

>> Asset management in South Africa

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Although South Africa is situated, as the name suggests, at the Southern part of Africa, it is by no means to be confused by the general perception of a third world economy. There is in fact a very healthy and consistently developing economy, which displays very mature characteristics in terms of structure, processes, risk management, regulation, transparency, strategy, and most importantly performance of returns on investments and managed assets.

Although it is considered small by European standards, the characteristics and indicators of a strong and healthy growth pattern are quite evident, which makes South Africa a viable and profitable destination to diversify European portfolios into. The total private sector assets under management, with classic fund management companies, is 2.3 trillion rand (230 billion euros). This figure excludes the assets managed by the Public Investment Company (PIC), which manages the Government Pension Fund assets, which is around 720 billion rand assets under management (72 billion euros).

The structure of the local marketplace follows stringent regulatory guidelines and compliance, which is governed by the Financial Services Board (FSB), and as can be expected in any first world economy, the regulatory authority is serious about protecting the investors, and the reputation of the local market.

The overall local market also offers credible third party administration, and is made up of international and local firms, that deploy a range of globally competitive tools and strategies. Most of the major international solution providers have a strong presence here, and a few local development houses that compete actively in this area. The greatest advantage

of the South African based administrators is the ability to provide world class services in a growing economy, which costs substantially less in overhead expenses, and can therefore become a cost effective option for international fund

managers. This will be addressed more comprehensively in the relevant subsection of this report.

Having said that, OTC Conseil is currently publishing a report on the South African Asset Management Arena, and this report will provide an in-depth view of the South African Asset Management industry, its workings, structure, and performance. We will also highlight specific companies in the profile section, which meet the stringent international operating and investment standards, to facilitate the bridging of trade between European and South African concerns ●



Welcome to the land of opportunity.

focus

MARKET SURVEY OF THE ASSET MANAGEMENT ARENA

You will find the summary in its simplified form mentioned below:

Objectives
Executive summary

Introduction

- South Africa economic overview
- Financial markets in South Africa
- Asset Management in South Africa

Regulation

- Financial regulation
- BEE
- From exchange control to prudential regulation

Professional Bodies

- IMASA
- ACI
- LOA
- LISPA
- SIA
- AIMA
- ABSIP

Asset Management

- PIC
- Unit trusts
- Pension funds
- Distribution
- Clientele
- Organisation

Alternative Asset Management

- Size of the market
- Concentration of industry
- Hedge funds characteristics
- Performance
- Turnover of Portfolios
- Available capacity
- Clientele
- Organisation

Fund Services

- Fund administrators: players and services offered
- Prime brokers: players and services offered

Solution providers

- International providers
- Local providers

The report will be completed with 20 company profiles of the most remarkable players, including Asset Managers, Hedge Funds and Fund Administrators.

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