



# Investment process

## Our investment philosophy

With a strategic commitment to a client-centric approach to investment advice, Citadel understands that no two investment journeys are the same. That's why we work with you to craft your unique financial roadmap. As wealth management specialists, we strive to understand our clients and each of their goals, dreams and ambitions.

## Evaluating investments

Citadel Asset Management (CAM), our inhouse team of investment specialists, conducts extensive local and global investment research with the goal of determining medium- to long-term economic outcomes. We assess a diverse range of asset classes and evaluate drivers and sources of returns.

The fundamentals of each asset class are then used as the basis to construct and manage a range of diverse portfolios for our clients. Markets may change, but our objectives remain constant – to secure and grow our clients' wealth.

## Debating decisions

Investment is a delicate balance of science and art. Our aim is to minimise risk while guaranteeing the best returns available for our clients. That means finding and appointing the best portfolio managers and advisors in the business.

It means separating our research and portfolio management teams. It means scrutinising, debating, and distilling every portfolio decision.

## Focused on returns

A key feature of our offering is the internal rate of return. This is calculated from inception of a new account. At the end of the month, on all portfolios, clients can see the annualised return on their total investments with every statement, giving them an accurate and transparent view of what their portfolio is returning on their investment.



## OUR INVESTMENT PILLARS

The four pillars of our investment policy contribute to a holistic, sustainable approach to investing.

1

### A valuation sensitive approach to investing

Every asset class or investment has an economic value. While market perceptions of economic value typically fluctuate strongly, the economic value does not vary greatly over time. In the real world, market prices often diverge from economic value. We base our investment decisions on the under- and overvaluation of asset classes.

2

### Asset allocation drives performance

Numerous studies have shown that the majority of investment returns can be attributed to asset allocation decisions. We carefully assess the value of all our investments to ensure our portfolios are designed to deliver value.

3

### Effective diversification improves risk return

A portfolio that consists of a range of asset classes, or sources of return that perform positively in different market circumstances, is robust and should preserve and grow wealth consistently.

4

### The future is uncertain and will often surprise

Economic or other events take investors by surprise and throw their investment strategies into disarray. If these uncertainties are built into the portfolio-construction process upfront, then such unforeseen events should not throw the investment strategy off course and emotions can be kept out of the process.

# HOW DO WE ADD VALUE?



## Peregrine Administrative Services

Peregrine Administrative Services (PAS) is Citadel's dedicated administration team.

- Ensures your portfolios are compliant with jurisdictional regulations and tax.
- Collects and distributes all interest and dividends due on client portfolios.
- Logs and actions all investment and withdrawal instructions from clients.
- Ensures clients receive all relevant tax certificates for the filing of tax returns.



## Secure Citadel

Citadel's dedicated secure online platform houses clients' complete financial and investment information. Easy to use, it gives Citadel clients access to their personal, tax and portfolio information by simply logging on. Clients are notified by email when new information is loaded.



## Personal advisors

All Citadel clients have access to an advisor, who is on hand to advise clients on their investments and answer any queries they may have about their portfolios, market conditions and any new developments in Citadel. A client's investment temperament is also carefully matched to that of an advisor. It's a partnership. For the long term.



## Annual Client Presentations

Every year, CAM specialists host Annual Client Presentations where they take clients through local and global economic and political events impacting the markets, risks and opportunities available to investors and the current Citadel investment strategy.



## Citadel publications

Citadel publishes daily, weekly and quarterly publications updating clients on markets, as well as local and global economic and political events. We believe clients can only make informed decisions on their futures and investments if they have all the information at hand. To subscribe, visit [citadel.co.za/subscription-page/](https://citadel.co.za/subscription-page/)

# WHY CITADEL?

1

## Remarkable client service is in our DNA

Our most important metric of success is our 99% client retention rate.

**The Treating Customers Fairly (TCF) approach** guides everything we do. TCF is a Financial Sector Conduct Authority initiative that speaks to the:

- Right culture
- Right targeting
- Right information
- Right advice
- Right delivery
- Right post-sale treatment

2

## A portfolio tailored to your unique needs

It's always personal. Throughout our time together, we'll continue to revise and assess your needs and ensure that your financial plan stays flexible.

3

## Fees

- Our fee structure is fully transparent.
- We offer different fee structures.
- All our fees are market-related, and we offer the real benefit of a personalised, fully-integrated investment solution.
- When you compare like with like, Citadel offers true value.

4

## Some of the best financial brains in the business

- More than 460 employees.
- 10 years average tenure.
- 282 academic degrees.
- 97% employee retention rate.

5

## The pursuit of certainty

The core of our investment philosophy is to preserve and grow your wealth, no matter how turbulent the times.

