

Asset Management in South Africa 2020

The Lie of the Land

OVERVIEW & METHODOLOGY

South Africa faces economic, societal, and political difficulties and uncertainties. However, Africa's second-largest economy has potential. Its equity, insurance, and credit markets are well developed. Its legal system and financial regulation are well regarded, and it has a young population and an expanding middle class. It has a large pool of domestic investors, the economy is diversified, and the people are entrepreneurial. In light of this, Cerulli examined South Africa's asset management industry.

We surveyed and interviewed leading asset managers and consultants and analyzed the data to identify the opportunities and the challenges. Our research covers the institutional and retail markets, determining which asset classes, products, and strategies are in demand and which are losing favor. And, importantly, we analyze what the future holds in terms of demand. We explore why passive investing has been relatively slow to gain marketshare and why supporters of exchange-traded funds (ETFs) are optimistic. With environmental, social, and governance (ESG) investing gaining traction in South Africa, we consider the key drivers and the likely evolution of responsible investment.

USE THIS REPORT TO

- Gain insight into shifts within the institutional market in South Africa
- Explore how ESG is gaining significance in both the retail and institutional markets
- Uncover the benefits that foreign managers have when it comes to country-specific risks
- Understand the outlook on fee pressure and consolidation of funds and managers

QUESTIONS ANSWERED

- Which channels are most successful in raising assets from South African institutional and retail clients?
- How are the country's retail and institutional markets evolving?
- How is demand for ETFs expected to develop in South Africa?
- Which asset classes, products, and strategies are most in demand from local investors and how is this likely to change over the next 12 months?
- What factors are shaping the ESG landscape in South Africa and what is the outlook for responsible investing in the country?



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- Key findings
- Analyst support

Exhibit 1.04

Asset Managers: The Importance of Various Factors to White-Labeling Relationships, 2020

Source: Cerulli Associates

Analyst Note: Asset managers were asked how important they think selected components of white-labeling/subadvisory relationships are.

Very important Somewhat important Not important

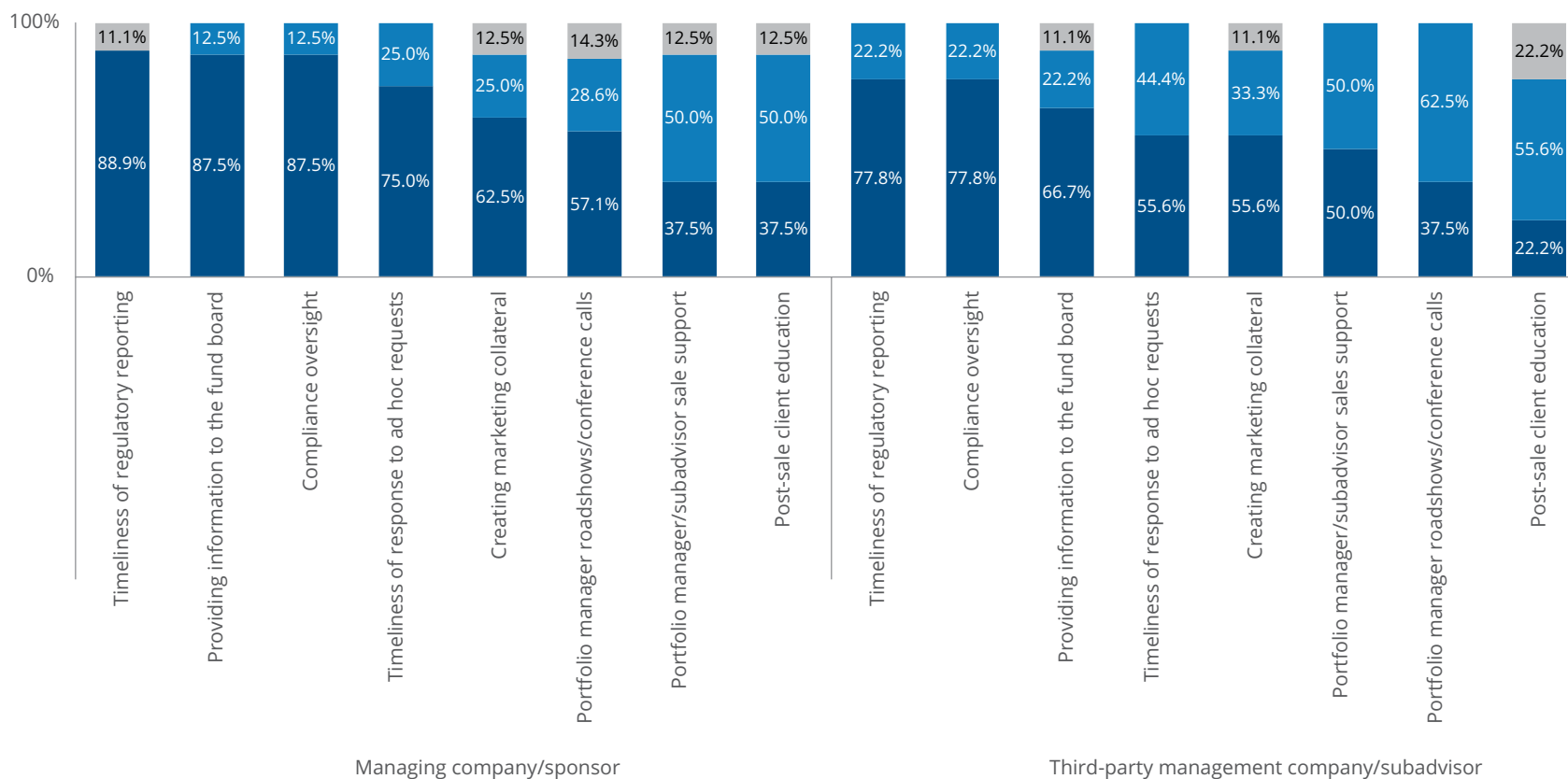


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