

When Tim met Lindsay...

Following my recent visit to Cape Town, I met Lindsay Bateman of Brooks Macdonald for a coffee, to have a chat about our respective trips. I was keen to hear from Lindsay on his experiences over the past 24 months with so much changing within South Africa.

Lindsay, like myself is down in Cape Town every couple of months with our last two trips being either side of President Zuma's controversial cabinet reshuffle which also included the sacking of Finance Minister, Pravin Gordhan.

The country then saw their credit rating downgraded to 'Junk status' so I discussed with Lindsay if he had seen any changes to their clients' investment views; *"We have certainly seen an increase in those looking to diversify their wealth offshore which has enabled us to reinforce this point that we have shared for some time. What has been an interesting shift is the range of investors being referred onto us through independent advisors, from relatively modest amounts, to higher value pension or savings structures through to substantial equity/fixed income mandates through offshore trusts similar to those you would manage."*

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We discussed at length how the political, social, economic and regulatory landscape is going through significant and rapid change in South Africa with Lindsay adding *"resultant uncertainty has led to South Africans increasingly externalising assets through the annual foreign investment allowance of ZAR10m per calendar year"*.

During my recent travels, I have focused solely in South Africa to promote our International Plan but it has become apparent that, similar to Dubai in the GCC, South Africa is a hub for the whole of Southern Africa. Lindsay mentioned that he was going onto Mauritius and Brooks MacDonald had recently travelled to Kenya, Zimbabwe and Botswana so I was interested to learn more about those jurisdictions and if investment patterns differ from country to country; *"In terms of patterns resulting from geographic dispersion, we do not see any significant differences. Our clients have worked hard for their wealth, they have typically taken some degree of risk to build up such assets, and now they are looking to protect and grow that wealth. Technology has been embraced across Africa with people increasingly better informed and well aware of the benefits associated with a global approach to investments"*.

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As we have only started promoting our International Plans across South Africa it has been good to hear Lindsay's experiences and approach to entering the South African market. Lindsay explained that the challenge they initially faced when trying to develop business in South Africa was brand recognition; *"As I am sure you have seen yourself, introducing the brand into Africa where you do not enjoy the same brand recognition as in the UK and Europe is a real challenge, as clients can often be very brand conscious"*.

In conversation...

I was interested to know how they overcame this in a relatively short period; *"We worked really hard at building awareness of our brand through partnerships, media coverage and conference participation but significantly, time on the ground has enabled us to make significant progress. Once the brand has been built, you have to back it up with the quality of services and performance and we are now seeing more and more advisors and their clients recognise the value we bring to the table".*

"Without the regulation in place how can clients be confident that if any issues arise"

There has been a lot of focus recently on regulation in South Africa with a number of firms coming under scrutiny. Brook's Macdonald's Category one license issued by the Financial Services Board ("FSB") is something Lindsay is very proud of; *"This was an essential and early accomplishment which adds comfort to clients whilst demonstrating a commitment and accountability to the local market. Regulation is in place to protect investors, who should always insist on only dealing with appropriately regulated firms within their jurisdiction. Otherwise, how can clients be confident that should any issues arise, they will be able to get their money back? It is therefore refreshing to receive the support from professional independent wealth advisers, trustees and family offices who acknowledge those who are regulated for both their own reputation but also their clients"*

Finally - sitting with Lindsay, it is hard to ignore the strong South African accent, but being based in Jersey I wondered how he ended up moving from South Africa to the Channel Islands; *"Well interestingly enough, I am in fact English - I was born in Yorkshire but moved to South Africa when I was very young. I led the Private Client team of a large South African bank in the Western Cape before being seconded to Jersey in 2000 where I for the past 17 years, responsible for a number of senior and client facing roles within Financial Services."*

If you want to continue the conversation about International Pensions, why not contact Tim Shallcross and he'd be happy to chat further.

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