

GLACIER INVEST: Introducing the Smooth Global Growth Fund

Increasing market uncertainty calls for the innovative management of living annuities

We're moving into a world with increasing market uncertainty and as South Africa's economic and market landscape also evolves, we at Glacier Invest strongly believe that we cannot manage living annuity capital in a traditional way. For the last two years, we have held the view that returns from traditional asset classes such as equities, bonds, property and cash will in all likelihood remain lower for longer. It is with this premise that we undertook significant strides in our investment process to understand philosophically and practically how to manage a living annuity portfolio in turbulent markets, while pensioners withdraw capital on a frequent basis.

Global uncertainty

This uncertainty was illustrated in the beginning of the year, with a selloff in global equity markets (both developed and emerging) based on the conflict between Russia and Ukraine, along with further lockdowns and regulatory restrictions on technology stocks in China. In times of a market crisis, South Africa usually experiences large capital outflows as our liquid market becomes a proxy for emerging markets, causing rand depreciation and providing South African investors with a natural hedge that protects them against capital losses. However, in this scenario the rand strengthened, affecting investors.

At Glacier Invest, we aim to mitigate these types of risks. By leveraging off our existing skill and utilising life products, we are able to create solutions that allow reserves to be kept aside when markets run, in order to distribute these returns to investors in down markets. These smooth bonus funds effectively provide investors with a much smoother and more consistent return experience.

The Smooth Global Growth Fund – 100% invested offshore with

bonuses declared in rands

Glacier Invest is not only the first discretionary fund manager (DFM) to utilise smoothing funds in our solutions but also the first to specifically include a smooth bonus fund that will be 100% invested offshore, while still declaring bonuses in rand terms. This means that the risk of this fund being affected by a simultaneous global market selloff and an increase in rand strength is reduced substantially. This allows us to mitigate capital losses to an even larger extent for investors, especially those who are particularly vulnerable to sequence risk. With this in mind, the global smooth bonus fund will be utilised in our living annuity and endowment solutions, the Glacier Invest Real Income range and the Real Growth range, where we purposefully follow a philosophy of asymmetry. The additional positive asymmetry achieved through these smooth bonus funds will allow clients to sleep soundly.

Continuous focus on enhancing portfolios

We continue to pursue alternative ways to enhance investors' portfolios and being part of a larger financial services group continuously presents opportunities to find new techniques to mitigate risk and enhance returns.

Please visit the [Glacier Invest website](#) for more information on the Glacier Invest Real Income and Real Growth Solutions.

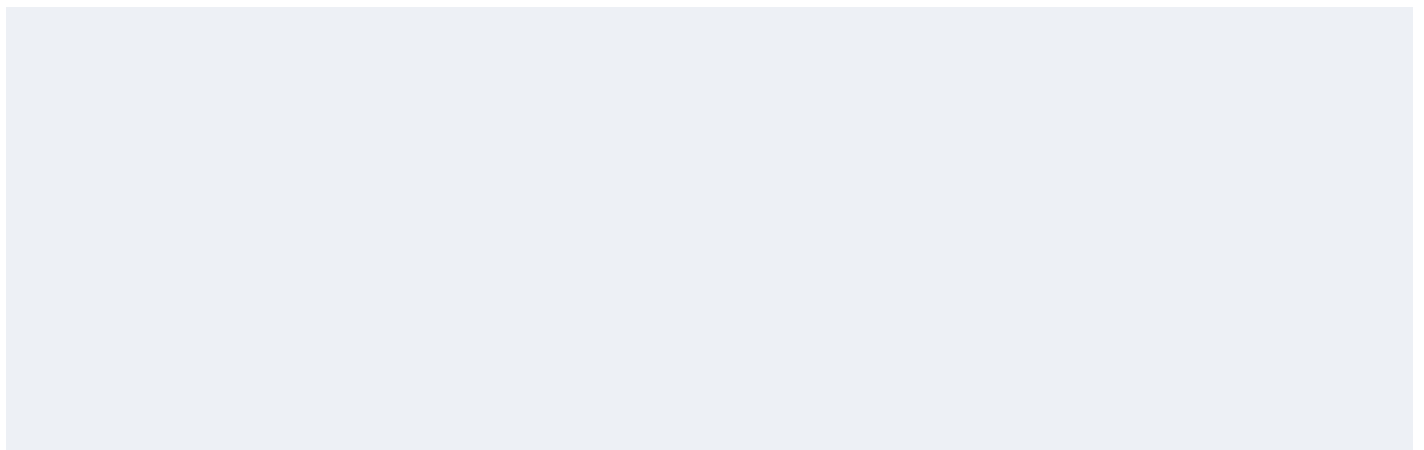
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