

# EMERALD 2

## TRUST OFFERING



NOW AND FOR FUTURE GENERATIONS

*For wealthy families, trusts can be hugely advantageous planning tools, offering asset protection and flexibility and are an integral part of intergenerational succession planning. The Emerald 2 Trust Offering is a fixed fee investment Trust accommodating an independent offshore asset management service and aimed at clients holding assets with a value of up to GBP10m.*

### DESCRIPTION OF EMERALD 2 TRUST OFFERING

A trust offering restricted to approved externally managed portfolios with controlled fixed fees

### BENEFITS AT A GLANCE

- Streamlined Jersey trust offering, with protector
- Holding an investment portfolio on an approved independent offshore investment platform
- Cost effective
- Innovative new offering from a world class family office based in Jersey

### RISKS AT A GLANCE

- The corporate trustee restricts its responsibility and liability in respect of the portfolio and its performance: for further information, see trust deed and reserved trustee powers
- Any transfer of the structure to or from a third party or third parties may take time and the associated costs and any market volatility of asset prices during transfer may contribute to a degradation in portfolio value for which Stonehage Fleming cannot be held responsible
- Performance is restricted to a single independent asset manager which may be less beneficial for the trust than a more flexible solution and other risks apply. See below under 'Principal Risks'

### FEES

The following fees apply for the Jersey-based services provided by Stonehage Fleming listed below:

- Corporate trustee

ONE-TIME ACCEPTANCE FEE	<b>GBP 3,000</b> <i>The client may be responsible for other fees not associated with this offering (e.g. personal tax advice, liquidation costs of assets brought to Stonehage Fleming) which are not included in the acceptance fee</i>						
ANNUAL ADMINISTRATION FEE BANDS (annualised %)	<table><tbody><tr><td>&lt;GBP 500,000 (minimum fee)</td><td><b>GBP 3,150 plus</b></td></tr><tr><td>GBP 500,000 - GBP 1,000,000</td><td><b>0.3% of value plus</b></td></tr><tr><td>&gt;GBP 1,000,000</td><td><b>0.1% of value</b></td></tr></tbody></table> <i>Annual fees are charged quarterly in arrears, based on average value of the trust fund.</i>	<GBP 500,000 (minimum fee)	<b>GBP 3,150 plus</b>	GBP 500,000 - GBP 1,000,000	<b>0.3% of value plus</b>	>GBP 1,000,000	<b>0.1% of value</b>
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NOW AND FOR FUTURE GENERATIONS

These fees will include the following services:

- One distribution per annum to a beneficiary paid directly to their bank account subject to satisfactory compliance approval (and subject to trustee approval) and tax approval by the beneficiary's tax accountant or lawyer. (No third-party payments and a minimum of 10 business days-notice)
- One meeting with the trustee per annum to discuss the client's views about investment performance and the beneficiaries' future distribution requirements – investment valuations will be provided by the independent manager. Please note that the trustee is not responsible for investment performance in this offering

The trustee fee is collected on a quarterly basis (March, June, September and December) and will be collected from the portfolio managed by the independent manager.

Basis of trustee fee calculation: The fee is calculated on an annualized basis on average monthly assets under management (AUM) for a 3-month period. For example, the collection month of March would be for the months of December – February inclusive; June for March – May inclusive, and so on.

Example based on an average portfolio AUM of GBP 1,000,000 for the period March – May inclusive:

- Collected/invoiced in June

Quarterly Calculation:

- Trustee fee = on 1st GBP 500,000 – GBP 3,150 for 92 days = GBP 793.97
- Trustee fee = 0.3% on 2nd GBP 500,000 X 0.3% for 92 days = GBP 378.08
- Total trustee fee = GBP 1'172.05 (GBP 793.97 + GBP 378.08)

A minimum trustee fee for the quarter would be applied if the fee calculated above is lower than GBP 3,150 per annum, or GBP 787.5 per quarter.

As part of the Emerald 2 Trust offering, the independent manager's standard **investment management** fees will apply and if an investment adviser is appointed their standard or agreed **advisory fee** will apply.

### INVESTMENT SERVICES

Any changes to the investment management mandate or portfolio will incur an additional fee on a time spent basis as these changes are not included in the Emerald 2 fixed annual fee.

### TERMINATION of EMERALD 2 TRUST OFFERING

Upon receipt of the client's written instructions to the trustee to terminate the trust or seek to transfer the trusteeship or transfer the asset management to a service provider that is not approved by the trustee, the Emerald 2 Trust offering will cease, the trust will terminate and the following fees will be applied:

#### TERMINATION/ TRANSFER OUT FEE

**GBP 3,150**

*Costs incurred for charges from parties external to Stonehage Fleming and for time spent by Stonehage Fleming dealing with parties external to Stonehage Fleming are charged separately. A list of staff and their charge-out rates is available separately*



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## TRUST OFFERING



NOW AND FOR FUTURE GENERATIONS

The client may engage their relationship manager to determine whether an alternative Stonehage Fleming trust solution may be available at the time.

### CONDITIONS

- Stonehage Fleming Trust deeds, agreements and loan documents must be used
- At their own cost, the settlor must take their own legal and tax advice before proceeding
- Time spent by Stonehage Fleming on tax related administration is charged in addition to the fees above
- Fees for trustee time devoted to the structure in excess of 5 hours per annum will be charged for in arrears and automatically debited from the trust fund on a quarterly basis
- Stonehage Fleming reserves the right to amend its fees from time to time at reasonable notice including an annual inflation related adjustment
- The independent offshore investment platform must be approved by Stonehage Fleming and enter into the standard Stonehage Fleming terms and conditions agreement before any investment business will be placed with the independent offshore investment platform
- The trustee is required to meet all applicable legal, regulatory and tax requirements including, without limitation, reporting related to tax and automatic exchange of information such as the 'Common Reporting Standard'. The trustee shall not notify the settlor or any beneficiaries about such reporting but reserves the right to pass to the settlor any costs and disbursements in connection with legal, regulatory and taxation obligations

### PRINCIPAL RISKS

- **Trustee liability restriction:** The investment choice having been directed by the settlor, for which the settlor is responsible, the trustee is under no obligation to consider the continuing success or otherwise of the investment management of the portfolio, asset allocation, diversification, preservation or enhancement, and the trustee accepts no responsibility for any resulting loss resulting from a fall in the value of the portfolio. In particular, absent gross negligence, wilful misconduct or fraud, the trustee accepts no responsibility for breach of trust or duty, and the settlor's attention is drawn to article 11 of the trust deed
- **Volatility and portfolio performance:** The value of investments may go up as well as down and the full value of the initial investment may not be received by beneficiaries. Past performance is no guarantee of future performance. Income and returns from investment may fluctuate with market conditions
- **Exit:** Should the settlor consider portfolio performance does not meet the settlor's expectations, the settlor may request to transfer management of the portfolio to a different manager, but this will require an exit fee of £3,000 to be paid, and liquidation of the portfolio, transfer to a third party and reestablishment of new portfolio may take time to implement during which time relevant markets may have adversely moved against the settlor for which the trustee accepts no responsibility
- **Translation risk:** Translation risk may apply. If investment takes place in a currency other than the currency of the jurisdiction in which the settlor normally resides (the home currency), then any investment into, and disinvestment from the portfolio will be exposed to fluctuations in the value of the currency in which the portfolio is invested and the home currency, which may be favourable, or adverse to the value of the portfolio when translated into the home currency. If cash is required from existing investments denominated in another currency, for example, to pay fees, translation risk will arise
- **Further legal and other risks:** are set out in the trust deed and the investment manager and trustee's terms and conditions.



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### EMERALD 2 TRUST OFFERING RELATIONSHIP MANAGER



**Rudi Bodenstein**

Partner – Family Office

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Rudi is a Partner and senior trustee director in the Family Office Division based in Jersey with a specific focus on South Africa.

Prior to joining the Group in 2018, Rudi was a Director at FNB International Trustees Ltd and preceding that a partner in a law firm in South Africa. He has more than 20 years' experience as an Attorney and more than 12 years' experience providing guidance on Fiduciary structures. Rudi holds BLC LLB degrees from the University of Pretoria, is a member of the Law Society in South Africa and a member of the Fiduciary Institute of South Africa.



**Jacqui Newton**

Associate Director – Family Office

[jacqui.newton@stonehagefleming.com](mailto:jacqui.newton@stonehagefleming.com)

Jacqui is an Associate Director in the Family Office Division, where she serves as a Relationship Manager with a specific focus on South Africa.

Prior to joining the group in 2024, she was a Fiduciary Advice Manager at First National Bank for seven years and prior to that working for a large insurance company in various roles for a total of 12 years. Jacqui was also the Dean for the School of Financial Planning at a private university for a year.

Jacqui is an Attorney of law, admitted attorney in South Africa and has more than 20 years' experience in the Financial Services Industry and more than 12 years providing guidance on Fiduciary Structures and Financial Planning. She holds Bachelor of Arts and Bachelor of Law degrees from the University of Stellenbosch and a Master of Laws in Tax Law degree from the University of Cape Town. She also holds a Postgraduate Diploma in Financial Planning and an Advanced Postgraduate Diploma in Financial Planning from the University of the Free State.



**Serah-May Smedsrud**

Associate – Trust Administrator

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Serah-May is a Trust Administrator in the Family Office division where she specialises in administering and managing trusts and companies focusing on new business formation and South African clients.

Since joining the Group in 2021, Serah-May is actively pursuing the Society of Trust and Estate Practitioner qualification. This follows on from completing a Bachelors of Arts in further Education and Training at the University of Pretoria, and a Diploma in teaching English as a Foreign Language which has equipped her with valuable knowledge and communication skills.



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NOW AND FOR FUTURE GENERATIONS

### STONEHAGE FLEMING REGULATORY INFORMATION:

*Stonehage Fleming Trust Holdings (Jersey) Limited (SFTHJ) and its affiliated members and Stonehage Fleming Dealing and Treasury Services (Jersey) Limited (SFDTs) are regulated by the Jersey Financial Services Commission. SFTHJ and SFDTs have issued this financial promotion. Stonehage Fleming Dealing and Treasury Services (Jersey) Limited (SFDTs) is a registered juristic representative of Stonehage Fleming Investment Management (South Africa) (Pty) Ltd (FSP42847) and is regulated in South Africa by the Financial Sector Conduct Authority. This communication has been approved for issue in South Africa by Stonehage Fleming Financial Services (Pty) Ltd, an authorised Financial Services Provider (FSP9587). SFTHJ's and SFDTs's registered addresses are both at Floor 4, Liberation House, Castle Street, St Helier, Jersey, JE1 4HH Channel Islands.*

*Services are provided by: TAS Trust (Jersey) Limited, which is a participating member in the regulated affiliation for which SFTHJ is the regulated affiliation leader. SFDTs, via its division, SFIM Jersey, is providing the investment management service. Custodian services are provided by SFDTs. The protector shall either be the settlor or an individual nominated by the settlor.*

*Stonehage Fleming cannot be held responsible for any changes in law or regulation that may adversely affect the viability of Emerald 2 Trust Offering, including but not limited to changes in tax legislation and regulation.*

*Fees and charges will be taken from the assets held within the portfolio. A reduction in the value of assets held within the portfolio and any income from those investments may result if performance does not exceed fees and charges debited to the portfolio. The trustee fees may be settled separately from the assets comprising the portfolio, upon notification to the trustee and upon acceptance by and to the satisfaction of the trustee of a suitable method for prompt payment of the trustee's fees. The transfer out/termination fee may be settled separately upon the same basis. Fees paid to date are not refundable in the event of transfer or termination.*

*The trust deed and the trustee and investment management terms and conditions are available from the client's Emerald 2 Trust Offering Relationship Managers. See also the Emerald Investments Factsheet for further information about the portfolios.*

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## CONTACT US

If you think we may be able to help you and your family, please contact us for a discussion.

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