

Trust is Gold

We all know that the Gold Bulls are alive and well. How do you know a Gold Bull when you meet them? Well, that's easy, they will find a way to weave the gold price into the conversation. The same could be said for a Bitcoin advocate. Human beings suffer terribly from herd disease. If they feel the herd is moving away from them or they are somehow losing out, it evokes a strong emotion, especially if that "losing out" revolves around profit and getting richer. Recent events, however, have demonstrated that there is a form of Gold that is far too under-appreciated by the average investor – Trust. The ability to trust someone else with your money and know, while they offer a more sanguine story and possibly a more sedate path to riches, they will still be there tomorrow, and so will your money!



**Robin
Gibson**

Last week News24 broke the story of another adviser offering superior returns who suddenly disappeared with everyone's money. Widows, orphans, and relatives, it appeared that no one was immune. It is the early days of this breaking story, but what is clear is that there was a very flashy lifestyle that followed this adviser. Earlier this year it was Kleuterzone (children's pre-schools of all things.) Last year, we had the

BHI Trust scandal. That adviser had blown through R1.5 billion and the solvency practitioners could only recover an initial R12.4 million. There was even more pain for some because, due to a little-known insolvency principle, those who had received a payout in the 6 months before the date of insolvency, were contacted and told to pay it back. We encountered a client who had lost an 8-figure sum to this scheme. Fortunately, it was only a fraction of their wealth, unlike others who lost everything.

Then of course Bitcoin has been on everybody's lips for some time, and yes, we have met people who took a sizeable bet early on and have been richly rewarded. However, this space has also, until recently, been largely unregulated in South Africa, yet there exist plenty of online providers outside of South Africa touting for customers who have little care for a South African regulator (who is largely toothless in many instances and usually arrives after the fact) and remain nameless and faceless organizations leaving an investor with no recourse when everything blows up. We have encountered many people who have been victims to these fraudsters. Our latest experience is a 7-figure loss into the ethersphere after being strung along

SPEED READ

- Yet another flashy adviser has vanished with clients' money – a reminder of the BHI Trust debacle. Even those who were lucky enough to get payouts may be forced to repay them due to insolvency laws.
- Unregulated and offshore crypto schemes continue to trap South Africans, with many left with no legal recourse after losing millions.
- Trust must be earned, not assumed. In an age of scams, investors must audit their advisers. Key red flags include lack of transparency, solo operators, and no physical footprint.
- Why Harvard House stands apart. With 53 years of credibility, a team-based model, robust systems, and industry-leading transparency, Harvard House builds real trust - something no scammer can fake.

for more than a year.

In such an environment, it appears that returns are not everything, and investors would do well to do a trust audit on their service providers. In that vein, I thought it opportune to highlight some of the aspects that we feel build trust for Harvard House clients, some of which clients may be unaware:

1. Fixed Office Space

You may laugh at this one, but you can come and visit our operations, meet the team, and enjoy a real cup of coffee with real people. In this age of AI and cyberspace, we think a fixed operating site is overlooked and undervalued.

Many schemes have quoted swanky addresses that they actually never even occupied at all.

2. 53-year Track Record

Warren Buffet was made fun of when he made large investments in railroad businesses. They were “so last season” - but Warren had been around long enough to know that moving goods (yes even iPads and supercomputers) required real-life logistics and capability. Longevity is not a fad, it’s a demonstration of substance. When you consider that in 1972 our organization started with 2 people sharing a desk and now employs more than 70 people across three geographies, it is a clear demonstration of our commitment and resilience, but also our ability to deliver on our mandate. What’s more, we didn’t build this in a big city where it is easy to hide, but in a small tightly-knit community where reports of malfeasance would be easily spread.

3. A Team Approach

The advisory landscape is full of one-man bands. Clients like it because this is personal and attentive, and we can relate. However, the question has to be asked, “does it come with a lot of risk?” Such an adviser has the freedom to act, but where is the accountability? What happens if he is on holiday in your time of need or even worse, he emigrates or passes away? Harvard House has intentionally built a team to support client relationships and divide responsibilities for client protection. You may love the person you have primary interaction with, but that person cannot fulfil their role without the multi-disciplinary team behind them. A team that shares expertise, knowledge, and experience that all feeds to the end client. We would also like to believe, and receive regular feedback to this effect, that a team can also be caring, warm, and personable.

4. Robust Systems

When people talk about systems, they usually refer to technology, but systems are far wider than that. Policies, procedures, and controls are significant protections, and we have built these into our organization. Our computer system is unique to Harvard House and many of the electronic tools have been custom built in-house to our specification. Importantly our asset management system is based on the “double-entry” accounting system. Why is that important? Well, it is the ultimate protection. Everything must correlate to the bank account and money movement has to be real. I cannot report to you that I have bought a share unless I can prove that I paid for it from

the bank account. It is a system that makes sure you get what is owed to you. If a company says they have paid a dividend but we cannot see that deposit in the bank account, then something is wrong. Very few systems in South Africa operate this way.

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accountability is crucial and
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5. Regular and Transparent Reporting

We have had auditors of large, listed companies tell us that our reporting is some of the most detailed and comprehensive in the whole country. We have had competitors call us to refer them to the organization that built our reporting system (sorry it’s ours and homegrown, not for sale). We have had clients who tell us other organizations report ad-hoc, and only when the news is good. In contrast, we are like clockwork. We do understand when people say, “Do I have to have such a detailed report?” or “I only look at one page”. Frankly, we think accountability is crucial and is irrespective of market conditions, good or bad news. We also want to make sure that everything we report can be accurately matched to the service providers who assist us in managing your money. Transactions must match the broker’s notes from the stockbroking house, bank entries must match the Nedbank Corporate Saver statement, and holdings must reflect what Computershare or DMA says you have. It’s cross-accountability and transparency.

I have highlighted 5 key characteristics and there are many more, but you get the point. We are as serious about your money as you are. If you are losing sleep, it should only be about whether the Proteas can win the World Test Cup or what you are having on your toast in the morning, not about whether your financial services provider is doing what he says he does.



Longevity is not a fad, it's a demonstration of substance.



Our next seminar will be held in September in Johannesburg and the Midlands. The topic will be communicated in due course."



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Topic: **To be announced**

Natal Midlands

Date: 11th of September, 2025

Venue: Christ Church Howick, 23 Mare Street, Howick

Morning Time: 10am for 10.30am

Evening Time: 5.30pm for 6pm

Johannesburg

Date: 9th of September, 2025

Venue: Rosebank Union Church, Cnr Winne Mandela Drive and St Andrews Road, Hurlingham

Time: 7am for 7.30am

Cape Town

Date: N/A

Venue: SSISA Conference Centre, Boundary Road, Newlands, Morne du Plessis Boardroom, 4th floor

Time: 7.30am

Venue: ABRU Motor Studio, Lourensford Wine Estate, Somerset West

Time: 5.30pm for 6pm



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Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. Performance fees do not apply to any funds managed by Harvard House. The manager does not provide any guarantee either with respect to the capital or return of the portfolio. A schedule of fees, charges, and maximum commissions are available on request from the manager.

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