



Investment  
Solutions

WITH CONFIDENCE

# EVOLUTION OF ASSET MANAGEMENT IN SOUTH AFRICA

Presentation to ASSA Sessional

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2 & 3 December 2015

# FAIS

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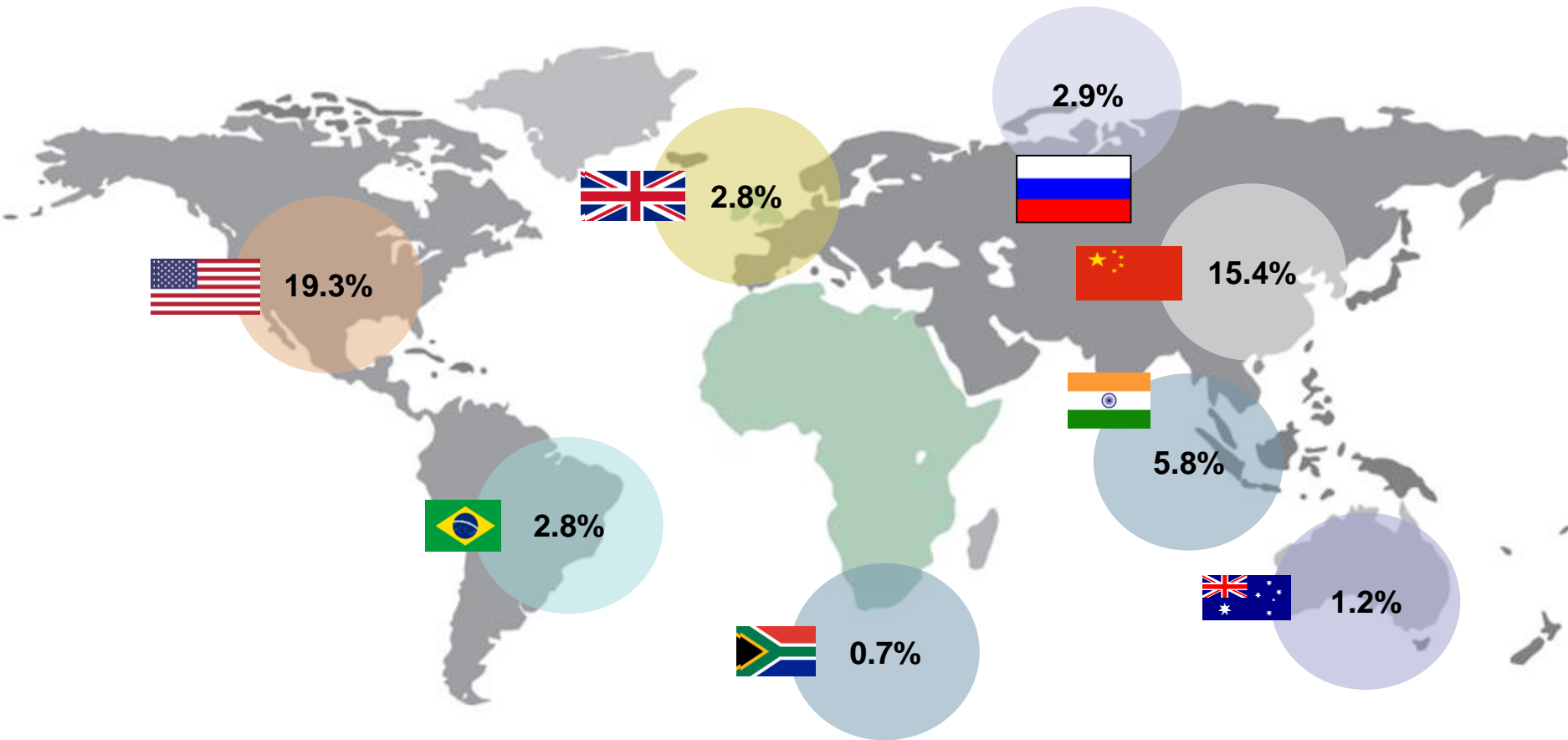
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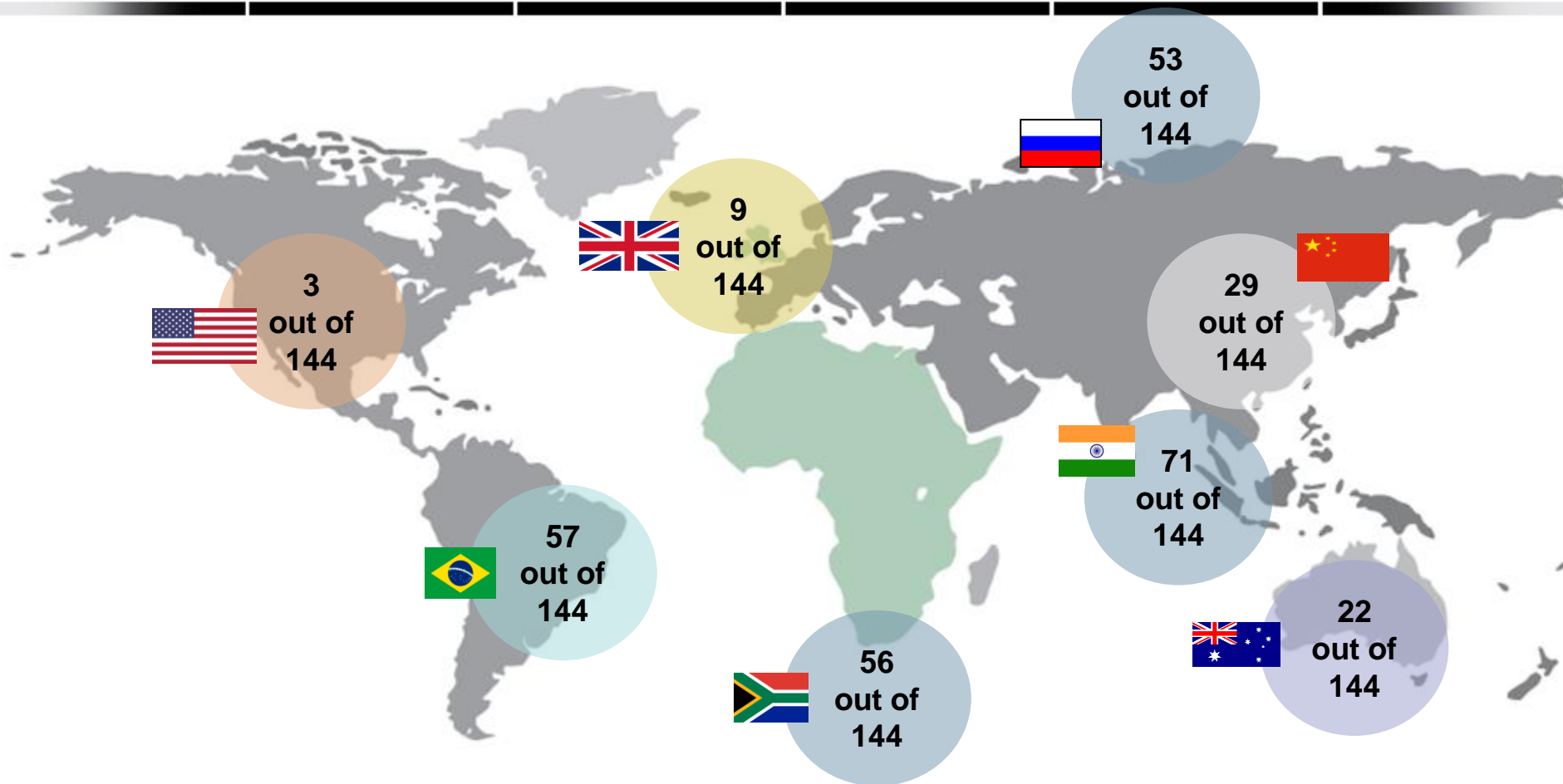
# GDP

A minnow on the world stage



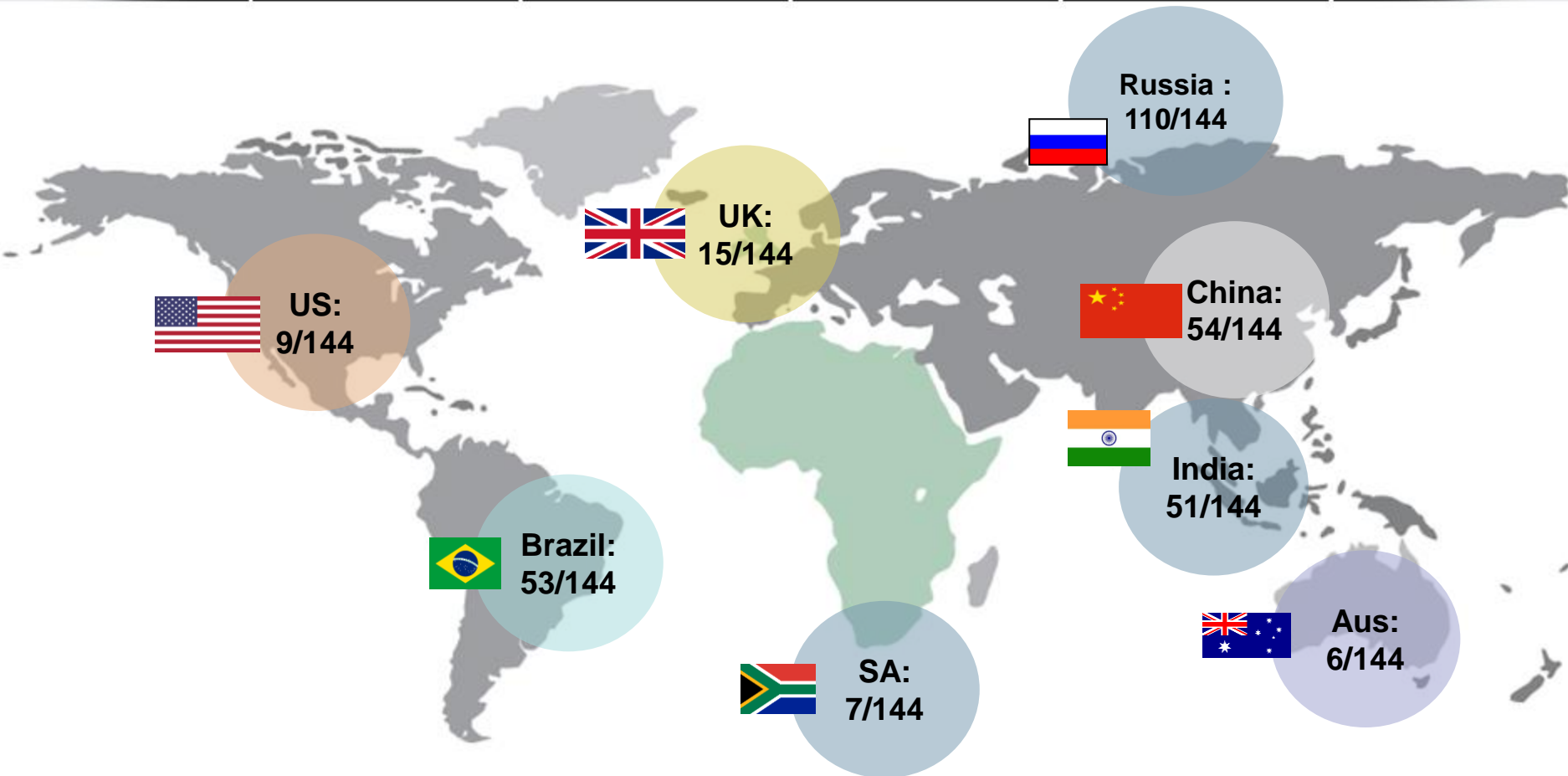
# Global Competitiveness

Middle of the road



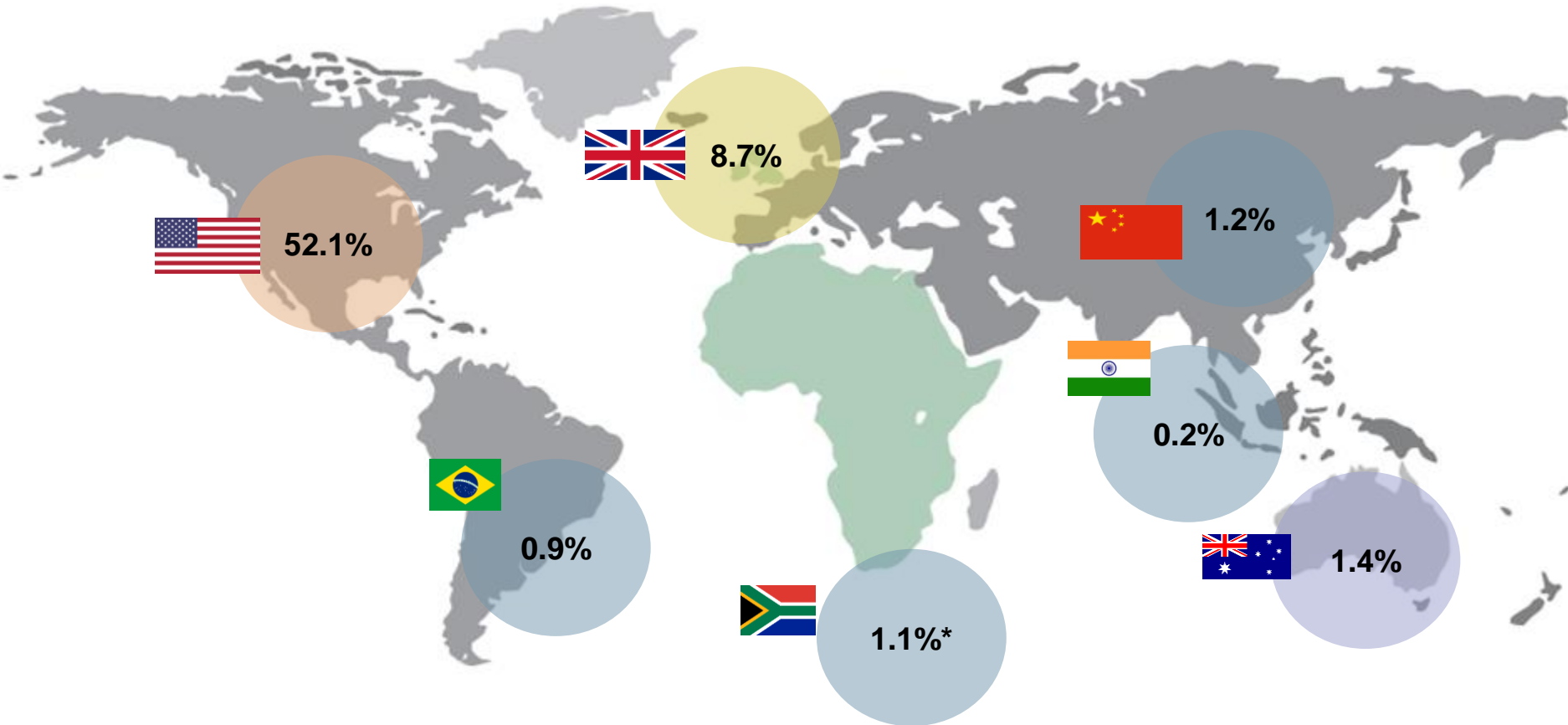
# Financial Market Development

A world class industry



# Assets under management

Proportion of global assets under management



Source: The World's 500 Largest Asset Managers year ended 2014, Towers Watson

\*Includes Old Mutual which is classified as a UK company in the survey

# Top 500 asset managers

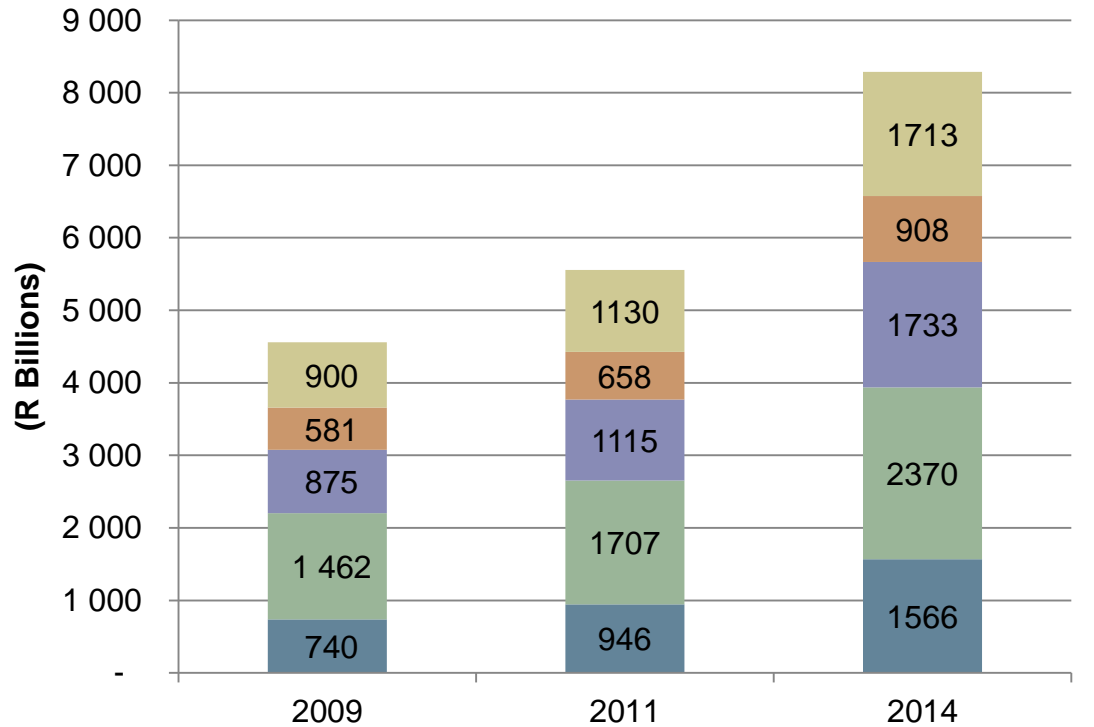
SA(9), Brazil(8), India(6), China(31)





# Industry assets

As at end of December 2014

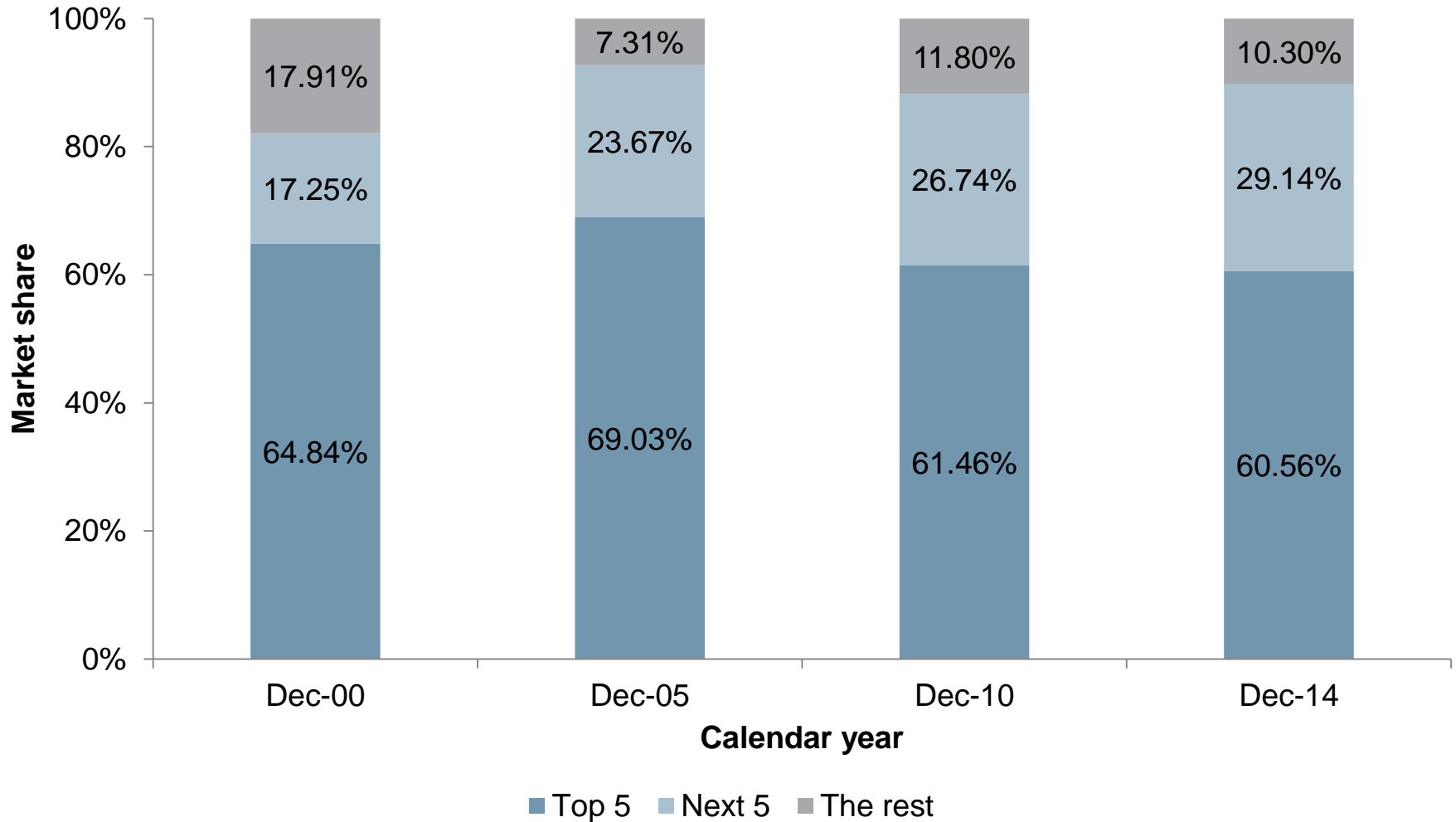


■ Official pension and provident funds
 ■ Private pension and provident funds  
■ PIC
 ■ Long-term insurers  
■ Unit trusts

(Rbn)	1 year	3 years	5 years
Unit trusts	8%	18%	16%
LT insurers	8%	12%	10%
Private pensions	8%	11%	9%
Official pensions funds	11%	15%	14%
PIC	11%	16%	15%

# Top 10 versus the rest

Concentration in SA investment management industry



# Largest asset managers

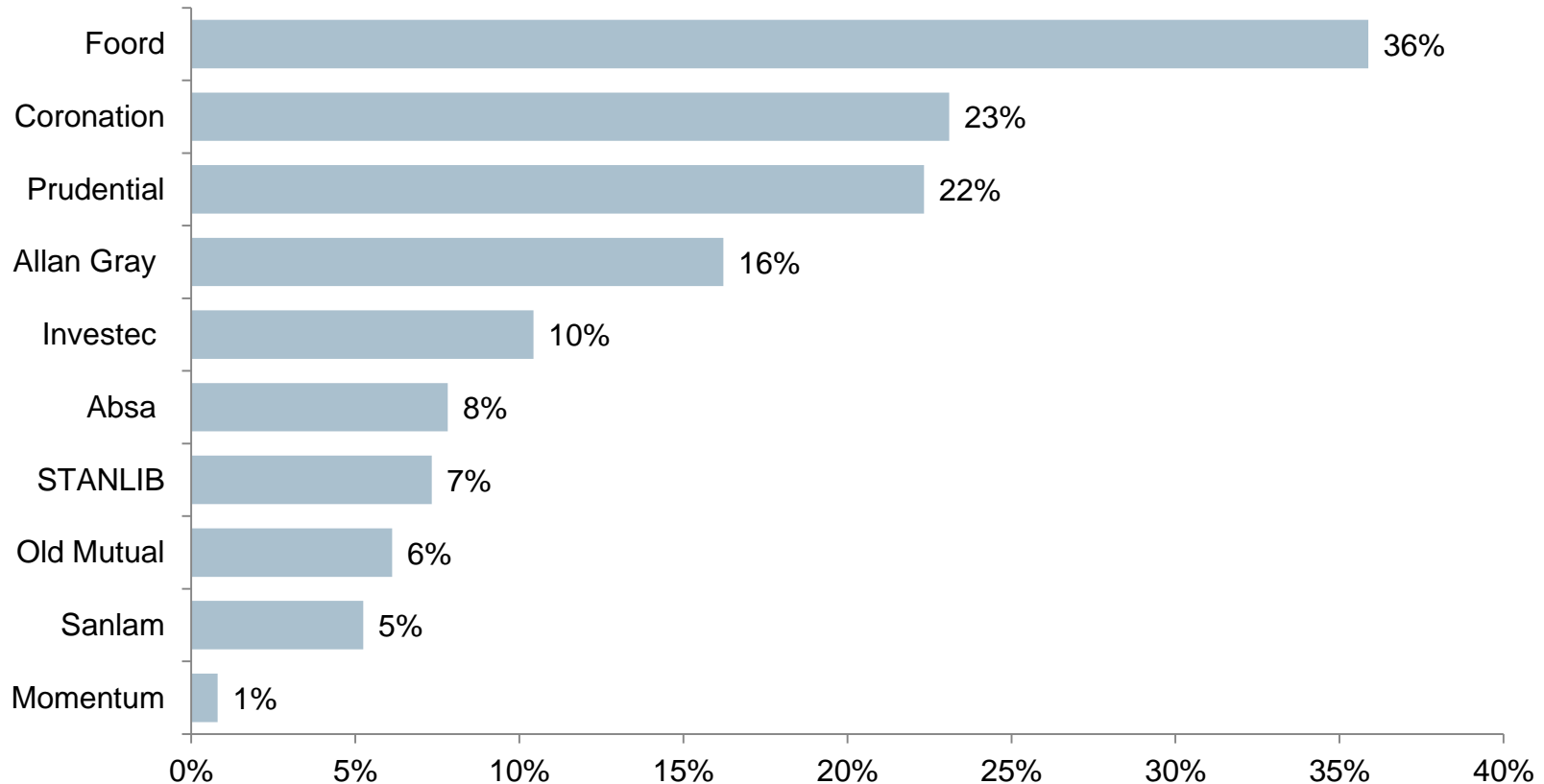
Changes over time

Position	Dec 2000	Dec 2005	Dec 2010	Dec 2014
1	OLD MUTUAL	OLD MUTUAL	OLD MUTUAL	CORONATION
2	GENSEC	SANLAM	SANLAM	OLD MUTUAL
3	LIBERTY	STANLIB	STANLIB	SANLAM
4	RMB	RMB	ALLAN GRAY	ALLAN GRAY
5	INVESTEC	INVESTEC	INVESTEC	INVESTEC
6	CORONATION	ALLAN GRAY	CORONATION	STANLIB
7	FEDSURE	CORONATION	RMB	MMI
8	SCMB	METROPOLITAN	ABSA	PRUDENTIAL
9	METROPOLITAN	ABVEST	PRUDENTIAL	FOORD
10	FTNIB	PRUDENTIAL	PRESCIENT	ABSA

# Asset growth

Independent firms lead the way

**Top 10 asset managers as at end Dec 2014 (and their growth over the past 10 years)**



# Critical developments

## Evolution of investment management

### Commodities

- Growing wealth
- Immigration
- Estates, trusts
- Pensions

### Financial Market Development

- JSE
- Stock brokers
- Banks
- Pensions

### Policy & Politics

- PIC
- Labour relations
- Isolation

### Independents

- Asset management as a business

# Critical developments

## Evolution of investment management

### Financial education

- Financial press
- CFA
- Training

### Allocators of capital

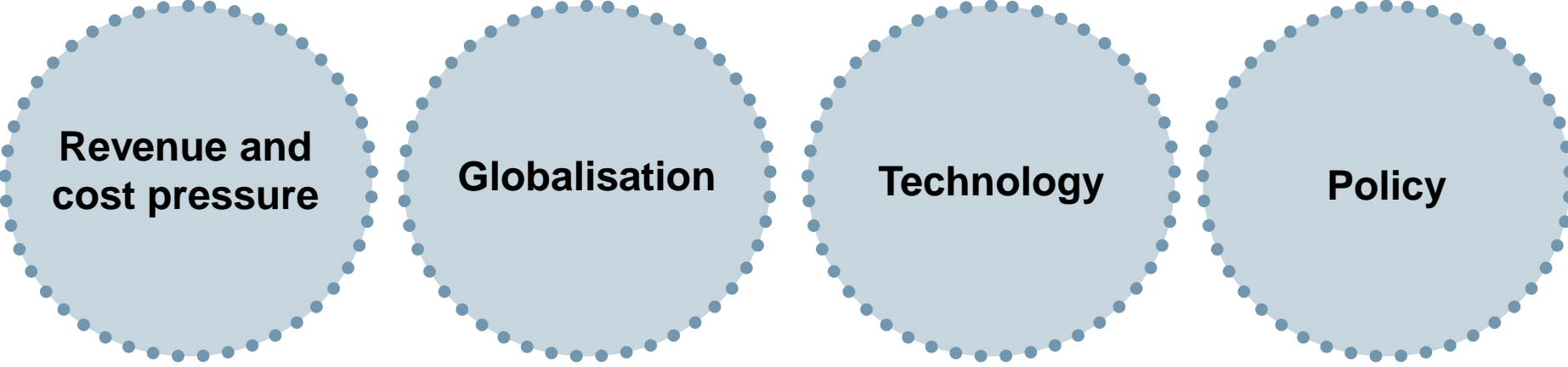
- Consultants
- Multi managers
- LISPs
- Umbrella funds

### Client needs

- Retirement reform
- Increasing competition
- Transparency

# Looking forward

Factors that will be critical in shaping the future



**Revenue and  
cost pressure**

**Globalisation**

**Technology**

**Policy**

THANK YOU

**QUESTIONS?**

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