



WHY GOALS-BASED INVESTING?

K.I.S.S AND DON'T TELL

ESTATE PLANNING - DEATH & MARRIAGE GO TOGETHER

QUESTIONS TO ASK YOUR TAX PRACTITIONER



The case for goals-based investing

By Andrew Ratcliffe

Goals-based investing is a relatively new approach to wealth management that emphasizes investing with the objective of attaining specific life goals. This approach shifts focus away from achieving highest possible returns, or beating the market, to funding a personal financial or life goal, such as saving for a child's education or building a retirement nest-egg.

Goals-based investing is at the core of Private Client Holdings' investment philosophy. "Our goals-based approach prioritises what the investor actually wants to achieve with their investments. Beating the market and consistently making good returns are always important but we don't want to fall into behavioural finance traps, which means you fall into making inappropriate rash decisions at a time of market volatility instead of sticking to your goals. We are currently achieving a top quartile performance in many of our portfolio strategies, however this is less important than focusing on individual client goals," says Andrew Ratcliffe, director of Private Client Holdings.

With new regulations in place and a growing shift in the investment industry, goals-based investing is becoming the new norm in investment management. The reason for this is that it addresses the overall well-being of the family, creates open dialogue about ambitions, fears and opportunities, defines the goals and priorities of clients, and focuses on risk management and portfolio behaviour. Goals are tangible.

“Goals-based investing is becoming the new norm in investment management.”

Ratcliffe advises that 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 arena - but rather stepping back to look at the individual's personal economics and ensuring that all aspects work together to support those personal goals - not prescribed financial advisor goals which may be more influenced by external factors such as commission earnings. "Goals-based wealth management means that advisors need to discuss life events and market conditions with their clients, review their personal concerns and goals, measure progress toward reaching these goals - and update the strategy should any details change".

"The main concern should not be on short term performance but rather the probability of not achieving client goals," says Ratcliffe, who concludes by saying that goals-based investing offers a powerful tool against factors that can undermine financial success such as market fear, uncertainty, human biases and preferences as it allows Wealth Managers to guide their clients towards investing according to their needs and goals in a way that looks past intermittent market volatility and noise.

Please contact a PCH wealth manager today to discuss your goals-based wealth management in more detail.



The Directors Desk



We are well over the middle of 2018 and it is fair to say it has been a turbulent year to date. We have seen the cost of living climbing substantially. This puts pressure on everyone's budgets and makes engaging with your PCH wealth manager about your financial goals more important than ever. You need to check if the goals set in the past years need to be reviewed. Our cover article on goals-based investing unpacks the benefits of this approach to investing, something we are truly committed to and personally follow. Working with you to meet your personal life goals is central to our wealth management advisory philosophy at PCH.

While you are getting your affairs in order, please do not forget about your Will, which needs to be updated regularly. The Law Society of South Africa has an annual initiative focusing on Wills and the Private Client Trust team of fiduciary specialists are offering complimentary drafting, or amending, of all our clients' Wills.

The article on page 3 offers some succinct advice from the PC Trust team on drafting your Will.

Compliance has become a big watch word in the wealth management industry – a move that we welcome. Compliance is a factor that also effects the tax sector and an important consideration when contracting a tax consultant to assist you is whether or not that person is compliant with the Tax Administration Act. Our Private Client Financial team are on hand to answer these questions to ensure your affairs remain as tax efficient as possible.

Grant Alexander

HAVE YOU HEARD?

UCT cycling launch Throwdown Thursday



Good news for mountain biking enthusiasts, the UCT cycling team, proudly powered by PCH, have launched an exciting new initiative called "Throwdown Thursday" which sees groups of MTB club cyclists gathering together on Thursdays to enjoy the UCT MTB trail. If you are interested in taking part please look at the UCT cycling Facebook page for more details.

Woman's month lecture series

To mark woman's month the PCH HR team coordinated a series of lunchtime lectures for PCH staff to enjoy. These included a very interesting introduction to Mindfulness by Dr Debbie Alexander; Tania van Zyl was inspirational with her weight loss journey talk; Carissa Bosman gave great insights into styling and dressing professionally; the Volunteer Wildfire Services galvanized us to become more active citizens (see www.vws.org.za); and Justine Seymour from Somersault Studio kindly led a complimentary Pilates class.

Wealth Managers Team Building Weekend

The PCH wealth managers recently enjoyed a well-deserved team building breakaway on the Breede River. It was a wonderful weekend that saw everyone connecting and having fun – important for our hard-working team!



2018 WP Duathlon Champs

Congratulations to David Jones and Rohan Kennedy who took part in the 2018 WP Duathlon Champs, where they came 1st in the para category and 4th overall in the sprint distance. It was an awesome event and they looked great in the PCH kit and did us proud!



Private Client Financial is now proudly a Xero Gold Partner

Xero is an efficient, easy to use, cloud based accounting software that offers business owners a collaborative solution to manage and complete their accounting work.

Basically the business and their accountant share and work together on one set of numbers. Ensuring that all work is correct and up to date at all times.

Xero allows integration with your bank account that provides a real-time view of cashflow and allows you to run your business on the go.

Xero has a mobile app to reconcile, send invoices or create expense claims – from anywhere.

It provides for online invoicing and it imports and categorises bank transactions.

Please contact Heinz Erwee at Private Client Financial, the Financial services pillar of PCH, on Heinz@privateclient.co.za for more information.





K.I.S.S and Don't Tell

By Sarah Love



This is according to Sarah Love, a fiduciary specialist at Private Client Trust, who says that short and simple Wills usually suffice.

“Short and Simple Wills usually suffice.”

“No one needs seven pages of illegible “legalese”, yet in my experience many people are lulled into a false sense of security that the more “official sounding” the document reads, the safer they are.” Loves advice is to K.I.S.S – Keep it Sweet and Simple.

“Keep it Sweet and Simple.”

“The sweet part comes from the fact that your Last Will and Testament will eventually become a public document, unless revoked before your death. It is in no one’s interest to have dirty family laundry aired in this manner, so don’t dredge up old family feuds, grudges, embarrassments and secrets in your Will.”

“Keep the instructions in your Will simple – you will not be there

In the fiduciary world practitioners are often confronted by long-winded Last Wills and Testaments, which clients can barely understand – yet have signed – and when the details of the document are unpacked the instructions that it ultimately contains are not necessarily what the client intended at all.

to explain them and the more complicated your wishes are, the more likely they are to be misunderstood or misinterpreted.”

“And finally – don’t tell. Your Will is a private document until you pass away, and you are under no obligation to tell anyone what it contains,” concludes Love.

Contact our Private Client Trust team to discuss the drafting of your Will by emailing sarah@privateclient.co.za.

WILLS AWARENESS!

Your Will should be updated regularly, particularly after a major life event such as a death, marriage, divorce or the birth of a child in your family. In support of the Law Society of South Africa’s Wills Awareness initiative, we are delighted to offer you a complimentary review or drafting of your Will.

Please email our fiduciary specialists in the Private Client Trust team if you would like to take advantage of this offer at trusts@privateclient.co.za.



Estate Planning: Death and marriage go together like a horse and carriage

By David Knott

For most people the words “death” and “marriage” do not belong together in the same conversation.

However, according to David Knott, estate planning always needs to take into consideration the regime under which you are married, for example in community of property, out of community of property, ante-nuptial contract with or without accrual and even the laws of the country in which you are married.

Knott explains that if you are married in community of property, you cannot leave your assets to anyone as you only own a half share of these – the other half is owned by your spouse.

Likewise, if you are married in terms of the Matrimonial Property Act with accrual, upon your death a calculation must be made by law as to the growth of both estates and the partner whose estate has grown least has a claim against the other’s estate. If the claim is against the deceased spouse’s estate, this will impact the distribution of assets in terms of the Will.

Knott offers an example of how things can go wrong with estate planning if you do not factor in the terms of your marriage contract.

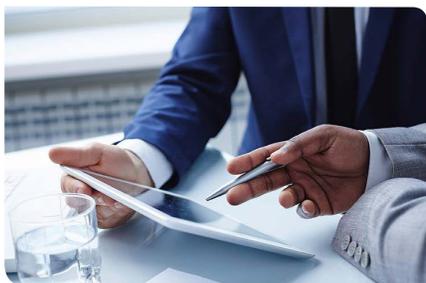
“A man dies and in his Will he bestowed one quarter of his estate to his wife and the residue in equal shares to his three children from his previous marriages. However, this man forgot that he had entered into an ante-nuptial contract with accrual, which gave rise to a claim against his estate by his surviving current spouse. The end result is that his wife inherits five eighths and each of his children inherit one eighth - far from what he had intended in his Will.”

“There are a myriad of issues that can change the way your estate is distributed – despite your clear last wishes. The preparation of a valid, workable Will requires a skilled Estate Planning expert who is fully aware of all the problems that may arise should you not take your marriage contract into account,” concludes Knott.

Key questions to ask your tax practitioner



By Jeremy Burman



Many people are baffled by tax and often terrified by any mention of SARS and tax returns.

According to Jeremy Burman of Private Client Financial, it is worthwhile engaging a tax practitioner and asking them the following questions:

- Are you a registered tax practitioner?
- How are your fees calculated?
- Have I taken advantage of every tax saving opportunity available?
- What tax returns will I be required to submit on an annual basis and when?
- What documentation must I provide to you for my annual income tax returns?
- What format should my documentation be in?
- When can I expect to pay tax or receive my refund?
- How do I make tax payments and can I check that these have been received by SARS?
- When can I throw out the supporting certificates and documentation for my tax return?
- How will a change in my circumstances affect my tax situation?

“Clear communication between yourself and your tax practitioner will assist not only in ensuring that you stay on the right side of SARS but that you do so in the most tax efficient and cost-effective manner possible,” concludes Burman.

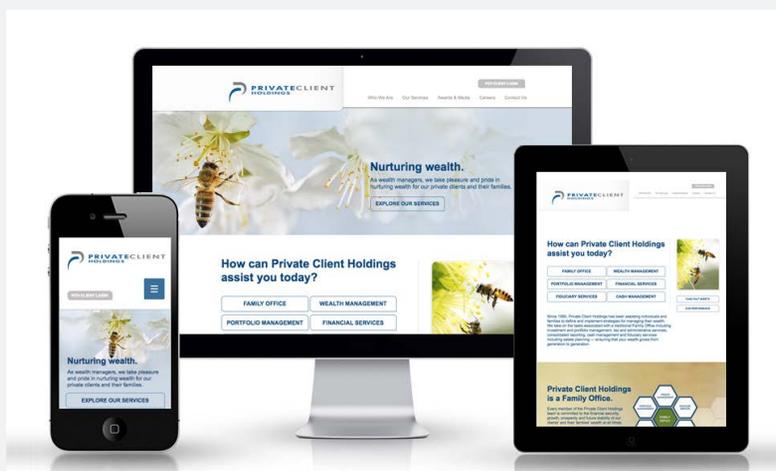
For more information contact Jeremy Burman, a director of Private Client Financial, the specialist tax and financial services division of Private Client Holdings on +27 671 1220.

New PCH website launched

The new PCH website is live and can be viewed at www.privateclient.co.za. This user-friendly and dynamic new website has been designed to be completely responsive and mobile device compatible.

Text heavy websites are a thing of the past as we all readily access websites on our smartphones and tablets. These smaller devices demand less text and easily consumed information that can be accessed quickly. Priorities involve being able to contact someone quickly and access concise information easily.

These are the objectives of the new PCH website. Please visit the site and share it with friends and family and don't hesitate to contact us if you have any thoughts or comments about the new site by emailing Cathy Alexander on cathy@privateclient.co.za.



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.

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TEST YOUR SUDOKU SKILL!

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