

Wealth Management

Look forward with confidence

A personal approach to planning for the
financial future you desire



Markiewicz
& Co

About Markiewicz & Co.

Markiewicz & Co. is one of Australia's leading full service investment management and financial advisory firms. Our experienced advisers specialise in developing tailored wealth management solutions and individual investment strategies that are focussed on achieving each client's financial objectives.

How to use this book

This book outlines the features and benefits of Markiewicz & Co. Wealth Management, which utilises a comprehensive and integrated strategy to developing a wealth plan that will assist you to achieve your financial goals.

Our a highly personalised approach begins by carefully listening to you and understanding not just your current financial situation and life stage, but

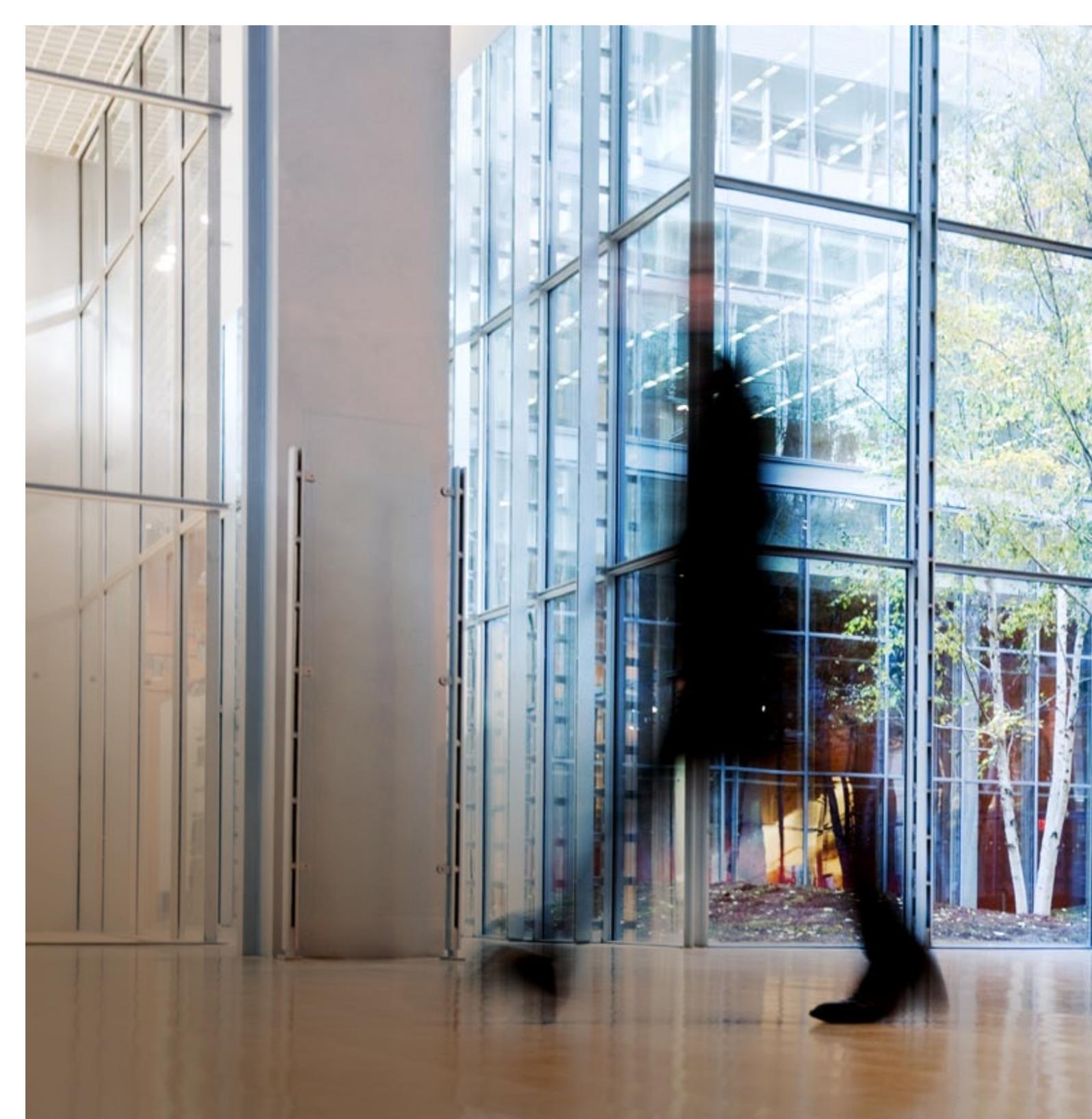
also your short- and long-term goals, your values and any other factors relevant to growing your wealth and keeping it secure for you, your family and the next generation.

For further information about the Markiewicz & Co. Wealth Management, please contact us on +61 (2) 9225 0999 or visit www.markiewicz.com.au

The information in this book has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. If the information relates to the acquisition, or possible acquisition, of a particular financial product, you should obtain a Product Disclosure Statement relating to the product and consider the Statement before making any decision about whether to acquire the product.

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At Markiewicz & Co. we develop tailored solutions based on the requirements and circumstances of our clients.

Helping you achieve your financial goals

Markiewicz & Co. Wealth Management offers you access to the specialist skills and knowledge you need to develop and implement a comprehensive wealth plan that will help you grow and protect your wealth.

Individual wealth planning is ongoing, not a one-off event. Personal circumstances, requirements, expectations and goals can change over time, as do market conditions, rules and regulations. Similarly the wealth planning needs of someone who lives in more than one location, or has a complex asset portfolio or owns a company, presents its own set of challenges that need to be thoroughly thought through and carefully addressed.

At Markiewicz & Co. we develop tailored solutions based on the requirements and circumstances of our clients. We act in a clear and transparent manner and provide objective, individual advice that extends through to product recommendations.

Our approach is forward thinking and is based on building long-term, sustainable client relationships based on trust. We endeavour to understand every relevant aspect of your situation, rather than just solely focus on your current financial position. Our aim is to constantly find the best solution for every challenge – a solution that reflects your personal values, your family and your legacy, and will assist you to achieve your financial goals.

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Markiewicz & Co. wealth planning outline



Wealth management overview and planning

Helping you manage your income and investments to achieve your life goals

When developing a wealth management strategy that will help you achieve your future goals, we first invest the time required to understand your circumstances and priorities. Next, we conduct a comprehensive review of your current assets and liabilities, which may reveal opportunities for consolidation or diversification, or indicate where other specialised services are appropriate, such as tax planning, succession planning or possible future relocation planning.

This wealth overview provides the basis for creating and implementing a financial plan that allows you to manage your wealth effectively and plan for significant life events such as buying a home, saving for your children's education, planning your retirement or succession.

By taking a personalised and individual approach with all our clients, Markiewicz & Co. develops tailored wealth planning solutions that meet the needs of traditional family structures, and provides solutions for the challenges faced by those whose work and life spans a number of different countries and jurisdictions. The following example demonstrates the questions we consider and our methodology for developing a solution.

A young Australian entrepreneur, who is married and has young children, is considering the sale of an equity stake in his company to an investor. With the proceeds of the sale, the entrepreneur and his wife are contemplating a number of investments including the purchase of a holiday home in either Singapore, Hong Kong or Malaysia. In addition, the entrepreneur may eventually inherit further assets from his father, a Hong Kong resident.

Key considerations:

- › What is the young couple's current wealth position, and what is its future growth potential?
- › What strategies are in place to protect the family's financial future, should the entrepreneur be unable to work due to injury, illness – or worse? For how long will benefits be paid, and have matters such as inheritance and succession been formalised?
- › What will be the tax implications if a stake in the company is sold? Similarly, what tax events will be triggered by an inheritance or the purchase of property abroad?

Recommended approach:

- › Conduct a systematic analysis of the family's assets and liabilities, and then develop a wealth plan and investment strategy that's tailored to their risk profile that will help them achieve their financial goals.

- › Identify the types of protection required and determine an appropriate level of cover. Identify weaknesses and develop alternatives to their current succession, tax and superannuation.
- › Develop a tax effective strategy for selling a stake in the company and recommend potential solutions for other possible taxation events.

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Taxation planning

Maximising the tax-effectiveness of your income, wealth streams and investments

Effective tax planning is an integral aspect of building future wealth. It is an important tool in safeguarding against financial structures that may result in double taxation or are not compliant with either the current legislation or the relevant jurisdiction.

Markiewicz & Co. provides guidance and recommendations to assist our clients manage a wide range of personal and corporate tax issues, which can become increasingly complex for individuals such as entrepreneurs, high-level executives and those with international private or business interests that span different taxing authorities.

Structuring your wealth and income streams in accordance with your personal situation and future goals may help you realise substantial taxation savings or enable you to leverage the tax-effective nature of certain investments, such as superannuation.

A successful mining company CEO living with his wife in Sydney, owns a holiday home in Malaysia and holds a diversified investment portfolio as well as foreign securities. He stands to substantially increase his wealth with the impending float of his company on the Australian Stock Exchange. He has two adult children, living in New York and London, and plans to retire in a few years, living partly abroad and enjoying the results of his astute endeavours and wise investments.

Key considerations:

- › The CEO and his wife pay Australian income tax and incur a tax liability relating to their property in Malaysia. With his investment portfolio income being taxed at source in the country of origin, can this be offset against his Australian tax liabilities?
- › If he sells the Malaysian property, would tax liabilities be incurred in Australia or Malaysia?
- › Should he wish to transfer some of his assets to his children, are there any tax-effective structures he can utilise?

Recommended approach:

- › Examine the foreign tax implications of the investments, including the Malaysian holiday home, to determine any local tax-planning opportunities.
- › Analyse the tax implications of his investments should he reside overseas or point out different ways to structure the investments to provide better tax planning.
- › Ensure that his Will is up-to-date and reflects his wishes. Prepare a tax-optimised generational transfer of wealth – for example, using a tailor-made trust structure that is compliant with the legislation of the jurisdiction where each of his children resides.

Retirement planning

Enjoying the rewards of your endeavours by living well in retirement

Planning to have sufficient funds to cover your needs in retirement, is one of the most pressing issues of wealth management. Many people are uncertain whether their superannuation and other investments will provide them with sufficient income to live the way they desire, or whether they will be faced with the prospect of selling assets – such as the family home – in order to get by.

Other considerations include: does your retirement plan allow for the possibility of early retirement as a voluntary or forced option? And should your superannuation fund capital be taken as a lump sum and reinvested, or drawn on as a regular payment?

Markiewicz & Co. has wide-ranging experience in assisting individuals and families find optimal solutions to their retirement and superannuation challenges. Depending on each client's life-stage, asset-base and income, we develop a tailored plan that will assist them maximise their savings and wealth, and allow them to anticipate a secure future and a fulfilling retirement.

A successful regional manager for a beverage company and her husband live in Melbourne in their own home. They have paid off their mortgage and their children are living independently. The couple wants to retire in five to ten years, with sufficient resources to be able to live comfortably and occasionally travel overseas.

Key considerations:

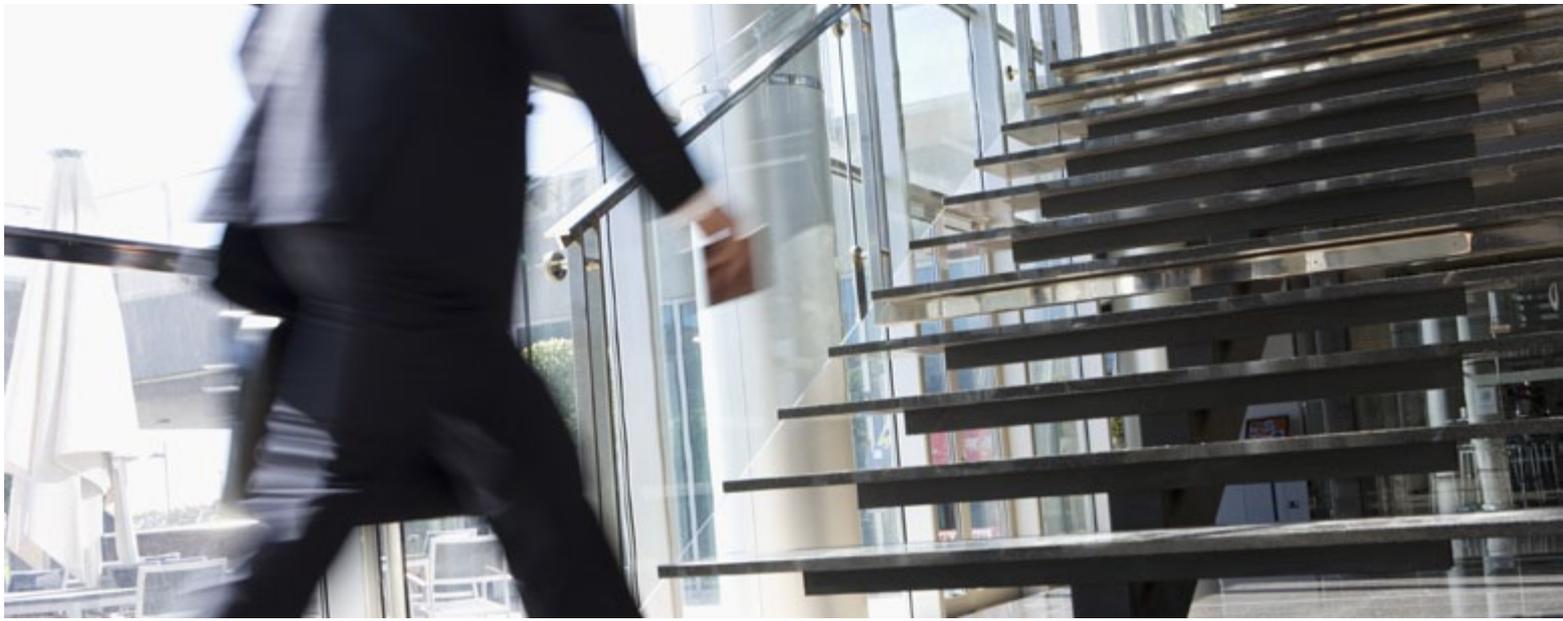
- › How much have they accumulated in their superannuation accounts, and is it being adequately funded? Are their circumstances better suited to taking a lump sum upon reaching retirement age or drawing a monthly pension?
- › Is their current employer-nominated retail superannuation fund the best option, or do they have sufficient savings to warrant considering other alternatives?
- › Are there any factors that may affect their financial situation in the near future?

Recommended approach:

- › Conduct a review of their current assets and liabilities to determine their actual financial position.
- › Review their existing superannuation accounts and consider ways to maximise their superannuation before they start drawing a pension in retirement.
- › Consider the impact of future relocation and its advantages and disadvantages.
- › Ensure they have a succession plan in place and an up-to-date Will that reflects their present financial position.

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Succession and estate planning

Passing on wealth to future generations

Personal succession planning helps to ensure the orderly management and transmission of wealth, and enables you to utilise the value of your estate to provide for the future needs of your family and loved ones. In addition, depending on where you or your family members live, such planning may provide opportunities to reduce the effect of imposts such as Capital Gains Tax, Stamp Duty and other regulatory charges that may arise from such wealth transfers.

While an up-to-date Will is an important aspect of succession planning, Markiewicz & Co. can assist you with other issues such as the appointment of executors, nominating insurance beneficiaries and putting in place contractual arrangements including trusts and foundations, or asset protection measures such as prenuptial agreements.

When entrepreneurship has led to the establishment of a family business, it is also prudent to ensure that succession plans are continually reviewed and updated to reflect both changes in the business as well as changes within the family.

An industrialist's widow living in Hong Kong is a major shareholder of a successful company based in Asia. She also owns a holiday home in Queensland and has a substantial securities portfolio with her bank. Her son and daughter live in Canada; are married, and have children. The widow intends to pass on a portion of her estate to her children and grandchildren during her lifetime.

Key considerations:

- › What is the most tax-effective way of transferring the real estate, bank accounts and shareholdings to the next generation? How should the assets be distributed? Will the grandchildren be the sole beneficiaries, or should her children be included?
- › Does she wish to set aside any portion of the estate for charitable gifts or bequests?
- › Under which jurisdiction will her beneficiaries' inheritance be taxed? Are there any opportunities to mitigate this liability?

Recommended approach:

- › Conduct a comprehensive wealth overview and determine the key aspects of the succession plan.
- › Incorporate the succession plan into her Will and set up an appropriate structure to consolidate the assets. Ideally, this should allow optimal asset management during her lifetime and provide a smooth transfer of assets in the future.
- › Liaise with succession planning specialists in the jurisdiction where her children and grandchildren now live to implement the most beneficial trust structure for any future wealth transfer.

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Relocation planning

Understanding the financial impacts of relocating to another country

Relocating to another country brings into consideration factors such as the culture, language and climate of the new location, as well its political and economic stability, together with the standard and cost of living you should expect. Just as importantly, you need to understand how the new jurisdiction will impact your financial situation and taxation obligations, and the effect that changes to your legal status in both your home country and your host country, will have on you and your expatriate family.

Markiewicz & Co. can assist you plan for relocation by providing advice regarding the difference between tax systems at home and abroad; legislative changes that need to be considered when revising your financial plan; and information regarding pensions and insurances.

An Australian airline pilot is considering moving overseas with his wife to work for a different airline. He is planning to sell his property in Sydney, however his children who are married, will stay in Australia with their families.

Key considerations:

- › What countries is he considering for relocation: e.g. Malaysia, Singapore, Hong Kong, Canada, Dubai?
- › What are his tax liabilities before and after relocation, and can his wealth be structured differently in order to minimise these?
- › What are the advantages and disadvantages of purchasing or renting a property in the future place of residence?

Recommended approach:

- › Develop a profile of each location being considered, outlining the pros and cons of each one, so that the client can make an informed decision.
- › Provide advice regarding factors to be considered and things he needs to take care of prior to the relocation.
- › Arrange with experts in the host country to develop strategies for optimising tax within the applicable jurisdiction as well as laws regarding foreign ownership of property.
- › Seek advice regarding issues that need to be considered with regard to succession and retirement planning in the new jurisdiction.

Management of structures

Wealth management and financial planning for business owners and their families

Many business owners are constantly faced with a myriad of different challenges associated with family and business, while at the same time needing to manage a wide variety of complex assets and liabilities.

For such people, forward planning aimed at achieving optimal results is crucial to every stage of the business life cycle. In addition, it is important to carefully consider the wealth planning options available when either selling a business, or passing on its management to another family member.

Markiewicz & Co. provides specialist services to business owners, as well as access to experts in areas such as taxes, law and governance. We also work with them to develop the financial and operational processes that are required to achieve a balance between business and family life.

A 56 year-old Australian entrepreneur manages a second-generation mid-sized family construction company and is thinking about who will succeed him at the helm of the company. He is not sure that his children will want to carry on the business, and wants to examine options that can be achieved with or without the involvement of his children.

Key considerations:

- › What are the different scenarios for transferring ownership of the company, or for selling it, when the entrepreneur is ready for retirement?
- › What consequences will each scenario have on the wealth of the entrepreneur and his children?

Recommended approach:

- › Examine the available options and determine their effect on the entrepreneur and his family.
- › Develop a project plan that covers a short-, mid- and long-term view, which incorporates and assesses all key elements.
- › Work with suitable specialists and coordinate their deployment.



Risk planning

Protecting your income, investments and wealth from the impacts of an unexpected event

If your investment and wealth creation strategy relies on your ability to earn an income, you and your family's future financial security could be severely jeopardised if you suffered an accident or illness – or died prematurely.

At Markiewicz & Co. we believe that risk planning and wealth protection are an essential component of any effective financial plan. Similarly, it's important to ensure that the level of protection is adequate, and reviewed regularly to ensure it keeps pace with changes in your income, life situation and the value of your assets.

Key considerations:

When determining the level of cover required, we consider:

- › How many people depend on you financially?
- › What is the level of your debt (e.g. mortgage, credit card, personal loans)?

- › To what extent does your investment strategy depend on your income?
- › If insurance is an integral component of your superannuation, how adequate is that level of cover?
- › If you were unable to work due to sickness or injury, how long could you and your dependents cope without an income?

Recommended approach:

Depending on your circumstances, the following types of protection may be applicable:

- › **Term Life** – These policies pay a lump sum upon death or terminal illness, ensuring that dependents are not burdened with any debt you may leave behind.
- › **Total & Permanent Disability** – If due to illness or injury you are unable to work again in your own (or similar) occupation, such policies pay a lump sum to assist you meet your ongoing financial commitments.

- › **Income Protection** – Designed to replace your income if you are unable to work due to sickness or injury for an extended period of time, these policies are particularly suited to anyone who is self-employed, or professionals such as partners in a medical or legal practice.
- › **Trauma Cover** – These are condition-specific policies that provide a lump sum in the event you suffer a major sickness as defined in the policy (eg cancer, heart attack, stroke). These funds can help defray the costs of additional, or out-of-pocket medical expenses and help you to meet ongoing financial commitments.
- › **Business Expense Cover** – If you are self-employed or the principal of a small business and unable to work due to sickness or injury, this type of policy helps you to cover ongoing expenses such as rent, salaries, electricity and so forth.
- › **Key man insurance** – This speciality business insurance provides compensation against the financial losses that would result if a person who is key to the operations of the business is unable to work due to illness, injury or death.



Philanthropy

Using your wealth to build a legacy or transform the lives of others

An increasing number of successful individuals and their families are choosing to direct some of their wealth toward philanthropic causes, ranging from social welfare and scientific organisations through to cultural, artistic and community groups. Some choose to leave a bequest to one or more charities in their Will, while others choose more direct involvement with an organisation during their lifetime. Similarly, there are those who prefer to support an organisation anonymously, and those who wish their involvement to be publicly visible.

Markiewicz & Co. has experience in assisting clients to incorporate their philanthropic endeavours into their wealth management plan, so that they achieve their estate planning objectives while also realising the greatest benefit for both the donor and the beneficiary.

A businessman is due to retire in Australia. He is considering using some of his wealth for charitable purposes.

Key considerations:

- › If he has a particular cause in mind, does he wish to donate to an existing charitable organisation or would he prefer to set up his own charity?
- › Does he wish to commence this philanthropic work during his lifetime or after his death? If he decides to set up an independent organisation, who will manage it in the future?
- › Are there advantages in seeking other like-minded individuals to join him in this charitable exercise?

Recommended approach:

- › Establish a detailed concept for a charitable entity covering critical issues such as administration and donations.
- › Review any tax benefits that may be derived from future donations and determine the most suitable jurisdiction in which to establish the foundation.
- › If the entity is to be established overseas, recommend local specialists who can successfully implement and manage the project.
- › Establish a charitable foundation during the client's lifetime so that it can be nominated as an heir in the client's Will.

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Markiewicz & Co. solutions and services

Wealth management

The increasingly complex and constantly changing nature of legal and tax systems around the world requires wealth management strategies to be continually monitored and optimised. At Markiewicz & Co, understanding the global economic environment is a key component of our wealth management advice, which also takes into consideration your current life situation and future needs. Our wealth management services include:

- › Wealth overview and financial planning
- › Tax planning
- › Retirement planning
- › Estate and succession planning
- › Planning for a change of residence
- › Structures for wealth management
- › Wealth preservation and protection
- › Philanthropy Investment services

The Markiewicz & Co. Investment Advisory service enables clients to support their own investment decision-making with either a full-service Investment Advisory Mandate or a Tailored Investment Mandate. Both these mandates provide access to proactive and comprehensive investment advice, support and guidance. If you prefer to delegate your investment decision making, we also offer a Discretionary Mandate service whereby we monitor

your holdings and make the investment decisions on your behalf, based on a jointly defined investment strategy.

Markiewicz & Co. investment products include: equities, options, futures, foreign exchange, fixed interest, investment funds, structured products, and margin lending.

Portfolio administration

The Markiewicz & Co. Portfolio Administration Service (PAS) is a comprehensive wealth management service available only to private clients that provides portfolio administration and reporting across a wide range of asset classes. The service incorporates investment advice, trade execution and access to research, helping you make more informed investment decisions.

While you appoint us to administer your investment portfolio, you retain all decision-making authority.

Research

With our forward thinking, "next trend" approach to the global economy and investment environment, Markiewicz & Co. conducts ongoing research to identify emerging trends and assess their future impacts. Our analysts develop region- and sector-specific strategies based on our unique and insightful investment viewpoint. Where required, we supplement our extensive internal

research resources with the insights and findings of leading external research providers. Importantly, as an independent Australian-owned investment management firm, Markiewicz & Co is not influenced by institutional ownership.

Corporate

The Markiewicz & Co corporate team offers access to deep expertise in developing specialised investment opportunities across all asset classes and industry sectors, and assists clients with IPOs and capital raisings. Eligible clients who qualify as Experienced or Sophisticated investors may be invited to take part in high-level investor programs, as well as offered access to an even wider range of investment options.

Finding out more about Markiewicz & Co.

To find out more about the range of Wealth Management and Investment services offered by Markiewicz & Co, please call us on **02 9225 0999** or visit our website, www.markiewicz.com.au

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