

Transforming Wealth Management:

TBI's Unique Approach to Tax-Efficient Investment Solutions

For decades, high-net-worth individuals (HNWIs), trusts, and companies with discretionary cash have grappled with the challenge of finding tax-efficient investment options that deliver robust returns. Traditional avenues, including retirement annuities (RAs), endowments, and more recently, tax-free savings accounts (TFSAs), have provided partial solutions. However, the question remained: What to do with the liquid cash portion of investors' portfolios?

Addressing this gap in a distinctive way became the catalyst for TBI's innovative journey. Through a strategic partnership with Sanlam, the Sanlam Alternative Income Fund (SAIF) and the Sanlam Diversified Income Fund of Funds (SDIFOF) were launched. Over time, TBI has expanded its offerings, leveraging "Alternative Thinking" capabilities and valuable partnerships to introduce the TBI Global Multi-Asset Income Fund and ventures into the renewables sector.

Co-managed by TBI and Sanlam since 2007, SAIF has become the largest tax-efficient cash fund with a remarkable track record. Predominantly invested in dividend-yielding redeemable preference shares, SAIF is ideal for sophisticated investors seeking tax efficiency. Achieving an AA- rating from Global Credit Ratings Co (Pty) Ltd, SAIF consistently outperforms its after-tax benchmark, targeting a constant unit price of R1.00.

Inghe Schneider, TBI CFO and SAIF co-fund manager, "Through quality credit exposure, risk limitation and sustained after-tax outperformance we strive to be the preferred choice for high-net worth individuals, trusts and companies alike when it comes to tax-efficient cash solutions."

Launched in 2009, SDIFOF is a tax-efficient short-duration income fund of funds. Uniquely positioned and strategically diversified, SDIFOF provides exposure to ZAR-hedged offshore investments, South African high-quality credits, and the best of local income funds. With a focus on capital preservation, the fund aims to provide suitable investors with discretionary cash improved after-tax returns and stability during volatile market conditions.

Eugene, fund manager of SDIFOF and the TBI Global Multi-Asset Income Fund, "Through a meticulous investment process, SDIFOF strategically selects top local and foreign funds to actively manage risk to preserve capital in varying market conditions. Risk is carefully allocated when there is potential of an enhanced return. The fund's consistent performance, coupled with its low correlation to other income funds, has resulted in the fund not experiencing a negative total return month since its launch in 2009."

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The TBI Global Multi-Asset Income Fund, established in 2023, is an Irish UCITS under Prescient ICAV that provides global exposure in either USD or ZAR hedge classes. With an Absolute Return income focus, the fund diversifies into global high-quality credit, aiming to preserve investor capital while providing a steady income. Suitable for both retail and institutional investors, the fund holds Section 65 Approval and serves as a conservative, liquid offshore building block within diversified investment portfolios.

Eugene, the fund manager, “The fund’s investment objective centers on providing an attractive total return through a conservative income-focused style, currently employing a diversified portfolio of predominantly defensive assets and limited exposure to growth assets. With no geographic or sectoral bias, the TBI Global Multi-Asset Income Fund is well-suited for investors seeking low to medium risk profiles and aiming to capture upside total returns from income-producing assets while minimizing downside volatility over the medium to long term.”

TBI’s two-decade journey in managing alternative investment solutions has not only filled a crucial gap in the market. The company’s commitment to income-focused strategies, risk management, and lasting partnerships reflects its dedication to providing real value to clients.

As TBI continues to grow, explore new avenues such as renewables, the company looks forward to engaging further with the financial advisor community. Through its innovative approach and tax-efficient investment solutions, TBI aims to continue transforming the landscape of wealth management, ensuring clients receive optimal returns on their cash whilst they navigate the complexities of the financial markets. To learn more about TBI’s funds, reach out to our distribution team for comprehensive information and personalized guidance.

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Disclaimers:

SAIF & SDIFOF
TBI Global Multi-Asset Income fund