

Glacier Invest Summit 2021: Overview of Day Two

Building solutions that enable your clients to meet their financial goals, with a focus on offshore investing. That was the theme for Day 2 of the Glacier Invest Summit 2021, that marked the launch of the Glacier Invest Global Solutions. These solutions offer diversified offshore portfolios that maximise long-term risk-adjusted returns through the meticulous blending of high-quality managers.

Global outlook

The programme kicked off with an overview of global markets presented by James Ashley, Head of Marketing Strategy at Goldman Sachs. In his presentation titled “Battling the Bears – macro perspectives for the second half of 2021”, James sketched an outlook of strong growth for the remainder of 2021 supported by the Federal Reserve’s (Fed) fiscal and monetary policies. While there may be the perception of the Fed’s move to a more hawkish approach, James believes they are still in an accommodative mode. The Fed may be slightly more hawkish than they were a year ago, but still dovish. And what happens in the US, usually sets the tone for markets globally. While it is impossible to predict the future precisely, and what will move markets, he is confident that with Fed support, equities will outperform credit and credit will outperform bonds.

As with many experts of his ilk, his view is that a long-term strategic mindset is the bedrock of investment strategy. Don’t be too tactical, he cautioned. Growth will be strong this year with fiscal stimulus and increased household savings in the US. Strong growth is also expected in the Eurozone, supported by monetary policy, but perhaps slower than in the US.

The world’s (new) economic centre of gravity

In China, 8.5% GDP growth is expected this year, surpassing their pre-COVID peak, which means that China is likely to outperform the US and the UK. Over time, the world’s economic centre of gravity – where goods and services are produced – has shifted to predominantly China and India.

Global allocation

Don't restrict allocation regionally, cautions James. Be allocated globally as post-COVID recovery is unlikely to be linear and there are many variables. There is much that we cannot forecast regarding vaccine rollout. The second half of 2021 may not be a smooth ride, but global equities have upside attached to them.

Spreading the net wider

In his presentation titled "Portfolio construction: offshore solutions", Luke McMahon, Portfolio Manager at Glacier Invest, helped us understand the purpose of offshore investing. It's really simple, the South African investible universe offers limited opportunities with elevated risks politically and economically. Also, rand volatility impacts on investment returns.

Offshore investing offers different growth cycles with 11 sectors to choose from compared to South Africa's primary three – resources, financials and industrials. There are more style factors in global investing with 300 000 funds to choose from. Of course, this raises its own challenges in terms of various regulatory frameworks, exchange controls and so forth.

Against this backdrop, Luke went on to describe the intricate interplay required for good portfolio construction between:

- skilful managers;
- research and due diligence;
- experienced investment professionals with diversified skills sets;
- blending asset managers and investment styles and asset classes;
- geographical focus.

Portfolio construction is a mixture of art and science. At Glacier Invest, skill, scale and simplicity are effortlessly combined to deliver portfolio construction, as well as operational efficiencies for intermediaries; technological innovation; and service orientation backed by a brand with a track record of decades.

The Glacier Invest Global Solutions

Glacier Invest blends world-class investment capability, superior operational scale and pricing power, and revolutionary technology to be leaders in discretionary fund management.

Glacier Invest is now proud to offer intermediaries a choice of two ranges of global managed portfolios – the Global Optimised Portfolio range, based on a multi-asset approach, and the Global Specialist Portfolio range, based on a specialist building-block approach (subject to requirements).

The Global Optimised Portfolios have been constructed to not only appeal to investors who are new to offshore investing and require guidance, but also to seasoned investors who merely require a simple offshore investment solution. The portfolios are also aimed at investors or intermediaries

who do not want to take on the risk of portfolio management. Portfolios are constructed in accordance with specific risk profiles and investment objectives, and each consists of a range of funds with optimised weightings in the portfolio.

The Global Specialist Portfolios are specialist risk-profiled global portfolios based on a building-block approach to portfolio construction. These portfolios, which are diversified across asset classes using a robustly tested asset allocation framework and various investment styles and factors, are created to deliver superior long-term investment returns above Glacier Invest's customised benchmark – the SAA – regardless of market cycles.

The Glacier Invest Global Solutions offer diversified offshore portfolios that maximise long-term risk-adjusted returns through the meticulous blending of high-quality managers.

Glacier Invest gives intermediaries peace of mind about the management of their clients' investments. Intermediaries can then focus on the most significant part of their practice: providing their clients with the best possible advice and service and ensuring that their financial plans are on track.

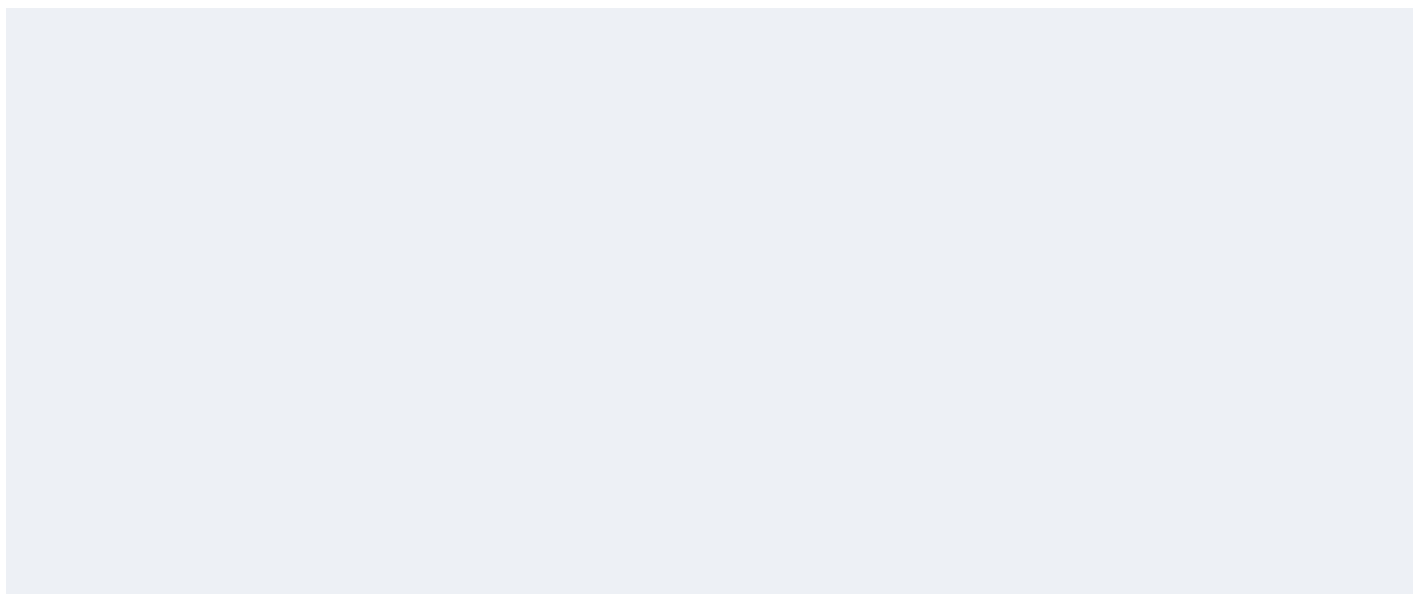
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Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

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Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07

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Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

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