GLOBAL VIEWS

1st Quarter 2015

FINANCIAL SERVICES

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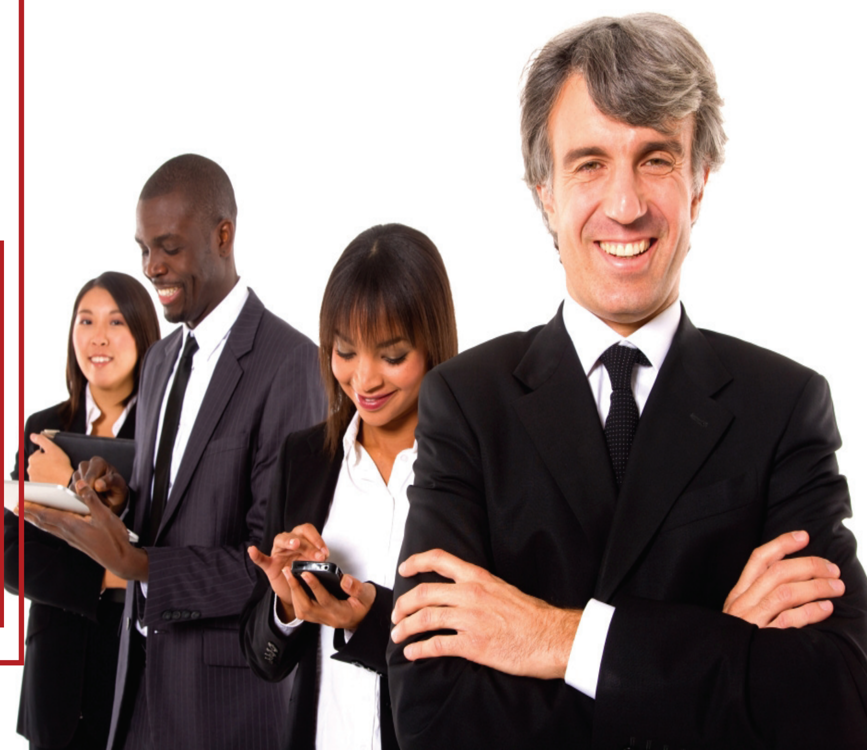


GLOBAL VIEWS

It’s a Mad Mad Mad Mad World

Or, we are doomed Captain Mainwaring. Whatever way you look at it 2015 is shaping up to be a tricky year for investors. I am certain that many investors will have or are looking at what alternatives there may be to equities. The problem is there are not many available, unless you swap equity risk for liquidity risk. Cash deposits remain, well really, just not an option for long-term investment.

Numerous questions, and few answers seems the order of the day. Can the US continue its bull run? Whilst it has been suggested that the dramatic fall in oil price could mean an additional one million jobs in the US. That means more tax revenue, more spending by the now earning, previously unemployed, so a growing economy. However, what about those involved in the fracking industry, which has made the US oil self-sufficient? With oil at these depressed prices surely they can no operate. Some oil analysts suggest these prices could be here for some years.

If the conspiracy theorists are right it means OPEC wins and the US, and probably the rest of the world loose!

Meanwhile in Europe, we do perhaps see some glimmer of hope, of direct and strong action by ECB to bring the Eurozone out of a possible deflationary spiral. Action by the Swiss in lifting collars on the Swiss Franc has seen massive turmoil in the money markets. Perhaps, the final straw in breaking the camels back in moving to Quantitative Easing.

In other parts of the world, Russia in a dire state, having been hit by the double whammy of sanctions by the West, and the low oil price.

China slows to a pace, which for them will feel like a depression. Plus a massive debt overhang.

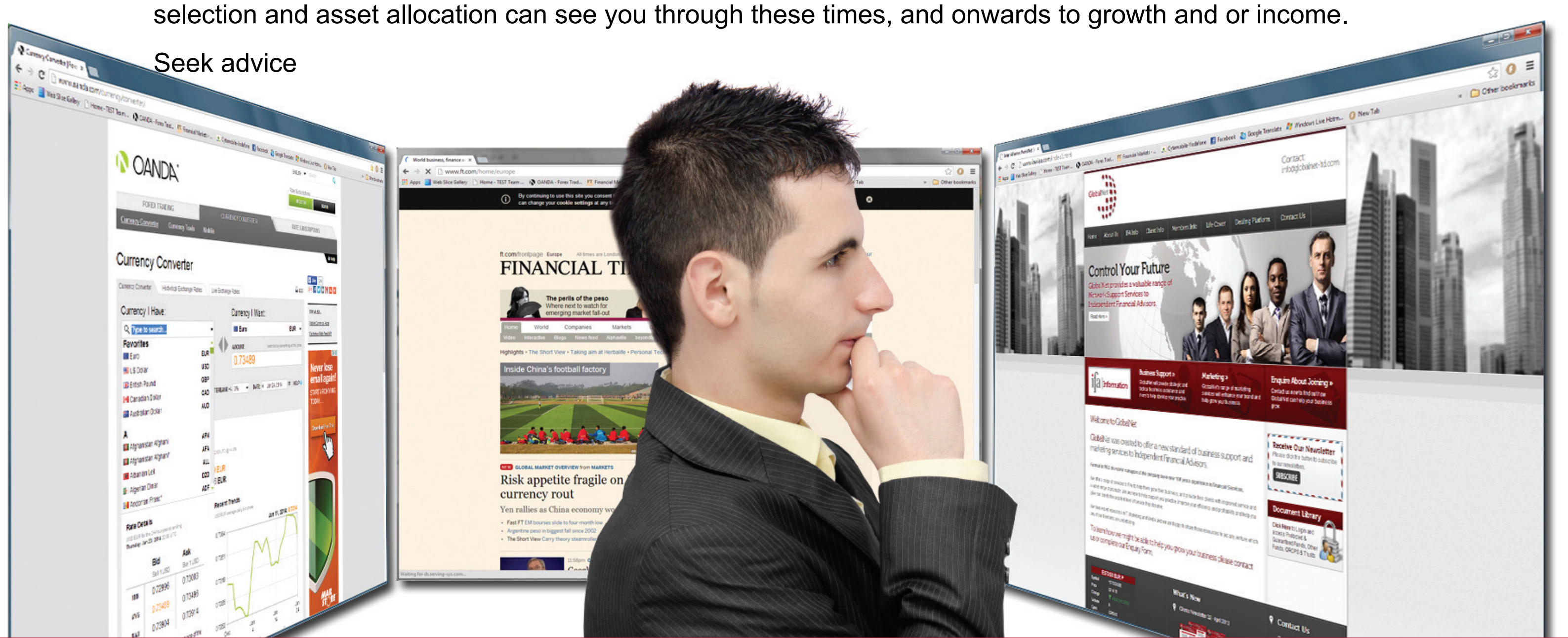
Japan the constant under performer, the most indebted nation in the world, still in the deflation spiral, so the debt grows. Where does that end?

Emerging markets, well as the worlds demand for goods slows, or reduces, so their exports dry up.

The UK, like a shining beacon in the night! Growth, falling unemployment, a buoyant economy. Some will argue its good for a few and bad for a lot, but the figures do not lie. Obviously facing a General Election very soon, who knows where this one ends.

What does this mean for you and me, trying to build savings, trying to make existing investments grow, or at least not go backwards? Well here is the strange thing. There are many companies and sectors that profit in different market conditions. Companies still grow, profits still grow, and companies expand. Remember if you visit the poorest places on earth, there are still very wealthy people. The world may be mad, but careful selection and asset allocation can see you through these times, and onwards to growth and or income.

Seek advice



Keeping Your Head

Volatility is nothing new in the stock market, and for many it's a question of holding your nerve, for others, it's a time to buy. In May 2013 the US market fell 12% when the Fed announced it would taper quantitative easing. In July 2011 the markets fell by 17%, when concerns grew over the US debt ceiling, at that time the S&P 500 fell to 1200, it peaked December 15th at 1992. Any investors who bailed in 2011 have missed a growth of almost 60%. During the same period what would we have made on cash??

According to some the positive spin is the US continues to grow, The UK is in a string position. Lower oil prices good for everyone, (unless you work in that sector!).

Given the fact that cash earns well under 2% we don't need to have huge results in order to beat cash after all.

The World Continues to get Smaller

China has joined a whole host of countries that are implementing their own form of FACTA. Remember that many countries now share information as well. The Chinese will now require that residents declare their income from offshore accounts.

The days of holding accounts in "benign" jurisdictions are over. If you are someone who continues to evade, be prepared for that sword of Damocles to fall, it's coming. Tax avoidance remains for the most part, legal, it's not hard, you do not have to employ devices such as those used by celebrities. There are simple mechanisms which can be employed to establish clients in a suitable structure which means tax is mitigated and they do not have to spend the rest of their lives looking over their shoulders.

Property as an Asset

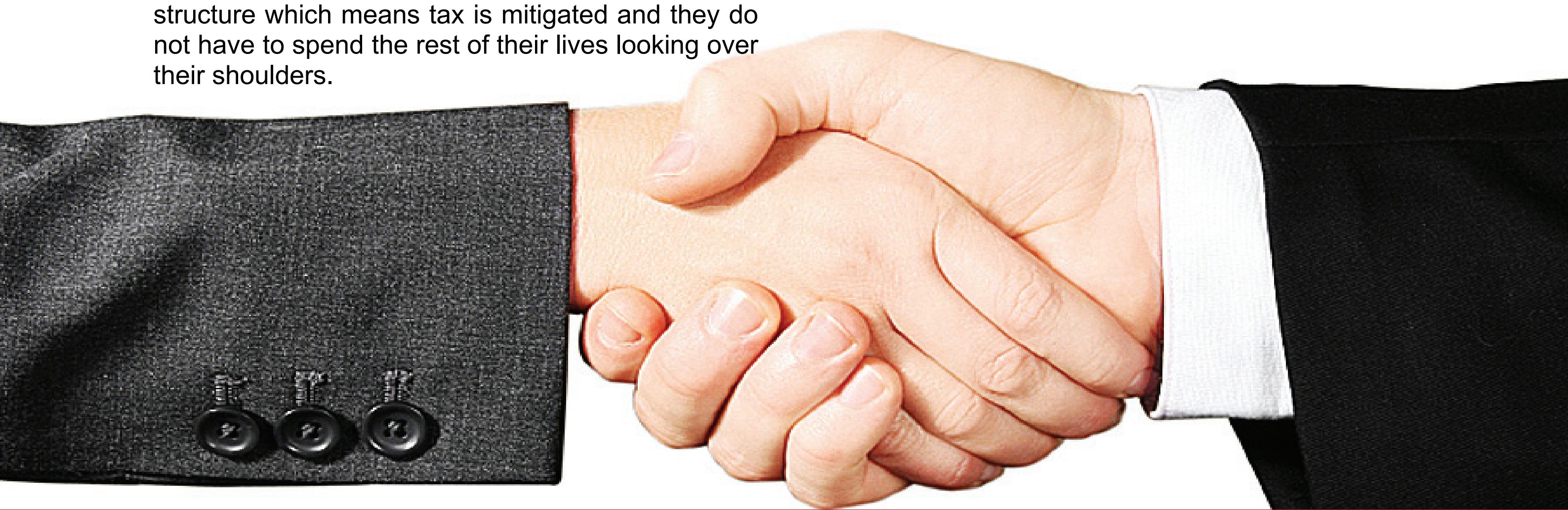
Obviously we all need somewhere to live, and if we can buy that property and that property goes up in value we of course welcome those increases. Many countries have seen huge increases in value, and many have seen, huge falls.

Whilst within UK London has seen some significant increases in value in recent years, there are very few countries which have seen increases over the same period. Just a handful of countries have seen increases. Heading the list is Ireland Turkey Dubai and UK. However, clearly the UK is very much skewed by the statistics from London. Anecdotally it should also be said that we are aware of people who own property both in Ireland and Dubai, who have not been able to sell their properties because there were simply no buyer around. Thus, perhaps we may question, the accuracy of the increases.

According to The Global House Price Index, the following house prices have been recorded

Ireland	15%
Turkey	14%
Dubai	12%
UK	10%
Estonia	10%
Colombia	10%

Ireland as an example, house prices are still some 40% off their heights of 2007, prior to the crash. For those who bought just before the crash, there is still a long way to go to get back to parity, if they ever do.



Buying a Property Abroad – France

Buying property abroad to live permanently, or for holiday let or long terms rental, has been a dream of many an expat for years. Perhaps it's the wanderlust, the fact that many of us left our Home Shores years ago, and just do not see us fitting back into the old lifestyle. Maybe it's the sun, or for those who lived in Northern Europe the lack of sun, or finally perhaps its fiscal factors, the cost of living in the old Home Country, the lack of willingness to pay exorbitant levels of tax.

If tax is the driver for you, then perhaps read no further. France from having been just a complicated tax regime has now become a penal tax regime. The tax burden has increased, with President Hollande particularly targeting wealthier residents. He has started taxing investment income at the same rates as employment income, scrapped the lower wealth tax rates, increased succession tax for children and imposed social charges on non-residents. You are deemed tax resident if you spend more than 183 days per year in France.

Income is also subject to 'social charges', which are levied on top of income tax.
Putting any tax issues aside there are many reasons why France remains a favourite with expats.

France offers a first world status, with modern facilities and infrastructure, from health to education. Property values are generally very favourable compared with other nations, that is to say seemingly a bargain can be had. English is a common language, although knowledge of French does not go amiss.

The Buy to Let Market is significant; according to some information France is the world's number one tourist destination, with almost 80.0 million per year arriving. Popular locations, obviously ski areas remain the most popular, and prices are reflected.

Finally the French legal system is a minefield for foreign buyers, so independent legal advice is absolutely vital. Bear in mind that whilst a notaire frequently will have been instructed, notaires also sell property, so ensure you receive advice from someone with no vested interest in the sale.

Key Issues

Check your tax status and ensure you are comfortable with the cost of living in France
Take truly independent professional advice.
Fully explore the region you are considering buying in.
Take care with transferring money, get quotes and ensure you are paying a competitive rate.
Finally, enjoy your purchase.