

Good news: Glacier has sufficient offshore allocation capacity available

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Offshore allocation in investments has been a trending theme in the media, specifically regarding post-retirement investing. There are [many benefits of increasing your client's offshore exposure in post-retirement](#) and the good news is that Sanlam Life has sufficient offshore capacity available for the Glacier Vantage Life Plan (endowment), Glacier Living Annuity and Glacier Investment-Linked Lifetime Income Plan.

Sanlam Life is subject to the offshore limit of 45% of total assets, as determined by South African Exchange Control and monitored by the South African Reserve Bank. This capacity is used for allocations to offshore funds and shares.

Drivers of increased use of offshore capacity

Increased use of offshore capacity is mainly driven by:

- investors' preferences for investment in offshore assets
- strong relative performance of offshore assets
- a weaker rand relative to offshore currencies

Three good reasons to invest offshore – no matter what currency movements are doing.

At Glacier, we encourage intermediaries to continue considering investors' risk appetite and investment objectives to determine the most suitable offshore exposure for their clients. There are many reasons to include offshore investing in your client's portfolio, pre- or post-retirement:

1. Access a far greater opportunity set, in terms of geographies, currencies, industries and companies. South Africa still makes up less than 1% of the global economy, so diversifying offshore is essential. To add, a struggling local economy and shrinking South African GDP

have, in turn, influenced the local opportunity set – with the number of locally listed businesses decreasing by approximately 40% over the past 20 years.

2. Obtain portfolio construction benefits. A greater opportunity set brings more opportunity to introduce assets that are uncorrelated (meaning they produce returns in various circumstances and at different times). The higher the long-term return you require, the more offshore exposure you need in your portfolio.
3. Get exposure to different currencies. Our local currency is not only vulnerable to inflation risk, and significant volatility, but as an emerging market economy, can be substantially influenced by the commodity cycle. Exposure to currencies that are less volatile and have less dependence on commodities can help with risk management.

No restrictions on offshore allocations

[The Glacier Living Annuity](#) and [Vantage Life Plan](#) (endowment), which use Sanlam Life's offshore capacity, have sufficient offshore capacity available and no restrictions are placed on investors' offshore allocations.

For further information about this or any other investment theme, please reach out to Glacier Business Development.

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