

# TOP PRIVATE BANKS & WEALTH MANAGERS 2019



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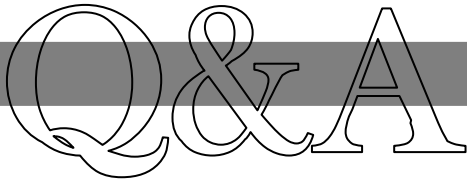
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## WHAT?

Intellidex launched the Top Private Banks & Wealth Managers awards in 2012, based on an institutional questionnaire. In 2013 we added a survey completed by clients and the People's Choice award. This is the eighth edition of what we believe is the only comprehensive public analysis of the industry.

## WHEN?

The fieldwork for this year's survey was conducted between March and May 2019. The results were published in Investors Monthly on 27 June 2019.

## HOW?

Intellidex, which conducts a range of different research across financial services in South Africa, designed two questionnaires, one for private banks and wealth managers and another for their clients. More emphasis is now placed on client rankings of their firms in various categories.

## WHY?

A comprehensive survey provides important insight into the competitiveness of South Africa's private banks and wealth managers. The survey is designed as a guide for potential clients to establish which institution will serve their individual needs the best. It also generates substantial statistical analysis of clients' opinions that can be useful to firms that want to improve their products and services.

## WHO IS INTELLIDEX?

Intellidex is a leading research house focused on South Africa's capital markets and financial services. We also undertake major research projects into stockbroking, institutional research analysts, retail banking, business banking, black economic empowerment, tax-free savings and other areas. You can find out more at [www.intellidex.co.za](http://www.intellidex.co.za)

## WANT TO KNOW MORE?

The research process gathered substantial insight and information from clients. This includes demographic information and rankings from clients on their specific institutions on various aspects of products, services and costs, among others.

We are able to provide detailed reports for private banks and wealth managers, with benchmarking against industry averages. If you are interested in such a detailed report, please contact Heidi Dietzsch at [heidi@intellidex.co.za](mailto:heidi@intellidex.co.za) or 011 084 5200.

## GET READY FOR 2020

We will be undertaking the project again in the first half of 2020. Stay in touch with us through social media so you don't miss this and other information about research we undertake.

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# 1. INTRODUCTION

The Top Private Banks and Wealth Managers survey has established itself as SA's leading assessment of the industry. This year's survey marks the eighth anniversary of this rigorous review of private banking and wealth management services in SA. The results stem from a questionnaire completed by participating firms as well as feedback from their clients via an online survey. This year 5,820 clients participated in the client survey. We consider the sample size to be a meaningful reflection of the views of the universe of clients of South African private banks and wealth managers.

This publication is a summary of the main findings from the 2019 survey. It also contains, under the general market dynamics section from page 10, a selection of responses to the online client survey to provide some insight into the thinking of clients on various issues.

This brief report provides some insights from the client research survey as well as an overview of the overall winners. The winners are chosen by a panel of judges which this year included:

Graunt Kruger (head of strategy research)  
Orin Tambo, CFA (lead analyst)  
Colin Anthony (general manager)  
Heidi Dietzsch (market research manager)

***Please see the June 2019 issue of FM Investors Monthly for the full, detailed report of the findings.***



## 2. OVERALL WINNERS

### Top Wealth Manager: Large institutions

Institution	Rank	Out of 10 (Weighted)
PSG Wealth	1	8,47
Standard Bank Wealth and Investment	2	8,45
FNB Private Wealth	3	7,91
RMB Private Bank	4	7,81
Citadel	5	7,78

### Top Wealth Manager: Boutiques

Institution	Rank	Out of 10 (Weighted)
NFB Private Wealth Management	1	8,85
Private Client Holdings	2	8,70
Gradidge-Mahura Investments	3	8,68
Brenthurst Wealth Management	4	8,64
Carrick Wealth	5	8,15

This year there are two main overall prizes, one for large financial institutions and one for boutique firms.

PSG Wealth, this year's top wealth manager in the large financial institutions category, delivered a stellar performance, also winning two archetype awards – young professional and successful entrepreneur. Last year's winner, Standard Bank is second by a very slim margin.

NFB Private Wealth Management wins the 2019 Top Boutique Wealth Manager award. The firm also wins the passive lump sum investor archetype award. Private Client Holdings put in a stellar performance in its first year of entry, taking second position, edging out last year's overall winner, Gradidge-Mahura.

## Top Private Bank

The table below reflects how the firms scored in each of the subcategories assessed for this award (based on client rankings for each).

Institution	Transactional banking	Savings products	Loan products	Corporate banking	Structured finance products	Share/derivatives trading	Insurance products	Weighted score (out of 10)
Investec Private Bank	8,39	7,74	8,39	7,74	8,07	7,57	7,64	7,93
RMB Private Bank	8,04	7,82	8,04	7,82	8,00	7,77	7,46	7,85
Standard Bank Private Bank	7,56	7,32	7,56	7,32	7,39	7,84	6,68	7,38
FNB Private Wealth	7,62	7,41	7,62	7,41	6,75	7,37	7,20	7,34
Nedbank Private Wealth	7,70	7,13	7,70	7,13	6,60	7,25	6,93	7,21
Absa Private Bank	7,25	6,51	7,25	6,51	6,34	6,34	6,35	6,65

This year's Top Private Bank, Investec Private Bank, performed particularly well in the transactional banking and loan products categories. RMB Private Bank moved up one position from last year to second, while last year's winner, Standard Private Bank, is third.

## Winners per archetype

The archetype results are derived from the online client survey and are based on how clients rate their firms in various categories

Passive lump-sum investor	Rank	Weighted score (out of 10)
NFB Private Wealth Management	1	5,74
Investec Wealth & Investment	2	5,41
Private Client Holdings	3	5,32
Brenthurst Wealth Management	4	5,24
PSG Wealth	5	5,23

Young professional	Rank	Weighted score (out of 10)
PSG Wealth	1	5,64
Gradidge-Mahura Investments	2	5,55
Brenthurst Wealth Management	3	5,35
Sanlam Private Wealth	4	5,19
Discovery Financial Consultant	5	4,58

Successful entrepreneur	Rank	Weighted score (out of 10)
PSG Wealth	1	5,83
Private Client Holdings	2	5,54
Sanlam Private Wealth	3	5,41
NFB Private Wealth Management	4	5,22
Standard Bank Wealth and Investment	5	5,04

Wealthy executive	Rank	Weighted score (out of 10)
Investec Wealth & Investment	1	8,57
Carrick Wealth	2	8,15
Brenthurst Wealth Management	3	8,11
PSG Wealth	4	7,75
Standard Bank Wealth and Investment	5	7,23

Internationally wealthy family	Rank	Weighted score (out of 10)
Investec Wealth & Investment	1	7,25
Stonehage Fleming	2	6,90
Standard Bank Wealth and Investment	3	6,32
RMB Private Bank	4	6,32
PSG Wealth	5	6,14

PSG Wealth's performance in the archetypes awards is impressive. The firm is among the top five in all the archetypes and wins two – young professional and successful entrepreneur. NFB Private Wealth Management wins the lump-sum investor category, while Investec Wealth & Investment wins the wealthy executive and internationally wealthy family categories.

## People's Choice Awards

The data in the tables below are based purely on feedback from the client survey. Firms with fewer than 20 responses are excluded.

### Private Banks

Rank	Institution	Overall satisfaction levels	Value for money	Likelihood of referral	Weighted score (out of 10)
1	Investec Private Bank	8,67	7,48	6,41	7,52
4	RMB Private Bank	7,77	7,25	6,22	7,08
3	Standard Private Bank	7,96	7,34	6,43	7,25
4	FNB Private Wealth	7,77	7,25	6,22	7,08
5	Nedbank Private Wealth	7,71	6,96	6,16	6,94
6	Absa Private Bank	6,89	6,35	5,80	6,35

Investec once again wins the People's Choice Award for private banks. The bank's clients are very satisfied and more than 80% rate the overall service levels as excellent or very good. More than 90% state that they will, in all probability, recommend Investec to acquaintances. RMB Private Bank, in second position, also keeps its clients happy – 65% believe that there is no need for the bank to improve its offering at all.



## Wealth Managers

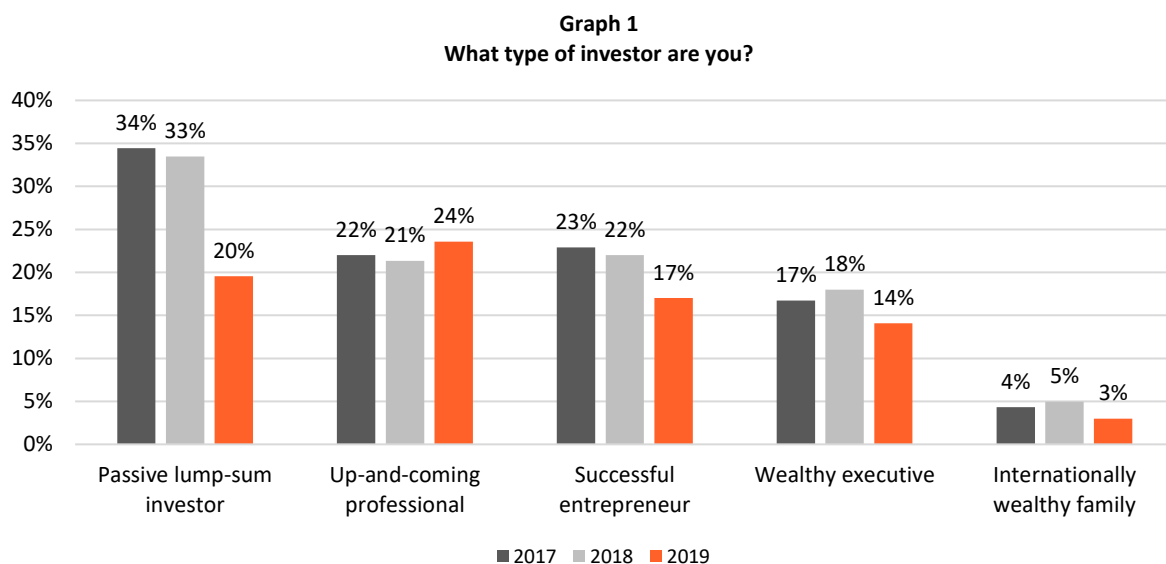
Rank	Institution	Overall satisfaction levels	Value for money	Trustworthiness	Likelihood of referral	Weighted score (out of 10)
1	NFB Private Wealth Management	6,42	9,10	9,77	9,39	8,52
4	Private Client Holdings	6,25	8,75	9,88	9,38	8,41
3	Gradidge-Mahura Investments	6,41	8,62	9,79	9,31	8,40
4	Brenthurst Wealth Management	6,29	8,68	9,62	9,03	8,26
5	PSG Wealth	6,17	8,32	9,53	8,94	8,10
6	Standard Bank Wealth and Investment	5,93	7,95	9,43	8,76	7,88

NFB Private Wealth Management is this year's People's Choice winner, with newcomer Private Client Holdings in second position. NFB's clients believe the firm provides great value for money, while Private Client Holdings instils a great level of trust within their clients.

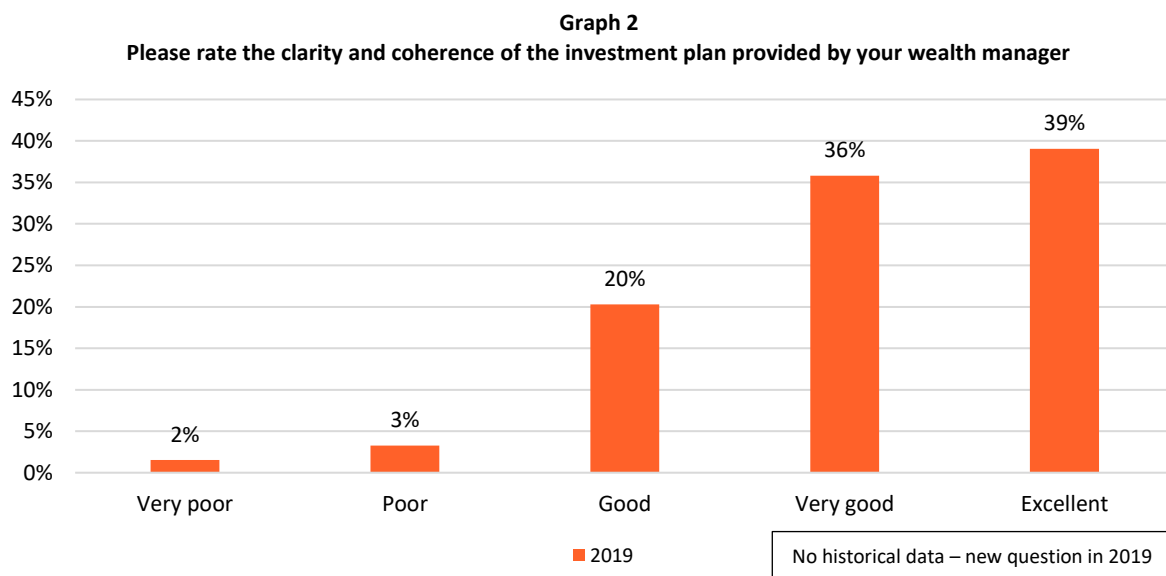
### 3. GENERAL MARKET DYNAMICS

In this section we provide some insight into general market dynamics. We are able to provide a wide range of analysis to clients, comparing the scores of individual firms to the market aggregate. Please contact us if you are interested in our in-depth analysis.

#### Wealth Management

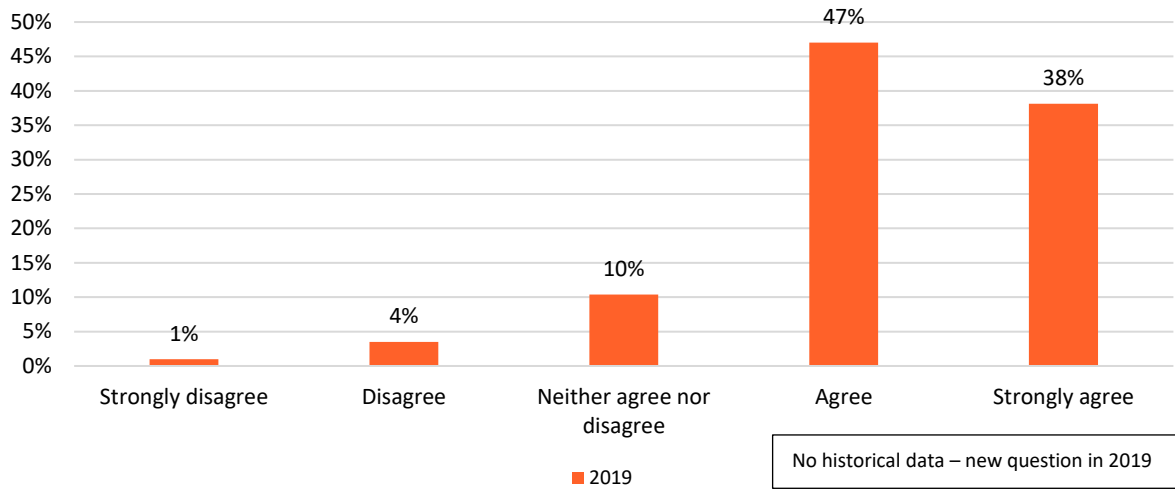


The percentage of wealth management clients who identify as passive lump-sum investors has decreased considerably since 2017. The bulk of clients in this year’s survey are in the young professional and successful entrepreneur categories.



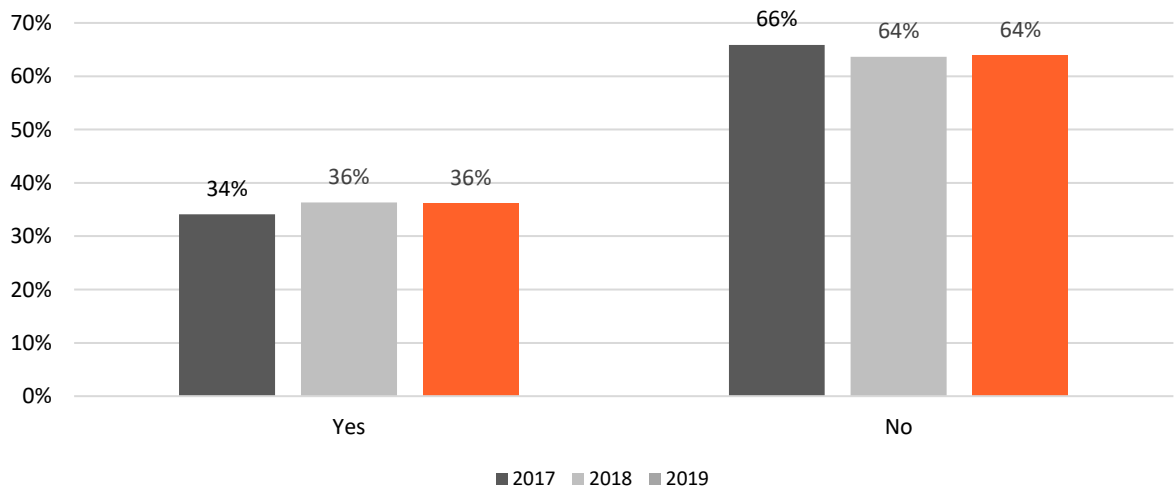
Clients appreciate investment plans that are clear and easy to understand and wealth managers fulfil this need.

**Graph 3**  
Do you agree that your wealth manager's fees and compensation are transparent?



Wealth managers are clearly complying with the move to more transparent fee presentation.

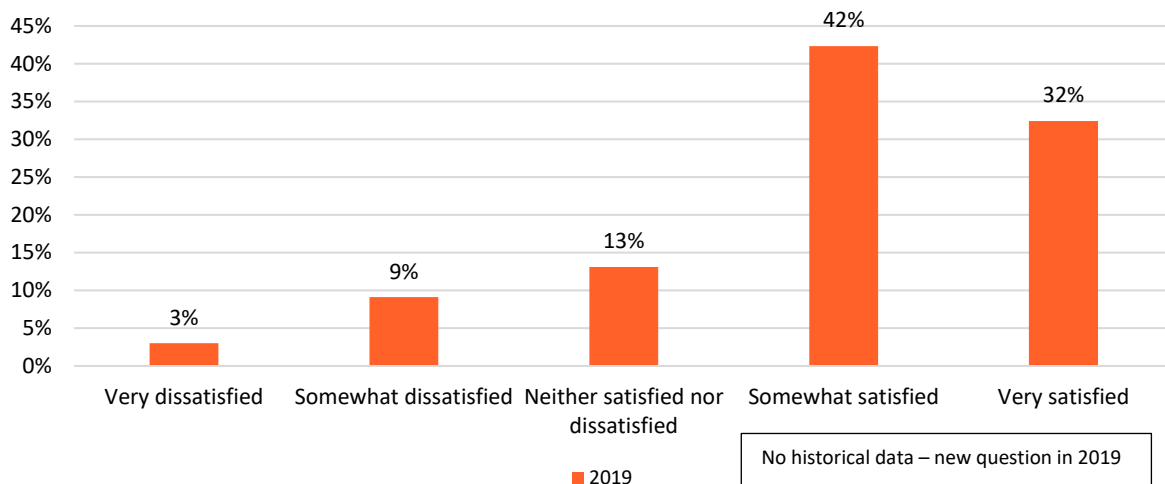
**Graph 4**  
Do you think your wealth manager could improve its offering to meet your specific needs?



The percentage of clients who reckon their wealth managers do not need to improve their offerings has remained remarkably stable since 2017.

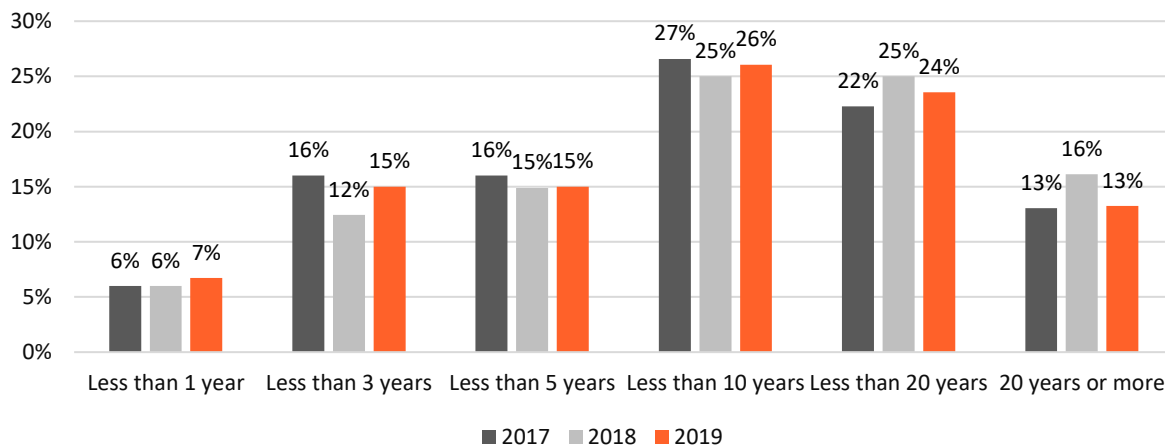


**Graph 5**  
**How satisfied are you with the performance of your portfolio over time?**



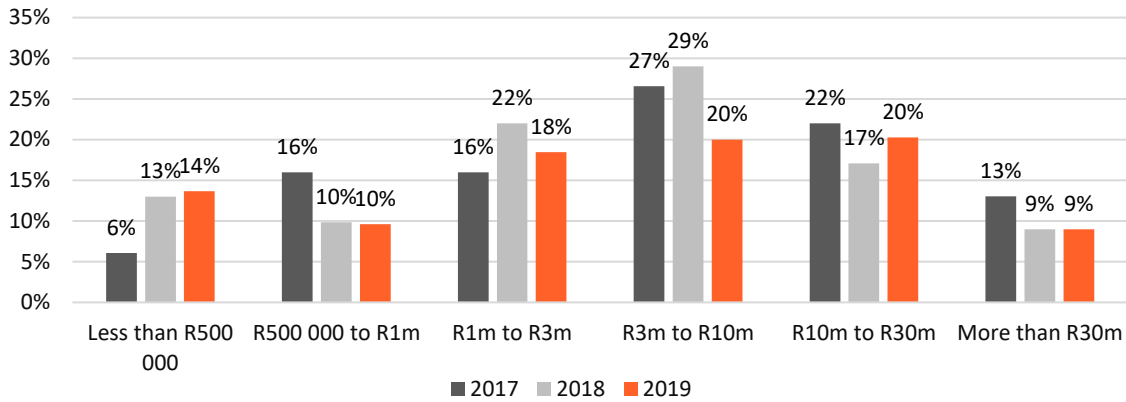
Given the markets' sideways movement over the past few years, clients for the most part are satisfied with their portfolios' performance.

**Graph 6**  
**How long have you been a client of your wealth manager?**



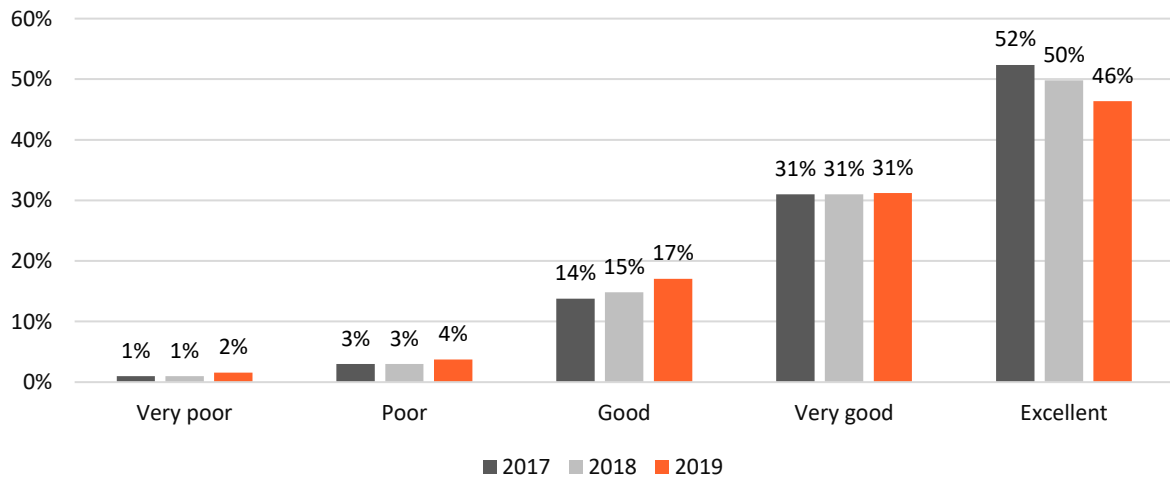
Wealth management clients tend to remain loyal to their service providers – almost a quarter have been with their wealth managers for more than 10 years, while 13% have been clients with the same firm for 20 years or more.

**Graph 7**  
**What is the approximate total value of the assets that your wealth manager advises you on or manages on your behalf?**



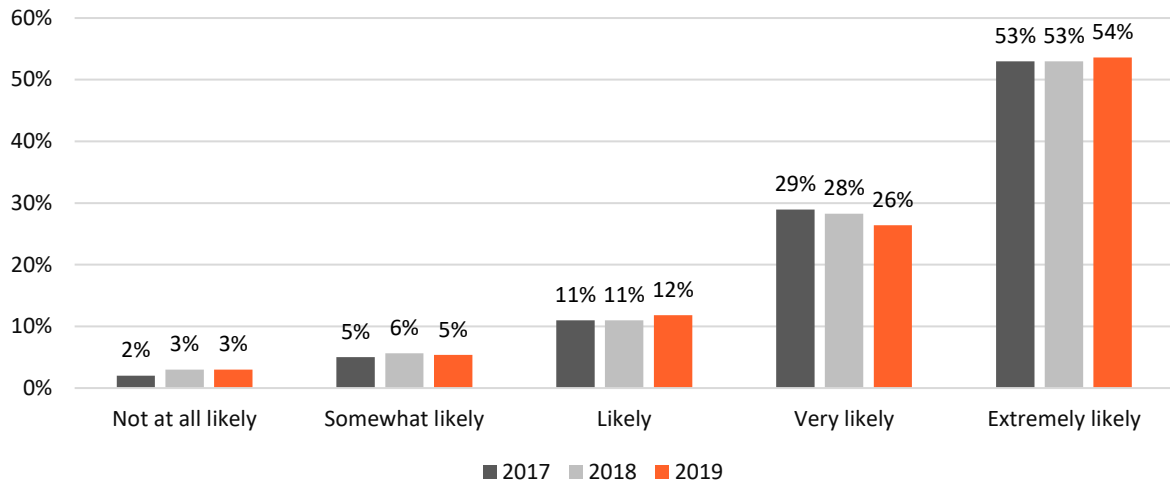
The percentage of clients with a net asset value of between R10m and R30m has ticked up this year and now match those in the R3m-R10m bracket.

**Graph 8**  
**How do you rate the overall service levels you receive from your wealth manager?**



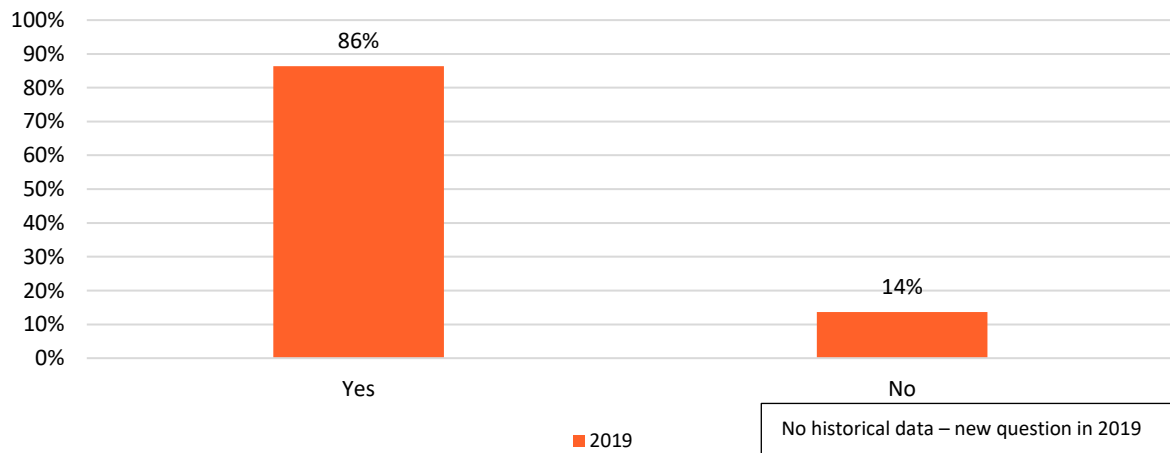
Satisfaction with service levels has always been extremely high but since 2016 there has been a steady decline in the percentage of clients who rate their wealth managers' overall service levels as excellent. This coincides with the poor performance of the markets.

**Graph 9**  
**How likely would you be to recommend your wealth manager to friends or family?**



Recommendation of a service provider is a very significant indication of client satisfaction.

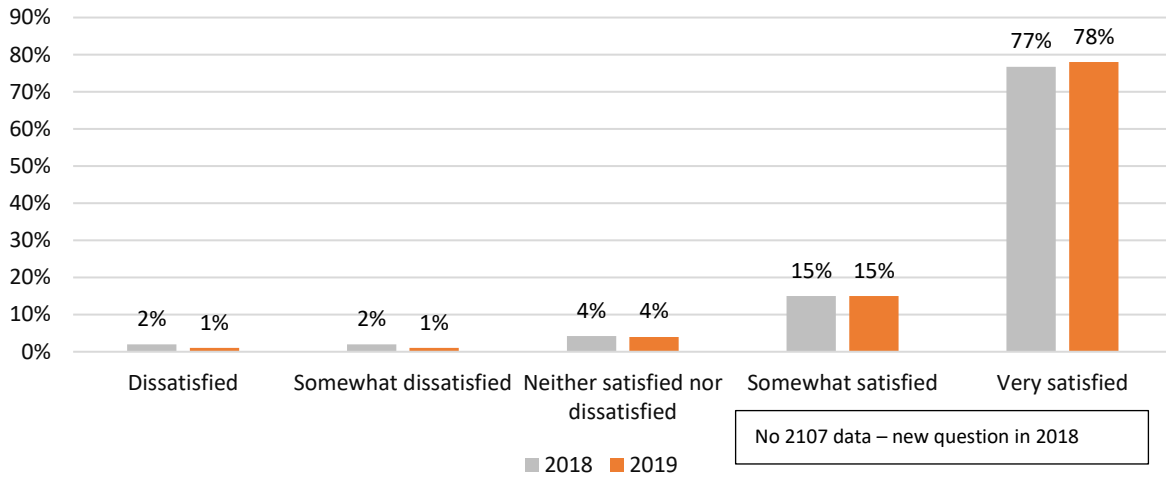
**Graph 10**  
**Do you feel your wealth manager's advice was holistic in that it took into consideration all financial issues in your life rather than just the investments you should make?**



It is extremely important for clients that their wealth managers consider a variety of factors when investment plans are set out. These include, for instance, their specific life stage, whether they need to save for children’s education, and philanthropy and succession planning. Almost 90% of clients feel that their wealth managers do take a holistic approach.

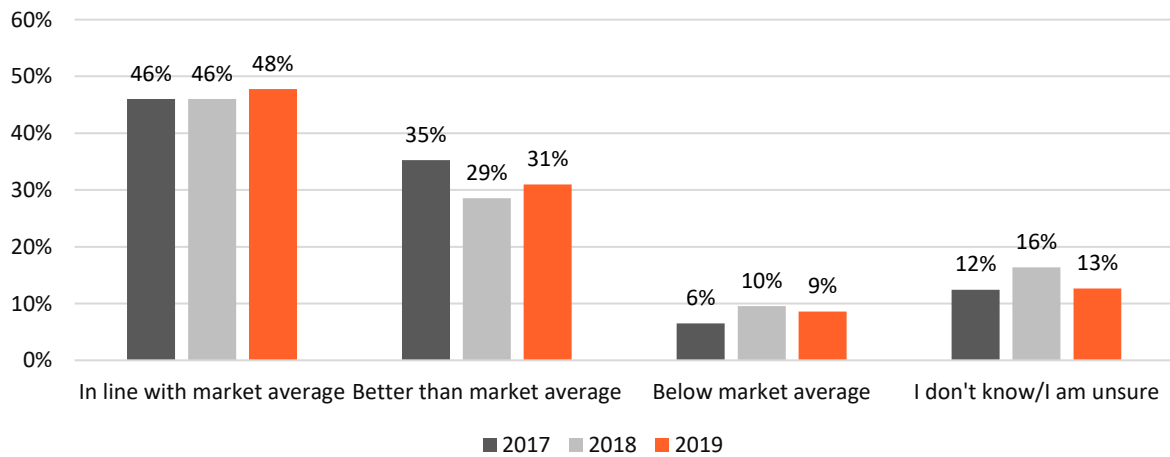


**Graph 11**  
**How satisfied are you with the trustworthiness of your wealth manager?**



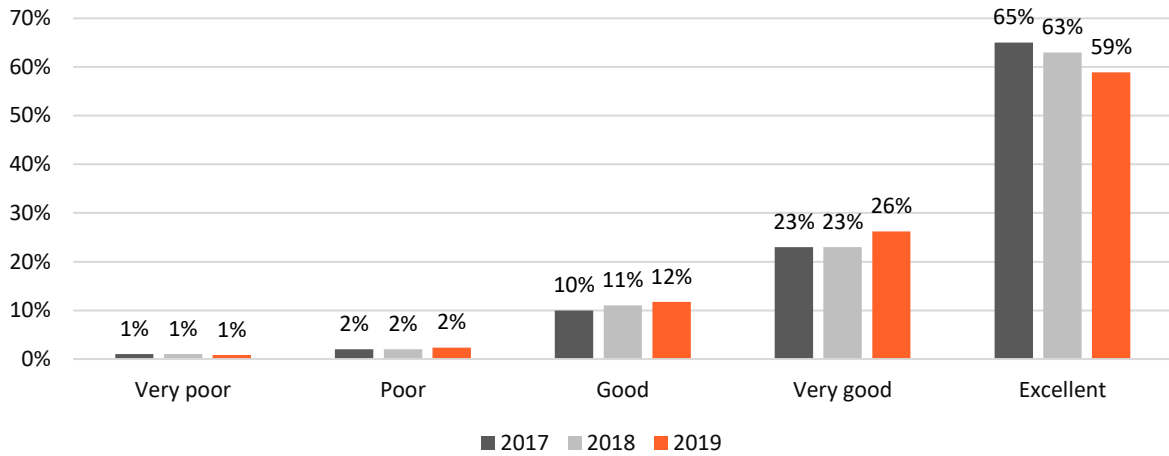
Wealthy clients need to trust their wealth managers with various aspects of their lives and it seems that wealth managers fulfil this need – almost 80% are very satisfied with the trustworthiness of their wealth managers.

**Graph 12**  
**How do you think the returns you are getting on your investments are performing relative to the market?**



Bearing in mind that these do not measure actual returns but perceptions of the clients, more than 30% believe their investment returns are above market average.

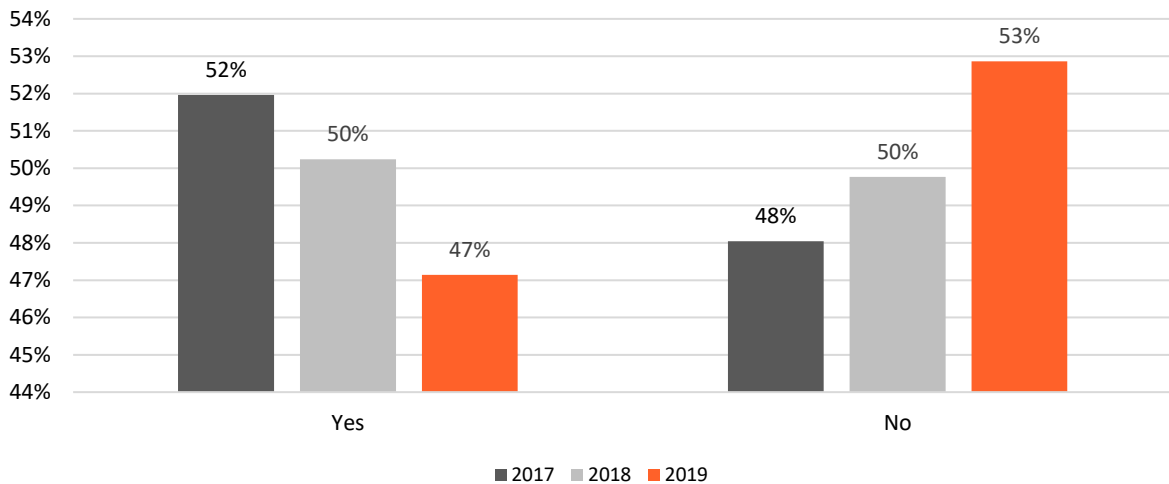
**Graph 13**  
**When thinking about your most recent interaction with your wealth manager, how would you rate the professionalism of the interaction?**



Almost 60% of clients rate the professionalism of their wealth manager during their last interaction as excellent.

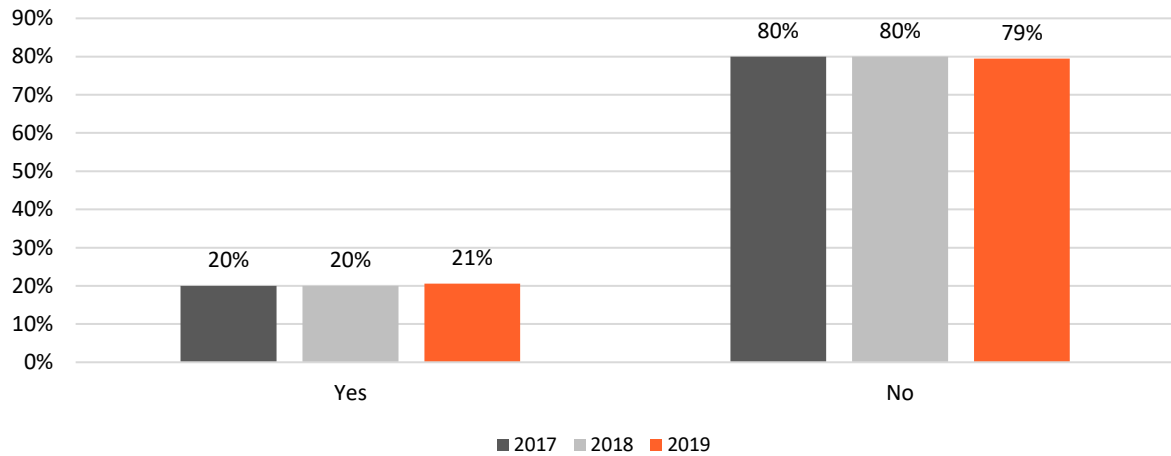
## Private Banks

**Graph 14**  
**Do you think your private banker could improve its offering to meet your specific needs?**



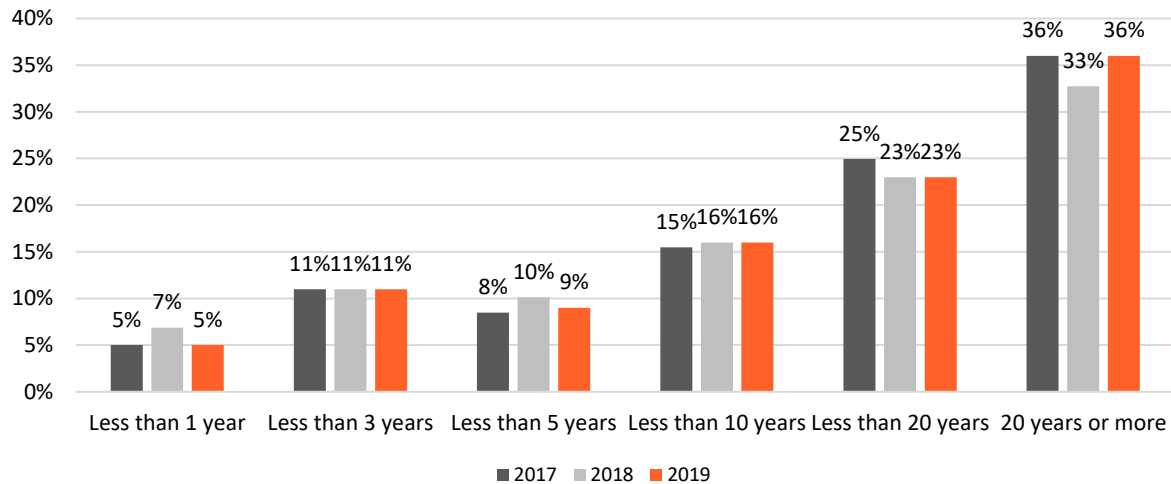
Every year we ask firms what they have done to improve their offerings and each year most firms have a comprehensive list of improvements they have initiated. The strong positive trend on this question shows that clients are noticing the improvements.

**Graph 15**  
**Do you need to use another private bank for certain services that your main one does not provide?**



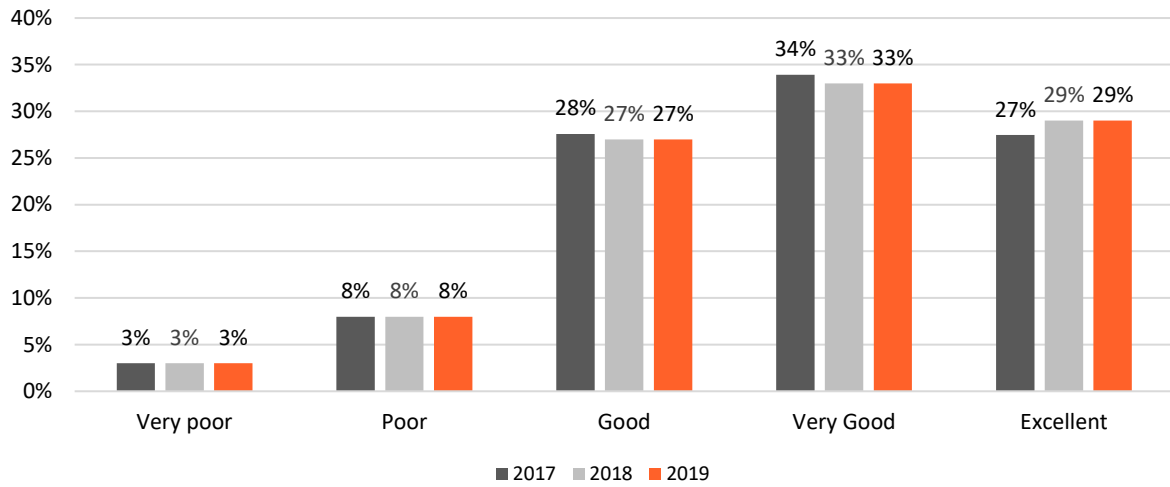
Clients place a high premium on a private bank that serves as a one-stop shop that can fulfil all their various banking needs. It appears that private banks do exactly this – almost 80% say they use only one private bank. This percentage has remained stable over three years.

**Graph 16**  
**How long have you been a client of your private bank?**



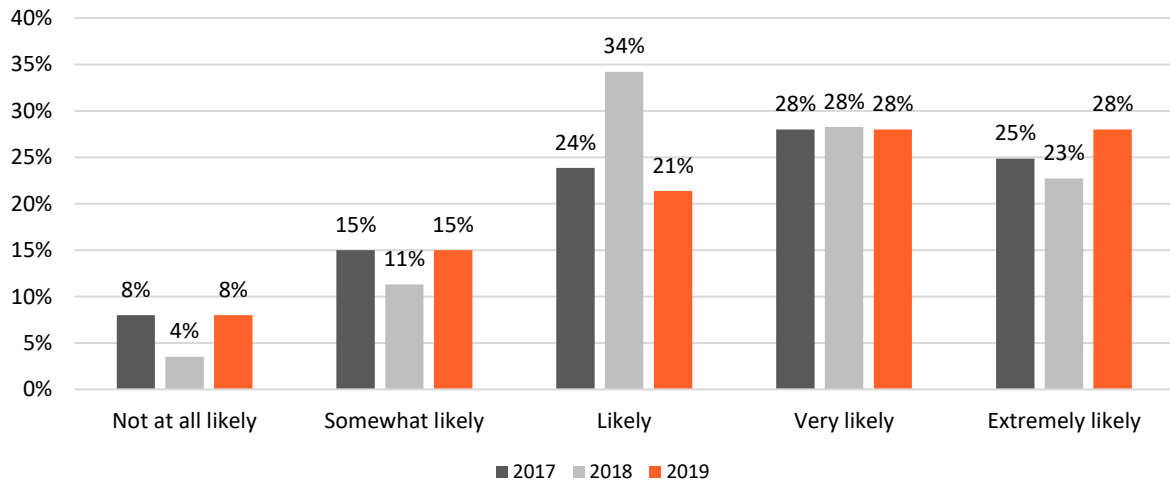
Private banking clients tend to remain loyal – two thirds have been with their banks for 20 years or more.

**Graph 17**  
**How do you rate the overall service levels you receive from your private bank?**



Private banks keep their clients happy – almost 30% rate the overall service levels they receive from their banks as excellent.

**Graph 18**  
**How likely would you be to recommend private banker to friends or family?**



The majority of clients are likely to recommend their private banks to acquaintances, which is an indication of their strong satisfaction levels.

## 4. METHODOLOGY

The Top Private Banks and Wealth Managers awards are researched and prepared by Intellidex, a specialist financial services research house. This is the eighth year we have undertaken the survey and we develop it every year to ensure the survey best reflects the dynamics of the wealth management industry and that we are delivering a product that meets the needs of clients who make use of such firms.

### Revised format

This year we undertook a substantial revision of the methodology for two main reasons:

1. To reduce the level of subjectivity in the judging process
2. To reduce the burden on participating firms

The survey still has two main prongs: a questionnaire completed by participating firms and a comprehensive online client survey. More emphasis is now placed on client rankings of their firms in various categories. This year 5 820 people participated in the client survey. The primary change entailed doing away with case studies, where Intellidex would judge the responses of firms as to how they would cater to five case studies of archetypal clients. Instead, Intellidex added questions to the client survey that are crafted specifically to draw out information similar to what we previously derived from the responses to the case studies.

Overall, the questions we ask clients are wide-ranging and are designed to assess the different strengths and weaknesses of the private banks and wealth managers.

The main areas of focus, though, are on satisfaction levels with products and services as well as with investment returns, whether clients believe they are getting value for money and whether clients would recommend their service providers to others. We also ask questions relating to why clients use private banks and wealth managers and whether their specific needs are being met. Clients also add comments on aspects not covered by our multiple-choice format of questions. Here we receive some valuable insights that are used to inform the judging process.

### Judging

In terms of the overall judging, we understand that firms have different areas of focus. Thus, in our minds, the individual archetype winners – passive lump-sum investor; young professional; successful entrepreneur; wealthy executive; and internationally wealthy family – are at least as important as the overall awards. If a firm is the best in the industry in its specific area of focus and does not pretend to be all things to all people, it deserves recognition for that area of excellence. If a firm does not compete in a particular market segment, we do not penalise it for not having an offering for that archetype.

In terms of the new survey structure, the bulk of the rankings are determined by clients themselves, with Intellidex itself assessing the firms in only a few areas. In those cases, the Intellidex score was grouped with client rankings to derive an overall score.

This year we introduced a new award for top individual wealth manager. These was chosen from nominations and motivations made by clients. The Intellidex judges considered the nominations and choose finalists and a winner based on the motivations provided by clients.

The judges this year were Intellidex general manager Colin Anthony, lead analyst Orin Tambo, market research manager Heidi Dietzsch and head of strategy research, Dr Graunt Kruger.

### Detailed reports

Intellidex produces detailed reports on the performance of individual private banks and wealth managers based on the client feedback we have collected. If you would like to commission such a report, please contact Heidi Dietzsch, email [heidi@intellidex.co.za](mailto:heidi@intellidex.co.za) or telephone 011 084 5200.





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