

Glacier Investment Summit Gauteng 2022 - Day 2 highlights

23 August 2022

Regulation 28

Does Regulation 28 provide more opportunities now than in the past, for multi-asset fund managers to spread their exposure? Answering this question requires multiple approaches and considerations. The South African investible universe is profoundly smaller than the global one and the new Regulation 28 allowable allocation of 45% opens up increased opportunities for alpha in portfolios.

However, the issue of home bias also needs consideration. If all investors in South Africa took advantage of the new allocation, up to R1 trillion would leave the South African market. This panel discussion provided insightful food for thought on this current critical issue.

How do we plan for retired investors living longer in the future?

Replacement ratio; saving enough during the accumulation phase; and what to do as an investor in the midst of a massive drawdown. These are not easy issues to address, but they continue to require smart approaches for clients. Critical challenges such as sequence and longevity risks need to be considered long before investors actually retire.

So, how do we get our under-30 clients to save more? How do we convince them to put in enough, take on enough risk and leave their investments to mature for the long term? What role does offshore play in a portfolio that will eventually provide an income during retirement? Also, are we creating portfolios that are too volatile for our clients to stomach? These were some of the themes touched on in the panel discussion of the second day of the Glacier by Sanlam 2022 Gauteng Investment Summit.

Asset classes or themes for the future?

Hedge funds can be seen as shock absorbers in portfolios and have a long history in South Africa. However, historically, they are under-utilised in portfolios due to the perception of higher fees in this asset class.

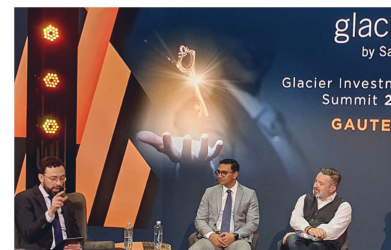
This panel discussion also centered on how themes should not be approached at face value. We know that technology and ESG are themes that will be prominent into the future, but deep-dive research on them and the stock-picking that follows, is crucial.

Sustainability and the humans behind big data

Humanity drives sustainability and client relationships. What do sustainability and big data in business have to do with our personal humanity? According to speakers Dr Jako Volschenk (University of Stellenbosch Business School) and Bronwyn Williams (Flux Trends), everything. Sustainability and ESG require an approach from the level of the individual – a human making moral and ethical choices. Individual behaviour often is driven by the behaviour of the collective, but we make different decisions when we decide and act as an individual. Regarding big data, it certainly can help us build relationships with customers through better knowledge of their wants, needs and behaviours, but data can only help us to a point.

Businesses need to emphasise their humanity and human connections – in all spheres of their existence. They need to identify what cannot be digitised and automated in their value chain. Creativity and connection are two examples. What are the touchpoints and connections that you can own and that mean you would need to lean into dealing with people as people?

Conference Images



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