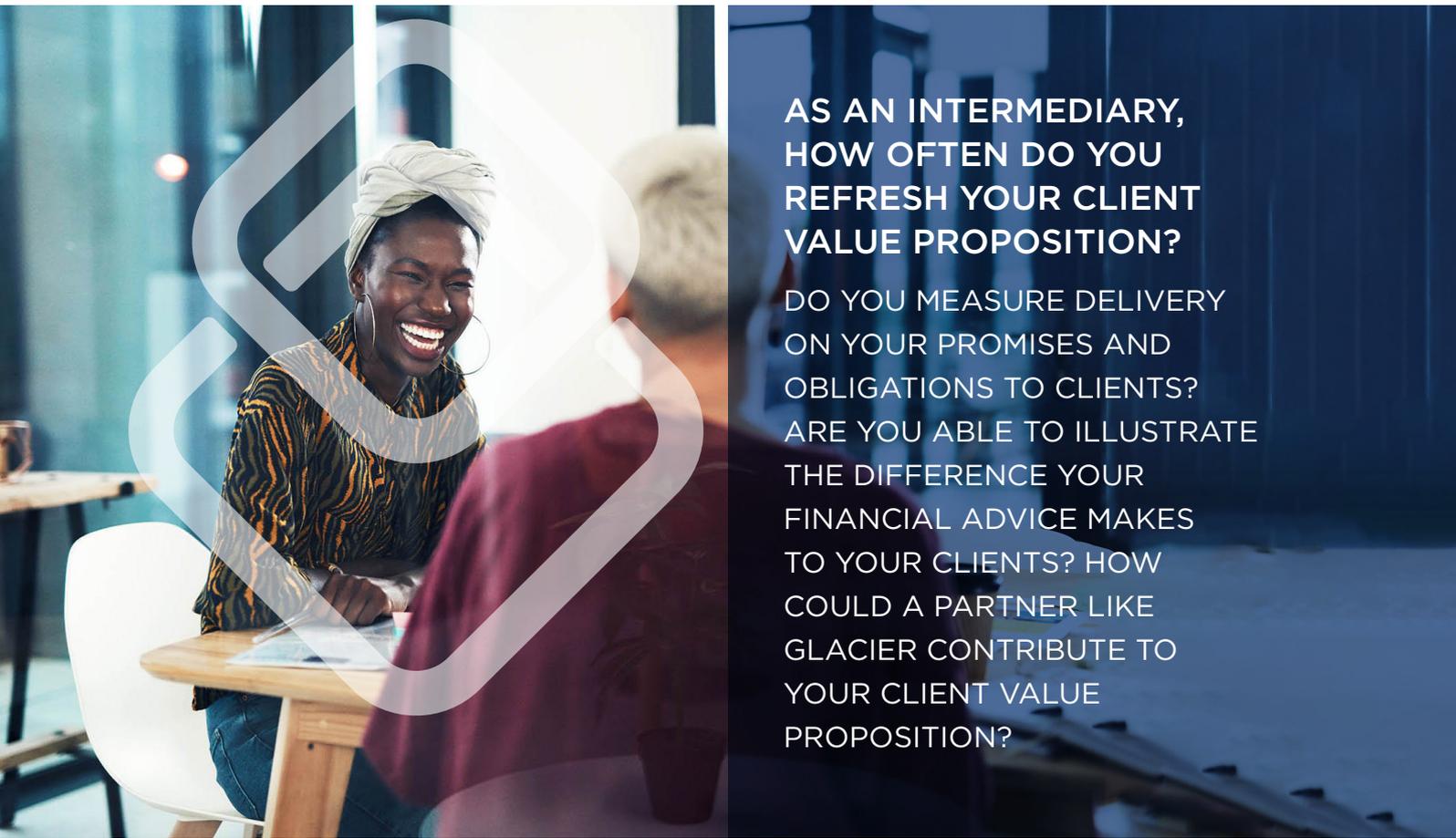


HOW GLACIER CONTRIBUTES TO YOUR VALUE PROPOSITION AS AN INTERMEDIARY

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glacier
by Sanlam



**AS AN INTERMEDIARY,
HOW OFTEN DO YOU
REFRESH YOUR CLIENT
VALUE PROPOSITION?**

DO YOU MEASURE DELIVERY
ON YOUR PROMISES AND
OBLIGATIONS TO CLIENTS?
ARE YOU ABLE TO ILLUSTRATE
THE DIFFERENCE YOUR
FINANCIAL ADVICE MAKES
TO YOUR CLIENTS? HOW
COULD A PARTNER LIKE
GLACIER CONTRIBUTE TO
YOUR CLIENT VALUE
PROPOSITION?

Glacier business development managers (BDMs), Sherwin Govender, Rainer van der Nest, Waldette Stoffberg, Rocco Carr and Neal Sinclair, examine what ideally should be packed into an adviser's value proposition; and how Glacier Business Development can contribute to your value proposition in a time when this will determine your sustainability.

It's about gamma

The concept of gamma value originates from a report by authors Blanchett and Kaplan in 2013. They introduced another investment measure in the context of financial planning, after the alpha value of a good investment or fund manager and the beta value of optimal asset allocation in a portfolio.

WHAT IS GAMMA?

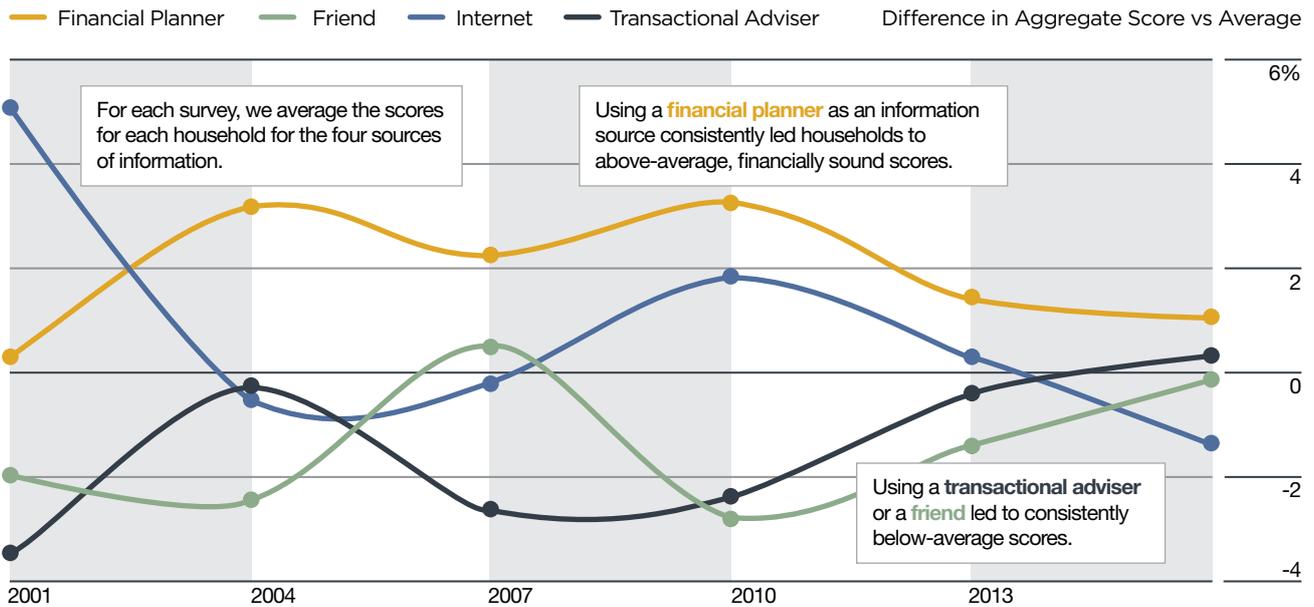
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WHAT IS GAMMA?

Gamma is the additional value that a client gets from dealing with a trusted adviser or financial planner

The graph shows that proper planners result in clients performing above average in time



Source: Morningstar

Gamma¹ is the additional value that a client receives from financial planning activities. It is measured as an additional “return” per annum on the client’s money invested. The abovementioned authors argued that anyone can create gamma for their clients if they follow an efficient financial planning strategy that includes, amongst others, a dynamic withdrawal strategy and tax-efficient decisions.

In the Morningstar research of 2017, households were surveyed where financial planning activities and information were received from different sources. The research measured whether the different avenues resulted in above-average, below-average or average financial outcomes. The results showed that clients that worked with a financial planner, achieved consistently above-average outcomes. Those who worked with transactional advisers achieved consistently below-average outcomes.

The difference between a transactional adviser and a financial planner is that the latter focuses on detailed planning, behavioural coaching and other gamma-based activities. A transactional adviser focuses on the sale and administration of financial planning products.

1. Blanchett, D., Kaplan, P. (2013). *Alpha, Beta and Now...Gamma*. Retrieved from <https://jor.pm-research.com/content/1/2/29.abstract>

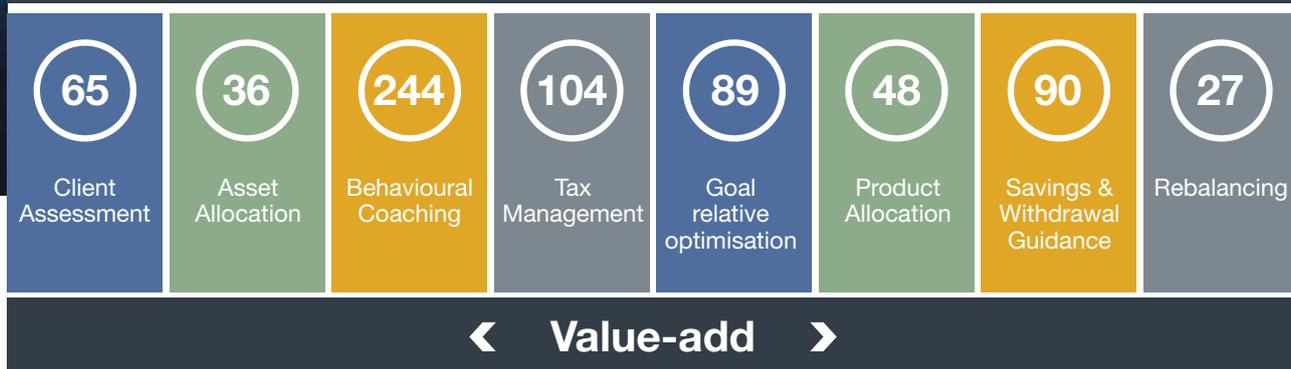


WHAT ARE THE GAMMA BENEFITS FOR CLIENTS?

The concept of gamma value originates from a report by authors Blanchett and Kaplan in 2013. They introduced another investment measure in the context of financial planning, after the alpha value of a good investment or fund manager and the beta value of optimal asset allocation in a portfolio.



Gamma benefits



HOW TO CREATE GAMMA VALUE:



Understanding your client's life



Defining your client's financial strategy



Helping your client stay on track

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1

Understanding your client's life

- **Client assessment** is enhanced by the planner's ability to determine the unique needs, the current financial situation and the client's financial goals.
- **Asset allocation** is the planner's ability to plan and recommend a suitable mix of investment assets in specific solutions.
- **Behavioural coaching** is arguably the largest source of value from financial planning, where planners help to shape clients' behaviours to encourage rational decisions and avoid bad decisions.
- **Tax management** adds value when efficiencies within product solutions reduce the tax burden.

2

Defining your client's financial strategy

- **Goal-relative optimisation** is often overlooked and involves an understanding of the risks associated with a client's goals. For example, having a goal to travel to the UK in five years needs to take into consideration the exchange rate risk.
- **Product allocation** can add direct value by combining and configuring the different investment products into a comprehensive solution that can meet the client's needs and goals.
- **Savings and withdrawal management** is closely linked to behavioural coaching where the planner fosters more financially responsible behaviours in their clients, specifically with respect to savings versus spending.

3

Helping your client stay on track

Rebalancing is one of the main duties of a planner and involves review of their clients' portfolios, ideally on an annual basis. The plan is assessed to determine whether it is still on track to meet your clients' financial and investment goals. If it is not, assets may need to be rebalanced to keep in step with the client's changing circumstances.



HOW GLACIER SUPPORTS YOU WITH INCREASING THE GAMMA OF YOUR VALUE PROPOSITION

With this complex financial planning backdrop, and the intricate interplay between transactional advice and cementing client relationships, there are areas where Glacier plays a pivotal role in your value proposition to clients.



Industry knowledge with a global and local view



Demystifying the Glacier investment platform



Managing your practice



Products, solutions and support



Channel support, training and consultation



Industry knowledge with a global and local view

With Glacier's internal research capacity and access to investment and asset management expertise across the Sanlam group, we are committed to disseminating knowledge and insights with respect to global trends, asset management, fund analysis and selection, investment styles, investor risk profiling, competitor information and product comparisons, among others. Financial planners have the benefit of this information to inform portfolio construction and manage wrap funds, where this is applicable.

Keeping abreast of politics, socio-economic data, the markets and the factors that move them is critical in understanding what impacts clients' investments. Interest and exchange rates, inflation, equity and bond markets as well as the interaction between the rand and these factors, impact on clients' investments and affect their returns. We help advisers with the answers when they are asked difficult questions, especially in times of market uncertainty.

Demystifying the Glacier investment platform

The Glacier investment platform makes available for investment more than 1 600 local, and more than 290 000 offshore funds (which include CIS, ESG funds, Shari'ah-compliant funds and ETFs). We enable you to understand the goals and purpose of these funds and how they can be used in your client's diversified portfolio.

The Glacier investment platform offers you the following benefits:

- Investment choice
- Ease of doing business
- Investment insights
- Access to experts in our business
- World-class service

Managing your practice

We are committed to helping you to manage your practice more effectively, and we do this through:

- **business intelligence (BI)** to guide you to create new opportunities on your existing book of business;
- **training** your administrative staff on the tools and technology that power our solutions;
- **seminars and webinars** - unpacking proposed solutions for your clients and bringing thought leadership content to your practice;
- **being a conduit** between your practice and the broader Sanlam - our knowledge of systems and processes within the larger business enables us to help you;
- **enlisting the help of management companies**, where necessary, to enhance your insights;
- **enhancing your knowledge on portfolio construction** and the interplay between tax efficiency, income needs, growth needs and liquidity;
- **unpacking tax efficiency**, which is one of the pillars of astute financial planning - not just income tax, but also estate duty and tax at retirement; and
- **managing the flow of information** via WhatsApp, email, calls, etc., and keeping you posted on the latest information and trends with respect to markets, the regulatory framework, economics and the local and global industry.



Products, solutions and support

Our product ideas germinate in consultation with advisers. After all, who better would inform our design process than the people who are faced with the needs and desires of clients every day?

Solutions are rolled out to the market by training financial planners and their assistants, and the initiatives are comprehensive and stringent. We host workshops and events where solutions are unpacked by illustrating how they add value; the technology that underpins them; and where they could be incorporated into your clients' financial plans.

Our training interventions don't just address unpacking our solutions. More importantly, they are advice-driven. This is especially critical in planning for your clients' retirement income, where products are combined to create sustainable income solutions, both during retirement or even earlier in life.

Our feedback loop from intermediaries into the business is critical and helps us to enhance our solutions, the tools to create them and our business processes.

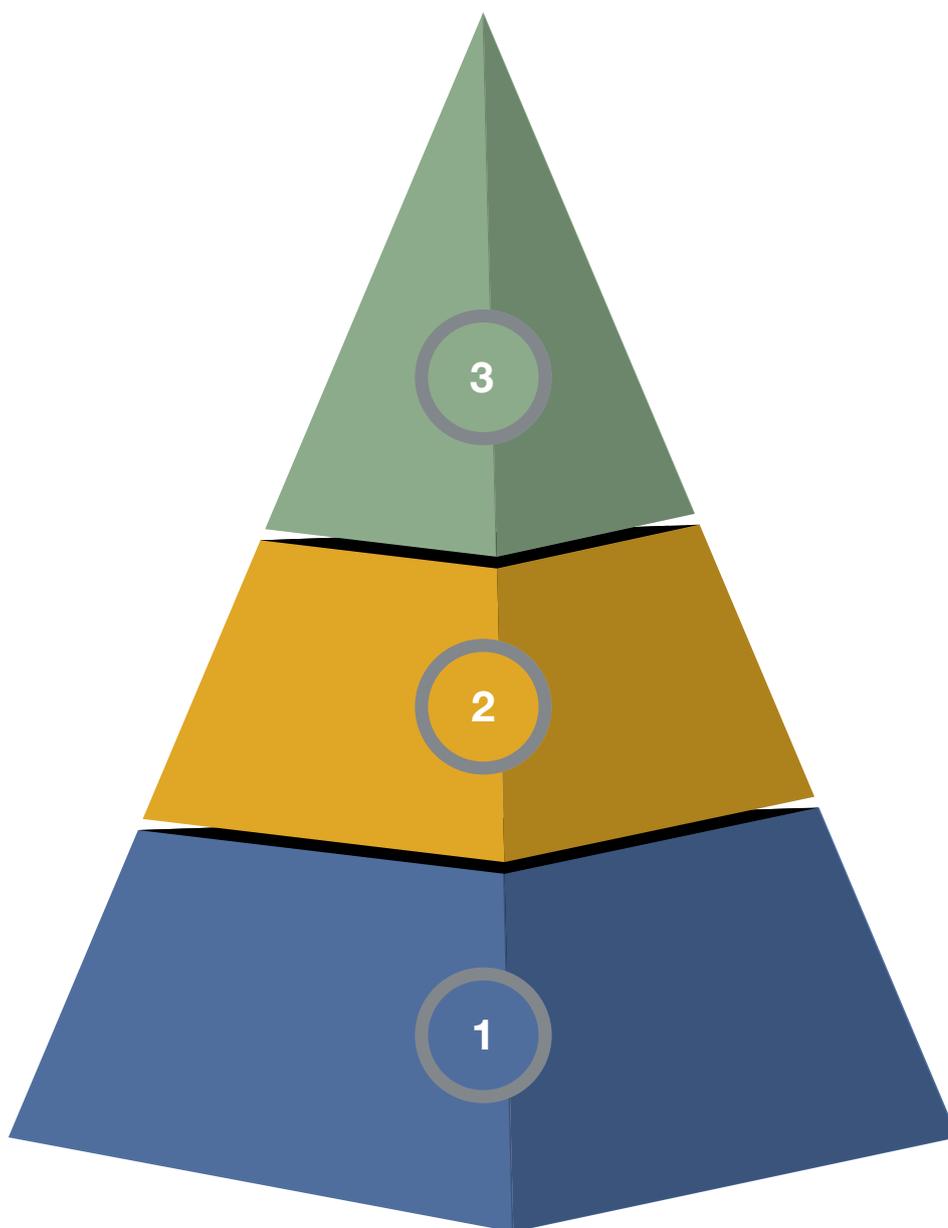
Channel support, training and consultation

One of our primary functions, is to train and empower our distribution partners on our solutions and how to implement them using the various tools that we've designed with you and your clients in mind. We take this support role very seriously and facilitate training in multiple formats – on a one-on-one basis, in group sessions or via digital platforms. We also make the recorded interventions available on digital applications.



ADVISERS' VALUE PROPOSITION BY TIER

Financial intermediaries have varying needs and skills sets and therefore their service requirements from us are wide-ranging and at different levels at various times. We are acutely aware that advisers operate in an individual, corporate, network or joint intermediary environment, and to this end our services are tailored to meet your unique needs. We've listed the tiered services according to the needs that we have addressed with many intermediaries over time.



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Tier 1

Entry-level intermediaries

- Product knowledge and training
- Systems and tools training
- Systems, tools and product implementation to create self-sufficiency

Tier 2

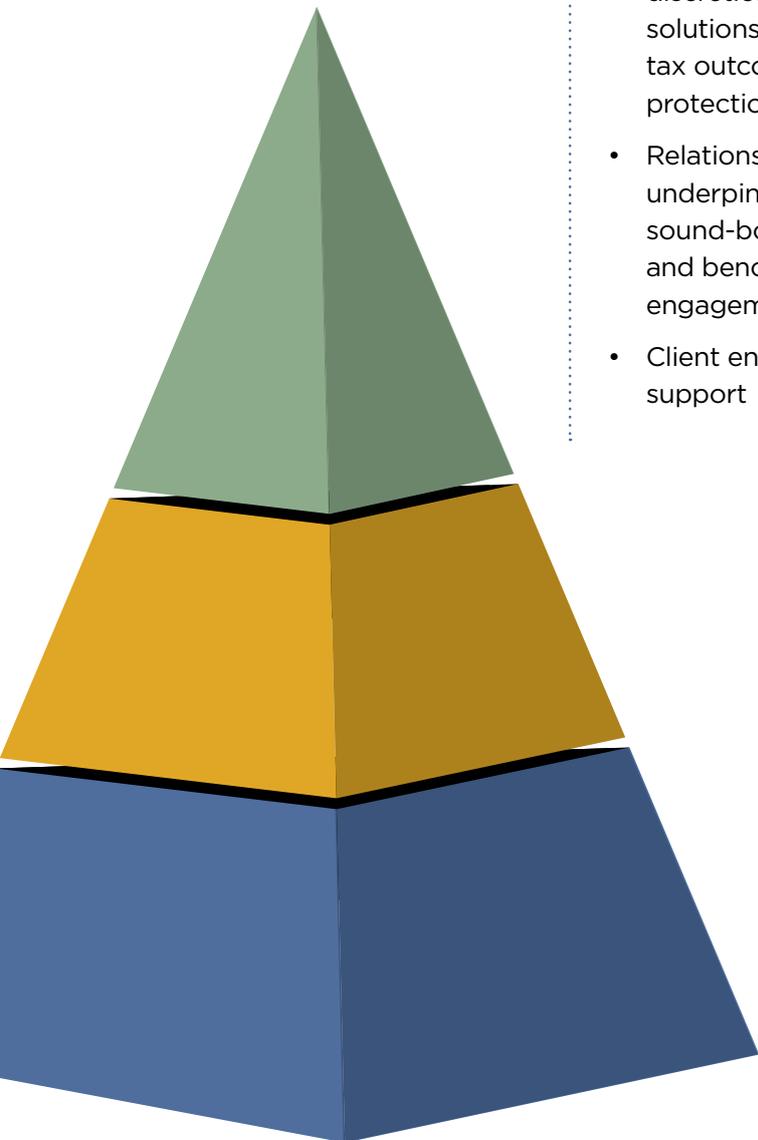
Intermediate advisers

- Product knowledge and systems training to a lesser degree than entry-level
- Greater focus on solutions positioning e.g. blended solutions for retirement income stream management; discretionary blended solutions for optimal tax outcomes; capital protection, among others
- Relationship management underpinned by sound-boarding and benchmarking engagement
- Client engagement and support

Tier 3

Advanced advisers

- Very little interaction regarding product features except for queries and consultation that are deeply technical in nature
- Discussion regarding systems and tools at times, specifically regarding migration to third parties e.g. seed analytics, third party data reporting, systems integration, and so forth
- With established relationships in place, many advisers leverage off our consulting capacity regarding practice management, asset management, high net worth (HNW) clients and succession planning
- Advice-driven solutions support focusing on the client planning phase



Source: Morningstar Research Report, 2017



ABOUT THE CONTRIBUTORS TO THIS DOCUMENT



Neal Sinclair

Neal is the custodian for IFA support in the Johannesburg region. His role involves engaging intermediaries on all aspects of the Glacier value proposition and to create opportunities to help them and enhance the services they provide through holistic financial advice.

Neal's career in financial services kicked off in 1997 and he holds an Advanced Certificate in Financial Planning (NQF Level 6).



Waldette Stoffberg

Waldette has been a business development manager at Glacier since 2015. She has been in the financial services industry for more than 20 years, and all of them have been spent at Glacier.

A proud Capetonian, Waldette has a Bachelor of Arts degree in Political Science and Sociology with an Honours in Political Science from the University of Stellenbosch.

Waldette has obtained the following qualifications:

- Postgraduate qualification in Financial Planning, 2017
- Passed the CFP® Board Exam, 2018
- She is a Certified Financial Planner®



Rainier van der Nest

Rainier services independent financial intermediaries on the West Rand, the Vaal Triangle and in parts of Sandton in Gauteng. He is also a member of various Glacier Wrap Fund Investment Committees.

Rainier believes that it is our responsibility to add value to people's lives and savings, by providing the best possible guidance and advice and doing what is right with the customer in mind.

Rainier has obtained the following qualifications:

- Bachelor of Commerce degree in Industrial Psychology, University of Johannesburg, 2006
- Diploma in Investments and Portfolio Management, University of Johannesburg, 2010
- Financial Markets and Planning in Wealth Specialization, Academy of Financial Markets, 2013
- Advanced Postgraduate Diploma in Financial Planning (Investments), University of the Free State, 2016
- Senior Management Development Programme (SMDP), University of Stellenbosch Business School, 2017



ABOUT THE CONTRIBUTORS TO THIS DOCUMENT



Rocco Carr

Rocco's primary goals are developing and maintaining business in his sizeable region. He and his team service the Free State, North-West and Northern Cape, supporting intermediaries with investment and market insights and Glacier's solutions.

Rocco is also a champion on various wrap fund portfolios, including the Sanlam Multi-Manager/Glacier wraps. His team's annual Investment Summit as well as his roadshow throughout the region, are two events that are highly anticipated, and they help educate the intermediaries and brokers who attend them.

Rocco has obtained the following qualifications:

- Bachelor of Arts degree, North-West University, 1986
- Higher Diploma in Education (HDE), North-West University, 1987
- Bachelor of Arts (Honours) degree, University of the Free State, 1990
- Master of Arts degree, University of the Free State, 1995
- Advanced Diploma in Collective Investments, Boston School of Finance, 2005
- Advanced Diploma in Financial Planning (Investments), University of the Free State, 2008



Sherwin Govender

Sherwin is responsible for developing and maintaining an investment intermediary portfolio of Sanlam tied agents and independent planners. This involves growing relationships with intermediaries through his support with technical expertise and planning.

Sherwin has obtained the following qualifications:

- Bachelor of Business Science in Finance and Economics at the University of Kwa-Zulu Natal (2004)
- Post-Graduate Diploma in Financial Planning at the University of Free State (2007)
- Senior Management Development Programme at the University of Stellenbosch (2015)
- Master's in Business Administration at the University of Stellenbosch (2021)
- He is a Certified Financial Planner®



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