

IT STARTS WITH YOU...



**NO MATTER THE ROAD YOU CHOOSE...
A JOURNEY STARTS WITH YOU TAKING THE FIRST STEP**

**THE BEST WAY TO SAVE
IS TO START...**



**A SEED CAN ONLY GROW
IF IT IS PLANTED**

CONTENTS:

- **PAY YOURSELF FIRST EVERY MONTH**
- **SAVING = LONG TERM SUCCESS**
- **BY SPENDING MONEY, I DECIDE NOT TO SAVE**
- **PAY OFF DEBT AS SOON AS POSSIBLE**
- **SEE YOUR EXPENSES**
- **ALWAYS USE A LIST WHEN BUYING**
- **BUDGET**
- **WHY INSURANCE MATTERS**
- **WHAT IS THE VALUE OF YOUR INSURANCE**
- **GETTING SERIOUS**
- **CONCLUSION**

PAY YOURSELF FIRST...

It is so easy: see yourself as the number one financial priority

Become your own employee and pay yourself a fixed monthly 'salary' (ex R500)

This amount must be debited first thing every month from your account

This way you are saving before any other expenses and not at the end, if there is any money left

SAVING = LONG TERM SUCCESS

**If you keep paying yourself first every month, you are gradually building your own funds for a rainy day
A strong nest egg as a reward for your hard work**

You see yourself first and manage your life so that your savings is available as a reward for your achievements

Even if you start with a small monthly amount, you are developing the habit of saving.

In time you will start enjoying this so much, that it will become easier to increase this amount

Why long term?

If you started from January 1998 to invest R250 per month in one of our leading Insurance Companies' Investment fund, then today that same investment would be worth R469,000, and the total amount that you have paid in over the time was R68,000, truly showing the benefit of interest upon interest over a term.

If you then also increases this same investment with 7,5% to cope with inflation, you should have spend R164,000, but your investment would have been worth R770,000

***Previous results not necessarily a proof of future results**

***Calculated as of end July 2018**

**Saying “NO” to one thing
just means saying “YES” to another**

**It’s about balance,
and learning how to get the most
bang for your buck**

**It’s also learning how to deal with the temporary
disappointment when your head says “no” to
something your heart has said “yes” to**

**When you decide to spend your hard earned
money on something that your heart wants, but
your head knows you actually can live without,
you are deciding to save less**

**You must decide if what your heart wants is more
important
than a financial free future**

DEBT IS YOUR ENEMY...

**Just as it is easier to avoid putting on 5kg than to lose it later,
debt is easier to avoid than to clear**

That's because if you borrow R5000 at, say an interest rate of 20% annually, you're going to have to find R6000 to pay it back.

And if you don't pay it back on time, you'll pay interest on that interest (It's called compounded interest)

Few of us can afford to pay cash for the big things like homes and cars, but it makes sense to avoid borrowing and rather save up or spend only what you can afford to settle on payday

If you already have debt, try to pay it off as soon as possible

By increasing your monthly re-payment, you are shortening the term, meaning less interest payable

KNOWLEDGE IS POWER...

**It's quite surprising how many of us spend our
hard-earned money,**

but at the end of the month,

**cannot account where all of our hard-earned
money disappeared to!**

**We, for example, will need bread and milk,
but when we get home after going to the shop for
these, we will have purchased so much more!**

That's why it is important to

ALWAYS USE A LIST WHEN YOU ARE BUYING

**It's important to know what you are buying and
how much you have spent,**

because to achieve financial freedom,

you have to budget,

and more importantly, stick to this budget

The big B... BUDGET...

Everyone talks about budgets; very few of us have one. Yet they take only an hour or two to set up and give you an aerial perspective on your financial life.

Here's how to create one...
Draw up three columns and total each:

INCOME	FIXED EXPENSES	OTHER EXPENSES
<p>Examples:</p> <ul style="list-style-type: none">- salary- commission- investment <p>Income</p> <ul style="list-style-type: none">- rental income	<p>Examples:</p> <ul style="list-style-type: none">- mortgage / rent- car repayments- medical aid- insurance- rates and water- memberships- school fees	<p>Examples:</p> <ul style="list-style-type: none">- fuel- telephone costs- food- entertainment- clothing- housekeeping costs

Between your bank and card statements, you'll be able to fill in most of the above; but for the first month, keep track of how you spend the cash you draw, too.

What this budget tells you is where the money goes and, if you have to cut spending, where you can do so.

WHY INSURANCE MATTERS...

It's nobody's first prize to hand over their lovely money for something like insurance, which is all about gloom and doom that they hope never happens

So why do it?

Insurance is a business deal

You know you might not, say, crash your car or need a heart bypass, but you also know that, unfortunately, these things could happen

So you "buy" backup - -

You and the insurers agree that in exchange for a little money every month, they will be on standby to give you an appropriate pay-out to help you through if trouble hits

There basically are two groups of insurance:

1. SHORT-TERM or GENERAL INSURANCE

Includes things like your car and household goods

It secures items on which you still owe money

If your car is stolen, insurance means you don't find yourself having to pay it off for years while not having the pleasure of driving it

2. LONG-TERM INSURANCE

Includes life insurance and its associated products, like income protection. It is for weightier events like becoming disabled, losing your life, etc.

Medical aids

Pension plans

Saving for child education, etc.

WHAT IS THE VALUE OF YOUR INSURANCE...

If the world is kind to you, it might seem that your insurance premiums are an unnecessary monthly expense

It's only when you experience those unplanned negative incidents that you value the assistance those payments have bought you, and the wonderful peace of mind, too

The key to getting the most out of your insurance is to get to know the terms and conditions upfront, and to fulfil your side of the deal

Honour the rules and they will help you in the long run

QUESTION EVERYTHING...

When you're taking out an insurance policy, these are the points you should ask about:

- **Exactly what and who the policy covers**
- **Exactly what is excluded**
- **The "rules" that define the policy, and what conditions you must fulfil**
- **Whether there is a time lag between taking out the policy and it becoming effective**
- **If annual premium and benefit increases are built in**
- **How to proceed if you need to make a claim**
- **Whether or not there are penalties, and what they are, should you change your mind about the policy or let it lapse**

One of the most important things to consider regarding insurance, is who to trust..

It is very important to find an accredited financial advisor, who is accredited with most insurance companies, and have a track record of giving good, sound financial advice and where you are not just another number, but where you, and your needs, matter

GETTING SERIOUS...

What you need, and why you need it

MEDICAL AID:

You're healthy, sure... But when last did you look at what a simple operation will cost you? If you think medical-Aid premiums are expensive, try spending a night in hospital.

PENSION:

We know there are a lifetime between now and the time you go on pension. But the sooner you start saving for retirement, the less you'll have to put away every month for the rest of your life, and the better off you'll be

Then there are also the tax benefits...

SHORT-TERM INSURANCE:

Motor Insurance

You might be the most careful driver in the world, but someone could still smack into you. And yes, it's their fault, but how are you going to force that person to fix your car, and fix it properly? You could spend months trying!

And even if your third-hand 12-year-old banger isn't worth much, you still need insurance should you crash into the back of a R850,000 Mercedes-Benz when you are not looking!

Home-contents insurance

Of the many little disasters that could occur, home burglaries, unfortunately, are common. Replacing a household of stolen goods may be prohibitively expensive!

Check that your cell phone is covered in the all-risks section of your insurance. If not, think about what it might mean if you lost it.

LIFE COVER:

If something happens to you and you're no longer able to provide for your family, you'll need someone to step in to see that they'll be OK. Also, somewhere the money must come from to settle your debt... That's what these are for

DISABILITY AND SEVERE ILLNESS COVER:

One way of giving yourself some peace of mind about these events happening, is to get the right cover in place

Car Accidents are a very real threat, many people lose their sight, a limb... and many people become disabled because of natural causes...

Severe illnesses like HIV, Cancer, etc. is a very real threat

We don't want to be one of the unfortunate one's, but we really all need to think about what would happen if we are unfortunate enough to experience an event like these

INCOME PROTECTION:

If you have an injury and can't work for some months, or can't work due to becoming disabled, your income can dry up overnight. It is important to protect your income, this is your livelihood

FUNERAL COVER:

Funerals are very expensive. Think about a personal, parent or family funeral plan, it really would help a lot in that sad situation to at least have the financial burden lifted

EDUCATION COSTS:

As soon as your baby is born, start making plans for the different stages of education

And last, but not the least... SAVINGS:

Every bit counts. You can never save enough, so get started as soon as you start earning money

THE END...

**You are the heart of your home
Whether you're the breadwinner, or "just" the caregiver –
and especially if you're both –
the contribution you make is vital to your family**

**It is not just "stuff" ...
It is YOUR stuff. The sense of being violated that results
from involvement in a car accident or being burgled, can
really hurt
We can't control others' behaviour, but we can plan for
them...**

**Benjamin Franklin said it first:
"...in this world, nothing can be certain except death and
taxes."**

**Insurance is a very personal thing
Each of us has different needs and priorities**

**WE HOPE IT NEVER HAPPENS,
AND WE CAN'T KEEP YOU SAFE...**

BUT WE'VE GOT YOU COVERED

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