



## Ways to Protect your Wealth

**R**ecent statistics reveal that there is currently a host of frightening risks threatening the security of your wealth. The divorce rate in South Africa has escalated by roughly 28% over the past year, and close to a quarter of the population is currently unemployed or insolvent. Although there is no way of completely preventing the appearance of these threats in your life, there are a few basic principles that could help you to minimise their effects.

Ironically enough, the most significant protection most of us need is against ourselves (or, more specifically, against our emotions). Many of us try to implement quick strategies for wealth protection without understanding the full implications thereof. It is always best to consult a professional in order to obtain independent estate planning advice before making any rash decisions. This counsel will no doubt enlighten you about the following fundamental pillars of wealth protection:

### Sign a will

It is said that a will may be the most important document you will ever sign.

It enables you to stipulate your wishes in writing, ensuring that your legacy is left in the right hands when you are no longer around. Should you be married, your marital regime may have an impact on the way in which you stipulate your wishes, so be careful of those "Wills for Dummies" templates. For those of you who are unmarried, make sure to obtain proper advice on the different marital regimes and the legal implications of each before tying the knot.

### Diversify ownership of your assets

It is common knowledge that most wealthy people do not own all their assets in their personal capacities. Should you wish to protect your wealth, it may be worth your while to consider the benefits of owning assets in your own name, in the name of your spouse or children (depending on your circumstances), in a Trust or Company (or a combination of both), or in a pension fund or retirement annuity. Each of these investment vehicles has its own benefits from a protection, succession and tax point of view.

### Insurance

Don't underestimate the value of proper assurance – be it life cover, income protection, cover for disability or disease or even short

term insurance for valuable assets. Make sure that you have sufficient insurance in place in case that "it will never happen to me" scenario comes knocking on your door.

### Flexibility

Allow for enough flexibility in your estate planning structure to be able to adapt to a change – in your personal circumstances or the legal environment – that may impact the way in which you manage and protect your wealth.

These are just a few basic principles for managing the modern-day risks to which we are all exposed on a daily basis. It is preferable to start an estate planning exercise by consulting a fiduciary expert – a list of whom is available on the website of the Fiduciary Institute of South Africa: [www.fidsa.org](http://www.fidsa.org). Or alternatively contact a suitable qualified and registered financial planner.

For further information call +27 11 303 5632 or e-mail Mpho Tladinyane at [mtladinyane@fnb.co.za](mailto:mtladinyane@fnb.co.za).

---

Text: Diederick Bisschoff, *Fiduciary Specialist at RMB Private Bank*  
Image © iStockphoto