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Investing for a
world of change

Ninety One Investment Platform | New developments

Albert Coetzee
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Ninety One Investment Platform - Masterclass

Focusing on financial planning matters



Masterclass
Discover innovative financial planning solutions

→ Watch the recording

Product structure

Tax consequences

Estate planning consequences

Functionality

Impact of beneficiary options

Inter-generational benefits



How we add value

True collaborative partnerships with advisors

Competitors



Offshore Trusts



Custodians



Situs Tax



Offshore Pensions



| Product and structure implications that matter most to your clients



Clarity around product mechanics and functionality

Helps provide certainty around financial advice given

No hidden surprises or unexpected outcomes

Understanding the competitor landscape

Understanding the merits of different structures

Extensive documentation

Solving financial planning issues and avoiding unintended consequences





Building an offshore platform for a SA Tax Resident

Key factors

Establish certainty about the consequences of your functionality/structure

Fully integrated with local platform

Reward families who **save** together with **discounted fees**

Online functionality and ease of transactions

A **choice** of product wrappers

Sufficient investment options across unit trusts

Simplified tax reporting





The Ninety One product suite

Delivering enhanced reporting and fee aggregation

Global
Investment
Portfolio

Global
Life
Portfolio



Offshore wall of worry

... Aside from performance

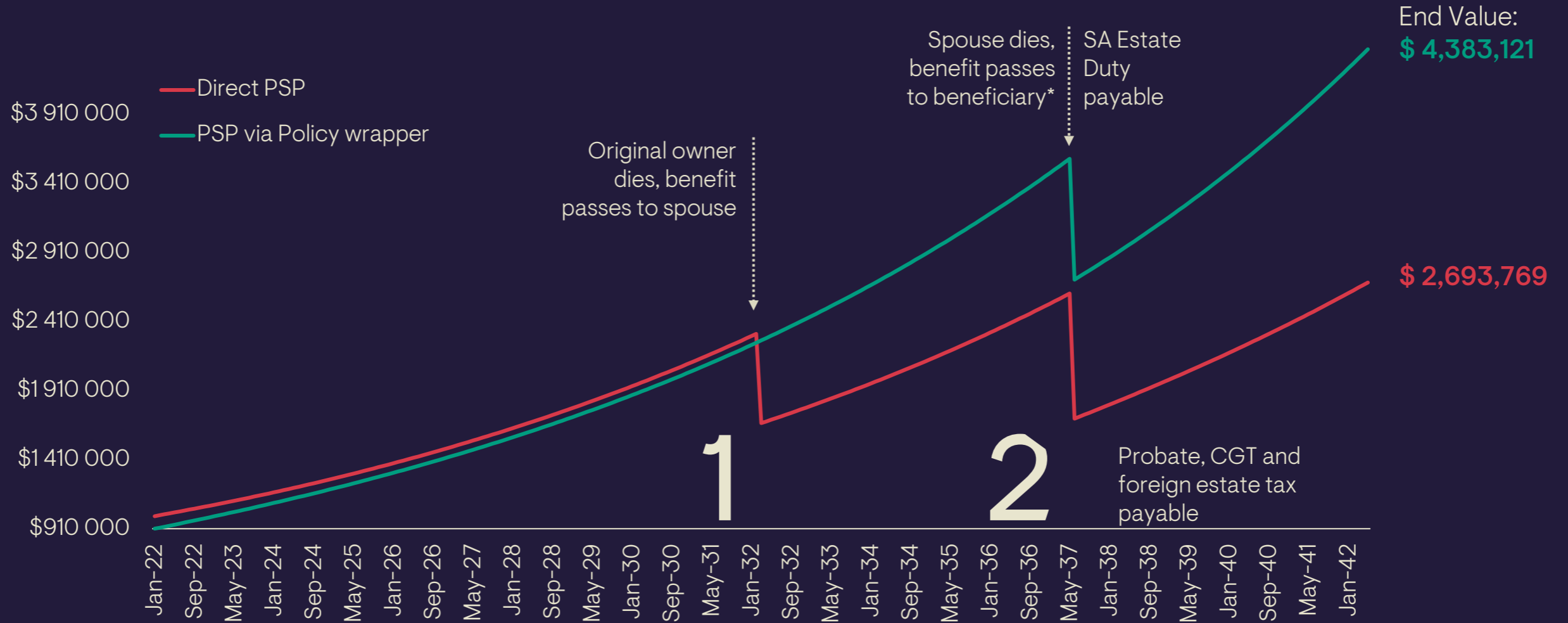
	Global Life Portfolio	Married (Discretionary)	Single/Widow/er (Discretionary)
Income Tax	N/A	45%	45%
CGT on disposal	12%	18%	18%
Protect from Probate	✓	?	?
Protect from Situs	✓	✗ *	✗ *
CGT on death	N/A	N/A**	18%
Save executors fees	✓	✗	✗
Liquid on death	✓	✗	✗
Flexible ben options	✓	✗	✗
Protect from estate duty	✓ ***	✓ ***	✗ 20/25%

*Where situs assets held ** Where benefit is passed to spouse *** Where benefit passed to spouse



Situs tax – the greatest destroyer of value in the offshore space

But there are ways of protecting clients against its effects



Source Ninety One, for illustrative purposes only.

Growth assumed to be 10% in both scenarios. Turnover of 25% p.a. with gains taxed at 18% in direct PSP and at 12% within wrapper. Probate of 4% applied to direct PSP. 70% of Portfolio assumed to be US securities and situs applied according to IRS sliding scale, SA estate duty applied where applicable. SA estate duty of 25% applied to policy wrapper. CGT of 18% applied on death of spouse in direct PSP example Confidential | Ninety One 8



Implications of emigration

Global Investment Portfolio:

SA Nominee
structure

Asset in the SA
estate, SA estate
duty will continue
to apply

Non-resident's
foreign executor
may deal with the
SA asset, once
authorised by the
SA Master's Office

Not required to
appoint a local SA
executor, if foreign
executor is
authorised

Need to look at
DTA for Estate
Duty purposes
between SA and
new country of
residence

Implications of emigration

Global Life Portfolio:

Non-SA tax resident dies while invested in Global Life Portfolio

- No Estate Duty in SA will apply

- No inheritance taxes in Guernsey (product domicile)

- Legislation in new country of residence will determine if offshore inheritance tax applies

But... Things to look out for...

- 12% CGT will continue while the non-resident is alive and invested within Global Life Portfolio

- Need to determine how the new country of residence will treat future loans/withdrawals from the policy from a tax perspective

- Determine how beneficiaries' country of residence will treat an inheritance from the investment, if beneficiary is non-SA resident

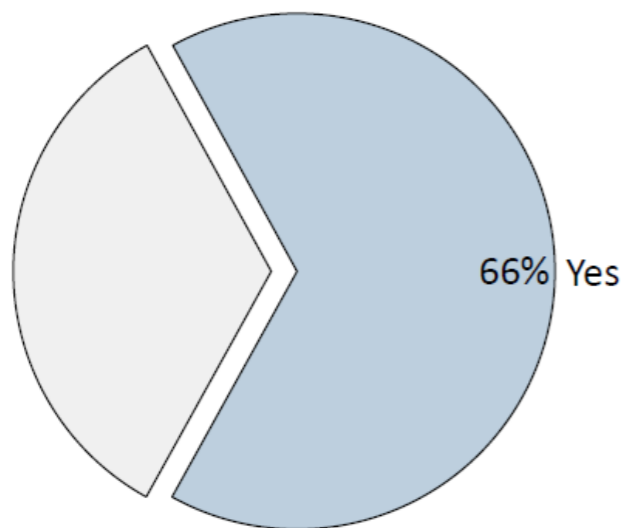
New developments



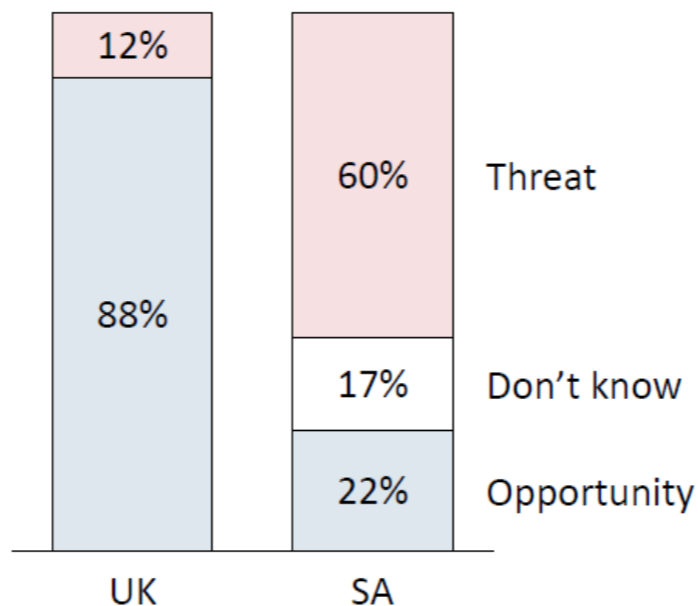
Deep-Dive into Trends: (2) Wealth Transfer & Customer Segmentation

Two thirds of advisers recognise that intergenerational wealth transfer will impact their business and the majority see it as a threat

Is intergenerational wealth transfer going to impact you?



Do you see this as a threat or an opportunity?



Why a threat?

- “Clients are head of the household and at retirement age, trying to engage with the younger families”
- “Going to have a bigger impact as clients age”. “A lot more difficult than you think integrating the children into the process”
- **“Children live abroad. Wealth leaves the country”** “All the kids have emigrated so not being transferred”. “Globalisation”
- “Emigration has more of an impact”. Lots of clients have children who live abroad”
- “Children don't invest it again - they spend it”. “Children are likely to spend it”

One way advisers can mitigate this threat if through getting closer to their clients and families; potentially complemented with an offshore strategy e.g. partnering with another firm in that space



The Ninety One Offshore Product Suite

Designed for changing circumstances

Global
Investment
Portfolio

“Pure”
Offshore

Global
Life
Portfolio



The cherry on the inter-generational cake

... Pure offshore platform

- Will help tackle the **VAT issue** for new and existing offshore trusts and non SA residents
- Deals with **estate planning issues** of products designed for SA tax residents
- Provides “**safe**” **tax neutral vehicle** for clients or beneficiaries living abroad or with no tax residency
 - **Closes the loop** for Ninety One IP product solution
 - Allows Global Investment Portfolio assets to **migrate** to “pure” offshore as circumstances change
 - Allows **offshore trust/person** (as beneficiary of GAPU) to receive assets offshore
 - Receptacle for **local assets** when tax residence changes
 - Facilitates **intergenerational** transfer of wealth





Thank you

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