

# INVESTMENT ADVISORY FIRM OF THE YEAR

MFG Consultants



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MFG Consultants are on a mission to give their clients the best possible chance of investment success. The Cascais-based advisory firm has been offering global investors a gateway to Portugal's finest and most lucrative investment opportunities since it first opened its doors in 2010. With a diverse portfolio spanning real estate private equity and venture capital funds, MFG Consultants are dedicated to providing clients with carefully selected investment options supported by thorough research, market analysis and first-class guidance. The hallmark of MFG Consultants lies in its unique, agile structure that aligns their interests with those of their clients, fostering a culture built on a philosophy of transparency and the best practices in the industry. Their commitment to serving their clients' interests sets them apart as a trusted partner in the world of investment advisory.

Portugal's Golden Visa programme, renowned as Europe's most successful residency-by-investment initiative, is another area where MFG Consultants shine. The consultancy offers a one-stop solution for all aspects related to Portugal's residence permits, including assistance with Golden Visa and other residence permit applications. With a remarkable 100% success rate and experience in meeting a wide range of client requirements, they are the go-to partner for individuals seeking to explore these residency opportunities. In addition to their extensive investment advisory services, MFG Consultants also provides specialised consultancy services, including investment, real estate acquisition and additional assistance with Portuguese residency programmes.

The judging panel was particularly impressed by the expertise in due diligence that clients of MFG Consultants can depend upon, regardless of their individual investment interests. The specialists uncover risks that extend beyond surface level returns, ensuring a comprehensive assessment of investment opportunities that are as straightforward as they are easy to implement. They also excel in liability-driven investing, where they integrate clients' pension plan liabilities into their asset mix to effectively manage risk. MFG Consultants' alternative and research-driven advice opens up avenues to explore the potential returns and diversification benefits of non-traditional assets.



**MFG Consultants offers expert investment advisory services with a focus on transparency, Golden Visa assistance and risk management.**





# EXPLORING THE PORTUGUESE INVESTMENT MARKET

## WHY MFG CONSULTANTS IS THE COUNTRY'S MOST RELIABLE ADVISORY FIRM



Portugal is bursting with opportunities, with sectors across the country primed for quality investment from forward-thinking investors. Whilst it officially underwent changes in October 2023, the Golden Visa remains an attractive opportunity for those looking to establish citizenship in Portugal. Understanding the new regulations surrounding the Golden Visa is key to maximising its potential as an investor, and as a result, there's only one Portuguese consultancy that embodies the adaptability, expertise, and dedication required to ensure success.

Based in Cascais, MFG Consultants has been helping investors based across the globe explore the region's best investment opportunities since 2010. From its real estate portfolio to its private equity and venture capital funds, the specialists at MFG Consultants select the best possible opportunities for their clients – all backed by research, market analysis, and clear guidance. With 2023 alone proving how drastically these markets can change, we spoke to João Cunha (JC) and Carlos Gonçalves (CG) at MFG Consultants about how the Golden Visa looks in its new format, the firm's core investment opportunities, and it's leading end-to-end service.

### Can you outline the recent changes to the Golden Visa and its subsequent impact?

**JC:** We have worked together with specialist lawyers to understand the alterations and their impact to the Golden Visa with the new law coming into force. It was clear since the beginning that there had been a misconception, indicating that the Golden Visa would be cancelled completely. However, the residency by investment industry is set to remain and continue.

The primary changes to the Golden Visa are as follows:

- Direct acquisition and ownership of any form of real estate is no longer an eligible route to a Golden Visa.
- Funds remain eligible however cannot directly or indirectly invest in real estate.
- There is no retroactive effect and the right of renewal, family reunification, and permanent residency applications are safeguarded.
- All pending concessions and renewals will be approved under the previous Golden Visa Law and the same will apply to future renewals. This means that the law applicable will be the one prior to the changes for the Golden Visa. All

requirements will be approved under the conditions of the previous Golden Visa Law requiring seven days per year stay in Portugal during the residence period to maintain and renew residency status.

- Existing applications and approved Golden Visa's obtained through now non-qualifying investment routes will be converted to D2 Visa's with the original Golden Visa requirements as mentioned above.

The amendments are in force as they have already been made public formally in the government gazette. As the Portuguese Law is not retroactive, the new law shall only be

applicable to future Golden Visa applications. The remaining investment options eligible for the new Golden Visa law are:

- Invest €500,000 or more to venture capital or investment funds that is not investing directly or indirectly in real estate.
- Create a business with at least 10 jobs for Portuguese citizens.
- Make a scientific contribution of €500,000 or more.
- Donate at least €250,000 to artistic production or cultural heritage.
- Invest in a business and create or maintain five local jobs.



### With the Golden Visa changing, what are the next steps for MFG Consultants?

**CG:** As the Golden Visa will not end it will be business as usual for MFG Consultants. We will continue to focus on our clients, using all our expertise and experience to keep producing a service of excellence. MFG Consultants has already adapted to the new Golden Visa changes especially in investments through financial funds. We are working with diverse fund managers so that we have a robust portfolio with eligible solutions.

### Why can investing in funds be a good option for the investor that wants the Golden Visa?

**CG:** Since 2018, the option to invest in a fund that meets certain qualifications has gained popularity. Previously the minimum investment amount was €350,000, but as of 2022, it is set at €500,000. While the investment amount is higher, it remains a great option for many people because the investor won't have to actively manage their investment and potential returns can in many cases be higher than other alternatives.

There are many advantages following this route such as:

- It is a much more diversified investment than purchasing one or a few individual properties.

- You don't have to scout and look for other complex investment options.
- You save lots of time and frustration by not having to deal with all the paperwork involved in opening a company, hiring people, and other options that would be eligible to apply for the Golden Visa. You also don't need to submit any Portuguese tax returns (nor is there any withholding tax), nor do you need to spend any time managing your investment.
- You'll also save lots of money on fees, taxes, etc. Just transaction fees, taxes, and refurbishments that lose their value after a few years.
- Buying into an investment fund at the €500,000 level while not cheaper than other alternatives, it is certainly a worthwhile option to consider, especially if you care about potential returns.
- With the real estate market in Portugal not being eligible as an alternative to the Golden Visa anymore, with an investment fund you can get exposure to completely different industries.

### What kind of funds are eligible with the Portuguese Golden Visa?

**CG:** The list of funds that are available changes over time (as subscription periods close and new funds are introduced). There's no official list of funds that qualify, however, at MFG Consultants we have taken it upon ourselves

to do the research and always have good and reliable alternatives available to all our clients.

To do so, our team of investment experts reach out directly to the managers of every single private fund that's regulated by CMVM (Portuguese Securities Market Commission), and meet in person with dozens of them to learn which funds are available to Golden Visa investors, now and in the future.

In general, we can place the funds into one of three main categories (although some may fit into more than one):

- **Funds specifically designed for Golden Visa investors.** These funds are designed to make life easy for Golden Visa investors by having a matching length or option of early withdrawal (often six to seven years), accepting €500,000 or lower investments, and often assisting with and/or overseeing the Golden Visa process itself. Often with a focus on preserving the investors' capital and paying some sort of yearly dividends.
- **Traditional venture capital (VC) funds.** Typically invested in early-stage tech companies with global potential. Sometimes higher minimum investments than €500,000, fixed fund length of 10+ years, higher risk for higher potential rewards. The goal is to maximise the capital gains at the exit, not yearly dividend payments.





- **Traditional private equity (PE) funds.** Typically invested in more traditional markets and/or financial instruments, sometimes with a focus on yearly dividends. Often higher minimum investments than €500,000, fund length of 10+ years, medium to high risk, with expected rewards accordingly.

**Why is investing in Portugal's property market such an attractive proposition today?**

**JC:** In Portugal we have political stability, low corporation tax and tax breaks, all help to make the Portugal property market an attractive and safe investment venture. Portugal's house prices grew 13.1% YoY in Sep 2022, following an increase of 13.2% YoY in the previous quarter. YoY growth data is updated quarterly, available from Mar 2010 to Sep 2022, with an average growth rate of 6.6% and continuing increasing throughout 2023. Portugal is also an attractive proposition due to having good food, good sunny climate, and low criminal activity. However, it is important to note that real estate investments no longer qualify for new Golden Visa applications as of 7 October 2023.

**Are there any regions in Portugal that are presenting better real estate opportunities? Why is that?**

**JC:** The Algarve in Portugal is one of the best places to buy property in Europe. Sun, sea,

and good rental income are just some of the reasons why investors from all over the world are favouring this coastal region. Then there are the main cities such as Lisbon or Porto as well as Braga and other emergent cities with good amenities, education, health, access and that provide a high quality of life.

**Some investors have a better appetite for risk than others, how does MFG Consultants' services appeal to a broader range of investors?**

**CG:** At MFG Consultants we provide an end-to-end service, this means that we are on the client's side, protecting and alerting the client to select the best investment possible with the goal of obtaining the Portuguese Golden Visa. There are various types of funds with different return rates, risks etc. An investment of €500,000 can be made into a private equity or venture capital fund in Portugal in order to be eligible for the Golden Visa.



**MFG Consultants is viewed as a one-stop shop for investors. Can you tell us how this benefits your clients?**

**JC:** MFG Consultants is 100% independent as we only choose to work with reliable partners who guarantee the best products for our customers. By centralising our services we are always able to offer the best cost/benefit to our customers. There are very few companies in the market with the conditions and quality of service we offer which is reflected in the numerous international awards we have received.

**Is there anything else you would like to add?**

**JC:** The Portuguese Golden Visa has not stopped and continues under the conditions previously mentioned. Investors should contact us for more information on how to pursue and obtain their Golden Visa or if they want to simply invest in a good reliable product in the Portuguese market such as in the real estate segment.



To explore MFG Consultants' range of investment services and opportunities – and to learn more about the Golden Visa programme – visit [www.mfg-consultants.com](http://www.mfg-consultants.com) or contact their Cascais office directly on +351 916 008 844 ☎.