

News Release

South African asset managers – at a crossroad?

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Asset managers across the globe are increasingly under fire about the value they deliver for looking after investors' money. Putting traditional asset managers in particular on the spot, these concerns range from their ability to consistently beat their benchmark, to whether fees are appropriate, to the lack of transparency on risk management and other investment processes.

Do these concerns also apply for South African investors? Does this place South African asset managers at a crossroad?

These were among the many questions addressed at last week's conference on the latest trends in the investment industry at Stellenbosch University (SU), jointly hosted by global asset management firm Schroders and Lombard Insurance.

The conference is one element of a partnership between SU and Schroders' Multi-Asset Investments and Portfolio Solutions (MAPS) division. This partnership also provides annual opportunities for graduate students to receive scholarships, to participate in essay competitions judged by industry professionals, and to collaborate on research that both expands academic knowledge and enhances the value of services for investors around the world.

One of the important conclusions from the conference is that the move towards passive asset management, ETFs, and smart betas is likely to continue to place significant pressure on the management fees and business models of the more traditional asset managers. Conference delegates echoed this forecast, voting the shift toward passive management as the key trend that will shape the South African industry going forward.

Schroder Investment Management Limited

31 Gresham Street, London EC2V 7QA

Telephone +44 (0)20 7658 6000

www.schroders.com

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