

Growing the wealth and expanding the legacy of the UHNW in South Africa

The AfrAsia Bank Africa Wealth Report 2021 indicates that total private wealth in Africa is expected to rise by 30% over the next eight years, reaching \$2.6tn by 2030. A report by academics Ihsaan Bassier and Ingrid Woolard suggests that South Africa has an estimated 182 000 dollar millionaires based on tax data. And research by Knight Frank established that just under 4 400 individuals will join the league of UHNWIs in Africa between now and 2026 – a growth rate of 33%, the fastest in the world after Asia.

Wealth creators and inheritors face numerous complex decisions when managing the multifaceted environment of Ultra-High Net Worth (UHNW) wealth for future generations and providing for the present-day needs of extended family members, making the Family Office service a fast-growing wealth management segment in Africa and throughout the world.

Family Offices are used by families who want to protect and manage their wealth in a structured manner. "Our UHNW clients are choosing the Family Office model as

it meets their needs for a more hands-on, personalised approach when dealing with the growth and preservation of their wealth," says Andrew Ratcliffe, a director at Private Client Holdings, a multi-Family Office based in Cape Town, who has been managing HNWI's wealth for the last 30 years.

A Family Office offers a highly qualified, multi-disciplinary team of advisers who, while acting as trusted advisers, look at the big picture and devise a strategy for managing a family's wealth that involves a comprehensive and integrated approach. "A Family Office not only makes sense from a financial management perspective, but also affords you the convenience of having all your financial affairs integrated under one roof and managed specifically with your family's future in mind," adds Ratcliffe.

Private Client Holdings essentially operates as a personal CFO or Chief Advisor to families who have considerable wealth and complex wealth structures that may include family-owned businesses, global assets and multi-jurisdiction fiduciary demands. The family is supported by a dedicated team of financial professionals who are experts

in different fields of finance, such as wealth management, tax planning, estate planning, cash management and risk management, and who work together to make key financial recommendations and create financial solutions to suit the needs, expectations and goals of their client families.

Family Offices can also play a strategic role during uncertain times, with many taking advantage of Covid's global market upheaval to implement growth-focused strategies to help UHNWI grow their wealth. 86% of UHNW families in North America and 79% globally saw their wealth increase over the past 24 months, according to a report from Campden Wealth and RBC.

Family Offices offer a trusted and confidential offering for families. "Our clients have full access to specialist advice for all aspects of their wealth management under one roof. This not only saves them time but also money, as we structure their investments to be tax and cost-efficient. Should a wealth creator die, our team is able to provide support and guidance to ensure the family's wealth grows and



Andrew Ratcliffe CFP®
Director of Private Client Holdings

is seamlessly transferred to the next generation," says Ratcliffe.

While global research highlights that UHNW families have a general understanding of the importance of succession planning and wealth transfer, action in this area is lagging. One of the most pressing challenges for succession is the lack of qualified next-generation family members to take over, which is where a multi-Family Office service, such as Private Client Holdings, is profoundly useful. In fact, the future of a family's wealth could depend on it.





PRIVATECLIENT HOLDINGS

Our Family Office approach is the future of wealth management in Southern Africa.

Since 1990, Private Client Holdings has been assisting individuals and families to define and implement strategies for managing their wealth. We take on the tasks associated with a traditional Family Office including investment and portfolio management, tax and accounting services, consolidated reporting, cash management and fiduciary services including estate planning - ensuring wealth grows from generation to generation.

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