

How the Glacier Sustainable World Enhancer works

By Mansoor Narker, Research & Investment Analyst

The investor has exposure to the Solactive Sustainable Development Goals World RC 8 EUR Index, which we refer to as the global portfolio.

The capital protection and investment return are provided by a leading global bank with a long-term credit rating of at least A+ from Fitch, S&P or Moody's.

How the global portfolio is structured

The Glacier Sustainable World Enhancer provides exposure to 50 equally weighted stocks – all from global developed markets.

They are chosen for incorporating global ESG (environmental, social & governance) standards and because they contribute to the Sustainable Development Goals of the United Nations. These goals address the challenges we face, and include poverty, inequality, climate change and environmental degradation.

The companies all have sufficient liquidity and their stocks show low levels of volatility. To ensure that the portfolio is well diversified, the provider has selected stocks across a variety of sectors and geographies.

Actual dividends are re-invested, but allowance is made for a 3% annual dividend adjustment factor. Index returns are measured in EUR. Your investment will never be affected by fluctuations in the value of the rand.

This risk in the portfolio is managed through an 8% volatility cap. As volatility reaches this level, stock exposure is reduced by allocating to cash and is subsequently increased as volatility subsides.

The case for ESG investments

Empirical evidence has shown that ESG investing can lead to improved risk-adjusted returns. By being more cognisant of the environment, our society and good corporate governance, investors not only realise their savings goals and achieve superior risk-adjusted returns, but they are also able to play an active role in transforming our world for the better.

More active participation in responsible investing is required, however. Addressing the multiple needs of our time cannot be the sole responsibility of governments, which is why we are providing you with additional opportunities to invest and make a change.

Equity market outlook

After experiencing one of the sharpest drawdowns on record during the first quarter, global equity markets have staged a remarkable comeback. Supported by unprecedented levels of government and central bank stimulus, equity markets are now trading closer to pre-crises levels.

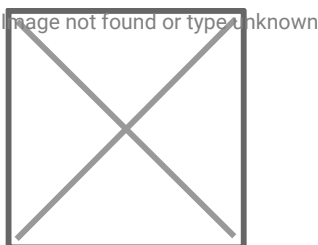
Meanwhile, rising unemployment and subdued consumer demand in the real economy will be reflected through weaker corporate earnings. Mixed economic data also reveals the uncertainty around the shape and pace of the global economic recovery. We can, however, be certain of one thing – volatility will persist in financial markets as risks abound while further liquidity injections and easing measures provide tailwinds for global equities.

In light of the persistent volatility and uncertainty, we acknowledge that many investors are looking not only for growth, but capital protection as well.

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The Glacier Sustainable World Enhancer is set up in a sinking fund policy underwritten by Sanlam Life Insurance Limited

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Mansoor joined the Glacier Research team in March 2020 as a research and investment analyst. He started his career in 2008 at IDS Fund Services, which was later acquired by Sanne Group Plc. During his tenure, Mansoor progressed to senior fund accountant and then assistant manager and was responsible for, among others, hedge fund NAV reporting and valuations. Mansoor obtained a BCom degree in Finance at the University of the Western Cape in 2006 and a BCom (Honours) degree in Investments (cum laude) from the same institution in 2008. He has passed Level 2, and currently is a Level 3 candidate on the CFA® Programme.

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