

## Manager Pulse

Autumn Edition - April 2022

Insights on developments within the asset management industry



### MOVERS AND SHAKERS

#### [Kagiso Asset Management name changed to Camissa Asset Management](#)

In February 2022 Kagiso Asset Management (KAM) announced that they have changed their name to Camissa Asset Management as part of a corporate restructuring. Camissa is an indigenous Khoisan word describing the area around Table Bay known as the City Bowl today. It means 'the place of sweet waters', derived from the fountains, springs and streams originally found around Table Mountain.

The restructuring sees founding shareholder, Kagiso Tiso Holdings (KTH) sell its 50.1% stake in the business to a combination of KAM management and staff (74%) and Sinayo Capital (26%). The business is now 30% owned by black women via Sinayo Capital and the Martha Molobi Women's Trust.

#### [Ashburton – new chief executive officer](#)

Mduduzi Ndlovu has taken over the role of Chief Executive Officer at Ashburton Investments. The previous CEO, Sizwe Nxedlana, stepped down having been in charge since October 2019. Mduduzi is the co-founder of Argon Asset Management and joins from BlueAlpha Investment Management.

Ashburton promoted Katherine Davey to Investment Manager and is now co-portfolio manager of the Global Leaders Equity Fund. She joined Ashburton in 2013 as an Equity Research Analyst.

#### [Vunani Fund Managers – new head of global equities](#)

Rory Spangenberg has replaced Tony Bell as Head of Global Equities, effective April 2022. Rory has spent most of his career at Investec Wealth and Investments, having co-managed the Global Leaders Strategy Fund, a global equity fund, and the Select Equity Strategy Fund, a domestic equity fund. His most recent role was CIO at Northstar Asset Management, where he was CIO and Director of Global Equities.

Vunani has appointed Shamim Mansoor as Head of Equity Research. She joins from HSBC Asset Management (UK) and has 23 years' of experience.

#### [Denker Capital – appoints senior equity analyst](#)

Muneer Ahmed joined Denker Capital in February 2022 as a Senior Equity Analyst. He previously worked at Prescient Securities from 2015 as Deputy Head of Research and an Equity Analyst.

#### [Cannon Asset Management – new assistant portfolio manager](#)

Neo Mokhesi joined Cannon Asset Management as an assistant Portfolio Manager in February 2022, having previously worked for Mazi Asset Management.

#### [Mazi Asset Management – recruits for new hedge fund](#)

Mazi appointed Stephán Engelbrecht and Alungile Gcaza as portfolio managers for its new hedge fund, a long/short fund employing artificial intelligence. Stephán joined Mazi from Anchor Capital and Alungile joined from Cartesian Capital.

#### [Sanlam Investments – new equity analysts](#)

Zintle Gantsho joined Sanlam Investments from Aluwani as an Equity Analyst. Her responsibilities will include covering industrial and technology stocks.

Siphelele Mhlongo also joined the team as an Equity Analyst, previously from Rand Merchant Bank.

#### [STANLIB Index Investments – bolsters team with quantitative analysts](#)

Invest has appointed two new team members – Vanessa Mathebula joined as Quantitative Analyst from Prescient Investment Management and Paul Botha joined as a senior Quantitative Analyst from Absa.

#### [Truffle – appoints new performance analysts](#)

Tlhogelo Malapane has been appointed as a Quantitative and Performance Analyst. He started his career as a Data Analyst at PSG Wealth and joins from Novara.

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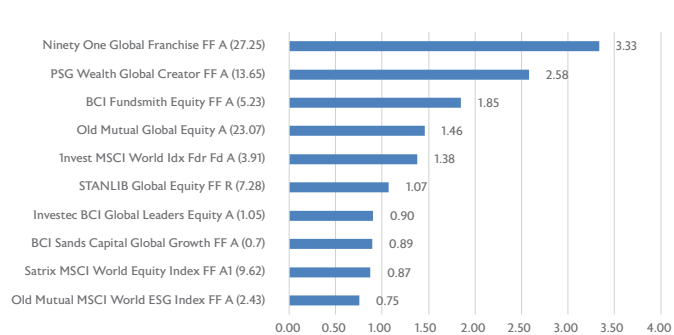
# GAINERS AND LOSERS

- The **ASISA Global Equity General** category lost 14.1% for the quarter, falling 0.9% over the past 12 months in US dollar terms. Most of the underperformance for the 12 months arose in Q1 2022. The rand strengthened by 8.3% relative to the US dollar during this time, which further contributed to the underperformance of the category.
- The FTSE/JSE All Share Index returned 3.8% and 18.6% for the quarter and for the year respectively. Globally, the MSCI World Index lost 13.2% and 7.7% over the same periods in rand terms.
- The top performing funds over the quarter were PSG Global Equity FF (2.4%), STANLIB Global Growth FF (0.0%) and Hight Street Global Bal Prescient FF (-2.4%).
- The worst performers over the quarter were Anchor BCI Global Technology (-27.1%), Flagship IP Global Icon FF (-25.6%) and BCI Sands Capital Emerging Markets FF (-24.7%).
- Ninety-One Global Franchise FF is currently the largest fund by size in the category and was also the largest gainer of net cash inflows. Coronation Global Opp Equity (ZAR) FF experienced the largest net cash outflows.
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- The chart below illustrates the market share of each fund, as well as the flows over the past 12 months within the category\*.

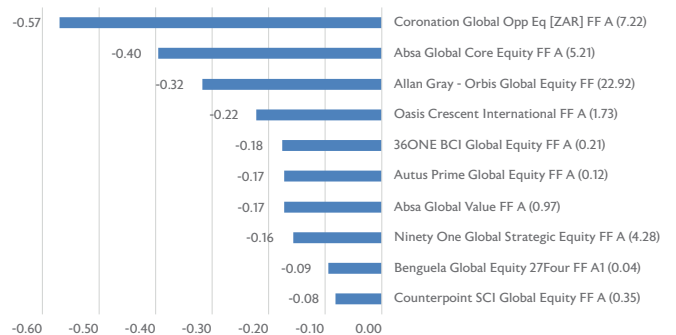
## Global Equity General category – market share



## Top 10 AUM gainers (R billion)



## Top 10 AUM losers (R billion)



Source for all graphs: Morningstar  
 Total AUM in billions in brackets  
 \*Retail funds only



# RESEARCH FOCUS: LOCAL ASSET MANAGEMENT – TEAM TURNOVER AND RETENTION

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When we conduct our asset manager research the assessment of investment teams allow us to obtain a better understanding of the depth of experience, the stability of teams and the interaction within the respective investment businesses. We thus identify changes in personnel as an important aspect that may have an impact on culture, the manner in which decisions are made; and investment performance, whether positive or negative. To understand staff turnover and the implications thereof on asset managers over the past five years, we surveyed the domestic industry in December 2021, receiving 34 responses. The results provide meaningful explanations for staff turnover and refer to challenges that the industry faces, despite the best efforts of managers to establish and maintain stable investment teams.

## Key points from the survey

- ‘Personal matters’ were cited by almost 70% of the managers as the main cause of turnover in their investment teams.
- 63% of managers stated that their compensation structures are not responsible for exits and that they offer market-related remuneration.
- Shorter-term incentives are more important for younger investment professionals, while at the senior level longer-term incentives seem to be more preferable.
- We observed a lower retention of staff on the analyst level compared to more senior positions.
- Asset managers appear to be replacing senior resignations with junior appointments. This has reduced the overall experience across most teams.
- Some boutique managers (19%) attribute part of the churn of their investment teams to ‘poaching’ by larger firms.
- 78% of surveyed managers follow joint decision-making approaches as part of their succession planning and approximately half of the managers emphasised how they are continuously trying to build strong cohesive teams. They recognise that frequent staff changes can also have a negative impact on the firm’s culture.
- When making new appointments, 69% of the surveyed managers give priority to individuals who have a stronger alignment to their existing values over and above the required qualifications or skill set.
- The retention strategies range from offering lucrative reward packages to involving valuable employees in every sphere of the functioning of the firm.

## In conclusion

The survey results show that the industry has experienced notable people changes over the past five years. The majority of the managers (59%) have undergone some form of restructuring, which has resulted in investment team changes and in certain cases, some level of instability.

It is well documented that a structured and institutionalised investment process can survive people, yet we believe that the quality of debate and investment outcomes can worsen when the team becomes less stable. Thus, in discovering some of the reasons for turnover and appreciating the robust retention strategies that the industry has developed, it is vital that managers continue to identify, anticipate and explore as many avenues as possible in trying to reduce employee turnover.

**STANLIB Multi-Manager Research Team**  
[www.stanlibmultimanager.com](http://www.stanlibmultimanager.com)