

Coronation in R13bn asset slump

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Coronation Fund Managers' assets under management fell R13bn in the nine months to the end of December, battered by market volatility and heightened client outflows, a regulatory filing showed.



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The asset manager said it managed R623bn in total assets at 31 December, compared with R636bn in March. Its rivals on the JSE financial services board either experienced marginal declines or strong gains in assets during the year, according to their latest reported numbers.

Alexander Forbes subsidiary Investment Solutions shed R3bn in assets between March and September, ending its financial year with R318.5bn under management and administration. Prescient gained R3.4bn in the five months to June to push its assets to R67.4bn, while newcomer Sygnia gained R16.1bn in new business between March and its September year-end. Sygnia had R137bn in assets by the end of September.

Reasonable performance in volatile markets

Coronation declined to comment on its weaker performance, saying it would provide deeper insight into its assets under management and fund flows when it reported interim results for March this year. It believes better insight could be gleaned from its quarter on quarter change in assets, which showed the number increased 2.13% between September and December last year.

PSG Wealth analyst Adrian Cloete agreed, saying assets rose R13bn over this period. "Considering the volatile markets, the 2% increase over the quarter is actually quite reasonable. As the share market performance was flat over the period, the growth in assets under management over the quarter was most likely assisted by the foreign component of Coronation's assets under management."

Previously, Coronation CEO Anton Pillay warned stakeholders to prepare themselves for continued outflows in the coming years due to a decision the asset manager had taken to close its SA equity and multi-asset portfolios to new institutional clients. The decision was taken in the face of a retirement fund market hamstrung by weak employment numbers.

Source: Business Day

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