INVESTMENT REPORT

DECEMBER 2023 • ISSUE 573

BRENTHURST
THE HOME OF WEALTH

THE POWER
OF INDEPENDENT ADVICE

www.bwm.co.za

# FAILING TO PLAN IS PLANNING TO FAIL

**By Suzean Haumann | Certified Financial Planner®, Brenthurst Bellville**

**INVESTORS OFTEN FOCUS SO INTENTLY ON A SPECIFIC FINANCIAL GOAL, THAT THEY OVERLOOK MORE IMMEDIATE RED FLAGS AND CONCERNS SURROUNDING THEIR FINANCES.**

As we near the end of yet another year, most of us will look back and reflect on the things that we wish we had done differently. We then start making plans to correct these mistakes or missteps in the new year.

Investors often focus so intently on a specific financial goal, that they overlook more immediate red flags and concerns surrounding their finances. Consequently, we need to begin the conversation by examining the investor's overall financial situation in order to identify potential conflicts in goals and priorities.

**Amid the current economic climate, many South Africans find themselves burdened by substantial credit card debt. The prevailing interest rates, coupled with the continuous rise in the prices of food, fuel and other necessities, have rendered credit card debt repayment a formidable obstacle for the average consumer.**

**This high interest-bearing debt poses a very real risk to short-term and long-term investment goals. Fulfilling the required minimum repayments takes away your potential to save more towards your retirement or any other savings plan**.

Approaching a financial advisor to analyse your overall financial wellness and investment plan can assist in establishing where these red flags are, how to approach them, and how to set out a plan to ensure the best possible outcome.

## IN THIS ISSUE

**The prevailing interest rates, coupled with the continuous rise in the prices of food, fuel and other necessities, have rendered credit card debt repayment a formidable obstacle for the average consumer.**

INVESTING WITH SA'S
LEADING BOUTIQUE WEALTH MANAGER
WINNER 2020 & 2017 | RUNNER-UP 2023 & 2018
TOP 3 2022 & 2021 | TOP 4 2019
RANKED AMONGST THE TOP WEALTH MANAGERS FOR 7 CONSECUTIVE YEARS


| | |
|---|---|
| JHB ( HQ) | +27 (0) 11 799 8100 |
| JHB (SANDTON) | +27 (0) 10 035 1391 |
| PTA | +27 (0) 12 347 8240 |
| CAPE TOWN | +27 (0) 21 418 1236 |
| BELLVILLE | +27 (0) 21 914 9646 |
| CLAREMONT | +27 (0) 21 100 3901 |
| STELLENBOSCH | +27 (0) 21 882 8706 |
| PAARL ( VAL DE VIE) | +27 (0) 21 100 3901 |
| GEORGE | +27 (0) 82 551 3299 |
| MAURITIUS | + 230 5843 5215 |




*Brenthurst Wealth Management (PTY) LTD FSP No. 7833*

## STRUCTURING A DEBT-REPAYMENT PLAN:

1. List all your debts.
2. Organise the list from debt with the highest interest rate to debt with the lowest interest rate.
3. Determine how much extra (over and above the minimum repayments on all your debt) you can afford to spend on debt each month.
4. Allocate the extra funds towards settling your debt, starting with debt with the highest interest rate.
5. Once you've paid off the debt with the highest interest rate, allocate that debt's extra funds and minimum repayment amount to the debt with the next highest interest rate.
6. Continue this process until you've paid off all your debt.

Once the debt has been fully settled, focus should be placed on ensuring that a healthy emergency fund is established. It is advisable that your emergency fund is equal to at least three months of your net salary. This should help to prevent you from returning to old habits of relying on credit cards during emergencies.

Once your emergency fund has been set up, allocate all extra available cash towards your investments, savings and retirement funds. Ensure that you increase these contributions on an annual basis, with each salary increase you receive. Your annual savings increases must remain in line with inflation.

If anything drastic happens in your life that will impact your financial plan, adjust it accordingly. Review your financial plan at least once a year, together with a professional advisor, to ensure that your portfolio allocations still meet your goals. ***And always remember… FAILING TO PLAN IS PLANNING TO FAIL.***

SUZEAN HAUMANN | CERTIFIED FINANCIAL PLANNER®

**SUZEAN is head of the Tyger Valley office, as well as one of the company's key individuals.** She is a CERTIFIED FINANCIAL PLANNER® and a registered member of the Financial Planning Institute of South Africa.

She has experience in various aspects of financial planning, focusing on investment and retirement planning. Suzean is also a qualified Foreign Exchange Consultant for the company, with a wealth of knowledge in offshore investments.

Suzean joined Brenthurst Wealth in 2010 and is fully qualified to give advice on all investment matters.

**Tel:** +27 (0) 21 914 9646 | **Email:** suzean@brenthurstwealth.co.za

## CONTACT ANY OF OUR HIGHLY QUALIFIED FINANCIAL ADVISORS AT OUR 9 OFFICES COUNTRYWIDE TO DISCUSS YOUR INVESTMENT STRATEGY

### BRENTHURST OFFICES:

| | | | |
|---|---|---|---|
| **Johannesburg** | +27 (0) 11 799 8100 | **Claremont** | +27 (0) 21 100 3901 |
| **Sandton** | +27 (0) 10 035 1391 | **Bellville** | +27 (0) 21 914 9646 |
| **Pretoria** | +27 (0) 12 347 8240 | **Stellenbosch** | +27 (0) 21 882 8706 |
| **Cape Town Waterfront** | +27 (0) 21 418 1236 | **Val de Vie Estate** | +27 (0) 21 100 3901 |
| **George** | +27 (0) 82 551 3299 | **Mauritius** | 00 230 5843 5215 |

### BRENTHURST SATELLITE OFFICES:

**KWAZULU-NATAL | FREE STATE | MPUMALANGA | NORTH WEST**

Brenthurst Wealth Management is an authorised financial services provider (Reg No: 2004/012998/07) FSP No.7833. This e-mail and any file attachments transmitted with it are intended solely for the addressee(s) and may be legally privileged and/or confidential. If you have received this e-mail in error please destroy it. If you are not the addressee you may not disclose, copy, distribute or take any action based on the contents hereof. Any unauthorised use or disclosure is prohibited and may be unlawful. The view and opinions expressed in this e-mail message may not necessarily be those of the management of Brenthurst Wealth Management (Pty) Limited.