

INVESTMENT REPORT


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BRENTHURST INVESTMENT SEMINARS

We invite all our clients, family members and friends to attend any one of these seminars



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UPCOMING SEMINARS:

JHB SEMINAR: 20 NOV 2013
 PTA SEMINAR: 21 NOV 2013 (PTA FULLY BOOKED)
 CPT SEMINAR: 28 NOV 2013

JHB: +27 11 799 8100
 CPT: +27 21 914 9646
 PTA: +27 12 347 8240



Financial Planning
 Institute of Southern Africa
THE PROFESSIONAL STANDARD

Global Markets

AND SA ECONOMY

IS THERE SOME LIGHT AT THE END OF THIS TUNNEL?

JEREMY GARDINER: DIRECTOR, INVESTEC ASSET MANAGEMENT

Six years have passed since the explosion dubbed the 'global financial crisis' began, and still the world seems paralysed by fear.

We live in a time where good news can sometimes be bad.

In SA, our problems continue, and a rand rout and growth slowdown haven't helped confidence and job creation.

However, given that economists in SA are predicting an improvement in the

current account deficit, which should help the rand retrace some of its losses, we should see confidence returning to the economy. Perhaps there is some light at the end of this tunnel?

OPPORTUNITY IS FOUND IN UNUSUAL PLACES, YOU JUST NEED TO KNOW WHERE TO LOOK.

COME LISTEN TO THE EXPERTS AT OUR UPCOMING SEMINARS.



Jeremy Gardiner

**DIRECTOR
 INVESTEC ASSET
 MANAGEMENT**

Jeremy Gardiner is a director at Investec Asset Management with global responsibility for investment communication in all the jurisdictions in which the firm operates. In addition, he is a regular voice in the media, at conferences and to the investment related world at large, responsible for communicating Investec Asset Management's views on current affairs, economics and investment markets. In his position as a director of Investec Asset Management, Jeremy is inundated with

information from the world's top analysts, on everything from politics to petrol.

Jeremy's challenge is consolidating all this information and bringing it to you in an understandable format that you will find interesting and informative.

With the company since 1991 and a director of the company since 1999, he is also one of the longest standing members of the global executive management team.

Although he studied accounting at the University of Cape Town and Economics at the University of Witwatersrand, Jeremy is neither an accountant nor an economist, but uses these skills to demystify what the accountants and economists are saying.

UPDATE ON TRUST LEGISLATION

DALE IRVIN AND GORDON STUART: SENTINEL INTERNATIONAL ADVISORY SERVICES

Why does the impending threat of clamping down on Trusts always find itself in the Minister of Finance's budget speech? Is it simply SARS in seek of it's proverbial "pound of flesh"? Why don't they just scrap the whole idea of a trust and call it a day?

Trust are definitely relevant and cannot be simply done away with, it is the exploitation of the system that has polarized the views on the future of Trusts.

Not all trusts are created equal, the concept and purpose of creating a Trust is marred by terms such as tax evasion and hiding of assets by high net worth individuals. Does the openness to abuse of the system warrant the discontinuation of a highly significant vehicle in strategizing ones financial and estate planning affairs?

Every trust is defined by how it was formed, the duties and powers granted to the trustees, the rights conferred onto beneficiaries as well as its ultimate purpose. In view of formation - a trust can be a trust mortis causa or an inter vivos trust.

The former being established on the death of a testator who purposefully stipulated in their will that certain assets are to be held in trust. The latter being a trust formed during the founder's lifetime.

THE BENEFITS OF CREATING A TRUST:

- ⇒ Protection of minor, special needs or insolvent heirs. The most common purpose of testamentary trusts - to avoid an inheritance being held by the Guardian's Fund.
- ⇒ Reduction of Estate Duty payable on death by donating growth assets to an inter vivos trust.
- ⇒ Protection of assets in the event of insolvency.
- ⇒ Proper administration of assets held for charitable purposes.

DISADVANTAGES OF CREATING A TRUST:

- ⇒ Initial costs to register the trust, trustees fees payable for the duration of the Trust.
- ⇒ Income generated by a trust is taxed at a flat rate of 40%.
- ⇒ Capital Gains Tax is applicable.
- ⇒ There is no Primary Residence exemption on the gain of the sale of immovable properties.
- ⇒ Loss of control over assets (in view of an inter vivos trust), especially if independent trustees are appointed.

The Minister is concerned with the Trusts that are formed when there is no clear separation of the assets or estate of the founder of the trust and that of the Trust created. More than often trust are created by an individual who is the founder, trustee and beneficiary at the same time! This is where the courts and SARS will intervene and pierce the "guise" of the Trust and deem the assets as being part of the Estate of the Founder/Trustee/Beneficiary.

SPECIAL ANNOUNCEMENT: BRENTHURST JHB OFFICE IS MOVING: 01 DEC 2013



NEW ADDRESS:

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CEDAR ROAD (OPP LIFE HOSPITAL)
FOURWAYS • GAUTENG SA

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UPCOMING SEMINARS: INVESTMENT OUTLOOK 2014

JOHANNESBURG: INVESTEC

Date: **20 November 2013**

Time: 15h30 for 16h00

Venue: INVESTEC OFFICE, 100 Grayston Drive, Sandown, Sandton

RSVP: JHB: +27 11 799 8100 reception@brenthurstwealth.co.za

Presenters: Jeremy Gardiner INVESTEC & Gordon Stuart SENTINEL INTERNATIONAL ADVISORY SERVICES

PRETORIA: INVESTEC (FULLY BOOKED)

Date: **21 November 2013**

Time: 15h30 for 16h00

Venue: Waterkloof Golf Club, Johann Rissik Drive, Waterkloof, PTA

RSVP: PTA: +27 12 347 8240 yolandi@brenthurstwealth.co.za

Presenters: Jeremy Gardiner INVESTEC & Magnus Heystek BRENTHURST WEALTH

CAPE TOWN: INVESTEC

Date: **28 November 2013**

Time: 15h30 for 16h00

Venue: INVESTEC OFFICE 36 Hans Strijdom Avenue Foreshore, Cape Town

RSVP: CPT: +27 21 914 9646 ronelle@brenthurstwealth.co.za

Presenters: Jeremy Gardiner INVESTEC & Dale Irvine SENTINEL INTERNATIONAL ADVISORY SERVICES



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