

# The Glacier Research Value proposition

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Glacier Research forms a vital part of the overall Glacier International offering. The team's value proposition includes robust global fund research, providing independent and objective investment insight, and providing ongoing support to our client service and business development teams.

## Research philosophy

As part of our philosophy we provide ongoing qualitative investment research insights. Our approach to portfolio construction is a conservative one as we place client outcomes, together with volatility and drawdowns, top of mind. We design our solutions in such a way that they deliver consistent performance throughout all investment cycles. We do this by blending different investment approaches across the risk-return spectrum to allow for greater certainty in outcomes, regardless of what's happening in the macroeconomic environment.

## Glacier Research's process framework

Our process is an iterative one in that it involves constant reviews and feedback throughout. We begin with an initial screening analysis – a lengthy process – followed by quantitative and then qualitative analysis. Thereafter we move into the final selection phase where we compile our buy list and consolidate the composition of the global solutions.

All of this is geared to help us identify funds that deliver consistent first and second quartile outperformance, while still protecting capital during drawdowns in the market. This is critical as we realise that many of our clients are in the decumulation phase and drawing an income from their retirement capital.

With more than 1 600 local, and more than 290 000 offshore funds, the need for in-depth fund research is greater than ever before.

### Initial screening

Our initial toolset includes Morningstar and IRESS. We look for funds with assets under

management of at least 250m in base currency. This gets us to a more manageable universe of around 2 500 funds.

We then go a step further with internal screening where we use our Glacier proprietary screens. Here we look at consistent risk-adjusted performances relative to the peer group. We then get to a universe of around five or six funds and allocate analytical resources to these.

### Qualitative research

We allocate most of our time and energy on this stage of the process. This involves sending of due diligence questionnaires to the fund managers, followed by face-to-face or increasingly online meetings with them to interrogate and clarify issues further. Thereafter the team engages in rigorous debate prior to compiling the reports.

### Some key qualitative factors

Some of the factors we take into consideration include:

- Is there a coherent investment philosophy?
- Is the investment process repeatable?
- Is there a culture of co-investment in the team?
- What are the remuneration and incentive structures?
- Passion, perspective and purpose
- Long-term stewardship and risk management
- The investment team itself
- Is the business healthy and stable?

### Final selection

This is followed by more rigorous debate as we position funds within the Navigate solutions to see how they blend with the existing funds in these portfolios. We then either add, or remove, funds depending on how they'll contribute to the overall performance of the portfolio.

### In summary

We select best-in-class funds based on superior qualitative characteristics. We look for funds that provide consistent outperformance on a risk-adjusted basis, and that protect capital in times of market drawdowns.

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