



## How Glacier Research helps you deliver on your 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. **Francis Marais, head of Glacier Research** shared a view of the value that his team can add to your practice and the critical role that 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, when COVID-19 protocols allow, 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 290 000 offshore funds (which include CIS, ESG funds, Shari'ah-compliant funds and ETFs), the need for in-depth fund research is greater than ever before, says Francis. The iterative process his team follows involves constant reviews and feedback.

They begin with an initial screening analysis. This 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 solutions. All of this is geared to help identify funds that deliver consistent first and second quartile outperformance, 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 Morningstar and IRESS. They look for funds with assets under management of at least 250m in base currency. This 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 screens. Here they look at consistent risk-adjusted performances relative to the peer group. They then get to a universe of around five or six funds and allocate analytical resources to each of them.

### 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 issues. This is followed by rigorous debate prior to compiling the reports. Some of the questions posed to the managers are as follows:

- Is there a coherent investment philosophy?
- Is the investment process repeatable?
- Is there a culture of co-investment in the team?
- What are the remuneration and incentive structures?
- Give details of passion, perspective and purpose
- Long-term stewardship and risk management
- Who are the members of the investment team?
- Is the 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 the funds depends on how they blend with the existing funds on the platform. We then either add, or remove, funds depending on how they'll contribute to the overall performance of portfolios.

## Designing solutions

Portfolio construction – your core job as an adviser and the intricate process of selecting assets and funds in an investment portfolio based on your client's risk-return profile – is an essential ingredient of investment success. This means that both local and global investing form part of a well-considered solution set. Portfolio construction is complex and will become more so into the future as ESG and sustainable investing move further into the spotlight. Glacier Research is poised to help intermediaries build their muscle in the this changing realm, and in so doing deliver on better investment outcomes for clients.

## Resources to help you

Glacier Research's publications include:

**Bull & Bear Report** – a consensus predictive view of the market for 12 months

**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

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