

# LATIN AMERICA SPECIAL:

WHY 2019 COULD BE THE YEAR OF OPPORTUNITY  
FOR LATIN AMERICAN ADVISERS





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# INTRODUCTION

Shining a light on Miami's growing importance





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**"DESPITE TRUMP'S BEST EFFORTS [FLORIDA] IS BECOME MORE CLOSELY ALIGNED TO ITS LATIN AMERICAN NEIGHBOURS THAN EVER BEFORE."**

– Gary Robinson, head of Video & Ezines, International Investment

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## IN THE THROES OF CHANGE

The growth of Miami as a financial services hub was evident during my recent filming trip to the region. And despite Trump's best efforts to alienate, it is interesting how international financial services is drawing this part of the US to become more closely aligned to its Latin American neighbours.

The region is in the throes of significant change. In many Latin American countries, the wealth management industry is picking up. Brazil is emerging from recession to find itself home to record numbers of ultra-high net worth individuals, as Pedro Gonçalves [discusses in his feature](#). Last year, 7,000 Brazilians became millionaires and, while the total number remains short of the pre-crisis levels seen in 2008, the wind is once again in Brazil's sails.

More and more financial services companies are opening offices in the region. Investors Trust is one company that has had a presence for a while, and today Lat Am remains central to the firm's business model, as Gustavo Otero, Investors Trust's head of distribution for Latin America, [explains](#).

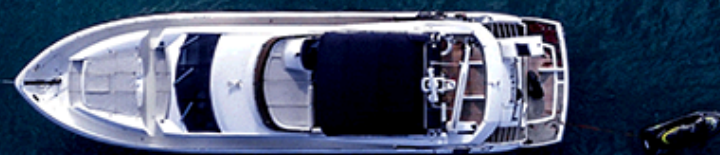
Hansard's Ed Alderson also writes charting [the rise of a Latin American middle class](#) increasingly drawn towards an international savings solution. In this month's [video report](#) we meet some of the region's most experienced advisers.

**Gary Robinson, head of Video and Ezines, *International Investment***

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systems can help you and your clients along the way



# INTERNATIONAL NEWS

Round-up of the latest news around the globe, with a special focus on Latin America



## BRAZIL

# WEALTH EXODUS AS BRAZIL LOSES 2,000 MILLIONAIRES

Brazil is experiencing an exodus of high net worth individuals (HNWIs) – more than 2,000 dollar millionaires left the country last year.

The findings are published by South Africa-based research group New World Wealth in partnership with AfrAsia Bank in Mauritius as part of its annual survey of wealth migration worldwide. On publication, New World Wealth said that a large departure of HNWIs can signal serious problems in a country, like crime and lack of business or investment opportunities.

While Brazil came 7th in the overall ranking of countries, China, India and Turkey occupy the top three spots for people with \$1m or more in assets emigrating last year.

São Paulo, Istanbul, London and Moscow were the cities from which the largest number of dollar millionaires left in 2017.

California callingThe upheaval surrounding president Nicolás Maduro's government has led to shortages of everyday items and his short tenure has been marked by frequent protests. This instability, accompanied by continued stock market losses, is thought to have contributed to people leaving the country. The country is still emerging from its deepest recession in years.

America, Spain and Portugal were the main destinations for Brazilian émigrés, the report found.

Over the same time frame, more than 1,000 dollar millionaires left troubled Venezuela, where inflation is forecast by some economists to reach 1,000,000% by the end of 2018.





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## URUGUAY

# ITALY'S INTESA EXPANDS LATAM OPERATIONS

**Gruppo Intesa Sanpaolo is launching an advisory firm in Argentina in 2019 as the Italian group continues to ramp up its LatAm operations.**

**Fideuram Intesa Sanpaolo Private Banking, the group's wealth management arm, is expecting to get the green light from Argentina's regulators in the first quarter of 2019 to open an investment advisory company, according to a spokesperson for the firm.**

**Intesa Sanpaolo is also setting up investment advisory companies in Brazil and Uruguay, the spokesperson said.**

**The firm, which has a São Paulo-based commercial and investment banking outpost, is currently searching for a Brazil country head for its new wealth arm.**

**Intesa did not provide a timeline for the launch of the new office.**

**In Montevideo, the firm is taking over Morval Vonwiller Advisors, a wealth management shop Intesa acquired as part of its purchase in April 2018 of the Swiss group Morval Vonwiller, which included private bank Banque Morval.**

**Intesa Sanpaolo already has 22 private banking staff in South America, mostly in Uruguay.**

## BRITISH VIRGIN ISLANDS

# BVI HIRES \$400,000 LAWYER TO AVOID EU'S BLACKLIST

The BVI government has retained a UK attorney at a cost of up to \$400,000 to draft a piece of legislation for the territory's financial services industry as it needs to meet EU requirements to avoid being put on a blacklist.

Queen's Counsel Michael Furness is set to draft laws in the field of 'economic substance', in other words the existence of a tax regime without any real economic activity underpinning it.

The BVI government has been instructed to implement the requisite legislation that supports economic substance by the end of December. In the EU's assessment, a range of factors are taken into account including tax transparency, fair taxation and a commitment to combat base erosion and profit shifting (BEPS).

Any jurisdiction deemed by Brussels to be deficient within one or more of these areas is placed on either a blacklist or an intermediary 'greylist'. While just 9 jurisdictions remain on the EU blacklist, 62 countries appear on the 'greylist', including the BVI.

The EU classifies the 'greylist' as being for those countries where there is one area where concerns remain but a commitment to address it has clearly been set out.

If no progress is made, the BVI will be added to the European Union's 'blacklist' of tax haven jurisdictions and subjected to diplomatic sanctions if it does not have these laws in place by the end of the year.

The 'blacklist' was created to categorise jurisdictions that "do not respect the EU's tax transparency standards".

British Virgin Islands' bid to get off the European Union's blacklist of tax havens could have a negative impact on the local financial services industry, a pillar of its economy.

## URUGUAY

# RL360 FORGES AHEAD WITH LATIN AMERICAN EXPANSION WITH NEW URUGUAY OFFICE

RL360 continues its Latin America expansion with the addition of a new office in Montevideo, Uruguay. The move is a show of confidence for the potential growth in the region.

Two administrative staff based in the Montevideo office will support the work of the three-strong sales team working across Latin America.

The new office allows further expansion to RL360's working day, which starts in Asia before moving to the Middle East, Europe and now Latin America.

"Opening up in Montevideo really illustrates how importantly we view the Latin American market. Our staff will be able to answer queries from advisers in their own time zone and their own language – they speak Spanish, Portuguese and

English," Leon Sears, who has headed up Latin American sales since RL360 expanded into the region in 2014, said in a statement.

"Our regional sales manager Nicolas Tiscornia, who is responsible for sales in the southern cone of the continent, will also be based in the new office," he added.

The Isle of Man-based international financial services specialist announced in April a 5% growth in new business in 2017, with Asia, Latin America and the Middle East helping to drive growth for the company.

For more Latin American stories, go to:  
[www.internationalinvestment.net](http://www.internationalinvestment.net).



## BRAZIL

# CITIGROUP PLANS DOUBLING OF BRAZIL-FOCUSED PRIVATE-BANKING TEAM WITHIN TWO YEARS

Citigroup plans to almost double the number of private bankers serving wealthy Brazilians over the next two years as competition for that business intensifies and tax-amnesty programs unlock hidden wealth, Bloomberg reports.

Citi Private Bank is aiming to add 10 bankers, bringing the team to 25, according to Cesar Chicayban, who runs the business in Brazil. The company, which services 550 Brazilian families with at least \$10m to invest with the firm, has hired five bankers in the past year in São Paulo and New York.

“We want to keep delivering for the next five years the same double-digit robust growth we had in the past two,” Chicayban said.

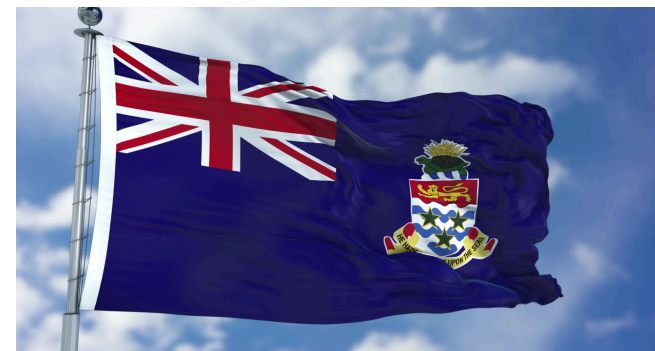
Citigroup sold its retail division in Brazil to Itau

Unibanco in October for \$175m, as part of chief executive Michael Corbat’s plan to cut costs and boost returns.

The private-banking business, not included in the deal, was restructured to eliminate services such as local bank accounts and credit cards.

“We’re now servicing a very exclusive group of people with global needs. We are almost a private-banking boutique,” Chicayban said. The New York-based company has operations in 98 countries, participating in all major markets, “and that has a cost,” he said.

However, Brazil is experiencing an exodus of high net worth individuals (HNWIs), as new figures show more than 2,000 dollar millionaires left the country over the 12 months to January.



## CAYMAN ISLANDS

# UK AND CAYMANS CLASH OVER FINANCIAL INVESTIGATIONS

British law enforcement officers fighting money laundering are being frustrated by a lack of co-operation by the authorities in the Cayman Islands.

Donald Toon, director of the National Crime Agency, told the BBC that a number of investigations had led to companies registered in the Cayman Islands but local authorities did not

cooperate when asked for information about the owners of these firms. He said that usually when his officers asked British Overseas Territories for help “we can generally get from them clear, unambiguous beneficial ownership information but we are having a difficulty with Cayman”.

“The Cayman government is entirely aware of the UK concerns,” he added.

The Cayman Islands last year introduced a beneficial ownership registry that, under an agreement struck with the UK government two years ago, is supposed to respond to British law enforcement requests within 24 hours and in urgent cases within one hour.

The Foreign and Commonwealth Office released a statement indicating that the Cayman Islands government had pulled out of this agreement, known as an “exchange of notes” in reaction to the UK parliament’s threat to impose publicly accessible beneficial ownership registries in the overseas territories.

This has made co-operation on crime fighting

“more difficult,” according to the statement.

The Office of the Premier responded with a statement that “there is absolutely no merit in Toon’s allegation”.

The government said, in a statement reported by the *Cayman Compass*, that “the complaint is a gross misrepresentation of a single situation and is no basis on which to accuse the Cayman Islands of being uncooperative.”

Cayman and the UK have been in a row over a decision by the UK parliament to insert a clause in the recently passed UK Sanctions and Anti-Money Laundering Act that threatens to impose publicly accessible registers of beneficial ownership in the overseas territories.

British Overseas Territories leaders have called the move a throw-back to colonial rule and argued that the established non-public registers of beneficial ownership in the territories were working well and providing those with a legitimate interest in the information with the information they need.

## **BAHAMAS**

# **BAHAMAS SET TO ISSUE OWN CRYPTOCURRENCY**

The Central Bank of the Bahamas is planning to create a government-backed pilot cryptocurrency. The announcement was made by Kevin Peter Turnquest, deputy Prime Minister and Finance Minister of the island.

Speaking at the Bahamas Blockchain and Cryptocurrency Conference, Turnquest said that



Bahamas’ deputy Prime Minister and Finance Minister Peter Turnquest

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the production of a modern, fully digital payment service could offer a solution as commercial banks in the archipelagic state are downsizing and leaving communities without vital banking services. The Bahamas consists of over 700 islands, islets and cays.

“As an island nation, where transportation can be an inconvenience for many, especially the elderly, and costly, we must offer financial services digitally and securely. Digitisation of our government and financial services complements both our ease of doing business initiatives and our digital Bahamas framework,” he said.

The deputy prime minister added that he expects the government to introduce blockchain technology in various fields.

“Even though it is at a very preliminary form, the government is looking to see other ways in which certificates such as business licences, passports, national insurance can make use of blockchain technology to enable persons to maintain their data and share it in a secure and verifiable way,” Turnquest said at the conference.

#### **BRITISH VIRGIN ISLANDS/CAYMAN ISLANDS**

## **OVERSEAS TERRITORIES SET TO LAUNCH LEGAL CHALLENGE TO UK’S PUBLIC REGISTER DEMANDS**

Two of Britain’s overseas territories are preparing to launch legal challenges to the UK government’s plans to impose a public register detailing beneficial ownership of companies listed in the jurisdictions.

The British Virgin Islands (BVI) and the Cayman Islands are both intending to counter Westminster’s planned changes to the legislation, known as the Sanctions and Anti-Money Laundering Act, which received Royal Assent in April this year.

The new amended law would make publicly accessible registers of beneficial ownership compulsory for companies registered in British Overseas Territories, also known as BOTs (including the Cayman Islands and the BVI) by 31 December 2020. If that deadline is missed, the act

requires the UK Secretary of State to draft orders to force the territories to comply.

The BVI is currently in the process of formulating the challenge while the Cayman Islands government has yet to officially specify its next steps. According to reports, it is understood the two challenges could be combined, but are currently being pursued separately.

International law firm Withers will act on behalf of the BVI government. Hussein Haeri, partner and head of Withers’ public international law team, explained: “We are confident that there are constitutional grounds for challenging the imposition of a public register of the beneficial ownership of companies. The BVI’s consistent position is that it will not introduce public registers unless they become a global standard.”

## MEXICO

# JULIUS BAER TO OPEN MEXICO OFFICE

Zurich-based private bank Julius Baer is to open a new representative office in Mexico and is hiring a banker from HSBC to head the newly established division.

Manuel Torroella Velazquez will take charge at the unit. He joins from Monex Grupo Financiero, where he was an executive director. Torroella previously spent 12 years with HSBC as the bank's head of private banking in Mexico.

As [reported](#) by *International Investment*, Julius Baer announced the closure of both its Panama and Peru offices earlier this month as part of a regional restructuring.

Julius Baer has had a chequered recent history in Latin America. The bank has also withdrawn from Venezuela, following a former Julius Baer banker's conviction for money laundering.

## BARBADOS

# BARBADOS MINISTER FORESEES OECD COMPLIANCE

Barbados is to scrap its international business company (IBC) regime in response to the OECD labeling the policy as "harmful" to competition, and being in breach of rules governing international taxation.

Last year the OECD included Barbados on its list of jurisdictions with a "harmful" preferential tax regime, and said the Barbados system was in breach of its Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS) rules. The BEPS system was designed by the OECD to prevent jurisdictions offering "preferential tax regimes."

Ronald Toppin, minister of international business and industry, said: "The cabinet of Barbados has fully endorsed proposals which include the adoption of a regime of tax convergence across the corporate landscape. The new rates will be

competitive for all businesses and will be attractive to companies of international origin as well as to local companies."

Once registered under the IBC regime, Barbados-based companies currently pay between 0.25% and 2.5% corporate tax, so long as the firm's directors are non-resident.

The Barbados government initially gave itself a deadline of last month by which new legislation would be introduced. The cabinet is meeting to finalise the details of the new legislation, which has been scheduled for implementation by 31 December.

Toppin has confirmed Barbados is on track for OECD compliance by the end of this year. Of the new legislation, Toppin said the government is looking "to a convergence of tax across all business entities."



# OLÁ, BIG SPENDER!

With Brazil at the forefront, the ingredients are in place for a sustained period of wealth creation across Latin America. But who will be first to the party?







## OLÁ BIG SPENDER!

Brazil is at the forefront of Latin America's new-found wealth, and the country's HNW market is thriving again, writes *Pedro Gonçalves*

Latin America is experiencing a historic increase in the number of billionaires, and even amidst an economic crisis Brazil is at the forefront of that new-found wealth. The country has gained twelve more billionaires last year, jumping from 31 to 43.

Brazilian billionaires' assets reached \$146bn last year, up 13% from 2016, according to a report by British non-governmental organisation Oxfam. Just five Brazilian billionaires concentrate the equivalent of half the country's poorest population.

"Brazil had 75 billionaires, then fell, a lot because of inflation, and then, in the last three years, we saw a resumption in the increase in the number of billionaires," Rafael Georges, Oxfam's coordinator of campaigns, told local media.

"This latest increase – of twelve billionaires – is the second largest ever in history. And the general patrimony is also increasing," he added.

Last year, over 7,000 Brazilians entered the millionaire's club, with a fortune over \$1m, according to numbers from Capgemini. The



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number of millionaires in the country grew 4.25%, from 164,500 to 171,500. It is a record high of the last ten years and a far cry from the 131,100 millionaires reported in 2008.

Sixty percent of Brazil's millionaires live in São Paulo, the vibrant city known for its graffiti on the walls, traffic, coffee aroma and delicious beef. A high-tech hub, the city's booming economy is supported by agriculture and heavy industry.

## INDUSTRY EYES BRAZIL

A growth in wealth that has not gone unnoticed by the global financial sector.

HSBC is speeding up negotiations to return to Brazil only three after the lender sold most of its operations in the country as Jair Bolsonaro's recent victory in the presidential election has triggered a rally in financial markets.

HSBC Holdings Plc is in talks about coming back to the local markets and creating a full corporate and investment bank, according to Bloomberg. The *FT* adds that bulking up the São Paulo-based investment bank in order to win back domestic

corporate clients is one option executive are studying.

HSBC's plan to rebuild in Brazil is in no small way prompted by the election of Bolsonaro as president on October 30.

### WILL LAT AM GROWTH CONTINUE?

- ☐ Yes
- ☐ No
- ☐ Roughly the same

 See results

Bolsonaro, a former army captain with an aggressive and populist rhetoric, has triggered a surge in optimism after campaigning on promises of fiscal discipline, government efficiency and a crackdown on crime.

With a liberal agenda and a strategy taken from the free-market economic playbook, the appeal

for the business community is bound up with the specifics of Bolsonaro's economic program – mass privatisations, ambitious pension reform and lower taxes.

However, it is not alone in targeting Brazil. Citigroup Inc. is prepared to step up hiring for work on the \$176bn of infrastructure investments it expects over the next five years.

Citigroup also plans to almost double the number of private bankers serving wealthy Brazilians over the next two years as competition for that business intensifies and tax-amnesty programs unlock hidden wealth.

Itau Unibanco, Latin America's biggest lender by market value, has said it may loosen credit standards given the improving economic outlook. Compass Group is ramping its Latin American operations with the opening of a new office in Brazil, offering a range of third-party products to institutional, intermediary and family office clients.

Brazilian investment firm XP Investimentos wants



to add 1,000 advisers to its network of independent wealth firms.

Lyxor Asset Management is expanding in the LatAm market with the launch of new operations in Brazil, as Allfunds Bank, an open architecture funds platform, is set to open a new Brazil headquarters in São Paulo.

In addition, Switzerland's UBS Group has bought a majority stake in Consenso Investimentos Ltda, Brazil's largest independent multi-family office

It is a huge turnaround from recent years, when the worst recession in Brazil's history and a national corruption scandal sent many banks and investors fleeing as the country lost its investment-grade credit rating, stocks tumbled and the real reached a record low making over 2,000 millionaires flee the country.

## **A CHANGING WEALTH MANAGEMENT LANDSCAPE**

Brazil is however not alone in this new-found wealth. Latin America has been growing at a strong pace over the last years allowing for

sustained periods of political stability.

Mexico City, and Brazil's São Paulo and Rio de Janeiro, are where millionaires congregate in Latin America. The continent's billionaires have assets of over \$2.4trn, according to the Knight Frank 2017 report.

"Latin American high net worth individuals (HNWIs) are on average far wealthier than those in other regions. The wealth management industry servicing this clientele is changing, evidenced by a shifting landscape of market participants, the drive towards localisation, the rise of transparency, and the renewed role of offshore banking.

"Consequently, this will accelerate the demand for a refined HNWI service offering, focused on professionalism, accessibility, and a sophisticated understanding of client needs and circumstances. In light of this new environment, financial institutions such as dedicated private banks and professional external asset managers – if committed to adapting accordingly – will thrive," according to Julius Baer.

Zurich-based private bank Julius Baer is to open a new representative office in Mexico and hired a banker from HSBC to head the new division.

"Latin American investors have become younger and more sophisticated over the past decades, resulting in an increasing risk appetite and a more diversified portfolio to achieve investment objectives," the private bank added.

Argentina alone is set to see a 61% increase in the number of UHNWIs until 2023, as the country's president Mauricio Macri has sought to revert policies that hampered the country's economic growth. For the financial industry, there is also a unique opportunity to capture Argentine's demand for offshore advisory before competition becomes intense.

With all the ingredients in place for a sustained pace of wealth creation across Latin America, the only question is who, from the financial industry, will be there when the windfall starts.

**Pedro Gonçalves is financial correspondent at *International Investment*.**

# FRONTRUNNERS

Investors Trust's focus and  
commitment to Latin America







In this video interview, *International Investment's* head of Video and Ezines *Gary Robinson* visited Gustavo Otero, head of distribution, Latin America, Investors Trust, at the company's headquarters in the heart of Miami's Brickell financial district.

Otero reveals how Investors Trust is emerging as a key player in this increasingly important international financial services region.

## **FRONTRUNNERS**

# **WHERE IT ALL BEGAN**

*Gustavo Otero* explains the importance of the Latin American region to Investors Trust's ongoing success internationally

Investors Trust started its business with a focus in and commitment to Latin America. At the time, around the early 2000s, there was an influx of industry providers based out of Europe attempting to tap into the Latin America region and take advantage of opportunities there.

However, they lacked a full commitment and complete understanding of the culture and its demands for such business. These providers in most cases did not speak the language, nor did they understand the challenges of this new market. So, as things unraveled and dilemmas

Investors  Trust



arose, these European providers were not equipped to handle such situations and ultimately removed themselves from the equation, leaving investors and IFAs without consistent support.

At Investors Trust, we saw the need and demand for investment products in Latin America and the tremendous opportunity for business. They also recognised where the others had gone wrong and decided to do it differently. With a presence in and dedication to the region, Investors Trust was established in 2002 to provide investment solutions and services to those in Latin America.

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**“Many of our main agencies in Latin America have been with us for 15+ years. It’s these long-term, fully vetted and highly valued relationships that sustain the core of our business and overall success in Latin America”**

**Gustavo Otero, Investors Trust**

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From the beginning, Investors Trust has been fully committed to the region; to speaking the language, building a presence and understanding the cultural status. Over the years, the company has expanded and seen great success around the globe, but it is the LatAm region where our proposition was born.

### **Local presence**

Investors Trust recognises the value in having presence and personnel on the ground in the regions it services. It makes a tremendous difference to speak the language and understand

the culture of the markets for doing business. Otherwise, how can one propose solutions to a situation they do not fully understand?

Over the years, the company has worked very hard to establish proper personnel in the region, supported by on-going trainings and incentives to attract an audience of IFAs that are highly regarded professionals with proper intentions of wealth management.

People invest at different times in their life and at a different pace than their neighbour; it is important for the client to feel “this product was designed for me in this current place in my life.” But, much of the decision process rest on the shoulders of the financial advisor.

Investors Trust has worked for many years to establish manicured and professional relationships with its FAs throughout the region to attract those of suitable quality. It is years of

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- No custody charges<sup>3</sup>

1. Subject to maintaining a minimum cash surrender value of USD 15,000 / EUR 15,000 / GBP 10,000. Please refer to the products terms and policy for more details. 2. Borrowing facility is subject to prior approval and market conditions at the time of borrowing. The current maximum borrowing limit is up to 40% of the portfolio value. Interest rates and lending limits are subject to change. 3. Except for assets that generate additional custody charges.

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dedicated services and valued partnerships that have propelled the company to where it is today.

“Many of our main agencies in Latin America have been with us for 15+ years. It’s these long-term, fully vetted and highly valued relationships that sustain the core of our business and overall success in LatAm.” Gustavo Otero said.

## Understanding the market

Investors Trust is constantly listening to the demands of the market and situating itself to fulfil those needs. This has led the company to expand its presence in the region, now with four offices in the Americas; Cayman Islands, Miami, Puerto Rico and, recently, Uruguay.

With years of successful and continued growth throughout Latin America and the ongoing demand for flexible investment options, Investors Trust was pleased to expand its presence further by opening a new office in Uruguay to service the region in terms of distribution.

“This is a great advantage for us. A distribution office in Uruguay makes it even more convenient

to service our IFAs throughout Latin America.”

This expansion strengthens Investors Trust’s commitment to the region and to sustaining suitable financial advisors to represent the company and lead investors to select the best product for their individual needs and future financial goals.

Investors Trust is a company always seeking new ways to evolve its business in order to reach new heights and stand out against the competition. Advancing even further, Investors Trust is proud to soon offer Puerto Rico as another jurisdiction for wealth management. Just as one diversifies a portfolio, Investors Trust is diversifying its business to offer greater opportunities and more flexibility.

This is a big development for the company and specifically the Latin America region. While Puerto Rico will be available to a global audience, it’s especially exciting for LatAm, as it’s nearby and culturally in sync with the rest of the region; it’s a familiar option. As well as, being a commonwealth of the United States, it shares

many benefits of the US without the taxation and regulation restraints.

“We are excited to get Puerto Rico up and running and be able to provide IFAs with more options to create a portfolio that fits clients’ individual needs. That’s our goal, to offer greater flexibility and more opportunities to create ideal solutions for international investors.” Gustavo added.

Investors Trust continues to gain momentum and expand its reach while always holding true to its foundation and set of values which have positioned them ahead of the competition. The company’s dedication to and presence throughout the regions it services have propelled Investors Trust to be recognised as leaders in the industry and, specifically, throughout Latin America.

**Gustavo Otero is head of distribution Latin America for Investors Trust.**

Investors  Trust



## THE NEW GENERATION OF SAVINGS PLANS

### EVOLUTION



THE MOST EFFICIENT  
INVESTMENT VEHICLE TO  
HELP YOU REACH YOUR  
**FINANCIAL GOALS**

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It is important for you to determine the amount of regular savings that you will need on a consistent basis to fund your financial objectives.

The earlier you start saving, the greater the benefits of compounded returns in the future. You may be surprised at how much even small contribution amounts can grow to over a period of time.

#### KEY FEATURES

- Regular Contribution Plans
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- Wide Range of Mutual Funds and ETFs
- Monthly, Quarterly, Semi-Annually and Annual Payment Frequencies Available
- Transparent and Competitive Charging Structures
- Advanced Online Transaction Platform

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# FRONTRUNNERS

The rise of the Latin  
American middle class



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## FRONTRUNNERS

# FROM REVOLUTION TO EVOLUTION

Hansard's *Ed Alderson* charts the rise of a Latin American middle class increasingly drawn towards an international savings solution

## **The not-so-distant past**

The turn of the millennium was the catalyst for a golden decade of change for many emerging market regions, few more so than Latin America (LATAM). With many member countries rich in natural resources, having benefited heavily from the commodities boom of the 2000's which helped cut poverty rates by 5% each year across LATAM (Source: Economic Mobility and the rise of the Latin American Middle Class 2012), and with a



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thriving economic backdrop in the region, a significant rise in the middle class evolved.

Through this period up to 2012, an estimated 50 million locals exited 'poverty' status and joined the ranks of the working class, according to the World Bank. (Source: Economic Mobility and the rise of the Latin American Middle Class 2012). Whilst there has been a slowdown in these growth numbers in recent years, the prospects of increased earnings potential and the opportunity for a better life are still very positive in the majority of LATAM member countries.

Whilst the last few years has seen a broad fall in commodity prices and a slowing in the pace of socioeconomic change, the increase in middle class and reduction in poverty are heading in the right direction. The fundamental drivers are:

- The growing critical mass of the middle class, with the potential to influence change
- Higher purchasing power
- The increased demand and aspiration for better quality of life



Ed Alderson, Hansard

With a heavy reliance on exports from the agricultural and industrial sectors, it is particularly important that the proposed tariffs on global trades by powerhouses such as China and the U.S do not have a destabilising effect on LATAMs export business.

No LATAM country is more at risk than Mexico in this regard, with a new North America Free Trade Agreement (NAFTA) deal or equivalent still to be agreed. As such, it is not just the fiscal policies at home that people are concerned with, but also the actions of the leaders of the developed world

which could have genuinely catastrophic economic implications.

## Right here, right now

In the election cycle of LATAM, 2018 represents a significant year for a number of countries, with many locals (including the growing middle class) calling for reform and change. Whilst the potential repercussions of these elections now (when compared with the past) can be viewed as less impactful, there are inherent risks that come with a change in leader, political party or a combination of both.

Nevertheless, it is often the case that many indigenous locals wait to hear the outcome of the elections in their respective homelands, before assessing the savings and investment opportunities which may have presented themselves, as a result of any political shift. The often over-used Warren Buffet phrase "be fearful



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Direction, not intention,  
determines destination



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Our market-leading service and award-winning online  
systems can help you and your clients along the way

when others are greedy, and greedy when others are fearful” doesn’t broadly ring true for this continent, its locals like certainty, and are happy to wait for it.

It is during these times of economic, political and social change therefore, that many local investors are drawn towards the common features of an international savings solution, such as:

- **Security** – This takes many forms, whether it be the location of the financial institution, or the domicile of the custodian of their investment
- **Longevity** – Investing with International companies who have longevity in the financial markets is particularly important when dealing with countries across Central and Southern America. Clients want to know that the company that they are dealing with today will still be in the market when their investments reach maturity
- **Hard currency investing** – A really important feature is the ability to remove currency risk and invest in a globally recognised currency such as US Dollar. Many

countries in LATAM have seen significant volatility in the local currency in the recent past, so many investors prefer the perceived ‘safe haven’ of hard currency investing

- **Access to global markets** – Investing through regulated international institutions can provide broader investment opportunities, which may not necessarily be available domestically
- **Trust and Credibility** – Many investors simply do not trust financial institutions in their own market
- **Fear of missing out** – A common feature of many investors both across emerging markets and the developed world, many don’t want to miss out on “the next big investment story”

This is not an exclusive list, but represents the significant considerations in the decision making process of where a client will invest. There are, of course, a number of different financial needs and goals that will be addressed when establishing the best solution to meet these demands, ranging from the rising cost of education to the global pension deficit, maintaining quality of life in retirement and many others.

Hansard International offers a dynamic, versatile suite of products that satisfy the demands of investors with the ‘wish list’ above, and we have been providing these solutions for over 30 years.

## The future is bright

The growing demand and expectation to access highly competitive products, excellent customer service and online functionality is now considered a pre-requisite of product providers being successful across the region.

As such, with a fully integrated online portal providing ever-evolving reports and tools for new and existing business, dedicated regional support in local language along with several product variants to meet different wants and needs of our target markets across the region, Hansard is well placed and extremely encouraged by the growth prospects of this dynamic, exciting region.







## VIDEO: THE ADVISERS' VIEW

Three of Latin America's most experienced advisers and brokers share their views





## SPEAKING FROM EXPERIENCE

In this special video report, *Gary Robinson* meets with three of Latin America's most experienced advisers and brokers, to discover why Miami has grown into one of the most vital within international financial services

To US president Donald Trump, anything below the US border of Mexico is something that he appears to want to ignore.

This is perhaps one of the reasons why the emergence of Miami as Latin America's financial services hub is all the more remarkable.

The Brickell financial district is just one of a host of areas within Miami that relies on financial services to drive the local economy and fill the vast array of sky-scraping office blocks.

The one thing that unites the three financial advisers and brokers that feature in this video (left) is experience. That and a belief that the best is yet to come for their businesses.

We speak to Argentinian **Robert Parra, president and founder of Suprabrokers**, Brazilian-born **Louis Fernando 'Nando' Saad, founding partner, FS Advisors** and Cuban-born **Alina Garcia-Barbon, Partner/Senior Vice-President, World of America**, all of whom are based within Miami but service clients from across this vast region.



# Solution

The background of the entire page is a composite image. It features a world map in a light blue color against a darker blue background. Overlaid on the map are numerous strings of binary code (0s and 1s) in a light grey or white color, some of which are slightly blurred to create a sense of depth. In the foreground, a person's hand, wearing a dark suit sleeve and a blue striped tie, is pointing its index finger towards a glowing, square button. The button is light blue with a white border and a bright white light source in the center, giving it a three-dimensional appearance.

## DIRECTORY: PROFESSIONAL SERVICES

A listing of some of the biggest  
players in offshore financial services



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**Profile:** Canada Life International Limited (CLI) established 30 years ago remains one of the leading offshore providers with assets under administration of £14.3bn (as at 31 March 2017). CLI is the only offshore insurer to maintain a five-star AKG Annual Financial strength rating for 14 consecutive years. Through CLI Institutional Limited, institutional and UHNW clients have a level of policyholder protection that isn't otherwise available in the UK offshore market. In 2015, CLI also completed the acquisition of Legal and General International (Ireland). This has enhanced the choice available to UK investors by providing them with a choice of jurisdictions within one compelling offshore proposition.

**Offering:** Canada Life International Limited (CLI) offer a wide range of regular and single premium investment bonds, tax and estate planning solutions and whole of life protection solutions. Our investment options include full open architecture, links to over 40 platforms and over 150 discretionary investment managers as well as over 150 internal linked funds. Our team of technical specialists offer more than 200 years of experience in taxation, trusts, estate planning and pensions between them. In addition, we publish and back our service standards with a no quibble, non-performance penalty system.



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**Profile:** Generali Worldwide is a wholly owned subsidiary of the Generali Group. Founded on the strength of this international presence and wide-ranging expertise, Generali Worldwide specialises in offering life insurance-based wealth management and employee benefit solutions to a global audience, including multinational organisations, international expatriates and local resident populations in licensed territories. The company's head office is based in Guernsey, a premier international financial centre, and is a registered insurer under the Insurance Business (Bailiwick of Guernsey) law, 2002 (as amended). It is also an authorised insurer in the Bahamas, British Virgin Islands, Cayman Islands, Hong Kong, Jersey and Singapore.

**Offering:** A range of individual unit-linked regular and single premium-based savings, retirement and investment plans and an open-architecture portfolio bond along with group retirement and savings products, group life and disability and healthcare products.





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**Profile:** Hansard International has been providing innovative financial products and services for international clients since 1987 and forms part of Hansard Global plc, which is listed on the London Stock Exchange. We administer assets in excess of US\$1bn for over 500 financial advisor businesses with over 40,000 client accounts, in over 155 countries. We are celebrating our 30th anniversary in 2017, and already planning ahead for the next 30 years.

**Offering:** In the ever-changing landscape of financial services, Hansard International prevails as a steady and constant presence. Whilst other providers around us have changed their name, ownership, identity and focus over the years, Hansard International has remained committed to providing innovative financial products and services for financial advisers and their international clients. This strong heritage, which is coupled with exceptional levels of service and a focus on innovation through the use of technology, makes us an exceptional proposition in our marketplace.



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**Profile:** Investors Trust Assurance SPC (ITA) is an international insurance company licensed and regulated by the Cayman Islands Monetary Authority. ITA has gained a leadership position in the international insurance markets by specialising in the provision of investment-linked insurance products and class leading customer service. With service offices established around the world, ITA offers an array of opportunities to its policyholders by providing access to the global financial markets. ITA is constantly innovating and investing in technology giving clients online multi-language (English, Spanish, Portuguese, Chinese, Japanese and Russian) access to manage their investment-linked products.

**Offering:** ITA works with some of the world's top asset managers under its convenient open architecture platform. It provides clients with greater investment choices and the ability to provide for their families as well as plan for a comfortable retirement. Specialising in medium to long term unit-linked investment products, ITA is proud to offer a range of flexible, tax-efficient products, including regular and single premium annuities, designed to suit various income levels and financial planning needs.



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Old Mutual International is a leading cross-border provider of wealth management solutions. Our aim is to help financial advisers manage and grow their clients' investments; not just for their own future, but for their family and the generations to come.

We are one of the few financial service providers to operate in multiple global markets, offering effective financial planning solutions to expatriates and local investors across the world including Africa, Asia, Europe, Latin America, and the Middle East.

In an ever-changing regulatory landscape, it's crucial that financial advisers stay ahead of the game. We are here to give them all the support and technical expertise they need to help them maximise opportunities for their clients.

Old Mutual International is part of Quilter, a leading provider of advice, investments and wealth management both in the UK and internationally, managing over £100 billion of investments on behalf of over 900,000 customers (as at 31 March 2018). Quilter plc, our group holding company, is listed from 25 June 2018 on the London and Johannesburg stock exchanges.



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**Profile:** Premier Trust offers a uniquely tailored suite of unit-linked products that grant international investors the opportunity to create a portfolio of investments in a simple and sustainable manner. Premier Trust, part of PA Group's Life and Investment division, provides clients access to some of the world's leading fund and asset managers as well as best-in-class custodians. From protecting our clients' health with worldwide coverage to helping them achieve a successful financial future, PA Group creates financial security road maps for life's most significant events. For over 18 years, PA Group has guided and protected our clients with comprehensive health and wealth accumulation solutions.

**Offering:** Our investment products include regular savings and lump sum premium plans with principal protection in multiple currencies (USD, AUD, EUR, GBP), as well as plan options with a broad selection of investment funds and ETFs. With a dedicated administration team and a proprietary online platform, Premier Trust delivers personalised customer service with multi-language support to advisers and clients in over 40 countries. For more information on Premier Trust's investment solutions, visit [www.premiertrustglobal.com](http://www.premiertrustglobal.com).





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RL360° is one of the fastest growing international life companies, with offices around the globe and policyholders residing in 170 countries at all points of the compass.

We're part of International Financial Group Limited (formerly RL360 Group), which has 70,000 policyholders, in excess of US\$10 billion assets under management and 335 staff.

Investing with RL360° means choosing a financially strong and uniquely structured company. We have a B+ rating from actuarial consultancy AKG, as well as 4 stars for service. And you can take great confidence from our Isle of Man location, a well-established global financial centre with an outstanding reputation for investor protection and security.



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**Profile:** With a 25-year heritage, Utmost Wealth Solutions is a provider of award-winning offshore bonds for high-net-worth UK residents. Having recently opened a Dublin office to complement our long-established Isle of Man base, we can now offer a choice of jurisdiction in addition to a range of investment options, including a bond with full discretionary management. Recognising the complex and continually changing financial planning landscape, our highly-respected technical support can help you consider appropriate solutions for your high-net-worth clients. With £12bn funds under management and 36,000 policyholders (31 December 2016), we're here to make a wealth of difference.

**Offering:** Flexibility and choice are at the heart of our single premium bonds. Our Isle of Man-based Evolution offers access to a wide range of investment options. The Estate Planning Bond, also Isle of Man-based, is combined with a discounted gift trust and is designed for IHT planning. We also have two Dublin-based life assurance bonds. Selection offers access to a wide range of open architecture investment options, while Delegation provides access to all the investment flexibility offered via a discretionary fund manager. Utmost Trustee Solutions, our in-house trustee service delivers expert support in all trust administration matters

Thank you for reading

# INTERNATIONAL INVESTMENT'S LATIN AMERICA SPECIAL REPORT

