

Foreign Exchange Solutions

Advantage FX Solutions is a division of Advantage, which seeks to provide the most efficient and cost-effective currency solutions for offshore investors.

While some things are great on their own, they can be even better together. Every investment decision is accompanied by a currency decision, by default. As such, Advantage has recognised that currency solutions are a critical element in the investment process and has leveraged its institutional scale to provide the very best FX solutions for offshore investors.

Our aim is to lower the cost associated with offshore investing as well as reduce the complexity and uncertainty that is typically experienced with international banking transfers.

Prevailing exchange control allowances

Diversifying currency exposure is constrained by Exchange Control Regulations for SA Investors.



SA residents are allowed a
**R1 million
discretionary
offshore allowance**
per calendar year



An additional Foreign
Investment Allowance of up to
R10 million per calendar year
is possible with clearance from SARS



**Any amount of
>R10 million**
requires special SARS
and SARB clearance



Children under
18 years may use
a travel allowance of up to
R200 000
per calendar year

Currency diversification can help generate greater investment returns with less risk:

Concentration risk	SA is small in a global context
Opportunity risk	Other countries may have periods of outperformance
Currency risk	Local political and economic risks
Country risk	Structural constraints can undermine currency returns

Protect your global purchasing power

Having access to international products and services, including the latest technology, medical care and travel experiences, requires that your investments are protected against currency weakness. This is especially true if the bulk of your income and assets are not denoted in a major global currency.

While, in theory, it can be argued that, over time, the rand will weaken by the inflation differentials between South Africa and its major trading partners, in reality the rand has a tendency to weaken more significantly than that. Unfortunately, over the long-term, the rand has tended to weaken by more than might be expected given the country's growth rate, interest rate and level of inflation. This means that it is simply not reasonable to

expect to afford an array of global goods and services unless your income and assets are, at least partly protected against significant currency weakness. This, together with the relative volatility of the currency, increases the need to diversify the underlying currency position of a South African investment portfolio.

Holding foreign currency protects your global purchasing power and provides you with global investment choices and lifestyle options. Investors should be able to plan for the future no matter what the currency does.

Timing currency transactions is incredibly difficult. Given the rand's inherent volatility, it is prudent to average out offshore transactions on a regular basis by utilising prescribed calendar year allowances.

The Exchange

FICA verification & account confirmation

Proof of payment & cash management

Top interest rates and full liquidity

Trade execution

FX rate quoted & agreed
Currency exchange

Preferential FX rates

Settlement

Funds transferred
on Value Date
Swift confirmation

*At reduced local and
foreign bank transaction
charges*

Tax clearance certificates & excon approvals

facilitate
and acquire SARS, SARB
approvals and emigrations

Outsourced charges apply only

Client onboarding

ID document

Utility bill < 3months old

No entry / set up fees

*No monthly account
management fees*

Our interests are aligned with yours:

Sharpening
prices with our
institutional scale

Reduced bank
transactional fees

Top market-related
interest rates with
full liquidity

Full transparency on
fees and charges

Access to investment
expertise on currency
dynamics

Sourcing the best
FX rates with our
banking relationships

Understanding investor
tolerance levels in
a volatile currency
environment

Advantage FX Solutions is a division of Advantage (Pty) Ltd, an Authorised Financial Services Provider. FSP 47564 and member of SAATA.

Cape Town | 1st Floor, West Offices, Panorama House, Tygerberg Park, 163 Uys Krige Drive, Platteklouf, Cape Town | T: +27 (0) 21 936 9500

Johannesburg | 54 Peter Place, 1st Floor, Blackburn House, Peter Place Park, Bryanston | T: +27 (0) 11 463 9600