

PERSONALISED LEGAL ASSISTANCE

Professional legal and property consulting

SONNENBERG & ASSOCIATES PROPERTY AND LEGAL ADVICE NEWSLETTER #60

1. Legal Quotes

"Law is the rudder of the ship of state." [Austin O' Malley]

"Lawyers and painters can soon make what's black, white." [proverb]

"Law and equity are two things which God has joined, but which man has put asunder." [Charles Caleb Colton]

2. Legal short

A professor stands in front of his class and poses the following problem: "A wealthy man dies leaving an estate of R50 million. One third goes to his wife, one fifth to his son, one eighth to his secretary, and the rest to charity. What does each get?"

After a long silence in the classroom a hand is raised. "A good lawyer?" answers the student.

3. Inspiring quotes

"You can close your eyes to the things you don't want to see, but you can't close your heart to the things you don't want to feel." [Johnny Depp]

"Sometimes you will never know the value of a moment until it becomes a memory." [Dr Seuss]

"Keep your thoughts positive because your thoughts become your words. Keep your words positive because your words become your behavior. Keep your behavior positive because your behavior becomes your habits. Keep your habits positive because your habits become your values. Keep your values positive because your values become your destiny." [Mahatma Gandhi]

4. The 10 numbers you should know

This article recently appeared in Moneyweb. I thought it particularly relevant. [Thanks to Moneyweb!]

To keep things simple, here is a list of the ten numbers you really ought to know:

1. [The number of years left to retirement](#): without this you cannot plan.

2. [The inflation rate](#): that is the minimum return you need to earn on an investment.

3. [The prime rate](#): that is the base cost of debt against which you compare what you are currently paying for debt. Anything above prime + 2% is expensive.

4. [The percentage of your monthly budget spent servicing debt](#): anything above 60% now could indicate a high probability of financial stress if interest rates were to increase 3-5% over the next 18-24 months.

5. [The percentage of your income going into investment and retirement savings](#). Anything below 15% is wholly inadequate.

6. [The difference between your assets and liabilities](#). That is your current net worth (wealth) – it is important to understand the growth prospects of your assets and the cost and structure of your liabilities, and the resultant impact on ongoing wealth creation.

7. [Your average rate of tax](#): anything above 35% would suggest that you could benefit from tax planning. That hurdle rate would be lower for a retiree.

8. [The TER \(total expense ratio\) of your investment portfolio including fund \(including any performance fees\), administration and advice fees](#). As an individual investor, you can't control the market, but you can control the expenses. Too few investors know what they are paying for their investment portfolio.

9. [The present value of your required retirement capital](#). That allows you to compare to how much you currently have saved in relation to your goal.

10. **Your wedding anniversary, your spouse and kids' dates of birth**. These are the numbers that add meaning to the numbers above.

Good news! The 2015 Estate Agency Affairs Board fidelity fund certificates for Sonnenberg Property Services finally arrived on Monday this week. I am looking for mandates. Let me know if I can assist you in leasing or selling your property.

All newsletters can be obtained on our website: www.sonnenberg.co.za.



FRITZ SONNENBERG | Legal Consultant
Mobile: 083 251 5451 | Email: Fritz@sonnenberg.co.za | Skype: fritzsonnenberg



SONNENBERG
PROPERTY & LEGAL ADVICE