

Driving transformation in the financial services industry

A major challenge facing the South African asset management industry is transformation, with black asset managers still only having around 5% of assets under management in the country. This is despite many large pension funds, particularly those of state-owned enterprises, having imperatives that they need to meet in terms of giving mandates to black-owned companies. It has nevertheless been difficult for these asset managers to gain a major foothold.

During 2016 RBH and RMI, with the aim of supporting and facilitating the transformation of the South African asset management industry, formed Royal Investment Managers (Royal), in which RBH and RMI each have a 45% shareholding with Royal's black management team owning the remaining 10% shareholding. The aim of RIM is to partner with predominantly black-owned asset managers and support their growth and sustainability.

During 2016 RIM completed its first transaction when it purchased a 25% shareholding in Sesfikile Capital, an investment management firm with a singular focus on listed property on behalf of institutional and retail investors.

Sesfikile Capital has built up an exceptional reputation in a very short space of time, which makes the transaction significant for both parties and will boost Sesfikile's plans to grow its global and retail business.



CEO of Royal, Kabelo Rikhotso (right) and Snowy Masakale (Left)