Consolidating matters
Nomfundo wants to invest into an international outcome-based fund. These funds, investment managed by Momentum Global Investment Management (MGIM), have been appealing to her since she first heard about them from the family’s financial adviser.

She already has a FIO on the Momentum Wealth local platform and prefers to keep all her financial matters with this financial adviser and at Momentum, a brand she has entrusted with most of her financial affairs for years.

At present, she won’t be able to meet the minimum investment amount required to invest directly with MWI.

Nomfundo’s need is a long-term investment into a fund denominated in a foreign currency.

She needs exposure to foreign currency and a mixture of suitable asset classes.

The choice
The Momentum Wealth local platform using an FIO with an international outcome-based fund.

Why does he choose the above?
Nomfundo wants to invest in a fund priced in foreign currency. By investing into the FIO, she keeps all her reporting in one place. She is also in a low tax bracket, which means that from a tax perspective she wouldn’t benefit from using an endowment.

She has to go through the foreign exchange process to get access to these foreign currency-priced funds when using FIO on the Momentum Wealth local platform.

What happens if Nomfundo dies while the investment is in force?
As this is a local FIO (with an international fund in a foreign denomination), this investment will be treated exactly like any other flexible investment. The investment will form part of her estate and executor fees may be payable.

There is no situs tax when investing in collective investment schemes and probate doesn’t apply. (Grant of probate may be avoided on the IIO and the IEO products (had these products been used) by utilising the relevant structural arrangements).