

How Glacier supports intermediaries servicing the public sector

“What’s been important for us is to know where we are in the political and economic context and how our client demographics are changing”. Speaking at the recent Glacier Public Sector Summit 2022, Khanyi Nzukuma, Glacier’s Chief Executive, shared the strategy in this sector and how the business is poised to support intermediaries serving public servants.

Our clients and the environment are changing

We anticipate interesting changes in our client profiles. Our data and the systemic changes in our country point to South Africa’s economically active population being young, African black women, who mainly live in Gauteng, but who may have lower income and earnings than our traditional base – for now. Changes in the environment have also been profound, and our responses to them will determine our propensity for success as a business into the future, and in particular, our ability to serve the public sector. Therefore, we need to be mindful of the following:

- Clients’ expectation of *world-class experiences*, particularly in financial planning and investing
- *Right-sizing* in the public sector
- *Retirement reform* with a special focus on the blurred lines between institutional and retail retirement solutions
- Clients’ hedging against country risk and *looking to invest offshore*
- *Technology modernisation* and the need for operational efficiencies which ensure that doing business with us is easy.

What to know about the GEPF

In March 2021, GEPF pay-outs totalled around R110bn in retirement money due to resignations, retirement and employee deaths in the public sector. At present, there are more than 1.2 million active members in the GEPF.

Sanlam and Glacier are pivoting to serve the public sector, conscious of our responsibility to clients in building trust and confidence in our solid brand. The need for financial education and

holistic, objective, quality financial advice are priorities for us as a business, and in particular, in this sector.

Given the changing demographics and financial needs of clients, the opportunities that exist and the changes in the regulatory environment, pivoting our strategy is a key focus for us, says Khanyi. So, knowledge about public sector employees is key to this strategy. He lists some important insights about public servants that inform the strategy:

- 20% of the employed segment of economically active South Africans work in the public sector.
- Public servants plan to retire younger than previous generations and belong to a corporate retirement scheme.
- They are open to savings and investment products.
- Many live in smaller towns, cities and townships.
- In the main, public servants have extended dependents and are likely to manage single-income households.
- Mostly, they feel confident about their retirement plans.
- The majority are unlikely to buy online.

How Sanlam and Glacier support financial planning in this sector

It's important to know that in the Corporate Reputation Tracking of 2021, Sanlam topped the leader board with the best overall reputation in this sector. With this solid backing and Glacier's turnkey solutions, we are poised to offer the best of all worlds to the public sector.

The recently acquired ABSA and Alexander Forbes platforms bring our assets under administration (AUA) to almost R500bn, which means that we have scale, and this translates to efficiencies for the intermediary and lower fees for the client.

Khanyi lists some reasons why Glacier is well-positioned to partner intermediaries in the public sector:

- We're a wholly owned subsidiary of the largest financial services company in Africa.
- Our local and offshore solutions are comprehensive.
- We offer investment choice with more than 1600 funds hosted on our platform.
- Our DFM capability through Glacier Invest, one of the biggest discretionary fund managers in the industry.
- We support intermediaries every step of the way on their journey with their clients in the public sector. We have developed an accreditation programme especially for intermediaries in this sector, ensuring that the client has comfort that they are engaging with a trusted financial planning partner via Sanlam.
- Our administration platforms are world class, and we work hard to ensure ease of doing

business with us.

- Thought leadership is our passion.

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