



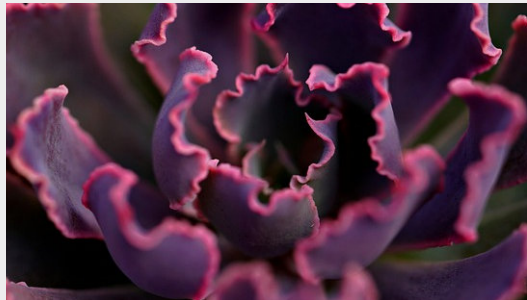
FinPlanCo

NEWSLETTER H1 Apr 2026

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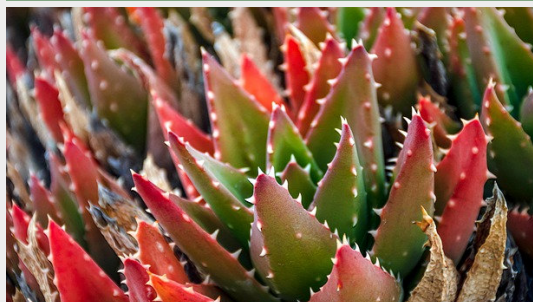
1 QUITTING OIL

Can the World go cold turkey? The answer is "No" for now but there is a way out given time. The fact is that much like money, it takes energy to make energy.



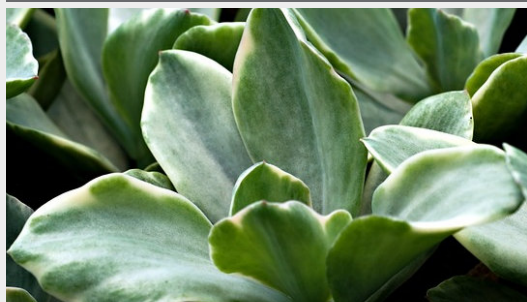
2 THE ROLE OF ACTIVE MANAGEMENT

Passive funds and ETFs have been the flavour of the month for the last 15 years. Does Active Management still have a place?



3 THE SILVER SHIFT AND IKIGAI

With global populations aging and life expectancy soaring over the last 20 year, how do we adjust to the new normal?



4 FINANCIAL FAQ

A regular segment in the newsletter to cover some frequently asked financial planning questions that may be useful to others.



INTRODUCTION

In this newsletter we have a mix of topical and planning articles to share.

Oil is one of the more topical ones because the current supply shock affects all our daily lives. Can we ever move away from Oil dependence and what would it take?

Our newest team member Enrique writes an article about the importance of starting early with your retirement savings to put time on your side.

Then we look at some of the challenges and opportunities that the globe faces due to aging populations. There are many benefits to be found, and we find ourselves increasingly planning for longer client lifespans.

Our usual "pink snippet articles" focus on financial biases, the latest budget, and the costs of buying or selling a property.

Carel ends the newsletter with an evaluation of when active managers shine, and finally we answer a few quick questions in our Financial FAQ section that has become a newsletter staple.

"The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails" - William Arthur Ward

GLOBAL ENERGY: QUITTING OIL

Wilhelm Tempelhoff - Oil, we can't live with it, and we can't live without it. It greases the wheels and runs the engine, but can alternatives be viable and can we shift over quickly enough?

Oil still makes the world go round but with indications that supply will dwindle over the next 50 years, can the world wean itself off oil? The global economy needs energy to function, and crude oil is still an integral part of transportation, manufacturing, travel, heating and more.

Over human history our main source of energy is the sun: it heats our planet, allows for photosynthesis, drives our water cycle, influences the wind, grows our crops, etc. At its simplest the sun's energy is captured in plant and animal life from where we humans unlock it.

For a long time, all we needed was access to a good wood supply with the energy captured in this carbon rich resource serving as our main energy source. Eventually we started harnessing animal power, followed by the wind and flowing water. As our energy hungry species grew so did our demand for it and we sought more and more dense energy sources to use, converting to the use of peat and charcoal. In the 18th century this culminated whaling for whale-oil which eventually (thankfully) bowed out in favour of crude oil and natural gas. Oil has been the most useful natural energy resource because of its energy density and the fact that it is widely available.

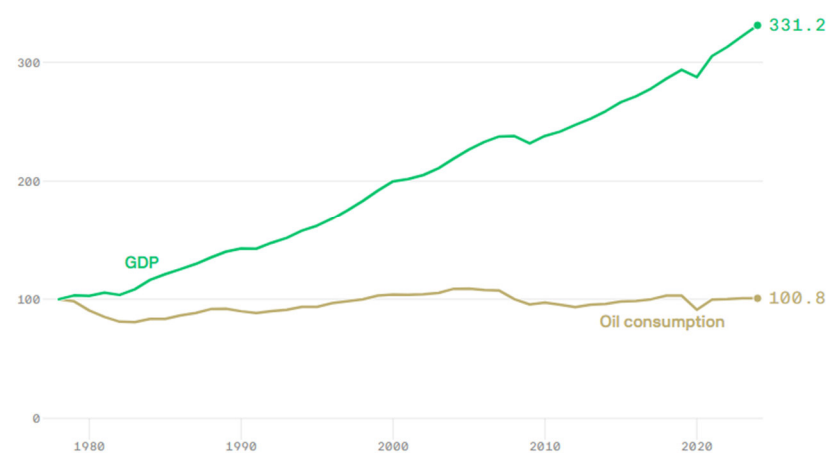
From this wonderous resource we also developed jet fuel, propane, butane, chemicals, bitumen, lubricants, and more. Petrochemicals are the foundation of plastics, detergents, fertilisers and medicine. It's easy to see how ingrained oil has become in our society and everyday lives.

Perhaps, therefore, it is not so surprising that we have not been able to walk away from oil in favour of other energy sources. Over the long term we know we need to, if only because oil is finite and due to the environmental costs. America has however been able to keep their oil usage steady since the 1970s even with a vastly larger economy.

It boils down to intelligently converting to alternatives over time. Unfortunately, it means that the initial costs will be high and gains only materialise over the longer term because it takes energy to manufacture energy producing assets, and this can be illustrated by the following:

Change in U.S. GDP and oil consumption

100 indexed to 1978; Annually, 1978-2024



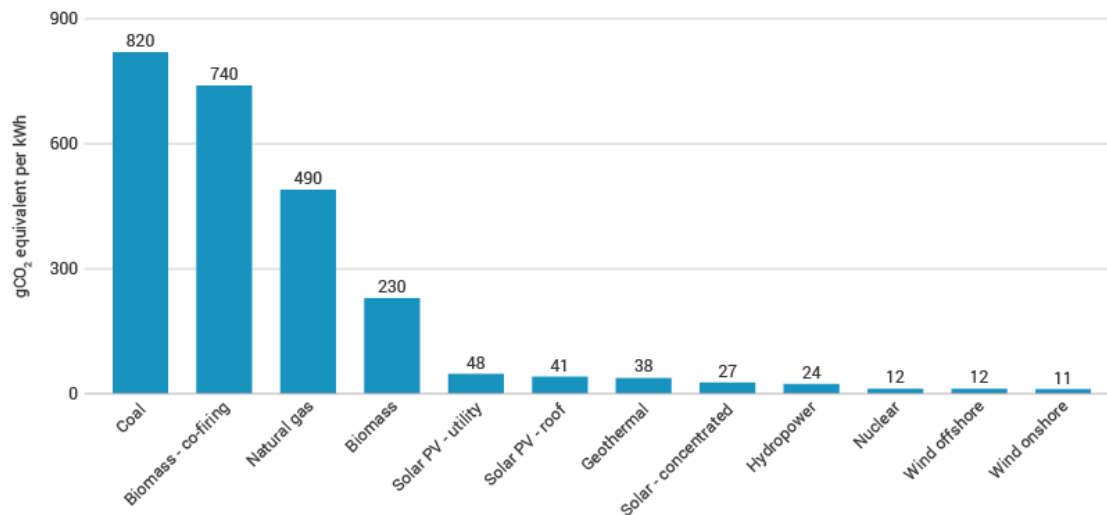
Data: JPMorgan via Bureau of Economic Analysis and Energy Information Administration. Chart: Axios Visuals

The carbon footprint of a single wind turbine blade is roughly 42 tonnes of carbon dioxide over its lifecycle. This is due to its manufacturing and eventual decommissioning process. The majority (often 80-90%) of the lifecycle CO₂ emissions are produced in the manufacturing and construction of the wind turbine. This may sound like a lot, but a Wind Turbine represents only 4% of the CO₂ emission per Kilowatt hour compared a coal fire plant. Initially the resource and energy cost is high, but they

have a 20 year plus lifecycle and generally recoup their emissions within a year when compared to other energy production alternatives.

This illustrates how you still need energy, likely from fossil fuels, to manufacture the infrastructure for clean energy alternatives. Eventually the cycle may shift where clean energy produces more clean energy. The chart below compares the Carbon footprints per kWh for different sources of energy:

CO₂ Emissions per kWh by Fuel Type



Source: World Nuclear Association

It usually takes some shock to the system to help accelerate healthy changes. Covid showed us how we can work from home and helped to improve the infrastructure and systems used to communicate and collaborate without the need to be physically present. Perhaps the latest round of supply shocks to oil forces the world to make or accelerate other plans...



Financial Biases

We are all human and challenged by a set of inherent biases when it comes to our financial lives. It helps to be aware of them to improve your financial behaviours. Here are some of the main ones to be aware of:

- **Confirmation Bias** – we tend to look for information that supports our opinion or current way of thinking while ignoring evidence to the contrary. Do you like Bitcoin? In that case you may prefer to read only positive things about it while ignoring the counter arguments.
- **Mental accounting** – we tend to treat money differently depending on its source when in fact it is all the same. We may be more careful with our savings but decide to squander a tax refund, even though it's all your money and you should give it all the same consideration.
- **Loss Aversion** – we feel the pain of a loss much more intensely compared to the pleasure of a gain. This may mean we avoid taking on enough risk or we hold on to a non-performing investment too long.
- **Anchoring** – we tend to drop anchor on the initial information we receive often ignoring updates or changes because of this. Did the banker not say you will earn 8% interest? Perhaps he did but that was when the account started and since then the interest rates have moved.
- **Recency bias** – we tend to extrapolate recent events into the future, or we assign too much weight to recent events while forgetting the past. The Iranian war is front of mind and it's easy to think the current troubles will last indefinitely.
- **Availability bias** – we tend to rely more heavily on information that we see frequently. This may mean you prefer to stick to familiar names when investing thereby avoiding potential options.



RETIREMENT IS INEVITABLE – PREPARATION IS NOT

Enrique Janjetich - Retirement planning is widely regarded as important; however, many individuals fail to give it adequate attention early on because its long-term demands are not fully grasped.

While most are aware that retirement will eventually occur, saving for it is rarely perceived as an immediate or pressing reality when one first enters the workforce.

Simply knowing that retirement exists is not enough. True retirement awareness requires an active acknowledgement of its inevitability, along with an understanding that meaningful preparation demands consistent effort and the effective use of time to ensure a secure and successful retirement.

Individuals in their twenties delay saving for retirement because they “have their whole life to save for it”. It feels distant and therefore, easily dismissed. The window of opportunity shrinks with every year’s passing. Some only realise the importance of retirement planning well into their thirties and forties. Unfortunately, for others, this realisation comes too late to plan and save for an optimal, stress-free outcome.

There are three retirement planning phases: pre-retirement, at retirement and post-retirement planning. The pre-retirement phase is the most important as it prepares you for the phases that follow.

The pre-retirement planning phase does not have a set commencement date; it varies from person to person. Ideally, this phase should start in one’s early twenties, but it only begins on the day retirement’s importance and inevitability is realised. Stress and anxiety are a natural part of pre-retirement planning as it involves confronting years of delay and/or neglect and the consequences thereof. However, the severity of this stress is strongly influenced by the timing of awareness and the actions taken thereafter. The later the importance of planning is recognised, the more compressed the time to retirement becomes, and the greater the pressure tends to feel as the at retirement and post-retirement phases approach.

It’s like being at the train station early and ignoring the arrival of an empty train because you think there will always be another one. In your younger years, you see retirement saving as optional, not fully understanding the implications of delaying, so you don’t board. As time passes, trains become fewer and more crowded, and before you know it, you suddenly realise that the last train is arriving, and it’s almost full. Catching a train early could’ve ensured that you put yourself in a position to travel comfortably, stress would’ve been kept to a minimum and you would’ve been on your way to reaching your destination (retirement) with relative ease.



Time: friend or foe?

The compounding effect in a general sense, is the process through which consistent actions build upon each other over time, producing increasingly significant results.

Pre-retirement planning relies heavily on compounding, which derives its effectiveness from time. Time therefore plays a critical role in determining how pre-retirement planning ultimately impacts post-retirement outcomes and the mental state associated with those outcomes. More time, and the effective use thereof, generally leads to better outcomes and helps keep stress and anxiety at bay.

Conversely, time can also act as a negative force. Failing to recognise the importance of retirement planning early on in life shifts time from an ally to an enemy that amplifies stress and anxiety by creating a race against time in order to catch up before retirement arrives.



Transition

If an individual can maintain a desired lifestyle during their working years, it is natural to want to preserve that standard into retirement. Adjusting or lowering expectations later in life is rarely viewed positively, particularly when such changes affect comfort, independence, or overall quality of life. When changes occur, people generally prefer progression rather than regression, as improvement is typically associated with security and wellbeing.

The same principle applies to retirement. Maintaining a pre-retirement lifestyle requires being appropriately positioned financially, as significant lifestyle adjustments at retirement are seldom considered desirable outcomes. Wealth does not automatically carry forward from pre-retirement to retirement; rather, the transition between these phases, and the experience that follows, is largely shaped by decisions made during one's working years.



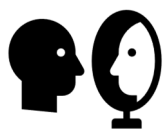
Starting late: Practical steps to catch up

Being behind on your retirement savings means you've lost some time; the good news is that time is not up. If you are behind, there are practical steps you can take to catch up or reduce the financial impact at retirement and beyond.

The first and most obvious step is to start saving. No matter where you are in your pre-retirement journey, just start saving. The moment you realise your predicament; saving is no longer optional; it becomes a priority. This will require greater sacrifices today than it would have if you had started earlier.

The second thing to consider is your debt and how it will affect you in retirement. A debt-free retirement can materially improve your financial wellbeing by reducing monthly obligations and easing the pressure on your retirement income.

Delaying retirement is another way to improve your retirement prospects. Working for even a little longer can have a meaningful impact because it gives you more time to contribute and benefit from compounding, while also reducing the number of years your retirement savings must fund. In addition, postponing retirement can delay the need to draw from your investments and may help you avoid locking in a lower standard of living too early, making the transition into retirement more manageable.



Your future self will thank you

Planning for retirement requires you to think ahead and place yourself in your future self's shoes. This is not easy, as it forces you to confront the trade-offs associated with the pre-retirement horizon. We tend to value the things we want today without considering the things our future self will inevitably need.

We often associate trade-offs with sacrifice, but this perspective requires a shift. When viewed from the perspective of our future self, these trade-offs are less about giving something up and more about accepting responsibility for future needs.

There is a well-known saying: "Do unto others as you would have them do unto you." The same principle can be applied to retirement planning by extending that consideration to your future self. Ultimately, effective retirement planning requires empathy for your future self and both the willingness and discipline to act today in your best interest.

Delaying retirement planning is much like hitting the snooze button on an alarm clock. In the moment, it feels harmless, comfortable even, but each delay reduces the time available to prepare and increases the urgency that follows. Retirement works the same way: postponement does not eliminate the responsibility; it simply compresses it into fewer years.

Recognising this early, or acting decisively once that awareness sets in, allows time to work in your favour. Starting sooner eases pressure, preserves choice, and makes the transition into retirement more manageable, turning time back into an ally rather than an obstacle.

THE SILVER SHIFT AND IKIGAI

Wilhelm Tempelhoff – Ikigai is the Japanese word for “a reason to live” and it is one of the reasons why Japan has a record level of centenarians (near 100 000 in 2025) while one in ten Japanese are over the age of 80.

In the book *Ikigai: The Japanese Secret to a Long and Happy Life*, the authors Héctor Garcia and Francesco Miralles, interviewed healthy and active Japanese seniors to see what they have in common. They found that each had an ikigai, i.e. something to live for. They usually had close ties in the community, they enjoyed friends, art and gardening, sang karaoke and had birthday parties. Many were still working or ran small shops to keep busy and active.

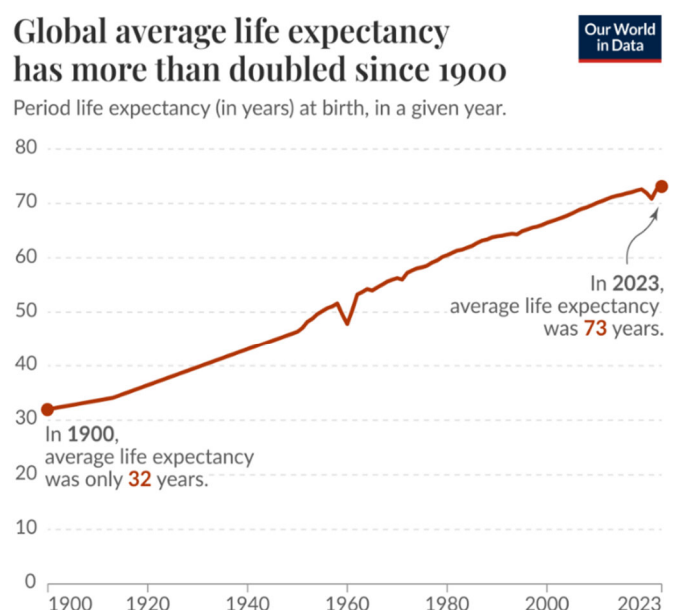
The Japanese government also points to a study conducted on people age 65 and over which revealed that those working only for financial reasons, and not in pursuit of their ikigai, had 1.55 times greater risk of functional capacity declines two years later. Victor Frankle wrote “*What man actually needs is not a tensionless state but rather the striving and struggling for some goal worthy of him*”.

I find this concept of a “reason to live” fascinating and it often makes its way into our financial planning discussions with clients. Retirement is not some arbitrary date or age where you are suddenly old and reach the end of your working life, finally being able to relax. Modern retirement is a period where you shift from working full time to being fully retired, a continuum moving from one to the other. How long this takes depends on the circumstances, options, appetite, wealth, goals and preferences of everyone.

Japan's aging population is not a unique phenomenon with countries globally seeing an increase in life expectancy and aging populations. This offers an opportunity to those that offer services and products to this demographic while also raising concerns for countries with social services where the potential burden on the state is extended. Two of the emerging themes of modern financial planning, and indeed the global economy, are the “Silver shift” or the “Silver economy”. The silver shift aims to extend the working and productive life of citizens while the silver economy seeks to benefit from the increased lifespan of those in their conventional retirement years. In the context of financial planning, we are planning for ever increasing life expectancies with retirement often spanning 35 years as opposed to 20. This has implications for required retirement capital, sustainable income rates, inheritance plans, and more.

Aging populations

The percentage of the global population represented by those over the age of 60 is increasing more than three times faster than the rest of the population. Global life expectancy has been steadily rising since the onset of the 20th century. In South-Africa this has moved from 33.5 years in 1870 to 63.62 in 2020. The global figure has more than doubled with the average life expectancy being 32 years in 1900 and 73 years



Data source: UN WPP (2024); HMD (2024); Zijedman et al. (2015)
OurWorldinData.org/life-expectancy | CC BY

in 2023. This is a significant move, and many developed countries are struggling with the adjustments required for an aging population.

On the one hand an aging population puts pressure on the pension and social systems while on the other countries seek to economically benefit from the increased active years of these individuals and their spending habits. There is a wealth of experience, knowledge and mentorship opportunities that can be tapped. If these individuals are economically active for longer it also means they are consuming less state assets and rather contributing to the fiscus.

While the silver haired generation represents 15% of the world population (perhaps 22% by 2050) they amount to 27% of the consumer spending globally (as at 2025).

If people are living longer and they remain fit and healthy for longer, why not keep them in the workforce and use their skills to extend their careers and take pressure off the state. This is a win-win for all involved. That is where the silver shift comes in. It moves away from the normal Western retirement model where you work until you stop and retire preferring a more staggered approach, transitioning to part time employment, and full retirement later on.

Many of our clients are in their late 80's and 90's with a handful of centenarians mixed in.

Living longer means having to save more in the accumulation phase of life, postponing retirement for many to cater for a longer decumulation phase (retirement spending can now easily cover 35 years of life after age 65). As financial planners we see this play out in a heavier reliance on life-annuities (guaranteed income for life) vs. the ever popular living annuity (investment based annuity). Blended strategies are the order of the day.

We find ourselves having to factor in "lifespan" (life expectancy) and "health-span" (being fit and healthy for longer) with the clients "wealth-span" (the amount of capital available for retirement). We therefore support the silver shift because it helps to improve the retirement outcomes, not least of which are longevity of capital and a feeling of purpose and meaning for clients. As a final thought, perhaps give the book Ikigai a read, we often recommend this book to clients who are retiring and are concerned about "what they will do now" but it is as useful to the young.



Recent RSA budget changes: a great time to review your own budget

In February 2026, during his budget speech the Minister of Finance announced some positive budgetary adjustments for the individual taxpayer.

Firstly, the maximum allowed tax-deductible contribution towards your retirement fund was increased from R350 000 per tax year to R430 000.

The tax-free investment contribution limit per annum was increased from R36 000 to R46 000, however, the lifetime limit was not adjusted and stayed on R500 000.

The amount of annual donations free of donations tax, was also increased per individual taxpayer from R100 000 before to R150 000 per tax year.

The tax tables were also finally adjusted after years of allowing inflation to eat into the tax brackets.

It is therefore a great time to review your own budget to adjust your monthly contributions to your retirement and tax-free investments. The more you contribute towards investments that don't attract any tax on interest, dividends or capital gains, the higher your growth rate and the compounding effect over time.

THE ROLE OF ACTIVE INVESTMENT MANAGEMENT

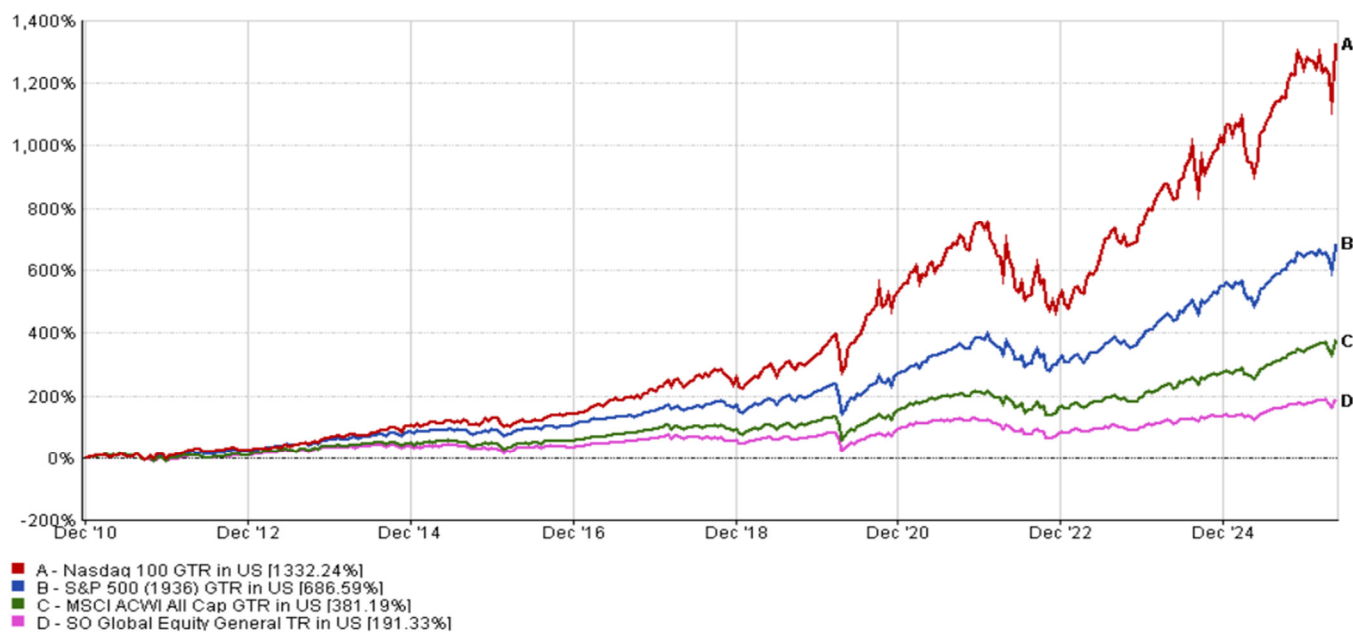
Carel Marx – With so much being said about the passive investment options, we examine the usefulness of Actively Managed investments.

Some background to set the scene

Over the past two decades, the investment landscape has undergone a profound shift. Passive investment strategies, primarily through index funds and Exchange Traded Funds (ETFs), have attracted trillions of dollars globally. Lower costs, transparency, and consistent market exposure have made passive investing an essential building block in modern portfolios.

Yet, the growing dominance of passive strategies has also led to a misconception: that active management is no longer relevant. In reality, passive and active investing are not opposing philosophies, but complementary tools. When used thoughtfully within a total portfolio framework, active management remains critically important, perhaps more so today than ever before.

The below graph illustrates the exactly why passive has been so popular in the market vs their more expensive peers on the active side. Line D, representing the average actively managed equity fund, is far behind its passively compiled competitors.



The Missing Environment for Active Equity Managers

One of the most overlooked features of the past 15–17 years is not how often markets have fallen, but how brief and shallow those falls have been. Since the Global Financial Crisis of 2008–2009, global equity markets have not experienced a prolonged period of depressed prices, weak earnings momentum, and sustained dispersion, the conditions under which active equity managers historically tend to shine.

A market that falls fast, but recovers faster

Since the Great Financial Crisis (GFC) of 2008/9, equity drawdowns have shared a common pattern:

- Sharp declines
- Extremely rapid recoveries
- New highs reached quickly thereafter

The most severe example, COVID-19 in 2020, saw global equities fall by more than 30%, yet the recovery was measured in months, not years. Markets were back near all-time highs before earnings and economic data had fully normalised.

Similarly:

- The **Eurozone crisis** (2011–2012)
- The **China/oil shock** (2015–2016)
- The **rate-driven sell-off of 2022**

All produced volatility and drawdowns, but none resulted in a long, grinding, low-return equity environment where valuation discipline, balance-sheet strength, and earnings resilience were rewarded consistently over time.

Why that matters for active management

Active equity management tends to add the most value in environments characterised by:

- Sustained market stress
- Elevated dispersion between winners and losers
- Weak or declining earnings
- Capital scarcity and tighter financial conditions
- Longer recovery paths

In contrast, the post-GFC regime has been dominated by:

- Extraordinary monetary support
- Liquidity-driven rallies
- Valuation expansion as a major return driver
- Narrow leadership and rising concentration
- Markets that reward *being invested*, not *being selective*

When markets rebound quickly and indiscriminately, stock selection matters less than market exposure. Passive strategies naturally benefit in such conditions, not because active managers lack skill, but because the environment compresses the opportunity set.

Risk Management Is an Active Decision

One of the most underappreciated aspects of active management is risk control. Passive strategies are fully exposed to market risk by design, they will always own the market, regardless of valuation, sentiment, or macroeconomic stress.

Active managers, by contrast, can, reduce exposure to overheated assets, tilt portfolios toward defensive characteristics, hold cash or hedging instruments when the risk-reward payoff deteriorates. In a world marked by higher interest rates, geopolitical uncertainty, and more frequent market shocks, downside protection and capital preservation are increasingly important. Avoiding large losses is often just as critical as capturing upside over the long term.

The biggest risk that will destroy long term returns is investor behaviour. Most investors do not fail because markets go down. They fail because they react to markets going down. Active managers historically have shown resilience in down markets, often moving down a lot less than the passive counterpart and this result in less extreme investor behaviour.

Market Structure Has Changed, and That Creates Opportunity

Ironically, the rise of passive investing has itself created new opportunities for active managers. As more capital flows mechanically into indexes, the more price discrepancy happens (the expensive companies become more expensive).

These effects can be exploited by disciplined active strategies that focus on fundamentals rather than index weightings. Active management, in this sense, plays a stabilising role in markets increasingly driven by flows rather than analysis.

Conclusion: Active Is Not Obsolete, It Is Strategic

Passive investing deserves its place as a cornerstone of modern portfolios. Its efficiency and transparency are undeniable. But markets have not become simpler, safer, or more predictable. Quite the opposite.

Active management remains vital, not as a replacement for passive strategies, but as a strategic complement. When integrated thoughtfully into a total portfolio, active management enhances diversification, improves risk control, and helps investors navigate an increasingly uncertain investment environment.

The future of successful investing is not passive or active. It is purposeful, balanced, and adaptive, using the best of both worlds in service of long-term outcomes. It is important that clients reach their goals and portfolios are setup for that purpose. In most cases we are not aiming to outperform global equity markets, we are focussed on a long-term goal outcome, and we are very mindful of the risks along the way. Active management plays a very important role for clients to reach their goals.



Costs involved when buying or selling a property - Whether you are a first time home buyer/seller or an old hand at buying/selling a property, here is a refresher on the main fees to be aware of.

Sellers: When selling a property your biggest cost is the agents commission which normally varies between 4% and 6% of the property's selling price plus 15% VAT if the agent is VAT registered. Then several compliance certificates may be required, including one for electrical, the electric fence, gas installations, plumbing or water, and in some areas "insect free" certificates. These vary in price between R400 and R1200 each and excludes any repairs, maintenance or upgrade costs that may be required to pass inspection.

You also need to budget for the Municipal clearance corticates and a pre-payment of your Rates. This can be between 3-6 months that needs to be paid in advance. Consider also that if you made a profit on the sale of the property, capital gains tax may be required (Primary residence exclusion is however the first R2mil of the gross capital gain). Lastly, for bonded properties the bond cancellation fee which ranges between R6 000 and R15 000 depending on the finance institution.

Buyers: When buying a property your main cost is potentially the Transfer fees which are payable to the conveyancer who registers the property in your name. Transfer duty, which is based on a sliding scale, may also be levied by SARS during the buying process. This can be costly for high value properties. If you need a bond, attorneys appointed by the bank will charge a fee to register your bond and banks charge a fee to initiate the bond (generally R6000 to R7000 added to the loan).

Consider also that you may have to pay occupation rent to the current owner if you occupy the property while the transfer goes through (roughly 1% of the property value per month). Finally, if you are buying into a complex (sectional title) you may have pro-rata or special levies to pay.

FINANCIAL FAQ



"When I grew up in Italy in the 1970's, oil was also \$100 a barrel. It just meant that cars had to make turns driving over weekends with the odd number plates one weekend and the evens the next." – **Recent client comment.**

Who stands to gain from the war with Iran?

In a recent client integration, we were asked a very topical question: Who stands to gain from the War in Iran? This was not meant as a political question but rather an economic one considering the recent trade tensions between the USA and China. The cynical answer would be America gains while China loses as they are more exposed. China is a major oil importer, and the Middle East makes up roughly 54% of their oil imports (12-13% coming from Iran where China buys +/-85% of Iran's oil exports). So, the blocking of the Strait of Hormuz means that China and Aisia suffer most of the supply shock. Less supply means lower economic activity due to rationing and shortages. With the expansion into shale oil (horizontal drilling and hydraulic fracturing) America has become the world's largest oil (and gas) producer since 2018 and they are therefore far less import dependent.

Do I need a Will?

This is a loaded question, but the short answer is usually Yes. A Will provides your wishes to your family and executor to ensure that your assets are dealt with in line with your preferences. It also provides your practical wishes regarding your remains. It also avoids many of the pitfalls involved when you die intestate (without a Will). This means there is a hierarchy of heirs that will be adhered to which may not align with your preferences. For example, a spouse and a child may receive the same inheritance while you preferred that your spouse would have inherited first. The executor will also be appointed by the Master of the high court, which can cause family infighting and delays. It is therefore best to create a Will even if you believe you don't have much or prefer to not think of death.

Can art be a good investment?

Beauty is in the eye of the beholder. Art can serve both an aesthetic and financial purpose. You should ask yourself which one is more important to you, sometimes one is lucky to buy what you love and have it increase in value too. It is a long term investment and although it usually weather's financial turmoil well it can be illiquid and subject to trends. Consider finding an expert to assist you or purchase directly from an artist if you have greater understanding of the environment. Either way, do your research, and consider possible purchases carefully. Be wary of commissions, especially when buying on auction. Establish the authenticity and the provenance of a piece. Work within your budget and make sure to get the art appraised (which is a requirement for insurance). Store it carefully, insure it, and enjoy it. And if you do make a profit one day when selling it, consider that it is a personal use asset and therefore free of any income- or capital gains tax (unless you trade in art).

Can I draw a credit report on myself?

Yes, you can and you should do so at least once a year. Many providers like TransUnion allow you to draw a free report annually. This can be very helpful to see what account records they have and illustrate your standing with various creditors or account providers.