

# How platforms help to navigate the complex investment landscape

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In a world of ever-increasing investment complexity, platforms are evolving to help advisers and investors make sense of the global investment landscape.

The reasons for investing offshore are well documented and include valuable diversification benefits through exposure to different countries, industries, companies and currencies.

However, the global toolbox for investing is extensive. Advisers need to make complex decisions apart from the product decision – which mix of countries, asset classes, industries and companies has the highest probability to deliver the required investment outcome for their clients. It is no wonder that many advisers look to investment professionals to help them with some of these decisions.

But complex choices remain. In South Africa, there are around 1 700 collective investment schemes; globally, there are more than 126 000 regulated funds<sup>1</sup>. How do you start to construct a portfolio of funds given all this choice?

A key decision is how much control the adviser and client want over currency and asset allocation. You can



retain a high level of control by investing in a mix of funds and exchange traded funds (ETFs) that are asset class, region or sector specific. Or leave some of the decisions to an investment manager by investing in global asset class funds such as global equity or global fixed income. Or you can leave all these decisions to an investment manager and invest in balanced funds.

Whichever route you take, one or more investment managers need to be selected, which is an equally complex decision. Should a local investment manager be selected for the job, or a global investment manager, or a local investment manager who has partnered with a global investment manager? And the complexity doesn't stop there.

Not all funds are created equal. Funds come in different legal forms such as unit trusts, corporate structures, and partnerships, with each offering different levels of investor protection. Funds also use different administrators, custodians and auditors. As with everything, there are A-league players and B-league players. And the jurisdiction of the fund is also important.

All of these decisions affect the probability of a successful investment outcome for your clients and their personal investment goals.

The most effective way to invest offshore is to use the services of a reputable and established offshore investment platform.

Momentum Wealth International was established in Guernsey in 1999. It offers an efficient regulatory and fiscal framework together with investor protection policies, and provides choice, simplicity, transparency and aggregation benefits. Platforms have continued to develop to stay relevant as technology and the

investment world changed – offering access to a broader range of assets classes and investment options, including ETFs and shares, and sophisticated portfolio management systems to power discretionary fund managers (DFMs) – all in a digitally enabled and 'always on' world.

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However, with the complex choices facing advisers, platforms must play a key role to help advisers and their clients make sense of the complexity of choice. An offshore platform provides up-to-date information and tools to enable advisers not only to construct the most suitable investment solutions for their clients, but also to provide a personalised service as efficiently as possible. This helps advisers focus on what is important – their relationship with clients and helping them to achieve their personal investment goals.

<sup>1</sup> <https://www.asisa.org.za/> and <https://www.statista.com/> 2 August 2021

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