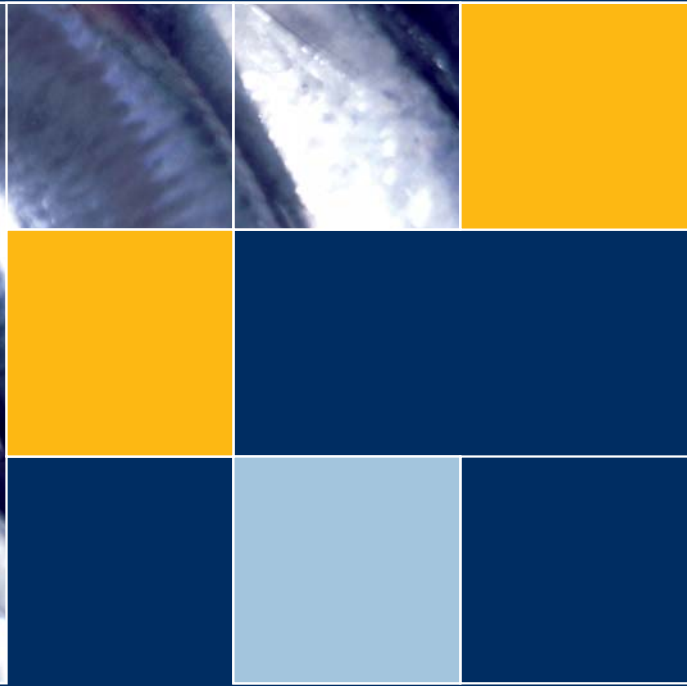


# Wealth Management



# Services provided by the Horwath Network

## Assurance and Corporate Services

- Audit
- Client Accounting
- Secretarial
- Tax Compliance
- Property Administration
- Corporate Finance
- Software Solutions

## Wealth Management

- Financial Services
- Employee Benefits
- Estate Services

## Advisory Services

- Forensics
- Tax Consulting
- Hotel, Tourism and Leisure
- Alternative Dispute Resolution

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# Wealth Management

## Financial Services

Established in 2002, Horwath Financial Services was created as an extension of our service delivery ethic to meet the broader financial requirements of our existing clients. The success of our approach to creating and preserving wealth continuously attracts new clients to the Horwath fold.

### What the Horwath name stands for

Our aim is to be recognised by our clients as the trusted advisor for all their financial decisions, so they can achieve peace of mind and a willingness to communicate this to their friends and colleagues.

### Ensuring that your vision of success becomes a reality

By combining our intellectual expertise with the resources of our expert independent partners we offer our clients the best possible solution. Our collaborative business model ensures that financial solutions are built to suit the needs, goals and aspirations of each client with a roadmap being drawn to plan and monitor the route.



### You will recognise value in 'the Horwath way' because we:

- Understand our clients' desired lifestyle, needs and risks tolerances
- Create a clear view of future expectations
- Take an educational approach with our clients ensuring they can make informed decisions
- Create a sustainable roadmap so our clients can reach their chosen goals
- Continuously monitor and provide feedback on progress of the route
- Revisit needs, goals and aspirations to ensure you are still on the right track

### Uncertainty grows in darkness. If there is an outcome you desire, turn on the light

#### Managed Investments

Statistics show that most South Africans are unable to achieve their desired retirement lifestyle due to insufficient savings. Our mission is to ensure that our clients achieve their financial goals and that they are financially secure throughout their retirement years.

Our investment principles and process can help shine a light on your investment making decisions whether you are reviewing your existing investments or considering making new investments. Our dependable process provides a road to follow regardless of market movements.

The creation and preservation of wealth is not a static exercise and wealth objectives differ for each and every client - private individuals, corporates or trusts - with these objectives changing through life.

The particular lifestyle aspirations, goals and needs of a client will dictate the specific investment approach we follow with diversified portfolios being the core to help manage investment risks.

Continual reviewing ensures that we always have an up to date understanding of our clients' aspirations, needs and goals. Any necessary changes to their investments are swiftly and easily effected ensuring that the two are always aligned, no matter the stage of life of the client.

## If your business is worth anything, it's worth insuring

### Risk Assessment

The emphasis is on protecting the business and the business owner's equity and interests. This includes that the security of the business is assured in the event of the owner's illness, disability or death. We ensure that the appropriate compensation schemes, funding mechanisms and legal agreements are in place. The complex tax and legislative requirements are appropriately considered.

*Suretyship protection* - Raising finance can be critical to sustain the operations and growth of ones business. When doing so owners usually have to sign personal surety on behalf of their businesses. The subsequent death of a business owner could affect the security of a family. In order to separate personal financial need from business obligations we implement suretyship protection.

*Key staff members* - Many business owners recognise their staff to be their most valuable asset. How would the death of a key staff member impact financially on the business? How can the business protect itself? The solution could be to insure these individuals.

*Business Continuity* - Many people spend a great deal of time and effort establishing and operating their biggest asset, a business. An untimely death could mean that this asset could be lost to their family, and dependants could be left in an awkward financial position. To avoid this possibility business continuity plans can be implemented.

*For the business owner:*

- Buy and sell cover agreements
- Contingent liability cover and agreements
- Loan account redemptions

*For the business:*

- Business overheads cover
- Key person cover
- Loan account protection
- Surety protection

# Wealth Management

## Employee Benefits

The Horwath ethic of 'value added service delivery' is the cornerstone of our Employee Benefits business. Before Horwath Employee Benefits commenced business in an already highly competitive market, we asked ourselves, "What do clients want that they're not getting from their current offerings?" and "Can we offer something better using our collaborative business model?" We discovered new ways to meet unsatisfied needs.

**Good things come to those who wait. Great things come to those who prepare**

Horwath Employee Benefits evaluates existing retirement funds and assists with the formation of new retirement funds. Horwath Employee Benefits focuses on administrative costs and services, implementation of appropriate investment strategies and the benefit structure of the retirement fund. Horwath Employee Benefits believes in clearly defining roles and responsibilities, transparency of costs and access to information.

**We understand that you only retire once so we have to get it right.**

*The problem currently is...*

The majority of retirement funds are offered by a single organisation. This means that the administration, consulting, investment products and risk underwriting roles are all provided by the same organisation. The problem with the one-stop shop model?

- The client is expected to fit in with the product provider
- Cross subsidisation of costs - no transparency so client doesn't know the costs of each individual service roles
- No clarity on roles, responsibility and accountability
- Client is tied into the whole package
- Very little flexibility
- Remuneration is often in the form of commission which does not create an environment where the adviser has to "work for the money"
- The one stop service provider becomes the judge, jury and executioner

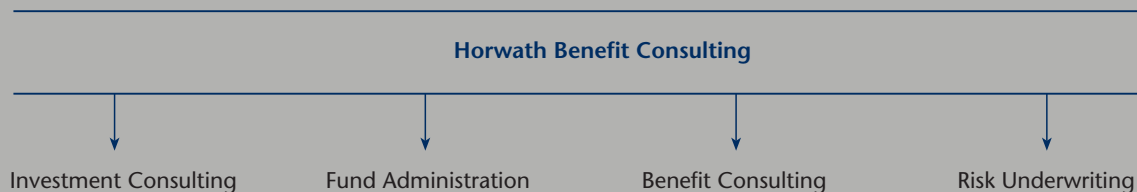
*Introducing the Horwath difference?*

- Begin with the client's needs and design a fund to meet those needs
- Employ the appropriate independent specialist service providers for each required role
- Define the role players and ensure that there are no conflicts of interest
- Ensure access to information
- Ensure that all processes and fee transactions are clear and transparent
- Horwath Employee Benefits derives income in the form of fees which are measurable and agreed upfront
- Smaller clients are catered for through participation in our Pinnacle Umbrella Pension and Provident Funds

Simply put, the Horwath Employee Benefit model provides greater transparency, flexibility and efficiency resulting in the fund member having the confidence of a secure retirement.



## Taking advantage of the inefficiencies in the market



### Investment Consulting

*Process. It's part of your Return on Investment*

- A rigorous investment process is applied to each of our clients
- The process is needs driven and objective focused in line with the fund member requirements
- The process covers the full implementation and monitoring requirements
- Regular feedback is achieved electronically and "in person"

### Fund Administration

*Clean, efficient, accessible*

- Service level agreements are entered into with each fund
- Fees are transparent and agreed upfront
- Administration is Internet based, ensuring low cost and optimal efficiency
- Fund details can be accessed online by all participants, including members

### Our Benefit Consulting service - the bird's eye view

Our role is to fulfil the advisory or coaching role to the retirement fund. We aim to work closely with the management committee and strive to meet the needs of the fund members and ensure that the management committee meet their fiduciary obligations through the following:

- Understand the client's specific requirements and assist them in creating a fund structure that will best deliver those needs
- Ensure that the funds comply with appropriate compliance requirements
- Focus on the tax implications
- Maximise benefits and access to service but contain costs
- Strong focus on the training and development needs of the management committee members
- Enter into Service Level Agreements with each fund thus allowing our clients to measure our commitment and performance

### Risk Underwriting

*We have you covered*

- Horwath Employee Benefits has access to all the underwriters and as such is able to provide clients with the policy best suited to them. A full range of death, disability and other risk benefit products are on hand
- Horwath Employee Benefits constantly reviews the pricing and policy conditions of our various clients

# Wealth Management

## Estate Services

### Wealth preservation beyond your lifetime

After many years of administering deceased estates and winding up estates, we've certainly learnt what to do and what not to do when planning your estate. We've seen the consequences of poorly written wills and the benefits of having a well thought out will that takes all the legal implications into account. Ultimately, a holistic understanding is required to ensure your dependants benefit optimally from your estate.

- Estate Planning
- Administration of Solvent Deceased Estates
- Administration of Testamentary Trusts

In addition to our own expertise we draw on the specialist tax, financial and wealth management expertise made available to us via the Horwath network. Our focused, personalised estate planning and administration service is utilised by individuals, smaller accounting and legal firms as well as a vast broker network.

- Personal Service
- Efficient and Rapid Execution
- Integrity





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