

# platinumportfolios

thoughtful investing for private clients

## **PLATINUM BCI WORLDWIDE FLEXIBLE FUND MORNINGSTAR FINALIST**

The annual Morningstar Awards recognise funds and fund houses that added the most value for investors within the context of their relevant peer group in 2023 and over longer time periods. Morningstar selects the finalists using a quantitative methodology with a qualitative overlay that considers the one-, three-, and five-year performance history of all eligible funds, and adjusts returns for risk using 'Morningstar Risk', a measure that imposes a higher penalty for downside variation in a fund's return than it does for upside volatility.

The Platinum BCI Worldwide Flexible fund is a finalist for the best Flexible Allocation Fund.

### **Experienced team with a long track record**

The Platinum BCI Worldwide Flexible Fund was launched on 01 July 2011. The portfolio is managed by Mel Meltzer and Charolyn Pedlar at Platinum Portfolios (Pty) Ltd. They have managed the portfolio since launch and have a combined experience of almost 60 years.

### **Flexible mandate allowing us to find the best investments regardless of asset class or geography**

The Platinum BCI Worldwide Flexible Fund can invest in a wide range of asset classes, including equities, fixed income, property and money market instruments, and the portfolio has the maximum flexibility to vary investments between local and offshore asset classes. *"Platinum's primary focus is to own good businesses anywhere in the world. We prefer companies with strong brands that have a durable competitive advantage, sustainable debt levels, strong free cash flow and a growing dividend"*, said Mel Meltzer, *"We aim to buy these companies at a discount to fair value and hold them for the long term"*.

### **Risk is top of mind**

*"As with all Platinum's portfolios, risk is top of mind. To produce good risk-adjusted returns in the portfolio, we focus on two main areas, which are process and quality. Firstly, we operate a systematic and disciplined investment process. This process has been developed and tested over many years. Secondly Platinum's stock-selection methodology focuses on finding the quality companies that we prefer to invest in"*, said Charolyn Pedlar.

The portfolio currently has 70% of its investments offshore and a large portion of the local investments are in fixed income instruments, which are providing the portfolio with returns

around 8% per annum with considerably less risk than local equities. Over the next few years, investment returns will ultimately be driven by our stock selection process. "As long-term investors, we do not buy companies based on how they are going to perform in the next six or twelve months. Having a longer-term view allows us to buy companies based on their fundamentals and wait out periods where markets might be mispricing them", added Mel Meltzer. "Looking forward, the portfolio has an exposure to what we consider to be quality multi-national companies that provide our investors with geographic diversification and a built-in currency hedge". Charolyn Pedlar believes the fund should provide clients with a good real return for those who remain invested during the next five years. She cautions that the volatility going forward will be high and that investors will have to focus on the quality businesses held by the fund, instead of the behaviour of the market.

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