

Media Release
Association for Savings and Investment South Africa (ASISA)
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Local CIS assets under management recover to previous highs

The local Collective Investment Schemes (CIS) industry recorded net inflows* of R108 billion in 2022, ending the year with R3.14 trillion in assets under management.

“Returning assets under management to above the R3 trillion mark was quite an achievement given the strong headwinds that our industry faced in the past year,” says Sunette Mulder, senior policy adviser at the Association for Savings and Investment South Africa (ASISA).

She adds that the movement in the industry’s assets under management mirrored the journey of the JSE All Share Index, which also ended 2022 almost exactly where it finished in December 2021. It closed at 73 709 on 30 December 2021 and 73 048 on 30 December 2022.

The local CIS industry first reached the R3 trillion milestone in the last quarter of 2021, finishing the year with R3.14 trillion in assets under management. A turbulent year for stock markets resulted in assets under management dropping to R2.98 trillion in the second quarter. By the end of 2022, the local CIS industry had clawed back the losses, finishing the year with assets under management at the same level as the previous year.

Commenting on the CIS industry statistics for the quarter and year ended December 2022, Mulder notes that while 44% of all international CIS assets are invested in equity portfolios, only 19% of local CIS assets are held in SA Equity portfolios. Just under half of assets (49%) are in South African (SA) Multi Asset portfolios, with the rest in SA Interest Bearing portfolios (31%) and SA Real Estate portfolios (1%).

Worldwide, there were 136 643 CIS portfolios with total assets under management of \$56 trillion as of the end of September 2022**.

South African investors had a choice of 1 769 local CIS portfolios at the end of December 2022, an increase of 59 portfolios over the 12 months.

Investor trends in 2022

The ASISA statistics show that South African Multi Asset Portfolios attracted R59 billion of the R108 billion in total net inflows for the year ending December 2022. According to Mulder, this is the highest net inflow achieved by these portfolios since 2016/17.

Portfolios in the SA Multi Asset category are designed to provide diversification across asset classes within a single portfolio. The SA Multi Asset category comprises 769 portfolios across six categories: Income, Flexible, High Equity, Medium Equity, Low Equity and Unclassified.

Mulder notes that investors took an interesting approach to last year's rollercoaster investment environment, which presented increasing interest rates together with pockets of opportunity in the equity market. Investors opted in almost equal parts for both SA Multi Asset Income portfolios (R24.5 billion) and SA Multi Asset High Equity portfolios (R21 billion).

Also popular with investors were portfolios in the SA Interest Bearing Variable Term category, which attracted net inflows of R24.1 billion in 2022.

Mulder reports that the highest net outflows in 2022 were recorded by portfolios in the SA Interest Bearing Short Term sector, losing R8 billion. "Not surprisingly, given last year's extreme market volatility, the SA Equity categories focused on niche sectors (Industrial, Large Cap and Mid & Small Cap) also suffered net outflows in 2022, as did the SA Real Estate General sector," says Mulder.

More information on the ASISA portfolio categories can be found [here](#).

Offshore focus

Locally registered foreign portfolios held assets under management of R694 billion at the end of December 2022, compared to R698 billion at the end of the previous year.

Foreign currency unit trust portfolios are denominated in currencies such as the dollar, pound, euro and yen and are offered by foreign unit trust companies. These portfolios can only be actively marketed to South African investors if registered with the Financial Sector Conduct Authority (FSCA). Local investors wanting to invest in these portfolios must comply with Reserve Bank regulations and will be using their foreign capital allowance.

There are currently 624 foreign currency denominated portfolios on sale in South Africa.

Ends

* Net inflows/outflows are calculated by deducting the Rand value of repurchases (units sold by investors) from the total value of units bought by investors. The net inflow figure reflected in this media release consists of new money invested and dividends reinvested.

** Figures provided by the International Investment Funds Association (IIFA), of which ASISA is a member, lag by one quarter due to the magnitude of statistics that must be collated.

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ASISA represents the majority of South Africa's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers, and life insurance companies.