



**Industry report:
Fund manager changes**

Quarter 2 | 2020

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HIGHLIGHTS | STAFF GAINS

FUND MANAGER	PROFESSIONAL NAME	ROLE	TEAM
REZCO	Brendan Raymond	Senior analyst	Investment Team
REZCO	Franz Waldemar Henning	Junior analyst	Investment Team
PRUDENTIAL	Rahgib Davids	Equity analyst	Equity Analyst Team
PRUDENTIAL	Leonard Krüger	Equity portfolio manager	Investment Team
AYLETT	Ryann Dean	Investment analyst	Equities Team
CENTAUR	Nick de Vos	Equity analyst	Equity Team
FUTUREGROWTH	Rirhandzu Sithole	Impact investment analyst	Investment Team
FUTUREGROWTH	Ayanda Bolani	Private equity analyst	Investment Team
ABAX	Mish-al-Emeran	Research consultant	Investment Team
ALUWANI	Thando Mtshali	Credit analyst	Investment Team
FAIRTREE	Chris de Jongh	Equity trader	Equity Team
FAIRTREE	Rabia Parker	Junior equity analyst	Equity Team
SIM	Tintswalo Mukansi	Trainee equity analyst	Equity Team
PRESCIENT	Shriya Roy	Junior quantitative analyst	Investment Team

STAFF LOSSES

FUND MANAGER	PROFESSIONAL NAME	ROLE	TEAM
MATRIX	Craig le Riche	Fixed income hedge fund manager	Fixed Income Team
ALLAN GRAY	Andrew Lapping	Chief investment officer	Investment Team
ALLAN GRAY	Leonard Krüger	Portfolio manager	Investment Team
KAGISO	Raghib Davids	Equity analyst	Equity Analyst Team
CATALYST	Kirsten Govindasamy	Junior analyst	Investment Team
FUTUREGROWTH	Rhandzo Mukansi	Portfolio manager	Investment Team
PERPETUA	Christine Fourie	Fixed income portfolio manager	Investment Team
PERPETUA	Mark Butler	Portfolio manager	Global Equity Team
MERGENCE	Grace Debeila	Co-portfolio manager	Investment Team
ABAX	Campbell Perry	Research consultant	Investment Team
ABAX	Adam Spagnoletti	Analyst	Global Equity Team
PRESCIENT	Thando Noganta	Junior quantitative analyst	Investment Team

STAFF CHANGES

ABAX

Campbell Perry, whose role in the business was a research consultant that primarily focussed on resources, has left the business and he was replaced by Mish-al-Emeran, who will cover SA equity stocks and will primarily focus on resources.

The other departure in the business was Adam Spagnoletti, who was an analyst on the global equity fund. Here, unlike Campbell's departure, they will not immediately look to replace Adam as they have been giving some of their analysts international stock exposure as well.

Despite the two departures, Abax has historically had low employee turnover and thus we still have confidence in the overall strength and stability of the investment team. Mish-al is an experienced analyst whose presence should go a long way towards replacing the experience that was lost with Campbell's departure.

ALLAN GRAY

Chief Investment Officer Andrew Lapping will be leaving Allan Gray towards the end of this year. Duncan Artus will take over the reins as chief investment officer from Andrew, effective 1 September 2020.

Mark Dunley-Owen, who currently manages a portion of the stable and fixed interest portfolios, will hand over some of his responsibilities as he joins the team managing the Orbis Global Balanced Strategy.

Mark remains within the broader Allan Gray-Orbis group and he will continue managing a slice of the Allan Gray Africa ex-SA Bond Fund.

Leonard Krüger, who manages a portion of the stable portfolios, will be leaving Allan Gray to join Prudential.

In addition to Duncan's promotion, Allan Gray has appointed three new portfolio managers: Rory Kutisker-Jacobson, Tim Acker and Sean Munsie in the equity, balanced and stable portfolios.

Varshan Maharaj, Rami Hajjar and Kamal Govan have also been promoted to portfolio managers and will focus on Africa ex-South Africa and frontier market equities.

Andrew and Mark's South African fixed interest portion of the balanced portfolios will be split between existing bond and money market portfolio managers Londa Nxumalo and Thalia Petousis, while Sandy McGregor will retain his existing responsibilities. Londa and Thalia will also assume full responsibility for the Allan Gray Bond Fund and the Allan Gray Money Market Fund respectively, which they currently co-manage with Mark.

Nick Ndiritu, who managed a portion of our Africa ex-SA Equity, Africa ex-SA Bond and Frontier Markets Equity Funds left Allan Gray in May 2020. Rory Kutisker-Jacobson has taken responsibility for Nick's equity slice in the Allan Gray Africa





ex-SA Equity Fund, while Londa Nxumalo will take over his slice of the Allan Gray Africa ex-SA Bond Fund.

The Sanlam Investments Multi-Manager is currently reviewing the Allan Gray Stable Fund, as the team changes have resulted in a 100% turnover in the portfolio management team. Furthermore, there are also concerns regarding the bond strategy, as well as the use of bonds in the multi-asset funds, due to the departure of the most senior member of Allan Gray's Fixed Income team.

The sheer number of changes and the departure of the most senior member of the Fixed Income team, has raised some concern. Our Manager Research team is therefore actively engaging with Allan Gray to better understand the practical implications of the recent changes and what the short and long term impact will be.

AYLETT

Ryann Dean has joined Aylett as an investment analyst covering offshore equities. He was previously employed at Coronation as an analyst within the global equities team.

Aylett's investment coverage is, at present, largely provided by Justin Ritchie, Dagon Sachs and Walter Aylett. Thus the addition of the new analyst is viewed positively in terms of improving capacity in their foreign capability.

FUTUREGROWTH

Two analysts have been appointed on the private market side. Rirhandzu Sithole has been appointed as an impact investment analyst, and Ayanda Bolani has been appointed as a private equity analyst. Rhandzo Mukansi, a portfolio manager, has left the business.

Rhandzo's departure should not impact the business too greatly as there are a number of other investment team members who are on the same in-house Portfolio Manager programme that he was on, and this is where their next group of portfolio managers will come from once they graduate. Futuregrowth generally does not employ portfolio managers from outside the company, as they prefer to develop portfolio management skill internally.

MERGENCE

Multi-asset Co-Portfolio Manager Grace Debeila has left the business.

Grace Debeila's departure from Mergence is somewhat concerning as she had only recently joined the business.

MATRIX

Matrix had one staff departure over the last quarter, Craig le Riche, who held the position of fixed income hedge fund manager, managing a junior strategy within the Fixed Income Hedge Fund.

Craig's departure should not have a major impact on Matrix's Fixed Income Hedge Fund overall, as his strategy was a junior one and thus had a small allocation.





Although Craig's strategy did not end up fitting in with the rest of Matrix's hedge fund strategies, the process of improving the hedge fund is an incremental one, and thus unsuccessful trials such as this one may happen from time to time.

OMIG

Fawaz Fakier has been appointed as the portfolio manager of Old Mutual's newly launched ESG Equity Fund. Old Mutual launched an ESG Equity Fund in June 2020.

Old Mutual's ESG Equity fund is the first explicitly ESG-focused equity fund in South Africa, and is part of a growing trend towards ESG investing locally. It will be interesting to see if other asset management businesses follow suit and launch similar funds in future.

PERPETUA

Christine Fourie, their Fixed Income portfolio manager, and Mark Butler, who is a member of their Global Equity team, have both left the business.

Both Christine and Mark are leaving the company as a result of a decision to leave the industry. Perpetua has already begun the process of recruiting people who they believe will be able to fulfil these roles and enable Perpetua to enhance their existing capabilities in fixed income and global equity strategies respectively. They hope to announce developments in this regard in the coming months.



PRUDENTIAL

Sandile Malinga and Anthea Angermund were recently promoted to co-portfolio managers on several of Prudential's multi-asset unit trust funds. Anthea has been made co-portfolio manager of the Prudential Namibia Inflation Plus and Namibia Balanced Funds.

Rahgib Davids joined Prudential on 1 July 2020, from Kagiso Asset Managers.

Leonard Krüger has accepted a position as equity portfolio manager with Prudential, with effect from 1 October 2020. Leonard joins Prudential from Allan Gray, where he is currently responsible for the management of a portion of the Allan Gray Stable Fund and various equity portfolios. Leonard will also join the Asset Allocation Committee.

Anthea and Sandile are both members of the Asset Allocation Committee that determines the strategic and tactical asset class positioning across Prudential's multi-asset funds. The promotions thus add to their responsibilities within the Investment team.

Prudential's internal promotions and the new recruits are viewed positively. The investment team as a whole should benefit from the experience that their recent additions bring to the table.

PSG

Justin Floor joins Chief Investment Officer (CIO) Greg Hopkins and Philipp Wörz in managing the PSG Global Equity Fund and PSG Global Flexible Fund. Justin takes on this role in addition to his current role of

portfolio manager of the PSG Balanced Fund. John Gilchrist joins Dirk Jooste in managing the PSG Stable Fund. Given Greg's increased involvement in fund management, John (initially an analyst) will also assume the position of deputy chief investment officer in order to support Greg in his role as CIO.

Justin adds to the depth of experience in PSG's Global Investment team. The aim of this change is to allow the increased capacity and breadth of skills now available in the Global Investment team to be leveraged to clients' advantage during the current market turmoil.

John Gilchrist has extensive experience in the absolute return space that should be beneficial in managing a broad asset allocation mandate like the PSG Stable Fund.

As deputy-CIO, John will assist Greg in the management of the Investment team and in the servicing of clients. As the former co-head of Old Mutual's Customised Solutions boutique, John has ample experience for such a role.

REZCO

Brendan Raymond re-joined Rezco as a senior analyst. Franz Waldemar Henning joined Rezco as a junior analyst. Post Peter du Toit's resignation, his shares have been divided amongst Simon Sylvester, Ronald Cape and Brian du Plessis.



Simon has taken up the bulk of Peter's shares (and has also been appointed a director of the business), with Ronald and Brian both taking up a smaller portion to slightly increase their stake in the business.

Greater staff ownership of a business is always positive and the changes should incentivise Simon, Ronald and Brian to remain with the business, thus lessening the risk of team instability.

STEYN

The second issuance of shares to employees in terms of Steyn's staff equity plan is due to be completed within the next two weeks, which will see an additional three staff shareholders.

The expansion of Steyn's staff equity plan is a positive development in that greater staff ownership of a fund management business is always better from an incentive alignment perspective. Greater staff ownership also helps to minimise potential agency problems.

CORPORATE ACTIONS AND MANDATE CHANGES

NGWEDI

Ecsponent has disposed of its shareholding in Ngwedi to the black founding members of the business. The disposal gives the founding members of Ngwedi a total of 85.3% of the shares in Ngwedi, with the balance still owned by MHMK Capital Proprietary Limited, a subsidiary of Ecsponent.

Amongst other benefits, this transaction enhances and strengthens Ngwedi's B-BBEE credentials, whilst placing the company back in the hands of its founders.







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