

# Pensions World<sup>®</sup>

## SOUTH AFRICA

EDITION 26 Q2 2026

### SPECIAL FEATURE: PRIVATE MARKETS

**Beyond the familiar: the quiet reshaping of the pension fund world**

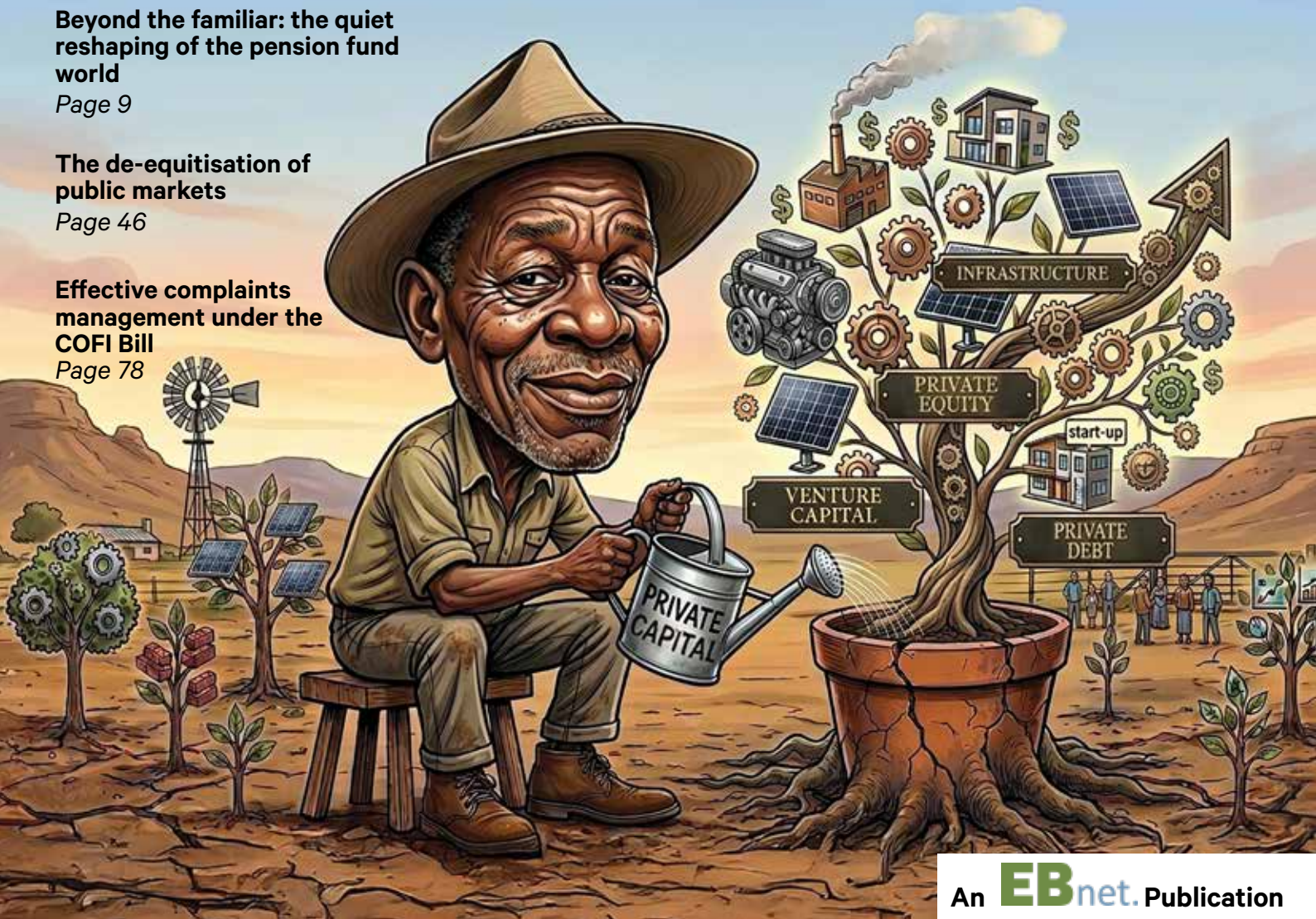
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**Effective complaints management under the COFI Bill**

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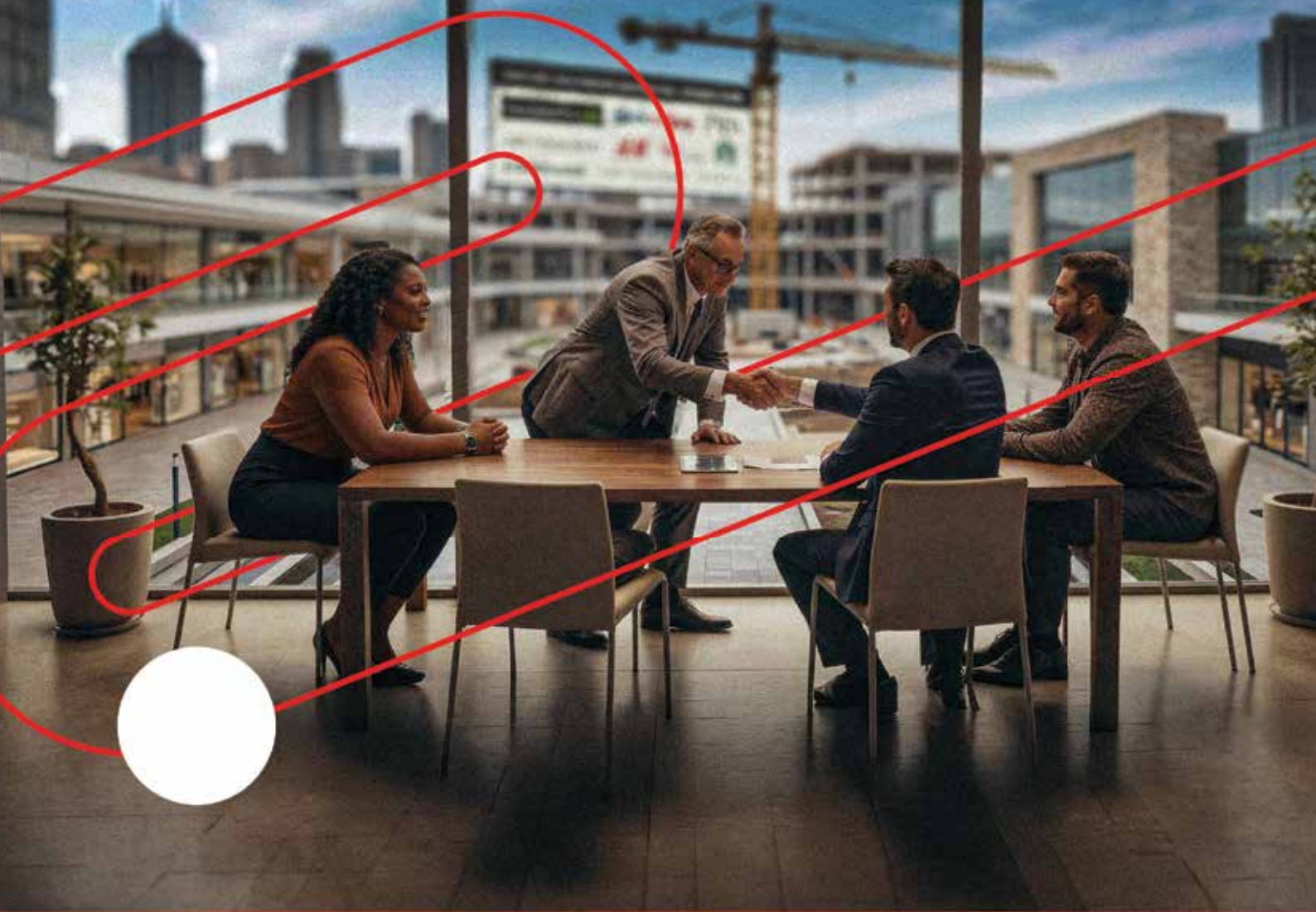
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# CONTACTS

## EDITOR

David Weil

## DESIGNER

Thandeka Mazibuko

## ADVERTISING

Chris Brits

Executive: Industry and Media Relations

083 457 1833

brits@ebnet.co.za

www.pensionsworlds.co.za

## EDITORIAL

David Weil

CEO ICTS Group of companies

082 445 8852

weild@icts.co.za

www.icts.co.za

www.pensionsworldsa.co.za

Nathalie Burrows

Editor EBnet

082 339 2697

burrowsn@ebnet.co.za

www.ebnet.co.za

www.pensionsworldsa.co.za

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# EDITORS' COMMENT



**David Weil**  
CEO ICTS Group of Companies



*This quarter's edition arrives at a time when South Africa's retirement industry is being subtly but decisively reshaped, accelerated by the changing global geopolitics and macroeconomics. The familiar anchors of listed markets and conventional benefit structures remain, but the real momentum lies in how funds are rethinking benefits, governance and their role in the real economy.*

At the centre of this issue is a recognition that the status quo is no longer sufficient. The “quiet reshaping” of the pension fund world invites us to look beyond marginal tweaks and interrogate whether our funds are genuinely fit for a more complex, more volatile environment. Alongside it, the examination of consolidation, governance and behaviour in the retirement industry reminds us that structure, oversight and conduct matter as much as returns when members judge whether the system is working for them.

Running through this quarter's edition is a special focus on private markets, reflecting how strategically important this opportunity has become for retirement funds. Long-term institutional capital and private markets are now deeply

interdependent: retirement funds are able to provide the patient capital that allows private assets to function. And private strategies, in turn, open investment opportunities into environmentally and socially meaningful companies not listed in public markets. The Special Supplement shares real world examples of how infrastructure, private credit and real-economy equity can deliver meaningful returns while financing the energy transition, infrastructure and job-creating businesses.

The call to action is clear. Asset owners need to ask more of their advisors and partners – on transparency, reporting quality, valuation discipline, fair fees and alignment of interests – while also recognising that this is an asset class that only works if capital is committed at scale and with patience. On the other side, managers must treat retirement funds not as counterparties to be optimised against, but as long-term partners whose fiduciary obligations shape how mandates are designed and executed.

As you move through this issue, I invite you to view every article – from governance and Regulation 28 implementation to impact-focused township investing – through that partnership lens. The question for each decision maker is no longer whether to engage with private markets, but how to do so in a way that turns member savings into tangible, long-term value in the real economy, while staying true to the promises made to every retiree.



*Time* is the  
greatest gift of all.

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EMPLOYEE

# BENEFITS



# Beyond the familiar: the quiet reshaping of the pension fund world

For many South Africans, a pension fund is understood in simple terms: contributions are paid, assets are invested, and one day those savings or promises provide an income in retirement. At one level, that remains true. But beneath that familiar picture, the pension fund world is being reshaped in important ways.

Trustees today operate in a far more demanding environment than a decade ago. Members face financial pressure long before retirement. Employers are rethinking affordability. Costs matter more. Regulation continues to evolve. Technology is raising expectations. And geopolitical shocks, inflation surprises and market volatility can unsettle confidence quickly. In this context, the role of a pension fund is becoming broader and more human. It is no longer only about preserving a structure, but ensuring it remains relevant to the people it serves.

One of the most important shifts is a move towards understanding members not only as beneficiaries at retirement, but as people on a financial journey. That journey is rarely smooth. It includes first jobs, family responsibilities, financial setbacks, career changes and rising living costs – with important financial decisions made under pressure.

This matters because good retirement outcomes do not begin at retirement. They are shaped over many years by fund design, member support, decisions people make and how well the fund understands member needs at different life stages.

A more member-centred approach is therefore essential. It asks not only whether a fund is well governed and prudently invested, but whether it is helping members navigate the path to long-term security. It asks whether communication is useful, decisions are easier and the structure supports resilience in real life.

At the same time, funds are recognising that understanding members properly requires understanding liabilities properly.

Liabilities may sound technical, but they are simply the promises and future obligations a fund must prepare for. They reflect a basic truth: investing is not an end in itself. It exists to support real people, payments and outcomes over time. The strongest funds are therefore unlikely to focus only on chasing returns. They are more likely to connect investments to liabilities, strategy to purpose, and market decisions to member needs. In uncertain periods, that discipline becomes even more valuable. It helps trustees look through short-term noise and reinforces that resilience is built not only by growing assets, but by understanding what those assets are there to do.

This long-term perspective is also reshaping how the industry thinks about value.

Historically, value was defined narrowly: investment returns, contribution levels, funding levels and administration efficiency. These remain essential. But the conversation is widening. Funds are asking broader questions. Are we helping members build financial resilience before retirement? Are we making complex decisions easier? Are we creating an experience that reflects modern financial realities?

**Sonja Sanderson**

Chief Investment Officer at EPPF



This shift is also influencing how the industry approaches future retirement solutions. Globally, pension systems are evolving as funds balance affordability, sustainability, flexibility and improved outcomes. South Africa is part of this conversation. While approaches will differ, the direction is clear: trustees must consider how fund design responds to changing member needs, workforce realities and economic pressure.

A second major theme is the growing importance of scale, partnerships and ecosystem thinking.

Running a high-quality fund has become more complex. Governance, investment capability, communication, data, technology, administration and compliance all require sustained investment. In this environment, scale matters – not because bigger is inherently better, but because capability, efficiency and resilience are linked to resources.

This helps explain the rise of consolidation. Greater scale can support cost efficiency, strengthen capability and improve sustainability. But scale alone is not enough. What matters is how it is used.

This is where partnerships become critical. The future is likely to favour funds that think carefully about which capabilities to build internally, which to access through trusted partners, and how broader ecosystems can support better outcomes. Some of the most effective pension institutions are moving beyond standalone models towards collaboration, shared capability and alignment.

For South Africa, this raises an important question: how can funds preserve trust, identity and fiduciary discipline while building the scale and connectivity needed for the future? There may not be a single answer, but it is a question trustees should already consider.

On the investment side, recent years have shown that uncertainty is not a temporary phase. It is structural. Wars, elections, inflation shocks, trade tensions, energy insecurity and shifting interest rates all affect markets and member confidence. In such conditions, the temptation is to react to events as they unfold. But one of the most valuable disciplines a fund can develop is scenario-based thinking.

This is not about predicting a single future. It is about testing how resilient the fund is across a range of outcomes. What if inflation proves sticky? What if global growth weakens? What if geopolitical fragmentation intensifies? What if local pressures and offshore volatility coincide?

These questions encourage deeper thinking about diversification, liquidity, downside protection, and the role each part of the portfolio plays. Most importantly, they help build resilience anchored to liabilities and member outcomes.

This is where the quiet reshaping of the pension world becomes most visible. The strongest funds of the future are unlikely to be those with the loudest claims. They are more likely to remain grounded in purpose, understand their members deeply, think carefully about liabilities, prepare for uncertainty, and build the right capabilities and partnerships.

South Africa's retirement industry has much to be proud of. But this is also a moment to think ahead with courage and care. For trustees, the task is no longer simply to oversee what exists today. It is to help shape what will remain relevant tomorrow.

For members, that should be reassuring. It means the conversation is becoming more thoughtful, forward-looking and connected to the realities of their lives.

The pension fund landscape is changing quietly, but profoundly. The opportunity now is not just to keep up, but to help shape that future with wisdom, discipline and humanity.

# Unlocking the potential of private market assets

Nokwazi Dube works as an accountant in small-town KZN. Her round-trip commute to work takes around two hours a day. However, if the bridge connecting two key roads on her route was repaired, the daily journey would be just 40 minutes.

Nokwazi, as a trustee of her employer's pension fund, has often thought that a good use of the substantial assets of the fund would be to invest in infrastructure projects in her community, allowing her contributions and those of her colleagues to work for them in more ways than one.

Nokwazi's thinking is not new. Many South African fund members and trustees have had similar thoughts of investing in private markets or directly in infrastructure projects.

Private market or unlisted assets often fall under the 'alternative assets' banner. They provide an additional arrow in the quiver of long-term investors and are, deservedly, garnering increased attention from retirement funds.

However, the barriers to making this a reality are well documented. Chief among these include income generation, liquidity – regular cashflows as well as the ability to sell the asset quickly, irregular and possibly subjective valuations, high fees, risk of default for private credit investments and exposure to operational failures.

Importantly, this is not a homogenous investment grouping or distinct, separate asset class. Rather, private market assets are alternative versions of assets that might be listed on an exchange i.e. unlisted or private equity, direct property and private debt. Infrastructure too, is just a particular flavour of private market asset, one that produces structures vital to the development and operation of society.

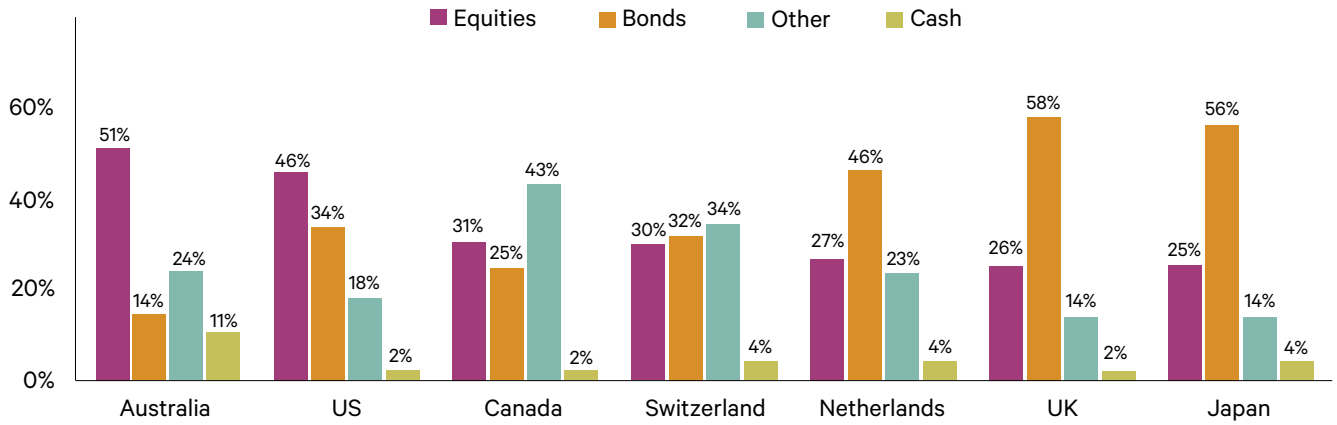
This interpretation provides insight into the expected behaviour of these investments. Private market assets typically exhibit very different volatility to their listed counterparts, yet their fundamental underlying characteristics are similar. The lower observed volatility is a function of less frequent valuations of the asset, using relatively static assumptions.

In South Africa, retirement funds allocate significantly less to private markets than their peers in most developed markets. The Thinking Ahead Institute's Global Pension Assets Study 2024 reveals that, among the world's 7 largest retirement markets, the allocation to 'Other' assets ranges from 14% in the UK and Japan to 43% in Canada (Graph 1). 'Other' includes private equity, hedge funds, infrastructure, insurance contracts, commodities etc. By contrast, Alexforbes' Manager Watch Annual survey for 2025 (Graph 2) indicates that portfolios in the Global Best Investment View category allocate on average only around 1.5% to 'SA Other'. Clearly there is room for more.

**Andrew Davison and Coral van Zyl**  
in their capacity as members of the  
Actuarial Society of South Africa



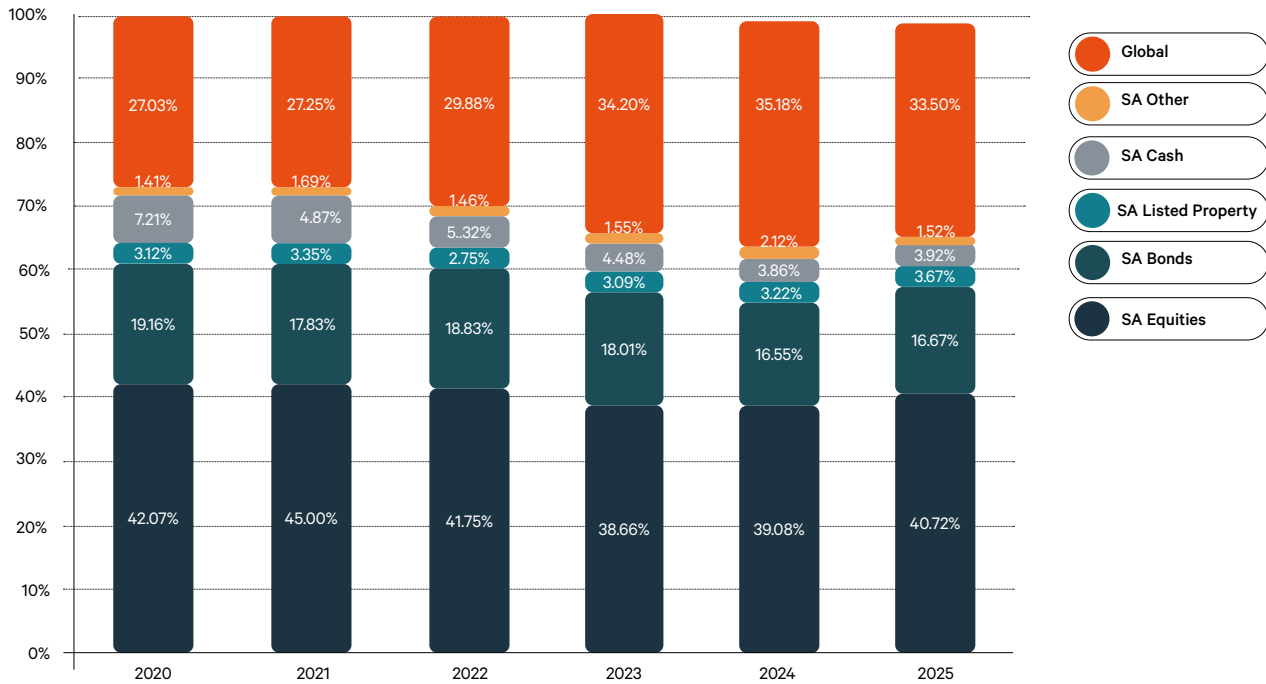
Graph 1



Source: Global Pension Assets Study, Thinking Ahead Institute

Graph 2

Average Asset Allocation of Global Best Investment View as at 31 December 2025



Source: Manager Watch Annual Survey, Alexforbes

A primary barrier to greater private market allocations is liquidity risk. The two pot system has partially alleviated this by restricting access to the retirement component before retirement, but liquidity provision remains necessary and requires careful ongoing management.

Addressing the liquidity challenge meaningfully requires industrywide collaboration. A practical solution would be the establishment of a marketplace or clearing house - supported by both standalone and umbrella funds as well as retail solutions and platforms - providing a standardised secondary market where private market assets can be traded between retirement funds as their needs evolve. For instance, if a standalone fund transitioning to an umbrella fund held private market assets, the marketplace could facilitate their efficient transfer at an agreed, standardised valuation. Industry consolidation over the past decade, resulting in fewer but larger players, makes such an initiative ambitious, but achievable.

Additional solutions are available to ease liquidity issues. Pooled funds of funds can manage liquidity by maintaining a portion in liquid assets, diversifying across different vehicles and vintages to ensure assets are continuously approaching maturity, and managing cashflows to return capital to investors on an ongoing basis - learning from some developed markets where listed infrastructure vehicles are available, combining the characteristics of private infrastructure with the liquidity and frequent valuations of a listed vehicle.

Another obstacle to higher private market allocations is the knowledge and experience required to evaluate, select, manage and monitor these complex assets. Unlike public markets, information is scarce, commitments are long-term and poor decisions can burden a fund for years. Fiduciary duty adds further pressure, making thorough due diligence essential. This upskilling need extends to trustees, asset consultants and even managers of investment strategies — a challenge compounded by the fact that limited exposure to private markets is itself the root cause of the knowledge gap.

The solution is somewhat self-reinforcing: doing the work to allocate more will build the very skills needed. This requires deliberate investment by all stakeholders in targeted education programmes and the willingness to make small initial allocations to gain hands-on experience, gradually scaling up as confidence grows. Artificial Intelligence offers a valuable tool to accelerate this upskilling process and support early stage decision making. Private market fund managers can also contribute through educational initiatives targeting institutional investors and standardising due diligence packs, agreements and other relevant materials.

A third requirement to unlock greater investment is one where actuaries are perhaps best placed to assist – modelling. Determining the appropriate allocation to private markets is a critical component of investment strategy. Whether private market assets are treated as a distinct asset class or a subset within existing classes, modelling is an important enabler of sound decisions.

The challenge is twofold: data on private markets is limited and idiosyncratic in that it reflects the historical returns of specific private market funds or managers; and models are frequently distorted by the artificially low observed volatility of these assets. This often causes models to over-allocate to private markets, attracted by what appears to be equity-like returns with bond-like risk. Further research into appropriate modelling approaches and relevant datasets is therefore needed to support well-calibrated allocation decisions.

Retirement funds play a key role in the economic prosperity of a country by both empowering Nokwazi and her colleagues to save as well as channelling capital to where it is needed in the real economy. Unlocking the potential for retirement capital to be meaningfully allocated to infrastructure and other private market investments is an opportunity that requires commitment, diligence and a dose of courage from all players in the retirement industry.



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# Section 37D deduction in respect of damages caused to an employer – can an omission amount to dishonesty?

As we all know, the primary purpose of a retirement fund is to provide retirement benefits to its members and death benefits to their dependents. It is for this very reason that retirement benefits are strictly protected.

However, Section 37D(1)(b) of the Act enables a fund to deduct compensation due to an employer in respect damage caused by the member to the employer by reason of theft, dishonesty, fraud or misconduct and in respect of which:

1. the member has admitted liability in writing, or
2. a judgment has been granted against the member, including a compensation order granted in terms of section 300 of the Criminal Procedure Act, 1977.

It is clear from the wording of this section that, in order for a deduction to be lawful, there must either be a written admission of liability by the member to the employer or a judgment obtained against the member by the employer – both of which must relate to damages caused to the employer through a member's theft, dishonesty, fraud or misconduct.

## The requirement of theft, dishonesty, fraud or misconduct

Section 37D(1)(b) is not a catch all provision - this section does not allow the fund to deduct any kind of damage caused to an employer by a member. The damages caused must relate to the member's theft, dishonesty, fraud or misconduct. If it does not, it will not be a permissible deduction.

## Master parts (Pty) Ltd v Auto Workers Provident Fund and another [2025] 4 BPLR 65 (PFA)

In this matter the Adjudicator had to answer the question whether an omission by an employee constituted "dishonesty" for purposes of section 37D(1)(b).

In short, Lindelwa was employed by the complainant from May 2021 to June 2024. Lindelwa went on maternity leave in January 2024 and was due back at work in May 2024. In terms of the company's leave policy, her maternity leave period was unpaid, and she was informed of this fact. Nevertheless, due to a payroll system error, she received her full salary during her maternity leave period. At no point during this period did she inform her employer of this error. Lindelwa absconded by not returning to work from her maternity leave. Discovering the error, the complainant offered her an opportunity to continue her employment so that she could then reimburse it with a reasonable amount per month until the full, unduly received salary was paid back, which offer she refused.

The complainant opened a criminal case and obtained an acknowledgement of debt (AOD) from Lindelwa, authorising the deduction. The AOD referred to the erroneous overpayment of her salary during her maternity leave but she did not acknowledge that she had a responsibility to report the error.

**Lize de la Harpe**  
Senior Legal Advisor at Sanlam



When the complainant submitted the claim to the fund, the fund refused to make payment of the damages stating that the claim did not meet the requirements as set out in section 37D(1)(b), specifically that her failure to inform the complainant of the payroll error did not amount to theft, fraud, misconduct or dishonesty as required in terms of the Act. The complainant argued extensively that Lindelwa's failure to notify it of the error while being aware that she was not supposed to receive a salary while on unpaid maternity leave constituted dishonesty and theft. Nevertheless, the fund stood firmly behind their interpretation, prompting the employer to lodge a complaint with the Adjudicator requesting the Adjudicator to order the fund to accept Lindelwa's AOD and order it to deduct the amount due from her withdrawal benefit and pay it over to it.

Considering the facts, the Adjudicator agreed with the complainant that, at the time the payment was made, Lindelwa was aware that she was not entitled to a salary, as her employment contract specifically stated that maternity leave was unpaid. She owed a fiduciary duty towards the complainant, which she failed to fulfil. In that regard, her conduct was dishonest. The Adjudicator also agreed with the submission by the complainant that there was a duty to speak on the part of Lindelwa and that her failure to do so constituted dishonesty.

Finding that her conduct was dishonest in terms of section 37D(1)(b), the Adjudicator held that the complainant was well within its rights to claim a deduction from Lindelwa's withdrawal benefit and ordered that the fund be held liable for the amount due to the complainant.

### Conclusion

As we can see, section 37D(1)(b) is not always as straightforward as it seems. It entails a careful scrutiny of the type of damage caused to the employer by the member.

It is also important to remember that trustees owe a duty of good faith to its members. As such, when presented with a request from an employer to withhold or deduct compensation from a benefit due to a member, the trustees must balance the competing interest of both the member and the employer in question.

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# The shifting role of retirement fund advisers in South Africa: From technical specialists to strategic partners

Traditionally, the role of retirement fund advisers was mainly technical, with a focus on understanding fund rules, assisting with compliance and providing input on investment mandates and administrator selection. However, in today's shifting landscape, advisers are increasingly considered as strategic partners by their clients (trustees, employers, fund administrators and members).

The cost and complexity of running standalone retirement funds has increased on the back of legislative reforms and how market participants, such as fund administrators and investment managers have responded to them. As a result, many employers are opting for umbrella funds instead. As these changes unfold they have an impact on the role of the advisers. While investment strategy remains critical, advisers now typically evaluate the suitability of default investment options across umbrella fund providers rather than constructing portfolios directly.

Under Regulation 37 of the Pension Funds Act, retirement funds must offer default portfolios that are appropriate, reasonably priced and clearly communicated to members. Advisers are increasingly called upon by employers to assess whether these defaults align with their funds' member demographics, risk profiles and long-term objectives. Advisers are also asked to compare how administrators implement these defaults in terms of pricing, life-staging methodology and performance relative to industry peers.

With the added complexity introduced by the two-pot retirement system, which splits contributions between savings and retirement components, advisers must also evaluate the operational effectiveness of platforms and administrators. This includes assessing their ability to accurately and efficiently manage withdrawals, tax calculations and annuitisation requirements. These due diligence responsibilities are now central to platform selection, reinforcing the adviser's role as a strategic partner in benefit design and member outcomes.

## Member-centric advice in a reform-driven landscape

The introduction of compulsory annuitisation in 2021 and the roll-out of the two-pot retirement system in 2024 have reshaped how members engage with their retirement savings. Members need more guidance to navigate their options – including around making early withdrawals – and make informed decisions. Increasingly, employers are asking retirement fund advisers to offer direct advice to underlying members on these complex choices. This shift represents a challenge to advisers, but also opportunities to expand their client base and revenue.



**Chris Basson**  
Joint Head at Group Savings &  
Investments at Allan Gray

Decision-making for members exiting retirement funds, whether before or at retirement age, has also become more complex. Members must consider how much of their savings can be accessed in cash, which tax tables apply to each component and what portion must be used to purchase a living or guaranteed life annuity. Advisers who provide clear guidance, practical tools and well informed conversations are uniquely positioned to help members navigate these choices confidently.

### Regulatory pressure and professional risk

As the Financial Sector Conduct Authority (FSCA) sharpens its focus on market conduct and consumer outcomes, advisers are facing increased scrutiny. The regulator's transition to outcome-based supervision means advisers need to demonstrate that they provide quality recommendations that lead to fair, sustainable results, rather than merely meeting the minimum requirements that sufficed in the past.

All eyes will be on the FSCA when they roll-out their Integrated Regulatory System (IRS), a data-driven platform, to monitor advice practices and flag potential risks, in late 2026. It will also support the implementation of the Conduct of Financial Institutions (COFI) Bill, which aims to improve outcomes for financial customers. The IRS will hold advisers accountable for broader patterns and outcomes.

Success in this environment requires commitment to ongoing professional development, rigorous due diligence and ethical standards that exceed regulatory minimums.

### Opportunities in a changing industry

Despite the challenges, this environment presents significant opportunities, including in financial education: Demand for member workshops, tailored advice and digital tools is rising.

Technology can also be an enabler, with digital platforms and data analytics aiding more precise, personalised and scalable solutions, which are especially important in a country with varying levels of financial literacy and access.

### Staying relevant

To remain effective, advisers must adopt a proactive and adaptive mindset. Continuous learning – through workshops, certifications and meeting professional development requirements – is essential. Networking and collaboration with peers, regulators and industry bodies is equally important, as this provides insights and fosters influence, helping advisers stay ahead of trends and contribute meaningfully to policy.

Monitoring international trends in retirement reform and financial technology can also enhance local practice, bringing fresh perspective and problem-solving measures.

Ultimately, the adviser's role is becoming more dynamic, demanding and impactful. Those who embrace the transition will contribute to a more resilient and inclusive retirement system.

# The state of South Africa's retirement industry: Consolidation, governance and behaviour

South Africa's retirement industry is undergoing a period of accelerated structural change. Consolidation among funds and administrators, far reaching governance reform, and the introduction of the two-pot system are reshaping how retirement savings are managed, accessed and protected.

While many of these developments strengthen the long-term integrity of the retirement system, they also expose new risks that cannot be ignored.

## Consolidation is no longer incidental

According to the Financial Sector Conduct Authority (FSCA) the number of registered retirement funds in South Africa has decreased from 1,329 in January 2024 to approximately 858 active funds by August 2025 signalling trustees actively seeking scale, improved governance and more resilient administration partners.

A similar consolidation dynamic is evident in the administrator market. FSCA statistical reports show a gradual reduction in the number of registered administrators alongside increasing assets under management concentrated among larger providers. This trend has been reinforced by heightened

regulatory expectations. The FSCA's outcomes based approach, strengthened by Conduct Standard 2 of 2025: the regulatory framework for pension fund benefit administrators (CS 2), has materially raised operational, governance and compliance thresholds, narrowing the market to administrators with sufficient scale and capability to meet these requirements.

## Administrator governance reform is improving standards but ethical culture still matters

CS 2 has unquestionably improved governance discipline across the retirement funds industry. Stricter fit and proper requirements, enhanced complaints management standards and tighter oversight of service level agreements have strengthened accountability and transparency – and prompted the exit of administrators unable to meet these expectations.

However, regulation cannot on its own entrench ethical decision making. Genuine protection of member interests depends on more than documented policies and regulatory checklists. It requires an organisational culture that prioritises fairness, accountability and long-term member outcomes, particularly when commercial pressures, cost constraints or operational complexity arise. Administrators that treat CS 2 as a compliance exercise risk missing its broader intent; those that embed its principles into their culture and decision making processes are far more likely to deliver sustainable, trustworthy outcomes.

Given its preventive design, the full impact of CS 2 will only become evident over time and must be supported by active supervision, credible enforcement action and capable trustee oversight. Governance reform sets the foundation, but ethical culture and consistent regulatory consequences remain decisive factors in restoring trust.



**Nancy Andrews**

Head of Legal at Discovery Corporate and Employee Benefits and Discovery Invest

### The two-pot system is strengthening preservation while testing behaviour

The two-pot system has marked a fundamental shift in South Africa's retirement framework. By preserving two-thirds of post-September 2024 contributions for retirement while allowing limited pre-retirement access, the system addresses one of the largest historic leakages: full cash outs when members change jobs.

Early signs suggest the system has strengthened long-term preservation without destabilising asset managers. And, importantly, member engagement with their funds has increased, reversing years of disengagement.

The longer term risk lies more in investor behaviour. Repeated withdrawals erode capital available at retirement and poorly managed drawdowns, in turn, risk faster depletion of retirement savings and greater dependence on the state's old-age pension grant.

### Contribution default is a growing enforcement priority

Rising levels of employer non-payment of contributions reflect sustained economic strain rather than regulatory gaps. In some cases, employers misuse pension deductions as short-term working capital. Reported defaults have increased, driven largely by improved detection and disclosure rather than worsening compliance alone.

Enforcement, however, has intensified materially. In January 2026, the Minister of Employment and Labour withdrew the long standing exemption under section 34A of the Basic Conditions of Employment Act. This withdrawal restored labour inspectors' powers to enforce the seven day payment rule for both employee deductions and employer contributions, bringing retirement funding under dual oversight by the Department of Employment and Labour and the FSCA. The result is a significantly strengthened enforcement framework. Employers now face concurrent civil, labour-law and criminal consequences for contribution defaults, including compliance orders, public naming, interest and penalties, and potential criminal prosecution. Proposed amendments to employment legislation, which treat failure to pay pension contributions on par with failure to pay wages, will further strengthen enforcement and personal liability.

### Demographics, labour trends and coverage gaps


Longevity remains one of the most under-appreciated risks in retirement funding. Longer life expectancy increases pressure on contribution adequacy, annuity pricing and fund sustainability. Later retirement can mitigate this risk, but only where pre-retirement withdrawals are limited, continued contributions are sufficient and fund rules permit extended participation.

At the same time, labour market shifts towards contract and non-permanent employment, combined with persistent unemployment, continue to undermine retirement coverage.

Retail retirement vehicles offer solutions but require discipline and informed decision making. The state old-age pension grant remains inadequate as a primary income source. National Treasury's stated intention to introduce auto-enrolment underscores the urgency of closing coverage gaps and improving inclusivity across the retirement system.

### A system stronger by design but still exposed by behaviour

South Africa's retirement industry is structurally stronger than it was a decade ago. Consolidation, improved governance and policy reform have enhanced resilience and accountability. Yet the system's ultimate success will depend less on regulation than on behaviour: member preservation discipline, employer compliance and trustee capability. The next phase of retirement reform will be defined by how effectively these behaviours evolve.



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# Two-pot reform lifts preservation by 33% despite sustained withdrawal pressure

South Africa's two-pot retirement system is starting to show that limited short-term access to savings need not undermine long-term retirement security. For retirement fund trustees, this is an important early signal that better system design can support improved member outcomes.

Old Mutual Corporate says preservation has improved by a significant 33% since the inception of the two-pot system in September 2024, addressing one of the most persistent causes of poor retirement outcomes in South Africa.

"The early evidence suggests the two-pot system is delivering on its design and that responsible flexibility can still improve retirement outcomes over time," says Michelle Acton, Chief Customer Officer at Old Mutual Corporate. "It means members can access savings in moments of pressure, while ensuring that the majority of their retirement savings remains protected and invested.

"The next step is to apply that same design thinking to participation and contribution levels, so that more savings remain in the system over time."

The number of members preserving their retirement savings has increased significantly since the reform's implementation. This improvement has come even as withdrawal activity has returned to inception-level volumes, with around 80% of eligible members having accessed their savings pot at least once and a significant proportion making repeat withdrawals.

## Withdrawals still reflect financial strain

For trustee boards, the message is twofold: improved preservation is encouraging, but sustained withdrawal activity shows that many members remain under material financial pressure. Old Mutual Corporate's 2026 survey shows that withdrawals are being driven largely by necessity rather than discretionary spending.

Claims are primarily used for basic living expenses (34%), debt repayment (26%) and emergencies (26%), with spending concentrated on essentials such as food, rent, electricity and transport.

"This improvement does not mean the underlying financial pressure has eased. If anything, the withdrawal data shows why structured access remains necessary," says Acton.

For trustees, this makes withdrawal behaviour a financial wellness issue as much as a retirement savings issue. It also reinforces the need for clear member communication, practical education and ongoing monitoring of how repeated withdrawals may affect long-term outcomes.

"Liquidity pressure is real, and for many South Africans, access to savings is not optional," says Acton. "What matters is that this access is now structured. Members are no longer required to resign or withdraw everything to meet short-term needs on exit from employment, and that is where the reform is starting to make a measurable difference."

**Michelle Acton**

Chief Customer Officer at Old Mutual Corporate



Old Mutual Corporate research suggests that improved preservation under the reform could increase retirement savings by two to three times over a working lifetime, potentially shifting the proportion of South Africans on track for retirement from around 6% to closer to 20%.

### More preservation doesn't mean enough for retirement

However, as trustees know, better preservation shouldn't be confused with retirement adequacy.

"Preserving what you have keeps more money invested," says Acton. "But adequacy depends on how much is contributed and whether people remain in the system over time."

"If participation remains quasi voluntary and default contribution rates stay low, under-saving becomes embedded," she says. "The data shows which levers move retirement outcomes: preservation, higher contribution rates, stronger default fund design, later retirement ages, appropriate investment strategies and better annuity choices at retirement. The question is whether we are prepared to use them."

Acton argues that the experience of two-pot reform strengthens the case for further structural reform.

"If system design can influence behaviour at exit, it can influence behaviour at entry," she says. "Automatic enrolment and calibrated contribution defaults are the next logical step."

"Two-pot has started to demonstrate that responsible flexibility can improve outcomes over time," Acton concludes. "The opportunity now is to strengthen the system so that more savings remain invested for longer."



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# Why local keeps losing

South Africa has an uncomfortable habit of having the same argument over and over again. We worry about imports. We talk about protecting local industry. We debate tariffs, incentives, and unintended consequences. And then, quietly, we carry on buying, licensing, and consuming offshore products while we lose local capability.

The current debate around vehicle imports is just the latest version of a very familiar story. Roughly one in three vehicles sold in South Africa is locally produced, and if you walk into a dealership, you'll quickly notice how often the imported option costs more. So why aren't we overwhelmingly choosing locally produced vehicles; models that support local jobs, skills and industrial capacity?

The answer is that over time, we've come to equate "international" with "better", even when the economics and our long-term interests don't support it. That tension was hard to miss at Davos, where despite very different ideologies, both Donald Trump and Mark Carney landed on the same reality: Economies that export jobs lose political support at home.

## Risks and challenges

The South African government's consideration of raising import tariffs on vehicles from 25% to as much as 50% has triggered predictable reactions. Manufacturers warn of affordability shocks. Trade unions warn of unintended consequences. Economists caution against blunt instruments.



Raising import duties to 50% won't fix South Africa's industrial problem. It just exposes how late the conversation has become. Tariffs are what you reach for when local capability is already weakened, industrial strategy has failed to scale, and government is reacting instead of shaping. We can't ignore the fact that the deeper problem isn't tariffs. The real challenge is that South Africa often ends up importing high-value components and IP, while local operations are limited to assembly, configuration, or distribution. Semi-knocked-down assembly may technically qualify as "local", but it doesn't build deep capability or durable competitive advantage.

This is the real risk. We absorb currency volatility, export demand, and slowly lose local skills, but we're still convincing ourselves we're participating in the value chain.

We have already seen this in the cigarette industry. British American Tobacco's decision to shut down local production in favour of cheaper imports didn't just cost jobs. It weakened regulatory oversight, fuelled illicit trade, and reduced local industrial capacity, all in the name of cost efficiency. Once local production disappears, rebuilding it is exponentially harder.

## Doing the same things and expecting a different result

This same pattern has repeated itself in South Africa's retirement and pensions sector for decades. International software vendors dominate public and private sector environments, while core platforms, systems, and digital infrastructure are routinely imported, even when capable local alternatives exist or could be developed.

**Richard Firth**  
CEO at MIP Holdings

What makes this more concerning is that some international vendors continue to thrive locally despite well-documented governance failures, including bribery and corruption cases that would likely have ruined a local firm.

As South Africa's pension funds explore private markets, the compliance and administration burden grows. International platforms are designed for different regulatory environments and are poorly equipped to handle it. Local systems, built around Reg 28, the Pension Funds Act, and the two-pot framework, are better positioned to support this shift.

Software is no longer a support function. It underpins energy systems, financial services, healthcare, logistics and government delivery. If we consistently outsource platforms and digital infrastructure, we're not just importing technology, we're exporting strategic control.

This isn't an argument for isolationism or protectionism. It's an argument for intentional capability building. Encouraging international firms to invest locally, build engineering teams, and develop IP in South Africa is far more powerful than penalising imports after the fact. Supporting local companies to scale, export and compete regionally creates long-term economic value that tariffs never will.

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# Private markets as a catalyst for sustainable development

Private markets have become an increasingly important component of institutional portfolios, not only for diversification and return potential, but for their role in supporting long-term economic development. In Africa, the relevance of private markets extends beyond portfolio construction into the realm of national competitiveness, infrastructure resilience and inclusive growth. For large financial services organisations operating across banking, insurance and asset management, private markets present both an opportunity and a responsibility: to act as effective intermediaries between long-term capital and long-term societal needs, under clearly defined fiduciary and governance parameters.

## Structural context: Why private markets matter in Africa

Many African economies face persistent infrastructure gaps across energy, transport, water, housing and digital connectivity. These assets are foundational to productivity and growth, yet they often require patient capital, complex structuring and long investment horizons. These are characteristics that do not always align with traditional public market funding models. Private markets are better suited, allowing for tailored capital solutions, active governance and alignment between asset life and liability profiles. For retirement funds, this alignment is particularly important given their long-dated obligations.

The effectiveness of private markets depends heavily on the quality of the financial ecosystem. Capital allocation alone is insufficient without strong institutions managing risk, governance, and execution.

## The role of large, integrated financial institutions

Large financial services groups play a distinctive role in private markets precisely because of their integration and scale. Institutions with capabilities spanning origination, balance-sheet management and asset management are better positioned to support markets that are still developing in depth and liquidity.

Their contribution is not solely about innovation or product proliferation, but about market confidence and continuity. Key attributes include:

- Strong balance sheets and risk discipline, which help crowd in capital where risk perception remains elevated;
  - Local presence across African markets, enabling informed underwriting, due diligence and long-term asset stewardship;
  - Integrated governance frameworks, ensuring private market investments are consistent with institutional fiduciary standards; and
  - Ability to operate across market cycles, supporting asset resilience rather than short-term optimisation.

In South Africa, where the institutional savings pool is relatively deep by emerging market standards, these attributes are particularly important. The challenge is less about access to capital, and more about creating credible pathways for that capital to be deployed responsibly into the real economy.



**John Taylor**

Actuary at Liberty Corporate Benefits

## Infrastructure as a core private market asset

Infrastructure has emerged as a natural anchor for private market development in the region. It combines long asset lives, contracted or regulated cash flows, and clear economic utility. These are characteristics that align well with institutional portfolios.

Experience has shown that successful infrastructure investment is not transactional. It requires sector specific expertise, ongoing engagement with regulators and public sector counterparts, and active ownership throughout the asset lifecycle. This reinforces the importance of institutional platforms that can combine investment capability with operational oversight and governance depth.

Where such platforms exist, private capital has been able to support energy security, logistics efficiency and service delivery, while remaining consistent with longterm risk and return objectives.

## Asset owners as system stewards

A notable feature of South Africa's private market evolution has been the increasing coordination among asset owners. Rather than acting solely as individual allocators, asset owners are increasingly engaging collectively to improve market functioning.

Through industry forums, such as the Asset Owners Forum, and collaborative platforms, asset owners have contributed to:

- Raising governance and reporting standards;
- Engaging policymakers on regulatory and structural constraints;
- Sharing experience across infrastructure, private equity and private credit; and
- Building confidence in less liquid asset classes through peer learning.

This collective approach does not dilute fiduciary accountability. Instead, it strengthens the overall investment environment, reducing fragmentation and improving the quality of opportunities available to institutional capital.

## Conditions for sustainable private market growth

Despite progress, private market development remains contingent on several enabling conditions:

- Policy and regulatory certainty, particularly in infrastructure procurement and energy reform;
- Credible project pipelines, supported by capable public-sector institutions;
- Alignment between national development priorities and institutional mandates; and
- Skills transfer and local capacity building, ensuring sustainability beyond initial investment.

Where these conditions are present, private markets can scale responsibly. Where they are absent, capital discipline remains essential.

## Looking ahead

Private markets are not a substitute for public policy, nor a solution to all structural challenges. Their value lies in their ability to complement public investment, mobilise long-term capital, and support economic infrastructure under robust governance frameworks.

For South Africa, and for Pan African financial institutions with deep local roots, the opportunity is to continue strengthening the institutional foundations that allow private markets to function effectively. This includes disciplined intermediation, collaboration with asset owners, and a long-term commitment to market development.

The next phase of private market growth will be defined less by novelty and more by execution, partnership and trust, as qualities that ultimately determine whether private capital delivers lasting socio economic value.

# Long-term capital needs a long-term home

There is a well-worn phrase in investment circles: illiquidity premium. We use it often, sometimes loosely, as though it were simply the reward for tolerating a locked up position. But I have come to think of it differently. The real premium is not just financial. It is the premium that comes from having the patience, the structure and the conviction to do something that most institutional investors still find difficult – committing capital to the real economy for the long term.

Infrastructure is where that conviction is tested most directly, given the long-term nature of infrastructure projects.

When we brought an infrastructure fund of funds to market, the response confirmed what we had been hearing from trustees for some time – there is genuine appetite for infrastructure exposure, but there's also a real gap between that appetite and the ability to access it well. Bridging that gap is not merely a product design question. It is a governance question, a portfolio construction question and ultimately a question about what retirement funds exist to do.

South Africa's infrastructure deficit is well documented. Energy, transport, water and health facilities' shortfall runs across every sector that underpins economic participation. National Treasury's amendment permitting retirement funds to invest up to 45% in infrastructure was a deliberate signal, the public sector alone cannot rebuild what decades of underinvestment have eroded and institutional capital has a role to play. The state requires the assistance and involvement of the private sector. But regulatory permission is not the same as readiness. Many trustees have found themselves in the uncomfortable position of being allowed to invest in something they do not yet fully understand, and in South Africa, prudence has often meant waiting.

That caution is understandable. Despite the regulatory green light, concerns over illiquidity, pricing uncertainty and the credibility of impact claims have kept many retirement funds on the sidelines. These are legitimate concerns, not excuses. But they point to a need for better frameworks around the infrastructure investments themselves – transparent deal structures, credible impact measurement and manager selection that goes beyond track record to include governance quality and operational competence.

This is where a fund of funds structure offers something that direct investment or single-manager exposure cannot easily replicate. A multi-manager, multi-strategy approach offers diversification across sectors from renewable energy projects to roads, railways and public health facilities while allowing investment teams to apply disciplined manager selection across a range of specialisations. For trustees who are accountable to members for both risk and return, that layer of oversight is not a luxury. It is a fiduciary necessity.

The investor appetite is becoming clearer. According to the South African Venture Capital Association (SAVCA) 2025 survey, infrastructure and energy-related funds accounted for 71% of assets raised in South Africa's private markets landscape, up from 56% in 2023. For those already invested in unlisted assets, the case is not difficult to make. The asset class offers predictable return outcomes and a low correlation to listed markets, which is precisely the kind of diversification that long-term retirement portfolios need.

**Tsepo Mandlazi**  
Head of Private Markets at  
Alexforbes Investments

What sometimes gets lost in these conversations is the member at the end of the chain. Infrastructure investments in South Africa are not abstract. They power households, create employment and channel capital into businesses that would otherwise struggle to access funding. When private markets infrastructure is constructed and governed well, the social return is not a secondary consideration. It is evidence that the investment thesis is working. The industries and communities that benefit from well-funded infrastructure become part of the economic base that sustains long-term returns. The two are not in tension.

The honest conversation that the industry needs to have is this – if retirement funds continue to underweight infrastructure because access is difficult, the liquidity profile is uncomfortable or governance frameworks feel immature, the cost is borne by members. The cost is reflected both in foregone returns and in the continued deterioration of the economic environment those members will retire into.

We are not asking trustees to take on risks they do not understand. We are asking them to build that understanding. The opportunity has been there for some time. The tools to access it responsibly are now available. What remains is the willingness to act on long-term conviction, which is, after all, what managing retirement capital has always required.

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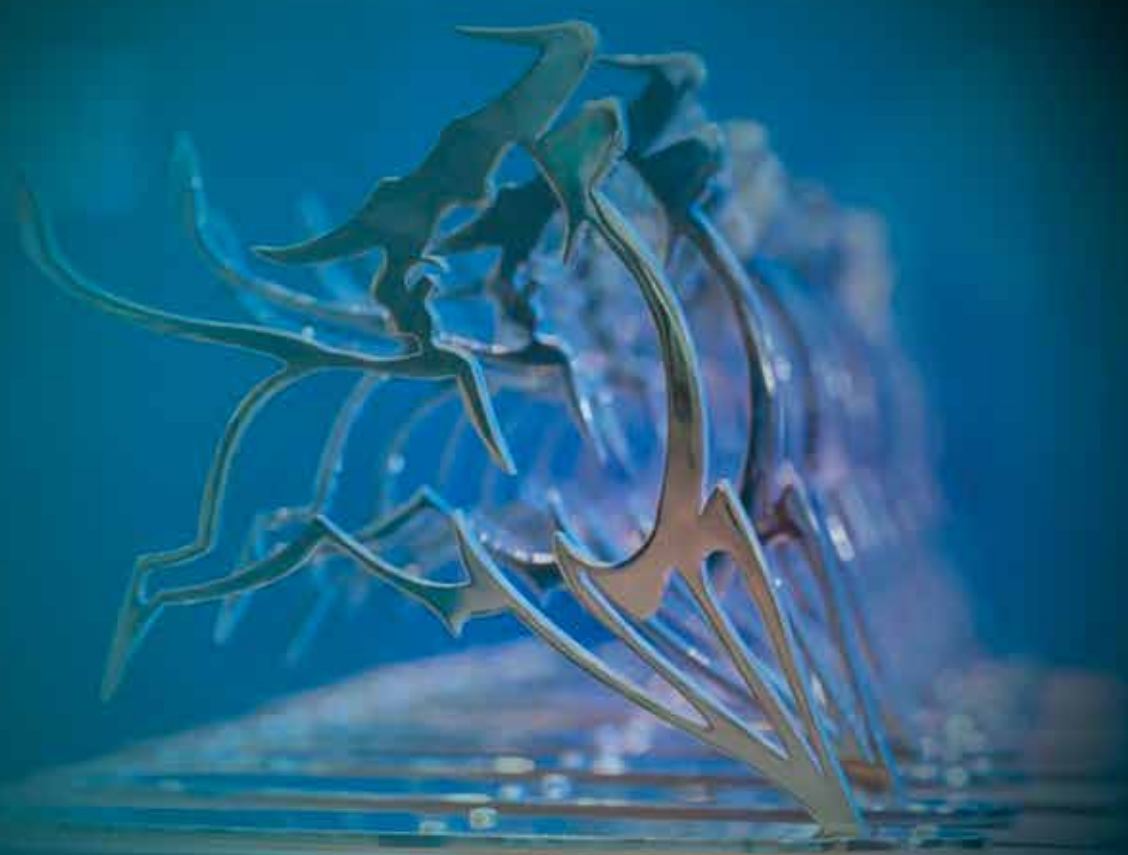
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# Two years on, JET-IP is showing encouraging progress

The latest Just Energy Transition Implementation Plan (JET-IP) report by the Presidency makes encouraging reading. It reflects both hard work by the JET Project Management Unit and enormous goodwill from the foreign community, excluding the US, towards helping SA transition to a low-carbon, climate resilient society.

Government's multi-departmental task team has made good progress on fundraising. The two-year-old programme, which was approved by Cabinet in late 2023, had secured \$13.73 billion (R243 billion) in pledges from international sources, mainly the UK, France and Germany, by end-September 2025. That makes it clear that, even though the US has withdrawn from the Paris Agreement and is cutting funding to organisations dedicated to combating climate change, the rest of the world is still taking action.

There is a broad recognition by global funders who are extending grants and concessionary loans to SA that the energy transition for a developing economy like SA is going to have to be slower than in the developed world. The "just" component of JET aims to ensure that the shift from fossil fuels to cleaner sources of energy is fair, equitable, and inclusive, protecting workers, communities and vulnerable groups from potentially negative economic impacts of the transition.

## Stumbling blocks

Unfortunately, the latest JET-IP progress report shows that only 40% of the secured funding has been allocated to projects. Even though there are a number of reasons for this, the report draws attention to two main contributing factors, both of which involve state-owned power utility Eskom.

The first is that, due to the financial assistance provided by its shareholder, National Treasury placed a moratorium on Eskom raising further debt on its balance sheet. As a result, Eskom cannot access the concessionary loans to assist with the costs of closing its ageing coal-fired power stations. Obviously, this is an unintended consequence of the conditions placed on the support provided to Eskom by Treasury. However, the delay in closing those heavy carbon-emitting power sources is disappointing.

The second reason pertains to conflict around Eskom's unbundling plans. Eskom has been trying to retain the National Transmission Company of SA (NTCSA) within the group. The private sector has warned that keeping grid assets under the control of a company that also operates as a generator would raise potential conflicts of interest. It would also inhibit badly-needed investment in the national transmission infrastructure, which is vital to bring more renewable energy projects online. As long as the NTCSA stays within Eskom, which cannot itself afford to invest in transmission infrastructure, it also cannot raise the necessary funds.

### **Johan Marnewick**

Head of Fixed Income Private Markets at  
STANLIB Asset Management



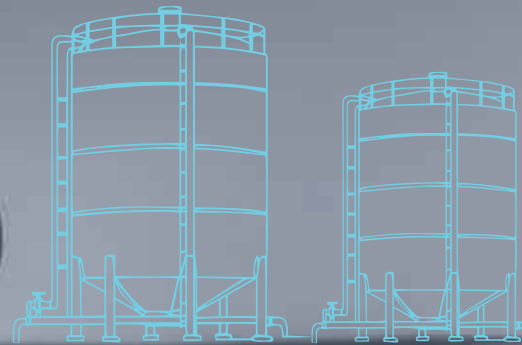
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In the 2026 State of the Nation Address, President Ramaphosa insisted that a fully independent state-owned entity would be established. It would have ownership and control of transmission assets and be responsible for operating the electricity market.

### **Role of the private sector**

The JET-IP progress report points out that the private sector is leading investments in renewable energy generation, although it is severely constrained by inadequate transmission grid capacity.

Apart from the headline renewable energy projects mentioned in the report, there is an even bigger move into green energy as businesses such as mines, shopping centres, hotels and offices, and private households have been installing solar panels at pace. That is happening regardless of the JET programme, and perhaps only a small part of it is actually driven by just energy transition motives. While the motivation will vary from business to business and person to person, it is clear that by “going off grid”, businesses and citizens can maintain uninterrupted power at an affordable cost.

The JET is a well-intentioned plan with wide ambitions. But one of the biggest forces for the move into green energy in SA is self-interest. Challenges and inefficiencies in the public sector, combined with the fact that profit-driven technological advances in solar and wind power have made it cheaper than coal in the past decade, has prompted the private sector to make the switch - with positive consequences.

This is particularly vital for large businesses that are big consumers of power. Using greener power technologies enables them to stay competitive.

For the same reasons, these trends are not limited to SA, but are in line with trends observed worldwide. Here we can refer to the great example of the US state of Texas, which despite being known as a largely pro-Republican, oil-rich state, in 2025 generated more power from solar energy than from coal powered stations. According to Integrity Energy, in 2024 Texas generated more renewable power than any other US state, including California. Arguably the drive to ever-more efficient ways of conducting business is having the unintended consequence of sourcing energy from newer, cleaner and greener electricity plants.

### **Partnering on investment will speed up JET for SA**

After two years of JET-IP, the lesson seems to be that the public and private sectors need one another. The private sector has an appetite to invest in SA's transmission infrastructure, but the amount needed is vast. Minister of Electricity and Energy, Dr Kgosientsho Ramokgopa, told this year's Africa Energy Indaba that more than R440 billion is needed in the next ten years to modernise and expand the transmission infrastructure.

This is a substantial amount of capital to mobilise, which is why it is so important to secure concessional funding from development finance institutions to both enable the scale, as well as the speed, of attracting capital into the sector. The grid will remain a public asset, so efficient public-private partnerships are critically needed.

Lastly, we believe that a truly just transition means a speedy enablement of investment into more efficient energy generation technologies and capacity. That will inevitably create a more competitive local economy and attract further investment that will lead to job creation and sustainable prosperity for more South Africans.

# Geopolitics, global trade shifts and rising inflation risk: What could this mean for private credit?

As of 24 April 2026, the US–Iran conflict has been ongoing for approximately eight weeks. Despite President Trump’s extension of the ceasefire to allow for further negotiations, the path to a lasting resolution remains uncertain. Regardless of when and on what terms this most recent conflict may ultimately end, it has exposed a rise in global macroeconomic risks. Most importantly, it has highlighted the fragility of global oil supply and intensified the debates surrounding how central banks should respond to the knock-on effects of higher energy prices on global trade and inflation.

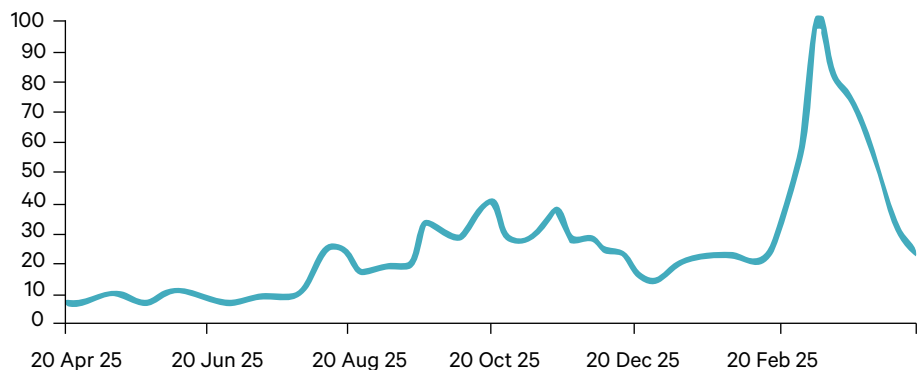
Locally, these debates appear more intense, as the market grapples with how the South African Reserve Bank may respond to these dynamics, and what that response could mean for investment and economic growth. At a micro level, the potential implications are stark. The combination of higher borrowing costs and lower disposable income presents a significant risk to an already over-stretched consumer. At the same time, lower investment, subdued growth and the rising prominence of AI may compound South Africa’s challenge of high unemployment. Against this uncertain macro-economic backdrop, what are the implications for private credit, an increasingly prominent asset class within the private markets?

## Developed markets: facts over headlines

From a developed market perspective, private credit has taken centre stage in recent months. Rising investor redemptions, growing concerns over the quality of underlying loans and the asset class’s overall exposure to software companies, which are vulnerable to AI disruptions, have intensified the debate around the trajectory of the asset class. There is also increased speculation about whether these risks could spill over into the broader financial system. Amid the market noise, it is important to focus on the facts to establish a clearer view and to assess how these risks may impact the asset class.



## Google Search Trends “Private Credit”



Google Trends: Scale of 0 to 100 where is peak popularity relative to search period  
Source Google Trends

### Vukile Themba-Mketo

Senior Portfolio Manager – Private Debt at  
Terebinth Capital

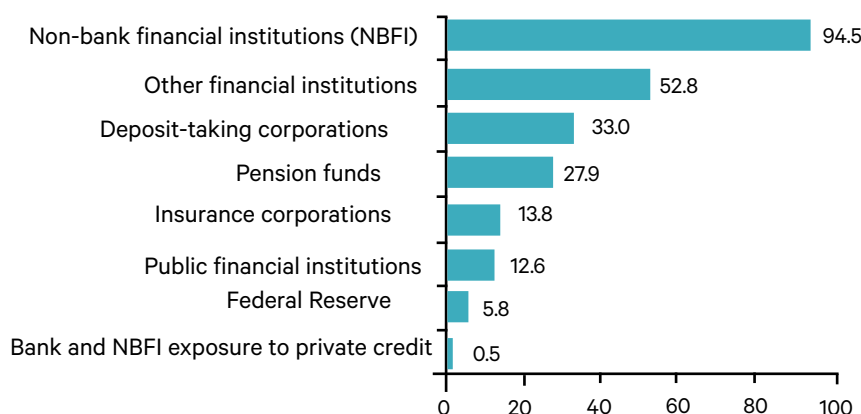
Fitch Ratings reported a default rate of 9.2% in 2025, up from 8.1% in 2024, based on its US Privately Monitored Rating (PMR) portfolio, which provides a useful proxy for the health of the US private credit market. It remains unclear whether the rise in default rates is linked to weak credit decision making, less resilient business models amid more challenging conditions, fraud and corporate governance failures (as highlighted by the recent Tricolor default) or a combination. Regardless, these trends emphasise the importance of a disciplined investment process, a focus on resilient borrowers, and robust corporate governance at a borrower level. These factors are not only relevant during heightened market uncertainty, but are also applicable to the South African market.

JP Morgan estimates that US private credit funds' exposure to the software sector stands at approximately 21% and rises to 40% when broader technology and business services are included<sup>1</sup>. This level of single sector exposure is significant enough to cause concerns about the potential threat that AI poses to software and tech companies, and by extension their ability to repay private credit loans. While comparable sector exposures are not readily available, and AI adoption remains in its infancy in South Africa, the implication for local investors remains clear: ensure that managers are well diversified across resilient sectors and robust individual borrowers.

### Systemic risk in perspective

While contagion during market meltdowns can turn non-linear, the underlying financial interconnectedness needs scrutiny. The fact that bank and non-bank lenders' exposure to private credit (estimated at US\$410bn - US\$540bn in 2024) constitutes a small share of their total assets (estimated at a combined US\$127tn)<sup>2</sup> makes the systemic risk posed by rising private credit defaults more benign than what current headlines suggest. It is difficult to pinpoint a single reason for recent investor redemptions in developed markets and to therefore write off private credit as an asset class. Perhaps a more balanced approach is to consider the interplay of these complex factors: global macroeconomic uncertainty, a preference for more liquid lower-risk assets, single-sector risk, and a stronger focus on credit quality – both historically and on a forward looking basis.

### South African opportunity: selectivity is everything



Source: Financial Times, FSB OFR

<sup>1</sup>J.P. Morgan Global Alternative Investment Solutions, latest available as of April 2026

<sup>2</sup>Financial Times, "Who cares if private credit goes kaput?" 18 March 2026

Locally, macroeconomic uncertainty may constrain deal flow and make high quality origination harder. When downside risks are elevated, the ability to source “gems amidst the rubble” becomes the decisive differentiator.

The managers who will stand out are those with:

- deep networks inside South Africa’s entrepreneurial ecosystem;
- proven skill in identifying business models that can grow even in weak conditions;
- genuine partnerships with management teams; and
- rigorous portfolio construction that treats diversification and risk management as core disciplines rather than afterthoughts.

### Strategic takeaway

Geopolitical shocks, shifting trade patterns and inflation risks have not diminished the structural appeal of private credit; they have reinforced the importance of active, disciplined management. In South Africa, where public market liquidity can be constrained and economic cycles are pronounced, a well selected private credit allocation offers both income resilience and genuine portfolio diversification.

For investors, the key is clear: focus on managers who combine rigorous credit discipline with local origination edge. In uncertain times, that combination remains one of the most reliable sources of alpha in private markets.



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# Where is Africa's growth really being built?

For years, institutional investors in South Africa (or across Africa) have treated public markets as the clearest expression of economic health. If it was not listed, it was not often considered. That assumption is becoming harder to defend.

Across much of the world, traditional public equity markets are no longer the natural home of growth businesses. There are exceptions, of course, but the broader trend, and it is visible on the JSE too, is one of shrinking breadth, fewer listings and a market structure that increasingly favours scale, maturity and administrative stamina over innovation.

The result is that investors who rely only on listed markets are seeing a narrower and increasingly distorted slice of the economy, thus a decreasing investment opportunity set.

## From the corner shop to the megastore

A recent episode of the Inside Private Markets series on EBnet captured this neatly through an analogy offered by David Moore of BlueEarth Capital. Traditional listed markets, he suggested, are like a corner shop: familiar, convenient, but limited. Private markets, by contrast, resemble a megastore. The shelves are deeper, the categories broader and the choice far more representative of where real economic dynamism is taking place.

But the case for private markets is not merely that they offer more choice. It is that they allow investors to participate in value creation at the point where it matters most.

## Patient capital does more than observe - it helps build

In listed markets, investors are often buying exposure to mature businesses whose operating models are already established and whose growth is incremental. In private markets, capital enters earlier, when companies still need strategic support, governance discipline and patient backing. This is not passive ownership. It is an active partnership.

That is why private markets should be viewed not simply as an alternative asset class, but as part of Africa's real growth engine.

The research function lies in identifying businesses and sectors that have been screened out of public markets by design. Through exclusivity, detailed due diligence and closer operational access, private market investors can uncover businesses with real potential long before they are visible in benchmark indices. These are often companies that are too small, early-stage or too operationally stretched to contemplate the bureaucracy of a listing, even though their products or services may be central to future growth.

The "development" function comes once capital is allocated. Patient capital gives management teams the runway to invest, build and adapt without the pressure of quarterly earnings expectations or the daily share price volatility. Investors are not merely taking a view on future outcomes; they are helping shape them through governance, networks, technical support and long-term capital commitment.

### Selina Nalane

Client Director at Old Mutual Alternative Investments



## A continent with unapparelled opportunity for institutional investors

Africa's institutional investors are beginning to channel a growing pool of pension capital into private markets and other alternative assets, but similar to South Africa, the shift is still nascent and uneven. Having spent some time with Kenyan retirement trustees last year, the challenges of unfamiliarity and low adoption were not unique. Kenya's pension AUM climbed to approximately Ksh 2,8 trillion (ZAR 356 billion) in December 2025 and this rising industry scale across focus markets increases the pool of capital that can be directed to private markets and alternatives, which saw 85.1% growth in 2024.

At a broader level, a joint International Finance Corporation/African Development Bank (IFC/AfDB) study found that pension fund investment in "alternative assets" remained small (generally around 0 - 2.7% of AUM). This has remained the case even as growing pension system assets under management have begun to stimulate demand for newer investment structures such as infrastructure, private equity and venture capital, REITs and green instruments. In most markets, allocations to alternatives still sit well below national limits, with portfolio exposure continuing to be heavily concentrated in government securities.

Converting rising interest into meaningful allocations for the continent's development will therefore depend on strategic shifts to include more private markets, scaling pooled alternative vehicles, improved disclosure and valuation standards, and targeted trustee knowledge sharing and manager capacity building.

## Where Africa's next chapter will be written

Africa's next chapter will not be written solely on the trading screens of its public exchanges. It will be written in private companies solving practical problems, in infrastructure that expands access and resilience and in overlooked parts of the economy that formal markets have failed to capture.

For investors, the implication is simple: private markets are no longer a peripheral allocation or merely an add on. They are where much of the continent's genuine next phase of growth, scaling and economic development is taking place. If public markets are the shop window, private markets are the workshop and that is where Africa's future is being built.

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# The social and economic benefits of investing in townships, rural and peri-urban areas in South Africa

South Africa's economic geography remains deeply shaped by its apartheid past, with township and rural areas historically marginalised from mainstream economic activity. Today, these areas are home to a significant share of the population, including nearly 40% of the working-age population and a majority of the unemployed. Investing in these regions is not only a moral imperative but also a strategic opportunity to unlock inclusive growth, reduce inequality and build a more resilient national economy.

One of the most significant economic benefits of investing in these areas is job creation. Townships and rural regions host many informal and small enterprises - such as spaza shops, street vendors and service businesses - which form the backbone of local economies. With targeted investment, these micro and small enterprises can scale, formalise and integrate into broader value chains. Evidence from development programmes such as eKasiLabs shows that investment in township enterprises leads to increased productivity, innovation and employment. By supporting entrepreneurship, investment directly addresses South Africa's high unemployment rate, particularly among youth.

Beyond job creation, investment in these areas promotes inclusive economic growth. Historically, economic activity in South Africa has been concentrated in urban centres, excluding millions of people from meaningful participation. By directing capital into these economies, opportunities are spread more equitably across regions. This helps reduce spatial inequality and ensures that economic growth benefits a broader segment of society. Importantly, townships represent a substantial consumer market - estimated at hundreds of billions of rand annually - demonstrating their potential as engines of demand and production.

From a social perspective, investment in township and rural areas contributes significantly to poverty reduction and improved living standards. Many township and rural residents face limited access to infrastructure, services and economic opportunities. Investments in infrastructure - such as roads, electricity, water and digital connectivity - enable economic activity and improve quality of life. At the same time, increased employment and business opportunities raise household incomes, enabling better access to education, healthcare and housing.

Another key social benefit is community empowerment and social cohesion.

Investment in local enterprises and development initiatives fosters a sense of ownership and participation among residents. When communities are actively involved in economic activities, they become more resilient and cohesive.

Programmes that combine funding with mentorship, skills development and market access have shown that empowering entrepreneurs leads to broader community upliftment. This empowerment is particularly important for historically disadvantaged groups, including women and youth, who often face barriers to entering the formal economy.



**Ben Kodisang**

Founder and CEO at ALT Capital Partners

Investing in these regions also plays a crucial role in reducing inequality, one of South Africa's most pressing challenges. By targeting underserved areas, investment helps bridge the gap between wealthy urban centres and poorer communities. Inclusive development reduces income disparities and creates more balanced economic growth. This not only improves social outcomes but also contributes to long-term economic stability, as more people are able to participate in and contribute to the economy.

Furthermore, such investment enhances social stability and reduces crime. High levels of unemployment and poverty are closely linked to social unrest and crime in many communities. By creating jobs, improving infrastructure and fostering economic activity, investment addresses some of the root causes of instability. As economic opportunities expand, communities become safer and more attractive for further investment, creating a positive cycle of development.

In addition, investing in rural and peri-urban areas supports urban decongestion and balanced development. South Africa's major cities face increasing pressure from migration, often driven by the lack of opportunities in rural areas. By developing economic opportunities closer to where people live, investment reduces the need for migration and helps create more sustainable settlement patterns. This balanced development eases the burden on urban infrastructure while promoting growth in secondary towns and rural regions.

Finally, investment in these areas contributes to long-term national economic growth. A more inclusive economy, where more people are economically active, leads to higher productivity and increased aggregate demand. By unlocking the potential of underdeveloped regions, South Africa can expand its economic base and improve its global competitiveness. The township economy, in particular, has been identified as a key driver of inclusive growth when supported with the right mix of capital, skills, and market access.

In conclusion, investing in townships, rural and peri-urban areas offers substantial social and economic benefits for South Africa. It drives job creation, promotes inclusive growth, strengthens local economies and improves living standards. At the same time, it fosters social cohesion, reduces inequality and enhances stability. For investors, policymakers and development practitioners, these regions represent not just a challenge, but a powerful opportunity to build a more equitable and prosperous South Africa.



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# The de-equitisation of public markets

For the last two decades, global capital markets have been undergoing a silent but aggressive transformation known as “de-equitisation”. The number of publicly traded companies has more than halved, while the pool of private capital is exploding. The pool of privately held companies has always vastly outnumbered the public universe (3,000 to 1), providing the widest range of opportunities to source great investments for those willing and able to do the work. Private market companies also grow faster than their public counterparts, providing by far the bulk of exciting growth opportunities that drive returns. But it is now also the case that the most attractive high growth companies are choosing to remain unlisted for longer. As they do so, traditional public equity investors are increasingly locked out of the steepest phases of corporate value creation.

Consequently, private equity (PE) and venture capital (VC) are becoming increasingly larger allocations in developed-market institutional portfolios but are also beginning the transition from exclusive institutional domains into essential components of a diversified, modern portfolio, opening a wave of “democratisation” in alternative investments.

## The shrinking public pool

De-equitisation refers to the shrinking supply of publicly available equity. Since 1995, the universe of listed investment opportunities in developed markets (the US, EU and UK) has declined by 36%, with the US universe more than halving (52%). Based on recent 2024/2025 data, only 14% of US companies generating over US\$100 million in annual revenue were publicly listed. The remaining 86% are privately held. Since 2000, the number of PE-backed companies has grown by more than 600%.

## Why are companies fleeing the public sphere?

1. The burden of being public: Regulatory costs, relentless quarterly earnings pressure and intense public scrutiny have made public listings arduous and expensive.
2. Abundant private capital: Companies no longer need to go public to raise billions. The global PE assets under management (AUM) surged from under US\$1 trillion in 2000 to over US\$10 trillion today. This provides significant firepower for companies to stay private and still source capital for growth and provide liquidity for their investors.
3. Mergers & Acquisitions (M&A) and take-privates (de-list): Private equity firms hold record amounts of “dry powder” (uninvested capital) and are actively buying out undervalued public mid-cap companies, permanently removing them from the stock exchange. Meanwhile, the largest listed companies have strong cash flow, relentless growth targets and are aggressively adding capabilities through acquisition, removing opportunities from the market.

## The staggeringly large private pool

It is often overlooked how large the private market is. Well over 99% of firms are private, even across all developed markets and despite extremely well-functioning public exchanges. Public companies represent a tiny fraction of the total business landscape, with private market opportunities outnumbering public market ones by over 3,000 to 1.



**David Evans**

Managing Director at Fairtree Elevant Ventures

## The growth differential

Private market companies are growing faster than public market companies: On aggregate, it is estimated that annual revenue growth rates of private companies are between 2.2x (US) and 6x (EU) higher than public companies.

Not only are growth rates higher in the private market, but so is the total value of growth created. It is estimated that appr. 65 - 70% of corporate revenue growth in the US now occurs in the private market. Companies now wait until they have massive revenue (US\$1 billion+) before listing, and all that “hyper-growth” phase (0 to US\$1 billion) happens privately. In Europe, it is even more extreme: Almost 80% of net new revenue creation in the European mid-market comes from unlisted firms. European public stocks are heavily weighted to low-growth “old economy” sectors (Banks, Energy), while the growth (Tech, Services) stays private. The public market is effectively a “dividend machine”, not a “growth engine”.

## The impact on investors

This structural shift has fundamentally altered the risk-and-reward dynamics for both institutional and everyday retail investors.

### 1. The “Growth Phase” lockout

Historically, public markets democratised growth. Amazon went public in 1997 with a valuation of roughly US\$440 million, allowing public investors to capture virtually all of its hyper-growth. Today, companies like SpaceX, OpenAI and Stripe are valued at well over US\$100 billion, while remaining entirely private. By the time modern tech “unicorns” finally go public, their highest growth phase is often behind them, leaving public investors to buy into mature, slower-growing businesses.

### 2. Extreme market concentration

Because new, innovative companies are not replenishing the public indices, the market has become dangerously top-heavy, reducing portfolio diversification.

### 3. The yield vs. growth divide

Public markets are increasingly becoming venues for “yield” rather than “growth”. Mature public companies return capital to shareholders via dividends and massive stock buybacks.

Meanwhile, the actual top-line revenue expansion and disruptive innovation are occurring out of sight, locked inside PE and VC portfolios.

## Evolving regulatory landscape in response to investor demand

If 86% of mid-to-large companies are private, investors must adapt to regain access to the full investable universe. The alternative investment industry is currently undergoing a massive “democratisation” phase to provide private market opportunities to the estimated US\$80 trillion in individual investor capital.

As of early 2026, institutional investors have continued to increase their allocation to alternative assets, like private equity and venture capital, to approximately 30% of their total portfolios, rising from 10% in 2000.

Individual investors are beginning to follow, and regulators are attempting to accommodate the demand to facilitate access. In Europe, the ELTIF 2.0 (European Long-Term Investment Fund) framework is working to remove barriers to access. ETFs embedding private market strategies are being trialled, blurring the lines between daily public liquidity and private market yield. A 2025 executive order in the US instructed the Department of Labor to facilitate access to alternatives, paving the way for 401k retirement plans to incorporate private equity and venture exposure in portfolios. As this continues to evolve, individual investors are expected to represent 22% of total private market AUM by 2030.



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*Fairtree Asset Management is an authorised financial services provider.*

# Water: A system under pressure, a sector in transition

Three years ago, we wrote an article highlighting the systemic strain on the country's water infrastructure and the emerging opportunities for private sector investment. At the time, the investment case rested largely on the scale of the infrastructure deficit. While that thesis still holds, the investment opportunity for private-sector participation has significantly broadened.

South Africa is a water-stressed country, with almost 98% of its available surface water allocated for public and private use. Additional pressure has come from failing infrastructure systems, erratic climate events and uneven geographic supply. According to a 2024 study, only 36.7% of rural residents have access to safely managed water, while nearly 47% of all treated water is lost through physical leaks, unauthorised use, metering failures and weak billing systems.

These challenges have not gone unnoticed. Water security has since moved to the centre of the national growth, governance and infrastructure agenda. In the 2026 State of the Nation Address (SONA), President Ramaphosa described water as "the single most important issue" for South Africans, announcing the formation of a National Water Crisis Committee (NWCC) to coordinate the state's response.

## Improved policy

One of the more pronounced changes since our earlier article has been the public sector response. In addition to the NWCC, the Government has restored benchmarking through the Blue Drop, Green Drop and No Drop frameworks, creating a stronger, evidence-based assessment of water quality, wastewater performance and non-revenue water.

Institutional reform has also advanced. Government is strengthening national water infrastructure management and funding mobilisation by consolidating strategic asset management through a more streamlined structure, namely the National Water Resource Implementation Agency (NWRRIA), building on the role of entities such as the Trans-Caledon Tunnel Authority (TCTA), a state-owned enterprise with a credible track record of financing and implementing large-scale bulk water projects.

At the same time, public funding commitments have become more explicit, with significant increases in allocations for water and sanitation infrastructure and new incentives to protect municipal service revenues for reinvestment.

Within this framework, the NWCC should be understood not as a separate delivery vehicle, but as a high-level coordinating mechanism. Its role is to align institutions, accelerate interventions, deploy technical support and strengthen accountability where municipal systems are failing. For investors, this improves the potential for faster execution, better oversight and clearer intervention pathways in stressed parts of the system.

**Tshiphiri Muedi**  
Managing Director  
SA Infrastructure at Ninety One



The Water Partnerships Office adds a further layer of credibility, tasked with helping develop standardised programmes for private sector participation while supporting municipalities in preparing more bankable projects.

### Broader opportunity

While South Africa's major bulk water assets continue to underpin long-term supply, the more immediate bottleneck lies downstream in reticulation, treatment, pumping, storage, metering and wastewater management. As the President noted in SONA 2026, the challenge is often not the existence of water in the system but getting it reliably to people's taps.

That distinction is important for investors as it broadens the investable opportunities beyond traditional dam and bulk transfer infrastructure finance. It points to opportunities across the production line, from potable treatment, transfer assets and non-revenue water to wastewater treatment and reuse.

That suggests a more nuanced investment thesis. Not every opportunity needs to be a large, standalone concession. Some may be better structured as performance-led rehabilitation, technical service contracts, availability-based models, ring-fenced utility improvements, or blended municipal support structures under stronger national oversight.

This is precisely where the combination of the NWCC and the Water Partnerships Office could prove most valuable: one improving coordination and intervention, the other helping convert municipal needs into bankable projects.

### From crisis to reform

Reform does not need to eliminate risk to create opportunity. It needs to improve visibility, structure and accountability enough to support disciplined capital deployment. That is increasingly the direction of travel in South Africa's water sector.

Water infrastructure has become a space where public need, policy focus and capital demand converge, and where institutional investors can gain exposure to essential assets that underpin national growth. The sector should no longer be viewed solely through the lens of crisis and risk; it should be seen as one of SA's clearest and most sustainable long-term investment opportunities.

The scale of the capital required to achieve water security remains far beyond what the fiscus can fund on its own, with estimates of roughly R90 billion a year required over the next 10 years. Actual spending has remained well below that level. It is here where institutional capital can play a constructive role in helping to fund the capital shortfall.

For investors, the attraction of SA's water sector is that it combines essential and non-discretionary demand, a large and visible infrastructure requirement, rising policy prioritisation, developmental relevance and the potential for inflation-linked or utility-style cash flows in selected segments.

The opportunity is best understood not as a single market, but as a layered investment platform: strategic bulk infrastructure, municipal stabilisation, wastewater compliance and reuse, and technology-enabled operational improvement. Reliable supply is critical to mining, agriculture, manufacturing, housing, healthcare and urban productivity. It is therefore not a narrow thematic allocation, but a foundational infrastructure exposure.

While South Africa's water crisis remains one of the country's greatest constraints, it is also one of its clearest long-term investment opportunities.



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# The human origin of capital: On money, memory and duty

A phone vibrates: a bank notification telling someone that money has been deducted for their pension contribution. By the time they've read it, the subtraction has already happened.

**This moment happens everywhere:** in Sandton boardrooms, in Cape Town municipal offices, in Durban shipping firms. Every day people trade portions of their life for the things that keep them alive and safe, and for the things that make life worth living. Hours become shelter, school fees, medical care, and sometimes, a little joy. Across millions of people, those hours pool into pension contributions, insurance premiums and savings accounts.

When finance starts talking about capital, the language becomes abstract very quickly. But capital is not abstract at its origin. Capital is compressed human effort, yesterday's time carried forward into tomorrow.

When a pension fund invests, it places stores of real life into someone else's hands. Sometimes that money passes through a bank, an asset manager, a private equity fund. In each case, the real exchange happened earlier: someone gave up hours of life, and those hours became savings. The moment that happens, the job of the money manager changes in a way the industry rarely says out loud. They are stewards of other people's labours.

## Finance tends to prefer 'neutral' words, but stewardship is a moral word.

The job of stewarding money is not neutral. When you manage other people's money, you hold pieces of real lives in your hands, with your decisions sending real consequences rippling through those lives. It's not just through the returns you deliver, but through what you choose to build or starve.

## So a serious question follows: what kind of person should do this work?

They should start with truth: the ability to stay in contact with reality, even when the crowd yells that the emperor's clothes look great, though he is naked. Assumptions must continually be interrogated. Narratives must be subordinate to facts. A sloppy memo, a spreadsheet error, an unresolved conflict of interest: these are not small technical failures. They can become permanent erasures of other people's lives. This is a responsibility that demands intellectual honesty and real resistance to self-deception.

Money managers need to understand risk in more than a mathematical sense. Downside lands unevenly between those who manage money, and those who created that money. A loss in a fund report may reappear somewhere else as delayed retirement, reduced support for one's family, or postponed medical care.

Finance rewards motion: deals closed, capital deployed, activity that can be counted and displayed. Stewardship is measured differently. It is measured in judgment: the ability to wait when waiting is called for, and to pass on deals that gleam on paper but reek of hidden rot.

**Yashodan Naidoo**  
CEO at Precium Capital Partners



It may happen on an ordinary day: across your desk comes a deal with high returns and a beautiful financial model. But the downside case assumes perpetual expansion. A few other things feel off.

That is the moment that matters. You think about the people whose contributions this capital represents: thirty years of teaching, deferred vacations, some modest hope for stability. At 6 p.m. you send a one sentence email: *Pass*.

No one applauds. The deal closes without you and performs well for eighteen months. That is part of the job too: the willingness to be wrong alone, and to carry the weight of other people's time without the comfort of certainty.

The finance industry produces many competent technicians, but few true stewards. A competent technician asks, "Does this optimise returns?" A steward asks, "Could I explain this simply to the person whose life sits behind it?"

Good stewardship is not mysterious. It means simplicity over jargon. It means admitting uncertainty when it exists and building buffers instead of wishing it away.

I'd like you to picture one person behind each contribution. The nurse. The municipal worker. The retiree living off a pension. Now ask one question: *Would I still make this decision if they were sitting across from me?* If yes, proceed. If no, walk away.

Finance will continue to reward motion, marketing and confidence. Stewardship asks for something quieter and harder: respect for the fact that capital begins as life, and a commitment to treat it that way.



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# Exploring Islamic Equity investing in a fragmented global market

Global markets are navigating an era of heightened uncertainty. Geopolitical fragmentation is reshaping trade alliances; inflation remains structurally higher than in the decade following the global financial crisis; interest rate cycles are less predictable; and technological disruption is accelerating across industries. Against this backdrop, global investors are rethinking portfolio construction – seeking resilience, diversification and sustainable sources of growth.

Pension reform across Gulf Cooperation Council Countries (GCC) countries is accelerating the shift toward funded, long-term savings frameworks, increasing demand for diversified, Shari'ah-compliant investment solutions. As institutional pools deepen, Islamic equities stand to benefit from sustained inflows, particularly into high quality, low leverage companies.

In such an environment, Islamic equity investing offers a distinct advantage. Built on Shariah principles that emphasise ethical conduct, asset-backing and financial prudence, Islamic equity strategies embed discipline at the structural level. But beyond their ethical alignment, they play a powerful diversification role – particularly when considered alongside global sukuk allocations.

## Structural quality in a higher rate world

Islamic equity screening imposes both sector and financial filters. Companies involved in prohibited activities are excluded, and firms must meet specific financial ratio thresholds, including limits on leverage and interest based income.

The result is a natural tilt toward businesses with stronger balance sheets and more conservative capital structures. In a world of elevated borrowing costs and tighter liquidity, such characteristics are valuable. Companies with manageable debt levels are generally better positioned to navigate rate volatility and economic slowdowns.

Additionally, the absence of conventional banking exposure reduces vulnerability to systemic financial stress – an important consideration in periods of monetary tightening.

## The diversification advantage

A key strategic benefit of Shari'ah compliant or Islamic equity investing lies in its complementary role alongside sukuk in global portfolios.

Sukuk by design, are structured to provide income stability and asset-backed exposure. Their performance drivers are typically linked to profit distributions, credit conditions and prevailing rate environments. Islamic equities, by contrast, are primarily driven by corporate earnings growth, innovation cycles, and broader economic expansion.



**Maahir Jakoet**

Portfolio Manager of the Old Mutual Global Islamic Equity Fund

Because these return drivers differ, Islamic equities and sukuk tend to exhibit lower correlation relative to assets within the same class. While both adhere to Shariah principles, their market behaviour can diverge meaningfully – particularly during periods when interest rate movements dominate fixed-income performance or when equity markets respond to growth expectations. Taking this into the global market environment, this lower correlation enhances portfolio efficiency across a far broader universe. The inclusion of Islamic equities in a global portfolio provide capital appreciation potential during growth cycles. The result is a more balanced risk return profile over time.

In modern portfolio construction, diversification is not merely about holding multiple assets – it is about combining asset classes that respond differently to economic forces. Islamic equities fulfil that role effectively within Shariah-compliant portfolios.

### Professional management in practice

The Old Mutual Islamic Equity Fund illustrates how global Islamic equity exposure can be implemented with discipline and depth. In April the fund will celebrate its 10th anniversary, maintaining a top quartile performance for a decade since its inception. It has achieved this by using a systematic investment approach, providing access to a global pool of equity stocks, while applying a Shari'ah-compliant process that screens out non-compliant stocks

This international exposure enhances its role as a complement to sukuk allocations, which may be more sensitive to rate movements and credit spreads.

Fundamentally, sukuk, while similar to bonds, are based on risk and reward sharing driven by real assets. By incorporating Islamic equities holistically in a strategy alongside global sukuk, investors can construct strategies that balance income stability with long-term capital growth – while maintaining faith alignment.

### A forward looking portfolio approach

Today's investment environment demands adaptability. Elevated volatility, shifting policy cycles and structural technological change mean that portfolios must be both resilient and growth oriented.

Islamic equity investing meets this challenge on multiple fronts. Its screening methodology fosters financial discipline and its differentiated return drivers provide meaningful diversification benefits relative to global sukuk.

As Shariah-compliant investing continues to evolve, Islamic equities are emerging not simply as an alternative allocation, but as a strategic pillar within modern portfolios. Existing strategies demonstrate that investors need not choose between values and opportunity. With thoughtful allocation across asset classes – including both sukuk and global equities – faith-based portfolios can be positioned to navigate uncertainty while participating fully in global growth.



INVESTMENT GROUP



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# When the process does the thinking

Pension fund trustees face a deceptively simple question: is the capital entrusted to you working as hard as it could be? Not just whether it's invested in the right asset classes, but whether the way it's being managed is getting the most out of every rand.

This question shapes not just which equities you hold, but how the decisions get made, and whether the process behind those decisions is built to deliver consistent results over the kind of time horizons that retirement savings demand.

## Why consistency is so hard

Generating alpha in any given year isn't actually that unusual. The harder part, and the part that matters for retirement savings built over decades, is doing it consistently. This is where human decision-making runs into some well documented problems.

Behavioural finance research has shown that even experienced investors are subject to systematic biases. Overconfidence makes us hold losing positions longer than we should, because admitting we were wrong is uncomfortable. Loss aversion pushes us to bank small wins too quickly, cutting our winners short. And recency bias means that whatever happened last quarter tends to carry more weight in our thinking than it probably deserves.

These aren't character flaws, they're how our brains are wired. But in equity markets, where the margin between outperformance and underperformance is often slim, these biases compound over time. The S&P SPIVA<sup>1</sup> scorecard puts some hard numbers behind this: 95% of actively managed South African equity funds underperformed their benchmark over the past ten years. And even among those that do outperform, consistency is rare. For trustees responsible for retirement savings being accumulated over 30 or 40 years, that inconsistency is a real problem.

## What we mean by systematic investing

A systematic equity process can be built to address exactly this - investing through a systematic, rules-based framework rather than relying on subjective judgement calls. The investment research (what drives returns, what signals to respond to, how to manage risk) should be done upfront and embedded into the process itself. When the data says to adjust, the portfolio adjusts. When it doesn't, it holds.

This isn't about replacing human thinking with a black box. The ideas behind the models come from real investment insight and rigorous research. The difference is in how those ideas get applied. A systematic process applies them the same way every time, without the emotional noise that tends to creep in when markets get volatile. It doesn't get nervous after a bad week or overexcited after a good one.

<sup>1</sup>S&P SPIVA - S&P Indices Versus Active - a well-known series of scorecards and research reports published by S&P Dow Jones Indices that compares the performance of actively managed investment funds against their relevant passive benchmark indexes.

**Nicholas de Clercq**  
Quantitative Analyst at Prescient  
Investment Management



The result is a more repeatable source of alpha. And that repeatability turns out to matter a great deal, because it unlocks something bigger.

### **Making alpha portable**

Portable alpha is the idea that you can separate where your capital sits from where your return comes from, effectively giving you two exposures out of one pool of money.

That concept works best when the alpha you're porting is well understood and consistent. A systematic equity process fits that description well. Because the alpha comes from a repeatable framework rather than a concentrated set of subjective bets. Think of it as an engine that can be installed in different vehicles. The alpha source stays the same; the application is flexible.

This is where things get interesting for trustees, because portable alpha doesn't just offer the prospect of higher returns. It changes the risk profile of the portfolio in some meaningful ways.

### **Diversification and downside protection**

The structure of a portable alpha equity fund means you're getting two things at once: broad equity market exposure, plus an independent alpha source on top. Because that alpha is generated separately from the market return, it gives the portfolio a return stream that doesn't just move with the index. In a market like South Africa's, where a handful of large counters can dominate performance, that independence is genuinely useful.

There's a natural cushion built in too. The alpha-generating part of the portfolio tends to sit in lower risk instruments, which means the overall fund behaves differently during selloffs compared to a conventional equity portfolio. For members approaching retirement, where the order in which returns arrive matters as much as the returns themselves, that's a meaningful benefit.

### **Keeping costs honest**

There's a practical benefit worth mentioning too. Systematic strategies scale efficiently. The intellectual capital lives in the process itself, not in a large team of analysts covering individual stocks. That means a disciplined, alpha-generating approach can be delivered at a fee level that makes sense over long time horizons. Even small differences in fees compound significantly over a 30 or 40-year savings journey.

### **Why this should be on the trustee agenda**

Every rand in a retirement portfolio started as someone's salary, hours worked, sacrifices made, trust placed in the system. The responsibility of making that capital work efficiently is not a small one.

A systematic approach offers transparency: trustees can see exactly what the process does and why. It offers consistency: no style drift, no key-man risk, no changes of direction mid-cycle. And when that process is designed to produce portable alpha, it means every rand can contribute to more than one source of return and more than one layer of protection. And that feels like a conversation worth having.



# When the world is spinning can you afford to trust your gut?

In a noisy, spinning market, your gut gets loud. But loud doesn't mean right. Prescient's systematic investment philosophy relies on rigorous data analysis, filtering out intuition, emotion, and human bias. The result is consistent, logical, and reliable investing, no matter what.

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INVESTMENT MANAGEMENT

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*Invest early.* You'll be so happy you did.

**CORONATION**

# Korea – the comeback king, but where to from here?

On 3 December 2024, South Korean President Yoon Suk Yeol declared martial law – a move that plunged the country into its deepest political crisis since the transition to democracy in the 1980s. Within hours, citizens flooded the streets in protest, parliament overturned the declaration, and Yoon was swiftly impeached. The constitutional court confirmed his removal in April 2025, and new elections in June brought Lee Jae Myung to power.

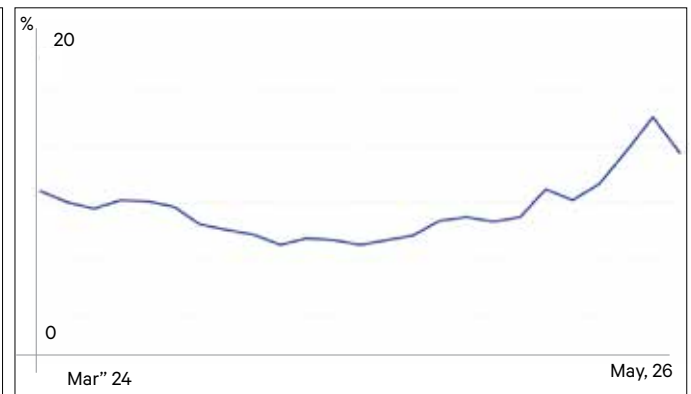
Against this backdrop of extraordinary political turbulence, few would have predicted what happened next: a market boom of historic proportions. From the moment of Yoon's ill-fated declaration to the time of writing, the KOSPI – Korea's benchmark equity index – has surged 114%, making it easily the best-performing major index in the world over the period (Figure 1).

Figure 1: KOSPI Index



Source: Bloomberg

Figure 2: Korea's weight within MSCI emerging markets index



Source: MSCI

Korea's weight within the MSCI Emerging Markets Index has effectively doubled between December 2024 and February 2026 (Figure 2), catching underweight managers badly off-guard.

## Powering the AI boom

At the heart of Korea's rally are its two most valuable companies: Samsung Electronics and SK Hynix. These two firms have become indispensable to the artificial intelligence revolution. They are the world's largest producers of memory chips – NAND and DRAM – products that were once commoditised and prone to vicious price cycles. That dynamic has changed dramatically.

As the computing and memory demands of AI servers have exploded, the memory market has shifted from surplus to shortage. High Bandwidth Memory (HBM) – a critical component in AI data centres – has absorbed available capacity industry-wide. Until recently, only SK Hynix and US-based Micron produced a chip certified for use by NVIDIA (HBM3). The latest generation, HBM4, is now in production, with both SK Hynix and Samsung Electronics earning certification. The AI revolution, quite simply, cannot happen without their products – and share prices have responded accordingly (Figure 3).

These gains have reshaped the composition of the Korean market. Samsung Electronics and SK Hynix now account for roughly half the weight in MSCI Korea, up from around 36% before the martial law episode. When Samsung Electronics' separately listed preferred shares and SK Hynix's holding company SK Squared are included, the effective exposure approaches 60% (Figure 4).

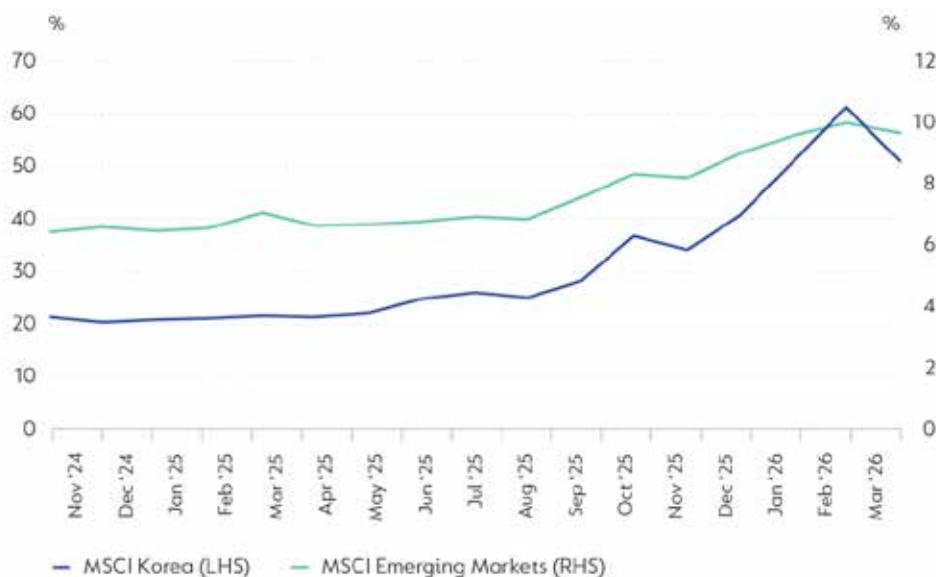
### Suhail Suleman

Portfolio Manager at Coronation Fund Managers

Figure 3: Samsung Electronics and SK Hynix share prices (Dec 2024=100)



Figure 4: Samsung Electronics and SK Hynix and Associated Entities combined weight



### Cleaning house

The second pillar of Korea’s recovery is a story of long-overdue housekeeping. Korea has historically been dominated by a handful of powerful family-controlled conglomerates – known as ‘chaebols’ – whose cross-shareholding structures insulated them from minority investor pressure and allowed capital to sit idle rather than be returned to shareholders. Scandals occasionally toppled executives, but consequences rarely lasted. The result: a market that consistently traded at a deep discount to its emerging market peers and, more starkly still, to developed markets. For most of the period since the Global Financial Crisis, the KOSPI hovered near book value – a quiet indictment of poor returns on equity.

A “Value Up” programme to address these issues was already in place under the former president. The new government sharpened its ambition, setting a target of pushing the KOSPI to the 5 000 level – one achieved earlier this year. The key reforms underpinning this effort include:

- Directors' duty of loyalty expanded to cover shareholders, not just the company
- Minimum one-third independent directors on boards
- Capped voting rights for controlling shareholders in audit committee elections
- Virtual attendance mandated for shareholder meetings
- Cumulative voting to protect minority shareholder influence
- Increase to two separately elected audit committee members

Changes to the capital gains tax regime and incentives for Korean investors to repatriate offshore holdings into domestic equities added further momentum – helping 2025's strong performance spill into 2026, with retail investors piling in through leveraged ETFs.

Part of the government's motivation is structural. Korean households hold roughly three-quarters of their wealth in real estate (75% vs UK at 46%, Japan at 37% and the USA at 29%) – well above comparable high-income countries – leaving them dangerously exposed at a time when the population is shrinking and property values face demographic headwinds.

**Where to from here?**

Given that Samsung Electronics and SK Hynix together represent close to 60% of the Korean index, the market's direction will largely track their fortunes. The near-term supply picture for memory remains tight, but we do not expect that constraint to persist indefinitely. Any pullback in capital expenditure by the US hyperscalers would quickly translate into weaker demand for HBM and related products.

History is not encouraging: this has always been a deeply cyclical industry, and once supply normalises, pricing tends to revert sharply. With Samsung Electronics and SK Hynix each expected to spend around US\$20bn in capital expenditure in 2026 – elevated by historical standards – supply will eventually catch up.

The more durable story is governance. The current government's commitment to reform looks genuine, and the gains made – in board accountability, capital returns, and minority shareholder protection – appear unlikely to be reversed. For stocks outside the chip complex, where governance and capital allocation are quietly improving, the re-rating may prove more lasting than the market currently credits.



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Data captured from Bloomberg by the High Street Research Team on 30 April 2025.

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# PERSONAL FINANCIAL PLANNING



# Have you practiced dying? Why estate planning is so important

## Have you considered what would happen if you didn't make it home today?

Would your family know where your will is kept? Would they know where your assets are held - or would there be confusion, delays and avoidable stress? You may know exactly where the important documents are, and your accountant, insurance adviser, portfolio manager and attorney may each have part of the picture. But does your spouse or next of kin know who to contact and what to look for?

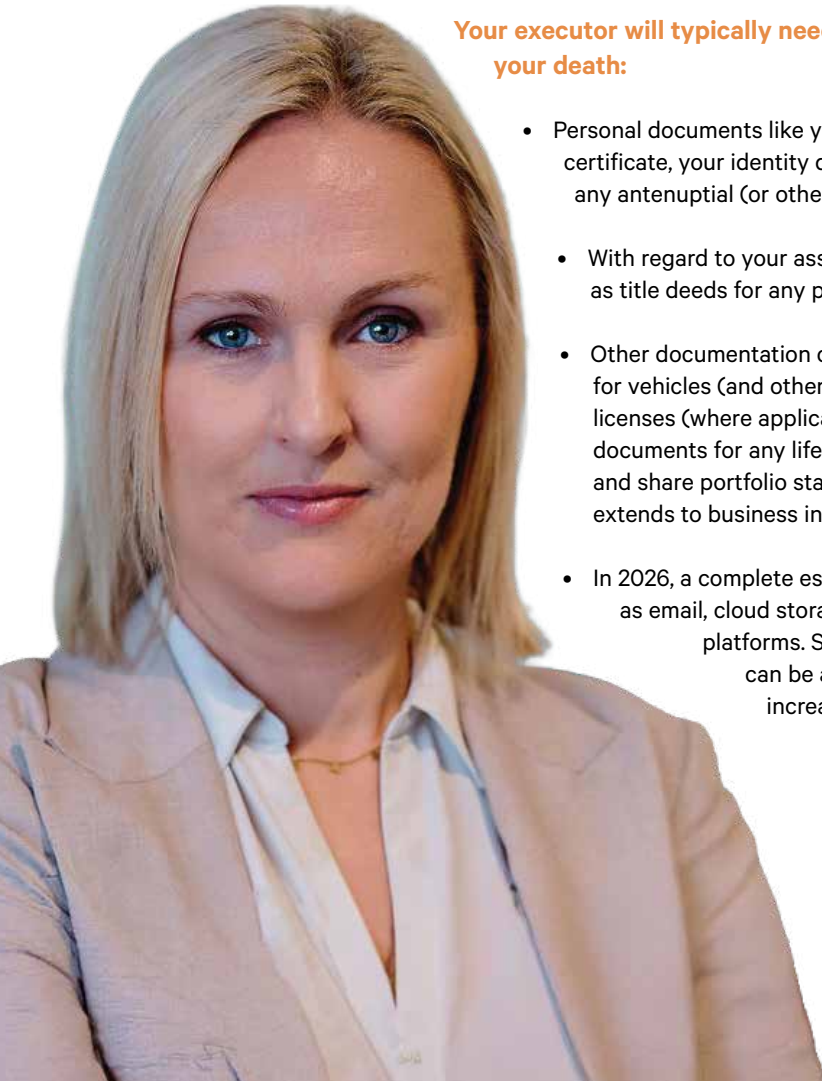
Most people are methodical and precise in their business lives - but far less organised in their personal affairs. Title deeds and investment reports could be scattered anywhere: the study, the office, safety deposit boxes and all points in between.

After death, your executor must take charge of all assets, investigate and settle claims against the estate, meet tax and administrative requirements, and transfer the residue of your estate - which may include property, vehicles, and investments - to the rightful heirs in terms of your will.

Try to imagine the wasted time if the executor cannot easily ascertain where all these important details may be. With many investors now also having funds abroad, and increasingly managing wealth through online platforms, the search for assets becomes more complex unless you've kept clear up-to-date records.

## Your executor will typically need the following documentation in the event of your death:

- Personal documents like your original last will and testament, the original death certificate, your identity document and/or passport, your marriage certificate, and any antenuptial (or other marriage) contracts.
- With regard to your assets, your executor needs access to documentation such as title deeds for any property, mortgage details, and proof of insurance.
- Other documentation can include registration certificates and logbooks for vehicles (and other movable assets such as boats or trailers), firearm licenses (where applicable), recent bank statements for all accounts, policy documents for any life assurance/endowment/annuity policies held, unit trust and share portfolio statements, and trust registration documents. The list often extends to business interests, liabilities, and tax affairs.
- In 2026, a complete estate file should also cover your online accounts such as email, cloud storage, subscriptions, and online banking and investment platforms. Sensitive information should be stored securely so it can be accessed by the right people when needed, without increasing security risks while you are alive.



**Nicola Langridge CFP®**

Wealth Manager at Private Client Holdings and current FPI Financial Planner of the Year™

Estate planning isn't only about the will - it's about making sure the people you leave behind can find the right information quickly, and that your online and real-world life are organised well enough to be administered seamlessly.

All the documentation and information needed to handle your affairs smoothly should be compiled into a sound estate plan.

Estate planning is the starting point to coordinating your long-term financial affairs. It is the process of anticipating and arranging, during your life, the management and disposal of your estate both during your life time and after your death, helping to ensure appropriate structures are in place. Estate planning also helps you collate the necessary information in a step-by-step way, making it simpler for you and your loved ones to know exactly where everything is kept.

By partnering with a reputable wealth management company should include working with an estate planning specialist who can ensure your key documents are centrally recorded, appropriately safeguarded and kept in good order. That way, your loved ones won't be left searching for paperwork or unsure where important information is stored. The sooner your executor can confirm investments and settle taxes and other liabilities, the sooner they can distribute to your heirs.

In conclusion, effective estate planning means more than having a will, it means keeping a clear, up-to-date record of your assets, liabilities and key documents (including online accounts), and ensuring this information is securely stored and easy for your executor to access. A well prepared estate plan can reduce delays and costs and help your loved ones reach closure sooner.

Seasoned Retirement Professionals



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**sasfin**

**Asset Managers**

## Appropriate risk at the appropriate time

Daunting, isn't it?

It doesn't have to be when your investment decisions are well-considered and based on proven expertise.

At Sasfin Asset Managers, we provide exceptional personalised attention and a disciplined approach to balancing investment strategies for both you and your members to leave a lasting legacy.

## All things considered



**RAGING BULL  
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**LEGAL**

**ROUND-UP**



# Legal update - The soul in the South African pension landscape

South Africa's retirement fund system is often described in the language of actuarial precision, fiduciary duty and regulatory compliance. But pension law has never been purely technical. It governs people at some of life's most vulnerable moments: retirement, disability, illness and death. In 2026, that reality is again at the foreground.

Trustees must act within fund rules, lawfully, rationally, reasonably and fairly, in line with constitutional standards. That standard is not theoretical. It demands properly informed decisions, sound process and a clear grasp of the consequences for members and beneficiaries.

Nowhere is this more evident than in death benefit allocations. These decisions are intensely personal and financially decisive. Where they are rushed, poorly reasoned, or based on incomplete information, they are increasingly susceptible to legal challenge.

Pension fund governance now requires disciplined decision making that is both procedurally sound and substantively fair, anchored in rationality and human dignity.

## The marriage myth

A determination issued by the Pension Funds Adjudicator in early 2026 concerning the allocation of a death benefit illustrates this evolving approach more clearly. The matter is a timely reminder that a marriage certificate does not, in itself, secure entitlement under section 37C of the Pension Funds Act.

The facts reflected the complexity of modern family life. A customary spouse had separated from the deceased several years earlier while divorce proceedings were pending. Although a marriage certificate was registered after the member's death, she was ultimately excluded from the allocation because she was no longer financially dependent on him at the time of his passing.

In upholding the board's decision, the Adjudicator reaffirmed the important principle that legal status is relevant, but it is not decisive. Section 37C requires trustees to undertake a substantive enquiry into dependency, need and the realities of the relationships involved. The Adjudicator's determination reflected the principles set out by the Constitutional Court in *Mutsila v Municipal Gratuity Fund* and another [2025] ZACC 17.

**Anesh Soonder**

Director at ICTS Legal Services



By prioritising a cohabiting life partner and minor children over a spouse who was financially self-sufficient, the determination underscored that trustees must look beyond formal labels and assess the lived circumstances of those left behind. In this area of law, substance will often prevail over form.

### **A new blueprint: The 2026 Pension Fund Adjudicator Rules**

If the two-pot system reshaped retirement fund administration, the new Ombud Council Rules may do the same for pension dispute resolution.

Published on 4 March 2026, the Rules mark an important step in aligning the Office of the Pension Funds Adjudicator (OPFA) within the broader Twin Peaks framework.

The Rules are being introduced in stages, allowing the industry time to prepare. From 4 March 2026, the core procedural framework commenced, including provisions dealing with jurisdiction, summary dismissals and default determinations. From 1 October 2026, provisions relating to mandatory disclosures, costs and interest take effect. From 1 April 2027, formal conciliation and settlement procedures commence. The staggered rollout reflects both practical implementation needs and regulatory intent.

The Rules reinforces a long standing principle that the Adjudicator is not intended to be the first forum for routine complaints. Members are generally expected to lodge complaints in writing with the fund or employer first, as contemplated under section 30A of the Pension Funds Act, and only where the matter remains unresolved after the prescribed period may it be escalated externally. For funds, this places renewed importance on responsive, credible and well documented internal complaints handling.

One of the more significant reforms is the formal introduction of conciliation from April 2027. Rather than defaulting immediately to formal determination, the Rules create greater scope for disputes to be resolved through negotiated settlement. The Adjudicator may facilitate or recommend outcomes capable of resolving complaints earlier and at lower cost. This signals a move toward more efficient and less adversarial dispute resolution.

The Rules also strengthen the power to issue default determinations where respondents fail to engage after proper notice. Funds and administrators who ignore correspondence or miss deadlines may find matters decided on the available evidence.

The Rules further strengthen powers to summarily dismiss complaints that lack merit, fall outside jurisdiction, or duplicate matters already addressed elsewhere. That filtering function is important as it preserves capacity for genuine disputes while discouraging frivolous or repetitive complaints. These Rules represent an evolution in pension complaint resolution.

### **Technology, governance and the modern trustee**

While the human side of pension law is receiving renewed focus, the environment in which funds operate is becoming more digital. From 1 January 2026, the King V Code on Corporate Governance has become an important guide for fund leadership.

For trustees and principal officers, this means governance now goes beyond traditional board matters. It also includes the systems, technology and data used in the day-to-day running of a fund. Whether in claims processing, member communication, fraud detection, investment analysis or administration, technology is playing a bigger role in how retirement funds operate.

An important area of focus is artificial intelligence and automated decision making. The King V Disclosure Framework asks boards to consider whether accountability for decisions, actions, outputs and outcomes is clearly in place, and whether automated systems are subject to suitable human oversight and override controls based on the level of risk involved.

In practical terms, where technology is used for matters such as two-pot claims processing, benefit administration or risk profiling, trustees must be comfortable that these systems are fair, reliable and properly supervised. Decisions that affect members should not be left entirely to automated processes without proper checks and balances.

The role of trustees now includes oversight of technology, understanding where it is used, ensuring suitable controls are in place, and making sure innovation improves outcomes for members rather than creating new risks.

### **COFI and Prudential Standards**

In early April, Cabinet approved the Conduct of Financial Institutions (COFI) Bill for submission to Parliament.

The bill aims to simplify and unify financial sector laws, creating a consistent framework for all financial institutions in South Africa.

The intention is to strengthen consistency in customer protection, governance and market conduct across the financial services industry. Importantly, it also reinforces the expectation that financial institutions must embed fair customer outcomes throughout the lifecycle of savings, administration and benefit delivery.

At the same time, the Prudential Authority's Prudential Standard 1 of 2026 (RF) introduces a consolidated approach to regulatory reporting and financial disclosure for retirement funds. This standard aligns reporting requirements with updated International Financial Reporting Standards (IFRS) and recent amendments to Regulation 28, while consolidating and replacing earlier reporting frameworks such as Board Notices 14 and 77. Although the standard became effective on 1 January 2026, its phased implementation allows funds time to adjust systems and reporting processes ahead of full compliance expectations. This transitional period is intended to support a smoother shift toward more consistent and transparent reporting across the industry.

### The final word

As the COFI Bill continues its journey through Parliament, it is clear that the regulatory framework is steadily evolving. Whether through the principles in King V, the approach of the Office of the Pension Funds Adjudicator or the publication of the new rules, a common thread is emerging. Decisions must comply with the law, but they must also be fair and properly consider their impact on people.

The role of trustees and pension professionals therefore extends beyond administration and investment oversight. It includes ensuring that the systems and decisions of a fund ultimately serve the purpose for which retirement funds exist providing security, stability and dignity in retirement.



## AVOID ADMINISTRATIVE PENALTIES AND SANCTIONS?

Are you compliant?

Offering professional compliance audits for...

- Retirement funds relative to the Pension Funds Acts 23 of 1956
- Financial institutions (including FSPs) according to the FAIS Act, and Joint Standard 1 and 2 on Cybersecurity and Cyber resilience.
- Section 13B administrators relative to FSCA Conduct Standard 2 of 2025.
- Conduct of financial institutions (COFI) Bill Gap Analysis



Contact:  
Leon Greyling  
greylingl@icts.co.za

[www.icts.co.za](http://www.icts.co.za)

# INDUSTRY

UPDATE



# Global affiliate insights: Why financial planning matters more than ever

The recent Financial Planning Standards Board (FPSB) Chief Executives Committee (CEC) meeting in Cape Town brought together global leaders in financial planning to share affiliate updates across territories. While each market has its own nuances, a consistent theme emerged: the growing importance of professional financial planning, particularly in the context of retirement planning and increasingly complex financial decisions.

Across the FPSB network, affiliates are focused on strengthening the pipeline of financial planners, embedding behavioural finance (psychology of financial planning) into certification and responding to evolving consumer needs. These updates are not happening in isolation; they are a direct response to a world where individuals are being asked to take greater responsibility for their financial futures.

One of the most striking global trends is the shift from product-centric advice to holistic, long-term financial planning. Affiliates reported increased emphasis on retirement adequacy, intergenerational wealth transfer and client behaviour. This aligns with broader demographic pressures: ageing populations, longer life expectancies and uncertainty around traditional retirement systems.

At the same time, there is a clear recognition that financial planning is no longer just about numbers, it is about decisions. The inclusion of the psychology of financial planning in certification frameworks globally reflects this shift. Financial planners are being equipped not only to design financial plans, but to guide clients through emotional, behavioural and often irrational financial choices.

Another key theme from affiliate updates is access. Many territories are actively working to expand the reach of professional financial advice, whether through partnerships, education pathways or technology. The goal is simple: more people should have access to qualified, ethical financial planners who can help them navigate increasingly complex financial landscapes.

Globally, the profession is also evolving in response to technology. AI, fintech and digital platforms are reshaping how advice is delivered but not replacing the human element. If anything, the discussions at CEC reinforced that as technology advances, the need for trusted human advice becomes even more critical.

## South Africa: A case study in behaviour and regulation

When we compare these global trends with the South African landscape, the alignment is clear, but so are the challenges.

South Africa's regulatory environment is becoming more robust and outcomes-focused, with developments such as the Conduct of Financial Institutions (COFI) Bill and ongoing regulatory reforms aimed at improving consumer protection and market conduct. Regulators are increasingly shifting from compliance driven frameworks to principles based, outcomes focused supervision.

**Lelané Bezuidenhout**  
CFP® CEO of the Financial Planning  
Institute of Southern Africa



This mirrors global regulatory priorities, including those highlighted by IOSCO, which emphasise investor protection, financial resilience and effective regulation.

However, perhaps the most powerful illustration of the need for financial planning in South Africa is not regulatory, it is behavioural. The introduction of the two-pot retirement system provided a real time case study. At the start of the tax year, many consumers rushed to access their savings pot, often without fully understanding the long-term implications. While the system was designed to provide flexibility and relief, it also exposed a critical gap: the absence of proper financial planning.

For many, the decision to withdraw was immediate and emotionally driven, responding to short-term pressures rather than long-term needs. This is exactly where professional financial planners add value. A qualified planner would help a client weigh the trade-offs: immediate liquidity versus long-term retirement security, tax implications and the impact on future income.

The global affiliate updates emphasised behavioural coaching as a core competency. South Africa's experience with the two-pot system shows why this is not just a "nice to have," it is essential.

### The bigger picture: A global imperative

Whether in South Africa, Canada, Australia, or China, the underlying message from the affiliate updates is consistent: financial planning is no longer optional, it is foundational.

Consumers are facing more complex decisions than ever before:

- How much is enough for retirement?
- When should I access my savings?
- How do I balance short-term needs with long-term goals?

At the same time, responsibility is increasingly shifting to the individual. Defined benefit schemes are declining, longevity risk is rising and economic uncertainty is becoming the norm. In this environment, the role of the financial planner becomes critical. Not just as a technical expert, but as a guide, coach and trusted partner.

### Conclusion

The discussions at the CEC meeting reinforced a powerful truth: while markets differ, the need for professional financial planning is universal. Global affiliates are responding by strengthening standards, expanding access and evolving the profession to meet modern needs.

South Africa's regulatory developments and the behavioural lessons from the two-pot system only amplify this message. When consumers are left to make complex financial decisions alone, the outcomes are often suboptimal.

*Financial planning bridges that gap.*

And globally, the profession is stepping up, because building better futures requires more than products. It requires planning, professionalism and above all, trust.

# Effective complaints management under the COFI Bill

The governance of retirement funds in South Africa is undergoing a significant shift, driven in part by the anticipated enactment of the Conduct of Financial Institutions (COFI) Bill. COFI seeks to introduce a consolidated, principles based regulatory framework that places customer outcomes, fairness and accountability at the centre of financial sector conduct.

One of the key features of COFI is the emphasis on effective complaints management. Historically, complaints within retirement funds have often been treated as operational irritants, which were handled in a fragmented, reactive manner, with limited integration into broader governance and risk management systems. This resulted in many complaints that could have easily been resolved at retirement fund or administrator level being unnecessarily escalated to the office of the Pension Funds Adjudicator (OPFA). This problem is exacerbated by factors such as increased member rights awareness, increased public awareness of the existence of the Pension Funds Adjudicator and the two-pot system, all conspiring to drive an influx in the number of complaints lodged with the Pension Funds Adjudicator. In fact, the

financial year ended 31 March 2026 saw a record number of complaints being lodged with the OPFA.

Against this background, for many years the OPFA has advocated for effective complaints handling by retirement funds and administrators as key to preventing unnecessary escalation of complaints to the office. The advent of COFI promises to position complaints management as a key indicator of good governance which, if utilised properly, could help minimise unnecessary escalation of complaints.

At the heart of the COFI framework is the principle of treating customers fairly (TCF), which requires financial institutions, including retirement funds, to deliver outcomes that are demonstrably fair and appropriate. Complaints management is a critical mechanism through which these outcomes are tested and accountability embedded. A well-functioning complaints system provides real time insights into whether members are being treated fairly, whether retirement fund products are fit-for-purpose and perform in line with promises made to members, whether communications are clear, and whether benefits are administered correctly.

In this sense, complaints are not merely retrospective grievances, but forward looking indicators of conduct risk. These provide trustees with valuable insights into operational performance, member experience and emerging risks, all crucial metrics in the sound governance of a retirement fund. When leveraged appropriately, these can enhance governance standards, improve member experience and ultimately minimise the unnecessary escalation of complaints to the Pension Funds Adjudicator. Put simply, effective complaints management is the undergird for the fair treatment of retirement funds members.

**Lebogang Mogashoa**  
Pension Funds Adjudicator

As retirement funds prepare for the implementation of COFI, a critical re-evaluation of their complaints management approaches and systems will be non-negotiable. Retirement funds will need to ensure that their complaints management system is at the very least:

- Accessible – members and beneficiaries should know where and how to complain, and the process should be user friendly and free of unnecessary barriers. Lack of access to internal complaints management systems could result in disputes that could be resolved at fund level being unnecessarily escalated to the Pension Funds Adjudicator;
- Timely – the lifecycle of a complaint, once lodged, should be clear to a complainant, and not unnecessarily long. Delays in resolving complaints could erode a member's trust in the system and result in escalation of a complaint that could easily have been resolved at fund level; and
- Transparent – responses to complaints should be clear and reasoned, providing assurance to the member that their complaint has been properly and fairly considered. Unclear responses may result in disputes arising from misunderstandings and being unnecessarily escalated.

Effective complaints management under the COFI regime can materially reduce the burden on the Pension Funds Adjudicator. When internal complaints management processes are credible, fair and efficient, there may be a reduction in members seeking external intervention from the Pension Funds Adjudicator. This shortens resolution times for members, improves member satisfaction and enhances overall confidence in the retirement fund ecosystem. This is even more crucial in present times when the Pension Funds Adjudicator faces an influx of complaints, if the financial year ended 31 March 2026 is anything to go by.



# Infrastructure investment: building retirement outcomes and a more resilient society

Africa's retirement funds stand at an important point in their evolution. The primary question before trustees remains whether an investment strategy can deliver appropriate financial returns for members. That responsibility is non-negotiable. Yet in a world of energy insecurity, infrastructure deficits, climate risk and rapidly changing member expectations, another question has become increasingly important: can members' long-term savings also help build the society in which they will retire?

This is why the Institute of Retirement Funds Africa (IRFA) supports the continued development of investment practice and responsible opportunities for retirement funds to participate in infrastructure. Infrastructure is relevant to pension funds because it is long term by nature. Well-structured energy, water, transport, digital and social infrastructure assets can produce predictable cash flows over many years. This can align with retirement funds' long-term liabilities and provide diversification beyond traditional listed markets. The best infrastructure investments are therefore not charitable allocations, nor substitutes for disciplined portfolio construction. They should earn market related, risk adjusted returns while demonstrating measurable benefits for communities, members and the economy.

South Africa's regulatory environment now recognises this potential more explicitly. The 2022 amendments to Regulation 28 of the Pension Funds Act enabled and referenced longer-term infrastructure investment, introduced a definition of infrastructure and set an overall 45% limit for infrastructure exposure. Importantly, these changes did not prescribe where funds must invest. The final decision remains with trustees, who determine each fund's investment policy. Responsible infrastructure investing must therefore remain trustee led, evidence based and aligned to each fund's objectives.

For trustees, the practical test must be rigorous. A suitable infrastructure investment should have a credible sponsor, transparent ownership, independent valuation, appropriate liquidity expectations, robust contracts, clear governance, professional management and well defined risk allocation. It should also provide credible reporting on financial performance and impact. Members increasingly want to know where their money is invested and whether it is contributing to positive societal outcomes. Infrastructure can answer that question, provided funds avoid vague claims and insist on measurable evidence.

A South African or sub-Saharan infrastructure opportunity should be evaluated through two connected lenses. The first is the investment lens: expected return, risk, liquidity, fees, inflation sensitivity, currency exposure, counterparty strength, regulatory certainty and portfolio fit. The second is the impact lens: who benefits, what services are improved, what risks are reduced, how outcomes are measured, and how those outcomes are reported to members. Neither lens can be optional. An investment that delivers social benefit but fails to meet fiduciary standards is unsuitable for retirement savings. Equally, an investment that earns returns while weakening public trust, harming communities or obscuring risk cannot be regarded as a model for responsible long-term capital.

This approach is especially important in sectors such as renewable energy, water security, transport logistics, affordable housing, healthcare infrastructure and digital connectivity. In these areas, the needs of society and the long-term interests of members may intersect. The point is not to promote any particular project or provider. It is to develop disciplined investment practice that enables trustees to distinguish between bankable, well governed opportunities and projects that do not meet the standards required for members' money.

## **Geraldine Fowler**

President at the Institute of Retirement  
Funds Africa



The broader African context strengthens the case. Across the continent, infrastructure needs are substantial, while pension funds represent long-term capital that can be aligned with development priorities. FSD Africa has observed that infrastructure projects can generate long-term revenue streams, such as electricity sales or toll fees, which may support future retirement payments while improving energy access, transport connectivity and public services. For African retirement funds, the opportunity is not only to invest in assets, but to help shape standards for governance, transparency and accountability.

This is precisely why the forthcoming IRFA 2026 Conference, under the theme “A New World – A New Normal”, is so timely. The conference will address the dual transformation facing African retirement funds: a changed global order and evolved member expectations, including demands for transparency and meaningful societal impact. Its concept note specifically asks how trustees should evaluate infrastructure investment opportunities and how impact measurement should be communicated to members.

IRFA believes that the retirement industry is strongest when it learns together. Trustees, fund executives, consultants, administrators, investment managers and regulators all have a role in building a market where infrastructure opportunities are investable, accountable and aligned with member outcomes. The opportunity before us is not to choose between returns and impact. The opportunity is to insist on both.

In a new world, retirement funds must remain anchored in prudence, independence and fiduciary duty. But prudence should not mean standing still. Done responsibly, infrastructure investment can help funds earn competitive long-term returns while contributing to the electricity, roads, water systems, digital networks, schools, clinics and communities that members need in retirement. That is not only good investment practice. It is part of building a more secure and inclusive future for Africa.

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# TUTOR

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# Trustee tutor 26: Putting private markets to work in your retirement fund

In Trustee tutor 17 (PWSA Q1 2024), we explored what private market investments are, why Regulation 28 now makes more room for them and how they can help diversify a retirement fund's portfolio.

In this issue, we build on from the “what and why” to the “how” of incorporating private markets intentionally and meaningfully into a retirement fund's investment strategy.

Private markets are no longer a niche sideline for large global institutions only. They are becoming a mainstream building block in institutional portfolios, including South African retirement funds. An important advantage of private market investments is that they are often uncorrelated, meaning they don't usually move up and down at the same time as the listed share and bond markets. This uncorrelated behaviour diversifies portfolio returns and lessens the impact of big swings in traditional markets, which is a key benefit for long term investors like retirement fund members.

The question for trustees has moved from “should we think about private markets?” to “how do we build and govern a private markets allocation in a way that is robust, transparent and aligned with member outcomes?”

## From strategic asset allocation to implementation

Most boards are familiar with strategic asset allocation (SAA) in the traditional sense.

*Strategic asset allocation (SAA) is the long term plan that sets the target percentage of the investment portfolio to be invested in different asset classes (like equities, bonds and cash) to match members' risk and return objectives, and then keeps the portfolio close to those targets over time through periodic rebalancing.*



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Although private market assets fit into the same framework, they introduce additional nuances that trustees need to understand.

Lean on your employee benefit or asset consultant to inform and guide your thinking and deliberations on:

- **Clarifying your fund's objectives:** Are your retirement fund's private market investments primarily for return enhancement, diversification, inflation protection, impact or a combination of these?
- **Calibrating the size of the allocation:** A 5% allocation behaves very differently to a 20% allocation in terms of portfolio risk, complexity and governance burden.
- **Deciding where private markets "sit" in the SAA:** Some boards treat them as a separate line item; others classify them under equity, credit or "alternatives".

Another useful way to think about this is to separate the:

### Role Of The Asset

- growth,
- income,
- defensive,
- impact

FROM ITS

### Legal Form

- Equity,
- Debt,
- Combination of both

Looking at it from this perspective helps trustees see how private market exposures complement or substitute for existing listed exposures, rather than treating them as something completely separate and mysterious.

### Understanding the main private market building blocks

Not all private market strategies are the same. Don't let the jargon put you off - the underlying concepts are straightforward if we focus on what risk the fund is actually taking and how returns are generated over time.

Broadly, the main building blocks trustees will encounter are:

- **Private equity**
  - » Equity stakes in unlisted companies, usually with a clear plan to grow and exit within a defined period.
  - » Returns are driven by earnings growth, multiple expansion and, sometimes, leverage.
- **Private debt/credit**
  - » Loans to companies or projects that are not issued through public bond markets.
  - » Returns largely come from contractual interest payments, potentially with some equity-like upside.
- **Infrastructure equity and debt**
  - » Exposure to long term real assets such as renewable energy, transport, digital infrastructure and utilities.
  - » Returns often have a strong link to inflation and can be more predictable once projects are operational.

- **Real assets and specialist strategies**
  - » These can include unlisted property, agriculture, timber, storage, data centres and other specialist sectors.
  - » They often provide a combination of income and capital growth, with varying levels of cyclicalty.

The important point for trustees is not to memorise labels, but to understand how each strategy behaves through the cycle, how it contributes to the overall portfolio and what specific risks it introduces.



# Trustee tutor 26: Putting private markets to work in your retirement fund

## J-curves, capital calls and cashflow planning

One of the most practical differences between listed and private market investing is how cashflows behave.

**Listed investments** are usually funded upfront: the fund invests an amount on day one and performance is then updated daily.

**Private market investments**, by contrast, typically call capital over time and return it via distributions and eventual exits.

Three concepts matter for trustees here:

- **The J-curve**

Many private equity and infrastructure funds exhibit a “J-curve” pattern, where early returns are negative (fees and investment costs are paid while assets are still being built or improved) before performance turns positive as investments mature and are sold.

This means that, in the initial years, investors may not yet see the “headline” long term returns promised in marketing material.

### Capital-call risk

*Private equity, infrastructure and other closed-end private market investment portfolios typically use a “commitment and drawdown” model: investors commit capital up front and the manager calls it over several years as deals are executed. This creates **capital-call risk**: if an investment portfolio’s (or retirement fund’s) listed investments have fallen, or cash is tight when a call arrives, the portfolio (or fund) may be forced to sell liquid assets at the wrong time, hold excess cash or risk defaulting on the commitment.*

Commitments are not the same as cash invested. A fund may commit, say, R100 million to a private markets manager, but that capital is drawn down in stages as opportunities arise.

The board of trustees must ensure that, when capital is called, there is sufficient liquidity in the overall portfolio to meet those calls without forced selling of other assets. This is why this risk is often described as illiquidity risk.

- **Distribution and reinvestment**

Over time, private markets investment portfolios distribute cash back as interest, dividends or proceeds from exits. Trustees need a policy for how these distributions are handled: reinvested into new **vintages**, used to rebalance the portfolio, or partly used to meet benefit outflows.

*In private markets, **vintage** means the year a portfolio starts investing its capital or makes its first capital call from investors. Investors then use that vintage year to compare the performance of portfolios that began investing under similar market conditions.*

Thoughtful cashflow planning can turn these features into advantages rather than weaknesses: capital is deployed gradually, reducing timing risk, and distributions can provide useful cash at later stages to support benefit payments. However, mismanaging capital calls can undo these benefits and cause avoidable liquidity stress.

### Managing illiquidity and member level risk

Illiquidity is the most visible difference between private and listed assets. In a daily-priced investment portfolio, the unit price must be struck regularly, even if some of the underlying assets can't be sold or valued in real time.

This creates a second layer of questions for trustees:

- How is the retirement fund's liability profile changing? A maturing membership with high outflows can tolerate less illiquidity than a younger, growing membership base.
- Is the private markets exposure going to be held in a more conservative life stage or default strategy where members are closer to retirement, or in a more aggressive portfolio aimed at younger members?
- How are valuation policies set and monitored for private market holdings, and how does the fund's administrator handle pricing when valuations are updated quarterly rather than daily?

At a high level, the board's responsibility is to ensure that:

- The overall portfolio remains liquid enough to meet benefits.
- The pattern of who bears illiquidity risk is fair between exiting and remaining members.
- The fund's communication to members is honest about the nature of these investments, without over promising certainty.



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One practical approach is to limit private market exposure for those members closer to retirement age; and rather to concentrate it in the accumulation or growth phases of fund membership, where the time horizon is long enough to ride out liquidity and valuation cycles.

### Governance, due diligence and manager selection

Private market investing is an area where manager skill and governance quality can make a very big difference to member outcomes. Unlike listed markets, where pricing is transparent and liquidity is high, private market returns depend heavily on sourcing, structuring, monitoring and exiting deals.

For trustees, a robust due diligence framework typically covers:

- **Strategy clarity**
  - » Does the manager have a clearly articulated investment strategy, and is it consistent with the fund's objectives and risk appetite?
  - » Is there a clearly discernible competitive advantage (for example, sector focus, operational expertise, local networks) that is credible and sustainable?
- **Team and track record**
  - » Who are the key decision makers, and how long have they worked together?
  - » Is the team's track record relevant to the proposed strategy and investment universe, and how have returns been achieved (for example, through leverage, market timing or operational improvements)?
- **Alignment of interests**
  - » How much of the manager's own capital is invested alongside clients?
  - » Are management fees and performance fees structured to reward long term, risk adjusted performance rather than excessive risk taking?
- **Risk management and governance**
  - » What legal structures are used and in which jurisdictions are the investment portfolios domiciled?
  - » How are conflicts of interest managed, especially where the manager or its affiliates have multiple roles in a transaction?
- **ESG and impact integration**
  - » How are environmental, social and governance factors assessed before investment, and how are they monitored afterwards?
  - » Are impact claims backed by measurable indicators and independent verification where appropriate?

A key shift for many boards is to treat private market manager appointments less as "buying a product" and more as "choosing a long term partner". The fund may be tied to that partner for 10 - 12 years; the depth of due diligence should reflect that reality. It is very likely that retirement fund trustees will need an expert to guide them in making these decisions.

### Fees, performance measurement and reporting

Private market fee structures can be more complex than the straightforward basis-point fees common in listed mandates. If trustees don't understand them, it becomes difficult to compare options or to explain them to members.

Common features include:

- Management fees on committed or invested capital, sometimes with step-downs over time.
- Performance fees or carried interest, usually calculated once a minimum return ("hurdle rate") has been achieved.
- Transaction fees, monitoring fees and other deal related charges that need to be understood and, where appropriate, offset against management fees.

For performance measurement, two aspects are particularly important:

#### 1. Comparing like with like

Private market returns are often reported using internal rate of return (IRR), while listed returns are usually measured using time weighted returns.

- » Trustees should ensure that performance is compared on a consistent basis and relative to the risk and illiquidity taken, not only the headline IRR.

#### 2. Transparency over time

- » Because valuations are updated less frequently, short term performance numbers can be misleading.
- » Regular, qualitative reporting – explaining portfolio developments, milestones, risks and pipeline – is just as important as the numbers themselves (quantitative reporting).

A practical test is whether, after reading the manager's report, a trustee can comfortably answer: "Where is our money invested? What is going well? What is worrying the manager? What are we paying, to who and why?" If the answer is "no", the reporting framework may need strengthening.

### Private markets, ESG and real world outcomes

In issue 17 of Trustee Tutor we explained that private market investments can support social upliftment and sustainable development. As this market unfolds, however, trustees are increasingly being asked to demonstrate, not just assume, that these outcomes are being delivered in practice.

Key questions include:

- **Intentionality**
  - » Is the strategy explicitly aiming for certain environmental or social outcomes, or are these merely by products of a purely financial strategy?
- **Additionality**
  - » Is the capital provided enabling something that would not otherwise happen, or is the retirement fund simply replacing other investors without changing the real world outcome?
- **Measurement and integrity**
  - » Are there clear, credible metrics for impact, and are they reported consistently over time?
  - » How does the manager avoid “greenwashing” or “impact-washing” in marketing material?

For South African retirement funds, this is more than a reputational question. It touches on the board’s fiduciary duty and its interpretation of members’ best interests over the long term. Avoiding environmental and social risks is part of prudent risk management; contributing positively to the broader economy can also support the sustainability of the system within which members will retire.



*"It is in your hands, to make a better world for all who live in it."* - Nelson Mandela

A reminder that the physical reconstruction of the country requires the active participation of its leaders and citizens.



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**Building a roadmap: practical steps for trustees**

Moving from concept to implementation can feel daunting. A structured roadmap can help boards build comfort over time rather than in a single leap. Typical steps might include:

- 1 Education and context** 

  - » Ensure the board, principal officer and investment committee have a common understanding of private market concepts, risks and opportunities.
  - » Arrange independent training sessions if necessary and document the board's evolving views.
- 2 Policy and framework** 

  - » Update the fund's investment policy statement to define the permissible range for private market investments, governance requirements and reporting expectations.
  - » Clarify how private market exposures will be treated within the overall SAA and risk budget framework.
- 3 Pilot or phased approach** 

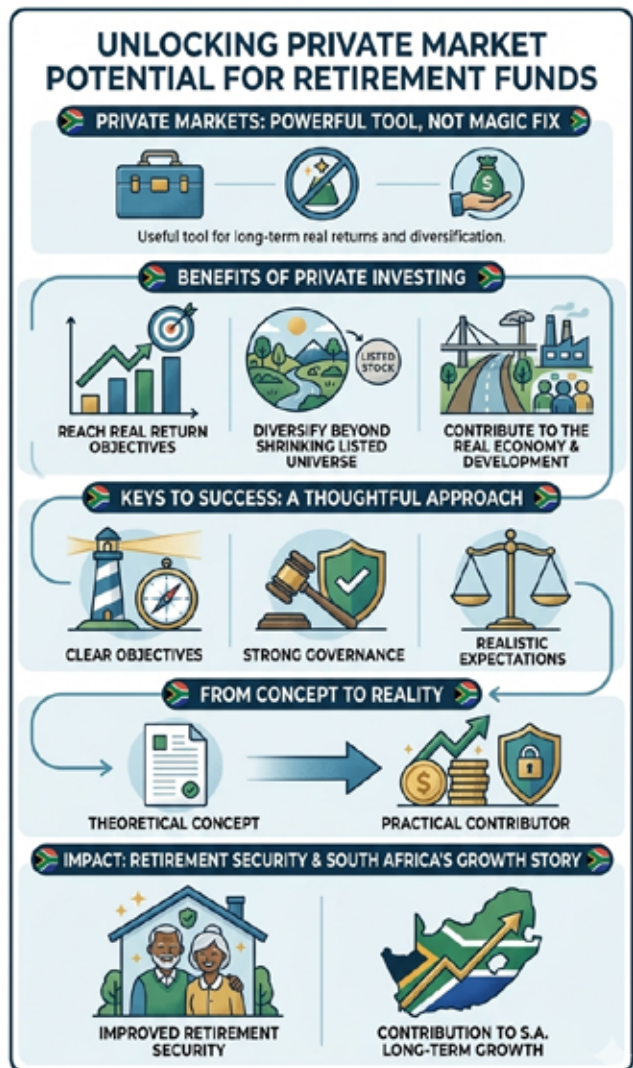
  - » Consider starting with a modest allocation to a diversified private markets or infrastructure strategy, preferably in a pooled institutional vehicle with strong governance.
  - » Use this as a learning opportunity to understand capital calls, reporting and member communication, before scaling up.
- 4 Ongoing review** 

  - » Review performance, governance and member outcomes regularly, not only at the end of the investment portfolio/project's life.
  - » Be prepared to adjust the size and composition of the allocation as the fund's membership, liquidity profile and regulatory backdrop evolve.

**Closing thoughts**

Private markets are not a magic solution to all investment challenges, nor are they appropriate at any size or in any form for every retirement fund. They are, however, a powerful and increasingly accessible tool that can help trustees meet long term real return objectives, diversify away from a shrinking local listed universe and contribute to the development of the real economy.

For boards that approach them thoughtfully – with clear objectives, strong governance and realistic expectations – private market investments can move from being a theoretical concept in a policy document to a practical contributor to members' retirement security and to South Africa's long term growth story.



# Trustee Tutor 26:

## Putting private markets to work in your retirement fund Assessment questions

### How to?

The assessment for this issue of Trustee Tutor follows for information and/or training purposes. If you would like to earn verified CPD hours for reading this issue, please go to [www.pensionsworldsa.co.za/cpd-portal/](http://www.pensionsworldsa.co.za/cpd-portal/) and complete the assessment electronically to receive your certificate immediately on meeting the competency requirements.

#### 1. What is the primary benefit of private market investments being “uncorrelated” with traditional markets?

- a. They guarantee higher returns than listed equities
- b. They diversify portfolio returns and lessen the impact of big swings in traditional markets
- c. They eliminate all investment risk for retirement fund members
- d. They provide daily liquidity during market downturns

#### 2. Strategic asset allocation (SAA) is best described as:

- a. A short-term trading strategy to maximise quarterly returns
- b. A daily rebalancing mechanism for listed equities only
- c. A strategy exclusively designed for private market investments
- d. The long-term plan that sets target percentages for different asset classes to match members’ risk and return objectives

#### 3. The “J-curve” pattern in private equity investments refers to:

- a. Immediate positive returns followed by declining performance
- b. Steady, predictable returns throughout the investment period
- c. Early negative returns (fees and costs) before performance turns positive as investments mature
- d. The correlation between private and listed market returns

#### 4. What is “capital-call risk” in the context of private market investments?

- a. The risk that the fund may be forced to sell liquid assets at the wrong time when capital is called
- b. The risk that managers will refuse to accept committed capital
- c. The risk that members will withdraw all their benefits simultaneously
- d. The risk that private equity returns will exceed expectations

#### 5. Which statement best describes how private market investments typically handle cash flows compared to listed investments?

- a. Both require 100% upfront funding on day one
- b. Private markets are funded upfront while listed markets call capital over time
- c. Listed investments are funded upfront while private markets call capital over time and return it via distributions
- d. Both use identical capital call and distribution mechanisms

# Trustee Tutor 26:

## Putting private markets to work in your retirement fund Assessment questions

**6. When conducting due diligence on private market managers, which of the following is NOT mentioned as a key consideration?**

- a. Strategy clarity and competitive advantage
- b. Team composition and track record
- c. Alignment of interests through manager co-investment
- d. The manager's office location and building aesthetics

**7. In the context of private markets, what does "vintage" refer to?**

- a. The year a portfolio starts investing its capital or makes its first capital call from investors
- b. The age of the company being acquired
- c. The quality rating assigned by credit agencies
- d. The historical performance of listed equities in a given decade

**8. Which of the following is a key difference between managing illiquidity for younger versus more mature retirement fund memberships?**

- a. Younger memberships require higher cash holdings than mature memberships
- b. A maturing membership with high outflows can tolerate less illiquidity than a younger, growing membership base
- c. Illiquidity considerations are identical regardless of membership profile
- d. Mature memberships should hold 100% of assets in private markets

**9. How are private market returns typically reported compared to listed market returns?**

- a. Both use time-weighted returns exclusively
- b. Both use internal rate of return (IRR) exclusively
- c. Private markets often use IRR while listed markets typically use time-weighted returns
- d. Private markets use book value while listed markets use mark-to-market

**10. What is "additionality" in the context of private markets and ESG outcomes?**

- a. Whether the capital provided enables something that would not otherwise happen, rather than simply replacing other investors
- b. The additional fees charged by private market managers
- c. The number of additional jobs created by any investment
- d. The extra reporting requirements imposed by regulators



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### Sanlam Private Equity promotes Brandon Subrayan and Gift Pule to Partner

Sanlam Private Equity (SPE), the private equity division of Sanlam Investments, has promoted Brandon Subrayan and Gift Pule to Partner, effective 1 April 2026. Both step up from Principal roles, having led and co-led a series of landmark transactions in SPE Mid-Market Fund I and taken early leadership positions in the deployment of Mid-Market Fund II. In their new roles, they will take on greater responsibility for investment strategy, origination, portfolio oversight and fund deployment alongside Managing Partner Paul Moeketsi.



Subrayan is a CFA charterholder with a BCom and a BCom (Hons) in Finance from the University of KwaZulu-Natal. He joined Sanlam Private Equity in 2015 from strategy consultancy Burlington Strategy Advisors and, over his 11 years at SPE, has progressed through the firm's investment ranks.

Dr Pule joined Sanlam Private Equity as an Investment Associate in 2020, rising to Principal in 2023. He holds a PhD in Human/Medical Genetics from UCT, undertaken in part as a doctoral fellow at Baylor College of Medicine, and an MBA from Regent Business School. He was named one of the Mail & Guardian's 200 Young South Africans in 2024.

Paul Moeketsi, Managing Partner at Sanlam Private Equity, says: "I am incredibly proud of Brandon and Gift on their appointments. Beyond tenure and deal execution, both have played instrumental roles on portfolio company boards, driving value creation, leading acquisitions and building strong relationships across our portfolio."



### Heinrich Punt to lead SanlamConnect as Chief Executive

Sanlam's business for professional, relationship driven financial advice and planning has appointed Heinrich Punt as Chief Executive, effective 1 April 2026. The internal leadership move reinforces continuity for the business and supports Sanlam's broader Retail Affluent strategy.

Punt succeeds Jean Lombard, who will now lead Sanlam's Retail Affluent comprising SanlamConnect, Glacier, Sanlam Risk and Savings, and Strategic Initiatives.

Lombard says, "Heinrich is a highly respected leader who understands our business, our intermediary market and the opportunities ahead. He brings deep operational and strategic knowledge, strong continuity, and a genuine understanding of the adviser models that are central to SanlamConnect.

Punt has been with Sanlam for 26 years, most recently as General Manager of the Intermediary business. Before that, he led Enterprises, the business unit responsible for the group's enterprise, partner and outsourced distribution models.



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**Sanlam Investments  
Multi-Manager appoints  
René Basson as Head of Marketing**

Sanlam Investments Multi-Manager has appointed René Basson as Head of Marketing. Reporting to CEO Darryl Moodley, she will serve on the Executive Committee and will be responsible for shaping and executing brand and marketing strategy across the business. She will lead brand, positioning and integrated marketing across distribution channels to drive brand equity and business growth through targeted acquisition, engagement and retention initiatives.

Basson brings over 24 years of experience across financial services, ICT and consumer durables, with deep expertise in strategy, planning and the execution of complex, multi-market programmes.

She holds a BCom in Marketing from Stellenbosch University and a BCom Honours in Marketing, cum laude, from the University of South Africa, and is Co-Head of the Women in ETFs South African Chapter.

“René’s track record of building brands and driving commercial growth across complex, multi-market environments makes her the ideal leader to take our marketing capability to the next level,” says Darryl Moodley, CEO of Sanlam Investments Multi-Manager.



**Growing internal talent:  
STANLIB promotes  
Chetan Ramlall to portfolio manager**

STANLIB Asset Management is pleased to announce the promotion of Chetan Ramlall to portfolio manager in the Systematic Solutions team, effective 1 April 2026. This appointment is aligned with STANLIB’s long-standing commitment to the development of future leaders within its investment teams.

Chetan joined STANLIB’s graduate programme in 2019. He has been actively involved in portfolio management across the systematic active equity fund range for several years and has led AI and machinelearning initiatives at STANLIB. He holds an MPhil in Mathematical Finance (with distinction) from the University of Cape Town and a BSc (Honours) in Electrical Engineering from the University of KwaZuluNatal, and has received numerous awards for academic achievement.

“This promotion reflects Chetan’s progression into a multiskilled researcher and portfolio manager, combining curiosity with academia, technology and data to address complex investment challenges, in line with the direction of our Systematic Solutions capability,” says Mark Lovett, Head of Investments at STANLIB Asset Management.

Stay updated and in the know about who is moving up the corporate ladder in the pension fund industry.



**Prescient Fund Services promotes Donavon Koen to Head of Operations**

Prescient Fund Services is pleased to announce the promotion of Donavon Koen to Head of Operations. Donavon has been with Prescient Fund Services for 7 years, most recently serving as Head of Fund Accounting. During this time, he has demonstrated exceptional operational expertise, strong leadership capability, and a deep understanding of the business through his impactful work within Operations Support and Fund Accounting.

In his newly appointed role as Head of Operations, Donavon will oversee Fund Accounting, Alternative Administration, Trades, and Data Management. Reporting directly to Lance Jacobs, Chief Operating Officer, he will play a pivotal role in strengthening and enhancing the firm's operational capabilities as the business continues to grow and scale.

"Donavon's promotion reflects both the depth of talent within Prescient Fund Services and our commitment to developing and empowering our exceptional individuals, fostering a culture of growth and accountability", said Craig Mockford, CEO of Prescient Fund Services.



**Momentum Securities appoints Refilwe Moroko as CIO**

Momentum Securities is pleased to announce the appointment of Refilwe Moroko as Chief Investment Officer (CIO), effective 1 May 2026.

Moroko joins Momentum Securities' leadership team with over 18 years of specialised experience in equity research, portfolio construction, and credit risk management. Her appointment represents a strategic move to bolster the firm's investment capability and ensure sustained, long-term performance for clients.

In her role as CIO, Moroko will oversee the end-to-end investment capability at Momentum Securities. Her mandate includes guiding portfolio management teams, enhancing research frameworks, and embedding robust investment governance. Moroko has a B.Com in Accounting, a B.Compt (Honours) in Cost Management Accounting, and is a CFA® Charterholder.

"We look forward to the leadership, clarity, and energy Refilwe will bring to Momentum Securities as we continue to build an investment capability we are all proud of," says Steven Schultz, CEO of Momentum Securities.



Stay updated and in the know about who is moving up the corporate ladder in the pension fund industry.



### **Citadel announces Sajeel Maharaj as its CEO succession plan**

Citadel has confirmed a planned leadership transition, announcing that Chief Executive Officer (CEO), Andrew Möller, will be retiring from his executive role, with Chief Operations Officer (COO), Sajeel Maharaj, appointed as the new CEO, effective 1 July 2026.

Möller has held senior leadership roles within the specialist wealth management company for three decades and has led Citadel as CEO since 2013, making him one of the industry's longest serving CEOs.

"I believe the time is right for me to retire," says Möller. "Over the years, I've had the privilege of working alongside people who care deeply about this business, our clients and importantly, one another. Together, we've navigated uncertainty, built resilience and stayed anchored to what matters, even as the environment around us shifted."

Since joining Citadel in 2018, Maharaj has played an important role in advancing the Citadel Group's growth strategy and has been instrumental in strengthening its operating model, with a focus on enhancing client service, developing products, improving platform and process efficiency and leveraging technology while maintaining rigorous regulatory compliance.



### **Schroders enhances client focus with Head of Cross Border Financial Institutions: Guillaume Lendormy**

Schroders, a global leader in active management, is enhancing its focus on meeting the increasingly complex needs of major global clients with the appointment of a Head of Cross Border, Financial Institutions.

Guillaume Lendormy will oversee and drive the global client strategy for large institutions which operate across multiple markets, navigating jurisdictional and regulatory complexity.

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Head: Institutional Business Development

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E: [rjohnson@10x.co.za](mailto:rjohnson@10x.co.za)

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