

Introducing the Glacier Invest Living Annuity Income Solutions

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One of the most important decisions most people will make in their lifetime, is the selection of a suitable retirement income solution – one that will provide a sustainable income for the rest of their lives.

Much has been written about increasing longevity – people are living longer in all societies across the globe. This, together with the low-return investment environment we've experienced in the past few years, has posed a real concern for investors. At Glacier Invest we believe that the traditional ways of constructing a portfolio will no longer deliver the returns that retirees drawing an income will need. This led us to develop the Glacier Invest Living Annuity Income Solutions, a first-of-its-kind approach to portfolio construction, particularly in the retail market.

This offering was not created in response to the recent pandemic and ensuing market conditions. It has been in the making for the past two years and was the culmination of much research into portfolio construction, with a specific focus on those drawing an income in retirement.

The need for a new way of thinking

Many investors choose a living annuity to provide their retirement income. Living annuities will allow your hard-earned money to continue growing, as they're linked to market returns. But at the same time, you take on the various risks yourself. These include market risk, which is the risk of a large market downturn, resulting in a drop in your capital. You also take on longevity risk, which is the risk of you living longer than your money.

The Glacier Invest Living Annuity Income Solutions

The offering is comprised of collective investment scheme (CIS) funds (65%), hedge funds (10%), and a smooth bonus fund (25%), known as the Multi-Manager Smooth Growth Fund. Alternative investments will be added in due course.

The solutions use an asymmetrical return approach, which simply means minimising downside

risk and capturing as much of the upside as possible. This approach is designed to reduce volatility in returns while preserving capital. The smoothing mechanism is used to smooth out the volatility over time, while the addition of hedge funds adds to performance.

Because hedge funds have a low correlation to other asset classes, they will tend to outperform when other asset classes are struggling. This will help to cushion the portfolio when markets are falling.

Coupled with this, the smoothing technique used holds back excess returns when markets are high and releases these amounts back to investors when markets pull back. This means the investor will see less volatility over longer periods of time.

There are five Income Solutions, catering to different risk profiles:

- The Glacier Invest 2.5% Real Income Solution targets an investment return of 2.5% after taking inflation into account (therefore, a return of inflation + 2.5%). Investors in this solution are expected to draw an annual income of 2.5% of their investment value. [View the Fund Fact Sheet](#)

Similarly:

- The Glacier Invest 3.0% Real Income Solution targets an investment return of 3.0% after taking inflation into account; [View the Fund Fact Sheet](#)
- The Glacier Invest 4.0% Real Income Solution targets an investment return of 4.0% after taking inflation into account; [View the Fund Fact Sheet](#)
- The Glacier Invest 5.0% Real Income Solution targets an investment return of 5.0% after taking inflation into account; [View the Fund Fact Sheet](#)
- The Glacier Invest 6.0% Real Income Solution targets an investment return of 6.0% after taking inflation into account. [View the Fund Fact Sheet](#)

About Glacier Invest

Glacier Invest is the largest Discretionary Fund Manager in SA with over R44bn in assets under management, is independent and offers consistent, long-term performance, tailor-made yet simple solutions, and cost-effective pricing which comes with the sizeable assets under management.

The team's advantage lies in its skill, scale and the simplicity of its solutions.

- Skill – being our experienced investment professionals and portfolio managers who research and construct the portfolios.
- Scale – having sizeable assets under management means we can offer competitive pricing which we know is critical when drawing an income.
- Simplicity – our research and techniques may be complex, but the solutions we bring to

market are simple and address only the critical needs of a retiree wanting a sustainable income for life.

[View the presentation](#)

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