

# The Glacier Solution Funds

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Glacier's range of Solution Funds benefits both investors and financial advisers by providing cost-effective access to top managers.

In addition to the available offshore funds, there are also over 2000 unit trusts, or collective investment schemes, available in SA. Our team has processes in place to screen these funds and to find critical skills within the fund management space. We look not only at what they're trying to achieve, and how they're achieving it, but also – and importantly – whether they can do it consistently.

## Opportunities afforded by Solution Funds

The Solution Funds are wrapped within a collective investment scheme, or CIS vehicle which comes with benefits, one of which is tax-efficiency. The fund manager won't trigger a capital gains tax (CGT) event if trading within a unit trust, whereas, in a model portfolio, this isn't the case, and the manager has to manage for net of trade returns. Not having to factor in the tax implications of trading when managing a solution fund means that the fund manager can maximise returns as soon as opportunities are identified.

## Performance

We look to develop consistency of outperformance, without wild swings. We understand that clients in these funds are wanting to experience incremental growth over time rather than volatility over the short term.

We seek boutique managers that we feel have equal skills compared with their larger counterparts, but who offer a bigger opportunity set. We also look out for future generation managers that we think have the ability to become larger over time. This allows us to diversify our portfolios from a correlation perspective, resulting in more rigorous and robust portfolios due to more sources of alpha and more ideas coming through. Some managers are better at protecting on the downside while others are better at capturing the upside, and we try to get a blend of these managers.

## Passive versus active investing

Passive investing, or indexation, lowers the overall cost of investing. Fees do make a difference over time..

Also – we know that studies show that the majority of managers don't outperform consistently, so we need to be cognisant of this. The passive component balances this out – we know we have a core of the portfolio that will deliver a set return and then we have the actives that can deliver over-and-above this.

We're able to trade passive very actively. It allows us to access any kind of beta very cost-effectively. If we identify an opportunity (e.g. bonds) we're able to take advantage of this without having to pay the active fees for this short period of time. This is essentially the value add we bring - to find the best opportunities and blend them together in a solution.

[View a short Glacier Solution Funds Information sheet](#)

[Read more about the benefits of the Glacier Solution Funds](#)

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