

WEBINAR

Anchor Succession

Brendan Gace



Why is having a Will so important?

Many famous individuals have passed away without leaving a will, leading to complicated legal battles over their estates.

Here are some notable examples of famous individuals who died intestate:



Prince



Jimi Hendrix



Bob Marley



Michael Jackson



Martin Luther King Jr.



Abraham Lincoln

Estate Planning Helps

Countries by Inheritance tax rates:

Country	Top rate
Belgium	80%
France	60%
Japan	55%
Germany	50%
United Kingdom	40%
United States	40%
Netherlands	40%
Spain	34%
Ireland	33%
Chile	25%
South Africa	25%
Greece	20%

Important Things to Consider



Not Having a Will



Appointment of an Executor



Dying Intestate Rules



Guardians



Minors – Guardian Fund



Liquidation of Assets



Special Bequests Ignored



Survivor Anger / Frustration

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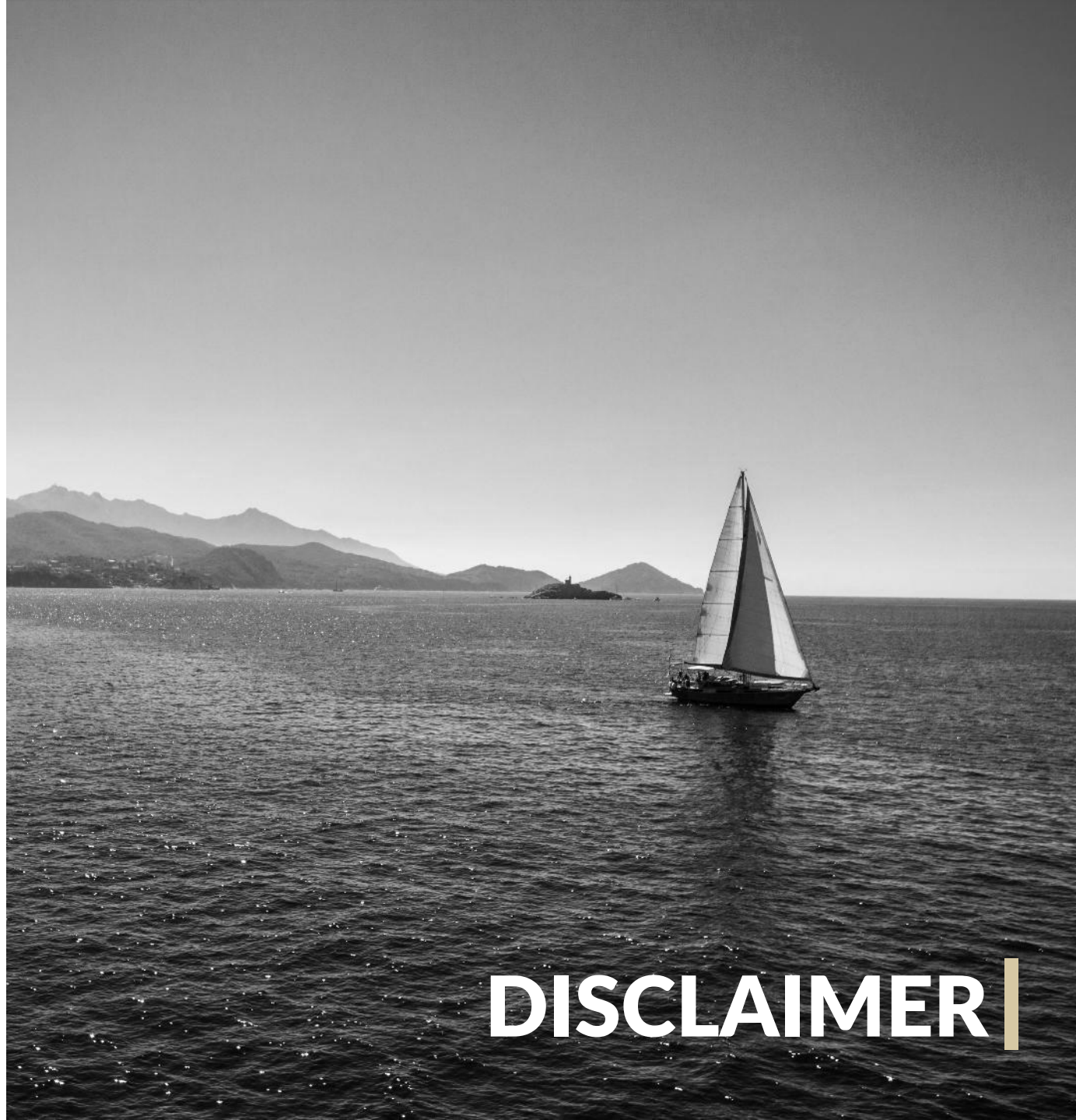
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Harold Hopking



What Forms Part of Your Estate?

TWO CERTAINTIES IN LIFE



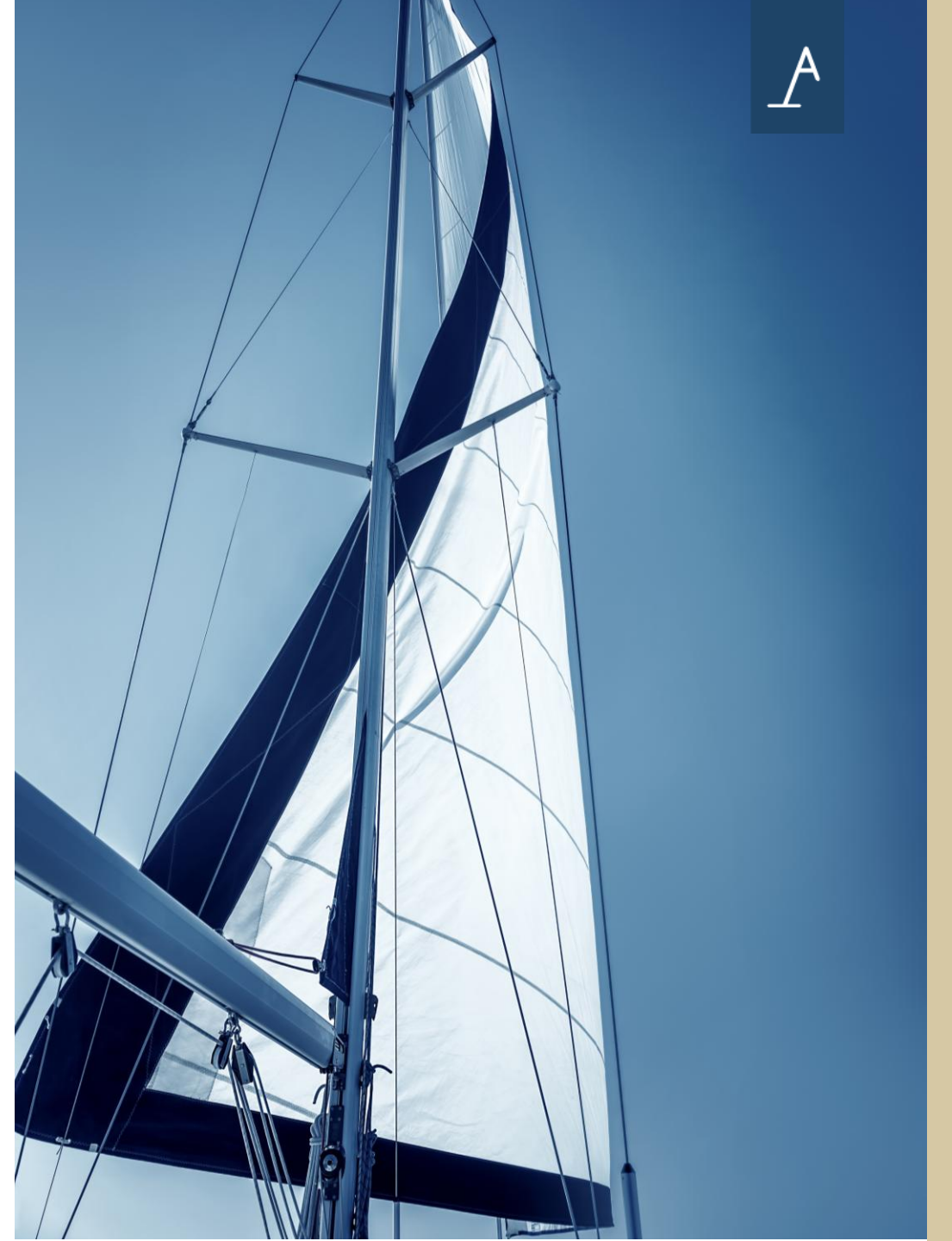
Death



Taxes



In my mind there are 3, that is, the Springboks winning the next World Cup.



What Forms Part of Your Estate?



In SA, estate duty is a tax levied on a deceased person's estate.



20% for up to R30m and then 25% thereafter.

The million-rand question is what forms part of your estate.

1. PROPERTY OWNED AT DEATH



Moveable and immovable assets
(e.g., house, car, furniture.)



Loan accounts or people owing you money.



Business interests, i.e., the shares of your
CC or PTY you might own.



Cash, shares, unit trusts, and
cryptocurrencies.

I worry that people think to try and be clever and put, for instance, crypto in some sort of alternate platform or even a cold wallet. Think passwords or trying to access this if you're not around.



Art, jewellery, collectibles, and
Krugerrands.

What Forms Part of Your Estate?

2. DEEMED PROPERTY

These are not necessarily owned at death but are deemed to be part of your estate.



Proceeds of domestic life insurance policies (on the life of the deceased and premiums paid by the deceased even if payable to a 3rd party.)



Lump sum retirement benefits, e.g., pension, provident, preservation, RA or living annuity.



Certain donations made within 2 years of death.



Usufruct or fiduciary interest.

3. OFFSHORE ASSETS

SIMPLE for SA residents: ALL worldwide assets are included.



Why Knowing Your Executor Is Important

SOME EXAMPLES OF WHAT I HAVE EXPERIENCED



The executor in this case was a bank. The client held a large amount of Steinhoff shares, and I tried to get hold of them to sell. No response, and then a week later I got an answer. The shares were R45 on Dec 4. Dec 8 was R6, and 20 Dec was 82c.



I know I personally sold our shares at R23 and then the next day at R9.60.

So having a link between your wealth manager and executor is important.

Why Knowing Your Executor Is Important

SOME EXAMPLES OF WHAT I HAVE EXPERIENCED



Had a client with a large share portfolio in 2013. Had 2 beneficiaries, both well-established.



I met with the executors and suggested not to sell the shares, as I thought they had great potential. The executor, who I knew, agreed, and I contacted the 2 beneficiaries.



They agreed not to sell the share Calgro M3 (small cap). The price was around R1.50. The estate was wound up 2 years later; it was R5, and they eventually sold it for between R10 and R15.

So having a link between your wealth manager and executor is important.



Some More Real Examples

My client had a will, and she asked me to provide for her parrots. Yes, the bird kind.

Did you know a parrot can live for up to 100 years? I did not know this. So it did not help just saying I am leaving R100 000 for the parrots to be taken care of.

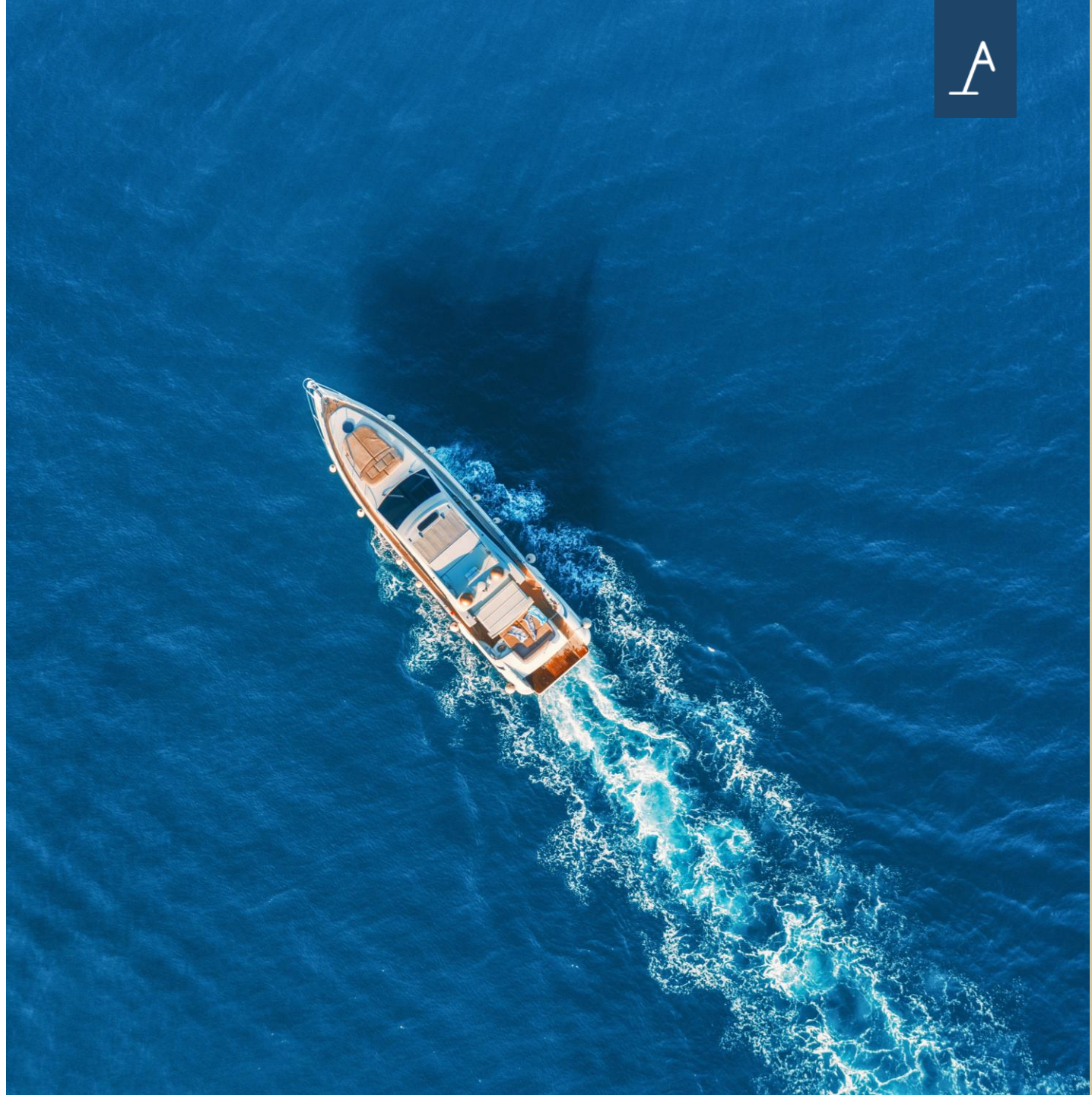
One needs to understand the costs of taking care of the bird, food costs, vet costs, etc., and then do a time value of money to work out how much is actually needed and then was allocated to the trust for that specific purpose.

Some More Real Examples

The client passed away, leaving shares in a PTY which owned a building. Left to his 4 kids. One had passed away, and it went to his wife and their 3 kids (2 were minors). One was busy getting divorced over many years, and his share of the building was part of the divorce. The child had put his share in a trust.

24 beneficiaries in 10 different countries. The estate took 3 years to wind up as well, and in that time the building fell into some disrepair and the area deteriorated. Beneficiaries of 18 years were trying to have a say. Some said renovate; others sell...

After 12 years, it was eventually sold.



Be Practical

I look at myself. My son and daughter are completely different. My son is in Denmark with a young family and is very sentimental. My daughter is an accountant and more practical. They are not coming back to SA, and leaving them property in SA makes no sense. One of the reasons I sold the holiday house on Breede was they would not use it.

My ex-wife has a place in Madeira, as that is where she was born, and wants to leave that to my children, where my son will stay, as he is sentimental, but my daughter says, Dad, I would not use it.

So why leave that conflict? Try not to rule from the grave.

Asset Classes



Cash



Property (commercial, residential and holiday)



Equity (listed and unlisted)



Bonds (cash and fixed interest)



Alternate (hedge funds, art or other collectibles)

Apparently my red wine collection does not count, even as I say it's highly liquid, but the problem is I tend to consume them too quickly.

Knowing the characteristics of each asset class is very important, i.e., the expected risk associated with each class and expected return.

The above asset classes can be divided into local and offshore.

On the offshore note, I will hand over to my learnt colleague Darryl.

A



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Anchor Succession: Trusts

Di Haiden



Transfer of Generational Wealth



“Leaving wealth is not the same as leaving a legacy.”



“Wealth doesn’t guarantee a legacy – planning does.”



Globally, \$84 trillion will transfer generationally by 2045.
(Cerulli Associates)

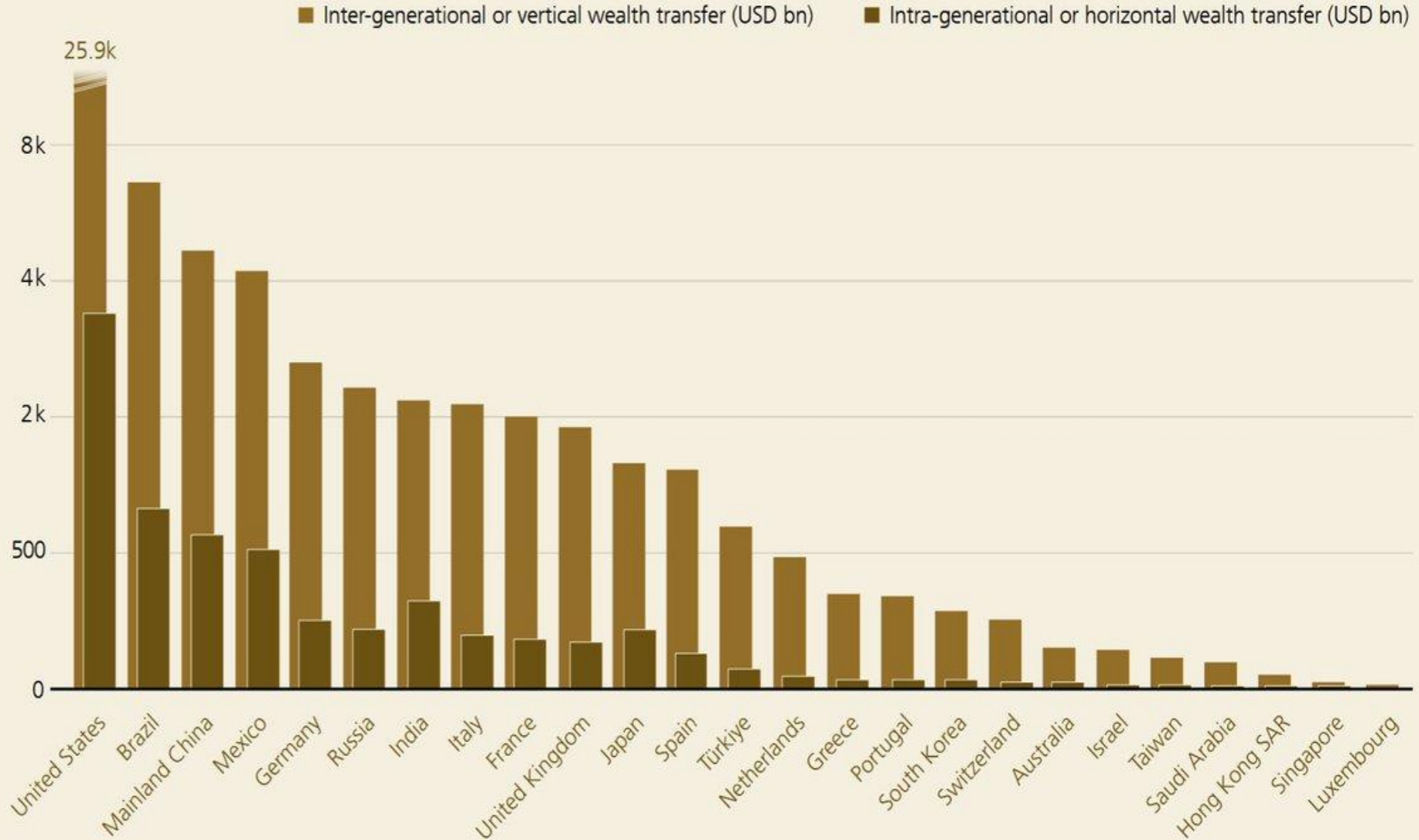


In South Africa, 80% of generational wealth is lost by the second generation and 90% by the third.
(Sanlam Private Wealth)



Transfer of
Generational Wealth

Estimated wealth transfer by market over the next 20–25 years (log scale)



Tools to use for estate planning



Donations



Spousal bequests



Estate Duty Exemption



Endowments



Trusts



01

Trusts preserve and transfer wealth across generations while maintaining control and purpose.

02

Enable strategic planning for education, entrepreneurship, and legacy.

03

Prevent family conflict and asset dissipation with structured distribution rules.

Trusts as a Tool

Why Use a Trust?



Asset protection from creditors.



Tax planning (estate duty and CGT).



Continuity of financial management.



Confidentiality and control beyond death.



What is a Trust?



A legal entity where assets are held by trustees for the benefit of beneficiaries.



Governed by a trust deed.

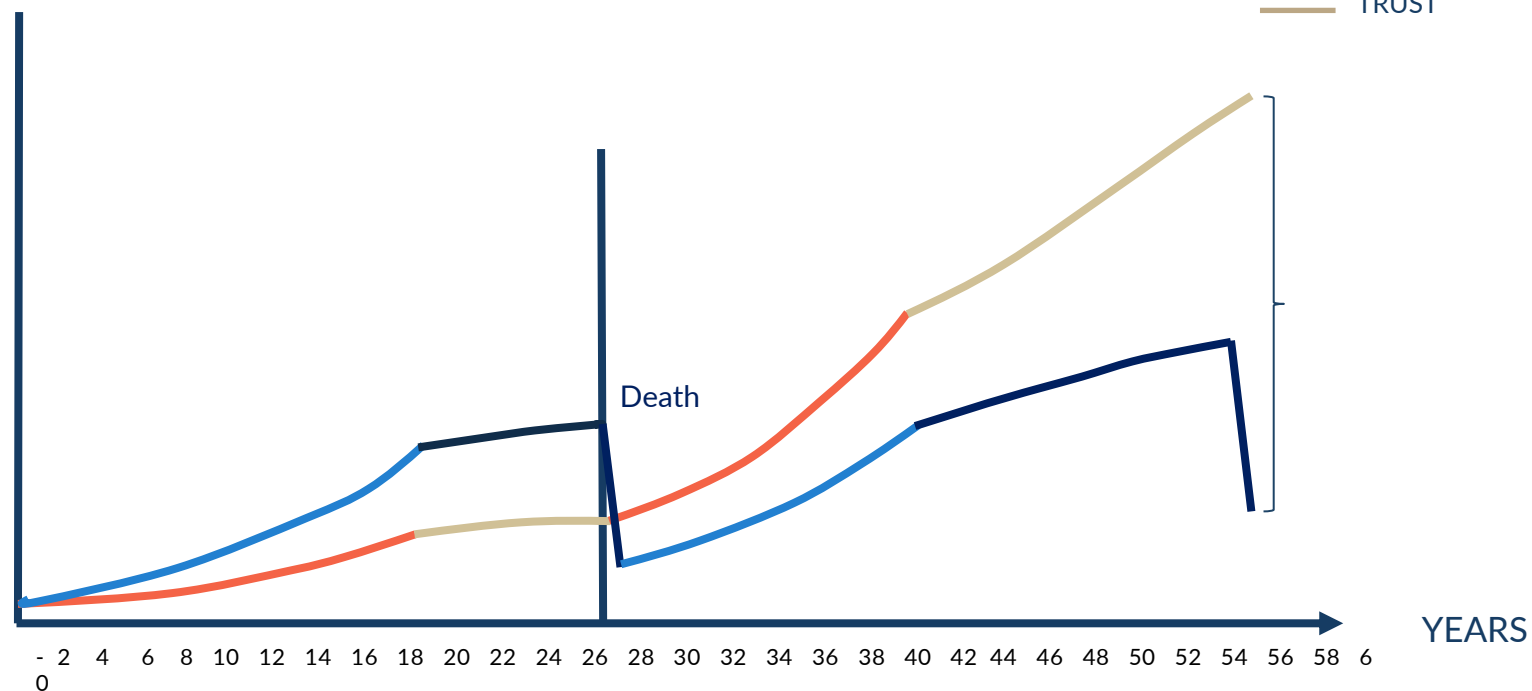


Used for asset protection, estate planning, and tax efficiency.

THE IMPACT

— OWN NAME
— TRUST

VALUE



The Role Players in a Trust



Founder/Settlor

Creates the trust.



Trustees

Fiduciary duties.



Beneficiaries

Receive income or capital.



Protector (Optional)

Supervises trustees.



Common Types of Trusts



Inter Vivos Trust

Formed during the founder's lifetime.



Testamentary Trust

Created via will on death.



Vested Trust

Beneficiaries have defined rights.



Charitable Trust

Established for charitable purposes.



Special Trust

For the benefit of an individual who is incapacitated.



Discretionary Trust

Trustees have full discretion over when and how to distribute income or capital to beneficiaries.

Local and Offshore Trust Options



Domestic Trusts

Governed by local law (e.g., SA Trust Property Control Act).



Offshore Trusts

Often based in Jersey, Guernsey, the Isle of Man, Mauritius, and the BVI.



Benefits

Jurisdictional diversification, tax neutrality (case-dependent).



SA residents must comply with SARB and SARS reporting.



What to Watch Out For

01

Cost and complexity.

02

Legal and tax compliance is ongoing.

03

Careful trustee selection is critical.

04

Jurisdictional changes and regulations (e.g., OECD CRS reporting).



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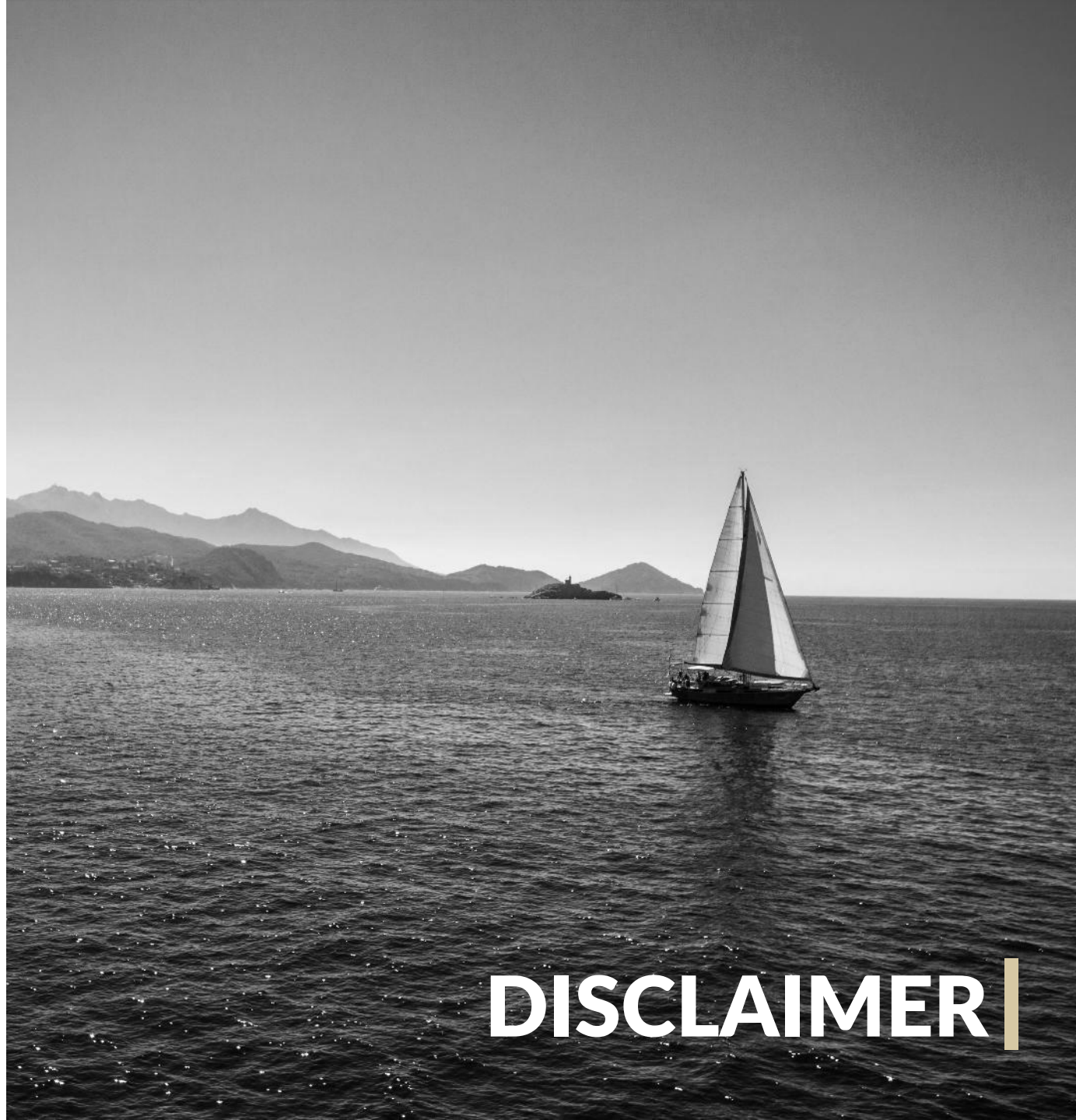
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Compounding the 8th Wonder of the World

A client who invested \$100,000 in 2024 will have a portfolio value of \$856,000 in 25 years time, assuming an 8% annual investment return.

Darryl Hannington

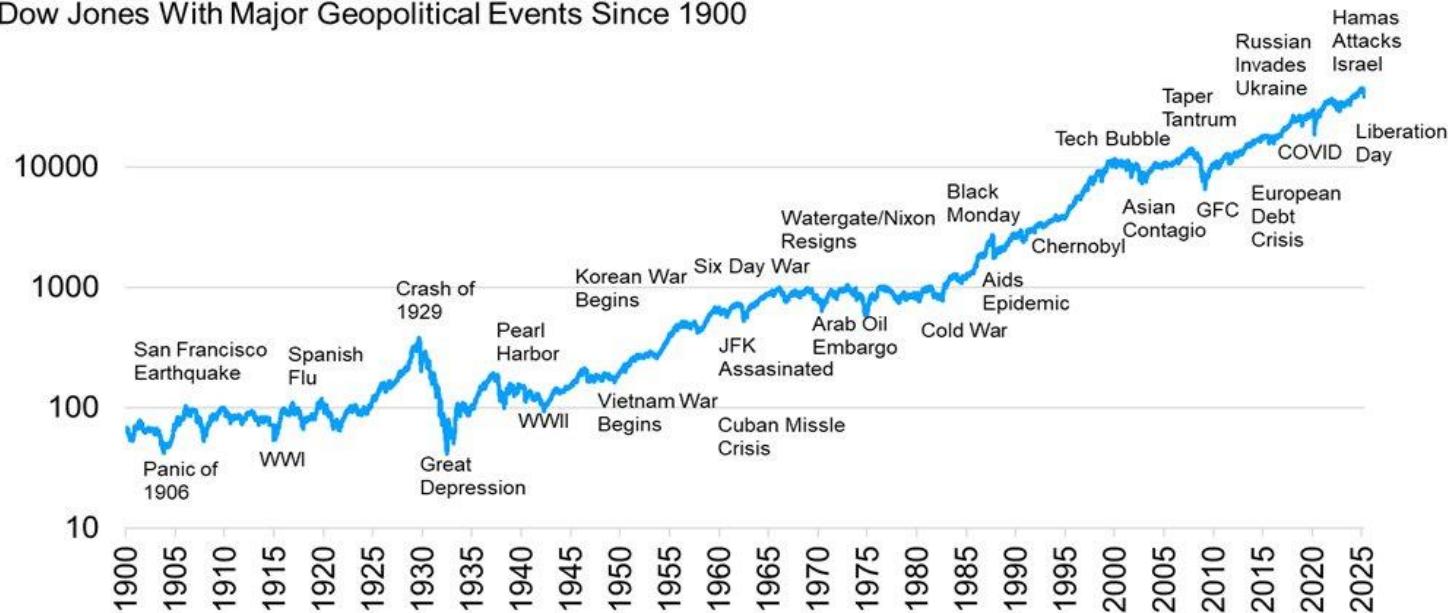


Navigating Equity Markets

The Case for Staying the Course

Stocks Tend To Go Higher Over Time, Even With Bad News

Dow Jones With Major Geopolitical Events Since 1900



Source: Carson Investment Research, FactSet 04/07/2025

@ryandetrick

CARSON



Situs Tax and Its Risks

Situs tax is a levy imposed on a deceased estate's assets by a country on assets located within its jurisdiction, regardless of the owner's residency.

EXAMPLES



United States: applies a 40% estate duty tax on US assets (real estate and shares) exceeding \$60,000.



United Kingdom: applied a 40% estate duty tax on assets (real estate and shares) exceeding GBP 325 000.

SITUS ASSETS

- US real estate
- US listed equity
- UK property
- UK-based bank accounts
- UK listed equity

NON-SITUS ASSETS

- Investments in offshore mutual funds
- US based bank account
- Assets held within certain offshore life wrappers
- Assets held in a jurisdiction without estate duty



Benefits of Considering an Offshore Structure

- Beneficial tax and succession planning
- Reduced executors' fees
- Asset protection
- Reduced CGT on death
- No SITUS Inheritance Tax



COST & TAX IMPACT OF TRANSFERRING ASSETS INTO A LIFE WRAPPER

INITIAL CAPITAL GAINS TAX IMPACT

Total Cost Price	\$598 933
Total Market Value	\$2 355 043
Profit/loss	\$1 756 109
Personal CGT @ 18%	\$316 100
Post CGT initial Investment	\$2 038 943
CGT as a % of the total portfolio	13.4%

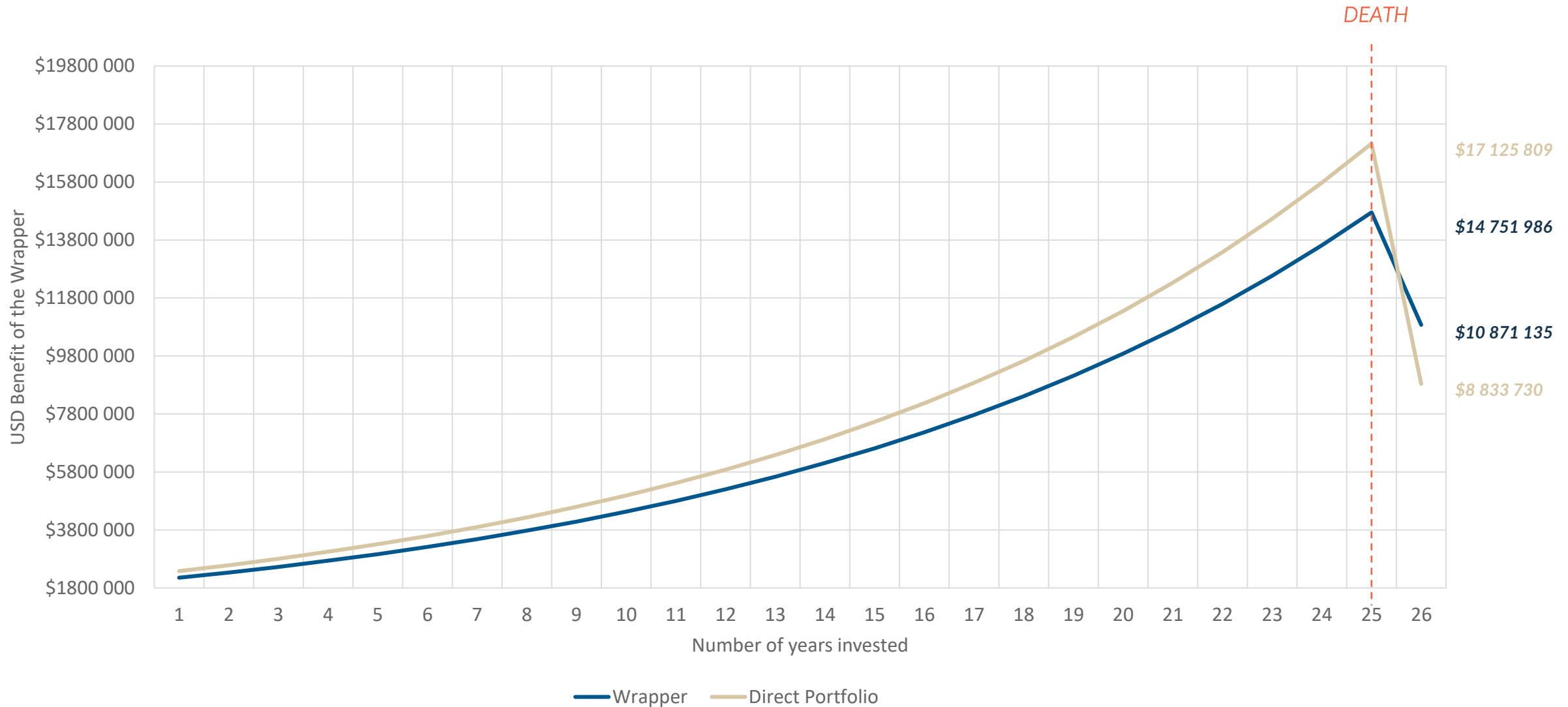
ONGOING COST COMPARISON

	CURRENT PORTFOLIO	WRAPPER
Management Fee	1.00%	1.00%
Custody Fee	0.20%	0.20%
Wrapper Fee	N/A	0.35%
Total asset management fee	1.30%	1.50%
Executors Fee (incl. VAT)	2.30%	0.00%
Personal CGT	18.00%	12.00%
Estate Duty	40.00%	25.00%*
Structure Cost	N/A	N/A

*Estate Value > R30 million

Longer Benefit of Considering an Offshore Structure

**Assuming a gross rate of return on the underlying portfolio of 10.00% p.a.*



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PLANNING FOR THE INEVITABLE

Introducing the Anchor Life File

*A practical guide to getting your
financial affairs in order*

Damian Johnson



Why We Created the Anchor Life File

Too many families are left overwhelmed and disorganised.

Accessing info during grief is stressful and often messy.

Peace of mind comes from preparation, not procrastination.

01

02

03



Real-Life Examples (Anonymised)



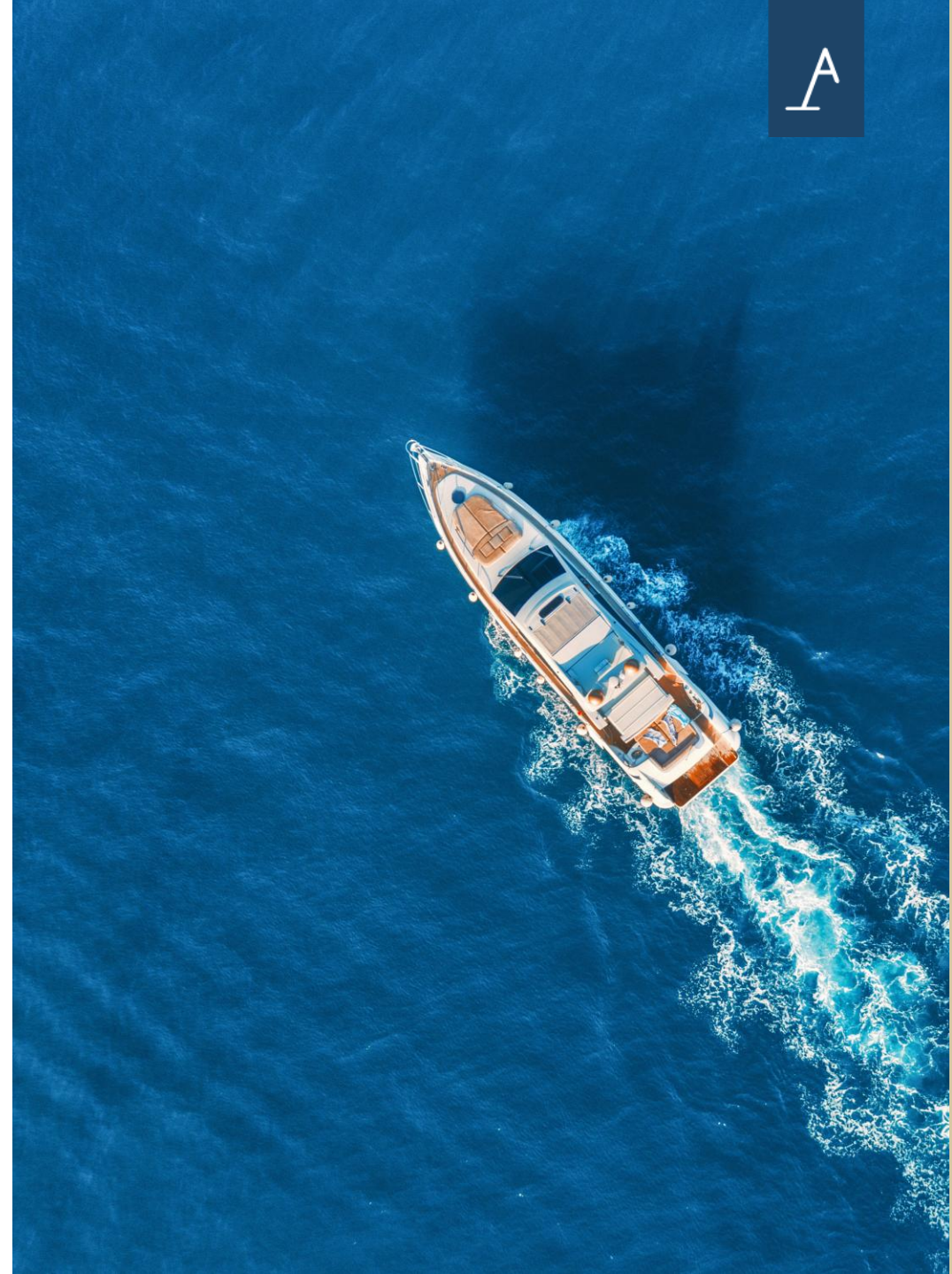
Jane's Story

- Proactively completed a Life File
- All accounts, policies, and documents organised
- Family focussed on grieving, not admin
- Smooth estate process, no added stress



Paul's Story

- No structured records or Life File
- Family had to do an 'emotional and forensic audit'
- Delays, confusion, missing information
- Estate still open – ongoing frustration for loved ones



What is the **Anchor Life File**?



A legacy file to simplify your succession planning.



Covers your assets, liabilities, wills, policies, passwords, and wishes.



A physical and digital repository of key documents and info.



Designed with the surviving spouse or children in mind.

What's Inside the Anchor Life File?



Personal and family info



Important contacts



Will and estate documents



Asset register



Life and other insurance
policies



Medical aid and healthcare
contacts



Online accounts and
passwords (secure method)



Funeral/memorial preferences

How It Works Practically

01

You receive the Life File (digital & hard copy).

02

Your advisor helps guide setup at your next review.

03

We remind you to update it regularly.

04

You keep one copy – we can hold a backup copy too.

05

When it's needed, everything is in place.

The Light Side of Legacy



Letters to grandkids.



Memorial music playlists.



Instructions for who not to invite (humour optional).

Why It Matters (Especially Now)



Complexity is growing: multiple platforms, jurisdictions, and tech.



Grief makes decision-making harder.



Families deserve clarity, not confusion.



Final Thoughts



We can't predict the future – but we can prepare for it.



The Anchor Life File is practical, responsible, and empowering.



It forms part of our holistic approach to wealth and legacy planning.



Ask your advisor for your copy – we'll even include a pen!



Thank You

“Preparing for the inevitable is not morbid. It’s mature. It’s meaningful.”

**Download your
Anchor Life File**



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