



The St Francis Bay Pam Golding Properties franchise was awarded the National Franchise Office of the Year trophy at the recent annual Pam Golding awards ceremony.

The award presented at Fancourt in May was for the highest sales in the small category, where the sales in the franchise area are less than R700 million per annum.

"I am thrilled we won after 13 years of trying," a delighted Richard Ardenne, franchise owner, said. "We were competing with 45 franchises, towns such as Port Alfred, Oudtshoorn, Grahamstown, Jeffreys Bay, Brakpan, Vereeniging etc, 30 of the 45 with bigger sales turnover than St Francis Bay. The medium and large categories are for our 37 franchises in areas with sales between R700m and R1.6b (eg George) and areas with sales over R1.6b (eg Port Elizabeth).

"The award was for the 12 months to 28 February, during which we achieved sales of R169m, and is a recognition of our high market share, approximately 35%. This award also reflects the growth of sales in St Francis over the last few years.

"This award though was completely unexpected. I had been saying that I have

never left my chair at the annual national and regional awards ceremonies except to go to the toilet or bar. I did know that we at St Francis had our best year since we took over the franchise in 2005 and that our sales turnover for the 12 months to February this year was only surpassed by franchises in much bigger towns. So it shouldn't have been such a surprise when my name was called out, but it certainly was!

Ardenne says it is thanks to a fantastic team, especially Lois Fox (consistently one of the top Pam Golding agents in the East Cape over the past ten years) and Neil Fox (not far behind Lois) who were with him at the luxurious three-day conference at Fancourt. He also thanks his other amazing agents, Emily Obray and Christelle Van Wyk, and holiday rentals team of Krystal Scott and Leandrie Terblanche, plus Jancke Beer, the office administrator, as well as Majory Lippert, Gerald Claassen, and, not least, his wife, Jane Ardenne.

"My team have really sold well over the last few years, and this award is for them. And they are such a pleasure to work with."

Ardenne also expresses sincere thanks to all the buyers and sellers. "We appreciate their support!"

Pam Golding SFB wins national franchise 'Office of the Year' trophy



Pam Golding St Francis Bay team
Front: Neil Fox, Richard Ardenne (Franchisee and Principal), Lois Fox
Back: Krystal Scott, Christelle Van Wyk, Jancke Beer, Emily Obray

Playing in Traffic

Our new monthly Business Column from PSG

I recently came across an article written by Ben Carlson CFA, where he compares our behaviour as drivers to our behaviour as investors. What really drew my attention was the fact that when posed the question, more than 80% of us consider ourselves above average drivers when the stark reality is, judging by the frequency of motor vehicle accidents, it's the exact opposite.

"Getting behind the wheel of a car has the ability to transform us into the worst versions of ourselves".

I am a great reader, student and follower of behavioral finance. For those not familiar with the term, Investopedia defines it as: "...a field of finance that proposes psychology-based theories to explain stock market anomalies such as severe rises or falls in stock price. Within behavioral finance, it is assumed the information structure and the characteristics of market participants systematically influence individuals' investment decisions as well as market outcomes".

In his article, Ben Carlson says that traffic is no different from investing in many ways:

"Traffic tends to act like an accordion: As traffic slows in a jam, it compresses; as congestion eases, the accordion 'opens' and cars begin to speed up. Because of the uneven nature of stop-and-go traffic, these shifts happen in different lanes at different times. A driver in a temporarily opening lane may very quickly pass a cluster of compressing cars in the next lane, but then he will find himself in the compressing lane. And what happens? He spends more time watching those vehicles zip by in the next lane. To make matters worse, the researchers found that the closer a driver drove to the car in front of him, and the more glances he made to the next lane, the worse the illusion seemed".

How many times have we heard - "The grass always seems greener on the other side" and is evidence of compressing outflows from local unit trust fund managers. A well-known South African asset manager recently plotted the in- and outflows from one of their flagship unit trust funds, over the return of the fund over the preceding 12 month period. Interestingly,

inflows spiked after an above benchmark 12-month performance and declined after a 12-month below benchmark return. In short, most investors invested after the actual above benchmark returns occurred (the faster lane) and withdrew after they participated in below benchmark returns (the compressing lane). They never participate in the actual long-term growth that the fund offers, as a result of switching lanes too often".

It seems like the harder investors try in these situations the worse the outcomes. Staying put is usually the best response but our brains do not respond well to patience. As investors, we become so distracted by what is next to us, that we often lose focus on the road ahead. Due to a better performing fund or stock, we feel the urge to change. Unfortunately, more than often, this strategy gets us 'stuck' in the 'compressing lane'.

I'll end with an extract from Sandy McGregory, long standing fund manager at Allan Gray. I have come to embrace this phrase in life in areas beyond investing:

"One of my early mentors told me that investing is like the number 10 bus. If you miss this one, another one will come along. You have to learn to be patient. A lot of people feel under pressure that they have to do something. I once had a client who came to me and complained that I hadn't done anything on his portfolio for four years, so why should he be paying me a fee. I said: "well, actually, you're the best performing client in Allan Gray". You don't have to be frenetically active.

References:
www.asealthofcommonsense.com/
www.livescience.com

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Race against a Metro train in August for charity



Zsports and Medihelp Medical Schemes proud to host of the annual Medihelp Nelson Mandela Bay Train Race on 19 August, beginning at 9am at the Port Elizabeth Railway Station and ending at 1pm at the Uitenhage Railway Station.

Be part of the chase by racing against a Metro Train and absorb the entire electric atmosphere that the community has to offer. This noble event will not only make you feel great on the outside but also on the inside, as the CHOC Childhood Cancer Foundation of South Africa is the designated charity for this year.

If you're looking for some adventure, then look no further, as this is the perfect event to showcase your natural born talent by having some good old fashioned fun. The race will not only provide some excellent exercise but also give you a run for your money. Meritally,

If you'd like to take part in this amazing race, book your tickets now or sign up to be a volunteer and experience all the action behind the scenes while working as an arduous marshal of assisting the passengers on board the train.

Entries are available from the Zsports website (www.zsports.co.za). Entries are free for Medihelp members.