



# INN8 INVEST DIAMOND AWARDS 2024

## REFERENCE NOTE

### PERFORMANCE AND ADVICE ACKNOWLEDGED

INN8 Invest, a leading provider of independent Discretionary Fund Management (DFM) services, recently announced nominees for the inaugural 2024 INN8 Invest Diamond Awards.

As a DFM we are uniquely placed between the asset management and financial adviser industry. Who better than INN8 Invest to acknowledge the excellence of our most important partners? We realise there are many performance awards in the industry today, however, these awards simply recognize performance or risk-adjusted performance in isolation without regard to qualitative insights gained from the investment and operational due diligence processes. These qualitative insights are a crucial part of the risk management process of selecting the best local and global asset managers.

The INN8 Invest Diamond Awards overlay our forward-looking qualitative asset manager assessments, which increases the overall quality of the final nominees and winners. Our Awards go a step further, also recognising qualitative excellence.

In addition, we recognise financial advisers that have demonstrated excellence in our engagements with them over the past year. We recognise financial advisers who have professionalised their practices to integrate technology and have centralised investment propositions to improve their overall client value propositions. We also recognise financial advisers that have had a positive impact on the overall adviser industry in South Africa.

There are two broad award categories:

- 1) Asset Manager Awards and;
- 2) Adviser Awards.

### ASSET MANAGER AWARDS

The winners are selected based on in-depth qualitative and quantitative research conducted by the investment and operational teams at INN8 Invest during the course of the previous year.

There are four types of INN8 Invest Diamond Awards:

- Performance Awards
- Investment Due Diligence Award
- Top Operational Due Diligence Award; and
- Technology and AI Award

#### Asset Manager Performance Awards

The Performance Award is measured over 5-years for the period ended December 2023, making use of our Diamond Ranking methodology. This methodology uses 30 standard and proprietary performance, risk and risk-adjusted performance measures. The nominees and winners must be Silver or Gold-rated through our manager research process.

**GOLD** - good alignment of philosophy, process, and portfolio construction with comprehensive risk management. Solid and stable team. High conviction that the manager is expected to be in line with or exceed our alpha expectations relative to peers and/or benchmarks over time.



**SILVER** - reasonable alignment of philosophy, process, and portfolio construction with adequate risk management. Manager may outperform peers and/or benchmarks.

**BRONZE** - some alignment of philosophy, process, and portfolio construction. Weaker risk management. There are angles to the managers' approach which is likely to lead to underperformance relative to peers and/or benchmarks.

- Only single manager (retail fee class) funds qualify and may include multi-asset indexation funds. The awards unfortunately, do not cater for multi-manager and/or DFM funds/solutions.
- Where the local or offshore fund management of the single manager is outsourced to another single investment house, the fund will qualify but the award is allotted to the single manager responsible for the investment decision making and management of the fund. However, the fund's name will be mentioned when the award is announced. The outsourced underlying manager must also have managed the fund for 5 years or 10 years to qualify for the long-term award.
- For the Best Performing Multi-Asset Manager over 5 years, the asset manager must have managed funds in the MA Income; MA Low Equity and Multi Asset High Equity ASISA categories. Should a manager have multiple funds in the category, the average Diamond Ranking is used.
- For the 10-year long-term award, the underlying asset manager needs to have been in place for 10 years.
- Overall, 11 performance awards are allotted across the respective ASISA categories encompassing South African and global/worldwide funds.



#### SOUTH AFRICAN FUNDS

SA MA Income Category  
SA MA Low Equity Category  
SA MA Medium Category  
SA MA Flexible Category  
SA Equity General Category  
Long Term – 10-year Performance Award in the MA High Equity Category  
Overall, best performing Multi-Asset Manager over five years



#### GLOBAL OR WORLDWIDE FUNDS

Global EQ General  
Global MA High  
Global MA Flexible  
Worldwide MA Flexible

#### Asset Manager Investment Due Diligence Award

To assess managers, we rely on the submission of their comprehensive capability reviews. We also look at their attribution data and systems for risk management. Some managers are outstanding in providing timely and necessary information.

#### Asset Manager Operational Due Diligence Award

Good governance and robust operational risk management practices are fundamental to a manager's ability to execute their investment mandate and generate operational alpha. We thus conduct further operational due diligence on asset managers, which is assessed by our operational and risk management specialists.

#### Asset Manager Technology and AI Award

In today's ever-evolving financial landscape, embracing technological advancements is the key to staying ahead. Our final award is not for AI funds themselves, but rather recognises what we believe to be the most forward-thinking fund managers that embrace AI and technology into their businesses.

## ADVISER AWARDS

All advisers that we engaged with over the past year qualify for these awards, regardless of whether they are a partner of the DFM or not. Nominees and winners have been selected by our team of investment specialists and ratified by our executive committee.

### Best Technology and Practice Management Integration

- Most progressive use of technology to improve overall advice proposition to clients.

### Best Centralised Investment Proposition and DFM Integration

- Best-in-class integration of a centralised investment proposition and DFM model portfolios into their practice, resulting in material efficiencies to the practice as well as an improved and more professional investment proposition to clients.

### Best Overall Impact and Contribution to the Advice Industry

- The adviser that has gone to extraordinary lengths to make a positive difference to the South African adviser industry.

The full methodology for the INN8 Invest Diamond Awards is available [HERE](#). The winners will be announced on xx March 2024.

Leigh Kohler  
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