

PWS

PRECEPT WEALTH SOLUTIONS



**Given the proper care and consideration
everything grows and prospers**

Investment management process

Step 1: Analyse client goals and objectives

This is the most important step in the process as it is the foundation on which all the other steps are built. Before choosing anyone to manage your investments, it is vital to give careful consideration to what you hope to gain in return. We use a proprietary methodology to answer, amongst others, the following questions:

1. What stage of asset growth are you in? Wealth accumulation or wealth preservation?
2. How much risk are you willing to assume for a given return?
3. What is the time frame for reaching your investment goals?
4. What is your tax situation?

Step 2: Formalise investment policy

As your professional financial planning advisors, having gained a complete understanding of all of the above we proceed to this next stage which is a common understanding of investment aims and risk/ return tolerances. This is established through the creation of a formal investment management policy document. This document guides all future investment decisions and is the central repository for all intelligence regarding client investment time frames, risk and return objectives, tax-sensitivities etc.

Step 3: Design optimal portfolio

The formalised investment management policy, is used as the baseline for the creation of an optimal portfolio. History has proved that asset allocation accounts for over 90% of a portfolio's performance and as such is the platform of the optimal portfolio design step.

Utilising proprietary analytical models, we produce different scenarios defining a number of different asset blends that will meet the expected rate of return, while maintaining an acceptable level of risk within the portfolio. We then work through these scenarios with you to determine which one best suits your needs.

Investment performance is one of the primary objectives of any investor and must be weighed against the risks associated with such performance. Time horizons are a key element in determining appropriate asset allocation strategies.

In order to spread risk, one of the critical decisions we make with you here is how to best allocate your funds' assets among the widest range of possibilities available.

Step 4: Manager selection and review

Once an ideal asset allocation is determined, using external standard quantitative methods we select fund managers to implement the selected asset allocation. Prior to this selection, we undertake a careful due diligence of the fund managers, analysing data such as past performance, personal qualifications of executive officers and the investment managers' philosophy, amongst others.

These processes enable us to select the fund managers with the optimal management philosophy, style and capabilities to best manage your investments, having eliminated those not aligned to your requirements.

Step 5: Performance reporting and measurement

Once the selected fund managers are in place, we then provide customised quarterly reporting which enables us to jointly monitor the performance of your investment managers.

Wealth management services

Step 6: Portfolio monitoring and rebalancing

The final stage of the process completes what we call our “Virtuous Circle”. Our asset allocation and manager selection processes are dynamic.

Although our asset allocation guidelines tend to remain consistent over time, we review them continuously and will occasionally modify them to reflect fundamental market changes, or changes in your objectives or circumstances.

In addition, we continually monitor the performance of the selected fund managers and through the comprehensive fund manager selection process, we are able to suggest replacements for under-performing fund managers without having to revisit your investment strategy.

Throughout the whole process we maintain a high level of personal contact and ensure that whatever solutions we implement effectively manages your risks and delivers the results you desire.

Our services to clients include:

- Assessing financial and risk requirements
- Designing and managing investment and risk portfolios
- Recommending appropriate products and services Financial and Risk Requirements

Our service meets the following essential needs of our clients:

- A personal financial plan tailored to meet each client’s lifestyle and investment objectives
- Flexibility to accommodate future changes in personal objectives, legislation and investment options
- Cost-effective implementation of the investment strategy
- Objective, unbiased advice, not influenced by fees and commissions, corporate alignment or other incentives

Investment and Risk Portfolios

In order to prepare an appropriate structured plan, we need to establish the following:

- Your current financial and personal circumstances (current investments, assets, liabilities and income potential, together with an understanding of your family and business situation)
- Your goals and expectations in terms of your investment portfolio and current or future income and capital requirements
- Your expectations regarding income returns and capital growth and volatility
- Your understanding of portfolio and asset class returns
- Any other risk and investment issues that may need further clarification

Products and Services

We provide professional advice and access to the following:
Investment and Risk Portfolios

- Local investment portfolios consisting of a combination of cash, equities, property and bond instruments, plus specialised hedge and structured funds
- Investment products including retirement funds and annuities
- Estate planning including wills and trusts
- Tax planning
- Personal risk management (including assessment of existing life policies, retirement annuities, endowments and employee benefits)
- Business risk management including shareholder protection risk cover and key man insurance

Offshore

- Direct offshore investments and trusts
- Offshore transfers through negotiated asset swaps
- Offshore portfolio management of funds held in overseas jurisdictions
- Offshore tax and estate planning
- Offshore personal and business risk management





Objective

The objective of our business is simple: “ To help our clients achieve lifestyle goals, financial security and peace of mind with the lowest possible risk.”

Investment Philosophy

Our policy is to focus our clients’ investments using the tried and tested strategy of structured asset allocation and fund manager diversification.

We do not embrace “hot trading tips” or “get rich quick” schemes. Attempting to beat the index through market timing and/or security selection is difficult, if not impossible to achieve over time. Our strategy regarding diversification is based upon carefully selected assets.

The primary objective is the performance of the entire portfolio rather than the performance of any single asset. Our independence enables us to ensure that clients’ wealth is placed in the products of the most appropriate companies in order to achieve the clients’ wealth creation objectives.

Both our clients and our service providers recognise this independence as being an essential component of our holistic value proposition. All fees or commissions earned are fully disclosed and agreed at the outset.

Our Team

We have a team of industry professionals with over 70 years of combined experience in providing financial services to clients.

We are passionate about what we do and how we do it.

Each day we are aware of the responsibility we carry to ensure that our clients achieve financial security and meet their lifestyle goals.

Product Accreditation Details

The intermediaries are authorised and accredited to give advice on all the products as listed in the annexures hereto.

10X, acsis Limited, Allan Gray, Coronation Asset Management (Pty) Ltd
Discovery Life Limited, GinsGlobal Index Funds (SA) Ltd, Hollard Life Assurance Company Limited, Investec Asset Management, Investment Solutions Limited,
Liberty Group Limited, Momentum Group Limited, Nedgroup Investments,
Old Mutual Investment Administrators (Pty) Ltd, PPS Investments Group, Prescient Investment Management (Pty) Ltd, Prudential Portfolio Managers, RE:CM Collective Investments (Pty) Ltd, RMB Unit Trusts Limited, Sanlam Collective Investments (Pty) Ltd, Sentinel International Trust Company (Pty) Ltd, Stanlib, TSA Administrators

Legal and Contractual Relationship

The intermediaries are independent financial advisors and are paid for their services in the form of fees and commissions. They do not hold more than 10% of the shares issued by any insurers.

PWS during the preceding 12 month period received more than 30% of total remuneration, including commission, from the following product suppliers, Investec and Allan Gray.

Compliance Officer

Crux Consulting Compliance Practitioners
FSB reg No: CO 3485 • Compliance Officer: Mr Justin Joannides
Telephone number: (011) 234 4991 • Cellphone number: 082 567 6353
E-mail address: justin@cruxconsulting.co.za • Website: www.cruxconsulting.co.za

Financial Intelligence Centre Act (FIC) Compliance

Please note that we are bound by anti-money laundering legislation which requires the reporting of suspicious and unusual transactions to the Financial Intelligence Centre. During the course of our business relationship we will be required to conduct a customer due diligence on the transactions.

Professional Indemnity Insurance

PWS holds professional indemnity and fidelity insurance cover.

Products and Services

PWS is authorised to carry on business in respect of Financial Advisory and Intermediary Services as Financial Services Provider in respect of the following products and services:

- Long term Insurance : Category B1; B2; C; • Pension Funds Benefits(excluding retail);
- Retail Pension Benefits; • Participatory interests in Collective Investment Schemes. We remind you that all material facts must be accurate and properly disclosed to PWS.

Complaints

All complaints must be reduced to writing and submitted to Amanda Stratfold. Please see contact details below.

Conflict of interest management policy

PWS has a conflict of interest management policy and this available on request.

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Financial Services Provider 1450

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An authorised financial services provider

PWS

PRECEPT WEALTH SOLUTIONS