

Appraising our Custodians of Wealth

Economic Empowerment Ranking of South African Asset Managers 2003



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Executive Summary

The South African asset management industry currently manages R 1.24 trillion of wealth, an amount roughly equal to three times the GDP of South Africa. Developed over the last few decades, the industry is well-established but also highly competitive.

Given their position as the custodians of wealth, asset managers can play an important and significant role in advancing economic empowerment, a process that aims to promote the inclusion of previously disadvantaged individuals into the mainstream economy. The role of asset managers in the allocation of economic resources provides them with opportunities to promote and accelerate economic empowerment, while still operating within their primary mandate, i.e. to safeguard and grow the assets of their beneficiaries.

The anticipated introduction of the global and financial sector empowerment charters, as well as the intended use of the broad-based scorecard for public sector procurement, provide impetus for the asset management industry to transform. The fact that a significant portion of new or renegotiated mandate may come from the public sector means that economic empowerment will be an important factor in determining the future performance and sustainability of the asset managers.

For these reasons, Empowerdex has undertaken this research, with the backing of Eskom Pension Funds to benchmark the existing economic empowerment progress made by the players in the asset management industry. It is hoped that this research will provide the necessary information to the key decision-makers within the industry and within their client base. The primary objective of the benchmark is to establish the current empowerment status of the asset managers, identify the industry trends in promoting economic empowerment and provide a ranking based on the *Performance-Adjusted Empowerment Rating* for asset managers.

The Performance-Adjusted Empowerment Rating has two main components, an economic empowerment component based on all seven empowerment factors included by the President in his State of the Nation

address. These include ownership, control, employment equity, skills development, procurement, enterprise development and corporate social development.

We have also included a factor measuring the relative performance and industry position of the asset managers, based on their investment returns. The relative performance indicator allows us to see economic empowerment as part of the growth and development process. As an empowerment asset manager who cannot deliver investment results will be of no use to either its client or to the economic empowerment process as a whole.

The benchmark includes all 28 significant and empowerment asset managers identified in the industry. The size of these asset management companies range from Old Mutual Asset Managers, who manages more than R 250 billion to Kagiso asset management who is one thousandth of its size and manages R 250 million of asset.

The following economic empowerment trends were identified during the survey:

In *BEE Ownership*, although more than half of the asset management companies have BEE ownership exceeding 25 percent, we find that most of the BEE ownership are held in the smaller industry players, the effective stake of BEE investors, measured using asset under management, account to just more than 10 percent of the industry. Another clear trend was the participation of almost all empowerment heavyweights, including Cyril Ramaphosa (Alex Forbes), Tokyo Sexwale (Abvest), Mzi Khumalo (African Harvest), Eric Molobi (Kagiso), Gloria Serobe (Futuregrowth) and Reuel Khoza (Quaystone). Tri-linear leads the sector in BEE ownership as a 100% PDI owned entity.

In *BEE Control*, the sector performs far better than the trends on the JSE, out of the 177 directors in the 21 asset management companies that responded in time, there were 56 PDI directors holding positions ranging from executive chairman to non-executive director. The ratio of executive/non-executive directors is 1:1, which is very similar to industry trends. The problem of appointing PDIs only as non-

executive, as identified on the JSE, were not evident in this sector.

The sector also contributed extensively towards *Employment Equity*, with more than 50 percent and 85 percent of the asset managers employing significant levels of PDI employees at their senior management and professional levels respectively. Alliance Capital, Future Growth, Real Africa and Tri-Linear have all made extensive contributions towards economic empowerment.

The sector also promoted the development of skills amongst its staff, especially towards their PDI professionals. Given the high levels of skills and expertise required for this sector, significant spending was made towards *Skills Development*.

Umbono leads the sector in *Affirmative Procurement* by aggressively pursuing a procurement policy that aimed at procuring almost all of its services, including stock broking services, from PDI suppliers.

Although the sector has not contributed significantly to *Enterprise Development*, we noted that the two industry stalwarts both invested and promoted in PDI operations in the sector. Old Mutual supported the establishment of Umbono, while Sanlam aimed at supporting BEE private equity funds through its new development fund-of-funds. There are also proposed initiatives by Alexander Forbes to support start-up BEE managers.

Most of the sector players have not contributed individually towards *Corporate Social Investment*, as the contributions are often made at their holding company level. We noted that three of the companies, Oasis, Futuregrowth and Sanlam, made significant contributions to social development.

The final factor included in the rating was the *Relative Performance Indicator*, this indicator measures the positioning of each asset managers in terms of their investment performance over the last year. The indicators provide a clear reflection of the competitiveness and sustainability of asset managers, and should not be used as a predictor of future performance. Allan Gray ranks number one in its performance, positioning itself in the top 10 percent

in every market segment it operates over the last 12 months. It can be noted that Oasis ranked number two, outperforming every one of the top five asset management companies in terms of performance. It dispels any doubt that empowerment asset managers cannot compete squarely against traditional players in the industry.

Most Empowered Asset Managers by Performance-Adjusted Empowerment Rating

According to the Performance-Adjusted Empowerment Rating, Oasis ranks as the most empowered player in the asset management industry. Their extensive contribution towards BEE and their ability to deliver the returns to their client make a good example for the rest of the industry. Oasis is followed by Fraters (no.2), Umbono (no.3), Quaystone (no.4) and Kagiso (no.5). Two of these players are in actively managed domestic products (Quaystone and Fraters), while Kagiso and Umbono operates index tracking portfolios on behalf of their clients.

In conclusion, we find the asset management industry to contribute extensively to every aspects of economic empowerment. Given the nature of the sector and possible encouragement from their clients, we expect further economic empowerment amongst these players. With its important role as the custodian and allocator of economic resources, the empowerment progress in this sector will results in enormous benefits to the economic empowerment process as a whole.

Acknowledgement

We would like to thank the following people whose contribution were invaluable in making this economic empowerment survey a reality:

First and foremost, we would like to thank Mr. Terrence Chauke, CEO of Eskom Pension Fund, whose insight on the subject, whose active support for this projects and whose assistance in communicating this project to the asset management companies were critical for the comprehensiveness of this report. We are also indebted to Mr. Patric Ho and Mr. Fabian De Beer, from the Eskom Pension Fund, for all their time and support for this project.

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In addition, we would like to thank all the participating asset management companies, for taking the time to prepare all necessary information required by us to conduct this survey. A very special thank you must go out to various individuals for taking the time to visit our offices and sharing their plans and all additional details during our discussions.

We would like to also thank the Financial Services Group of KPMG, especially to Mr. Greg Goeller, Mr. Andre Scheepers and Mr. Maciek Szymanski, who have also provided unwavering support to this project and assisted us in communicating this project to different asset managers. Most importantly, we thank KPMG for the sharing of their calculation on the investment performance of asset managers, which was instrumental for us to calculate our relative performance indicators.

We would like to thank every members of the Empowerdex research team and support staff, who have provided us with everything that we have asked for. Most importantly, I would like to thank Andy and Solomon, for their contribution to this project.

Chia-Chao Wu

AM Project Research Director

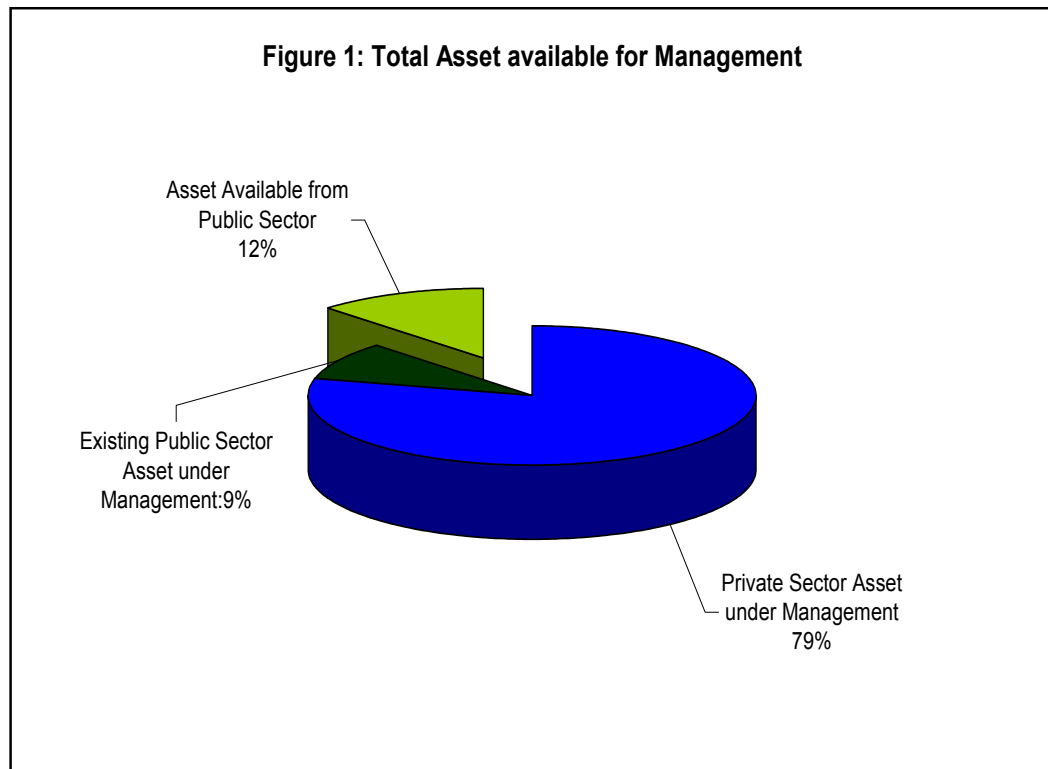
Deputy CEO

Empowerdex

1. Introduction

“Economic empowerment is an integrated and coherent socio-economic process aimed at redressing past imbalances by seeking to substantially and equitably transfer the ownership, management and control of South Africa’s financial and economic resources to the majority of its citizens.” *BEE Commissions Report, 2001*. As one of the key custodian of the nation’s collective wealth, the asset management industry can play a very important and significant role in the acceleration of the empowerment process.

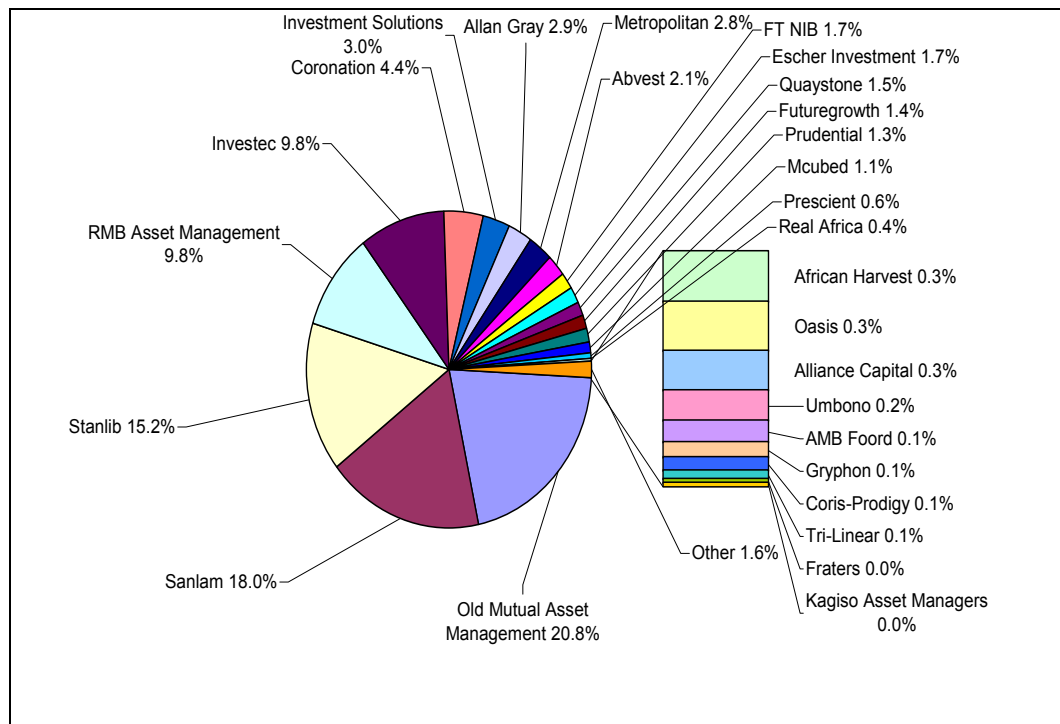
For this reason, there have been various public and private sector initiatives that encourage further transformation in this sector. These include the anticipated release of the global transformation charter, the introduction of the broad-based economic empowerment scorecard, as well as the proposed promulgation of the financial sector empowerment charter. In addition, the fact that a significant portion of existing and new business may come directly from the public sector (see figure 1) provide further impetus for asset managers to transform.



These issues highlight the importance of economic empowerment in determining the performance and sustainability of South African asset management companies. In order to provide comprehensive economic empowerment information to the industry and their customers, Empowerdex has undertaken this survey to benchmark economic empowerment progress made by the players in the asset management industry. This survey quantifies and measures economic empowerment status of 28 asset management companies. The objective of this survey is to provide comparable, relevant and reliable economic empowerment information to key decision-makers in both the public and private sectors.

The asset under the management of these 28 companies totals R 1.24 trillion (roughly equal to 300 percent of our annual GDP). The size of these asset managers ranges from Old Mutual Asset Managers, managing R 259 billion of asset, to Kagiso Asset Managers, which is one thousandth of its size and have R 250 million under its management. The industry is dominated by five traditional players (Old Mutual, Sanlam, Stanlib, RMBAM and Investec) together accounting for 73.6 percent of all assets under management.

Fig 2: Market Composition



At the completion of our research, 21 out of the 28 companies, representing 63.6 percent of the market, provided sufficient information for us to perform in-depth economic empowerment analysis. The 7 companies that were unable to provide the required economic empowerment information within the prescribed period were Old Mutual, Investec, Franklin Templeton NIB, Escher Investment, Prudential, M³ and Gryphon.

To assess the status of economic empowerment, Empowerdex have included all seven empowerment factors mentioned by President Mbeki in his 2003 State of the Nation address. These factors were used in the development of its economic empowerment benchmark, these factors include BEE ownership, BEE control, employment equity, skills development, affirmative procurement, enterprise development and corporate social investment.

To accurately reflect the nature of the industry and the information need of pension fund trustees and officers, whose primary fiduciary duty is to safeguard the asset and returns of their beneficiaries, we have included investment performance as an important component in the *Performance-Adjusted Economic Empowerment Rating*, which we used to rank asset managers. Another reason for the inclusion of the relative performance indicator in addition to the economic empowerment factors was the fact that performance indicators reflect the ability of the entity to remain competitive and sustainable. Economic empowerment entities and initiatives must be sustainable to ensure that they are associated with growth and development. An economic empowerment asset manager that cannot deliver the required investment returns will be of no use to either the pension funds trustees or to the economic empowerment process as a whole. This is in line with the government's vision that '...black economic empowerment must be associated with growth and development and not the redistribution of existing wealth.'

The assessment of the economic empowerment status of asset management companies, as well as ranking them using the performance-adjusted economic empowerment benchmark will provide additional information that can support decision-makers, in both public and private sectors, who select asset managers on behalf of their beneficiaries.

2. Economic Empowerment Ranking of Asset Management Companies

2.1. Methodology

The survey ranks asset managers using a Performance-Adjusted Empowerment Rating. The analytical team scores the asset management companies on all seven economic empowerment factors using information supplied directly by asset managers, together with publicly available information on asset managers. The scoring is generated using a scorecard that evaluates companies based on the design, implementation and disclosure of policy and initiatives for each empowerment factor. The survey relies on publicly available information, as well as information supplied by the asset management companies. The information accepted directly from asset management companies were not verified through in-depth verification procedure normally used in Empowerdex ratings.

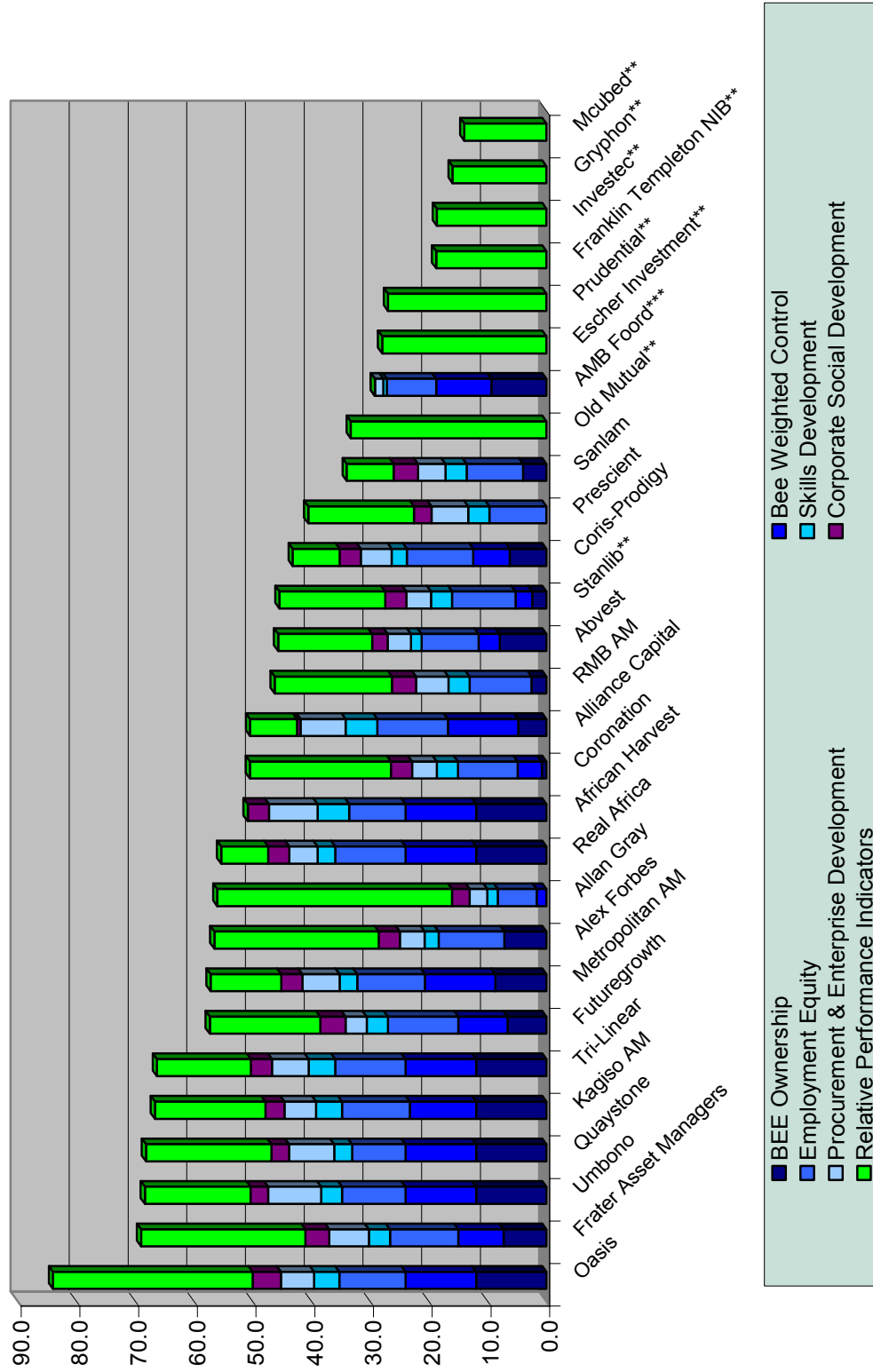
The factor scoring was weighted in terms of its importance to provide a pure *Economic Empowerment Rating* for each entity. To take into account the need of the pension funds, the rating was then consolidated with the relative price indicators for each asset manager (see description of the indicator in section 9) to establish the *Performance-adjusted Empowerment Rating*. The rating is the instrument used to rank the economic empowerment initiatives, as well as the sustainability of these initiatives. Asset management companies were ranked using both the pure Economic Empowerment Rating, as well as using the Performance-adjusted Empowerment Rating.

2.2. Performance-adjusted Empowerment Ranking

Figure 3 illustrates the result of the Performance-adjusted Empowerment ranking of South African asset managers.

Oasis Asset Management Ltd ('Oasis') ranks as the top empowerment asset management company in the industry, followed by Fraters, Umbono, Quaystone and Kagiso Asset Management.

Fig 3: Performance-Adjusted Asset Manager Ranking

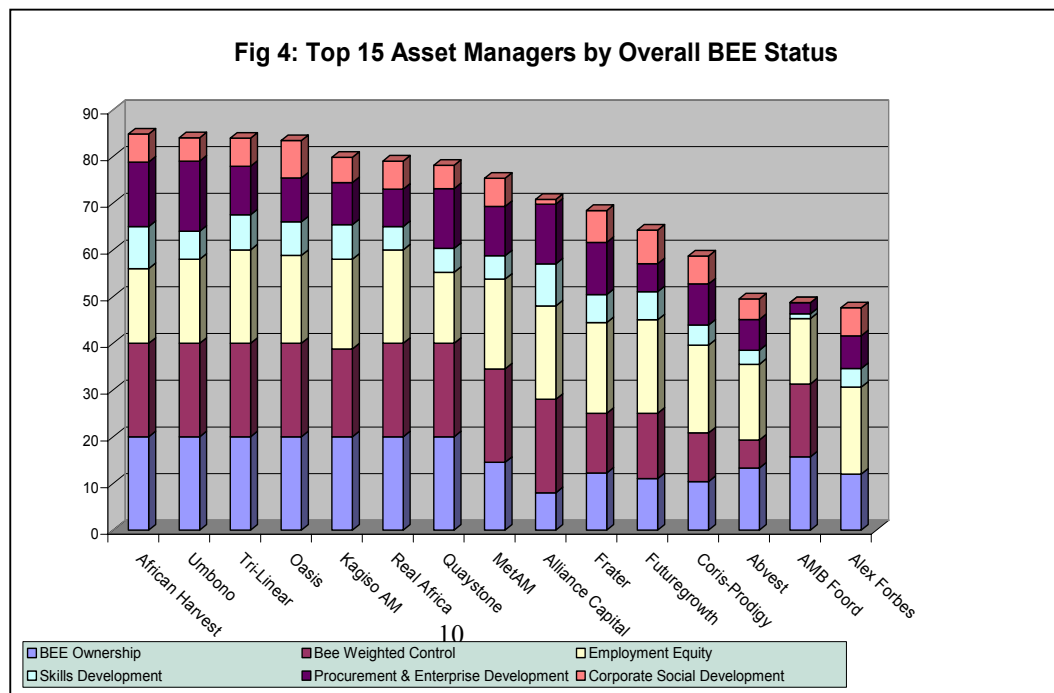


Oasis is a BEE owned and controlled company with extensive contribution towards skills development and corporate social investment. Almost 60 percent of its senior management and 78 percent of its portfolio managers and investment professionals are drawn from the designated groups. Most importantly, it ranks second out of 28 companies in its relative performance indicators, outperforming the big five and confirms that emerging empowerment asset managers can compete squarely against the best professionals in the industry. It manages R 4 billion, representing 0.3 percent of the industry. The company provides both domestic and full discretionary (global) balanced funds to its clients.

Fraters (no.2) and Quaystone (no.4) both provide investment opportunities in active domestic funds, with Quaystone also invest in money market products on behalf of its clients. On the other hand, both Umbono (no.3) and Kagiso Asset Management (no.5) operate index-tracking funds for the more conservative investors.

2.3. Ranking by Economic Empowerment Factors

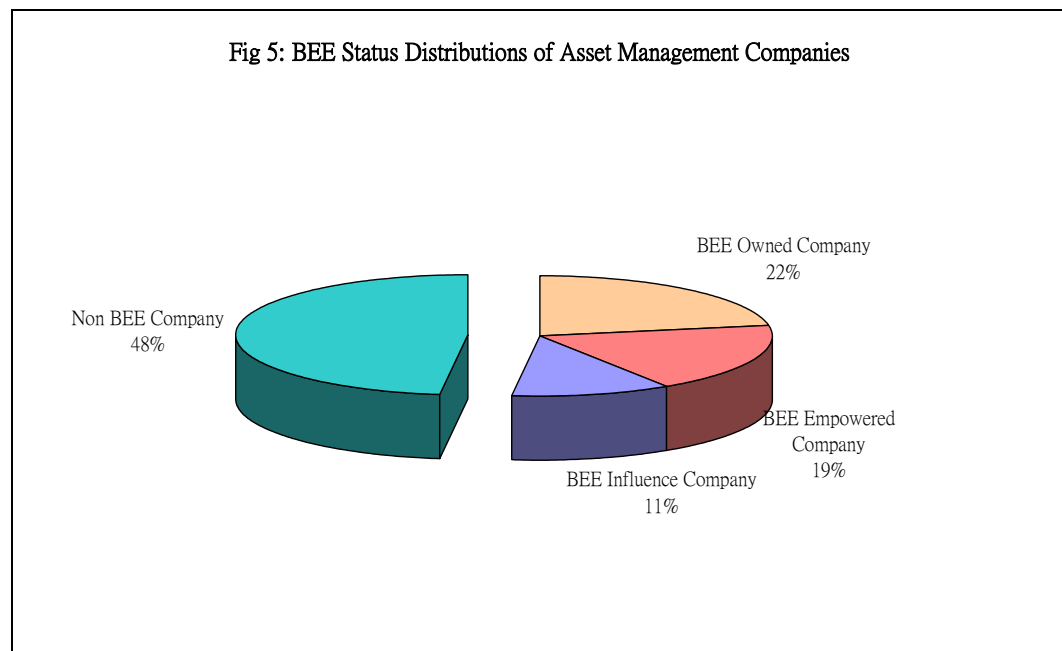
When ranked purely on economic empowerment factors, African Harvest leads the pack. Umbono, Tri-linear, Oasis and Kagiso all follow closely. However, African Harvest only ranked no. 12 in the performance-adjusted ranking as a result of the low



performance produced by its investments. The company needs to focus on delivering returns to their beneficiaries to progress in the table.

As a sector, the asset management companies contributed significantly towards economic empowerment, both through internal transformation and external empowerment commitments. The asset management industry outperforms the JSE financial services sectors in three key economic empowerment measures, namely BEE ownership, BEE control and employment equity.

Figure 5 provides the breakdown of the industry by BEE status, we find that more than 50 percent of industry meet one of the BEE definitions of the BEE Commissions. These include 6 black-owned companies (BEE ownership and management greater than 50 percent), 5 black empowered companies (BEE ownership and management greater than 25 percent) and 3 black influenced companies (BEE ownership and management greater than 10 percent). BEE-owned and BEE empowered companies make up more than 40 percent of the sector. This distribution illustrates significant progress made by the companies in these sectors.

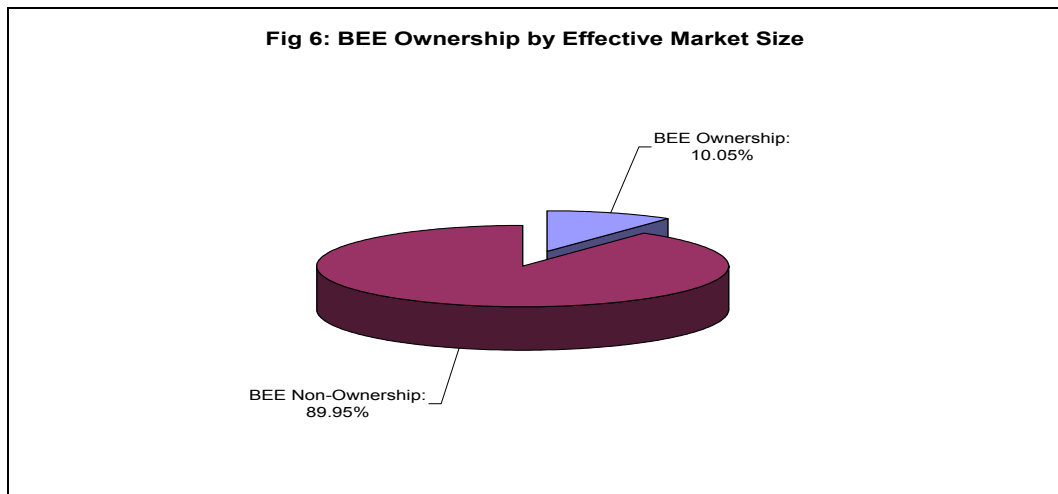


3. BEE Ownership

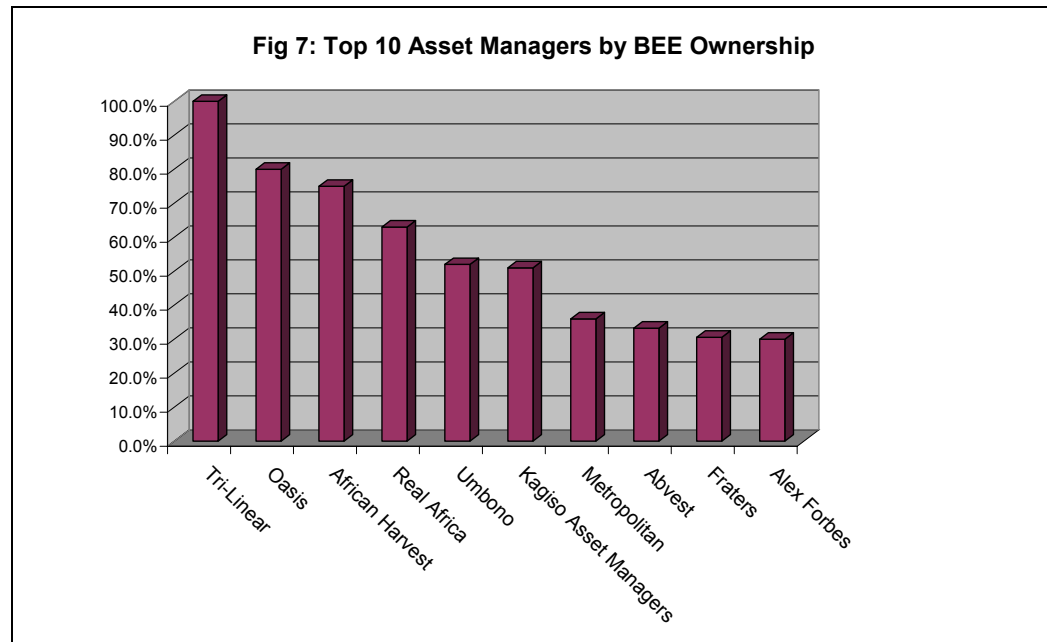
The following table classifies asset management companies according to BEE ownership. The table shows that 14 asset management companies or 50 percent of the industry have ownership level above 25 percent, meeting one leg of the requirements for a black empowered company. Only 3 companies have confirmed a BEE ownership of less than 5 percent.

BEE Ownership	Number	%	Companies
90~100%	1	3.6%	Tri-Linear
75~90%	2	7.1%	African Harvest, Oasis
50~75%	4	14.3%	Umbono, Real Africa, Kagiso, Alex Forbes
25~50%	7	25.0%	Quaystone, Coris-Prodigy, Metam, Futuregrowth, Abvest, Frater, AMB-Foord
5~25%	4	14.3%	Stanlib, Sanlam, RMBAM, Alliance
0~5%	3	10.7%	Prescient, Allan Gray, Coronations
Not Disclosed	7	25.0%	Old Mutual, Investec, Gryphon, Mcubed, Prudential, FT NIB, Escher

Measuring the effective participation of previously disadvantaged individuals on the market provides a different picture. The PDI's participation in the asset management sector is calculated using asset under management as an indicator. The aggregated asset under the management of PDIs through their ownership in the asset management companies is illustrated in this calculation.



Since most of the PDIs hold their ownership in smaller asset managers, we find that their effective participation by PDIs only amount to 10.05 percent. This is slightly lower than the BEE ownership stakes in the two main financial services sectors, Banks (13% BEE ownership) and Insurance companies (11% BEE ownership). The industry, especially its significant players, needs to promote initiatives to attract BEE investors who can transform their ownership. The top 10 asset managers by BEE ownership are as follows:



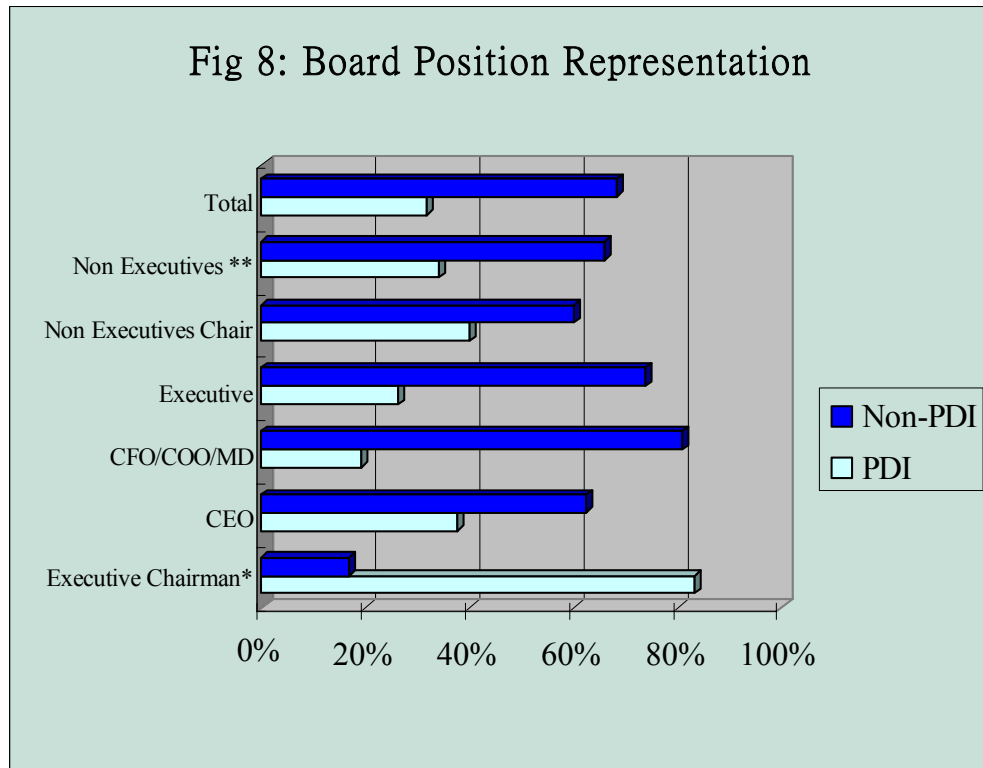
Another interesting finding on BEE ownership of the asset managers is that almost every economic empowerment heavyweights are also involved in the industry, the following table provides a list of the asset managers who have partnered with one of the leading BEE heavyweights in the country.

Asset Managers	BEE Partners	Leading BEE Heavyweights
ABVEST	MVELAPHANDA	TOKYO SEXWALE
AFRICAN HARVEST	METALLON	MZI KHUMALO
ALEX FORBES	MCI	CYRIL RAMAPHOSA
FUTUREGROWTH	WIPCAPITAL	GLORIA SEROBE
KAGISO	KTI	ERIC MOLOBI
QUAYSTONE	AKA CAPITAL	REUEL KHOZA
Real AFRICA AM	RAH	DON NCUBE

The participation of these players further confirms the available economic empowerment opportunities in the asset management industry.

4. Management, Control and Governance

There are 177 directors in the 21 companies that disclosed their management status. Of these 177 directors, there are 56 PDI directors and 17 women directors. Figure 8 shows the composition of board representations.



As per the table, the ratio between PDI executive and non-executive directors is roughly 1:1, this is much higher than the companies on the JSE securities exchange, where every 5 out of 6 PDI directors are non-executive. The executive/non-executive director ratio of this industry is in line with the market. This indicates much closer involvement by PDIs in the business operations. Figure 9 classifies directors according to their positions and status. We find that 53 percent of PDI directors in the asset management industry are executive directors.

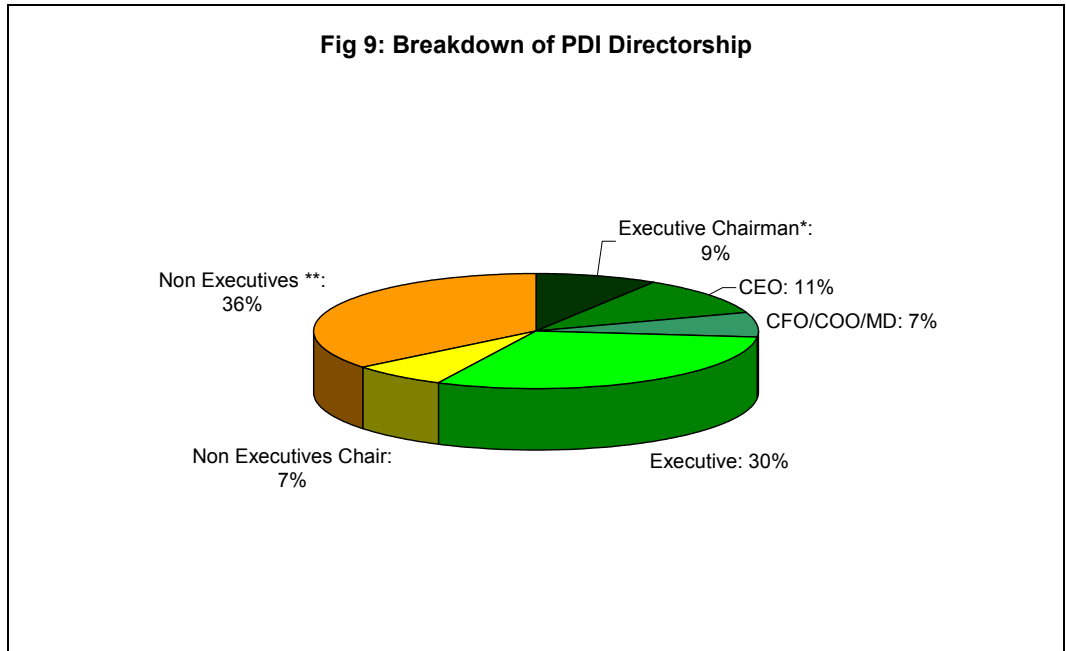
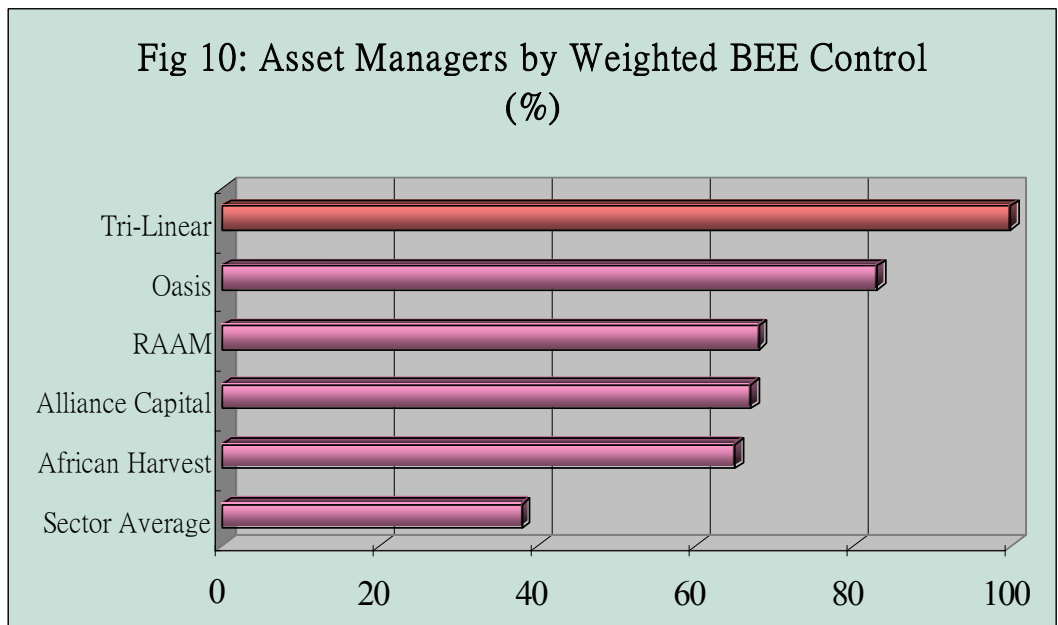


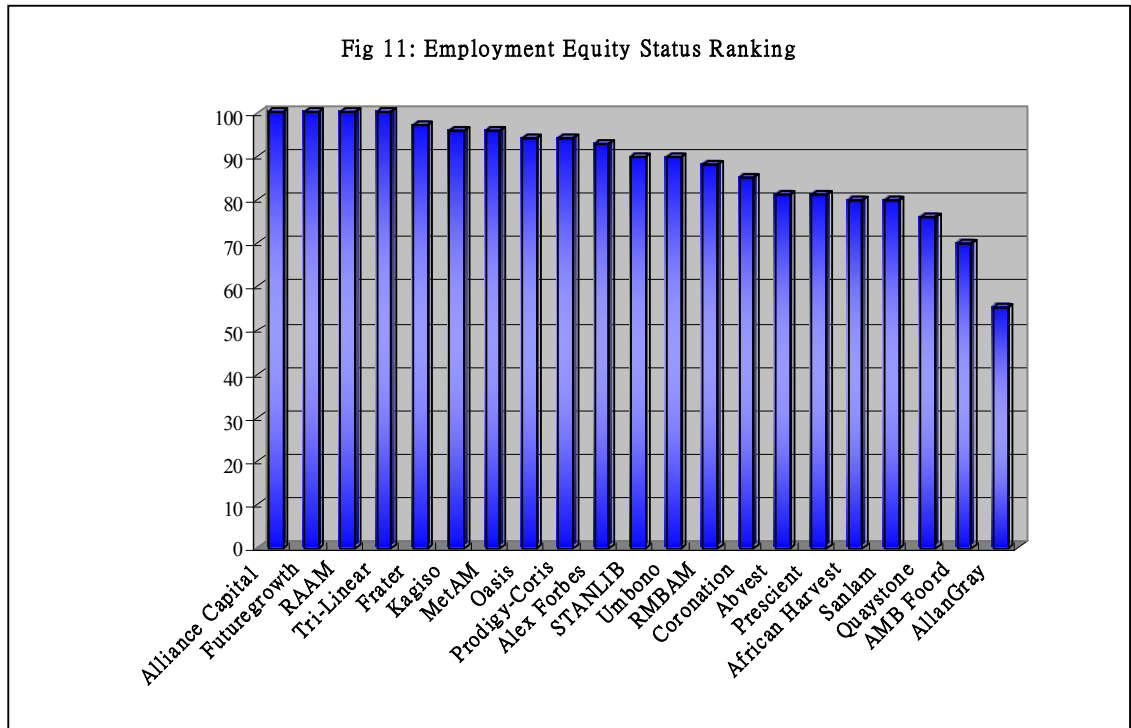
Figure 10 provides the top 5 asset managers by weighted BEE control. All 5 of the asset managers have weighted BEE control exceeding 60 percent and Tri-linear has 100 percent PDI representation on its board.



5. Employment Equity

The assessment of the employment equity status and ranking of the asset managers are based on the disclosed employment equity profile of each company. The survey focused on the composition of top/senior management, as well as the company's portfolio managers and middle managers. As one of the objectives of the employment equity process is to ensure that PDIs are provided with opportunities to participate at the decision-making levels in the industry.

The ranking of the overall Employment Equity Status is shown below. Alliance Capital, Tri-Linear, Future Growth, and Real Africa Asset Management (RAAM) lead the sector. The employment equity status illustrates extensive progress that was made by the sector.

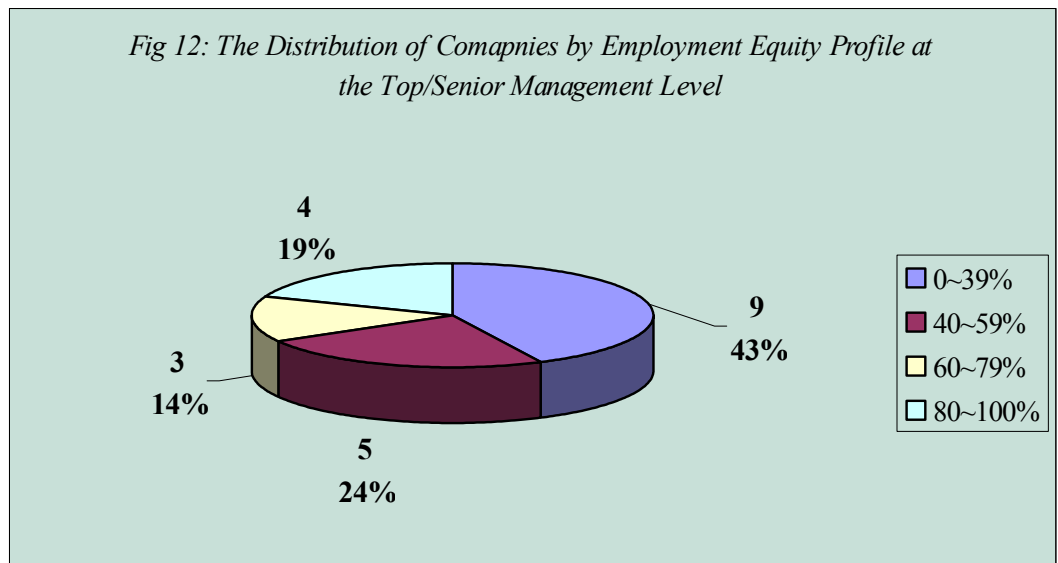


Top/Senior Management

The analysis of the companies' employment equity profile shows that on average 45% of the top/senior management is composed of Historically Disadvantaged Individuals (HDI).

As demonstrated in the chart below, four companies out of 21 companies under review have over 80% of their top/senior management being HDI. Tri-Linear, Alliance Capital, Quaystone, and Umbono, being the top four companies in this area, has demonstrated empowerment through the awarding of material decision making and the delegation responsibility to the top management level.

The majority of the companies (9 out of 21) have HDI representation in the top/senior management level that is below 40%. These are mostly traditional non-BEE asset management companies, where the demographic profile of management has been non-HDI for decades. Cultural transformation is needed in these companies' top management..

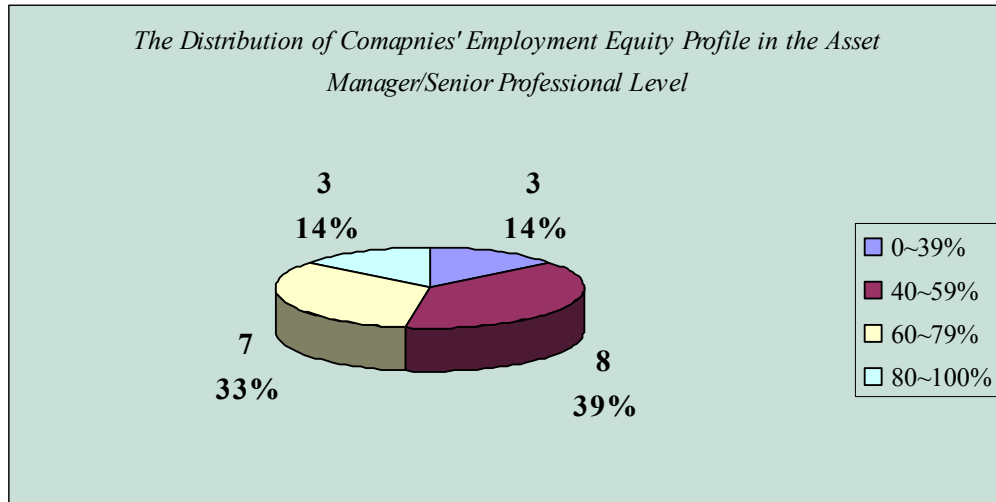


Asset Managers & Senior Professional Staff

The analysis of the companies' employment equity profile shows that on average 59% of the portfolio management and senior professional staff is composed of HDIs.

The chart below shows that, three companies out of twenty one have over 80% of their asset manager and senior professional staff being HDI. Frater, Umbono, RAAM, Tri-Linear, and Oasis are the top five companies in this area. This shows their commitment to empower HDI with decision-making powers, and indicates that they could improve their top management employment equity profile in the near future.

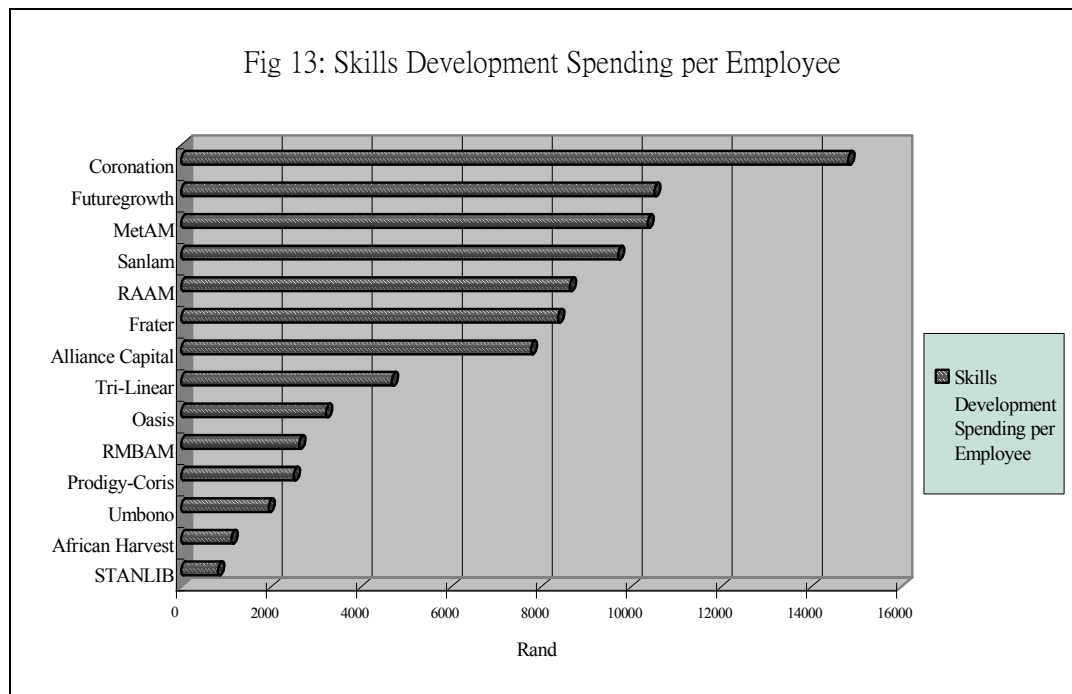
Most of the companies (eight out of twenty one) in the industry have HDI representation in the asset manager and senior professional staff level that is between 40% and 60%. These companies are outperforming the listed companies in the Financial Services sector, and they have shown their effort towards management transformation.



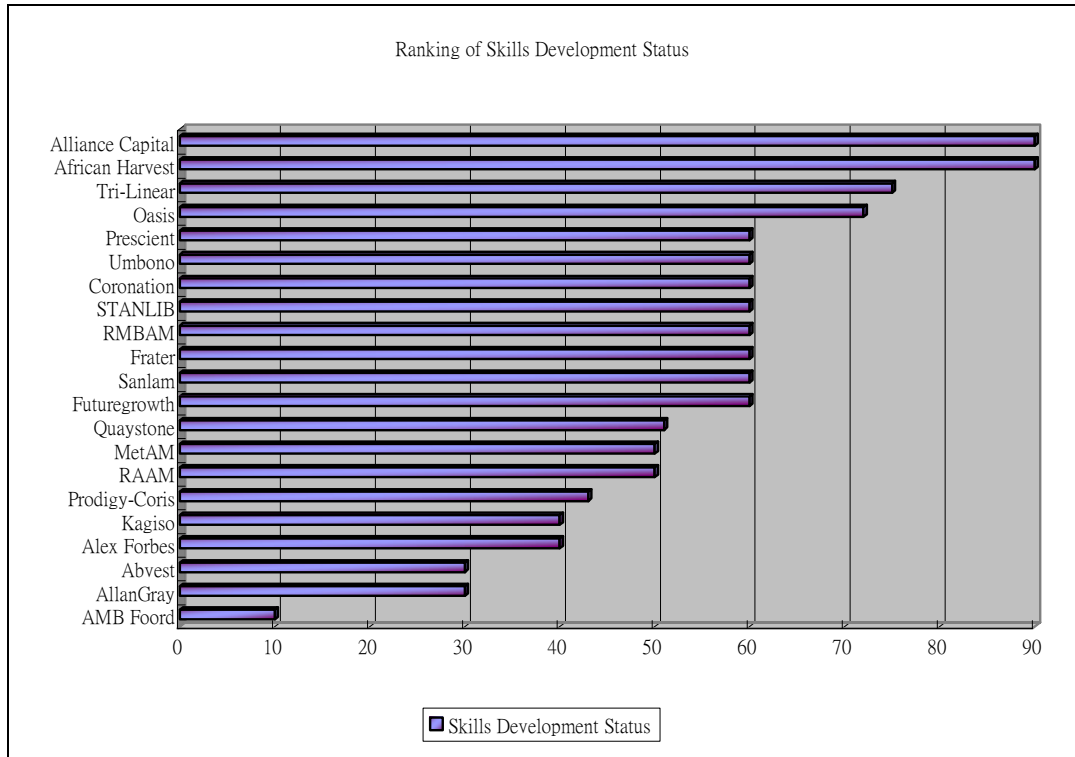
6. Skills Development

The asset management companies placed great emphasis on training and development of the skills of their employees, especially the HDI employees. This is due to the high level of qualification and expertise required to work in the industry. Most of the training programs are external, and the companies provide employees with funding. The common programs are the Chartered Financial Analyst (CFA™) program through the Association of Investment Management and Research (AIMR™); the Association of Unit Trust Exams; and the South African Institute of Financial Markets (SAIFM) Exams.

The chart below shows the skills development cost per employee for the respective companies. It had excluded the companies that did not disclose sufficient information and the companies that did not contribute towards skills development. This measures their commitment to skills development within the company as well as the overall investment in developing human capital in the industry, where the higher the spending per employee, the greater the proportion of total staff that undergoes training. Coronation ranks first followed by Futurgrowth, Metropolitan, Sanlam and RAAM.

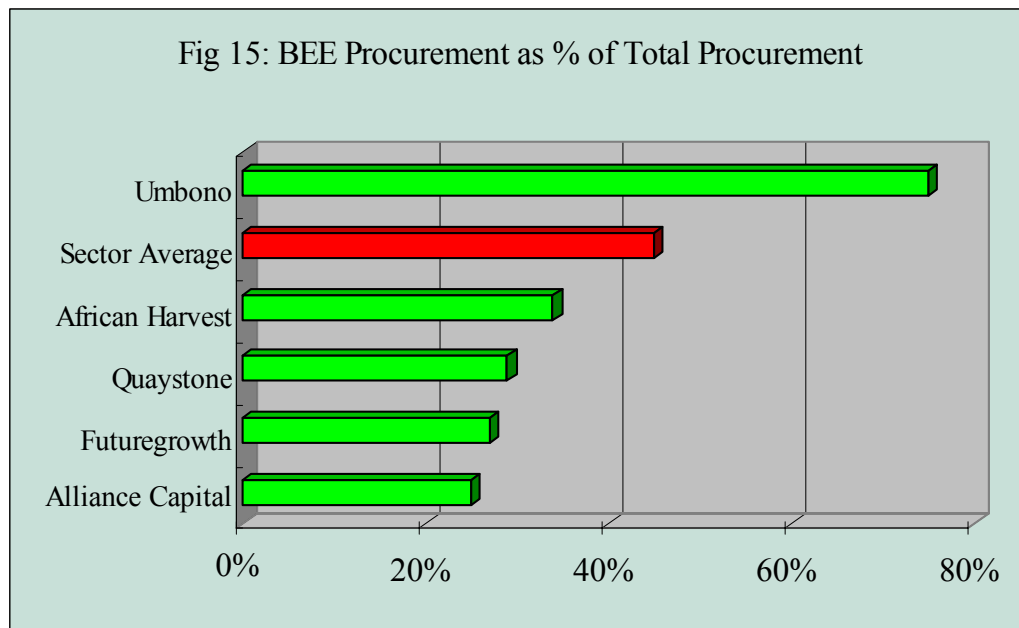


When ranked in the chart below according to overall contribution towards skills development, Alliance Capital and African Harvest lead the sector, followed by Tri-Linear and Oasis, and then by companies that did not disclose sufficient information concerning skills development. Comparative to other companies in the financial services sector, the asset management companies show commitment towards skills transfer and human capital development in the industry.



7. Preferential Procurement and Enterprise Development

When compared to JSE-listed financial services companies, the sector seems to rank very highly on affirmative procurement and enterprise development. Umbono has by far the most extensive preferential procurement campaign, placing all transactions with empowerment stockbrokers.

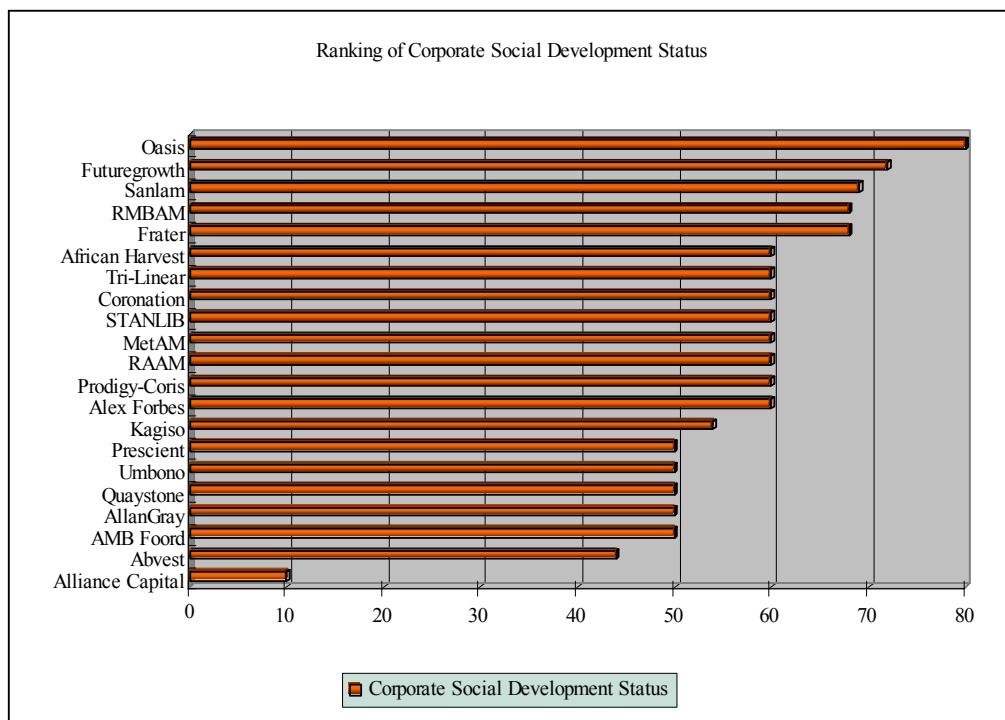


There are only three asset management companies that have disclosed their contribution towards enterprise development, these include:

- Old Mutual have acquired ownership of Umbono and provided with back-office support for administration.
- Sanlam, through their launch and implementation of their Development Fund-of-Fund where emerging private equity funds are supported through funding and skills transfer.
- Futuregrowth, through its various empowerment and development initiatives.

8. Corporate Social Investment

The asset management companies do generally have Corporate Social Investments (CSI) and social development policies. They are however unable to contribute significantly on their own due to the small size of the companies. The subsidiary companies of banking groups, insurance groups and finance groups tend to contribute towards a group level fund together with other subsidiaries of the group, and initiatives are planned and implemented at a group level. The analysis excludes the effect of group level contributions, as these are accounted for in the group's assessment.



The majority of the contributions go to education, and a significant portion is also contributed towards community and rural development and welfare.

The companies are ranked according to their over all CSI status in the above chart. Oasis ranks first in the sector with Future Growth and Sanlam second and third respectively. Oasis outperformed the other asset management companies due to their high percentage of spending when compared to their profit.

9. Relative Performance Indicators

In order to take into account the different market segments and product types offered by each asset management companies to their client, we use *Relative Performance Indicator* rather than absolute returns to measure the performance and competitiveness of each asset management company. Relative performance indicator evaluates the positioning of the asset managers in every market segment they operate in and aggregate individual segments positions to arrive at the overall relative performance indicator for each asset management company. The reader must bear in mind that the performance indicators calculated for empowerment rating serves as a measure of the competitiveness and sustainability of the asset management company, and should not be used as a predictive tool for future investment performance.

The eight segments in which the asset management companies are ranked are listed as follows:

Domestic	Balanced
	Absolute Returns
	Money Market
	Special Equity
Full Discretionary (Domestic and Global)	Balanced
	Absolute Returns
Index Tracking	Passive
	Quants

Performance calculations provided by *KPMG Financial Advisory Services* were used as a basis for positioning asset management companies in Domestic and Full Discretionary segments. Due to the nature of the index tracking funds, their performance has been moderated to reflect the passive nature of the investment.

Although asset management companies are normally ranked according to medium term investment performance, we have used the 1 year investment performance in the positioning of asset managers. The reason for the use of 1 year return results from the fact that this is an annual benchmark, as well as the fact that 1 year return can be an effective measure for the competitiveness and sustainability of asset managers.

The following table was used to weigh the performance of asset managers in each segment, asset management will be awarded 100 % in a sector where its performance is in the top 10 percent of the industry.

Market Positioning	Relative Performance
Top 10 Percent of the segment	100%
Top 25 Percent of the segment	70%
Top 50 Percent of the segment	50%
Top 75 Percent of the segment	20%
Others	0%

This table lists the market segments for each asset management company, as well as their aggregated relative performance indicator.

Asset Management Companies	Asset under Management	Domestic				Full Discretionary (Domestic and Global)		Index Tracking		Relative Performance Indicator
		Balanced	Absolute Returns	Money Market	Special Equity	Balanced	Absolute Returns	Passive	Quants	
Allan Gray	35,669	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				100
Oasis	4,030	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				85
Old Mutual Asset Management	258,858	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				83
Investment Solutions	37,784					<input checked="" type="checkbox"/>				70
Escher Investment	20,811					<input checked="" type="checkbox"/>				70
Fraters	330	<input checked="" type="checkbox"/>								70
Prudential	16,375	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			68
Coronation	55,028	<input checked="" type="checkbox"/>								60
Quaystone	18,418	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>						53
RMB Asset Management	122,406	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				50
Franklin Templeton NIB	20,827							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	47
Futuregrowth	17,223							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	47
Kagiso Asset Managers	250							<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	47
Investec	122,179	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			47
Stanlib	189,984	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>						45
Prescient	7,500							<input checked="" type="checkbox"/>		45
Umbono	2,530							<input checked="" type="checkbox"/>		45
Abvest	26,000									40
Gryphon	1,226									40
Tri-Linear	734									40
Mcubed	14,100			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				35
Metropolitan	35,031	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				30
Sanlam	224,100	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>				20
Real Africa	5,262	<input checked="" type="checkbox"/>								20
Alliance Capital	3,203	<input checked="" type="checkbox"/>								20
Coris-Prodigy	1,061					<input checked="" type="checkbox"/>				20
African Harvest	4,279	<input checked="" type="checkbox"/>								0
AMB Foord	1,764					<input checked="" type="checkbox"/>				0
Total/Average	1,246,962	15	3	5	2	13	2	5	3	46
Proportion of Asset Manager in Ranking		54%	11%	18%	7%	46%	7%	18%	11%	

To interpret the relative performance, an asset manager rating 100% (such as Allan Gray) are positioned in the top 10 percent in each and every market segment it operate in, while a 0% company find itself in the worst performing 25 percent in each of its market segments.

Allan Gray is the top performing company, followed by Oasis, Old Mutual and Investment Solutions. We should note that the current global bear market tends to favor value investors such as Oasis and Allan Gray. The relative performance indicators allow us to identify operations that are likely to be competitive and sustainable over the next 12 months.

10. Conclusion

In conclusion, we find that most players in the asset management sector contribute extensively to every aspects of economic empowerment. Given the nature of the sector and the possible encouragement from their clients, we expect further acceleration of economic empowerment in this sector. With its important role as the custodian and allocator of economic resources, we believe that the empowerment progress in this sector will results in enormous benefits to the economic empowerment process.

Furthermore, our survey provides us with examples such as Oasis, Fraters, Umbono, Quaystone and Kagiso, who outperforms the market in terms of their Performance-Adjusted Empowerment Rating. They show that economic empowerment can be achieved without affecting the rights of their investors and beneficiaries and provides us with the fact that a transformed asset management company can be as good, if not better, for their client and for the economy as a whole. These findings illustrate that economic empowerment can really be a process, as envisioned in the President's State of the Nations address, that is associated directly with economic growth, development and collective prosperity.