

G.B.W. Financial Planners

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IN TOUCH

Sandy McGregor in an Allen Gray 31 December 2016 article, comments on affairs globally and states: " Trump won despite having insulted at one time or another almost every constituency in the US, including women, blacks, Hispanics, Mexicans, Muslims, the Wall Street elite, war heroes and even the obese." He goes on, 'A common characteristic of any ruling political elite is an inability to contemplate, let alone implement radical change. If you want change, you must replace the entire Incumbent leadership.' It therefore seems, the American voters wanted change. McGregor went further, 'This is what happened in the UK and the USA between 1979 and 1981 when Thatcher and Regan came to power espousing an economic philosophy totally different from the then prevailing consensus. More dramatically, in 1989 Communist regimes in Eastern Europe were overthrown by a popular uprising, and replaced by market economies.'

Here in South Africa, anyone who had an investment in 2016 would have seen little or no growth in their investment. The good news is that Asset managers we hear from are a little more positive for 2017 than they were in 2016. Investors must remember that when they hear Asset managers or Economists in the media talking about where to invest, they are referring to people who have new money: Retiring, policy maturities, selling a house, etc. They are not talking to people who are already invested. To disinvest and chase new trends is financial suicide. However, each situation is different and needs to be understood in its context. We now all await the February 2017 Budget speech.

FATCA – Foreign Account Tax Compliance Act is a new reporting system designed to track cash flows. It is mainly for people who do business outside South Africa, people who have dual citizenship, politically connected people who travel abroad, plus a few other minor criteria. Some clients may therefore be requested by Allen Gray to furnish certain information on this issue, but it is nothing to be concerned about.

Our new Medical Consulting Company Cure-Med has warned us to be aware of possible shortfalls in the chosen Medical plan and the complimentary Gap Cover plan. Any queries on this, call your Financial Planner and he will assist.

May 2017 be a great year for you all.

THE TEAM