

From **Physical Fitness**
To **Financial Fitness**



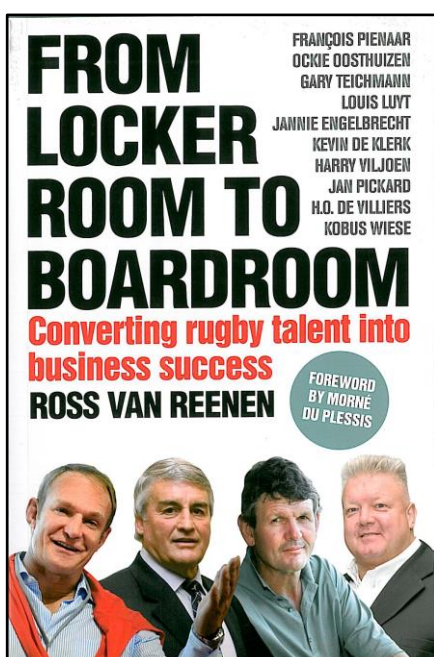
Dries du Toit – Independent Financial Consultant



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Are Professional Rugby Players Financially fit when they Retire?



Prof. Ross van Reenen answered the question in his book:

From Locker Room to Boardroom

'More than 84% of professional rugby players are going to find it difficult to survive financially, once they stop playing rugby.'

SARPA asked a seasoned Investment Professional, Dries du Toit, to give his views on this delicate matter



Dries du Toit

Background and Experience

- 40 Years' Investment Experience
 - 5 Years Actuarial and Pensions
 - 26 Years Investment Management
 - 9 Years Investment Consultancy
- Chief Investment Officer and Strategist : Sanlam
- Investment Consulting / Retirement Planning
- Radio (RSG Geldsake) / TV / Media Articles
- Investment Seminars & Roadshows

1. Dries, are South Africans, in general, retiring comfortably on average at present?

Unfortunately today fewer than 10% of South Africans accumulate enough savings at retirement to support their lifestyle needs after retirement.

2. What are the reasons for this sorry state of affairs?

- a) People start saving for retirement too late and save too little
- b) People not belonging to a Pension Fund save too little by way of Retirement Annuities
- c) When people change jobs they don't preserve their accumulated retirement savings
- d) Divorce is a costly affair and may consume 50% of your accumulated savings.

3. Are Professional Rugby Players in a good position to save adequately for Retirement?

Professional Rugby Players are in a **sweet spot** to save enough for retirement because their remuneration in the first 10 years of their careers will be above / substantially above the national average. Adding compound interest for 30-40 years (the greatest force on earth – according to Albert Einstein) to their retirement savings will go a very long way towards ensuring a comfortable retirement. **Use it or lose it!**

4. What do the former Rugby Greats have to say on this matter?

Prof. Hannes Marais : Former Springbok Captain

'You have to equip yourself as well as possible for a career outside rugby. Make sure to organise your money matters from early on. You have to know where you will stand some years from now!'

Breyton Paulse : Springbok Wing

'My advice to players is to become as well qualified as possible. You must have something to fall back on. Make sure that you get good financial advice, so that the money you earn during your playing days is invested well.'

5. What is the Road to Financial Fitness?

- a) Take **Financial Ownership** of your Life from an early age
- b) Appoint an experienced and registered **Financial Adviser** to assist you
- c) Develop a **Financial Plan** for you / your family from the cradle to the grave
- d) **Diversify your investments** over all asset classes, best asset managers, locally and overseas.
This is the only free lunch in Investments
- e) Your Total Portfolio should be in **harmony with your individual tolerance for risk**
- f) Your Portfolio should be **monitored and managed with regular report-back** from your adviser
- g) The majority of players need a **Professional Financial Coach and Mentor** and simply cannot go it alone. Do not underestimate this fact.

6. Should there be Formal Financial Education Seminars?

I feel strongly that **Provinces, S.A. Rugby and SARPA** should take the initiative to organise **Investment Seminars and Roadshows** for professional Rugby Players using the **best Financial Specialists and Planners available**. There are many well-qualified Specialists to choose from.

7. Can you give two examples of the type of Investment Seminars that could be arranged?

A) The Richest Man in Babylon and Today



- The Babylonians were the richest people of all the old civilisations. Why?
- Learn about the '**7 cures for a lean purse**' that have stood the test of time
- The same principles are well employed today by successful Investors and Business Executives
- What are these magical 7 principles?

1. '**Start thy purse to fattening**'. Pay yourself first is the most important bill in life!
2. '**Control thy expenditures**'. If you can measure it, you can manage it!
3. '**Make thy gold multiply**'. How do you make compound interest work for you!
4. '**Guard thy treasures against loss**'. How can you avoid the Ponzi, get-rich-quick schemes?
5. '**Make of thy dwelling a profitable investment!** Is it better to buy or to rent a home?
6. '**Insure a future income**'. How do I know if I am saving enough for retirement?
7. '**Increase thy ability to earn**'. Learn before you earn! Get a financial mentor!

B) Building Generational Wealth



- How do you formulate a Financial Plan that would meet all your future financial and investment objectives?
- What processes should be used in order to select the right products to satisfy your needs?
- The Overall Investment Objective is to create and preserve generational wealth with financial peace of mind.

Steps to Formulate your own Financial Fitness Life Plan

1. Take **Financial Responsibility** for your Life as early as possible
2. Formulate your own Individual **Life and Contingency** Plan
3. Consider carefully all the relevant **Retirement Options and Dates**
4. **Manage your Income** prudently during Retirement
5. **Communicate** your Generational Wealth Plan to the Beneficiaries and Family.

8. What are successful former players saying about Financial Fitness?

Andre Markgraaff : Springbok Coach

'I have seen too many retired Springbok Rugby Players totally bankrupt, or alcoholics, or jobless, or simply in total despair. It is tragic to see these former players could not move forward from their glorious and illustrious pasts, to the realities of life off the rugby field.'

André Vos : Springbok Captain

'You must prepare for a career after your playing days are over. Organise your finances right from the start. You must form a picture of where you will be some years from now.'

9. A final word from you, Dries

Start formulating your **Personal Financial Fitness Plan** to **Create and Preserve Generational Wealth** with **Financial Peace of Mind**.

Today is the first day of the rest of your life. Use it or lose it!