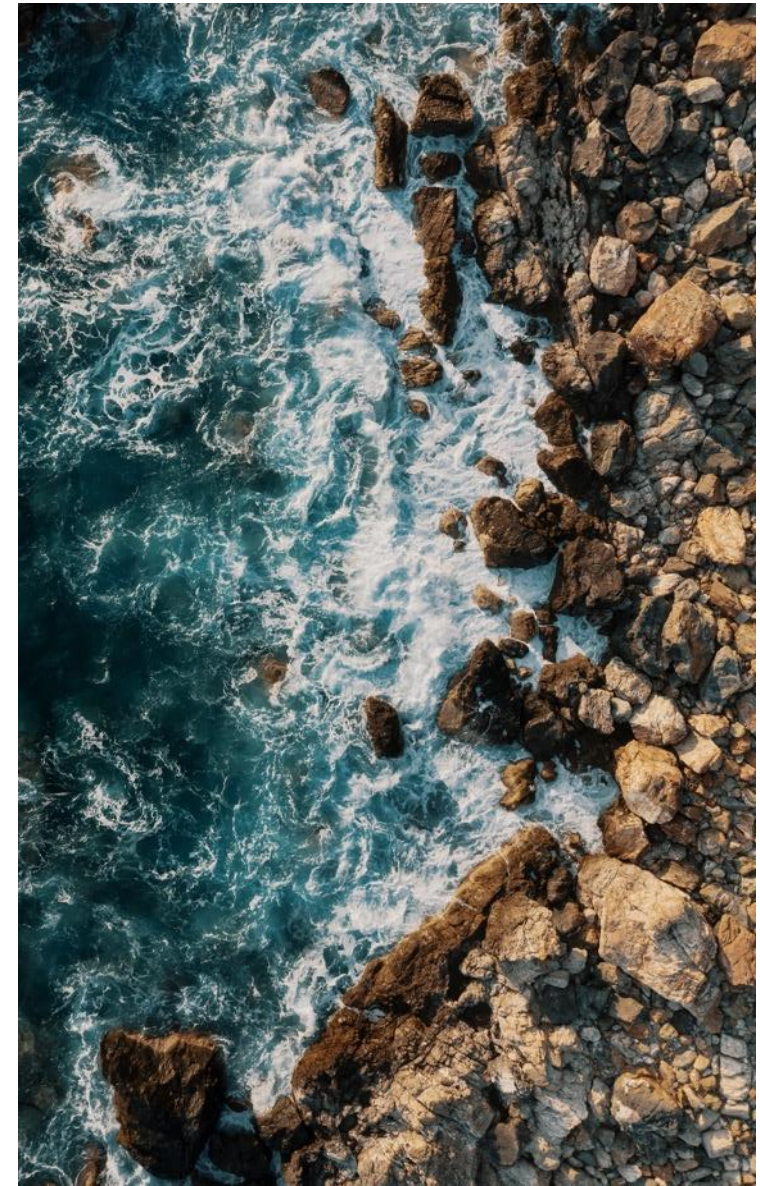
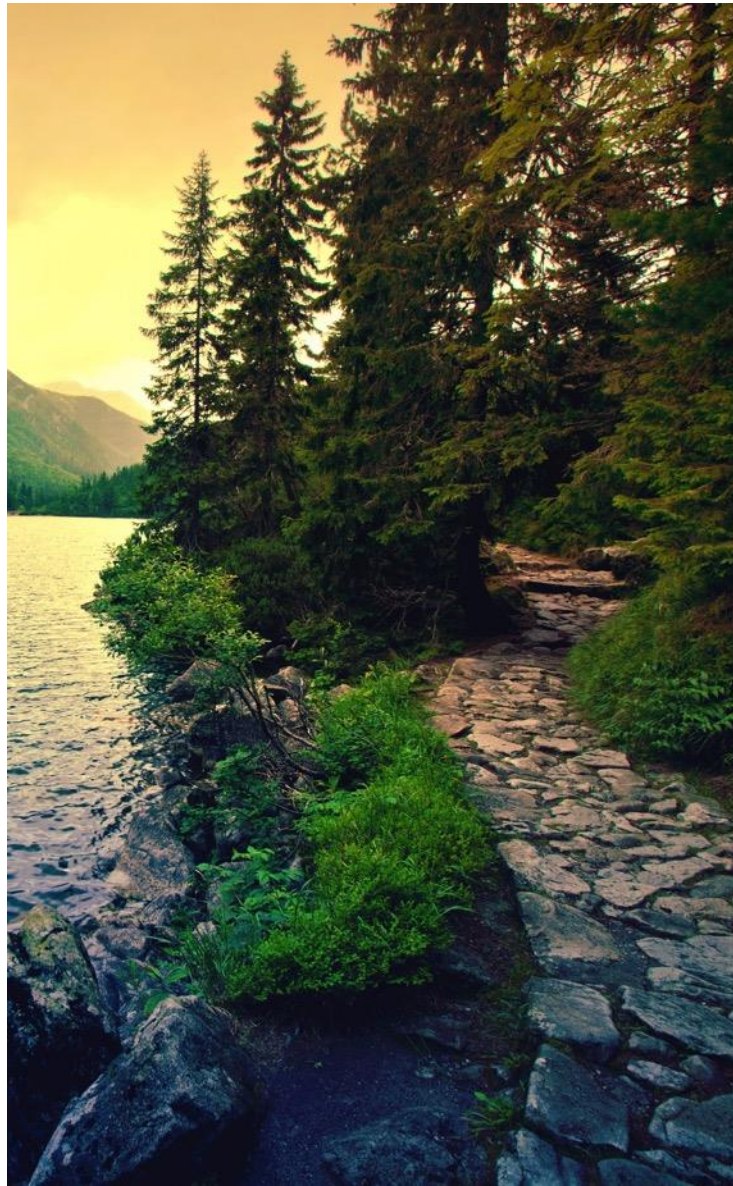

Implementing Holistic International Financial Planning

Colin Long CFP®
Consolidated Wealth Group



Holistic Financial Planning?



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Holistic Financial Planning in an Interconnected World?

Interconnected Markets

Currency Risk Management

Regulatory and Tax Compliance

ESG Considerations

Economic / Political Risk Mitigation

Technology and Innovation

Cultural and Behavioral Considerations

Long Term Wealth Preservation

Holistic Planning Value Add

BETA

Return from the Market

ALPHA

Return from the Asset
Manager

GAMMA

Is the **additional expected return** achieved by an investor from making more **intelligent** financial planning decisions.



Advised households
accumulate 3 x the
amount of assets



Behavioral coaching is
worth 2.02% per year
Add other dimensions
4.83%



Holistic financial
approach adds 3% per
year



GAMMA adds
 $\pm 7.03\%$ per year to
a portfolio



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Holistic Financial Planning: Insightful Questions

Objectives

Investment Time Horizon

Risk Tolerance / Propensity

Jurisdictions

Currency

Tax and Liquidity

Liability Matching

Family Governance

High Net Worth Individual

- Married Couple (Early fifties) - ANC with accrual
- Investable assets of ±R50m (approved & discretionary)
- No desire to leave the country
- Planning to retire in 10 years
- Single child studying in the UK - No desire to return to South Africa

Objectives

- Comfortable and secure retirement
- Since their daughter is the sole beneficiary of their respective estates, they would like to externalise their surplus assets to pay for her overseas education, food & lodging & to provide for her eventual inheritance
- Would like to dabble in the investment space, want a flexible investment vehicle that can hold a variety of investments e.g. individual securities; thematic ETF's etc
- Flexibility of being able to hold these assets in various currencies

Solution



Firewall Capital
Core Retirement Capital
Psychological Comfort



Surplus Capital
Las Vegas Funds
Provide flexibility and
potential for growth



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Firewall Capital

R30 000 000

Unit trust
Living Annuity

Liability Relative
Optimisation approach /
Assets spread across 8
different asset classes

Income Requirements

Capital Requirements

- Holiday home
- Vehicle replacements
- Home maintenance



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Surplus Capital
Las Vegas Funds

R20 000 000
Offshore Strategy

Off-Shore Solution

Investment Jurisdiction

- Tax Benefits
- Political and Economic Stability
- Regulatory Environment
- Confidentiality and Privacy
- Efficient Estate Planning
- Diverse Financial Services
- Bilateral Agreements
- Reputation & International Recognition
- Access to Global Markets



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Surplus Capital
Las Vegas Funds

R20 000 000

Offshore Strategy

Off-Shore Solution

Investment Vehicle: Structured Note

- Multiple owners for inter-generational transfer
- Situs tax issues and executor's fees
- Open architecture
- Sufficiently liquid
- Tax-efficient



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Surplus Capital
Las Vegas Funds

R20 000 000

Offshore Strategy

Off-Shore Solution

Investment Strategy

- Currency
- Objectives
- **Short term objective** (Provide for daughter's education)
- **Long term objective 10+ Years** (Maximise growth)



Included a combination of active & passive investment solutions, diversified across securities, geographies, asset classes, & fund managers & would aim to have no style bias



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- Firewall capital vs surplus capital
- Appropriate jurisdiction
- Externalised the funds directly off-shore
- Short-term and long-term investment objectives
- Provided for the client's liquidity requirements
- Flexibility to include a number of tradeable investment instruments
- Tax efficient investment vehicle
- Structure that provides for simple intergeneration wealth transfer

Flexible plan that can **adapt** to changing global conditions



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1 Intergenerational wealth transfer

One significant advantage of a family office is its ability to offer customized wealth management solutions across generations. By understanding your family's specific objectives, risk tolerance, and liquidity requirements, a family office can develop a cohesive investment strategy that aligns with long-term family goals. This tailored approach ensures that your wealth is managed strategically, maximizing its growth and preservation over time.

2 Enhanced Privacy and Confidentiality

For high-net-worth individuals, privacy and confidentiality are paramount. A family office provides a secure environment where sensitive financial information can be managed discreetly, minimizing the risk of leaks or unauthorized access. Through strict confidentiality protocols, a family office safeguards your family's personal and financial data, ensuring its privacy at all times.



3 Comprehensive Financial Services

Family offices offer a comprehensive suite of financial services, consolidating expertise in multiple areas. From investment management and tax planning to estate planning and risk management, a family office brings together professionals with diverse skills and knowledge. This integration of services eliminates redundancies, streamlines processes, and results in more efficient and effective wealth management.

4 Social and Human Capital

Family offices support complex family relationships and governance. This covers philanthropy, succession and estate planning, education, learning and relationship, plus management

Holistic Planning: Benefits

- Comprehensive Wealth Management
- Tax Efficiency
- Risk Management
- Estate / Succession Planning
- Regulatory Compliance
- Cultural and Regional Considerations
- Streamlined Decision-Making
- Maximising Opportunities

A **holistic approach** to investments in a globalised economy allows investors to better **manage** risks, **seize opportunities**, and **align their portfolios** with global economic trends and individual financial goals



Holistic International Financial Planning, **more than just an investment structure**



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