

How safe are your investments?

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Investments that have been used for savings purposes have gone through a lot of volatility over the recent past. There are many reasons for this instability - the war in Ukraine, escalating inflation and the cost-of-living crisis that is engulfing the world, to name a few.

With all this uncertainty, you can be forgiven for wondering if your investments are safe in this current environment. You may also wonder if certain investment platforms your financial adviser uses to invest your money are safe.

Glacier by Sanlam, as a linked investment service provider (LISP), is one such investment platform. Here we discuss the different aspects of security and governance of investments.

Note the terms and conditions

Lana Paterson, compliance manager at Glacier by Sanlam, says that at the stage of opening an investment, it's important to pay close attention to the application form that you, as the investor, complete. "The terms and conditions of the application form must disclose to you [the customer], in whose name the assets are registered. This is prescribed by law," she says.

The LISP, as an administrative financial services provider, (referred to as the investment platform throughout this article) must be registered with the Financial Sector Conduct Authority (FSCA), which is a regulatory body for financial institutions. "The nominee (must be a registered nominee company with the FSCA, whose sole responsibility is to safeguard [investors'] assets. The assets must be held in the name of the independent nominee on behalf of investors," says Lana.

If you're unsure whether the nominee company is registered with the FSCA, you can check this on the regulator's [website](#), which stores an approved list of nominee companies.

When it comes to investment management, the investment manager must, in its mandate, disclose to the investor in whose name the assets are registered - this is prescribed by law. With retirement funds, assets are held in the name of the fund. The assets belong to the fund, and there's an independent board of trustees that needs to safeguard these assets.

The benefits of investing through investment platforms

The benefit of investing through an investment platform is that you don't have to go to each management company (ManCo) even if you have your money invested with different ManCos. You can access them all through the investment platform.

"Most investment platforms also don't charge fees for switching between collective investment scheme (CIS) funds also known as investment funds or unit trust funds, whereas if you were to invest directly with the ManCo you would need to redeem from the one, and then wait to get that money before you can invest in another CIS. You would also need to complete multiple application forms. Going direct is a lot more onerous, from an investor perspective, as you would have to look in multiple places to determine what your portfolio values are and then you would need to consolidate it yourself" adds Lana.

Investment platforms have the added advantage of consolidated reporting. "There's just one place to go if you wish to switch between CISs, and one form to complete. It can be considered a one-stop shop," says Lana. So is the case with Glacier's investment platform, which offers a simple way to access leading local and international investment funds, all in one place, with flexibility to mix and match your fund selection with ease.

What about investment platforms and CIS security?

An investment platform does not offer less security because the underlying investment funds are CIS portfolios. In fact, investing in a CIS that is offered through a platform is probably one of the safest ways to invest your money. "This is because of the specific requirements relating to the custody of the assets of a CIS portfolio," explains Lana. "There are designated bank accounts for each CIS portfolio that even have a naming convention for how the assets should be registered. They must be registered in the name of the trustee on behalf of the fund, and this secures the assets," says Paterson.

Glacier's investment platform has robust governance, risk management and a compliance framework in place to ensure the necessary controls and safety measures are adhered to. Over and above this, Glacier has appointed Ernst & Young (EY) as external auditors.

Glacier is an intermediated business so you will likely work with a financial adviser to invest through Glacier's investment platform. Your financial adviser must also be licenced with the FSCA, and this can be checked [here](#) too. The Financial Advisory and Intermediary Services Act (FAIS Act), requires financial intermediaries to provide disclosures to customers around their licence and whether they are acting under supervision etc.

"Ultimately it is also up to [investors] to ensure that they are investment-savvy and that they

understand and know who they are dealing with. Make sure that you are invested with a reputable company such as Glacier by Sanlam. It is part of the Sanlam Group, which is a well-known and trusted leader in the financial services industry,” concludes Lana.

Ask your [financial adviser](#) why you're not with Glacier by Sanlam

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