



## Introduction

GTC Investment Analytics (IA) is a team of professional and qualified investment specialists performing a diverse range of services for clients of GTC and various divisions and business units within the company.

Licensed and accredited as investment managers, GTC IA conducts ongoing investment analytical monitoring, research and management to ensure that GTC continually provides investment solutions that deliver on your stated, and documented investment objective.

Usually operating from behind the client facing teams of Employee Benefits Consulting and Private Client Wealth Management, GTC IA nonetheless maintains a close working relationship not only with the respective GTC consultants but also directly with you, the investor. GTC IA hosts regular investment and economic market reviews during which you'll meet the team to discuss portfolio construction, methodology and performance, as well as other relevant topics and ideas.

## Our investment philosophy

Whilst it is always standard procedure that GTC IA ascertain and monitor risk appetite and investment time horizons, we are more actively managing - and communicating - the defined philosophy, ensuring that you are always aware of the objectives and the investment approach.

We believe that markets are inherently inefficient and that opportunities always exist for identifying skilled managers, capable of producing above-average returns at lower than market risk.

We maintain a client-centric mind-set, focussed on generating real (above inflation) returns, which in industry speak is called "adding alpha", while adopting a diversified and risk mitigating perspective. Our investment independence is always a priority to us, assisting us with maintaining innovation in this investment approach.

### **The requirement for evolutionary change**

Globally, investment ideas are constantly evolving. Recent years have seen concepts such as passive asset management, alternative asset classes and portfolio construction grow in popularity. As your investment managers, it is a fundamental responsibility of GTC IA to ensure that we evolve our portfolio, product and service offerings in line with local and international current thinking and trends. We evaluate and test these concepts to ensure that we only adopt those that are appropriate, and add value, for our clients. The best investment ideas are those that improve the risk and return characteristics of an investment offering.

### **Asset allocation**

Strategic Asset Allocation (SAA) - investing across asset classes in a fixed ratio over a long period of time - remains a key foundation of our investment strategy. Getting this age-old investment fundamental right, derives a significant portion of an investor's returns.

Tactical Asset Allocation (TAA) - the considered and measured change to asset allocation within predefined limits – also contributes meaningfully to achieving above benchmark performance. For example: If research suggests that an investor hold 50% of his portfolio in South African shares, that percentage would be the investor's SAA. The investor's TAA could then be represented by a range from, say 45% to 55%. The ability to adjust the allocation in small amounts around the SAA provides the potential to generate additional returns.

Historically, the GTC portfolios have consistently benefited from TAA decisions. We have refined this process within the GTC Asset Allocation Committee - a sub-committee of the GTC Investment Committee - undertaking a formal quarterly asset allocation review. The output from this meeting influences the positioning of the portfolios by adjusting the TAA, allowing us to accurately measure the value that is added.

### **Experience counts**

The GTC IA team boasts over seventy years of combined experience in portfolio management and investment consulting. We draw on additional resources from various business units within the GTC Group on a regular basis. The IA team works closely with our client-facing consultants, keeping them updated on developments and changes in the world of investments.

We also conduct ongoing proprietary investment research and modelling using leading international technology. These systems, employed by the most sophisticated institutions across the globe, provide superior quantitative processing capability enabling the team to conduct in depth meaningful analysis in an efficient manner. This is presented to the GTC Investment Committee, which rigorously analyses and debates the recommendations. This process ensures that all our investment offerings are subject to approval from both GTC senior management and external professional advisors.

Should you require any further information, please contact us on **T:** +27 (0) 10 597-6800 or **E:** [info@gtc.co.za](mailto:info@gtc.co.za).