

# PCH INSIGHT



## WHAT'S IN THIS ISSUE?

## THE LATEST TREND IN WEALTH MANAGEMENT

## THE MULTI-FAMILY OFFICE APPROACH

## THE VALUE OF A WEALTH MANAGER

## INHERITED WEALTH IS NOT AN EASY WINDFALL

## The latest trend in wealth management focuses on investor goals

The winds of change blow regularly through the world of wealth management. It is an essential part of an industry dominated by economic trends and market performance. As a result, unsurprisingly, the advice traditionally given by financial advisors has been performance or risk based – or a combination of the two.

However in recent years we have seen a global shift away from this preoccupation with risk factors and a single-minded chasing of Alpha. This progression has been largely led by international investment research and management companies like Merrill Lynch, SEI, as well as progressively-minded Family Offices. We have seen a move away from performance-based wealth management, towards a model which focuses on goals set by the client.

**“ move away from performance-based wealth management, towards a model which focuses on goals set by the client ”**

This new goals based approach prioritises what the investor actually wants to achieve with their investments and is not just a pie in the sky “I want to make as much money as possible” approach. We see a move to unpacking client-specific goals and **understanding investor behaviours**. This shift empowers portfolio managers and wealth managers to determine clear goals for accumulating wealth and departs from the old method of using income and expense spreadsheets to now developing a personal strategy to meet clearly defined investor needs.



**PCH TAXGUIDE**  
2017/2018 Nurturing wealth.

“ The Family Office approach to wealth management. ”

Authorised Financial Services Provider - License No. 413

### PCH 2017 Tax Guide is available

Following the annual Budget Speech, Private Client Financial Services produces a handy informative tax guide summarising exactly what tax laws have changed and how they affect you. This year, along with the hard copy we have published an easy-to-use electronic version found on the Private Client Holdings website or you can contact us if you would like to receive the hard copy version.

This allows for a far more constructive, holistic approach to wealth management, not simply considering one area of wealth accumulation – for example – in the segregated portfolio arena, or for wealth protection in the fiduciary or tax arenas – but rather stepping back to look at the individual's **personal economics** and ensuring that all aspects work together to support these personal goals – not prescribed financial advisor goals which may be more influenced by commission earnings.

This new era of wealth management means that advisors need to discuss life events and market conditions with investors, review their personal concerns and goals, measure progress toward reaching these goals – and update the strategy should any details change. This presents a new challenge to advisors as they need to ensure investors remain committed to their goals and resulting strategies. The main concern should not be about short term performance but rather the probability of not achieving client goals.



## The Directors Desk

### Private Client Holdings embraces a Multi-Family Office approach

At Private Client Holdings we nurture a goals based approach to wealth management. This is not a new approach for us but is certainly something that our competitors are acknowledging is the future of wealth management. We cut out the noise of risk factors and market performance and focus on growing and sustaining your wealth to meet your personal wealth goals.

**We cut out the noise of risk factors and market performance and focus on growing and sustaining your wealth**

We are proud to be a team of dedicated professionals – each of whom is an expert in a different field of finance, be it wealth management, portfolio management, fiduciary services, risk management, financial services or cash management. More important than these individual service offerings, which we know we have firmly under control, is empowering and guiding you, our clients, to unpack clear, tangible wealth goals.

Our teams work as a unit focused on understanding what you want to achieve with your wealth, whether it is world travel or putting your grandchildren through university.

All our teams must be highly focused and integrated to manage your wealth and your unique goals. This personal relationship is always underpinned by confidentiality and respect.

We call this our Private Client Holdings Multi-Family Office approach to wealth management. This means we take on the tasks of investment and portfolio management, tax and administrative services, consolidated reporting, transaction banking as well as estate and succession planning – all of which ensures that your family wealth achieves your goals and successfully grows from generation to generation.

Essentially we offer the personal touch of a family member plus the independent thinking of a wealth manager, focusing on growing and preserving your wealth and creating a lasting family legacy.

Grant Alexander

## HAVE YOU HEARD?

### Wealth managers strategy day

At the start of every new year the PCH wealth management team get together to determine exactly what their business strategy for the year ahead is - setting clear goals and committing to one another and the company. This year, after a morning of hard work, the team took off in side cars to tour the beautiful Cape Peninsula – thanks to Brad and Tim at Cape Sidecar Adventures for a memorable afternoon.



### UCT cycling success

The UCT cycling team, powered by PCH, have had some fantastic recent successes including their first win of the season in the Ama Rider 24 Hours of Oak event, with the Private Client Holdings racing team breaking the 24hr record. Luke Evans had a strong presence in the Ashburton Investments National MTB Series #NatMTB1 in Grabouw, finishing 22nd overall in arguably the strongest field ever at a South African marathon race!

### Financial Mail Corporate Essentials Directory 2017

PCH is very pleased to be involved in the 2017 FM Corporate Essentials Guide - which is a tailored business directory aimed at giving readers easy access to a range of specialised, established, professional companies and service providers. Information about the companies listed, including PCH, is also available on a real-time digital directory and via comprehensive web profiles. Please visit our profile on [www.businessessentials.co.za](http://www.businessessentials.co.za).

### Discovery Triathlon World Cup Cape Town

PCH entered three teams into this years Discovery Triathlon ITU. Congratulations to these teams who took part and represented PCH so proudly in what was a very competitive morning race on a perfect Cape Town day.





## The Value of the Wealth Manager

By Mark MacSymon



PCH 2017 Tax Guide now available.

WEALTH MANAGEMENT IS THE HOLISTIC COMBINATION OF ASSET/INVESTMENT MANAGEMENT AND FINANCIAL PLANNING. THE PROCESS CONSIDERS BOTH THE CLIENTS INVESTMENT NEEDS, AND MOST IMPORTANTLY THEIR FINANCIAL GOALS, TO DEVELOP A STRATEGY THAT ENSURES THE ATTAINMENT OF THOSE GOALS.

**“ There are a myriad of benefits to working with a wealth manager which easily highlights the value of this essential role. ”**

“To begin, a wealth manager engages with their clients in a collaborative process that allows the advisor to understand who they are, where they have been, where they want to go and what is most important to them,” explains Mark MacSymon CFP®, who goes on to advise that wealth managers, particularly those whose businesses are underpinned by a Multi-Family Office infrastructure, look at the big picture and help clients to understand how all the pieces of their financial life fit together so that they can best utilize their resources to meet their specific lifestyle objectives.

**Only once a wealth manager has done sufficient due diligence with a client or a family and developed a wealth management strategy that is understandable to the client, has an appropriate platform for the delivery of trusted advice been achieved.**

“The myriad of complex financial products available can also be overwhelming and a wealth manager will identify suitable solutions and strategies that will most likely achieve their client’s lifestyle and financial goals. This includes steering away from certain financial instruments and products and avoiding trends or “hot” approaches that might be underpinned by aggressive marketing campaigns at the time. At PCH, we have vetted the merits and pitfalls of numerous financial products and instruments

and we are confident that the bouquet of solutions that we have available to our clients are of the finest quality. This is an ongoing active process which takes time.”

MacSymon further advises that wealth managers will review their clients’ positions regularly, helping them track progress toward the achievement of their goals and determine if any subtle adjustments to their strategy are required. “One of the most valuable attributes of an experienced wealth manager are the many individual client scenarios and strategies that have been experienced and negotiated in the past; those that have succeeded and others that have been less successful – perhaps the benefit of hindsight if you will.”

MacSymon explains that this intangible asset will have a distinctly positive effect on a client’s overall wealth management experience but one that is not easy to quantify. Nevertheless, the trusted advisor will continue to ask the right questions, assume the role of a rational sounding board, be the advocate of reason (especially in volatile times) and be at the side of their clients through every transition in their lives. “Your relationship with your advisor is a journey and a good wealth manager, such as the highly qualified team at Private Client Holdings, will measure their success by the accomplishment of your goals.”



# Inherited wealth is not an easy windfall

MANY PEOPLE DREAM OF INHERITING A LARGE SUM OF MONEY. WE SPEND TIME IMAGINING THE CARS WE WILL BUY, THE HOMES WE WILL LIVE IN AND THE HOLIDAYS WE WILL TAKE ONCE WE HIT “THE GOOD TIMES”.

However, most wealth advisors will tell you that those who inherit money face many challenges – not least of which is maintaining this wealth and not squandering, in a short space of time, what may have taken generations to accrue.

Jacques Brown explains that unprepared or financially uneducated heirs are susceptible to all sorts of influences – particularly that of extravagant spending. Brown says that it is the benefactors’ responsibility to adequately prepare their heirs for their future wealth.

“Regardless of the size of an inheritance, the key to holding onto wealth long term is setting clear quantifiable goals and planning. Otherwise seemingly vast amounts of money can erode faster than people realise. The importance of understanding and planning the sustainability of the inherited capital is paramount.”

“At Private Client Holdings we offer our clients a Family Office approach to wealth management – which is basically a comprehensive wealth management service which consolidates all financial aspects of a client’s life. As part of our Family Office approach we advise our clients to educate their heirs in advance about a future inheritance so that they are not unprepared for the pressures and responsibility associated with large capital inheritances.

We then counsel beneficiaries to formulate a game plan which will satisfy their short term needs and preserve as much of the capital as possible so that this money can be put to work.”



## PCH unveil new corporate graphic

We are proud to unveil our refreshed PCH corporate graphic which we feel more accurately portrays the services we offer and our relationship to one another.

Private Client Holdings has been successfully nurturing and growing our clients’ wealth for over 27 years. The more time we spend industriously working on all aspects of our clients’ wealth, be it portfolio management, fiduciary services, risk management, financial services, cash management or all of the above, we realise how important the contact and communication between our different departments is. We are a team of dedicated professionals – each of whom is an expert in a different field of wealth management. Our new corporate graphic represents the interconnectedness between our different team members and divisions.

## WHO TO TALK TO

Our Private Client Holdings experts are available to field your questions. Don’t hesitate to contact us for wealth management advice.

### Portfolio Management

Grant Alexander  
grant@privateclient.co.za

### Wealth Management

Andrew Ratcliffe  
andrew@privateclient.co.za

### Financial Services

Jeremy Burman  
jeremy@privateclient.co.za

### Cash Management

Sian Murray  
sian@privateclient.co.za

### Risk Services

Trevor Meehan  
trevor@phoenixrisk.co.za

### Fiduciary Services

Sarah Love  
sarah@privateclient.co.za

### Seminar Enquiries

Michelle Hawson  
michelle@privateclient.co.za

46 Main Road, Claremont, 7708  
PO Box 24033, Claremont, 7735  
Tel: +27 21 671 1220  
Fax: +27 21 671 1149

*Authorised Financial Services Provider  
– Licence No. 613*

## TEST YOUR SUDOKU SKILL!

		6	8	4				
2		1		6				7
3	9						1	
			9	8	3			
6							9	
	7	3	2					
4					1	3		
7				1	8		4	
			3	5	7			