



THE POWER
OF INDEPENDENT ADVICE

IN THIS ISSUE

“ Direct exposure to offshore markets could provide a shield against global inflation. Having an investment in a different currency and country other than where you live is a leverage against a worsening economic climate in SA. ”

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OFFSHORE OPTIONS ABUNDANT

By Maria Smit, Certified Financial Planner® at Brenthurst Wealth Management

Whether you are on the [brink of retirement](#), have discretionary funds to spare or are just starting out, there are various ways to get [offshore investment exposure](#). No matter the size or age of your portfolio.

Individuals whose tax affairs are in order and have up to **R10-million** available to take out of the country – with SA Reserve Bank permission of course – the direct offshore investment route is par for the course.

There is also a further **R1m allowance for travel** and other purposes that can be mobilised. The money is usually moved from a South African bank account to a foreign bank account from where it can be deployed into a virtually unlimited choice of investment options and product providers.

Direct exposure to offshore markets could provide a shield against global inflation. In addition to this, having an investment in a different currency and country other than where you live is a leverage against a worsening economic climate in your country of residence. South Africa is a case in point.

There is also Capital Gains Tax savings to be had.

This type of investment can only be accessed with a large stash of cash, and like any other business or investment venture, [offshore investing](#) may be risky. You need to take your risk profile and risk parameters into consideration for any offshore investment, just as you would for local investments.

Direct Offshore Investments suit investors who have a discretionary lump sum of R400 000 or more available, have a long term investment horizon of 7-10 years and/or are planning on emigrating in the next five years.

Non-direct offshore investment options are suitable for young investors who can start out with a monthly debit order, or retirees that have a living annuity and want some offshore exposure in their living or retirement annuity and/or individuals that have a lump sum of less than R400 000 to invest.

Indirect offshore investing in global assets without the money physically leaving South Africa using asset swaps for example, are investments that are typically rand denominated. This means the impact of the rand exchange rate is already considered in the unit price of the fund/portfolio value.

Rand-denominated offshore equity funds or portfolios are local unit trusts that typically invest in a fund or funds that is/are managed and domiciled in another country, like feeder funds. Such investments are administratively simple for investors and advisors and all it takes is a monthly debit order to be able to do so. The disadvantages of these options are that the investor's money still has to be withdrawn in rand. It does not physically leave South Africa and is still exposed to local liquidity risks. The investor is also limited to the select few rand hedge funds available in SA.

For those starting out, getting offshore investment exposure is not out of the question. Some local unit trusts and exchange traded funds with specific mandates allow for an array of options to start dipping one's toes in the offshore investment pool.

If you have R1 000 or more available a month to save or invest, you can consider something like an ETF from a platform like Satrix – which recently launched a [China-focused product](#) – or options from one of Brenthurst Wealth management's close investment associates - **SYGNIA** - which offers several options, providing exposure to foreign assets in various forms and ways.

“ Read more about > [OFFSHORE INVESTMENT](#)
> [FROM RAMA-BOOM TO RAMA –BUST](#)

AS WITH ANY INVESTMENT DECISION, CHANGES TO PORTFOLIOS OR ASSET CLASS SELECTION
MUST FIT THE INDIVIDUAL INVESTOR'S RISK PROFILE,
INVESTMENT GOALS AND LONG-TERM FINANCIAL PLANNING STRATEGY.

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AT OUR OFFICES COUNTRYWIDE. READ MORE >> [WEALTH MANAGERS](#)

BRENTHURST AWARDED **TOP** WEALTH MANAGER IN SA 2020

Brenthurst wealth was voted **Top Boutique Wealth Manager** in the country in the 2020 Intellidex Wealth Manager and Private Banks Survey, and ranked in the top 5 in 5 other categories.

Click here to read more >> [Brenthurst-voted-Top-Wealth-Manager-in-SA](#)

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