

Investment Allocation Across Borders: Designing Portfolios for a Mobile Life

For internationally mobile families, investment strategy involves a layer of complexity that purely domestic portfolios do not. It is not enough to build a portfolio optimised for current circumstances. The portfolio must remain efficient, compliant and manageable if the family moves again, which, in our experience, they often do.

Where Assets Are Held Matters as Much as What They Are

International families typically hold investments across multiple currencies, through different custodians, governed by different legal and regulatory environments. The location of those assets can be as consequential as their composition. A structure that operates efficiently for a family resident in Dubai may become materially less attractive once UK tax residence is established. Currency exposure, the tax treatment of gains and income, reporting obligations and liquidity can all shift depending on where the client lives and where the assets are domiciled.

This is why cross-border investment allocation must be designed with future residency scenarios in mind, not just the present one.

Illustrative case:

A client who had lived across multiple jurisdictions, including Hong Kong, relocated to the UK in 2023 while his children attended school, with a planned return to Australia within a few years. Following a significant business exit, the priority was not simply capital growth, but constructing an investment framework that functioned efficiently under both UK and Australian tax regimes and allowed access to funds in multiple currencies for a portfolio of c. £10 million. A combination of a custody account holding offshore funds for near-term liquidity and an offshore bond for longer-term capital provided both flexibility during UK residence and improving tax efficiency over time as Australian residence is re-established.

Portfolios Must Be Built to Travel

Many families assume they will not move again. International mobility rarely works that way. A portfolio optimised for one jurisdiction can become inefficient overnight when a new residency is established, and restructuring under time pressure is rarely straightforward.

For globally mobile families, portfolios should be built around internationally recognised, transparent investment structures that can be held, reported on and transitioned smoothly as residency changes. In practical terms this means globally diversified assets rather than holdings concentrated in a single market or fiscal regime, currency allocation that reflects the reality that future liabilities may arise in different currencies, and a clear distinction between long-term growth capital and assets earmarked for nearer-term needs.

Tax-sensitive asset selection matters throughout. The same investment can produce very different after-tax outcomes depending on where a family ultimately resides, and those differences compound significantly over time.

Illustrative case:

We advised a professional who had lived in Dubai for eight years and planned to return to the UK within three. While still non-UK resident his £2 million portfolio consisted largely of UK-situs funds and ETFs. Transitioning to offshore funds ahead of his return allowed income and gains to roll up outside the UK tax net. On re-establishing UK residence, this positioning enables the use of the four-year exemption on foreign income and gains under the FIG regime. The strategy anticipates the full lifecycle, with accumulated gains crystallised towards the end of that window and assets transferred into an offshore bond to preserve longer-term tax efficiency.



Assessing Cross-Border Portfolio Efficiency

When a family's residency changes, a practical review of the portfolio is essential. The key questions are consistent. Can the existing investment platform produce tax-compliant reporting in the new jurisdiction? Do current investment wrappers, whether bonds, trusts or corporate structures, remain efficient under the new regime? How will dividends, gains and interest be taxed once residency shifts, and do any holdings create punitive outcomes? Can the custodian maintain accounts, serve instructions and provide regulatory protection across multiple jurisdictions?

These practical considerations often carry as much weight as asset allocation itself. A well-constructed portfolio that cannot be reported on correctly in a new jurisdiction, or that sits within a wrapper that no longer functions efficiently, creates problems that go beyond investment performance.

Liquidity Across Life Transitions

Different stages of family life create demands for capital in different jurisdictions. University fees, property purchases, gifts to the next generation and unforeseen family events may all require access to funds across borders, sometimes at short notice. Liquidity layering, ensuring that short and medium-term capital needs can be met without disrupting long-term investment strategy, is an important discipline for internationally mobile families. Cash flow modelling that reflects the realities of cross-border life allows families to make major decisions with confidence rather than discovering constraints at the worst possible moment.

Portfolio Design as an Ongoing Process

For internationally mobile families, investment strategy is not a static exercise. Portfolios require ongoing review as personal circumstances evolve, as residency changes and as the regulatory environments governing different asset classes shift. The goal is not simply a portfolio that performs well today. It is a portfolio that remains fit for purpose across borders and over time, through whatever transitions the family navigates next.

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