

Invest in an actively managed global equity portfolio with South African Rands

Diversification remains the number one reason to include an allocation to offshore investments as part of your clients' portfolios. With the uncertainty and factors affecting our local markets over the last few years, financial advisers have no doubt experienced an increase in the number of requests from clients wanting to externalise their capital.

Global equity funds remain popular

Global equity funds have become increasingly popular over recent years. With this in mind, Glacier Management Company, a registered manager of collective investments, partnered with global asset manager Dodge & Cox, to bring investors the opportunity to invest in an actively managed global equity portfolio through the Glacier Global Stock Feeder Fund (the fund).

The fund is rand-denominated and invests directly into the Dodge & Cox Global Stock Fund (USD class) (the underlying fund), using Glacier's offshore capacity, which means investors will not have to externalise capital. The fund also provides a hedge against a weakening rand.

The Glacier Global Stock Feeder Fund recently celebrated its second birthday earlier this year, having launched on 9 February 2017. The fund had R480m assets under management, as at 31 January 2019.

The Dodge & Cox Global Stock Fund

The underlying fund invests primarily in a diversified portfolio of equities issued by companies from at least three different countries located anywhere in the world, including emerging markets. It invests mainly in medium to large well-established companies.

Dodge & Cox does not manage the fund to match any particular index, and will typically invest at least 40% of the fund's assets in non-US companies.

Why we like the fund

- *The size, experience and stability of the investment team*

The Dodge & Cox team is led by very experienced investment professionals with an average tenure of more than 20 years. The size of the team allows greater coverage and identification of investment ideas.

- *The rigour of the investment process*

The rigour and discipline of the investment process is a highlight of the Dodge & Cox Global Stock Fund. The process is clear and defined – all stocks go through an individual analyst assessment, followed by a team-based review, and then a collective judgement-based review by the policy committee, which is composed of the most experienced investment team members.

- *The independence of the firm and active employee ownership*

The fact that the company is completely investment focussed, independent and wholly-owned by active employees are definitely standout attributes. The team is therefore able to focus exclusively on generating the best possible returns.

Risks associated with the Fund

This is an aggressively managed global equity portfolio that aims to deliver capital growth over the long term (five years or longer). The risk profile of the fund is high, given exposure to foreign stock markets and foreign currency. Over the short term, the capital volatility of the fund may increase but over the longer term, investors may be rewarded with relatively higher returns compared to other less risky asset classes.

- *Market fluctuation risk*

Financial markets are unpredictable and fluctuate daily. The value of the investment can therefore rise and fall, and there is no guarantee, either with respect to the capital or the return on the investment.

- *Currency risk*

Also referred to as exchange-rate risk, it arises from the change in price of one currency in relation to another. It is important for South African investors to keep in mind that the rand can be a volatile currency, which could lead to significant fluctuations in the rand value of this fund.

How clients can access the fund

The Glacier Global Stock Feeder Fund is suitable for investors seeking absolute return focussed global equity exposure across both developed and emerging markets. The fund can be used to achieve additional global exposure in a multi-asset portfolio or as the global equity carve-out in a building-block portfolio.

Investors can access the fund via Glacier's local investment platform by using the standard fund selection process. The fund is available for all products including the Tax-Free Investment Plan.

Click [here](#) to view the product brochure or visit our website.

NB. This document should be read in conjunction with the [Minimum Disclosure Document \(MDD\)](#) where the schedule of fees is provided.

Glacier Management Company (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes

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