

SOUTH AFRICA'S LARGEST UNIT TRUSTS

Change in the 5 biggest funds over the last 5 years

At the end of 2016, just over R2 trillion was invested in South African collective investment schemes.

Incredibly, however, just over a quarter of all the assets in the industry are held in just ten unit trusts. And more than 10% sits in the largest two.

Perhaps the more telling reason, however, is that five years ago there were a few very large money market funds that accounted for a significant portion of industry assets.

These funds have however failed to attract very much new investment since 2011. In fact, many of them are smaller now than they were then.

The Allan Gray Balanced Fund has nearly tripled in size. It has grown its assets under management by R75.4 billion.

The Coronation Balanced Plus Fund's rate of growth has been even more impressive, growing more than four-fold to reach its current size.

2016		2011	
Allan Gray Balanced Fund	R124.0 billion	Absa Money Market Fund	R59.1 billion
Coronation Balanced Plus Fund	R81.5 billion	Allan Gray Balanced Fund	R48.6 billion
Absa Money Market Fund	R61.9 billion	Standard Bank Money Market Fund	R33.4 billion
Foord Balanced Fund	R45.1 billion	Allan Gray Stable Fund	R28.0 billion
Investec Opportunity Fund	R43.3 billion	Allan Gray Equity Fund	R27.7 billion

STEINHOFF 'TERMINATES NEGOTIATIONS' WITH SHOPRITE OVER MERGER



Shoprite's share price jumped 7% and Steinhoff's 6% after the retailers called off their proposed merger.

Retail tycoon Christo Wiese, who owns 23% of Steinhoff and 16% of Shoprite via his holding company Titan, was the key proponent of the merger. He appears to have failed to convince minority shareholders of the merits of combining the two.

"Shareholders of the companies are hereby informed that the companies have decided to terminate their negotiations related to the proposed transaction as the PIC (Public Investment Corporation), Titan and Steinhoff could not reach agreement on the exchange ratio that would apply to the share exchange"

In December, Steinhoff and Shoprite announced talks were under way to create a merged group called Retail Africa. The merger would have created a R200bn annual sales retail giant employing 186,000 people.

WARNING!! THE TIME IS NOW!!

Hiding off-shore assets? Now is the time to fully disclose!

SPECIAL VOLUNTARY DISCLOSURE PROGRAMME ("SVDP")

Effective 1 October 2016 - August 2017

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THIS AND THAT – SOME FACTS

- 1.7m South Africans or 13% pay 80% of taxes
- 103 000 taxpayers fit into the new 45% tax bracket
- Western Cape water crisis: 129 days of usable water left as dams dip 1.9%
- Sugar Tax relief: First 4 teaspoons of sugar free
- Government spending on social grants will increase by R 11.5 billion
- Malta now a hotspot for SA's wealthy property investors
- Warren Buffett takes a \$1bn stake in Apple
- The Economist: SA has the highest fitness club revenue in the world with an estimated yearly revenue of \$931 million
- South Africa expected to harvest 68% more maize

PRICE FIXING & COLLUSION



Three South African banks have been implicated among 17 banking groups in 'widespread' collusion relating to the price-fixing of the rand. Following an almost two-year investigation into the matter, the Competition Commission has now referred a collusion case to the Competition Tribunal for prosecution.

According to the Competition Commission, it has been investigating the matter since April 2015. The investigation looked at cases of price fixing and market allocation in the trading of foreign currency pairs involving the rand. In mid-2015, when the investigation kicked off, the current Competition Commissioner Tembinkosi Bonakele said that the collusion was widespread, and happened very "casually" through electronic platforms, such as group chats.

Reuters reported that the banks used an instant messaging chat room called "ZAR Domination", to coordinate their trading activities when giving quotes to customers who buy or sell currencies.

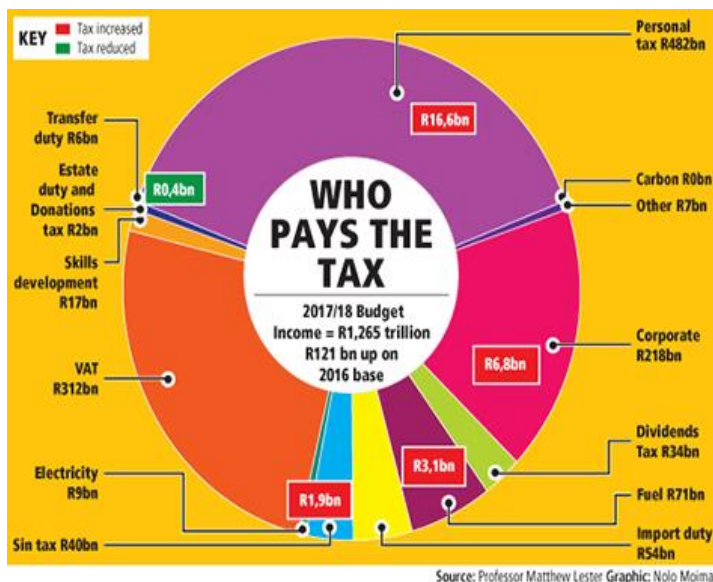
ZAR is the code for the South African rand used in financial markets.

It has been alleged that currency traders have been buying and selling US dollars in exchange for the rand at fixed prices. This was accomplished by making false sales to drive up demand, or colluding to agree not to trade for specified periods of time.

What sparked the local investigation is still unknown, however it followed several international investigations where prominent banking groups were brought to book for price-fixing, and were made to pay fines or settlements.

In South Africa's case, the Commission is seeking an order declaring that the 17 banks are liable for the payment of an administrative penalty equal to 10% of their annual turnover.

"The referral of this matter to the Tribunal marks a key milestone in this case as it now affords the banks an opportunity to answer for themselves," said the commissioner, Tembinkosi Bonakele.



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