equilibrium

Equilibrium Investment Management

Equilibrium Investment Management is an independent discretionary fund manager which was founded in 2008. Located in Centurion, Gauteng, Equilibrium is a wholly owned subsidiary of Momentum Group Limited and works with local and global financial advisors and wealth managers (local are both Cat I and Cat II licensed financial advisors). With approximately 100 advisors within their network, Equilibrium deals with R31.5-billion locally and R2-billion globally.

Philosophy
We tailor investment solutions that are closely aligned with our clients' financial needs and not arbitrary benchmarks. Our outcome-based philosophy means our portfolios are constructed and managed based on a three-tiered approach:

- We define a time horizon;
- We determine an acceptable level of risk;
- We deduce a reasonable return target;
- We set acceptable levels of risk or acceptable negative returns with financial advisors to reduce the impact of any behaviour tax on clients' investments.

Implications for financial planners and their clients
Our understanding of both the investment management industry and the financial advice process allows us to narrow the gap between investments and advice. In essence, Equilibrium becomes an extension of a financial advisor's practice.

Processes at Equilibrium
Process to develop and implement investment solutions
Our investment solutions aim to achieve the desired outcomes and increase the probability of delivering the portfolio's objective. Our portfolio construction process attains equilibrium using three main steps:
1. Firstly, we determine the optimal strategic asset allocation.
2. Then, we use the optimal combination of investment styles.
3. Our final step is to identify the optimal blend of managers or mandates to execute on the above.

Process for servicing financial planners/clients
The success of our business hinges on exceptional service and a strong operational capability. How we go about becoming trusted partners to our clients:
1. We streamline an advisor's workflow, allowing them to dedicate more time to clients.
2. We foster open communication and create a fertile environment for collaboration.

Perspective on performance
Looking at a snapshot of investment returns within our standard portfolios, the Conservative, Stable, Moderate and Balanced portfolios have been well ahead of their respective benchmarks over one, three, four, five and six-year time horizons. Over the seven-year time horizon, the Growth and Unconstrained portfolios were slightly under pressure and lagged their benchmarks, mainly due to the significantly higher return target of CPI + 6%. Pleasingly, we are still ahead of our peer group.

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