



INVESTING OFFSHORE: WHY YOUR WEALTH NEEDS MORE THAN JUST LOCAL SOIL

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The story of two farmers

Let's consider investing offshore using an analogy of two farmers. The first farmer only plants what he knows: proteas, aloes, and local succulents. His garden is beautiful, but he is at the mercy of the local weather. If a severe drought hits, his entire livelihood is at risk.

The second farmer takes a different approach. He keeps his beautiful local plants, but he also rents small allotments in various climates across the world - some in the tropical rainforests of Brazil, some in the tech-savvy indoor greenhouses of Japan, and some in the vast wheat fields of America. When South Africa has a dry season, the farmer's fruit in Brazil is thriving. When the local sun is too harsh, his indoor Japanese greens continue to grow steadily.

By the end of the year, the second farmer always has a harvest, no matter what happens. That is offshore investing.

Why reach beyond our borders?

1. Our "vegetation variety" is smaller than you think

South Africa is a vibrant and resilient market, but it represents less than 0.4% of the global economy by GDP. If you only invest locally, you are effectively ignoring over 99.6% of the world's growth opportunities. Relying solely on the Johannesburg Stock Exchange (JSE) is like trying to find every type of fruit in a small local corner shop instead of a massive global supermarket.

The reality in numbers¹:

- **A world of choice:** The JSE currently has approximately 250 listed companies, a number that has declined by over 50% since its peak in the late 90s. In contrast, the US markets alone offer access to over 8,000 listed companies.
- **Market scale:** The total market capitalisation of the JSE sits at roughly \$1 trillion, while the global stock market universe is valued at over \$110 trillion.
- **Concentration risk:** Our local market is among the most concentrated in the world. The JSE All Share Index (ALSI) is heavily weighted toward a few giants; the top 10 stocks represent over 70% of the index.

2. Accessing "exotic plants"

There are entire industries - like advanced robotics, artificial intelligence, and specialised healthcare - that simply don't exist in a meaningful way on our local exchange. We believe the future is shaped by global macro changes. By going offshore, we can find the "exponential themes" of tomorrow that aren't planted in South African soil yet.

¹ Sources: World Federation of Exchanges (WFE) 2024/25, World Bank GDP Data 2025, JSE Market Statistics January 2026, OECD Economic Outlook 2025.



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3. A hedge against the weather (currency protection)

The Rand can be as unpredictable as a summer storm. By holding assets in "hard currencies" like the US Dollar, Euro, or Pound, you create a natural shield. When the Rand weakens, your offshore "harvest" becomes more valuable when converted back home, protecting your global purchasing power.

How we help you grow your wealth

We provide the tools to build your global allotment without the complexity. Our unit trust funds and model portfolios are available through financial advisers and are available on various offshore investment platforms.

The best news - You don't need a fortune to start.

Gone are the days when offshore investing was reserved for the "super-wealthy." Modern platforms have opened the gates, allowing you to grow your global garden with manageable amounts.

How much can you move?

As a South African resident (18 years or older), you can currently invest up to R11 million offshore per calendar year:

- The first R1 million (single discretionary allowance): You can transfer up to R1 million per year without needing any tax clearance from SARS. It is the simplest way to start your offshore journey.
- The next R10 million (foreign capital allowance): If you wish to expand further, you can invest an additional R10 million per year. This requires a Tax Compliance Status (TCS) PIN from SARS.
- Above R11 million: For those looking to move even larger amounts, special applications can be made to the South African Reserve Bank for clearance.

Whether you are starting with a monthly contribution or a larger lump sum, the path is clear. You can begin diversifying your wealth into other currencies and global themes immediately, using the allowances already available to you.

Your next step

The best time to plant a tree was twenty years ago; the second-best time is today - especially when the currency "weather" is in your favour. Whether you're seeking detailed information about our fund offerings or expert insights into selecting the right risk-aligned options for your time horizon, we are here to assist you in navigating the complexities of an uncertain tomorrow.

Speak to your financial advisor today to start your global journey.



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