

On The

clarity *insight*
partnership

"The road to wealth
raises many questions.
Only the exceptional
find the answers."

Horizon

SPRING 2013



"Our role is to maximise the probability of our clients achieving their financial outcomes."

Welcome

Hello and welcome to the Spring 2013 issue of *On The Horizon*. It's been a few years since our previous newsletter. We hope to provide more regular feedback with the latest news at Horizon Wealth as we continue to strive to deliver to you consistent and quality service.

It's been a busy last few years. We have had excellent investment returns over the last 12 months, (refer to *Table and Chart of Index Returns* on page 2). A change of Government in Australia has given an added boost to business confidence after the last 3 year period of a minority led Labor Government, dominated by internal bickering.

We also moved into our new premises at 44 Market Street in September 2012 –

most of you have already been to visit us. Some more specific feedback on what we have been up to which we hope would interest you.

You are partners in our business! - Your opinion is very important to us...

A while ago, Horizon Wealth embarked on a comprehensive review of what we do for our clients and how we do it.

The purpose of this was two-fold. We wanted to identify ways to improve our services and continue to provide great advice and at the same time we wanted to make sure we didn't lose sight of the things we do currently that you value most.

The first step was that we asked a number of you about the things you like about us and areas that we might look to improve. We engaged a specialist external company to contact a selection of clients and ask them exactly that.

The results were enlightening! You told us a great many things about what you value, including:

- You see Horizon Wealth as a business of **high integrity**, in which you place great trust.
- You appreciate the **personal service** you get from us. You like the fact that we are always available to answer your questions promptly, directly and clearly.
- You appreciate that we **get back to you quickly** when you ask us to.
- You appreciate the fact that we take great pride in **our technical abilities** and that our advice is well-researched.
- You mostly like the fact that we are a smaller company, which allows us to have a keen **focus on individuals**.
- You like that we believe in the **core principles** of good financial planning; managing and protecting wealth in a prudent and conservative manner that doesn't expose you to unnecessary risk.

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HORIZON
WEALTH MANAGEMENT
Clarity • Insight • Partnership



Welcome ...cont

A lot of the points on the previous page are encapsulated in a client experience of the service provided by Horizon Wealth on page 6.

You also gave us some suggestions of **areas we could improve**, which included:

- You'd like to see us be more **proactive in our communication**, providing you with greater insight into issues such as market reports, trend analysis, notice of upcoming events and what's going on in our business.
- You'd like the way we **communicate the performance of your portfolios** to be clearer and more to the point.
- You'd like our **client review process** to be better structured and summarised.

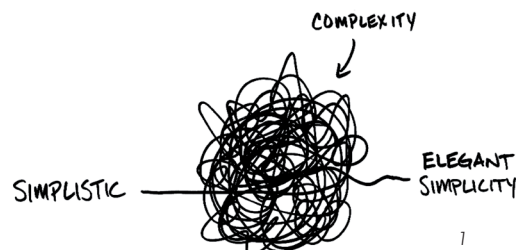
- At the same time, when we do communicate with you, it should be about things that matter, **not just communication for communication sake**.

This feedback has been invaluable to us and we'd like to thank everyone who consented to being involved in the survey. It's the views and opinions of the people who matter most to us, our clients, that enable us to make sure that the things we are doing are hitting the mark, and that future changes we make also achieve better outcomes for you.

We hope you like our improved investment reporting which has been in place for over a year. We have strived to distil the information in a format that is both succinct and meaningful and at the same time provides our clients

with sufficient information they need to ensure that they are on track to achieve their goals.

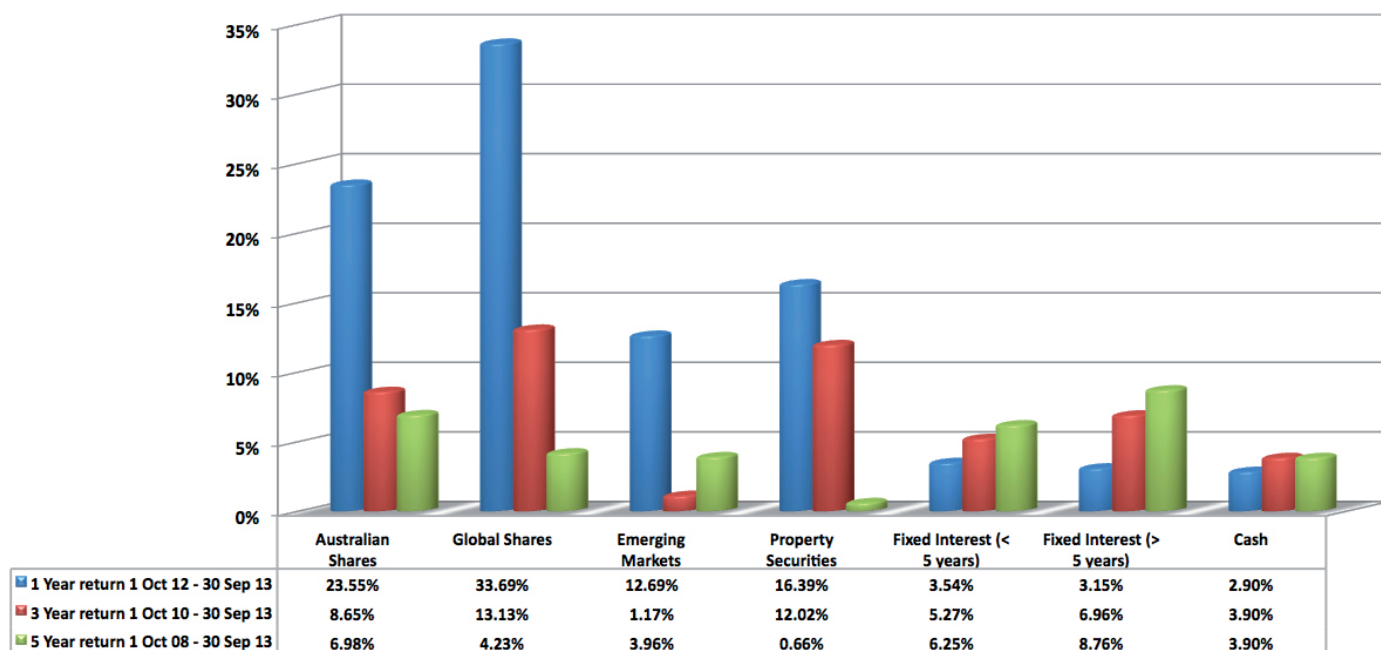
Elegant Simplicity



In the meantime, if you have an opinion or feedback you'd like to offer but weren't contacted, we'd still love to hear from you. Please feel free to drop us a line at info@horizonwealth.com.au or, as always, feel free to give us a call personally.

Returns of the major asset classes as at 30 September 2013

Asset Class Returns





Changing the way that **Horizon Wealth** presents itself

We have been busy refreshing the face of Horizon Wealth and during the last 6 months we have set out to communicate our **points of difference from other Financial Advisers**.

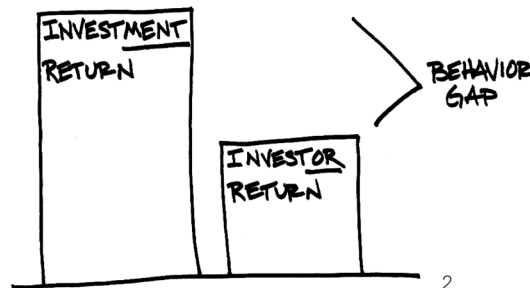
We believe we are completely different from other advisers for the following reasons:

1. **We work with people...most advisers focus on money.** While they may take some of your requirements into consideration when they create wealth plans or manage investments, they can be conflicted in the manner in which they are paid.
2. **We act as your personal consultant.** Most advisers provide advice. We act as your partner. The advice that we provide is always in that context.
3. **Our goals are aligned with yours.** We focus on individuals and families and try to get to know them as well as possible. We align ourselves with you in the achievement of your goals. Most advisers try to meet financial goals such as "beating the market" or "achieving better returns". We always place your interests ahead of our own.
4. **We take a long-term approach, while providing short-term support.** Other advisers may communicate performance on a regular basis with their clients. We go the extra mile to provide you with

ongoing coaching, mentoring and education to ensure your decisions are consistent with your strategy.

We feel this gives you the confidence that your affairs are being managed and that your financial life is in order.

The Behaviour Gap



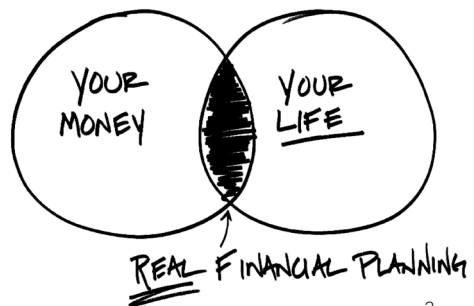
Hence the cornerstone of our value proposition:

Clarity, Insight and Partnership.

You'll see this on our website, newsletters and around our office. It is our pledge to provide the support that you need from your wealth adviser!

This approach makes us unique among financial advisers and wealth management firms in Australia.

Real Financial Planning



"We focus on individuals and families and try to get to know them as well as possible. We align ourselves with you in the achievement of your goals."

1, 2, 3 ©2013 Owned and copyrighted by Behavior Gap and/or Carl Richards.

Here is specifically how **Horizon Wealth** creates value for you:

1. Clarity

We work together with you to clarify the needs, concerns, opportunities and goals that you have. We look at your short, medium and long-term needs and prioritise those issues that are important to you.

2. Insight

We apply our experience, expertise and the support of other experts (when needed) as we build a plan together. We never forget however, that the most important element of insight is our understanding of what matters most to you personally and financially.

3. Partnership

Wealth Management is an ongoing process that looks ahead and plans for all the major transitions in your life. We work as your trusted advisor to help you put the entire plan together and make changes when needed.



Members of **our team**

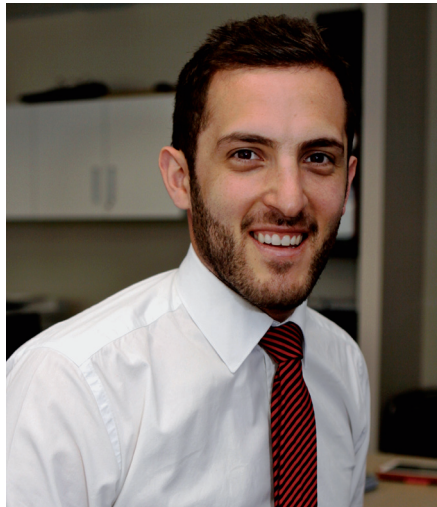
We have invested heavily to increase our capability and capacity and to continue to improve what we do for our clients.

Service remains a key driver as we continue to work hard to grow the business. To support our value proposition noted earlier,, we are continuing to attract high quality staff to service your needs. And so we welcome **Trevor Geffin**, our new Paraplanner and Technical Specialist on board.

Trevor has over 5 years of experience in the financial planning industry with particularly strong technical knowledge in superannuation and retirement planning.

Trevor has worked closely with Horizon Wealth for over 2 years as a consultant and has now joined the business in a full-time capacity. Trevor's strengths are strategy development for financial planning clients, financial planning systems, compliance, advice documentation and client presentation tools.

Trevor holds the double degree of Bachelor Commerce (Accounting) / Bachelor of Applied Finance.



Trevor Geffin

Trevor will be playing an integral role in supporting the team and ensuring that clients receive a high level of tailored service and advice. I'm sure that in the months ahead you will have a chance to speak with and meet Trevor.

Most of you would have already had an opportunity to meet with **Tali (Wainer) Eliastam**, our Corporate and Client Services Manager. Tali has a BA Honours as well as 4 years experience in the Financial and Accounting



Tali (Wainer) Eliastam

services industry, specifically in Self Managed Super Funds.

Tali's core strengths include a high attention to detail and a strong client orientation. She plays an integral role in advisory support, whilst ensuring our clients receive the highest levels of service.

Tali's role extends to Corporate Services Manager for the business, ensuring all aspects of the day to day operations function seamlessly.

Welcome to **Paul Hanley**

Paul Hanley is a Chartered Accountant and has extensive international experience in Credit and Risk Management, Private Banking and Wealth Management, over a career spanning 20 years with an international Specialist Bank and Asset Manager. He was the Country Head for Investec Private Bank in South Africa (2003 – 2008), and Australia (2008 – 2011), the former being consecutively rated the "Best Private Bank in South Africa"1 between 2001 and 2013.

Paul has held numerous leadership roles, including as Divisional Director on the board of Investec Bank Limited and more recently as the Co-President of the

Knox Grammar Preparatory School KPA.

Paul has a deep understanding of financial markets and economic cycles and a strong connection with the issues people face as they navigate through the cycles of life. His dealings with high income and high net worth individuals over the last 20 years has given him a unique insight into their issues, needs, goals and objectives.

Paul's unique skills and insights have added an extra dimension to Horizon Wealth's already strong specialist capabilities.

Paul is married to Caryn and they have 4 children - triplet boys and a daughter.



Paul is an Authorised Representative of Horizon Wealth Management



Leading the new rules and regulations

Horizon Wealth has had to respond to some significant regulatory changes with the introduction of both FOFA (Future of Financial Advice) and MySuper. We have lead these changes with a long-term consistent approach to transparency, whilst always acting in our clients' best interests.

Some of the regulatory reforms introduced under FOFA include providing our wealth management clients with an annual Fee Disclosure Statement (FDS). By now you would have already received your FDS for the year ended 1 October 2012 to 30 September 2013. In this regard, as part of Horizon Wealth's ethos of transparency, we had been providing all our clients with this information at their annual investment review meetings.

The format is slightly different to what you may be used to but it conforms to the new legal requirements. We will continue to disclose the total fees (including administration and investment management) at our annual review as we have done in the past. The other significant regulatory reform is that we have to illustrate that we have acted in our clients' best interests.

This has been a major contentious issue for a number of advisory businesses in Australia as more than 80% of advice businesses are connected with one of the 4 major banks and AMP. In these firms there has been a bias to products within those institutions. We are sure our clients would agree that Horizon Wealth already acts in your best interests and always has.

We hope that the new rules ensure that all advisers live up to the high standard that we have always lived up to.

You would most likely know Horizon Wealth is independently owned and has its own Wholesale and Retail Australian Financial Services Licence (AFSL). We pride ourselves on the un-conflicted advice we give to our clients. Horizon Wealth is also a Professional Practice of the Financial Planning Association, one of only 220 practices countrywide.

Over the past 2 years we've also re-developed both the content as well as the 'look and feel' of all our documentation (Statements of Advice, Records of Advice, Proposals and also our Investment and Insurance Reviews) and we continue to enhance our digital

"We hope that the new rules ensure that all advisers live up to the high standard that we have always lived up to"

presence to be able to communicate more closely with you. More about that in a later newsletter.

We hope you enjoy this Spring edition of On The Horizon, and we invite you to contact us if there is a particular topic you would like to see covered in a future edition.

In the meantime we continue on our journey of building the best (not biggest) advisory business in Australia.

[Visit our Website](#)

[Connect on LinkedIn](#)



As all our wealth management clients may know, Horizon Wealth are advocates of asset class investing. Eugene Fama has recently been awarded the Nobel Prize in Economics. Professor Fama's groundbreaking work on asset pricing and markets inspired the founding of Dimensional, and his ongoing contributions have guided their investment approach for more than three decades.

The Wall Street Journal 5 October 2013, made the following comment:

"The 74-year-old Mr Fama is seen by many as the father of modern

finance, for his 1960s-era work on the theory of efficient markets. After meeting with little success in stock picking, Mr Fama found that markets were efficient in a day-to-day or month-to-month time frame. They absorbed the latest information swiftly and seamlessly and yielded accurate asset prices. The conclusion upended notions of trying to profit from timing the market or stock picking—and gave rise to the index-funds industry."

We would trust that this would give you even more confidence in the reliability of this investment approach to a successful investment experience.



A client experience of the service provided by Horizon Wealth

The Global Financial Crisis provided David Richardson, award-winning journalist and executive producer of Channel 7's Today Tonight, with plenty of dramatic stories on ordinary Australians seeing their life-savings going down the drain. Unfortunately, David and his wife Cathy were among them.

The Richardson's financial adviser had made a series of investments they were unaware of, and which were now plummeting in value – and their adviser was doing nothing about it.

David says that it seemed like their world was falling in on them – until a close friend recommended calling Brian May at Horizon Wealth.

"Brian and the team at Horizon Wealth were really an island of sanity in a sea of insanity," David says.

"Even though we were talking about money that we'd lost – the size of which you'd see on a Monopoly board – it was like we were seeing some hope and some light at the end of the tunnel."

The team at Horizon Wealth spent weeks untangling the Richardson's finances; investigating every transaction in absolute detail, questioning companies they had been invested in and even locating money that David thought he would never see again.

Horizon Wealth's brand focuses on its ability to provide clients with clarity, insight and partnership. In the case of the Richardson's circumstances, the Horizon Wealth team were able to clarify the issues that needed to be sorted out and then gave David and Cathy their insight on the steps to take.

Out of that hard work was born a plan to turn around David and Cathy's fortunes. Firstly, they were able to hand over a comprehensive report to the Australian Securities and Investments Commission and the Financial Planning Association for their respective investigations into the previous adviser.

David and Cathy also had a step-by-step plan to recover as much of their money as possible. On top of that, David says Horizon Wealth advised his lawyer and accountant on the nature of the investment products in which their previous adviser had invested, including being able to claim tax deductions the Richardson's had been missing out on for years.

Most importantly, given their previous experience, David says Brian always keeps them informed and gives advice in plain English.

"You can never fault their customer service, it is exemplary," David says. "When they speak of partnership, they really "walk the talk".

"They're efficient, we know everything that they do, we're informed of every step that they make, we're told in advance of everything, we're given written Statements of Advice, we sign off on everything – there's never a stone left unturned and we feel immensely comfortable with that, having been treated so poorly before."

David says he got an early indication of Horizon Wealth's dedication to its clients when Brian replied to a query from the airport just before boarding a flight overseas to compete in an international swimming event.

"I thought that was pretty special, here he was just about to jump on a plane after training for months and months and here was I, just a first-time client who'd sort of stumbled in almost like a water-logged waif, and he was still helping me," David says.

The Richardson's are keen to put their harrowing experience behind them and with Horizon Wealth's expertise and advice are shaping a financial strategy for the future.

David says he didn't realise how inadequately covered both he and Cathy were in case of accident, particularly given his job involves covering wars and natural disasters, so they've boosted their level of death and disability and permanent injury insurance.

And with what Horizon Wealth's detective work helped salvage, their focus is now on rebuilding a superannuation nest egg.

"We've been able to restructure where I have the potential to retire at 65 with something whereas I was looking at retiring with nothing," David says.

Employees of Horizon's corporate clients

Did you know that as employees of our corporate plans, you are able to access the details of your Company's benefits from our web site at www.horizonwealth.com.au?

It's easy! Go online and click on the button located on the top right hand corner of the home page, as shown below:

Login - Your Super

Contact Us:

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