



Investment  
Solutions  
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## INVESTMENT SOLUTIONS extends its offshore offering

GARETH JOHNSTON - Head: Retail Sales & Distribution

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A number of rand-denominated offshore funds are fast reaching their maximum allowed capacity for foreign investments, allowing for the recently launched Investment Solutions Strategic Global Balanced Feeder Fund to gain some market share in the offshore investing space.

At the launch of this fund, Investment Solutions said the fund seeks to generate capital growth over the medium to long term by investing in a combination of offshore collective investment schemes. The underlying investment managers are selected by Investment Solutions, the country's largest Multi-manager, and are chosen for their ability to allocate capital between different global asset classes.

Investment Solutions, through its retail business, also has these feeder funds; the Investment Solutions Global Equity Feeder Fund; Investment Solutions Global Fixed Interest Feeder Fund and Investment Solutions Global US Dollar Feeder Fund.

"It is the first time Investment Solutions will be offering investors the opportunity to invest in a rand denominated offshore balanced portfolio, which can invest in a variety of asset classes such as equity, bonds, property and cash," said Gareth Johnson, Head of Retail Sales and Distribution.

The rand-denominated offshore funds are popular as they allow for investors to invest offshore without diminishing their R4 million a year offshore allowance. In order to gain foreign exposure, South Africans can either invest in a rand-denominated fund or directly into offshore funds utilising their R4 million a year offshore allowance.

For the latter, one would need tax clearance from South African Revenue Services and approval from the South African Reserve Bank.

"Adding offshore exposure to your overall portfolio provides diversification. This exposure can be gained through investing in specific offshore asset classes through funds like IS Global Equity Feeder fund etc. The difficulty however is when to invest in which asset classes. Therefore, it really made sense to launch the Investment Solutions Global Strategic Balanced Feeder Fund, where you gain offshore exposure, but the underlying managers decide which asset classes to invest in, depending on where they see value," said Johnson.

According to Johnson, the benefits of investing in this fund include:

- Competitive Fees
- Allows investors to invest in a variety of asset classes and regions

Gaining Benefits of a multi-managed portfolio which include:

- Diversify risk by investing with different managers
- Automatic rebalancing to strategic weights of underlying managers
- No Capital Gains Tax event is triggered when changes to the underlying managers are made
- Investment Solutions continuously reviews and researches the manager universe to ensure that the portfolio is optimally structured

The managers in the Investment Solutions Global Strategic Balanced Feeder Fund are given flexible mandates and allocate capital in asset classes based on their house view.

"Our benchmark is the average of the Global - Multi Asset - High Equity Category of ASISA Global and for optimal diversification one can expect five to seven managers in the portfolio."

"The establishment of Investment Solutions Strategic Global Balanced Feeder Fund is another step in our business plan to strategically deliver investors with capital growth via multi managed exposure to world class asset managers," concluded Johnson



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