

GLOBAL ASSET PORTFOLIO

- RETIREMENT | GROWTH | ASSET PROTECTION -

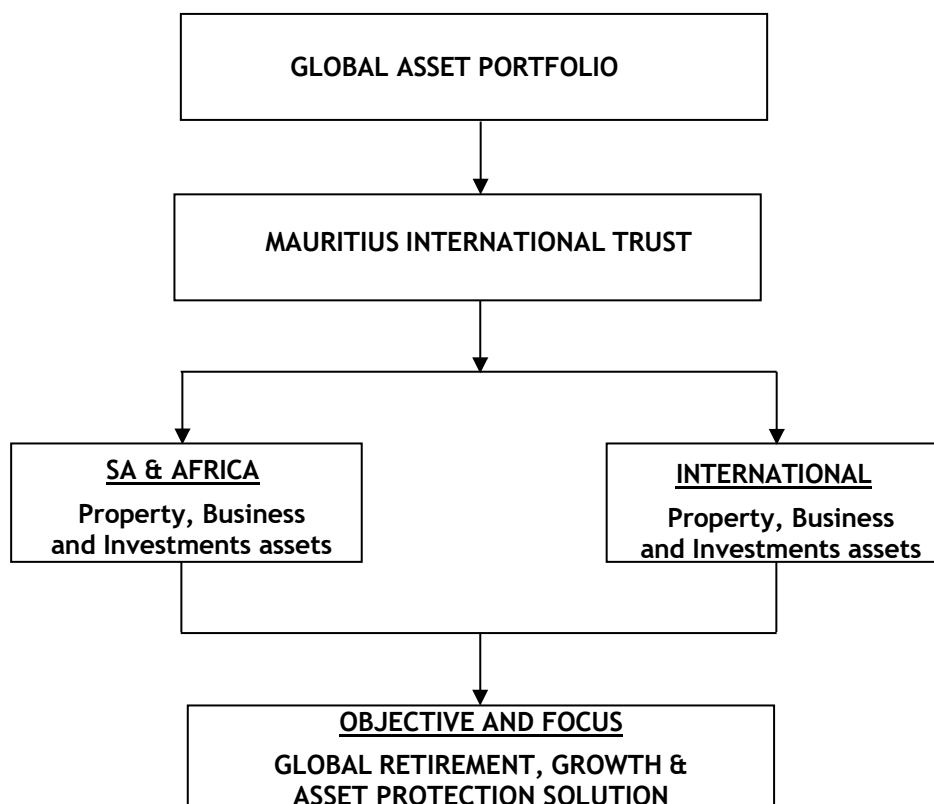


INTRODUCTION

Mainreef offers Global Asset Portfolios focusing on Retirement, Growth and Income provision. Mauritius Trusts are used as the Asset Holding structure and includes, Africa and International jurisdictions.

The Mauritius Global Trust offers a cost-effective International solution for growth, expansion and protection of assets.

GLOBAL ASSET PORTFOLIO STRUCTURE



MAURITIUS – AN OVERVIEW

Over the course of the last 25 years, Mauritius has established itself as a prime destination for doing business, investing globally and to live.

It is an attractive destination for South Africans for several reasons:

- No exchange controls are present in Mauritius and business can therefore be conducted in any currency without any approval;
- The tax system is friendly to individuals and businesses;
- The island is geographically convenient with a strategic time zone being just two hours ahead of South Africa;
- Mauritius is easily accessible for South Africans with regular flights to the island in only 3½ hours;
- It offers a politically and socially stable parliamentary democracy;
- Mauritius has a much lower crime rate than South Africa;
- GDP growth has been 3% to 4% for more than a decade irrespective of changes to government;
- It has a well-regulated financial system, with a proliferation of international banks present on the island;
- Mauritius is the top-ranking African country in the World Bank Group's Ease of Doing Business report.

MAURITIUS TRUSTS – MAINREEF INTERNATIONAL & HERITAGE FIDUCIARY SERVICES

Mauritius Trusts are constituted under the Mauritius Trust Act 2001 and is regulated by a declaration of trust containing details of its settlor, the nominated beneficiaries and the trustees of the trust. The investor acts as the settlor of the trust and as such may nominate and appoint the beneficiaries of the trust and may issue letters of wishes to the trustees on how to manage the affairs of the trust. The trustees, of whom at least one must be resident in Mauritius, are responsible for administering the assets of the trust for the benefit of its beneficiaries.

Mainreef International in conjunction with Heritage Fiduciary Services Ltd acts as corporate trustee of the trust, under license of the Financial Services Commission of Mauritius.

Tax and related aspects

Taxation

- Earnings from foreign investments are effectively taxed at 3% (certain income could be taxed at 15%);
- No capital gains tax at disposal of investment;
- No dividend withholding tax;
- No donations tax;
- No inheritance tax;
- Double Taxation Avoidance Agreements (DTAA) with 17 African countries, including South Africa.

Estate and Succession Planning

- An offshore trust remains a very useful estate planning tool for purposes of building, protecting and preserving wealth outside of South Africa;
- Trust assets fall outside of the estate of the settlor/investor;
- Assets in Trusts growth and/or any investment returns are excluded from investor's personal estate in South Africa for estate duty purposes;
- Investment through the trust limits the growth in the value of investor's personal estate in South Africa and reduces the investor's liability for estate duty in the event of death;
- Assets held by the trust cannot be claimed by the investor's creditors and are similarly protected from claims by the investor's spouse in the event of divorce;
- The running of the trust is not affected by the death of the settlor/investor and the trustees can immediately access trust funds to take care of the needs of beneficiaries;
- The investor remains in control of his investment through the trust - the investment is held in the name of the trust and as settlor of the trust, the investor is at liberty to issue letters of wishes to the trustees on how to administer the trust assets for the benefit of the beneficiaries, not only during his lifetime but also after his death;
- Details of the trust are strictly confidential and may not be disclosed to anyone unless by order of the Mauritian Supreme Court.

Setting up the Trust – documents required

Documents required from the investor for setting up the trust comprise the following:

- Certified copies of the identification documents of the founder and beneficiaries of the trust;
- Proof of address of the founder and the beneficiaries of the trust;
- Contact details of the investor and beneficiaries.

Cautionary Notes

- The Offshore Trust Solution is intended for investors wishing to build reserves outside South Africa.
- Therefore, if distributions are made to any of the beneficiaries from funds accumulated by the trust in Mauritius, the income portion of the distributions can be subject to tax in South Africa at a rate of 20%.
- Tax efficient solutions are available to investors wanting to withdraw money, but could attract extra costs.

Fees and Cost

The fees below is indicative and a final quote will be presented after discussion with the client:

- Initial set-up cost of the trust from USD 2 700;
- Annual trust management fee of USD 2 700;
- Opening of a bank account (Optional): USD 550

CONCLUSION

The Global Property Portfolio offers a comprehensive solution to Private clients and Businesses in creating growth and value whilst protecting Property Assets. Clients also have the option to incorporate or transfer their Investment portfolios and other alternative assets into the International Trust with the main objective to create an International asset management structure focusing on asset preservation, growth, retirement and income provision. Importantly and in order to be compliant, Mainreef can assist clients in dealing with advisory, accounting, forex and regulatory aspects.

Contact

Hendrik Olivier +27 82 373 5884 | hendrik@mainreef.net