



**Pioneering insight:
Alexforbes annual
retirement fund survey**



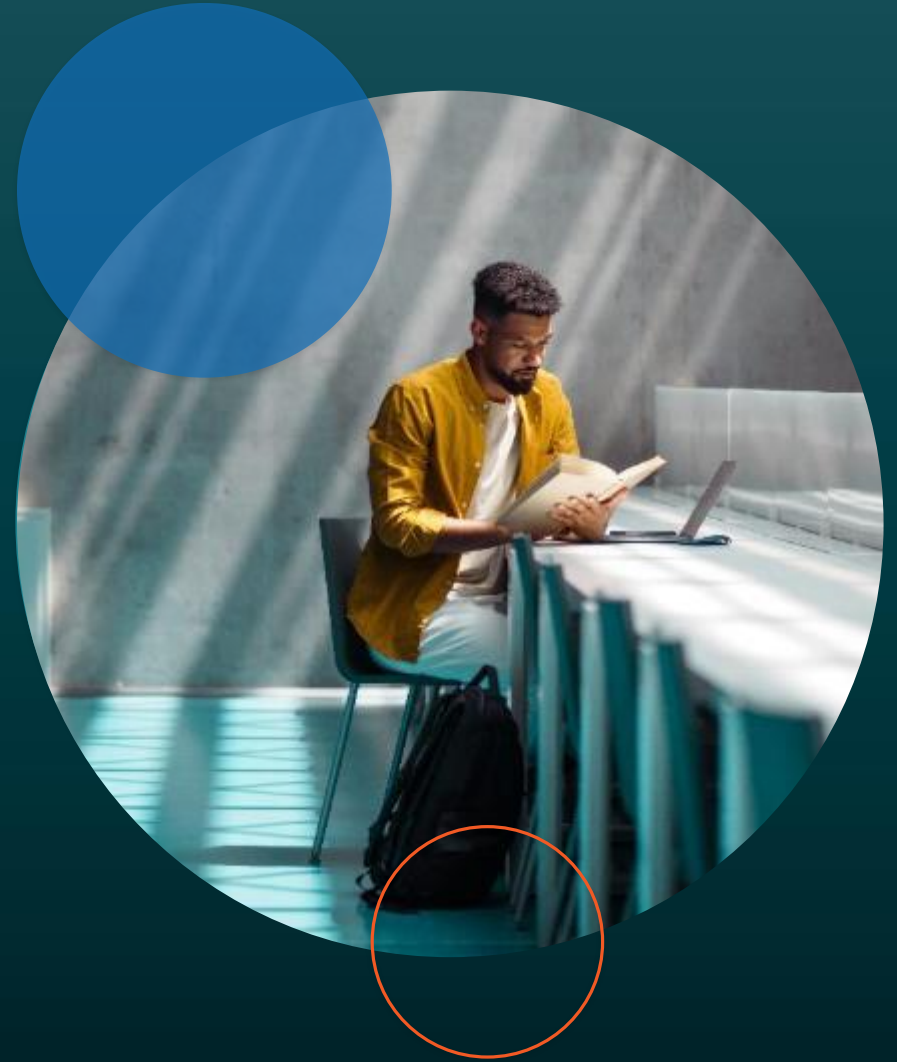


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Executive: Strategy & CX



● Purpose

We pioneer insight to deliver advice and solutions that impact people's lives





Celebrating 25 years of investment impact

Our business celebrates 25 years of pioneering insight, crafting investments solutions and delivering impact to people's lives



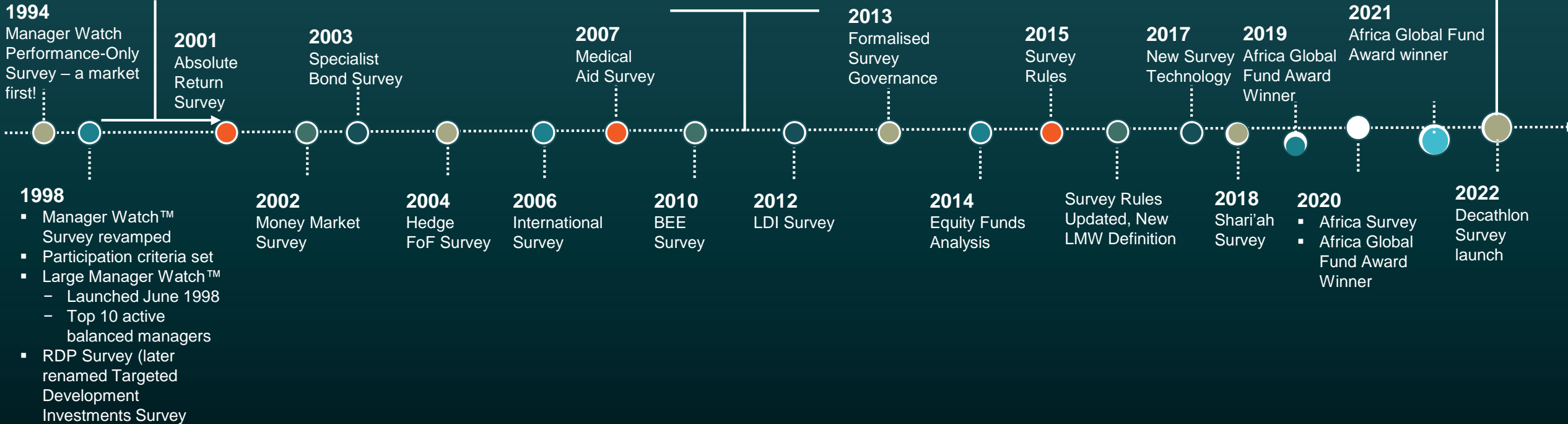
Our commitment to our clients since our establishment in 1997 has made us South Africa's leading provider of multi-manager-based solutions while maintaining a global reach and focus.



Survey history

Enhancements post-1998

- Risk profiling
- SA-only and Global-only portfolios
- Benchmark returns
- Risk-adjusted measures



Asset managers and new strategy entries

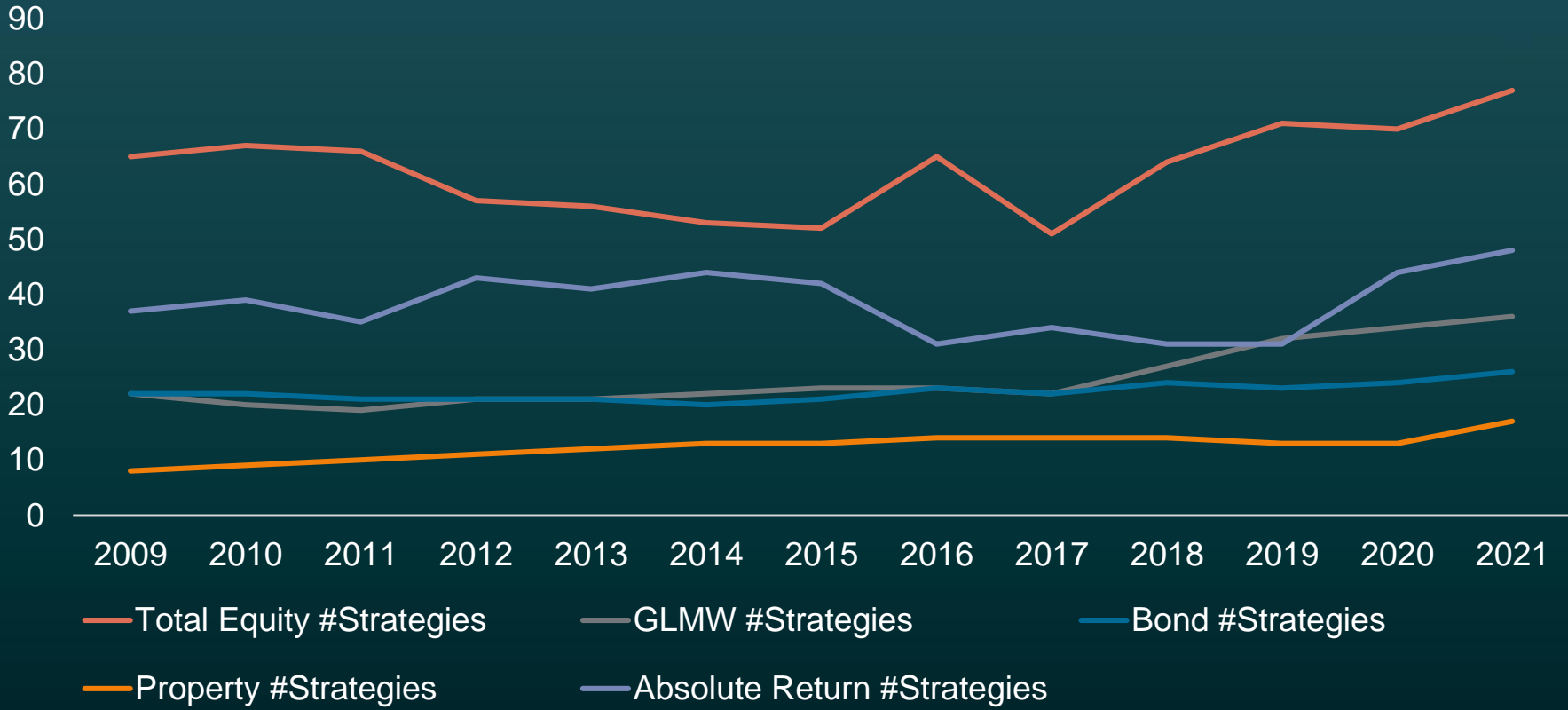


New entrants		
Global BIV (4)	BEE (23)	Multi-Manager (13)
Global Conservative (1)	Bond (4)	Property (4)
SA BIV (1)	Equity (11)	Shari'ah (1)
Absolute Return (4)	Money Market (4)	



Number of participants across surveys

An increase of 2.6% in the number of participants and 13.8% increase in new strategies



Number of participants across surveys

Biggest increase amongst benchmark cognizant strategies – 18.6% for 2021

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non Benchmark Cognizant Strategies	SA Equity Strategies	34	34	37	33	31	28	24	22	21	28	30	27	26
Benchmark Cognizant Equity Strategies		27	29	26	21	22	22	25	41	28	36	41	43	51
Total Equity Strategies		65	67	66	57	56	53	52	65	51	64	71	70	77
GLMW Strategies		22	20	19	21	21	22	23	23	22	27	32	34	36
Specialist Bond Strategies		22	22	21	21	21	20	21	23	22	24	23	24	26
Property Strategies		8	9	10	11	12	13	13	14	14	14	13	13	17
Absolute Return Strategies		37	39	35	43	41	44	42	31	34	31	31	44	48



Top 20 asset managers ranked by AUM



A total of 70% of the top 10 asset managers were rated level 1 contributors, with the remaining 30% of the managers being level 2 contributors

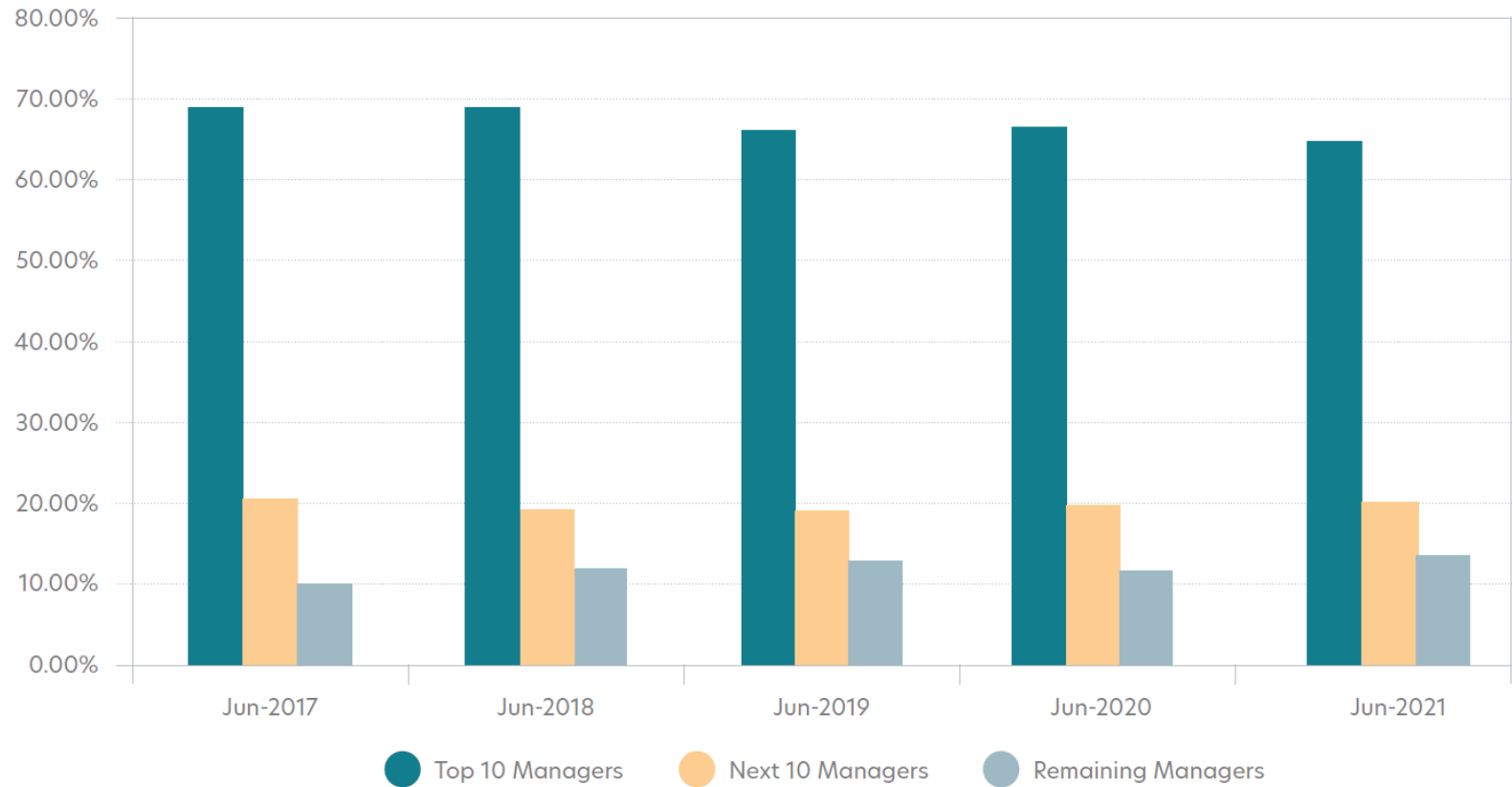
2020 Rank	2021 Rank		Investment Managers	Total AuM (R m)	Total SA Assets	BEE status
2	1	⬆️	Ninety One	690 649	453 208	Level 1
3	2	⬆️	STANLIB AM	652 187	582 316	Level 2
5	3	⬆️	Coronation	540 851	416 538	Level 1
4	4	-	SIM	530 304	498 275	Level 2
6	5	⬆️	Allan Gray	484 869	317 561	Level 1
1	6	⬇️	OMIG	357 594	249 821	Level 1
7	7	-	Alexander Forbes Investments	344 515	253 940	Level 1
8	8	-	Nedgroup Investments	331 661	259 866	Level 1
10	9	⬆️	Taquanta	236 916	221 359	Level 1
9	10	⬇️	Sanlam Multi Managers	229 065	174 463	Level 2
11	11	-	MandG Investments	200 478	181 335	Level 1
12	12	-	Momentum AM	198 656	177 093	Level 1
13	13	-	Futuregrowth	189 452	189 452	Level 2
15	14	⬆️	Momentum MoM	129 301	108 470	Level 1
18	15	⬆️	Old Mutual Multi-Managers	116 787	106 604	Level 1
16	16	-	Foord	106 341	79 677	Level 5
20	17	⬆️	Fairtree Asset Management	104 379	101 784	Level 4
17	18	⬇️	Prescient	103 784	98 041	Level 1
14	19	⬇️	Absa Asset Management	99 880	82 939	Level 2
23	20	⬆️	Ashburton	99 055	86 072	Level 1



Asset distribution to manager size



Percentage of asset distribution by top 10 managers has been gradually decreasing overtime

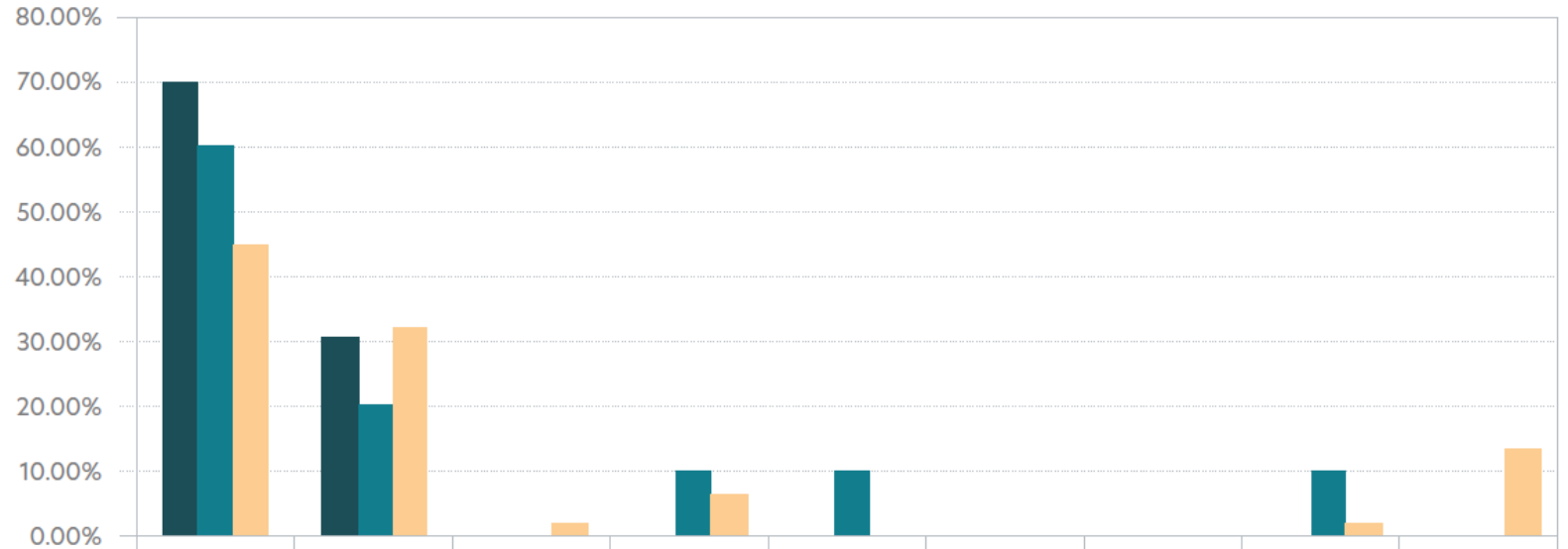




Asset distribution to manager BEE ratings

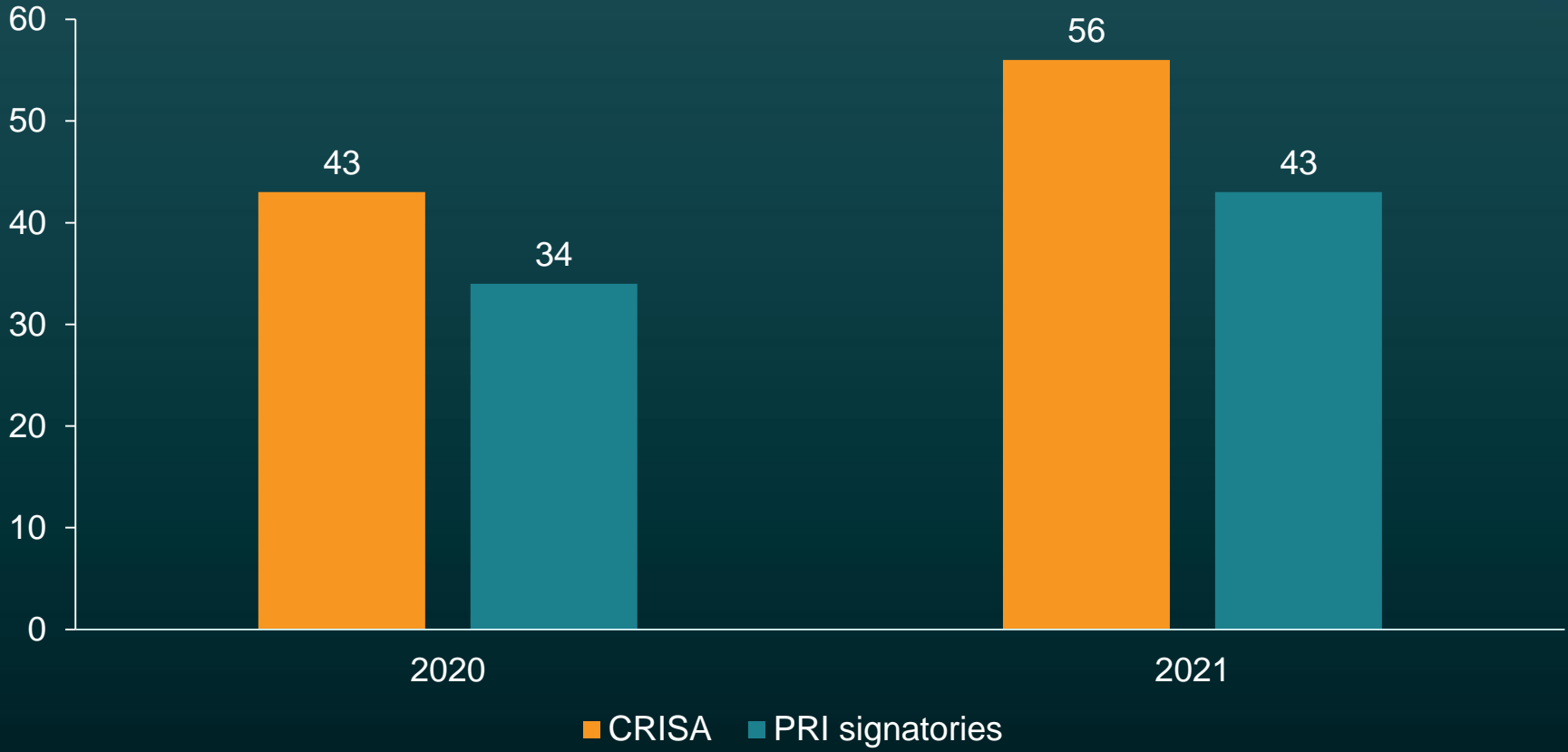


Asset distribution significantly concentrated amongst level 1 contributors.



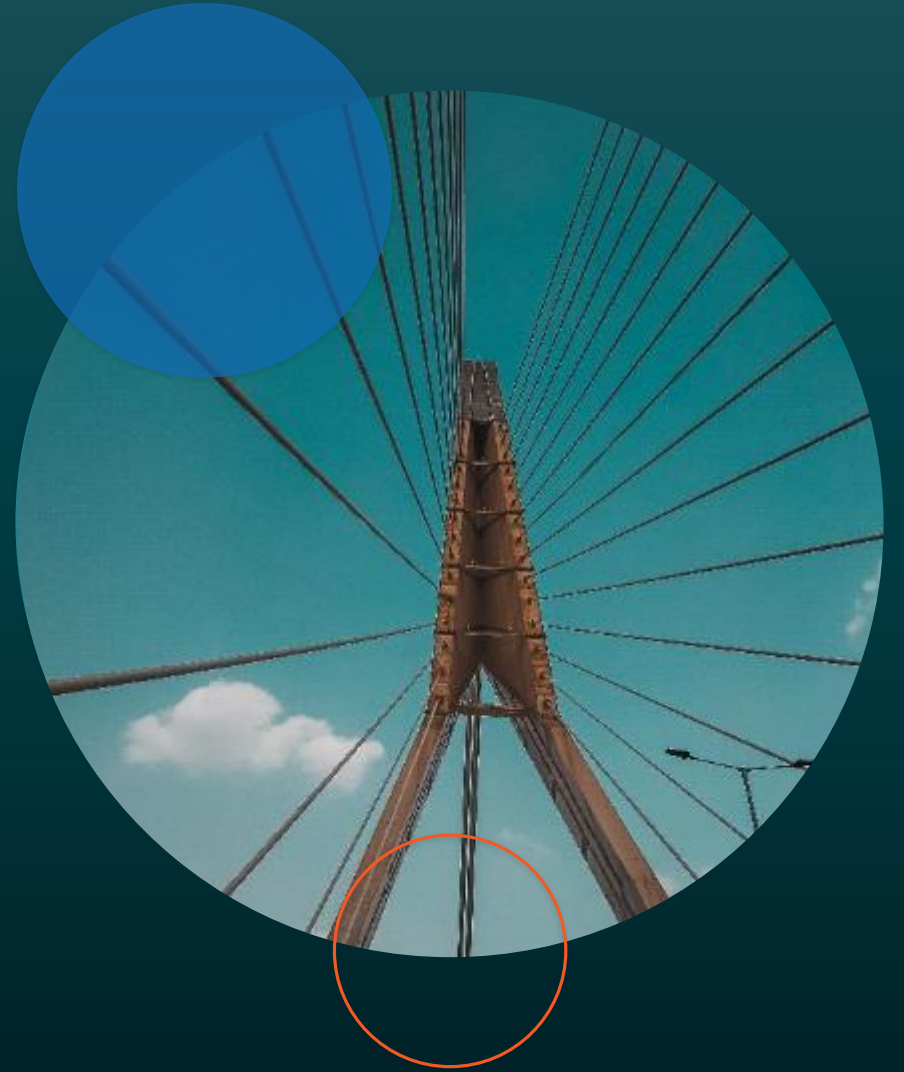
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Unrated
Top 10 Managers	70.00%	30.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Next 10 Managers	60.00%	20.00%	0.00%	10.00%	10.00%	0.00%	0.00%	10.00%	0.00%
Remaining managers	44.23%	32.69%	1.92%	5.77%	0.00%	0.00%	0.00%	1.92%	13.46%

ESG considerations

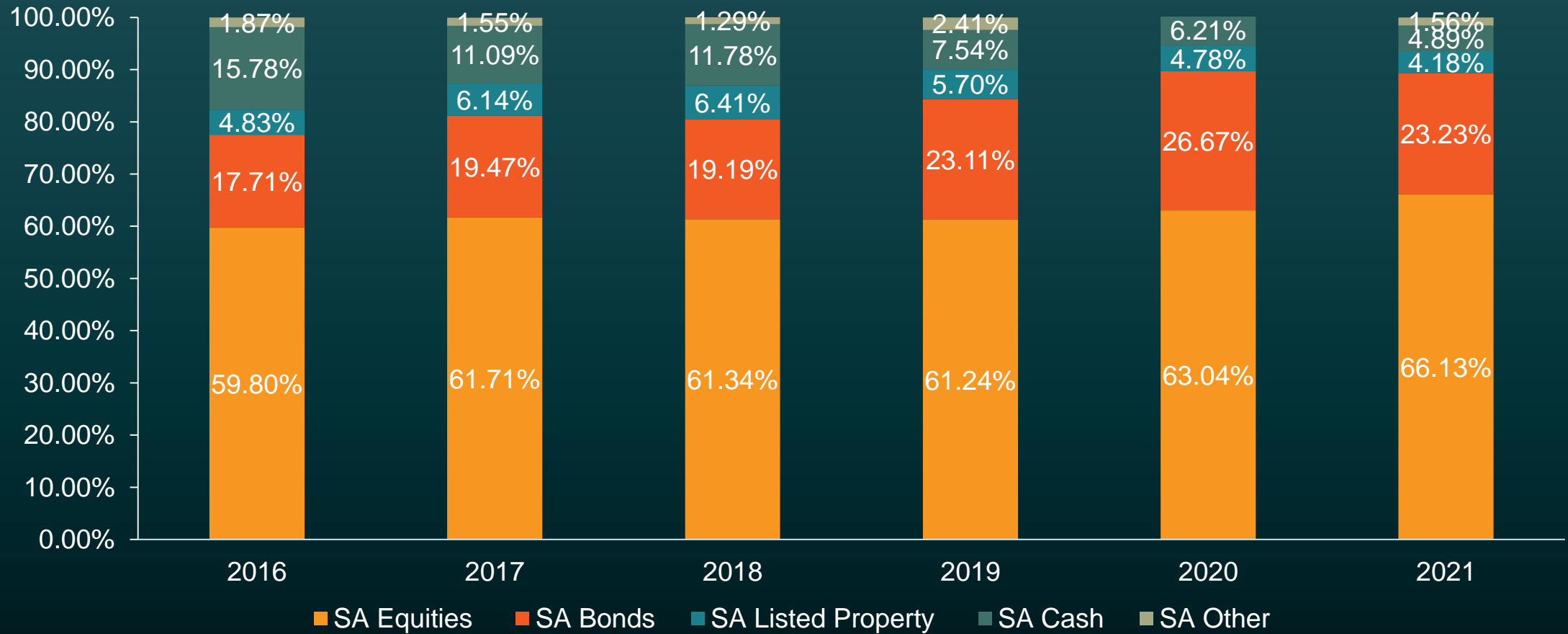




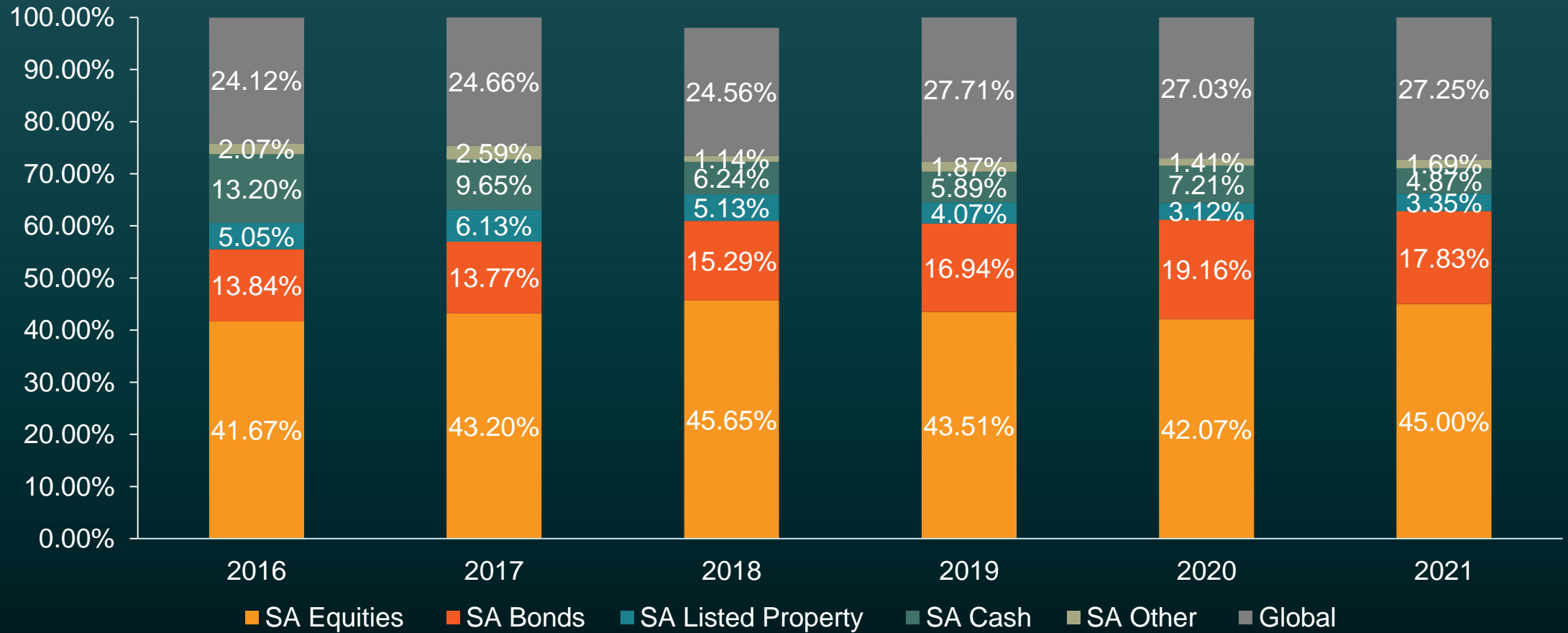
Asset Allocation & Return Dispersions



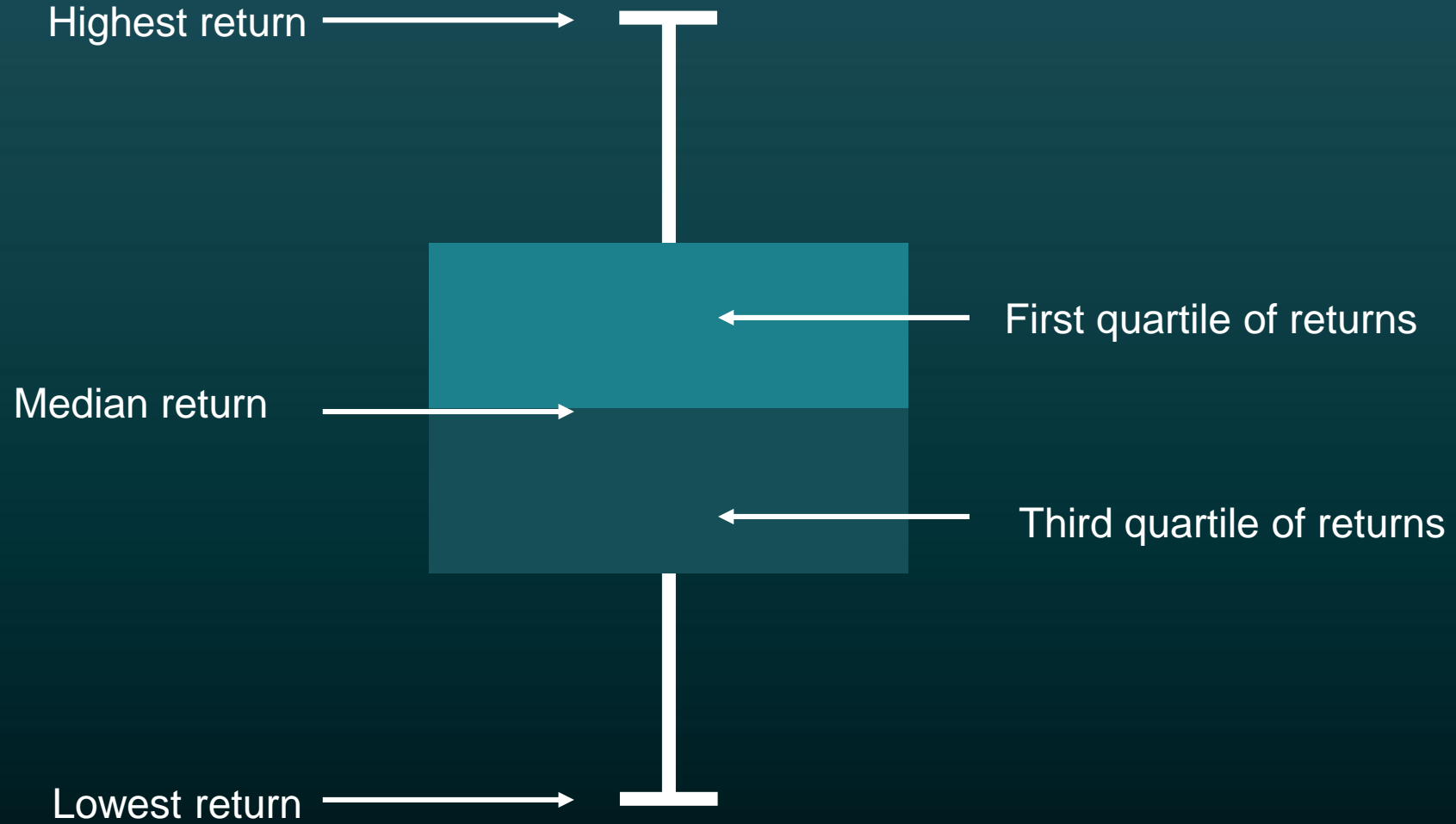
SA BIV asset allocation 31 December 2021



Global BIV asset allocation 31 December 2021



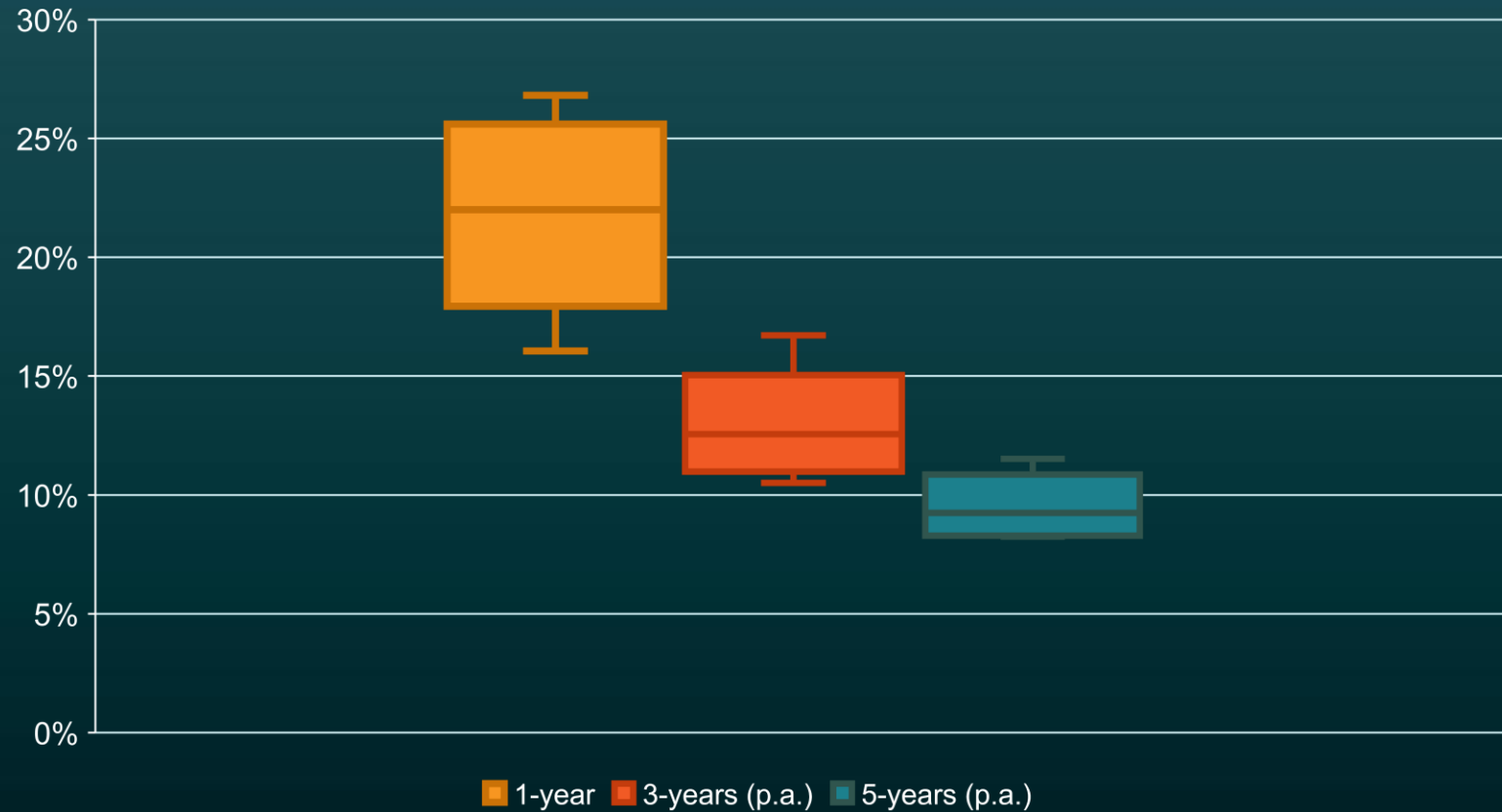
How to interpret a box whisker plot



Dispersions across asset classes 31 December 2021

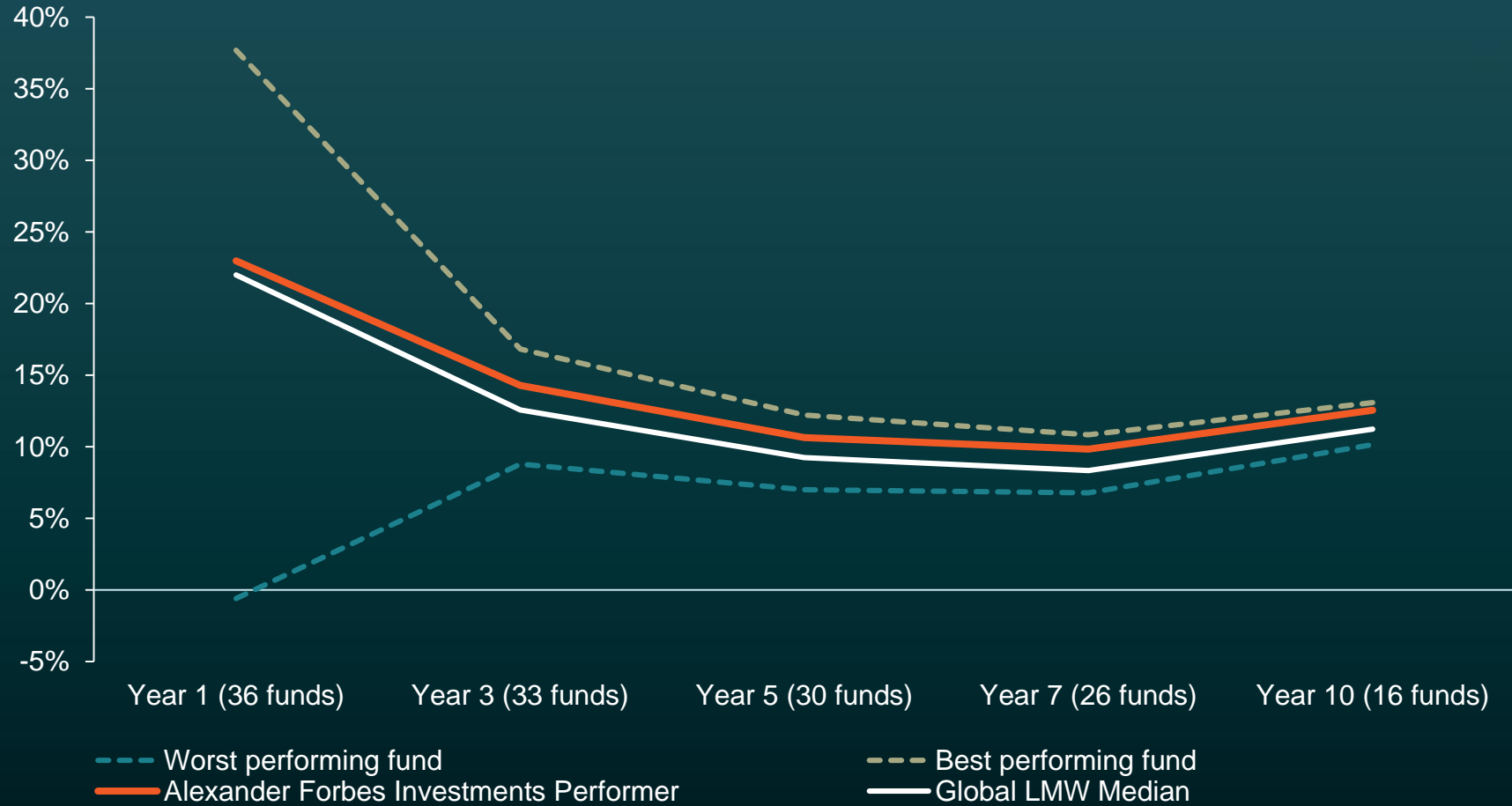


GLMW universe quartile graph at 31 December 2021



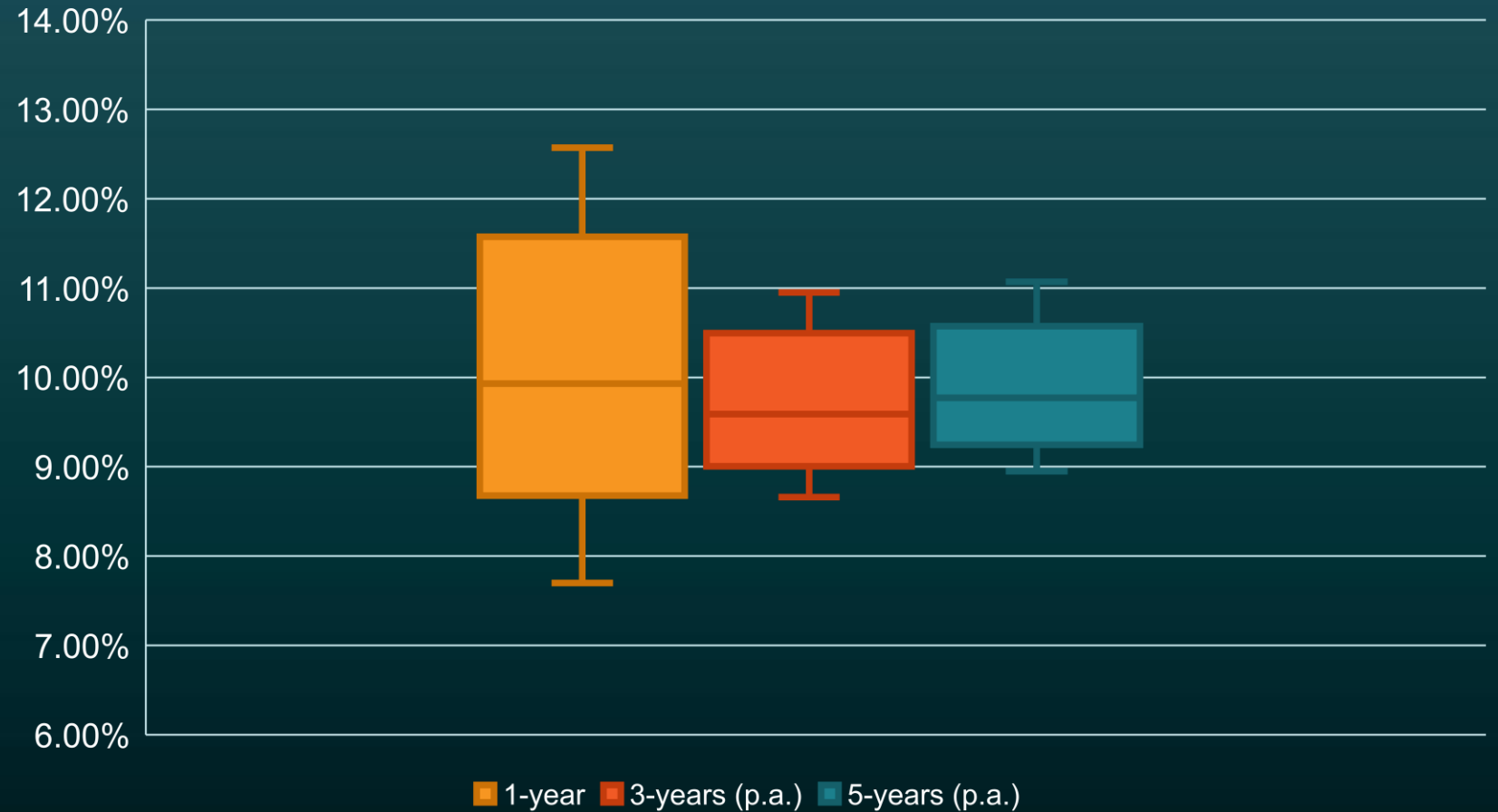
Performance | Competitive, consistent & superior

Global Best Investment View (BIV) returns to end of December 2021



Source: Alexforbes Global Large Manager Watch, December 2021

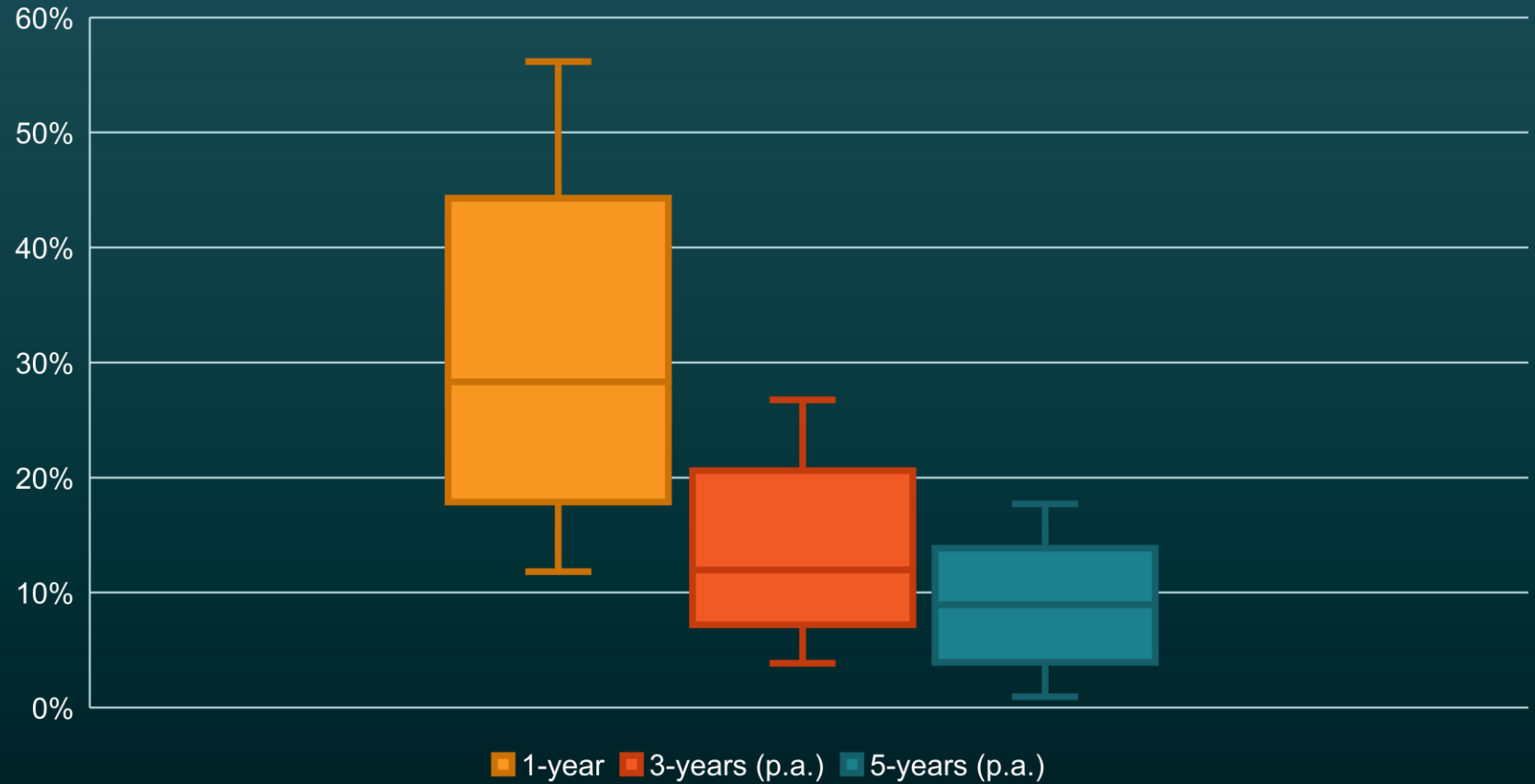
Bond universe quartile graph at 31 December 2021



10 year rolling returns of GLMW median 31 December 2021



Total equity quartile dispersions at 31 December 2021

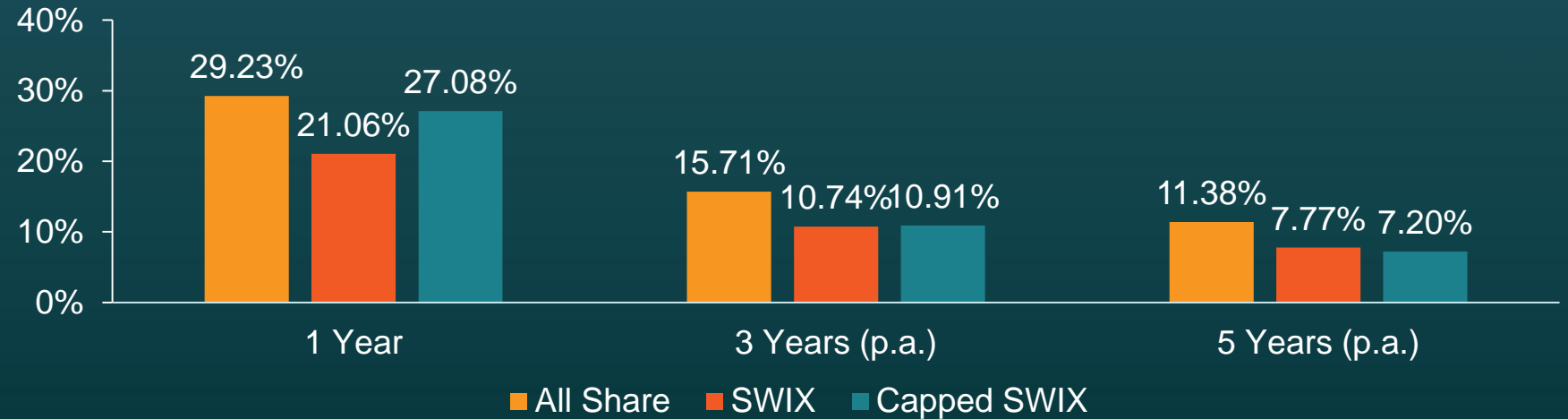


SA Property quartile dispersions at 31 December 2021



Recent returns show a wide dispersion in the market

Increasing use of the Capped SWIX as benchmark of choice



	% of Universe in 2019	% of Universe in 2020	% of Universe in 2021
FTSE/JSE All Share	9.4%	5.7%	5.2%
FTSE/JSE Capped All Share	4.7%	2.9%	5.2%
FTSE/JSE SWIX All Share	31.3%	24.3%	20.8%
FTSE/JSE Capped SWIX ALSI	39.1%	47.1%	52.0%
FTSE/JSE SWIX 40	3.1%	4.3%	3.9%
Other	12.5%	15.7%	13.0%

One-year performance of some BEE managers across surveys



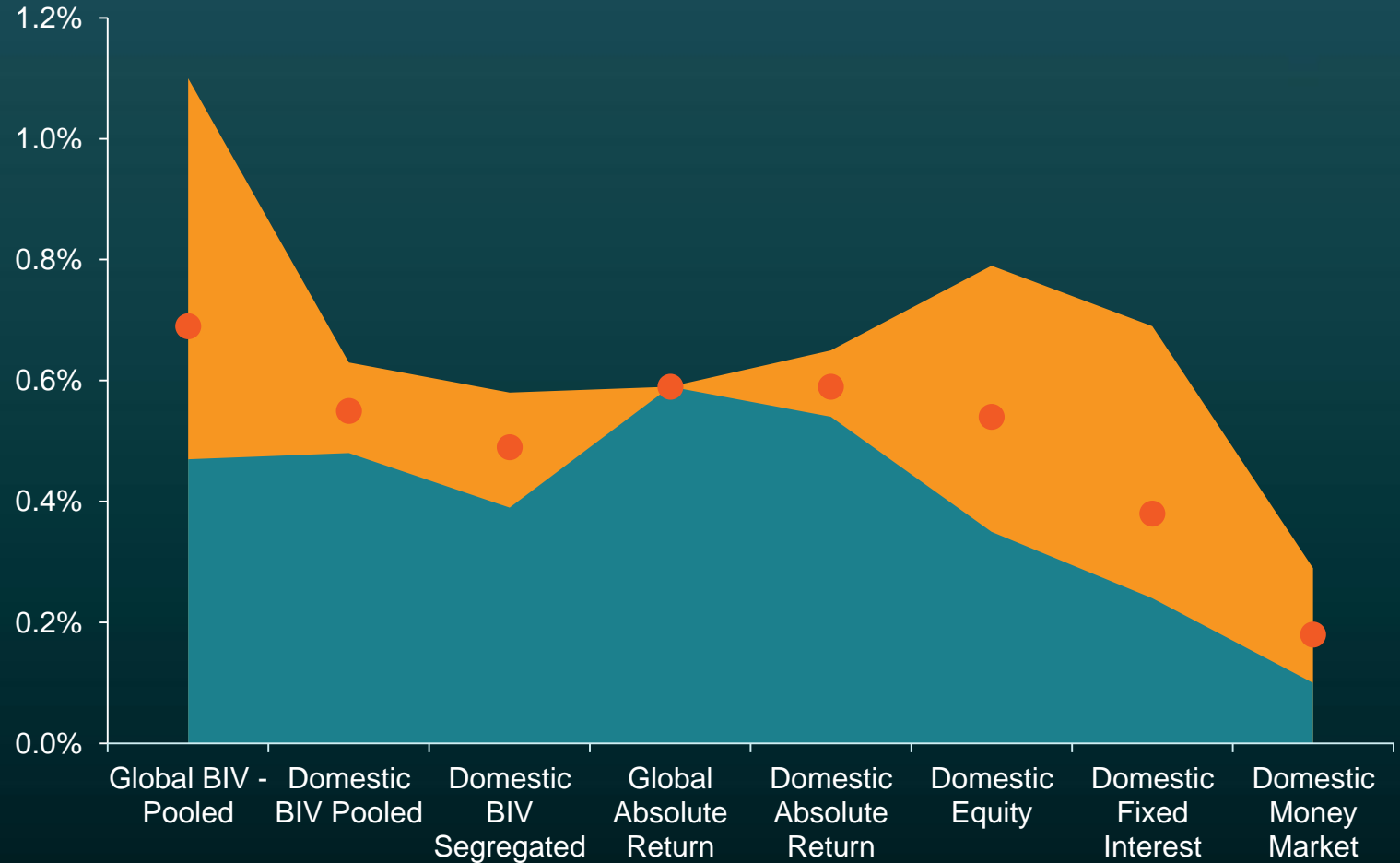
BEE survey participant	Category	Ranking when compared to primary survey
Taquanta Core Cash	Money Market	2 nd among all money market portfolios
Prescient Bond QuantPlus	Specialist Bond	2 nd among all specialist bond portfolios
Prescient Inflation Linked Bond	ILB	1 st among all ILB portfolios
Prescient Flexible Income	Flexible Income	1 st among all flexible income portfolios
Kagiso Balanced Fund	Domestic Balanced BIV	2 nd among all domestic balanced BIV portfolios
Perpetua Global Balanced	Global Balanced BIV	3 rd among all global balanced BIV portfolios



Fees



Maximum, minimum and average fees charged





Other Highlights and Views





Other Highlights: Featured Articles

- **Budget speech 2022 – ESG considerations:** analyses the intersection of economics and the ESG) aspects of the 2022 Budget review
- **Pandemic reveals the importance of a diversified portfolio:** the critical role a well-diversified portfolio solution plays in achieving long-term financial goals.
- **Retirement funds: strategic prudence or speculation – the ESG conundrum:** what role do retirement funds, and by implication retirement fund members play in alleviating the social ills in South Africa today?
- **2022 investment outlook for the global and local economy:** how five companies envisage building a future in South Africa that delivers on growth, inclusivity and sustainability for their clients; how do asset managers transform within, for the outside?
- **Rationale behind the Alexforbes brand refresh**



Influence of the Survey Insights on our Advice and Solutioning

- **Transformation of asset managers is a key imperative for our clients:** clients deeply invested in who is managing the assets of their members
- **ESG issues becoming increasingly important** in choice of asset managers
- **Fee issues continue to dominate:** clients want to know that active management will deliver alpha after fees, otherwise passive allocations will be considered

Forward Looking Views

- Allocation to **majority black-owned managers** will become an imperative
- **Consolidation** of the asset management industry is inevitable, with an expected dominance of black-owned asset managers
- Large existing managers will face **increasing challenge from a lack of transformation and/or responsible investing credentials**
- **ESG considerations and transparency of reporting** will increasingly shift asset manager allocations to those demonstrating active commitment
- The **successful management of offshore allocations** (*quantum, regional and asset class allocations and currency hedging*) will drive asset flows to those most successful in management
- **Global partnerships** will increasingly drive leverage global research and scale



Thank you