolves. I cannot thank the FPI volunteers enough for their assistance with all of the above projects. Even being able to provide such an update is simply not possible without them.
Top education institutions take part in the
Financial Planning Challenge

The Financial Planning Institute of Southern Africa (FPI) has launched the 2017 Financial Planning Challenge to promote the financial planning profession as a vibrant and viable career choice for students studying financial planning, economics or any finance related undergraduate degree.

The objective of the Financial Planning Challenge is to showcase the value of having the CFP® certification and to encourage the success of the next generation of professional financial planners. FPI engaged with students and academic advisors in the financial planning community to raise awareness of learning, networking and potential career opportunities in the industry.

The first leg of the competition saw top South African universities putting together teams and submitting financial plans, based on a case study, for review.

Each team could have an academic or faculty advisor throughout the competition but at no point in the competition were they allowed to seek advice from a professional.

The competition consisted of three stages:
1. Submission of the financial plans by all teams,
2. Top three teams to present their financial plans,
3. “Off the cuff” Challenge where the winner would be determined.

In the first stage of the competition, all teams had to submit their financial plan documents which was then submitted to a panel of judges who reviewed the plans according to a rubric. A determination was then made of the top three entries.

In the second stage, the top three teams would then have to present their financial plans in front of a panel of judges who would act as clients. The judges would have to allocate points to each team as per the rubric provided to them. The top team in this round would be awarded a certificate, but this would in no way guarantee that they win the competition.

In the third round of the competition, the top three teams would participate in an “Off the cuff” Challenge, where their knowledge of financial planning across the six disciplines will be tested.

Stage two and three of the competition will be held on Wednesday, 18 October 2017 in conjunction with the 2017 FPI Professionals Convention in Cape Town.

Everyone is a winner! Apart from gaining tons of experience, recognition as well as planting your feet in the financial planning industry, the participating teams, academic advisors and their respective universities stand a chance to win prizes valued at over R120 000.

This competition will be the first of many, and FPI is looking forward to announcing the first ever Financial Planning Challenge winning team at their annual FPI Awards Ceremony Gala Dinner to be held on Thursday, 19 October 2017 in Cape Town.
Nedbank Financial Planning has recently been recognised by the Financial Planning Institute of Southern Africa (FPI) as a FPI Corporate Partner™. This partnership exists because Nedbank Financial Planning’s vision is ‘to be the most admired and trusted financial planning business’, which aligns with FPI’s mission to advance and develop financial planning professionals, while acting in the best interest of society.

“Our focus is on ensuring that we partner with a range of clients, to meet their changing needs with value-adding advisory services that empower them to meet their goals and aspirations. To ensure that clients receive professional, quality, and holistic financial advice, we continuously invest in a range of initiatives to support planners to fulfil this vital role”, said Lloyd Buthelezi, General Manager of Nedbank Financial Planning.

FPI has many interventions, mentorship and professional development programmes designed for financial planners. It also has various platforms, such as the FPI Corporate Partner™ agreement that provides organisations with a menu of ways to work with the Institute to promote and highlight the importance of professional financial planning as well as the up-skilling process that offers financial planners and advisors with pathways towards the CFP® certification.

“The Institute is committed to widening the financial planning net in South Africa, and this partnership fell well within our strategy of ensuring that we continue to improve access to highly qualified financial planner professionals to all South Africans. We strongly believe that the FPI Corporate Partner™ agreement provides an exceptional framework for FPI to work together with larger corporations, such as Nedbank, in realising this common shared objective”, commented Godfrey Nti, FPI CEO.

Nedbank Financial Planning joins a growing list of organisations who share FPI’s vision of providing access to professional financial planning for all.

About Nedbank Financial Planning

Nedbank Financial Planning is the financial planning division of the Nedbank Group. The business provides comprehensive financial advisory services for individuals and businesses and partners with clients at every step of their financial journey. Nedbank Financial Planning has strong relationships with a number of external providers and the focus is on providing pragmatic client centric solutions that enable clients to meet their current and future goals.
The Financial Planning Institute (FPI) of Southern Africa announced the names of the top three CERTIFIED FINANCIAL PLANNER® professionals who progressed to the third, and final round, of the 2017 FPI Financial Planner of the Year competition.

The FPI Financial Planner of the Year Award is one of the most prominent public projects undertaken by FPI with the sole purpose of honouring outstanding financial planners from across South Africa. It is considered to be the highest accolade in the profession and the prestige attached to winning means it’s hotly contested.

The top three CFP® professionals who made it to the final round include:

Francois Le Roux, CFP®

Francois, graduated with a BA in Law from the University of Stellenbosch in 1986 and served for two terms on the residence committee at the University of Stellenbosch. He also served on the Pretoria Attorneys’ Association Company Law Committee for three years from 1997-1999. Francois was admitted as an attorney in 1991, and was a partner in a private legal practice in Pretoria until 2000. He later joined Private Wealth Management as a financial planner in February 2001. Francois is a proud mentor, mentoring aspiring financial planners as part of the FPI Mentorship Programme and was a finalist in the 2016 FPI Financial Planner of the Year competition.
Janet has been in the financial services industry for more than 10 years, previously as a director of Hugo Capital and currently as a director of Sterling Private Clients. In 2006, she started and ran the Sunday Times Wealth Forum where she presented to over 150 members of the public on general topics of financial planning and investment management. Later, Janet hosted the Finance Week Wealth Forum, involving a series of published articles and public presentations. She has been actively involved with FPI since 2009 and was elected to chair the FPI Investment Competency Committee since 2010. In June this year, Janet was elected to the FPI Board of Directors as a non-executive director.

Mark has been recognised nationally for the quality of advice he provides to clients. Mark believes that life is the sum of (often difficult) decisions and is committed to making a difference to his clients’ lives by ensuring their financial security and prosperity. An economist by profession and a wealth manager at Private Client Holdings, Mark believes that the most important attributes of the modern financial planning professional are impartiality, transparency and a commitment to service excellence.
On 22 August 2017, members of the Independent Professional Bodies Forum signed a declaration committing themselves to a set of “shared continuing professional development (CPD) principles and practices”. Known as the Parktown Declaration, it was signed by representatives of the Forum’s members as part of a common drive to professionalise the professions they represent.

“All our members share a set of challenges and opportunities related to strengthening their professions, keeping them relevant to the constituencies they serve, and attracting and retaining talent,” says Angela Cherrington, Chair of the Steering Committee of Independent Professional Bodies’ Forum. “One of our most important tools to do all this is the professional designations we award, and CPD is the way we ensure that designation holders have the right portfolio of skills at the right level—and that these skills are constantly refreshed and new ones added as needed.”

In terms of the Declaration, the individual members of the Forum are committed to being recognised by, and in good standing with, the South African Qualifications Authority (SAQA); maintaining professional standards and helping professionals attain that standard. Importantly, all the signatories undertook to professionally govern their CPD programmes in line with the National Qualifications Framework (NQF). Signatories also committed to making it as easy as possible for their members to access CPD.

SAQA’s mandate is to recognise and perform quality assurance on professional bodies.

“Each professional body, however, remains responsible for ensuring that the CPD they offer is relevant to the changing needs of the particular profession. What this Declaration does, therefore, is commit us all to a set of principles, and to align with the overall policy of SAQA,” she explains. “It’s all about ensuring that those holding our designations have credible, relevant and up-to-date skills. We are very appreciative of the close working relationship we have with, and the support of, SAQA.”

Members of the Forum are the Association for Skills Development in South Africa, The International Employee Assistance Professionals Association, the Financial Planning Institute of Southern Africa, the Institute of Bankers South Africa, the Institute of Business Advisors Southern Africa, the Institute of Directors in Southern Africa, the Institute of Internal Auditors South Africa, the Institute of People Management, the Insurance Institute of South Africa, the South African Communication Industries Association, the South African Sports Confederation and Olympic Committee, the South African Payroll Association, The Marketing Association of South Africa, and The Institute of Risk Management South Africa.

The book describes the financing of the South African healthcare sector, the regulatory environment and key participants in the healthcare sector. The book has found a wide audience amongst clinicians, administrators in the healthcare sector, financial and medical advisors and students.

Statistics sourced from previous editions of the book have been used in high-level company presentations and quoted at the Health Commission Inquiry. The book is accredited for Continuing Professional Development (CPD) points by the Financial Planning Institute (FPI), and on the recommended reading list of several diploma and graduate courses.

The book draws on reports from the World Health Organisation, the World Bank, the World Economic Forum, the OECD, the BRICS Joint Statistical Publication, the South African Department of Health, National Treasury, Statistics SA and numerous published journals and newspaper reports.

The book includes interviews with leading South African specialists on healthcare and health financing related issues.

www.profile.co.za

**Health Care in South Africa**
The year 2017 will go down in history as the beginning of a new era in South Africa for estate planning.

According to speaker Errol Meyer, CFP®, this is particularly so since the wealthy, with their assets locked up in trust structures, managed, all these years, to escape estate duty which is regarded as a wealth tax. Since the introduction of section 7C, a specific anti-avoidance provision in the Income Tax Act, many taxpayers are seeking advice now to protect their wealth held in trust. The same trust vehicle that gave them comfort to escape wealth taxes, may now turn nasty and destroy wealth, or is this really the case?

Questions such as – “Should I unbundle my trust, and, if so, what are the tax consequences?” are being asked. Some people ask the simple question – “Is this trust-thing still working for me?”

Dates and Venues

14 November - Ilanga Estate, Bloemfontein
15 November - Coastlands Musgrave, Durban
17 November - Lord Charles Hotel, Cape Town
20 November - Protea Hotel King George, George
21 November - Indaba Hotel, Johannesburg
23 November - Diep in die Berg, Pretoria
24 November - Boardwalk Hotel, Port Elizabeth

To find out more on the programme or to book your seat, visit www.fpi.co.za/CPD_events or email events@fpi.co.za or contact (011) 470 6000.
“Often these questions are directed at the financial planners who were instrumental in advising clients to establish a trust, and now many financial planners feel obligated to provide this guidance. Make no mistake, it was a lot easier to sell the trust concept, but all of a sudden, the rules of the game have changed - Quid nunc, Mr Financial Planner?”

“To top it all, the 2017 Draft Taxation Laws Amendment Bill aims to further tighten up the anti-avoidance provisions for trusts. Currently, only interest free and low interest loans TO trusts are affected by section 7C. The Bill seems to expand the ambit of section 7C to include cases where such loans are made TO a company owned by a trust!”, said Errol.

Errol further adds that no financial plan is complete without having regard to a Last Will and Testament, which is often the document that protects the advice that went into a well devised financial plan. Yet, so many Wills are recently challenged in court because the formalities were not adhered to. Where a person who undertakes to attend to the signatures fails to attend to the strict formalities, because of pure negligence or ignorance, wrecks the financial plan and beneficiaries may be compelled to resort to expensive litigation – never mind making a mockery of all the proper planning that was done by an advisor!
<table>
<thead>
<tr>
<th>Time</th>
<th>Topic/Speaker</th>
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<tbody>
<tr>
<td>07h00</td>
<td>Registration opens</td>
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<tr>
<td>08h15 – 08h30</td>
<td>Formal opening of the convention</td>
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<tr>
<td>08h30 – 08h45</td>
<td>FPI Chairperson sets the scene</td>
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<td></td>
<td>Speaker: Ntai Phoofolo, CFP®</td>
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<tr>
<td>08h45 – 09h45</td>
<td>Topic: The state of the South African economy</td>
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<td>Speaker: Jeremy Gardiner (Investec)</td>
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<tr>
<td>09h45 – 10h30</td>
<td>Topic: The effects of political uncertainty on our economy</td>
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<td>Speaker: Justice Malala (The Justice Factor)</td>
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<tr>
<td>10h30 – 11h00</td>
<td>Tea Break</td>
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<tr>
<td>11h00 – 11h30</td>
<td>Topic: Financial Coaching 101 – making the client connection</td>
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<td></td>
<td>Speakers: Nigel Willmott, CFP® (Momentum Consult)</td>
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<td>Gina Görgens (Stellenbosch University)</td>
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<tr>
<td>11h30 – 12h45</td>
<td>Topic: Regulatory change is upon us – What now? (Panel discussion)</td>
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<td>Facilitator: Ian Middleton, CFP® (Masthead)</td>
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<td>Panel members:</td>
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<td>David Kop, CFP® (Financial Planning Institute)</td>
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<td>National Treasury Representative</td>
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<td>Caroline Da Silva (Financial Services Board)</td>
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<td>Gerhardt Meyer, CFP® (Board Member of Financial Planning Standards Board [FPSB])</td>
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<tr>
<td>12h45 – 13h45</td>
<td>Lunch</td>
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<tr>
<td>13h45 – 15h00</td>
<td>Topic: A global perspective on the financial planning profession</td>
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<td>Facilitator: Kate Holmes, CFP® (FPSB)</td>
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<td></td>
<td>Overview: Pamela Packard, CPA (Chairperson of FPSB)</td>
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<td>Panel members:</td>
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<td></td>
<td>Barry Horner, CFP® (UK FPSB)</td>
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<td></td>
<td>Marc van Poeteren CEFA (Netherlands FPSB)</td>
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<td></td>
<td>Dan Busi, CFP® (Financial Planning Standards Council – Canada)</td>
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<td>Kimmis Pun, CFP® (Board Member of FPSB)</td>
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<tr>
<td>15h00 – 15h45</td>
<td>Topic: How to succeed at Transformation, Diversity and Inclusion</td>
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<td>Facilitator: Godfrey Nti (Financial Planning Institute)</td>
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<td>Panel members:</td>
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<td></td>
<td>Caroline Da Silva (FSB)</td>
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<td>Prem Govender, CFP® (former FPI Board Chairperson)</td>
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<td></td>
<td>Navin Ramparsad, CFP® (FPI Chairperson-Elect)</td>
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<tr>
<td>15h45 – 16h15</td>
<td>Topic: If I could turn back time – A client’s perspective on planning</td>
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<td>Speaker: Andrew Merryweather (Autus Fund Managers)</td>
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<tr>
<td>16h15 – 17h15</td>
<td>Topic: The Champion’s Code</td>
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<td>Keynote Speaker: Ross Bernstein (International Inspirational Business Speaker)</td>
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<tr>
<td>17h15</td>
<td>End of day 1</td>
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<tr>
<td>18h30</td>
<td>FPI Awards Ceremony Gala Dinner (booking required)</td>
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**Global Partner**

Financial Planning Standards Board Ltd. (FPSB) manages, develops and operates certification, education and related programmes for financial planning organisations to benefit the global community by establishing, upholding and promoting worldwide professional standards in financial planning.

FPSB demonstrates its commitment to excellence with the marks of professional distinction – CFP®, CERTIFIED FINANCIAL PLANNER® and CFP® Logo mark – which it owns outside the United States.
### Day 2 - Friday, 20 October, (Programme Director: Gugulethu Cele)

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<tr>
<th>Time</th>
<th>Topic/Speaker</th>
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<tr>
<td>07h00</td>
<td>Registration Opens</td>
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<tr>
<td>08h00 – 08h30</td>
<td><strong>Topic:</strong> What this journey means to me and our financial planning profession&lt;br&gt;<strong>Speaker:</strong> 2017/2018 FPI Financial Planner of the Year</td>
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<tr>
<td>08h30 – 09h00</td>
<td><strong>Topic:</strong> SAQA/FPI Research – Policy implications that financial advisors must be aware of (Panel discussion)&lt;br&gt;<strong>Facilitator:</strong> Gugulethu Cele&lt;br&gt;<strong>Panel members:</strong>&lt;br&gt;Joe Samuels (CEO of the South African Qualifications Authority [SAQA])&lt;br&gt;Godfrey Nti (FPI CEO)</td>
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<tr>
<td>09h00 – 10h00</td>
<td><strong>Topic:</strong> Growing your practice through retention&lt;br&gt;<strong>Speaker:</strong> Prof Deena Katz, CFP® (Texas Tech University, Personal Financial Planning)</td>
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<tr>
<td>10h00 – 10h30</td>
<td>Tea Break</td>
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<tr>
<td>10h30 – 11h15</td>
<td><strong>Topic:</strong> Online communication – The secret disruptor for financial planners&lt;br&gt;<strong>Ted Talks:</strong>&lt;br&gt;Tim Slatter – Your online communication needs to disrupt, not interrupt&lt;br&gt;Dr Nik Eberl – How financial advisors can leverage disruptive innovation to grow their business&lt;br&gt;Khubu Kley, CFP® – Position your personal brand to disrupt through the power of social media&lt;br&gt;Tsholofelo Dihuto, CFP® – #Foe or #Foe</td>
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<tr>
<td>11h15 – 12h00</td>
<td><strong>Topic:</strong> FinTech: Threat or Opportunity?&lt;br&gt;<strong>Ted Talks:</strong>&lt;br&gt;Ronald King, CFP® (PSG)&lt;br&gt;Jacques Rossouw (Astute)&lt;br&gt;Maarten Boddeus (Object Way)</td>
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<tr>
<td>12h00 – 13h00</td>
<td>Lunch</td>
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<td>13h00 – 13h30</td>
<td><strong>Topic:</strong> Volunteerism and Pro Bono – Don’t dribble your money away&lt;br&gt;<strong>Facilitator:</strong> Nigel Willmott, CFP® (Momentum Consult)&lt;br&gt;<strong>Panel members:</strong>&lt;br&gt;Phil Masinga (Bafana Bafana and Leeds football legend)&lt;br&gt;Eugene Zwane (Orlando Pirates legend)&lt;br&gt;Janet Hugo, CFP® (Sterling Private Clients)</td>
</tr>
<tr>
<td>13h30 – 14h30</td>
<td><strong>Topic:</strong> Investments in South Africa: A look ahead&lt;br&gt;<strong>Facilitator:</strong> Anton Swanepoel, CFP® (Amity Wealth)&lt;br&gt;<strong>Overview:</strong> Pieter Koekemoer, CFP® (Coronation)&lt;br&gt;<strong>Panel members:</strong>&lt;br&gt;Andrew Salmon (Old Mutual)&lt;br&gt;Kyle Hulett (Argon Asset Management)&lt;br&gt;Craig Gradidge, CFP® (Gradidge-Mahura Investments)&lt;br&gt;Sunesh Chetty (Investec Asset Management)</td>
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<tr>
<td>14h30 – 15h30</td>
<td><strong>Topic:</strong> Develop a power mindset&lt;br&gt;<strong>Keynote Speaker:</strong> Ryan Stramrood (Stramrood Connect)</td>
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<tr>
<td>15h30 – 15h45</td>
<td>Closing Remarks/Rappateur&lt;br&gt;<strong>Speaker:</strong> Navin Ramparsad, CFP®, FPI Chairperson-Elect</td>
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<td>15h45</td>
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**Headline, Delegate bag and Lanyard Sponsor**

Old Mutual Wealth is an advice-led wealth management business. It partners with financial planners to assist clients in reaching their financial goals. This is achieved through a tailored financial plan centred on clients’ unique investment objectives, goals and aspirations, to build a lasting financial legacy.

**Bag Insert Sponsor**

**Official Media Partner**

**General Media Partners**
The Pursuit of a

Global Financial Planning Profession

By Pamela J. Packard, CPA
Chairperson, Financial Planning Standards Board (FPSB)
PSB strives for a world in which the public understands the importance and benefits of the financial planning process and how it can make their lives better; a world where consumers can readily identify competent and ethical financial planners who place clients’ interests first; in which practitioners aspire to the highest levels of professionalism; and in which regulators, governments and other FPSB stakeholders around the world recognise financial planning as a distinct, valued professional practice.

FPSB’s global network consists of member organisations in 26 countries and territories, including the Financial Planning Institute of Southern Africa (FPI). We are proud of our achievements including 170 101 CFP® professionals at the end of 2016; rigorous competency, ethics and practice standards that define our profession and support relationships of trust with clients; 28 Global Member Meetings held in various territories; engaged dialogue with regulators; and a strong foundation upon which to build the global financial planning profession.

FPI is a significant contributor to FPSB’s success - with more than 4 600 CFP® professionals, the organisation is our sixth-largest member. Throughout most of FPSB’s existence, we have had a representative from South Africa serving as a member of our Board of Directors, including current board member Gerhardt Meyer, himself a CFP® professional. In addition, FPI CEO Godfrey Nti is part of FPSB’s Chief Executives’ Committee, a group of CEOs from FPSB’s largest member organisations who engage with FPSB’s Board of Directors on executing collective interests of FPSB’s network.

FPSB’s LASER Focus
FPSB has a strong platform upon which to grow and we have charted an ambitious course to develop the profession around the world and benefit the public for generations to come. Our strategic plan is known as LASER: Leadership, Awareness, Standards, Engagement and Recognition. To succeed in these areas, we must ensure our members can sustain and improve their operations to accomplish our mutual long-term goals, including growth.

In the area of leadership, we are focused on growth and preparing the profession to embrace fintech-enabled financial planning. At FPSB, we’ve set a target of achieving 250 000 CFP® professionals in 40 territories by 2025 by making CFP® certification the must-have designation for those providing and those seeking financial advice and financial planning.

Following the release of our 2016 report, Fintech and the Future of Financial Planning, which drew on the insights of nearly 1 700 CFP® professionals in 29 territories, we are excited to embark on this future-facing project, and value the thought leadership and input from the community of CFP® professionals as we develop human-led financial advice in a digitally-powered way.

Awareness of financial planning and CFP® certification remain a challenge globally, but also our greatest opportunity. We want consumers to be aware of the benefits of a financial plan and the value of working with a CFP® professional. To this end, FPSB’s global network, including FPI, was pleased to host the World Financial Planning Day as part of IOSCO’s World Investor Week, 2-8 October.

FPSB establishes standards of excellence for financial planning, and rigorous attention to our programme is a major focus area for the organisation. This year, we have challenged ourselves to look at ways to simplify the certification process and keep people involved with the CFP® certification. We are also looking at increased international recognition and portability of the CFP® designation.

Engagement, be it with key international stakeholders, financial services firms, CFP® professionals and through them, the public, is critical to the success of both FPSB and our members. FPSB is an affiliate member of the International Organization of Securities Commissions (IOSCO), an affiliate member of the Organization for Economic Co-operation and Development’s (OECD) International Network on Financial Education, and recently joined the International Forum for Investor Education (IFIE).

As we conduct this outreach to firms, regulators and consumers, our goal is to help them to recognise the benefits of financial planning and the value of CFP® professionals in helping consumers achieve their financial and life goals. While we like to refer to financial planning as a distinctive and distinguished profession, it will take the recognition and support of others before it ultimately becomes a reality.

In our ever-evolving financial world, FPSB is invigorated by the opportunities ahead. We see the need and demand for financial planning and the great news is that CFP® professionals worldwide are more than ready. We look forward to working with all of you to pursue a great future for our profession and for the consumers of financial planning, both globally and in South Africa.
Requirements to gain access to the CFP® Professional Competency Challenge Exam

The challenge exam is offered to individuals who hold certain advanced degrees or professional credentials, but have not completed one of the FPI approved qualifications.

FPSB as the licencing authority for the CFP® designation, approved that FPI may accept specific professional credentials as fulfilling the education requirement for CFP® certification. Furthermore, FPI may extend the availability of the Challenge Exam to individuals that are performing in senior positions in the industry, but that does not necessarily hold the prescribed qualification of study. FPI has the right to determine the types of qualifications it will accept for challenge status. FPI will be required to verify the qualifications and credentials of candidates for the challenge status with appropriate oversight bodies.

(Adapted from: FPSB Certification Standard)

The following designations will be considered when allowing for challenge status exams with a minimum of 10 years’ client facing financial planning experience as a pre-requisite:

<table>
<thead>
<tr>
<th>Designation</th>
<th>Awarded by / registered with</th>
<th>Underlying qualification</th>
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<tbody>
<tr>
<td>Master Tax Practitioner</td>
<td>South African Institute of Tax Practitioners (SAITP)</td>
<td>Postgraduate Diploma in Tax Law, M Com (Tax), LLM (Tax)</td>
</tr>
<tr>
<td>CA(SA)</td>
<td>South African Institute of Chartered Accountants (SAICA)</td>
<td>B Com Hons (Acc)</td>
</tr>
<tr>
<td>Registered Auditor</td>
<td>Independent Regulatory Board for Auditors</td>
<td>Postgraduate degree /diploma accredited by SAICA</td>
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<tr>
<td>Admitted Attorney with relevant qualification</td>
<td>Law Society South Africa or General Council of the Bar of SA</td>
<td>Postgraduate degree equivalent to NQF Level 8</td>
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<tr>
<td>CFA Charter holder</td>
<td>Chartered Financial Analyst Society</td>
<td>CFA Level 3</td>
</tr>
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</table>

Apart from awarding access to the challenge exam to any of the above designation holders, the following qualifications will also allow access to the challenge exam:

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<tr>
<th>Qualification</th>
<th>Experience</th>
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<tbody>
<tr>
<td>Bachelor of Laws (Only if registered on NQF Level 8 with 480 credits)</td>
<td>10 years client facing financial planning related experience</td>
</tr>
<tr>
<td>Postgraduate diplomas in:</td>
<td>10 years client facing financial planning related experience</td>
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<tr>
<td>• Finance banking and investment management</td>
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<td>• Financial management</td>
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<td>• Investment banking/planning</td>
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<td>• Insurance law</td>
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<td>• Taxation</td>
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<td>• Tax strategy and management</td>
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<td>Qualification</td>
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<tr>
<td>B Com Honours in the following specialisation areas:</td>
<td>10 years client facing financial planning related experience</td>
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<tr>
<td>• Accounting or Financial Accounting</td>
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<td>• Actuary / Actuarial sciences</td>
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<td>• Auditing</td>
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<td>• Banking</td>
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<td>• Economics</td>
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<td>• Finance or Financial Management</td>
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<td>• Financial analysis and portfolio management</td>
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<td>• Financial taxation or Taxation</td>
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<td>• General</td>
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<td>• International trade and finance</td>
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<td>• Investment Management</td>
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<td>• Monetary and Financial Economics</td>
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<tr>
<td>Masters degrees in business and or finance related areas</td>
<td>10 years client facing financial planning related experience</td>
</tr>
<tr>
<td>Doctorate degrees in business and or finance related areas</td>
<td>10 years client facing financial planning related experience</td>
</tr>
</tbody>
</table>

While individuals may be highly qualified in a specialised area of financial practice, it does not necessarily guarantee their success on the CFP® Professional Competency Examination. FPI could encourage candidates seeking to sit for the CFP® Professional Competency Examination via challenge status to consider completing an examination review course or reviewing the currency and completeness of their education against the FPI’s Financial Planning Topic List. Challenge status candidates may benefit from retaking courses or taking additional courses to improve currency and mastery of specific topic areas.

The challenge exam will be exactly the same exam that the current candidates write as the Professional Competency Examination. Challenge status exams are limited to two lifetime opportunities. If the candidate is not successful in passing the exam, it will become a requirement that the person must enrol at an FPI Approved Education Provider to complete the Postgraduate Diploma in Financial Planning or the B Com Honours in Financial Planning.

**How to apply to write the exam**

In order for any candidate to be considered for the CFP® Professional Competency Challenge Status Examination, they are required to submit:

- A motivational letter;
- Certified copy of their identity document;
- Certified copies of the qualifications which allow them access to the exam; and
- Latest, updated version of their Curriculum Vitae (CV).

**Contact us**

If you have any questions, please feel free to contact our membership department:

Office: (011) 470-6000 or 086 1000 384 (FPI)
Email: membership@fpi.co.za
Advisory World

Towards an ideal

By Marc van Poeteren, CEFA, Chairman of FFP and FPSB Europe

As Chairman of FFP, the professional organisation for CERTIFIED FINANCIAL PLANNER® professionals in the Netherlands, I have seen strong growth in the significance of financial planning as well as the professional pride of financial planners. Yet, clearly, we have a long way to go yet: there are still many bumps to overcome. In preparing my contribution for the FPI Professionals Convention 2017, I asked myself what the next phase in financial planning should be, with the ideal world for both consumers and planners in mind.

I don’t think we are anywhere near that ideal world, and whether we will ever get there remains to be seen. Consumers do not know enough about, or have a clear picture of, financial matters. They are often not very interested in such matters either. This creates opportunities for financial planners. This is certainly true when life events with significant impact are involved, like buying a home, starting a business, or a divorce. In such situations, sound financial planning by the right advisor is the answer.

As things stand, consumers often ‘randomly’ search for a financial advisor or a financial product. The reason for this random searching is that the customer is unaware of the key steps they must take in this search process. When all of the customer’s dilemmas are mapped, the road to be travelled turns into a kind of steeple chase.

Eight things the customer should consider

I believe that eight individual steps and related choices can be identified when a customer engages a financial advisor or planner. These steps are currently not visible enough for customers, and they should be made aware of them. This would significantly increase the chance that a CERTIFIED FINANCIAL PLANNER® professional will be engaged.

The first step involves the choice between going it alone or obtaining advice. If a consumer opts for advice, should it be obtained from friends or acquaintances, or from a professional advisor? (choice event number 2). If the consumer opts for an advisor, should this be a product advisor or a professional planner? Will that professional be a generalist, a specialist or a combination of the two? (choice event number 3). Should the advisor/planner limit his activities to giving advice or should he also be the intermediary for the product or products following from his advice? (choice event number 4). What services may a customer expect, precisely, from his advisor/planner? For example, will the customer be expected to do some of the work himself? (choice event number 5). And, at the end of the day, which planner is chosen? With which individual will the customer find the right click, creating a basis from which a relationship of trust can be built (most trusted advisor)? (choice event number 6). Only then can the right solution to the customer’s financial issue be found (choice event number 7), as well as solutions in the form of advice/a plan and any appropriate products (choice event number 8).

What does this require from the financial planner?

To ensure that a customer properly considers the choices in the process set out above, it is important for the financial planner to make his added value (more) visible. Be good at what you do, and spread the word! Too often, emphasis is still placed on the process, the techniques and the plan.

Perhaps the financial planner should consider changing focus, as well. Is a broadly structured financial plan still the Holy Grail? Or will partial advice based on consultation with the customer suffice?
(Of course, still safeguarding that the integral picture of the customer remains the point of departure.) A more-focussed proposition can increase the customer’s recognition of the services being offered.

What does this require from the certification organisations/registers?

As a professional organisation of approximately 4 000 CERTIFIED FINANCIAL PLANNER® professionals in the Netherlands, FFP strives to create the proper conditions to ensure that our members can properly conduct their profession. Our independent certification organisation, Stichting Certificering FFP, determines and monitors the quality standard for financial planning; the FFP Association itself represents the interests of the members and provides support in the areas of promoting professional skills, professionalisation and marketing.

In the Netherlands, the developments of an extra-statutory organisation for all advice professionals under a single umbrella, with a single register/certification for advisors and another one for planners, are being discussed with various parties by FFP. Such an organisation would make it possible to realise several of FFP’s strategic policy objectives:

1. Offering consumers a clear framework for the process of choices sketched above.
2. Within the umbrella organisation, a pyramid model of learning/career paths could be developed for advisors who want to advance to the level of CERTIFIED FINANCIAL PLANNER® professionals. This shortened learning path from advisor to planner has already been created. Last but not least;
3. The umbrella organisation will also bring the role FFP hopes to play in the area of self-regulation into view.

In the highly-fragmented certification landscape in the Netherlands, until now the government has - rightly - showed great restraint in involving registers/certifications in supervisory tasks in the area of safeguarding professional skills and integrity. An umbrella organisation under which a majority of the planners/advisors are united, would offer the government the desired certainty.

The world of finance is too complex to go it alone

At the same time, FFP realises that the dream of self-regulation requires a global approach. It is not without cause that, since 2016, FFP has been a proud member organisation of Financial Planning Standards Board Ltd (FPSB). This global organisation of financial planners offers an international safeguard for the quality standards for financial planners while respecting local differences.

I am convinced that, together, we should be able to create a clear world in which consumers can confidently take financial decisions. There is a world to be gained!
Do you have the right CHEMISTRY on your team?

In my newest series of books about WHY certain teams win championships in professional sports, I was blown away by the importance of one singular metric that was consistently woven throughout the locker rooms and front offices of every successful organisation I researched: CHEMISTRY. Sure, talent is important, but to be successful over the long haul requires having a team of people who get along and can work together as a family.

We are constantly hiring employees to operate our businesses. What criteria do you use in assembling your teams? Millennials, Gen-X’ers, Boomers — and here comes Gen-Z — you’ve got lots of different personalities all thrown into the same pot together and it can get dicey. In sports, it’s not always about getting the BEST players, but rather the RIGHT players. Big difference. The top coaches figure out which players get along well with others, and which ones create drama. Do you have any employees who create drama? Employees who cause drama will eventually contaminate your staff. In sports, they are referred to as ‘team cancers.’ Yes, the old cliché rings true: one bad apple will spoil the entire barrel.

In order for you to create the right chemistry on your team you need to get your people out of the building and onto ‘neutral turf.’ Take them out for a team building exercise somewhere fun (picnic, pub, rugby, etc.) and see who hangs out together. Observe who smiles and laughs and enjoys being around one another. This is what Scotty Bowman did, the winningest coach in the history of the National Hockey League. Scotty figured out early on in his career that friends like to pass the puck to friends. He discovered that when people who liked each other, and cared for each other, played together on the same line, they were more unselfish and even found genuine pleasure in watching their pals achieve success. He had a whole line of Russians in Detroit, and another entire line of Swedes and, needless to say… they just clicked. In a culture steeped in individual statistics and huge egos, this is rare.

A great example of a person who completely bought into this philosophy was Wayne Gretzky. (Full disclosure, I had a gigantic man crush on Wayne as a kid… he was my hero, but I digress.) Wayne was the NHL’s all-time leader in goals as well as assists, but he had twice as many assists than goals. I asked Wayne about that and he said “A goal makes one guy happy, but an assist… that makes TWO guys happy.” How cool is that? ‘The Great One’ was a giver, not a taker — and that’s why he was beloved by his teammates. He made everybody else better around him because of his selflessness. Who are the givers on your team?
Another big factor in creating CHEMISTRY on successful teams is having ‘plus players’ on your roster. In hockey, there is a little-known measurable called the plus/minus that might be the most important statistic in the game. Here’s how it works: every time you’re on the ice during a game and your team scores a goal, you’re plus-one. Every time you’re on the ice and the other team scores a goal, you’re minus-one. At the end of the season if you’re plus-50, you’re a rock star and you’re going to make millions of dollars. However, at the end of the season, what if you’re minus-50? That means you’re a selfish one-way player who doesn’t want to sacrifice your body by playing defence — ultimately resulting in either a demotion to the minor leagues or worse yet, being cut. Ouch!

Bobby Orr, arguably the greatest defenceman of all time with the Boston Bruins, won the plus/minus crown a record six times. Six! Bobby was, without a doubt, the most respected player on his team because of his willingness to do the dirty work and be a two-way PLUS player. Plus-players create good chemistry, build team morale, and, most importantly, they deter drama. Plus players are infectious… in a good way. Minus players, meanwhile, are also infectious… but in a bad way. As leaders, you need to identify and get rid of your minus-players. It’s not easy, but they’re dead weight and their negativity will eventually consume all of your time and energy.

Here’s the bottom line for YOUR team: you want to fill your roster with GIVERS and PLUS PLAYERS — people who are selfless, willing to come in early, stay late, and lead by example. They will have a positive and nourishing influence on the rest of your employees that will ultimately allow you to focus on profitability and customer service. And at the end of the day, isn’t that what great team chemistry is all about?

Here are three characteristics to look for in creating CHEMISTRY for your team:

1. Get people out of the office to see which ones are FRIENDS and really get along, as opposed to which ones create drama…
2. Find plus-players who are GIVERS, not takers, and watch their infectious enthusiasm permeate throughout your organisation…
3. Remember, it’s not always about getting the BEST players, but rather the RIGHT players…
Diversity and Inclusion in financial products

By Prem Govender, CFP®
Chairperson at South African Savings Institute’s (SASI) and Former FPI Chairperson

While we constantly lament the lack of a savings culture among South Africans, can we, in all honesty, say that the majority of us don’t save at all? I think not when I consider the billions of rand that are to be found in stokvels. If, at any given time, there is in excess of R45 billion saved in various stokvels, this then begs the question as to why these funds are not in regulated institutions affording these investors security and peace of mind. The other question would be: can we consider this to be investing in the true sense of the word given that a lot of these are funds that would be withdrawn around year end to be used for consumer goods and other short term purchases and not wealth building?

We are more than 20 years into democracy and, yet, we find ourselves in a situation where the vast majority of the previously disadvantaged are still excluded from the formal financial services sector. Perhaps the answer lies in the fact that the bulk of those investing in stokvels either don’t trust financial institutions or do not know enough about formal savings products to actually invest in them.

We can also question the products that are available out there; are these in plain language, easy to understand and accessible? The other question would be: are these tailored to suit the masses or is it just a one size fits all? Take your pick: What processes can we put in place to ensure that we include these South Africans in our financial institutions? Perhaps we should start with the thorny issue of financial literacy or the lack thereof. We need to examine the level of knowledge that is out there.

Being literate is one thing, being financially literate is quite another. I know of many highly qualified professional people who have great difficulty in understanding simple money concepts and are so easily duped into parting with their hard earned money; all because they couldn’t spot a scam. If this is an issue with literate and educated people, think how much worse it must be for those who are not. In my opinion, the aspect of financial literacy for all needs to be given more urgent attention.

While I agree that there are many programmes and initiatives out there attempting to bridge this gap, it’s actually too little for too many people. The reach is not far or wide enough. What is urgently needed is a comprehensive programme, spearheaded by, perhaps, National Treasury that will see more people guided into ensuring that they know enough to manage their finances without making costly mistakes.

Financial service providers like the banks, insurance companies and investment houses can play a pivotal role too. There is no doubt that much is being done on financial education and product innovation by this sector. But this is, unfortunately, not nearly enough. For these institutions, it has to be a combination of education accompanied by suitable products to get first time investors and the large numbers who remain unbanked into the system. What is encouraging, though, is the increasing interest and air time given to this need during the National Savings Month in July each year.

The willingness of financial institutions to lend their weight, at their cost, to promote savings and, in turn, increase financial awareness, is commendable and, I have no doubt, is making a difference to people’s financial lives. Alas, this only seems to happen once a year and then the momentum dies down until the following year. What we need is a constant flow of information sharing and ongoing education and interventions to make a meaningful impact and bridge this gap in financial inclusion.

Roll on to the day when people no longer see a funeral policy as the only savings plan they need, when the man in the street understands the difference between saving and investing and does both within regulated institutions, when financial scams and get rich quick schemes fail to take off simply because the people they target are securely banked and invested within regulated institutions and every South African citizen can proudly proclaim that they are finally included in some formal financial institution. Then, and only then, can we say that we have financial inclusion for all our people.
“I’M NOT JUST A FUND MANAGER, I’M A FELLOW INVESTOR.”

Graham Tucker
Fund Manager
MacroSolutions

We believe that when you are personally invested in something, you are even more driven to make it succeed. That’s why Graham Tucker invests his own money alongside yours.

Graham manages the Old Mutual Balanced Fund, which has delivered a return of 6.5% above inflation since inception. What’s more, MacroSolutions is also one of SA’s best Asset Allocators.* But this is more than just Graham’s success, it’s yours too.

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Meeting the large-firm competition

Is BIGGER, better?

By Deena B Katz, CFP®, LHD
International Speaker and Author of Six Practice Management Books

When I was about six, my uncle decided to teach me about money. In his hand, he offered two coins; a nickel and a quarter. I looked at both and decided bigger was better, so I took the quarter. Next, he offered me a nickel and a dime. Again, I thought, ‘bigger is better,’ and took the nickel. Then we went to the candy store to demonstrate how much more I could have bought, if I had taken the dime. My first ‘ah-ha’ in life; bigger is not better!

Bigger, better is a marketing and positioning scheme

Large financial firms tout their latest data and information, their access to resources and world-class planning and investing tools. The world has changed, consumer attitudes have changed and access to information and resources has changed immeasurably. In the past, products had value; today products are commodities. And, in the past, financial advisory was product focused; today it is lifestyle centric focused. Clients don’t need larger firms to get access to quality products and advice anymore.

Relationships that are strong and trusting take time. How many clients can you personally handle? 100? 120? You don’t need every client, just enough. I knew an advisor once who told me that he had an 85% closing rate. Anybody who walked in the door, he would likely persuade to become a client. I was horrified! I wouldn’t want every prospect, just the ones who find value in our relationship and my advice. I suggested he consider an ‘opening rate’ by selecting clients who are a good fit with his philosophy, visions and capabilities. Clients are looking for personal attention, reassurance and sound advice, not the ‘privilege’ of being part of a sea of clients.

This shift from product-driven to process-driven has paved the way for holistic planning, that is, focusing on the whole family, the whole person addressing their needs, wants and wishes from womb-to-tomb. Firms that centre only on investment or investment-retirement planning, provide myopic solutions and inadequate advice.

Because of the advent on the internet, the public is on information overload. While information is readily available, information itself is not knowledge, judgment or empathy. That’s why clients need you. Your ability to engender trust, actively listen to them, and synthesise complex information, is exactly why your clients need you. They don’t need a large firm for that relationship to exist, because realistically, financial planning is not scalable.
Local community
In the United States, the Friday after our Thanksgiving is the largest shopping day of the year, as people begin to shop in anticipation of Christmas, a few weeks away. But, the Saturday after our Thanksgiving Day is called, Small Business Saturday, when consumers are encouraged to shop the small, independent stores in their hometown. Using a small planning firm, locally, demonstrates a commitment to the growth and success of the community.

Are you highlighting your uniqueness in the marketplace?
Now may be a good time to revisit your value proposition, current services and positioning in the marketplace. Are you providing a product or advice? Are you too focused on one aspect of planning; that you are providing solutions in a vacuum? Do you demonstrate your value by highlighting performance; are you spotlighting your clients’ personal and holistic financial success? Your small firm adapts faster and more effectively than your larger competition. Bigger is not better.

We used to sell transactions and give away advice, now we do just the opposite
As I see it, your job as a planner consists of two main functions. First, to coordinate client lifestyle-needs (wants and wishes too) with client resources. Essentially, to help get them where they want to go. Second, effectively manage client expectations so they do not stray from their intended path. That’s it. If you think maximising return is your job, then you’re wrong. If you think selling the hot stock of the last 10 minutes is your job, you’re wrong. Your clients don’t need to maximise return but do need to make enough to get them where they want to go.

Flexibility and choice
I was sitting on the deck of a cruise ship one day as we were coming into port. A small craft was seemingly headed straight for our ship and my husband remarked that the craft better move because the ship can’t change course that quickly. It reminded me that as small firms, we have flexibility and choice to adapt our practices to new ideas, software and solutions, while much larger firms take much longer to change course. Clients appreciate your ability to introduce new thoughts and ideas to their issues. They also appreciate that they are working with an owner, not just an employee with no decision-making authority.
As countries are pushing the retirement age up yet another notch (which has now been raised to 68 in the United Kingdom), and indications are that future generations will be living well beyond 100 (in fact, it has just been announced that Europe has officially crossed the threshold of 80 years as the average life expectancy), it is becoming clear that the traditional retirement savings will not suffice to see people live out their golden years.

Add to that IBM Watson’s prediction that children born today can now live up to 140 years – provided they live a healthy lifestyle and make use of modern preventative technology such as nanosensors to predict and prevent diseases before they take hold of the human body.

These trends, coupled with the automation of the financial advisory profession outlined below, will make it increasingly difficult, if not impossible, for almost everybody to rely on the formal means of sustaining their retirement and maintaining their lifestyle once they leave their formal employment.

How to compete with the robots
On 31 July 2017, JP Morgan announced that it will soon be using a ‘first-of-its-kind robot’ to do away with ‘carbon-based traders’ (euphemism for human beings) altogether and execute trades across its global equities algorithms business, after a recent trial of JP Morgan’s new artificial intelligence programme showed it was ‘much more efficient than traditional methods of buying and selling’.

As this trend will continue to transform the financial industry into a digital landscape and more and more clients will be demanding a digital experience, how can you compete with the robots? First, and most obviously, you need to make best use of the digital tools available – and there is much advice on how to leverage the digital toolkit; so I will leave this discussion to other forums.
Secondly, and most importantly, you need to upscale your value proposition – not just once or twice, but continuously. After all, this is exactly what the world’s most valuable brand, Apple, has done over the past 15 years – first by introducing the iPod, then by bringing out the iPhone and, thirdly, by introducing the iPad.

For 10 years, I have been studying the drivers of Motivational Intelligence™ - the so-called EmotiVators, i.e. human needs that motivate people to take action - and found that human behaviour and consumer activities are driven by the following seven EmotiVators:

- **Assurance**: To feel certain about the future.
- **Challenge**: To attain a positive change from the daily routine; a new challenge.
- **Connection**: To experience meaningful relationships with others.
- **Significance**: To experience a sense of being needed; of making a difference.
- **Growth**: To be all that you can be; to grow both personally and professionally.
- **Contribution**: To help others; to contribute to the community; to empower someone.
- **Higher Association**: The need to be part of a higher purpose; to join a movement.

For a long time, the financial advisory industry has served just one of these seven EmotiVators, namely the need for assurance. It is time for financial advisors to start leveraging the other six and, in particular, the following three:

- **Significance**: At the age of the early 40s, when the so-called mid-life crisis is said to get hold of people, many professionals start yearning for creating a meaningful legacy. How can you help your clients to create and leave behind a legacy that makes a difference, through financial planning?

- **Contribution**: Already, certain financial institutions are offering wealthy individuals the opportunity to get involved in philanthropy and contribute to the wellbeing of others. How can you help your clients meet this all-important EmotiVator and leverage their wealth to do good?

- **Connection**: As technology is making it easier for us to connect with people far away, it has also, many times, made it harder to connect meaningfully with those closest to us. Yet, face-to-face connections are a critical component of motivational wellbeing and advisors can play a key role in helping their clients make fulfilling connections by establishing a community of common purpose and convening their members to meet at regular intervals. For example, you might want to establish the Future of Retirement Forum and invite your clients to a quarterly business briefing where an expert from the industry shares their view into what the opportunities and the perils of their future retirements will hold.

In a nutshell, retirement planning needs to be upgraded beyond just financial planning – and the future advisor needs to be able to provide for legacy, philanthropy and community planning as much as traditional financial planning.
Don’t be original - be authentic

For a moment, you need to shelve the idea of trying to communicate your unique approach to financial planning, and first focus on who you are as a person. Your originality, lies in your authenticity. You cannot sustain or achieve any sense of originality without being authentic. And, more importantly, none of your clients will perceive this originality if you cannot communicate your authenticity or, at the very least, communicate authentically.

The first step to creating an authentic online communication strategy begins with your website; but practically the first point of engagement for your clients are your emails. [Social media can play a role in client engagement, but in the financial planning environment emails currently maintain the widest reach, afford the most personalisation and hold the most effective reporting which aids other areas of value adding communication.] A powerful online communication strategy builds the former with a view to sustaining the latter.

Whilst your website and online communication efforts are not the only useful way to add value and stay in touch with your clients, they certainly occupy a large stage in presenting and delivering your messages.

Crafting an authentic message and designing a website that effectively communicates who you are, in a transparent and professional way, is essential to the foundation of all other online communication efforts. But it is also potentially the make or break for prospective clients who will certainly Google you before meeting you.

Then, once this is in place, updating your website regularly and reaching out to your clients on a monthly basis with emails is an effective way to reinforce your authenticity and genuine drive to be available to your clients and keep them up to date with the latest information. This doesn’t only pertain to portfolios and products, but to things that matter and are relevant to their lives and yours.

Your relationship with your clients, while professional in its boundaries, is very personal in nature and this is why authenticity is so much more important than originality. It’s not about telling your clients something that they have never heard before - it’s about talking to them about what matters most. Having conversations about their lives and asking questions that will inspire and encourage them will pave the way to a long-lasting, mutually beneficial relationship.

By Tim Slatter, Director and Owner of timslatter.com
Every business starts small.

And that's where Hollard's enterprise and supplier development initiatives come in. Together with South African entrepreneurs, we grow their big ideas with funding, mentorship and business support. It makes good business sense, and human sense too.

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Art from the Creative Block Programme, www.yellowwoodart.co.za/creative-block
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According to him, it is crucial to long-term sustainability and competitiveness and his most favourite P, namely Personal Branding. The good news is that a personal brand is much easier to build today than it was two decades ago, thanks to the emergence of the Internet and social media. We now have an abundance of cost effective tools and platforms to not only build a personal brand, but to create a presence among both your peers and target market.

In the world of personal financial planning, people still make their buying decisions based on their experience of your personal brand, but to create a presence among both your peers and target market.

Kobus Kleyn, CFP®, has the following advice to financial planners and advisors across the world and it comes from his new book, Passion for the Profession-Mastering the 9 P’s to Professionalism” and under the fifth ‘P’.

Personal branding is critical for both businesses and sales professionals to achieve success consistently. It is wrong to say that people in a sales environment only exist to promote their companies’ brands and products—they need personal brands too! It is also wrong for company employees to believe that they can stand on the strength of their employers’ brands alone.

Personal branding goes way beyond your employer, your business or your practice. It is a personal attribute that plays an important role in fulfilling the self-actualisation level of Maslow’s ‘Hierarchy of Needs’.

The world has experienced major and rapid changes over the past couple of years, with new technologies and the proliferation of online social media blurring the boundary between work and personal life. As a result, personal branding—which pays scant attention to traditional measures such as age, status or wealth—is more important than ever.

One way to develop your personal brand is to build a ‘Me Incorporated (PTY) Ltd’ mind-set. You must breathe, live and sleep ‘Me’ as your primary brand and relegate the brand of the company you work for to a supporting role. And remember, the ‘Me’ in ‘Me Incorporated’ speaks to the unique way in which you manage your business, professional status and sales regimen. Those who embrace and enhance their personal brand will become the leaders within their professions.

Your personal branding is about the unique ‘Me Inc.’ that develops out of how you differentiate yourself from your competitors and how you structure your financial planning value proposition. The way you choose to communicate these attributes will make a major difference going forward.

There are a few quick wins when it comes to building your brand, beginning with the adoption of a systematic and long-term process that embraces as many media types as possible. All that then remains, is to carefully select supporting brands that complement and reinforce your personal brand.
You should be aware that clients and prospects do not only Google search companies, but also the consultant they will be meeting with. Today’s tech savvy Millennials go as far as studying the consultant’s extended personal networks.

With the necessary focus on personal branding you can ensure that those who Google search your name find the ‘right’ message. For example, does your name appear within the first 10 search results when your clients or prospects Google you? Go and check now – and keep checking on a regular basis.

The key for business and sales professionals is to create a personal brand which complements the company or product that you choose to represent. It must also convey the value-add that both your clients and prospects benefit from when they deal with you – a financial planning professional – rather than with anyone else.

If you take the necessary care with your personal branding it will enhance self-awareness; help you to reach your objectives; and make you more visible within the financial advice profession and marketplace. It will also contribute to your value proposition and create common purpose between your business and clients. Personal branding will drive wealth creation and wealth protection as well as creating sustainability through passive income streams.

A personal brand can take years to build so it is important to back up your personal brand with action. Any slips in this area can be catastrophic due to the immediacy and pervasiveness of social media. Enough of the theory – it is time to find out how to leverage various media platforms to build your personal brand.

Kobus believes in the power of LinkedIn as his primary personal branding tool. To succeed in the social media space, you must understand your ‘why’.

My ‘why’ has always been to build a powerful platform, from which I can drive my vision of professionalising the financial advice profession. I wanted to become part of a larger stakeholder group that could transform the financial services industry into a fully-fledged profession.

Once I decided that I would use LinkedIn to work steadily towards this goal I could be very particular about those who I added to my network. I accepted requests based on the likelihood that each new connection would ascribe to the overarching goal of creating financial planning professionals within a profession. My mission became to connect with as many like-minded stakeholders as possible.

My LinkedIn prospects – my target market if you prefer – were therefore FSPs, IFAs, brokers, tied advisors, CFP® professionals and members of a myriad of financial sector associations, bodies and organisations. I sought out individuals who gave financial advice in the banking, employee benefits, healthcare, investment, life insurance and short term insurance disciplines, to name a few. Today 90% of my connections meet my requirements. The rest is both my own clients and prospects interested in my services as, and when, capacity becomes available.

To illustrate the power of social media I can proudly say that I am more connected to some of my affiliations’ members than the affiliations themselves!

At this point it might be worth reflecting on how I built such an empire through LinkedIn. The short answer is through careful planning and hard work. In the early years I taught myself by spending hours on Google, YouTube and LinkedIn tutorials as well as by interacting with anyone and everyone I could learn from.

As I became more proficient on LinkedIn, I needed to go beyond what I could teach myself. I was fortunate enough to get involved with Dr Nikolaus Eberl (Dr Nik) who is a LinkedIn and social media marketing guru. I first saw Dr Nik talk at an FPI convention a few years back and this chapter now incorporates so much of what I learnt from him. Perhaps, more importantly, he has since helped me with the outline for this book and has been instrumental in getting me to write and publish it.

Over the last couple of years I have followed a systematic approach of using every available LinkedIn tool to build my niche market connections and followers.

My personal media system appears to be working very well as the ‘screenshot’ below reflects. Over the past couple of years I have maintained a consistent overall top 1% ranking including occupying the number one spot in most of the groups I participate in. I am also consistently in the top three of the main group where there are 13 000 + members and growing.

I realised that if I did not set a social media strategy in play I would not only fall behind, but it would take years to catch up. A social media presence does not happen overnight, especially if you want it to serve a business function. I also realised that I would be doing both my clients and prospects an injustice if I failed to get online. So it is time that you get online and do not toe the line!
There is no doubt that artificial intelligence (AI) is progressing faster than the speed of light. From live translations through voice automated learnings, self-driving cars, automated self-service telephone systems, SIRI to fintech or robo-or hybrid advisors. The report on “The Promise of Artificial Intelligence Redefining Management in the Workforce of the Future” following “The Impact of Cognitive Computing in Management” study, 2015; conducted by the Accenture Institute for High Performance in partnership with Accenture Strategy; revealed that AI will soon, if not already, be able to do the administrative tasks that take up much of managers’ time faster, better; and undoubtedly at a lower cost. According to

“Computers will overtake humans with AI at some within the next 100 years. When that happens, we need to make sure the computers have goals aligned with ours.”

Stephen Hawking
In the latest research report, by Financial Planning Standards Board (FPSB), on Fintech and the Future of Financial Planning, showed that CFP® professionals are more positive and ready to embrace this technology. The same professionals also cited that the opportunity to better engage with clients, as they are able to collaborate with clients, in real-time, and discuss a wide range of strategies as well as cashflow scenarios, while clients are able to track the progress of their financial plans through user friendly applications.

Although professionals are open to clients taking a “do-it-yourself” approach, to managing some aspects of their finances. They caution that automated advice tools should not be viewed as a replacement for human interaction with a client. The two need to complement each other.

The research was conducted together with FPSB’s member organisations to study how fintech platforms and tools, automated advice, as well as the impact of and implication of fintech could shape the future of financial planning.

When member organisations and CFP® professionals were asked to list major fintech innovations that they expect will have the most impact on the delivery of financial planning and financial advice in the years to come, according to the report, “the global financial planning community cited the following”:

1. Online end-to-end, omni channel solutions will cause a shift in the model for client acquisition/engagement and advice delivery.

2. Integration of “Big Data”/ “Bio Data” from non-financial aspects of consumers’ life (i.e. online social media, health, behavioural or job-related information) that will enable predictive modelling and the nimble execution of adjustments, in real-time, to a client’s financial plan.

3. The shift to online/mobile/apps will erase physical borders, drastically expand product and service options, re-invent advisory services, empower consumers and increase risk”.

Although all the above three innovations have been listed as those most likely to positively impact on the future of financial planning and financial advice, they may also come with some challenges and possible negative implications.

Download the report at www.fpsb.org/fintech-future-financial-planning to read more.

So why is it that as humans we are easily threatened by machines? Or is it purely the fear of the unknown or simply human nature to resist change?

In this research, AI not only presents unparalleled opportunities for value creation, it also presents daunting challenges for executives and managers.

The future of financial planning
Looking at our financial planning profession and the industry as a whole, fintech or robo-or hybrid advisory is changing customer behaviour and expectations at a remarkable rate, with consumers now so used to being able to access data and information from anywhere and everywhere, that it seems natural to them to want to be able to access and adjust their investment portfolio or save and send money, while waiting for a meeting or a flight.

What could go wrong?
Let’s take Dr Lanning from I, Robot (a film released in 2004); a top robotics engineer who designed VIKI (Virtual Interactive Kinesthetic Interface, which is a highly advanced and efficient supercomputer) and the NS-5 robot. The robots were created to keep humans safe and they operated under the three laws of robotics; 1) A robot may not injure a human being or, through inaction, allow a human being to come to harm. 2) A robot must obey orders given it by human beings except
where such orders would conflict with the First Law. 3) A robot must protect its own existence as long as such protection does not conflict with the First or Second Law.

Dr Lanning, like any person suffered from the “what if something could go wrong syndrome” – which he “referred to as ghosts in the machine”. Though he feared that something could go wrong, he still embraced this technology. He even went beyond his standard machine and created one that emulated human-like emotions, as he had a specific objective in mind. As he discovered that machines alone are not equipped to perform certain tasks without enabling particular functionalities or applications; he input specific information or data for Sonny (that’s the name he gave the modified android); that will collect, interpret and most importantly communicate it in simpler and understandable manner. Now this is what you call aligning it your company goals.

Detective Spooner on the other hand, like some professionals, was sceptical about trusting a machine/robot/hybrid/android to help him do this or was it fear that it will take over his work? On the other hand, instead of working against each other, both (yes, I’m referring Sonny to a human not “it” remember he has human-like emotions) found a way to work together. Which proved to deliver favourable outcomes.

So why is it that as humans we are easily threatened by machines? Or is it purely the fear of the unknown or simply human nature to resist change?

The industry is changing rapidly, and savvy financial planning professionals will want to stay informed so as not to lose out on opportunities, customers, and market share.

Make AI your friend and not your enemy. Let’s embrace this disruptor and work with it… As long as we align it with our company goals and objectives, nothing will go wrong!

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**Tech lingo or buzzwords alert**

- **AI** - Artificial intelligence (AI) is the simulation of human intelligence by machines.
- **AR** - Augmented reality (AR) is the integration of digital information with live video or the user’s environment in real time.
- **Bionic Advisor** - Bionic advisor is the intersection between robos and humans and creates an environment where both the computer and the human excel.
- **Fintech** – Financial technology that makes financial systems more efficient and user-friendly, and relies on online networks and new technologies, such as machine learning/artificial intelligence, big data analytics, automated investment tools, block chain/distributed ledger, the internet of things and financial app creation tools.
- **General AI** - is the representation of generalised human cognitive abilities in software so that, faced with an unfamiliar task, the AI system could find a solution. An AGI system could perform any task that a human is capable of.
- **IoT** - An internet of things (IoT) gateway is a device which serves as the connection point between IoT devices and the cloud.
- **Narrow AI (weak AI)** - In artificial intelligence (AI), the Turing Test is a method for determining whether or not a computer is capable of thinking like a human.
- **VR** – Virtual reality (VR) is an artificial environment that is created with software and presented to the user in such a way that the user suspends belief and accepts it as a real environment. On a computer, virtual reality is primarily experienced through two of the five senses: sight and sound.

*Definitions from TechTarget.com: [http://whatis.techtarget.com](http://whatis.techtarget.com) and Adviser Business Review: [http://adviserbusinessreview.com](http://adviserbusinessreview.com)*

**References**

Build community, join a discussion and connect with your colleagues

Whether you would like to exchange knowledge, network or connect with like-minded professionals, we have you covered.

Join our new online member community platform, the FPI Tribe. Your very own member community where you have the ability to share thoughts, ideas and learn from each other.

Visit: https://tribe.fpi.co.za
Digital pushes wealth managers to ‘Hybrid’ service models

While most of our daily-life activities have, nowadays, a digital touch, wealth management and financial advisory services are mainly still a face-to-face business. That’s, however, rapidly changing; wealth and investment managers are feeling pressure to adopt and implement strategies due to the changing demands of their clients and a changing competitor landscape. This article highlights some outcomes of an international industry survey and addresses the new trend: ‘Hybrid Advisory’.

Digital and ‘Hybrid’ is where the industry is going

In a joint study of Objectway and Efma¹, a broad international survey was conducted amongst opinion-leading financial institutions from 27 countries across the world². The survey aimed at understanding how firms are leveraging on digitalisation to grow their business, improve operational efficiency and productivity. The survey clearly highlighted two main trends.

• **Digital is key:** More than half of the responding corporates consider online investment management services strategic to accessing new customer segments and a necessary, complementary offering next to the traditional ones. 90% of the corporates already have ongoing digitalisation projects in place (figure 1).

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¹European Financial Management & Marketing Association

²“Digital engagement and collaboration in Wealth and Investment Management: The Hype, the Reality and the Future” [click to download the report]. The majority of the surveyed financial institutions (60%) are serving both affluent and private banking clients, with a range of assets under management. This means that the emerging trends are affecting the whole market.

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By Maarten Boddeus,
Chief Business Consultant SA, Objectway
Professionals in the financial advice industry choose the FIA as their unified voice to regulators, industry organisations and product suppliers

Shouldn’t you?

Representing South Africa’s risk and financial advisers in the following disciplines

- Employee Benefits
- Short Term Insurance
- Financial Planning
- Healthcare
Move towards Robo- and Hybrid advisory. Another key finding of the survey was on the type of digital offerings industry players have available today and which they intend to have in place in two years. However, there’s growth expected on all aspects of digital; it is clear that robo and hybrid advisory solutions will grow the most (figure 2).

Figure 2 - What type of online investment and wealth management tools are you offering to your clients?

- **35%** • Online Recommendations (Now: 35%, In Two Years: 45%)
- **44%** • Chat (Now: 44%, In Two Years: 44%)
- **40%** • Video (Now: 40%, In Two Years: 41%)
- **27%** • Co-Browsing (Now: 27%, In Two Years: 37%)
- **29%** • Actionable Soft Reporting (Now: 29%, In Two Years: 34%)
- **33%** • Webcast (Now: 33%, In Two Years: 29%)
- **42%** • Market Intelligence (Now: 42%, In Two Years: 28%)
- **49%** • Document Input & Output (Now: 49%, In Two Years: 26%)
- **33%** • Online Calendar & Contact Features (Now: 33%, In Two Years: 24%)
- **19%** • Elective Corporate Actions (Now: 19%, In Two Years: 22%)
- **26%** • Task Management (Now: 26%, In Two Years: 16%)
Robo- and Hybrid advisory defined

What is robo-advice and what is a hybrid advisory service model? The core element is the application of innovative technology. Where we are all used to do our daily banking over the internet, the current wave of digitalisation brings us more complex services like financial advisory and wealth management. And that’s exactly what the industry is working on; using technology to make the consumer and advisor’s life easier, bring down costs and improve quality.

- **Robo advice:** investment platforms that use algorithms to support the entire investing process - from setting financial goals to portfolio re-balancing and monitoring, providing investors with low cost wealth management solutions. This kind of platforms profile customers via short questionnaires, and supports them in financial planning and personalised investment recommendations based on risk management and portfolio optimisation techniques.

  In other words, with robo advice an investor can fully help himself with an online tool without any further human interaction.

  Where robo advisors do serve their purpose for a specific market segment (typically the emerging/mass affluent market segment), it has its limitations where it comes to a full service offering to different investors holding higher wealth and with more complex needs. To bridge that gap, a new, more complete, service model is gaining traction.

- **Hybrid advisory:** a wealth management solution combining human interaction with digital capabilities, where the investor and the wealth manager collaboratively work together, in real time or asynchronously, through their preferred digital channel, on the client’s investment planning and monitoring. It is integrating human interaction with digital tools to plan, monitor, communicate and collaborate. The key difference with robo-advice is the possibility to combine the best of both worlds, a high-tech digital solution combined with the human touch addressing the need for human advice.

  The Hybrid advisory model assigns value to customer’s time, it simplifies the relationship with the financial institution and adds tools for the (cost) effective management of the client-advisor relationship. With the use of modern tools, the financial advisor can offer quality investment services to more people, ensuring high personalisation, information and data consistency across all channels, and ease of use.

  Our survey highlights that more than 70% of the global industry players see hybrid advisory as the winning approach for the future. The ongoing digitalisation through robo- and hybrid service models, will gradually establish a so called ‘mass-customised’ business model over the coming years.

A real-life application of the Hybrid advisory model

Let’s look at how one bank, the Italian bank CheBanca!, is offering customers a hybrid concept by making wealth management much more accessible and more client-oriented for the mass affluent segment. CheBanca! is the digital retail arm of Mediobanca Group, Italy’s leading investment bank. They wanted to:

- attract more digital and next-generation customers looking for a self-investment experience at an affordable price;
- encourage more of its existing traditional and conservative customers to move their assets from low-yield saving accounts into higher-yield funds, equities and fixed-income investments.

To serve these diverse investor types, CheBanca! selected a Hybrid Advisory Platform that is best fit for their need for such a consumer advisory service, as it this particular platform combines digital technology and user experience with human interaction.

Through the implementation of the Hybrid Advisory platform, CheBanca! now offers its customers a multichannel service which provides them with a few simple product offerings, a product offer expansion, and an innovative and distinctive advisory platform.

CheBanca! has also opened up advisory services which were traditionally offered by private banks and boutiques. In fact, the minimum threshold to access the service, along with the lower costs, makes it a very affordable offering for a range of customers who have previously been neglected.

With this Hybrid Advisory platform, CheBanca! has conquered the market, thanks to a simple and transparent product offering, and an innovative and distinctive advisory service.

Technology is democratising the investment world

Where robo-advice formed the groundwork of the current developments, it’s clear that the wealth management and advisory’s future is of a hybrid nature. The implementation of a Hybrid Advisory platform at CheBanca! is a successful example of implementing the hybrid service model. Based on the outcomes of the industry survey; it’s expected that many wealth firms will follow globally. Therefore, the way investors will deal with financial institutions and their advisors will change drastically over the coming years. This development allows for more people to get access to ‘mass customised’ investment advice. In that sense, ‘hybrid’ will ‘democratise’ the investment world.
Financial Freedom: Financial education in action

By Nigel Willmott, CFP®, Franchise Principal, Momentum Consult

1.6 trillion – a big number. Big trouble. This is how much, at present, South Africans owe in personal debt. When the Financial Planning Institute of Southern Africa (FPI) launched the FPI MYMONEY123™ programme in 2012 we had just touched R1 trillion. In the five years since then, we have seen a sharp increase in personal debt levels. Clearly, we are on a binge and something is horribly wrong.

Some of this is due to hardship and the economic downturn, but much of it is due to wrong money choices and wrong money behaviour. We have brought much of this upon ourselves.

This is not just a South African thing. It is a global problem. Rapidly getting worse. The time to act and the time to change is now. Financial planners must lead.

What can be done?

Does financial education work?
The terms financial education, financial literacy, capability, wellness and so on are being bandied about in different contexts. Some of the efforts have been noble, some not. Some are working, some not. In some instance “financial education/financial wellness” has been hijacked to enable the distribution of a product and achieve a sale.

In my opinion, financial education should be far be for betterment and education purposes only. It should not be mixed up in product push or product distribution. My belief is educate first, the rest will follow. A financially educated member of society will make better sustainable financial choices. This will be better for them, their futures and will ultimately be better for the financial planning industry. Makes sense to me.

So, does financial education work? Difficult question. The jury is out on what works and what doesn’t. What has been suggested is that financial education should include a mix of the following:

- specific ‘just in time’ financial education interventions
- focus on key elements and building blocks of personal financial capability
- technology enablement
- don’t tell or instruct – rather coach and guide
- mentorship and nurturing
- penny drops over time
- practice/repetition
- start them young
- consumer financial behaviour change

Based on the above I prefer the term financial coaching over financial education. The term education suggests that somebody is illiterate – many of us aren’t when it comes to money. We do actually know right from wrong financially, we just need to be “coached” better. Coached to make better decisions with our money.

The conclusion is that we, as financial planners, need to ensure that we are competent financial coaches over and above the transactional, academic aspects of sales, compliance and process orientated financial planning. It will require that we innovate ourselves to meet this challenge.
Financial behaviour

Financial education is the easier part. Behavioural change is what matters most. In the last few years, there has been a buzz around the term financial education. Why not? It feels like an obviously good idea and something that everyone needs, regardless of age.

Aside from some of the loaded features of a term like ‘education’, there is an underlying problem with missing the bigger picture. Of course, we want people to have the basics of personal finance. That’s where it all starts. However, for lasting empowerment and capability, there must be sustainable action and change.

For the progressive financial planner, it means spending time with clients to work through the coaching aspects of financial planning such as understanding their relationship and behaviour with money, how they manage and account for it, ensure that they keep their debt levels healthy and develop a culture and a desire to save, invest and cultivate personal wealth. Not just up-front but ongoing, throughout the client relationship life cycle.

Add it up and we’re talking about sustainable and lasting behavioural change.

And to make that change a reality for clients, we have to meet them where they are at, with empathy and encouragement. These are the types of skills and guidance that financial planners may often overlook when working with clients.

Back to basics

Funny how things start with ‘b’? Behaviour/Basic/Budget. Yes, that ancient term – the budget. It really has stood the test of time. How often do we hear about ‘the budget’? More often than not. But do we understand and use ‘the budget’ as a core financial planning tool? Sadly, many clients don’t effectively use a budget planner and many financial planners skimp through this valuable look through into the life, habits and challenges of a client.

A client’s budget will tell you much about them. It can tell you;
- their purchasing preferences
- if they spend more than they earn
- choices and aspirations
- what they desire
- their habits
- solvency and affordability
- mistakes
- ultimately their behaviour

The budget will tell you about their financial personality. Their faults, shortcomings and their successes. Whether they are destined for failure or success. Where they can amend and change and with practice, your guidance and your coaching how they can become winners. They win, you win.

Spend the time coaching them through their wins and losses, understand their spending habits and help them free up cash flow. Do this over a period of time, consistently, patiently with an aim and the results will last a lifetime. This is where the financial planner needs to invest in the client by educating and coaching. This will harvest a client for life.

The biggest threat to financial planning?
Simple – Debt. Debt goes with poor choices in the main. That word again - behaviour.
If you spend the time analysing a client’s budget and you understand their debt to income ratio, you will quickly come to the conclusion that as long as they have racking levels of debt, inadequate planning and poor financial behaviour, the chances of them saving and investing in themselves is remote.

It is imperative that financial planners take the time to guide clients through an effective budget planner and debt reduction programme. If you assist a client in getting their income/expenditure and budget in order and actively reduce their debt to income ratio, then we can incrementally free up cash flow towards savings, investments and protection [insurance cover].

This is outside the traditional transactional and sales orientated financial planning processes. It is the realm of relationships, mentorship, leadership and coaching. Are we all ready for this?

Lack of savings
Sure, times are tough. Economic hardship doesn’t help but neither does bad habits. It shouldn’t only be about ‘live for today’. We know that there is a tomorrow. We need to guide clients to see that there is hope and that there is a tomorrow that needs to be planned and anticipated for.

Help them to see that once they have a working plan [budget] and, if they manage their debt, that they can then free up cash flow. The next logical step? Begin sustainable wealth creation over long periods of time. This is only possible as an outcome if the mistakes and poor financial behaviour is addressed and corrected in the budget. This needs your guidance, education and coaching.

The next generation
We acknowledge that, besides adults, there is a generation of school leavers, students and first-time job seekers that desperately need adequate financial life skills. This is where we catch them young. Before they make bad financial decisions that will set them up for failure for many years after the party is over. We need to make a difference in this age group and ensure that our next generation of South Africans can make a more meaningful contribution to the betterment of South Africa.

Call to action
FPI has embarked on a financial education roadshow, between Johannesburg and Cape Town from 27 September – 18 October 2017 entitled “The Big Drive 4 Financial Freedom”.

Assisted by the FPI volunteer network of CERTIFIED FINANCIAL PLANNER® professionals along the route, the Institute has actively engaged with the public, offering free Adult and Young Adult FPI MYMONEY123™ financial education workshops.

The free, workshop-based financial education programme is aimed at adults and school leavers and is introduced through groups - employers for their staff, schools, universities, church organisations, unions, clubs, stokvels and so on.

The financial education programme is based on certain core personal financial planning building blocks that include managing a personal budget planner, the downside of personal debt and how to reduce it, as well as linking behaviour, budgeting and debt management to achieve savings and investments.

Essentially the key “1 2 3” of money – budgeting, debt management and savings.

As a CFP® professional you are encouraged to pitch in and offer your time and contribute as a volunteer. For more information such as; areas and dates, get in touch with the FPI consumer affairs team at volunteer@fpi.co.za and get on-board!

No quick fix
I acknowledge that we have to start somewhere. This can’t be addressed in one single event. It will take a collective effort from all of us, both financial planners as well as an empowered public, to turn things around. We are at a tipping point. We need to upskill ourselves and not just be a planner but rather a guide that can educate, mentor, lead and advise. This is the financial planner of tomorrow.
Investing is not a sport. The vast majority of individuals invest for a particular level of real growth to meet financial commitments. These could include providing a deposit for a house, paying for a child’s education or being able to retire in comfort. But these financial commitments bear no relation to the short- or long-term performance of a market index. Or even generate performance in line with an index (as most investors are so eager to do these days)?

The advent of indices brought about greater transparency to investment markets and an increased level of accountability to those tasked with managing money. Investors had a source of reliable information — a benchmark against which to measure the performance of their money managers. But, by using this measure, investors began to focus on beating the index rather than earning appropriate returns to meet their financial needs. This, in turn, resulted in the adoption of a relative-risk mindset at the expense of absolute risk, and has contributed to the often inappropriate use of passive strategies.

Many investors appreciate that a market index bears little resemblance to their financial goals. However, they still believe there is some merit in measuring portfolio performance against market indices, as the FTSE/JSE All Share Index has delivered real returns over the long-term. But returns do not go up in a straight line, and, over the short-term, the returns generated by a market index can detract significantly from an investor’s objectives. In 2008, for example, the ALSI collapsed by 23.2%, while inflation, as measured by the South African Consumer Price Index (CPI), was 10.2% for the year. Investors whose financial objectives were linked to inflation would have been 33% behind their target for the year.

Focusing on the risk of capital loss

Both absolute return investment managers and index-relative managers invest in the equity market, and the bottom-up stock selection process of an index-relative manager and an absolute return manager might be very similar. However, the primary difference between the two will be their definition of risk. Index investing defines risk in relative terms, typically as tracking error (the

extent to which the return of a portfolio deviates from a specified index return). Absolute return investing considers the total risk of a portfolio. More specifically, it focuses on the risk of capital loss. As absolute return investors, we recognise that equity, as an asset class, is the primary source of generating real returns over the long term. However, when making an investment decision, the weight allocated to a stock does not depend on the weight of the stock in the index. The decision is, instead, based on the ability of the company to generate sustainable real returns for investors and the potential downside risk inherent in holding the stock. We, therefore, typically invest in high-quality companies with stable cash-flow profiles and valuations that provide a floor to potential capital losses.

The cost of a relative risk mindset

Investors have quickly forgotten the pain of the 2008 financial crisis. We believe that investors are averse to the loss of capital, but many do not realise that success relative to an index means that if the index is down 40%, one’s portfolio may be down ‘only’ 38%. The extended equity bull market has further obscured the importance of absolute returns. But the expectation of a more volatile, lower return environment, over the next 10 years, should increase the average investor’s appreciation for absolute rather than relative returns, especially if a financial objective falls due within that period.

Financial objectives are not sympathetic to the plight of investment markets. School and university fees do not go down. The date of retirement can be delayed, or one can choose to live more frugally, but is that an outcome that should be risked by investing relative to a market index? An absolute return approach should result in a money manager being able to balance potential investment opportunities with the risk of capital loss. For the investor, it may reduce the euphoria of bull markets but it lessens the misery and uncertainty of bear markets.
Financial planning is an extreme sport!

By Ryan Stramrood, Adventurer and Inspirational Speaker

“How can that be!” I hear you ask?

I’m an extreme swimmer and not involved in the financial planning industry. So, what would I know, right?

Yet over the past three years I have stood in front of over 2 000 financial planners, juniors, and seniors, South Africa’s top CFP® professionals, financial directors, CEOs, CFOs and everything in between.

I’ve been privileged to address the top echelons of nearly all the major financial institutions in South Africa, have been featured in the financial industry magazines and even as a key influencer in one of the books highlighting the passion for the financial planning profession.

I have further secured a healthy sponsorship from one of SA’s large financial service providers in support of my extreme challenges, but, more importantly, to work systematically with the group’s financial planning teams country wide to overcome mind-set obstacles in such a tough but noble profession. And the list goes on and on… I am indeed indebted to the financial planning profession.

But I’m just an extreme swimmer.

So why on earth do I keep getting invited back to share my story? Why do the messages I share resonate so perfectly within the financial planning environment and inspire many to greater levels?

Well, it’s simple. Financial planning might as well be deemed an extreme sport! The disciplines could not be further apart from each other, but the pillars of success and survival are much the same. Here are only a handful…

**Preparation** – whether you’re a financial planner or an extreme sports person, if you do not do the correct preparation before taking on a new ‘challenge’ you are doomed to fail before you start. Know your game, know your client and plan your strategy! One of the first ice swim challenges I undertook was in Siberia (Speedo only). I had no idea what to expect and, upon arrival, I was met with an ambient temperature of -33 degree Celsius and a swimming pool cut straight from a frozen lake. Boy, did I learn to prepare better after that – in all areas of my life!!

**Perseverance** – if you are not prepared to go the distance, navigate the hurdles, fend off the curveballs, leverage the criticism, learn from the mistakes and to push past the place you wanted to give up, then you’ll fall back to delivering average performance every time.

**Push Past Impossible**®. In my English Channel crossing (36km, UK to France), after nine hours of swimming in cold, rough water with night time’s darkness falling, waves pounding, salt water chaffing and cold biting, I ‘hit the wall’. It was impossible for me to continue, couldn’t take one more stroke. And I very nearly quit, still with four hours of swimming ahead if I was to reach France. That was the day I found a switch in my head which I did not previously know existed. Aided by my support team, I changed from body to mind. And
stroke by stroke for another four hours (12km), I inched towards that French beach and finally stood clear of the water. And that’s the day I realised that I had just Pushed Past Impossible. Not anyone else’s “impossible”, but my own.

As a financial planner or advisor, you are going to ‘hit the wall’ many times. Your impossible. You are going to have to rely heavily on your support systems. But it’s when you think you’ve reached the end of your tether – that’s where your journey starts! You need to learn that and believe it. Muhammad Ali always said, when asked how many push-ups he does, that he only starts counting when it starts hurting!

Goals, targets and boundaries – from what I’ve heard from so many in the financial advice game, the goals and targets set by the powers-that-be are very rarely what you believe is reasonably achievable. But ‘getting ahead’ is not achieved by setting a goal you know you can achieve. Its setting a goal beyond what you believe you can achieve and, better yet, beyond what your peers believe you can achieve. Because once it is set, if you REALLY want it, you will figure out a way to get there.

As humans we are designed to believe in our own limitations. It’s a defence mechanism of the mind which is there and keeps us safe. Safe from physical harm, but it also tries hard to steer us clear of emotional harm – the kind that comes with failure. So, we end up not trying out of fear. Rather we stay well within the comfort zone and potentially under achieving our entire lives.

Now, as an extreme swimmer, I’ve set goals way beyond what I believe I can achieve and even sometimes beyond what is doubtful for mankind. And it’s the JOURNEY to reach those goals where the real LEARNINGS lie. It’s not in the success or failure of the challenge. And if you don’t start the journey, you can’t possibly reach your destination of choice.

When we truly believe in our own limitations, we have no reason to challenge them. We remain comforted that the goal was set too high - it was unreasonable! Rather than believing that we are simply governed by that defence mechanism of the mind, determined to keep us safe from the emotional hurt of failure.

As financial advisors, without any shadow of doubt, you are going to be tested on every level. You are going to have to operate in hostile regulatory and competitive environments. You are going to have to navigate rough, icy and chilly waters. You are going to have to look inwards, dig deep and find out how to tap into a different way of thinking. You are going to have to spot those often subconscious ‘impossibles’ in your lives and careers; the ‘impossibles’ which have kept you inside your comfort zones. Face them, challenge them and, ultimately, find your path to a new way of tackling them.

Now, that doesn’t sound too different from an extreme sport after all hey?
Business Lessons
from the
2015 Rugby World Cup
The 2015 Rugby World Cup hosted one of the biggest upsets in rugby history when Japan beat the Springboks. This drama inspired the author to investigate what had happened behind the scenes in the build-up to this historic game and found that the same fundamentals that served as the foundation for Japan’s victory over the Springboks will have to be in place in small businesses if they aspire to compete at top level.

In this publication, the author highlights the similarities between the fundamental flaws in the Springbok camp, which were instrumental in their defeat, and how the same fate awaits big advisory businesses and corporate financial institutions if they fall into the same trap. With this book, the author also aims to equip small to medium sized financial services providers (FSPs) with a competitive edge in a rapidly changing and competitive environment. The business lessons from the 2015 Rugby World Cup came to life in a publication filled with memories from the 1995 RWC when Japan lost 145-17 against the All Blacks and 20 years later when they beat the Springboks.

Whilst the loss by the mighty Springboks was devastating for South Africa, the rise of Japan in the 2015 Rugby World Cup should inspire every small business in the world.

After Japan defeated the Boks it was clear that small franchises can be competitive at the highest level. However, it is important to recognise that these victories do not simply happen by accident. It requires intelligent planning, purposeful and diligent preparation, and effective execution. This publication will show which pitfalls big businesses must avoid, and it highlights the fundamentals that small FSPs must master if they want to thrive in this highly competitive market.

Need a copy?
All delegates attending “The art and science of creating competitive advantage” workshop, to be held on 18 October in Cape Town, will receive a free copy of this book.

An e-version will be available for download at the FPI stand, at the FPI Professionals Convention to be held on 19-20 October.

About the author
Anton Swanepoel, CFP® is an industry expert with more than 26 years of experience in the financial services industry. He is a CERTIFIED FINANCIAL PLANNER® professional and a former Financial Planning Institute of Southern Africa’s (FPI) Financial Planner of the Year finalist. Anton has obtained a Master’s Degree in Mercantile Law (FAIS) from the University of the Free State and is the author of over 17 books and industry manuals on leadership, ethics, trust, compliance, practice management and investment planning. With the assistance of a group of industry professionals, he also published the industry’s first white paper on risk profiling in 2014.

Anton served on both the FPI Certification and Practice Standards Committees and currently serves as the vice-chairperson of the Financial Planning Committee of the Financial Intermediaries Association of Southern Africa (FIA). He served as the alternate member of the Treating Customers Fairly (TCF) Steering Committee and the TCF Product Disclosure Workgroup and [also] currently serves as an alternate member of the Market Conduct Regulatory Framework Steering Committee.
How to deal with ASSETS on emigration Part 2

This is a follow on to the article “How to deal with assets on emigration Part 1” published in Issue 44 of The Financial Planner magazine. Part one discussed the facilities for which emigrants qualify as well as income tax implications and capital gains tax implications.

Part two discusses options available to an emigrant or a person relocating with regard to their investments, wills, estates and inheritances.

Retirement annuity (RA) funds, on the other hand, maybe surrendered and taken as a lump sum benefit if the member has formally emigrated from the Republic or departed from the Republic at the expiry of a work visa. This ruling does not apply to any other retirement fund. The RA benefits that are withdrawn will be subject to tax.

Preservation fund members may exercise a once-off withdrawal to access their benefits within a preservation fund. Some funds however have restrictions as to how much may be accessed as a once-off withdrawal for e.g. the GEPF. The rules of the fund must, therefore, be visited to ascertain this information.

If a once-off withdrawal has already been accessed from a preservation fund, a second withdrawal will not be permitted even if the member is formally emigrating. In this instance, the member will have to wait until retirement and the normal retirement rules will apply. Cash withdrawals taken prior to transfer into a preservation do not prohibit the member from taking a once-off withdrawal after the benefits have been transferred into the preservation fund provided the fund rules have been amended in line with the legislation\(^1\).

A voluntary annuity is comprised of a capital portion and an income portion. If the emigrant has utilised all allowances available, only the income portion will be remittable. The largest portion of the annuity being the capital portion will become ‘blocked’. The tax exemption\(^2\) on interest, in terms of the Income Tax Act, does not apply to voluntary annuities.

Living annuities are not commutable unless the capital falls to R50 000 if any value of the annuity or any part of the retirement interest was previously commuted for a single payment or; R75 000 in any other case\(^3\). Annuities are remittable through a blocked account in the case of formal emigration and through a normal South African bank account in the case of re-location.

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1. RF1/2012
2. Section 10 (1) (h) Income Tax Act

By Jothi Chirkoot, CFP\(^*,\) Legal Advisor Specialist, Old Mutual

Retirement funds
People need capital when they move abroad and often seek to access their retirement fund benefits.

Members who are emigrating may access their pension and provident fund benefits upon resignation from employment. On resignation, a person may elect to take the cash as a lump sum or, secondly, preserve their benefits in an approved fund. If capital is what they are trying to accumulate to take with them abroad, then the cash lump sum option may be chosen. The cash lump sum will, however, be subject to tax.
Life policies and investment policies

The life insurer company should be informed of the client’s impending move to another country. Living in another country does present different risks from what the underwriters may have taken into account. Some countries present more risk than others. The life insurer should confirm, in writing, whether the policy contract of the life insured will fall away or be retained. It is better to clarify this upfront rather than face a repudiation at claim stage.

Investment policies may be surrendered, made paid-up, retained or continued with paying monthly premiums. The product provider should be informed if premiums are to be paid from a blocked account in the event of formal emigration. The necessary FICA requirements should be complied with or updated.

Wills

When a person owns assets in more than one country, the question arises whether more than one Will is required?

In South Africa, it is legally possible to draft one Will to deal with worldwide assets but it is also legally possible to draft a Will in each country where assets are owned. Which of this would be a better option?

- Different countries have different legal systems and, by drafting Wills in separate countries, one may ensure that each Will complies with the laws of the country it was drafted in.
- Certain jurisdictions enforce statutory rights (forced heirship) which South Africa does not have.

Avoid delays in winding up estates. Having separate Wills means that if there is a delay in the process in one country, this would not slow down the process in the other country.

It is highly recommended that a fiduciary specialist be consulted with if there are assets owned in more than one country.

Estate and inheritance transfers to beneficiaries

Emigrants who are beneficiaries in a South African estate may have their cash bequests and assets remitted abroad without limit if formally emigrated but on the production of the liquidation and distribution account.

The estates of emigrants who have assets in South Africa will be subject to estate duty and capital gains tax subject to double taxation agreements.

Capital distributions from a South African testamentary trust to non-residents, including emigrants, may be remitted abroad provided that the trustee’s resolution and the last will and testament confirm that the beneficiary is entitled to the capital distribution.

Proceeds from registered retirement funds and insurance policies (annuity, endowment and life) may be transferred abroad to nominated beneficiaries on the death of the policy holder. A death certificate and documentary evidence of the policy nomination will suffice as confirmation to allow the transfer.
How much is **JustEnough** for retirement?

A great deal of attention is focused on appropriate investment strategies in retirement. Until recently, advisors had to choose between a living annuity, with a flexible investment strategy, and an inflexible life annuity providing guarantees. It is now possible to access the best of both in a single structure.

This creates powerful financial planning opportunities, provided that clients understand how much they need at retirement to fund their basic living costs, and how much is available as discretionary assets once these needs have been met.

To address this issue, Just has launched a “JustEnough” campaign amongst financial advisors to help their clients consider retirement options that provide a guaranteed income for life that, at least, covers their basic living costs.

**How much is JustEnough for retirement?**

It is important to ensure that one can meet essential life sustaining expenditure in retirement. This includes food, accommodation, utilities, medical costs, transport and insurance.

For most households, this essential expenditure makes up between 65% and 75% of their monthly budget. This is surprisingly stable across different income categories: the difference being that those with higher incomes spend relatively more on housing and less on food than those in lower income categories, as shown in this table.

<table>
<thead>
<tr>
<th>Monthly household budget</th>
<th>R5 000</th>
<th>R10 000</th>
<th>R20 000</th>
<th>R40 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, non-alcoholic beverages and health</td>
<td>26%</td>
<td>18%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Housing, water, electricity, gas and other fuels</td>
<td>27%</td>
<td>30%</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>Transport, communication, clothing and footwear</td>
<td>22%</td>
<td>24%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Monthly household essential expenditure as a % of budget</td>
<td>75%</td>
<td>72%</td>
<td>68%</td>
<td>67%</td>
</tr>
<tr>
<td>Monthly household essential expenditure in Rands</td>
<td>R3 750</td>
<td>R7 250</td>
<td>R13 600</td>
<td>R26 900</td>
</tr>
</tbody>
</table>

Source: Statistics SA: General Household Survey (2014), adjusted for inflation per expenditure category

**How much capital does a married couple require to fund their essential expenses over their life expectancy?**

If we can identify how much households in different income brackets spend on essentials, then we can also calculate how much capital is required at retirement to secure this level of income for life, allowing for current tax rates.

We have used competitive with-profit annuity rates, which target increases in line with inflation over a wide range of investment and inflation scenarios, to determine the required capital. Spouses’ income has been set at 75% of the joint household income, which is broadly appropriate given the analysis of individual expenditure shown below.

<table>
<thead>
<tr>
<th>JustEnough for households</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly household essential expenditure</td>
<td>R3 750</td>
<td>R7 250</td>
<td>R13 600</td>
</tr>
<tr>
<td>Pre-tax income required to fund this essential expenditure</td>
<td>R3 750</td>
<td>R7 250</td>
<td>R14 450</td>
</tr>
<tr>
<td>Capital required for male age 65 and spouse 61</td>
<td>R800 000</td>
<td>R1 550 000</td>
<td>R3 100 000</td>
</tr>
<tr>
<td>Capital required for male age 75 and spouse 71</td>
<td>R550 000</td>
<td>R1 050 000</td>
<td>R2 100 000</td>
</tr>
</tbody>
</table>

Source: Just
This brings home two important points:

- Financial advisors are a person’s best hope for realising early in retirement that they need to set an appropriate lifestyle that meets their means.
- And for those who have more than enough assets to meet their essential needs, it is worth considering opportunities to lock into a guaranteed lifetime income that is JustEnough to cover these essential expenses, regardless of how long they live or what happens to investment markets. Any additional assets are discretionary.

How much is JustEnough for individuals?

When one member of the household dies, the remaining person will probably incur similar costs for housing and utilities, but half the spend on the other categories. This makes the essential expenditure for a single person approximately 50% of the total monthly budget across all income categories.

<table>
<thead>
<tr>
<th>Monthly household budget</th>
<th>R5 000</th>
<th>R10 000</th>
<th>R20 000</th>
<th>R40 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly individual essential expenditure as a % of household budget</td>
<td>51%</td>
<td>51%</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>Monthly individual essential expenditure in Rands</td>
<td>R2 550</td>
<td>R5 150</td>
<td>R10 150</td>
<td>R20 850</td>
</tr>
</tbody>
</table>

Source: Statistics SA: General Household Survey (2014), adjusted for inflation per expenditure category

As before, we can calculate the capital required by the individual to fund this essential expenditure over their life expectancy.

<table>
<thead>
<tr>
<th>JustEnough for individuals</th>
<th>R2 550</th>
<th>R5 150</th>
<th>R10 150</th>
<th>R20 850</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essential expenditure</td>
<td>R2 550</td>
<td>R5 150</td>
<td>R10 150</td>
<td>R20 850</td>
</tr>
<tr>
<td>Pre-tax income required to cover this essential expenditure</td>
<td>R2 550</td>
<td>R5 150</td>
<td>R10 150</td>
<td>R24 100</td>
</tr>
<tr>
<td>Capital required for male age 65</td>
<td>R380 000</td>
<td>R770 000</td>
<td>R1 520 000</td>
<td>R3 620 000</td>
</tr>
<tr>
<td>Capital required for female age 65</td>
<td>R470 000</td>
<td>R950 000</td>
<td>R1 870 000</td>
<td>R4 450 000</td>
</tr>
<tr>
<td>Capital required for male age 75</td>
<td>R250 000</td>
<td>R490 000</td>
<td>R970 000</td>
<td>R2 320 000</td>
</tr>
<tr>
<td>Capital required for female age 75</td>
<td>R300 000</td>
<td>R620 000</td>
<td>R1 220 000</td>
<td>R2 900 000</td>
</tr>
</tbody>
</table>

Source: Just

After a year of lower investment returns in 2016, we have seen a rekindling of the debate between living and life annuities. However, we believe that debate should now be consigned to history. There is a new generation of product that allows clients to have the best of both worlds in a single structure.
“The key to women empowerment lies in supporting other women,” says Jeanette Hearn, Deputy-CEO of Grant Thornton, in a Forbes Woman Africa interview.

It was with the aim of supporting, encouraging, developing and mentoring women in financial services that Women In Finance Network (WIFN) was established in 2013.

The growth of the Network is testimony to its relevance and popularity. Simone Arnold of Investec Asset Management says, “We are encouraged by the level of support the Network has achieved thus far.”

Now hosting two events each, in Johannesburg and Cape Town, WIFN has recently expanded to Durban and hosted an inspiring dinner with author and corporate leader, Shirley Zinn as speaker.

Welcome to WIFN events
If you enjoy a great breakfast or dinner at a beautiful venue, with industry colleagues and an inspiring message, make sure your name is on the WIFN invitation list. Guest speakers for WIFN have included Nicky Newton-King, CEO of the JSE; Shireen Chengadu, former GIBS director; Shirley Zinn, head of Woolworths Group HR and author; Debbie Goodman-Bhyat, author; and Helen Nicholson, networking and social media guru; among many other valued presenters (more details are available on the WIFN website).

Each event allows women in financial services to share worthwhile lessons as they shape their careers and thereby contribute to a growing industry. “Part of our role here is to leave a legacy, to trailblaze and create opportunities for other women,” shares Jeanette Marais of Allan Gray.
WIFN has enjoyed the support of professional and industry bodies such as the Financial Planning Institute (FPI), Financial Intermediaries Association (FIA), Financial Services Board (FSB), The Insurance Institute of South Africa (IIASA), and appreciates the endorsement of companies – both large and small – that have recognised the value of the Network.

**WIFN Giveback**

Women In Finance Network has partnered with The Reaboka Foundation. This non-governmental organisation supports women entrepreneurs in communities that strongly depend on their financial stability and contribution to be sustainable, through skills development. The Reaboka entrepreneurs create beautiful products, one of which is the WIFN bee, which each member receives as part of her once-off R150 membership fee. Visit www.reaboka.org to find out more.

And thanks goes to …

WIFN has enjoyed and is grateful for the support of the following partners this year, who enabled us to host wonderful events across three provinces: Allan Gray, Investec Asset Management, Old Mutual Wealth.

**What You Are Saying About WIFN**

Sherma Malan, CFP®, FPI: “We play in a male-dominated field, so WIFN gives us the opportunity to network and support each other.”

Esme Davies, Old Mutual Wealth: “Women bring an exciting and different dynamic to industries, businesses and relationships … the combination is powerful. Being part of a network like this one is a no-brainer. We look forward to a long relationship with Women In Finance Network.”

Simone Arnold, Investec Asset Management: “Investec Asset Management was excited to partner with WIFN because it aligns with our own female-focused initiatives. WIFN strongly resonates with our own internal objectives: mentoring, training, networking and generally supporting women in their career path within Investec. So we are excited to share ideas and hopefully increase the presence of women throughout the industry.”

Jeanette Morais, Allan Gray: “Allan Gray is involved in Women In Finance Network, not just to give back to the wonderful young people who work there, but because I passionately believe in the role that women have to play in the financial services industry.”

Amber Chowles, Momentum Financial Planning: “We always love to come to the Women In Finance Network functions. We get to connect with like-minded women and feel comfortable in a space where we all support each other. It is always so much fun and the guest speakers are brilliant – we can’t wait for the next one.”

Mariette Tappan, Liberty: “I was one the very first ladies to join this wonderful Network – I appreciate the professionalism and the speakers are world-class. I believe in the unity of women, I like the sharing, I like to learn. Women need to stand together and, in doing so, we can achieve a lot.”

Yvette Seepe, Chartered Wealth Solutions: “We love the Network because of the networking and mingling with beautiful ladies … and the delicious food at the events.”

**Follow and Join Us**

Visit the WIFN stand at the FPI Professionals Convention. The WIFN website will tell you much more about the Network (www.wifn.co.za) and has contact details should you wish to add your name to the invitation list, become a member or subscribe to the WIFN newsletter. The WIFN Facebook page (www.facebook.com/WomenInFinanceNetwork) is packed with thoughtful articles and photos from the Network’s events. Follow WIFN on Twitter (@WIFNetwork).
Karen Smal, Charl Jooste and Estee Beegte have recently been appointed as financial advisors at PSG Wealth’s office in Hyde Park, Johannesburg. Whereas Lynette Wilkinson joins the group as a stockbroker at the PSG Wealth, Peter Road Stockbroking branch in Sandton.

Karen Smal, CFP®
Karen, a specialist in investment and portfolio management that favours tax conscious investments and estate planning, was a legal advisor for various South African financial service providers. She is a CFP® professional with a B Proc; LLM in Taxation Law, a Postgraduate Diploma in Estate Planning and an Advanced Diploma in Financial Planning.

Estee Beegte, CFP®
Estee has been a private banking analyst, a private banker and a financial advisor since starting her career in finance in 2001. She holds a B.Com in Financial Management from UNISA, a Postgraduate Diploma in Financial Planning and a National Diploma in Cost and Management Accounting from the University of Johannesburg (then Witwatersrand Technikon). Estee is a CFP® professional.

Charl Jooste, CFP®
Charl obtained his financial planning qualification from the University of the Free State in 2004 and is a CFP® professional. He has a focus on high-net worth clients, retirees and young professionals, and says PSG’s freedom to operate allows him to offer clients the best solution for their needs.

Lynette Wilkinson, CFP®
Lynette, who holds a Postgraduate Diploma in Financial Planning and an Advanced Postgraduate Diploma in Estate Planning and Personal Risk, both from the University of the Free State, is a CFP® professional and member of the Society of Trust and Estate Practitioners.

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- Prudential Equity Fund
- Prudential Enhanced SA Property Tracker Fund
- Prudential Dividend Maximiser Fund
- Prudential Global High Yield Bond FoF

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Consistency is the only currency that matters.

Source: Morningstar data for periods ending 30 June 2017. Prudential Portfolio Managers Unit Trusts Ltd (Registration number 1999/002404/06) is an approved Collective Investment management company (CIM). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary financial services provider (PFA129). Collective Investment Schemes (unit trusts) are generally medium to long-term investments. The value of participatory interest (units) may go up and down. Past performance is not necessarily a guide to the future. The manager provides no capital or return guarantees. Unit trust prices are calculated on a net asset value basis, which is the total book value of all assets in the portfolio divided by the number of units in issue. Fluctuations or movements in exchange rates may also be the cause of the value of underlying international investments going up or down. Unit trusts can engage in borrowing and over-lending. Unit trusts are traded at ruling prices. All of the unit trusts may be capped at any time in order for them to be managed in accordance with their mandates. Commissions and incentives may be paid and, if so, would be included in the overall costs. Different classes of units apply to the Prudential Collective Investment Scheme Funds and are subject to different fees and charges. A Collective Investment Scheme (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. Performance figures are based on lump sum investments using NAV prices with gross income reinvested. This information is not intended to constitute the basis for any specific investment decision. Investors are advised to familiarise themselves with the unique risks pertaining to their investment choices and should seek the advice of a properly qualified financial consultant or adviser before investing.