

Glacier Invest Real Income Solutions for Living Annuities: Inclusion of Alternatives

Since the launch of the Glacier Invest Real Income Solutions for Living Annuities just over a year ago, we have seen these innovative solutions not only meet expectations, but exceed them. The Real Income Solutions have outperformed both on an absolute basis and relative to peers, while still maintaining the lower volatility levels expected from an asset allocation mix with an increased opportunity set.

Diversification is key in any portfolio, and the ability to access asset classes that have traditionally been off limits to retail investors is one of the primary aspects that set these solutions apart from anything else available in our industry.

At the time of their launch, these solutions already included a unique group of specially selected hedge funds which, as we have mentioned before, behave very differently to conventional long-only funds.

In addition, we included a sizeable allocation to a smoothing portfolio which, as the name states, smooths returns over time by keeping some of the returns aside and then using those reserves to bolster the fund in times of poor market performance.

This brings us to the final, and arguably most critical unconventional asset class to be included yet – Alternative investments/Private Markets (also known as “Alts” within the industry).

Alternative investments

Alts typically provide returns that are uncorrelated to those of traditional listed asset classes and often have higher expected returns. Despite the evidence of powerful risk-adjusted returns from alternatives, the utilisation of these asset classes by local portfolios has been muted, mostly due to the liquidity constraints associated with these investments. Our scale affords us the opportunity to use these asset classes without trepidation.

If you have any questions, please feel free to contact your Glacier Invest representative for further information.

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The Glacier Investment-Linked Living Annuity is underwritten by Sanlam Life Insurance Ltd.

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