

Your year-end to-do list

**Morningstar Investment Management
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The end of 2023 is fast approaching and with it, a sigh of relief. It was another volatile year where politics and economics continuously toyed with our emotions. There was little peace amidst the turmoil we witnessed throughout the year, and it's only natural that some of us are experiencing some level of fatigue.

With the longer days and shorter nights of summer upon us, Christmas decorations already in the shops, and everyone starting to make holiday plans, most of us are ready to take a well-deserved break. Every year around this time, I get so excited. The end of the year usually ushers in time to rest, reflect and reset before we embark on another trip around the sun.

I normally make sure I dedicate time during December to take stock and make a list of things that are important to take care of before the year officially ends, and while time is on my side.

This list consists of many different things from decluttering, donating my time and goods (such as clothing) to charity, spending time with friends and family, to making sure my will is up to date and the beneficiaries listed on various policies are still correct.

Below I've listed my typical financial "year-end to-do list". Taking care of some of these items as soon as possible is a great way to enter the new year with peace of mind and one step ahead of another potentially crazy year ahead.

1. Make sure your will is 100% valid and up to date. It is incredibly important to review your will annually to ensure that you have noted all changes (such as new assets, changes in beneficiary nominations, etc.) as well as the items that have not changed and that all the information in your will is still relevant. If you have not reviewed your will this year yet, now is a great opportunity.
2. Review what you have insured. Are all the items on your insurance policy still relevant? And, remember to add any noteworthy holiday gifts too.
3. Review your insurance policies. Are your life insurance and other risk policies (funeral cover, disability cover etc.) in order?
4. Review the beneficiaries listed on life insurance and long-term benefit products (such as retirement funds).
5. Does your medical aid need an upgrade or downgrade perhaps? Are you familiar with everything you are covered for?
6. Pay January bills in advance – like rent, school fees, monthly repayments, etc. A lot of employers pay December salaries in advance, so before you spend what is meant for January bills in December, make sure you pay and/or allocate that piece of your budget puzzle as soon as it lands in your bank account. We all know that January is a tough month from a financial perspective as most of us go a little overboard with spending in December.

For Financial Advisors and their Clients

7. Set up a Budget for 2024. If that is too overwhelming, start with a budget just for January. Budgeting is a great way to be realistic about your spending and savings habits. It allows you to manage your money, instead of your money managing you.
8. Make use of your tax rebates, like your retirement annuity contribution, before the tax year ends (end February 2024) – you can contribute 27.5% of your gross income to a maximum of R350,000 per annum to a retirement annuity for a tax benefit.
9. Maximise your contribution to your Tax Free Savings Account (TFSA) – you can contribute R36,000 per annum. If you don't have a TFSA just yet, take some time to read up on the benefits of opening one. A TFSA is a great way to save diligently for the long term without having to worry about paying tax on your investment returns.
10. Any lazy cash lying around that should be invested instead? Speak to your financial adviser sooner rather than later to see how this can be best used to reach your financial goals before December spending takes hold.

In the words of Howard Marks, "You can't predict. You can prepare". Build the arc before the rain starts and go into 2024 with a rested mind and ready to face what the new year may hold.



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