

REFINITIV

SOUTH AFRICAN FUND MARKET SUMMARY - H1 2019

Please attribute the content to Detlef Glow, Head of EMEA Research at Lipper and the author of this report.

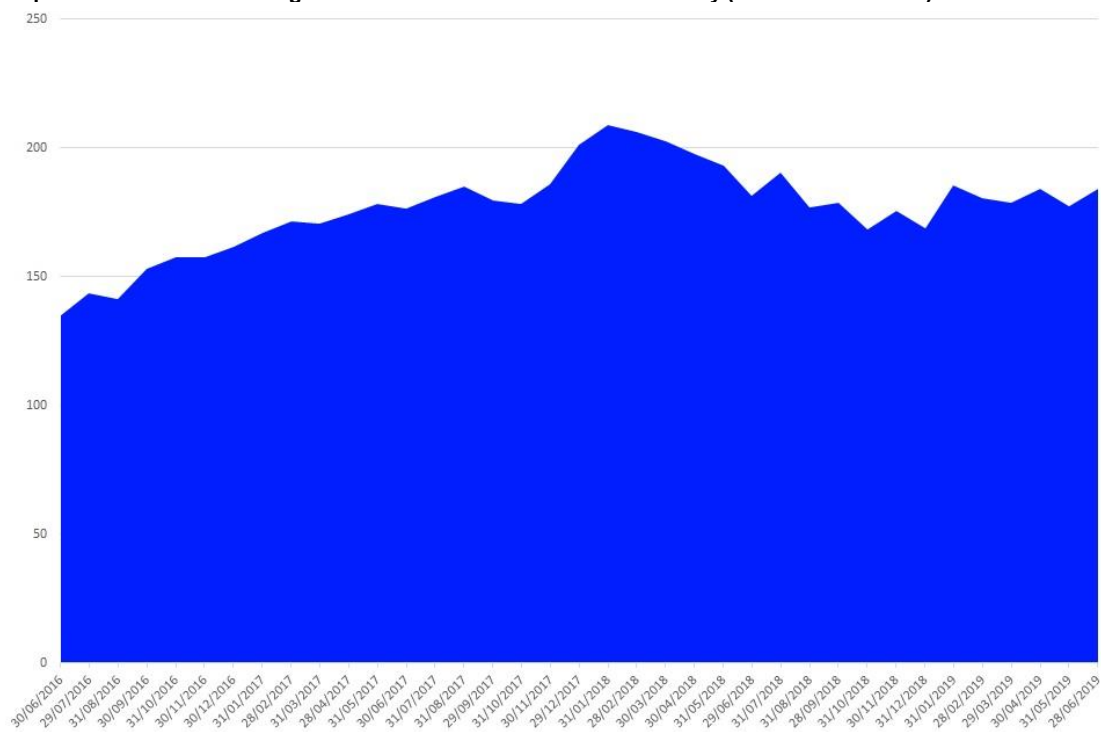
SOUTH AFRICAN FUND MARKET SUMMARY H1 2019

The South African fund industry enjoyed estimated net inflows of \$4.8 bn in H1 2019. These inflows occurred in a volatile but positive market environment driven by discussions about a possible trade war between the U.S. and China, a possible return of the euro crisis caused by developments in Italy and France, and a general economic slowdown with decreasing earnings at the company level. Nevertheless, since the equity markets showed a rebound over the course of H1 2019, one would expect to see net inflows into mutual funds.

Assets Under Management in the South African Fund Industry

The assets under management in the South African fund industry increased from \$168.9 bn to \$184.2 bn in 2019 year to date. This increase was driven by the performance of the underlying markets (+\$10.5 bn), while net sales contributed inflows of \$4.8 bn.

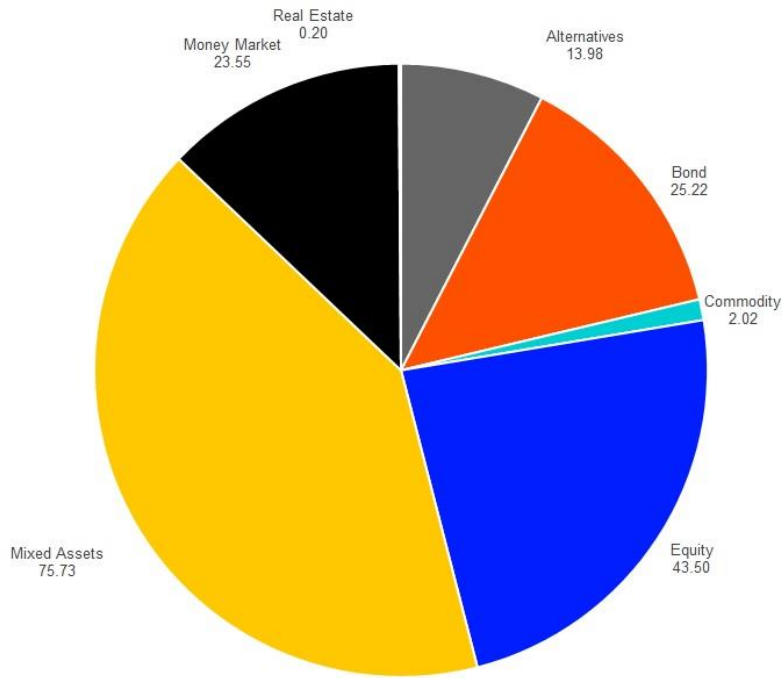
Graph 1: Assets Under Management in the South African Fund Industry (U.S. Dollar Billions)



Source: Lipper from Refinitiv

Mixed-assets funds (\$75.3 bn) were the asset type with the highest assets under management at the end of June 2019, followed by equity funds (\$43.5 bn), bond funds (\$25.2 bn), money market funds (\$23.6 bn), alternative UCITS funds (\$14.0 bn), commodity funds (\$2.0 bn), and real estate funds (\$0.2 bn).

Graph 2: Market Share by Asset Type (June 30, 2019)

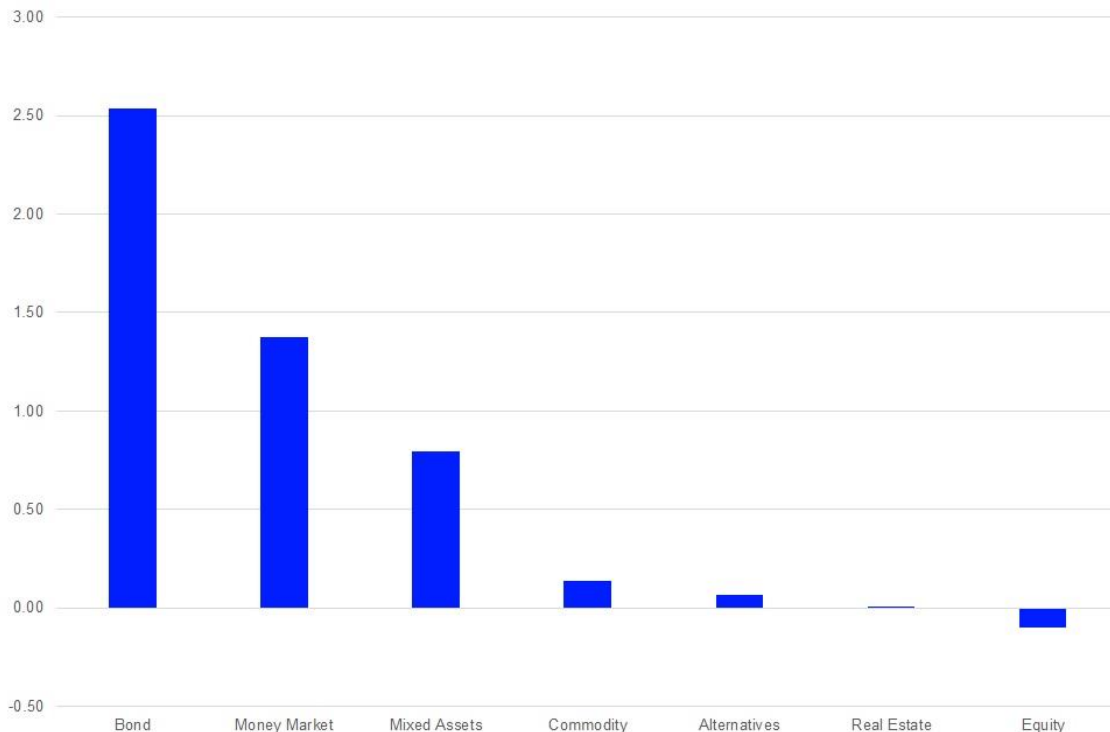


Source: Lipper from Refinitiv

South African Fund Flow Trends H1 2019

Generally speaking, the year 2019 has so far been a tough year, with split results for some asset managers in the South African fund management industry. Nevertheless, the year can be considered as positive as mutual funds (+\$4.8 bn) have enjoyed net inflows.

Graph 3: Estimated Net Sales by Asset Type, H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

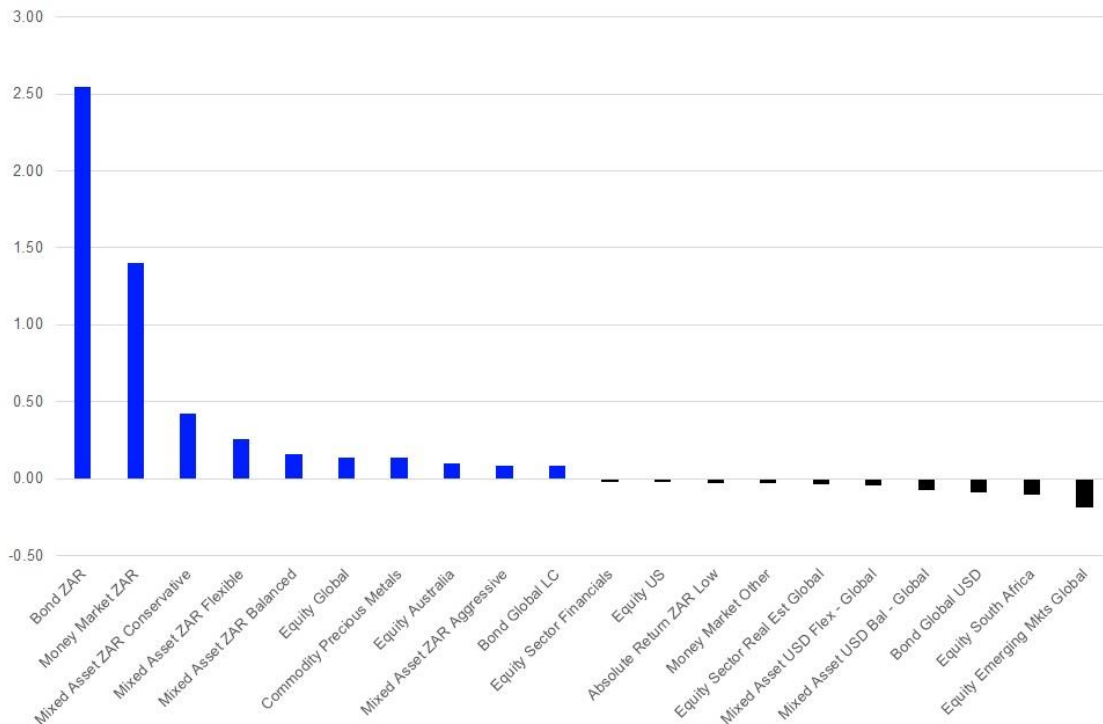
Fund Flows by Asset Type*

A more detailed view by asset type reveals that not all asset types enjoyed inflows in H1 2019. Bond funds (+\$2.5 bn) was the best-selling asset type, followed by money market funds (+\$1.4 bn), mixed-assets funds (+\$0.8 bn), commodity funds (+\$0.1 bn), alternative funds (+\$0.1 bn), and real estate funds (+\$0.01 bn). Conversely, equity funds (-\$0.1 bn) was the only asset type with estimated outflows over the course of the first six months of 2019.

Fund Flows by Sectors*

Bond ZAR (+\$2.5 bn) was the best-selling sector overall, followed by Money Market ZAR (+\$1.4 bn), Mixed Asset ZAR Conservative (+\$0.4 bn), Mixed Asset ZAR Flexible (+\$0.3 bn), and Mixed Asset ZAR Balanced (+\$0.2 bn).

Graph 4: The 10 Best and Worst Selling Sectors for H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

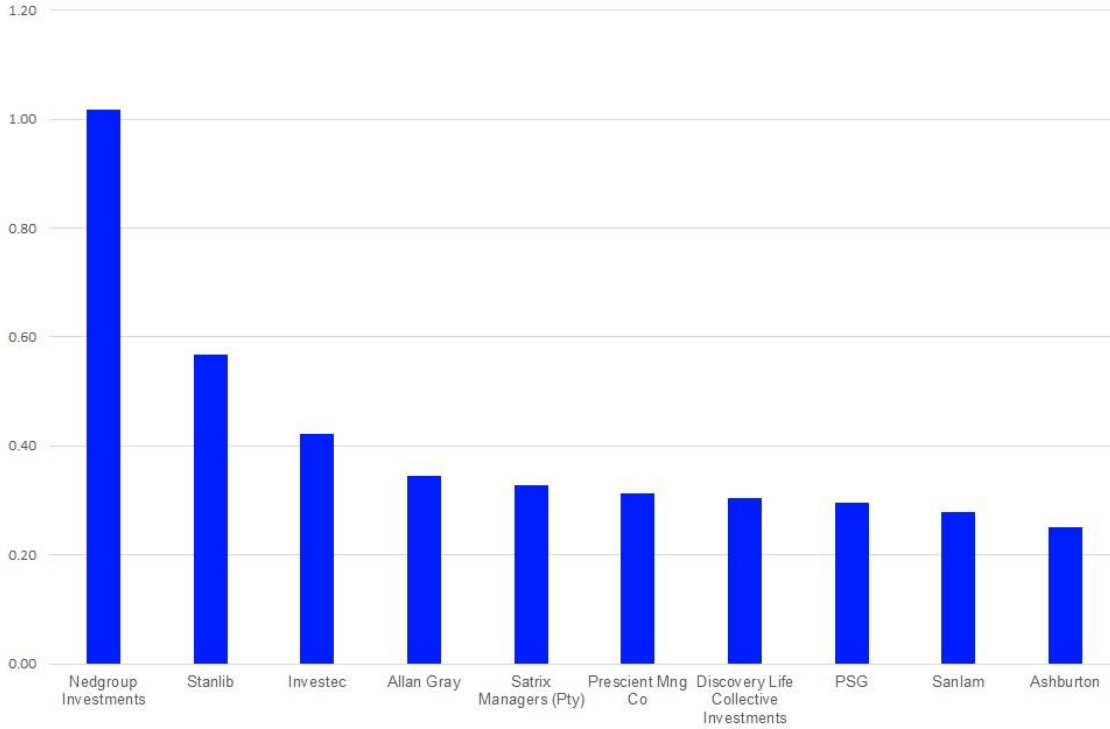
At the other end of the spectrum, Equity Emerging Markets Global (-\$0.2 bn) suffered the highest estimated net outflows overall, bettered by Equity South Africa (-\$0.1 bn), Bond Global USD (-\$0.1 bn), Mixed-Asset USD Balanced Global (-\$0.1 bn), and Mixed Asset USD Flexible Global (-\$0.1 bn).

***Please note that Lipper launched an updated Lipper Global Classification Scheme in May 2019, which caused some shifts with regard to the assets under management and the estimated net flows within the single asset types and/or sectors. Please visit our [website, to learn more about the new Lipper Global Classifications](#).**

Fund Flows by Promoters

Nedgroup Investments, with net sales of \$1.0 bn, was the best-selling fund promoter for H1 2019 overall, well ahead of **Stanlib** (+\$0.6 bn), **Investec** (+\$0.4 bn), **Allan Gray** (+\$0.4 bn), and **Satrix Managers (Pty)** (+\$0.3 bn).

Graph 5: Ten Best Selling Promoters, H1 2019 (U.S. Dollar Billions)



Source: Lipper from Refinitiv

For more information, please contact our Lipper Research Team:

Detlef Glow

Head of Lipper EMEA Research
Phone: +49(69) 75651318
detlef.glow@refinitiv.com

Robert Jenkins

Global Head of Research, Lipper
Phone: +1 (617) 856-1209
robert.jenkins@refinitiv.com

Xav Feng

Head of Lipper Asia Pacific Research
Phone: +886 935577847
xav.feng@refinitiv.com

Otto Christian Kober

Global Head of Methodology, Lipper
Phone: +41 (0)58 306 7594
otto.kober@refinitiv.com

Jake Moeller

Head of Lipper United Kingdom & Ireland
Research
Phone: +44(20) 75423218
jake.moeller@refinitiv.com

Tom Roseen

Head of Research Services
Phone: +1 (303) 357-0556
tom.roseen@refinitiv.com

Media enquiries:

Nsikan Edung
nsikan.edung@refinitiv.com

Lipper U.S. Client Services

+1 877 955 4773
customers.reuters.com/crmcontactus/support.asp

Lipper Europe Client Services

(UK) 0845 600 6777
(Europe) +44207 542 8033
customers.reuters.com/crmcontactus/support.asp

Lipper Asia Client Services

+886 2 2500 4806
customers.reuters.com/crmcontactus/support.asp

<http://lipperalpha.financial.thomsonreuters.com/>

© 2019 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks and trademarks of Refinitiv and its affiliated companies.