

How Glacier Research helps you deliver on your investment value proposition as an adviser

Making investment choices that are tailored to your client's unique needs and lifestyle and that ensure favourable investment outcomes, is central to your role as an adviser. Glacier remains committed to helping you to enhance your depth of insight and skills and strengthen your value proposition to your clients.

What value can the Glacier research team add to your practice and what role can they play in taking the heavy lifting out of fund selection for intermediaries, both for compulsory and discretionary investing?

What makes Glacier Research world class?

The Glacier Research team comprises talented, skilled analysts who, first and foremost, have a natural curiosity about markets, what moves them, and the local and global world of investing. They have a passion for understanding what drives fund managers and are willing to go toe-to-toe with asset and fund managers in the due diligence process. They also are in the habit of engaging with managers in their workspaces. This helps the team to conduct robust fund research and develop a rich picture of the funds and the teams that manage them. This is a critical process with the purpose to deliver valuable insights that help intermediaries make informed investment choices for their clients.

The investable universe keeps growing – and changing

With more than 1 600 local, and more than 300 000 offshore funds (which include ESG funds, Shari'ah-compliant funds and ETFs), the need for in-depth fund research is greater than ever before. The iterative process his team follows involves constant review and feedback.

They begin with an initial screening analysis. This is a lengthy process followed by quantitative and then qualitative analysis. The final selection phase involves compiling the buy list and consolidating the composition of the global solution set. All of this is geared to help identify funds that deliver consistent first and second quartile performance, while still protecting capital during

drawdowns in the market. This is critical as they realise that many clients are in the decumulation phase of retirement planning and drawing an income from their retirement capital.

The four-step iterative process

1. Initial screening

Glacier Research's initial toolset includes multiple programs, such as Morningstar and IRESS. They look for funds with assets under management of at least 250m in base currency. Using the global universe as an example, the initial screening process gets them to a more manageable universe of around 2 500 funds. They then go a step further with internal screening where they use Glacier proprietary screening tools. Here they look for funds that are able to deliver unique combinations of consistent excess risk-adjusted performances and capital protection, relative to the peer group, and applicable to specific risk profiles. They then get to a smaller universe of handful of funds, to which analytical resources can be allocated.

2. Qualitative research

The team allocates most of its time and energy on this stage of the process. This involves fund managers completing due diligence questionnaires, followed by face-to-face or online meetings with them to interrogate and clarify relevant issues. This is followed by rigorous debate prior to compiling thorough research reports. Considered qualitative research is a crucial step, from the perspective of getting to an understanding of key issues which are often difficult to quantify. Some of the questions that the team attempt to answer during this process include:

- Is there a coherent investment philosophy?
- Is the investment process repeatable and aligned with the philosophy?
- Is there a culture of co-investment and intellectual collaboration within the team?
- Are the remuneration and incentive structures aligned with investors?
- Evidence of passion, unique perspective, and purpose in the managers approach?
- Is there an emphasis on long-term stewardship and risk management?
- Expertise and coverage of the investment team, how do they engage with each other?
- Is the greater business healthy and stable?

3. Track record

The performance track record of the fund is examined in light of mandate, categories, benchmarks and drawdown profile.

4. Final selection

Final inclusion of funds is the culmination of all insights gathered throughout the research process

and will ultimately be determined after thorough debate within the team, with cases being made both for and against the strategy. The decision to add or remove funds depends on how they'll contribute to the overall performance of portfolios. New fund additions need to either distinguish themselves from current buy list managers, adding something different. Alternatively, removals can take place when an alternative performs the same role as a current buy list manager with higher proficiency, while at the same time satisfying our qualitative criteria.

Designing solutions

Portfolio construction is one of the most essential ingredients of delivering investment success for clients. Naturally, this means that expert selection of funds within both a local and global context, will be of utmost importance in constructing a well-considered and appropriate solution set. Furthermore, the increased prominence of ESG and sustainable investing, alternative asset classes, and the impact of artificial intelligence, means that the job of constructing solutions is becoming more specialised by the day. Glacier Research is poised to support intermediaries in this complex investment landscape, however, and in so doing we hope to contribute to delivering better investment outcomes for your clients.

Resources to help you

Glacier Research's publications include:

[Shopping List](#) – a comprehensive guide to superior collective investment schemes in South Africa.

International Shopping List – a comprehensive guide to superior funds across the global universe.

[Bull & Bear Report](#) – a consensus predictive view and outlook for the market, from leading local asset managers.

[Economic Report](#) – a monthly retrospective review of the markets.

[Funds on Friday](#) – an interesting weekly read featuring articles authored by professionals in the industry.

Daily Market Watch – an overview of the previous day's market movements and the explanations behind them.

[Shari'ah Guide](#) – A quarterly guide to Shari'ah-compliant investing on the Glacier platform.

[Hedge Fund brochure](#) – An explainer of the hedge fund landscape and a guide to available hedge funds on the Glacier platform.

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