



# NORTHWOOD

Financial Services cc

Authorized Financial Services Provider No. 13296

## WELCOME TO NORTHWOOD FINANCIAL SERVICES cc

- We are a Cape Town based, Authorised Financial Services Provider - Financial advice is our game. We can help you solve your legal and financial planning problems
- We have a good deal of experience in working with clients on financial strategies and financial management.
- Our client-base stretches across 10 countries around the world.

Nico Kleynhans is the founder of Northwood. He started working in the financial services industry in 1987, when he joined Liberty Life. Within three years he was promoted to Senior Consultant.

In 1990 he resigned to form Northwood Financial Services cc. In 2000 he completed a Post-Graduate Diploma in Financial Planning. He was then accepted as a Certified Financial Planner®. In 2005 he completed a Diploma in Financial Management, passing with Distinction. At present, Nico is busy with an International M.B.A.

Nico is able to make the principles of Financial Management easy to understand. By means of games, books and seminars, clients learn how to apply these principles in their lives. He has been called upon by various bodies to provide seminars to educate staff.

In his spare time, Nico serves on the Board of Management of Gender Steps, an NGO which seeks to address issues of Gender Violence amongst teenagers. He participates in various human rights and refugee organizations.

Nico has produced various financial pamphlets and is about to internationally publish two book titles.

He is a member of the Financial Planning Institute of Southern Africa, and also of The Southern Africa Institute of Management Scientists

### MORE ABOUT NICO KLEYNHANS

#### **Certified Financial Planner®**

Nico Kleynhans is one of an elite group of 100 000 Certified Financial Planners® around the world, and only one of a handful of South Africans who have achieved this important level of knowledge and experience.

#### **EVALUATE FINANCIAL PLANS**

Clients frequently call upon me to help them evaluate their financial plans.

- I understand risk.
- I've studied insurance products and medical aids.
- I understand wealth management.
- I've studied the legal implications of financial management

## **20 YEARS OF EXPERIENCE IN THE FINANCIAL SERVICES INDUSTRY**

My experience means that I'm able to help you:

- Prepare for retirement
- Build a diversified portfolio of investments
- Reduce risk and wastage when investing
- Prepare for emergencies
- Protect your family wealth when you are no longer around
- Advise you on any legal problems which could arise from poor financial management

## **ELECTRONIC PRESENCE**

Please feel free to have a look at Northwood on:

- Facebook
- Linked-in
- Twitter
- Plaxo

## **HOW WE WORK**

### **OUR FIRST MEETING GETTING TO KNOW YOU**

Our first meeting is a getting-to-know-you session. At this stage there are no obligations to either party. Before we can help you with your finances, the following need to be discussed:

- Values
- Goals
- Dreams

We talk about what you expect from our relationship. If you like what you experience through Northwood, we issue you an invoice for our services. Following the payment, your sessions with our financial advisory panel commence.

### **OUR NEXT SESSION - EXPLORING YOUR PAST**

Our next session explores your past. We learn much from our parents. They teach us manners, communication, and also sometimes about money. It's easy to become a prisoner of one's own childhood. If we struggle to have a healthy relationship with money, it is often because of the bad habits we learnt when we were young. We complete a Financial Psychological report together.

### **THEME FOR EACH MEETING**

Each of our meetings has a theme. You will receive a short report before the meeting. This report will help you to prepare for our discussions. These will cover various topics:

- Your views on money
- The cost of your debt
- Budgeting
- Investments.

## **FOUR MEETINGS IN THE FIRST YEAR**

We usually have FOUR meetings during the first year together. We realize that clients are busy people. We therefore offer you the web as a way of meeting using a programme called "SKYPE". We ask you to log onto the Internet and view Northwood's desktop while you and your consultant speak on SKYPE.

## **BUILDING UP YOUR BALANCE SHEET**

At other meetings well be collecting data to build up your BALANCE SHEET. This important document allows us to assess the risk attached to your present investment portfolio.

We analyse your current debt and evaluate your budget to improve the efficiency of our assistance to you. We analyse all your investments in terms of:

- Return
- Risk
- Future usefulness.

...and then we'll work with you to make any necessary changes.

## **PROJECTIONS FOR VARIOUS SCENARIOS**

We project what would happen if the various scenarios were to take place:

- Unemployment
- Situation after six months of not working due to illness
- Permanent disablement
- Retirement.

## **GAME: CASH FLOW 101 - INVESTING WIDELY**

We will play a sort of game together - Designed by the author of "Rich Dad, Poor Dad", the game introduces you to a wide range of possible investments. This game is the basis for our discussion on investing.

## **THE NORTHWOOD DIFFERENCE**

As your FINANCIAL PLANNERS, we promise excellent service. This is how:

- We charge no commissions.
- We actively manage your portfolio.
- We never handle your money ourselves

### **The Northwood Difference - No Commissions**

During 2007 we began to move away from commissions paid by insurers. Instead, we ask our clients to pay annual fees for our services. Your benefit is that your costs are transparent. If we need to use an insurance product, you know that we are not paid by the insurer to give that advice.

- Your premium will be lowered by up to 25% as the commission is rebated to you.

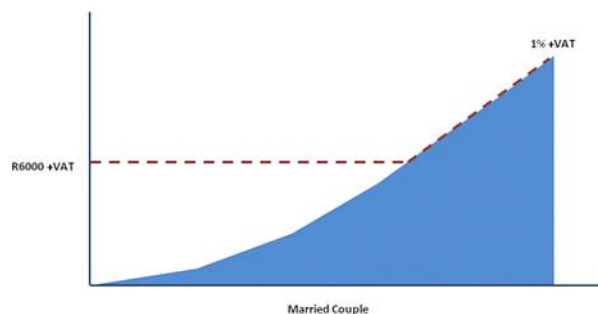
## FEES BASED ON FUNDS UNDER-MANAGEMENT

We base our fees on funds that we manage. We charge an up-front fee of 1% (plus VAT) for all new funds brought in. We also charge 1% (plus VAT) on-going per year for all your existing investments that we manage.

Our fee is a co-payment of R4 000 (plus VAT) if you are single, or R6 000 (plus VAT) if you are married.

After this up-front payment, our yearly charge depends on how much we manage for you. Our yearly co-payments fall away once couples have R600 000 under management.

Figure 1 below show you how our fees change as the portfolio increases in value



## THE NORTHWOOD DIFFERENCE - MANAGED PORTFOLIOS

We manage all your investments ACTIVELY. This is why we draw an on-going fee of 1% (plus VAT) per year. We adjust your portfolio actively.

In contrast, when you invest with an insurer you have no guarantee of active management. You leave the money in the insurer's care, and hope that the insurer will change your investments to suit the economic cycle.

Northwood does not follow the same policy as insurers: we adjust our fees and services to ongoing business cycles, rather than simply remaining on the same benchmark.

## EXAMPLES OF OUR POLICY

### Example one: ACTIVE MANAGEMENT

We adjust to changing circumstances. So, while most insurers lost between 53% and 83% in value within a few weeks of the subprime crisis the world experienced recently, Northwood's portfolios did not. We made several portfolio swaps and ended our year in positive territory.

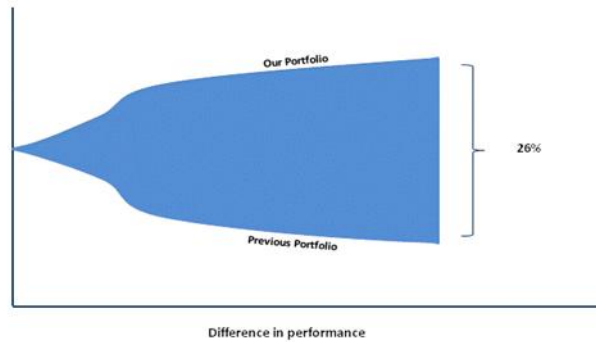
### Example Two: 26% BETTER

Mr N, on 8th September, transferred his pension from a large insurer to Northwood. We made two changes to his portfolio over the past nine months.

The difference between his portfolio with Northwood and what it would have been had he left it with the insurer is 26%.

The only reason for this huge difference is that we actively manage investments.

Figure 2 below shows the difference in performance



## THE NORTHWOOD DIFFERENCE - WHO HANDLES YOUR MONEY?

- We never handle your money ourselves.
- You have to approve any changes.
- You can use your unique password to see your investment.
- We protect you with fidelity insurance.

## WE NEVER HANDLE YOUR MONEY OURSELVES

We monitor the markets for you and we then recommend where your money should go. We never handle your money ourselves. We leave that to our chosen institutions, all of which are approved by the Financial Services Board. We do not take ownership of your funds, nor will we use institutions that do.

## YOU HAVE TO APPROVE ANY CHANGES

Once we recommend a change, you have to log onto your account and approve the change. No approval means no change - We cannot change investments without your permission.

## UNIQUE PASSWORD

YOU CAN VIEW all your investments on the Internet at any time. You have a unique password that allows you to view your investments at your leisure. We do not issue the passwords, and the Northwood staff does not have access to them.

## FIDELITY INSURANCE

It is estimated that fraud costs South Africa R150 billion every year. We've taken Fidelity Insurance to protect you, and have already listed above the other numerous steps that we've taken to protect your assets.

## THIS IS WHAT CLIENTS SAY ABOUT US:

Sue Valentine: "For more than a decade I've entrusted my financial planning to Nico Kleynhans. I value his advice, attention to detail and thoroughness in explaining financial concepts and options."

Michelle Clarke: "With care, consideration and knowledgeable support, Nico challenges his clients to take responsibility for their financial decisions. I have experienced his service as adding excellent value to my financial well-being. I would not hesitate to recommend him and his team." Michelle Clarke