

TOP PRIVATE BANKS & WEALTH MANAGERS 2021



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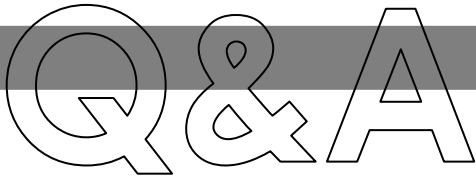
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Editor: Colin Anthony



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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 10th 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 2021. The results are published in FM Investors Monthly on 24 June 2021.

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, black economic empowerment, environmental, social and governance issues and other areas. You can find out more at www.intellidex.co.za

WANT TO KNOW MORE?

The research process for this survey 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 and historical data. If you are interested in such a detailed report, please contact Heidi Dietzsch at heidi@intellidex.co.za or 083 276 0435.

GET READY FOR 2022

We will be undertaking the project again in the first half of 2022. 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 10th 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 a record number of 9,817 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 2021 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:

Dr Graunt Kruger (head of strategy research)
Nolwandle Mthombeni (senior banks analyst)
Colin Anthony (head media projects)
Heidi Dietzsch (market research manager)

Please see the June 2021 issue of FM Investors Monthly for the full, detailed report of the findings.

2. OVERALL WINNERS

These two awards are based on the judges' opinions (50%) and client ratings (50%) gathered in the online survey.

Top Wealth Manager: Large Institutions

Institution	Rank	Out of 10 (Weighted)
PSG Wealth	1	8,64
Standard Bank Wealth & Investment	2	8,47
RMB Private Bank	3	8,07
FNB Private Wealth	4	7,96
Nedbank Wealth Management SA	5	7,93

This is a hat trick for PSG Wealth, which wins the Top Wealth Manager award for large institutions for the third successive year. The firm is also among the top five firms in four of the archetype awards. Clients are very appreciative of PSG's service. One writes: "It is only a pleasure to be a PSG Wealth client and the personal and professional service I receive from my wealth manager and her office is excellent." Another states: "The commitment and good advice from our wealth manager and his staff is truly appreciated and the fact that our investments continue to make gains in spite of the ups and downs of the financial markets is comforting and engenders confidence in PSG Wealth."

Top Wealth Manager: Boutiques

Institution	Rank	Out of 10 (Weighted)
Private Client Holdings	1	8,47
Gradidge-Mahura Investments	2	8,37
Brenthurst Wealth Management	3	8,27
Sasfin Wealth	4	8,25
Centric Wealth Advisory	5	8,09

Private Client Holdings wins the Top Wealth Manager award in the boutique category, having not participated last year and finishing second in 2019. The firm also wins the young professional archetype award and came third in two other archetype categories. Its clients are a satisfied lot – quality of service and quality of advice received "excellent" ratings of 86% and 80%, respectively.

Gradidge-Mahura Investments takes second position once more while last year's winner, Brenthurst Wealth Management, is third.

Top Private Bank

This award is based solely on the client ratings gathered in the online survey.

Institution	Rank	Out of 10 (Weighted)
Investec Private Bank	1	8,08
Standard Bank Private Bank	2	7,77
RMB Private Bank	3	7,42
Nedbank Wealth Management SA	4	7,26
FNB Private Wealth	5	7,21
Absa Private Bank	6	6,88

The top three remain the same as last year, with Investec continuing its long-term dominance in this category.

Winners per archetype

The archetype awards, except for the internationally wealthy family category, are 75% based on client ratings and 25% on peer ratings from participating firms. Firms that participate in the internationally wealthy family category submitted a case study which was evaluated by the judges.

Passive lump-sum investor	Rank	Weighted score (out of 10)
Centric Wealth Advisory	1	6,89
Gradidge-Mahura Investments	2	6,70
Private Client Holdings	3	6,59
NFB Private Wealth Management	4	6,55
Brenthurst Wealth Management	5	6,47

Young professional	Rank	Weighted score (out of 10)
Private Client Holdings	1	7,02
Gradidge-Mahura Investments	2	6,95
Centric Wealth Advisory	3	6,89
Standard Bank Wealth & Investment	4	6,73
PSG Wealth	5	6,64

Successful entrepreneur	Rank	Weighted score (out of 10)
Standard Bank Wealth & Investment	1	7,27
Gradidge-Mahura Investments	2	7,25
Private Client Holdings	3	7,02
Centric Wealth Advisory	4	6,89
PSG Wealth	5	6,64

Wealthy executive	Rank	Weighted score (out of 10)
Standard Bank Wealth & Investment	1	7,60
Gradidge-Mahura Investments	2	7,35
RMB Private Bank	3	6,77
Brenthurst Wealth Management	4	6,68
PSG Wealth	5	6,58

Internationally wealthy family	Rank	Weighted score (out of 10)
Stonehage Fleming	1	9,3
Mosaic Family Office	2	9,1
PSG Wealth	3	9,0
Nedbank Wealth Management SA	4	8,9
Sasfin Wealth	5	8,7

It is a great accolade for a firm to win an archetype award. They recognise exceptional service to specific client segments.

A newcomer to the survey, Centric Wealth Advisory, wins the passive lump-sum investor category. Standard Bank Wealth & Investment scoops two awards – successful entrepreneur and wealthy executive, while Private Client Holdings and Stonehage Fleming win the young professional and internationally wealthy family categories.

People's Choice Awards

These awards are based solely on the client ratings gathered in the online survey.

People's Choice: Wealth Managers

Institution	Rank	Out of 10 (Weighted)
Centric Wealth Advisory	1	9,41
Private Client Holdings	2	9,38
Gradidge-Mahura Investments	3	9,25
Brenthurst Wealth Management	4	9,13
Sasfin Wealth	5	8,90
NFB Private Wealth Management	6	8,88

Winning the People's Choice awards is a significant achievement because it reflects how clients view their wealth managers and private bankers. This year's winner for wealth managers is Centric Wealth Advisory, with Private Client Holdings second. Clients of these two firms are very complimentary. A Centric client reports: "One of my best decisions was to move my portfolio to the control of Centric Wealth Advisory. They have taken a holistic and comprehensive approach to growing my portfolio in a responsible fashion and I value the transparency with regards to fees." A Private Client Holdings client says: "Private Client Holdings are really thorough and I trust them completely in every aspect."

People's Choice: Private Banks

Institution	Rank	Out of 10 (Weighted)
Investec Private Bank	1	8,20
Standard Bank Private Bank	2	7,78
RMB Private Bank	3	7,47
Nedbank Wealth Management SA	4	7,36
FNB Private Wealth	5	7,22
Absa Private Bank	6	6,82

As in 2020, Investec Private Bank wins this award while the second and third positions are also taken by the same two banks – RMB Private Bank and FNB Private Bank. Investec keeps its clients content, with more than 90% saying they will, in all probability, recommend the bank to others.

Top Relationship Manager

This award is based solely on the client ratings gathered in the online survey.

Relationship Manager	Firm	Rank
Virath Juggai	Gradidge-Mahura Investments	1
Charles McAllister	Centric Wealth Advisory	2
Brian Butchart	Brenthurst Wealth Management	3

Being in the top three for this award is a massive accomplishment for relationship managers since thousands of clients across the country nominate their personal managers and have high praise for them. The Top Relationship Manager award honours individuals who have nurtured personal, trustworthy and sustainable relationships with their clients.

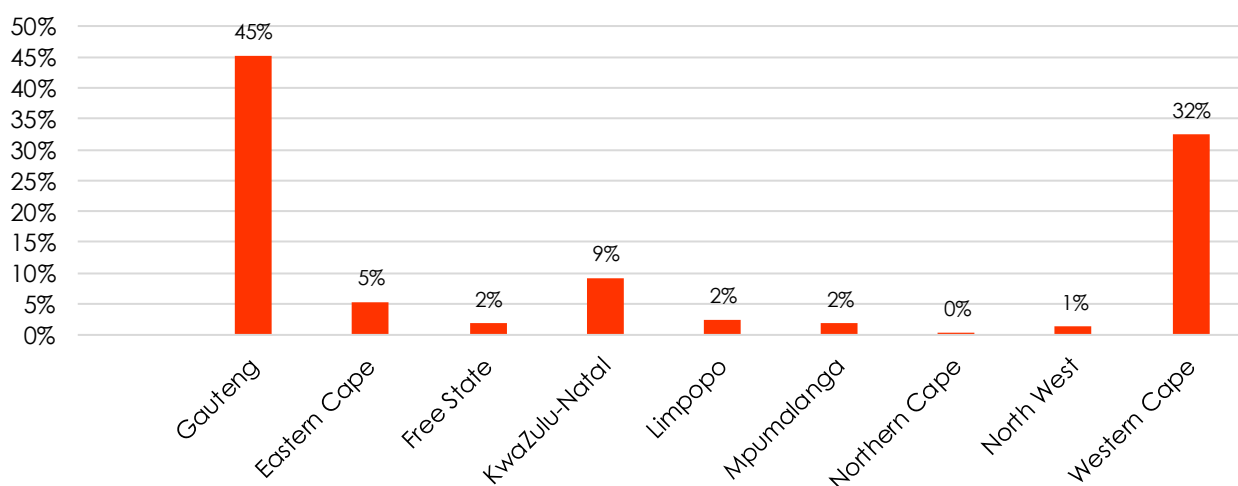
3. GENERAL MARKET DYNAMICS

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

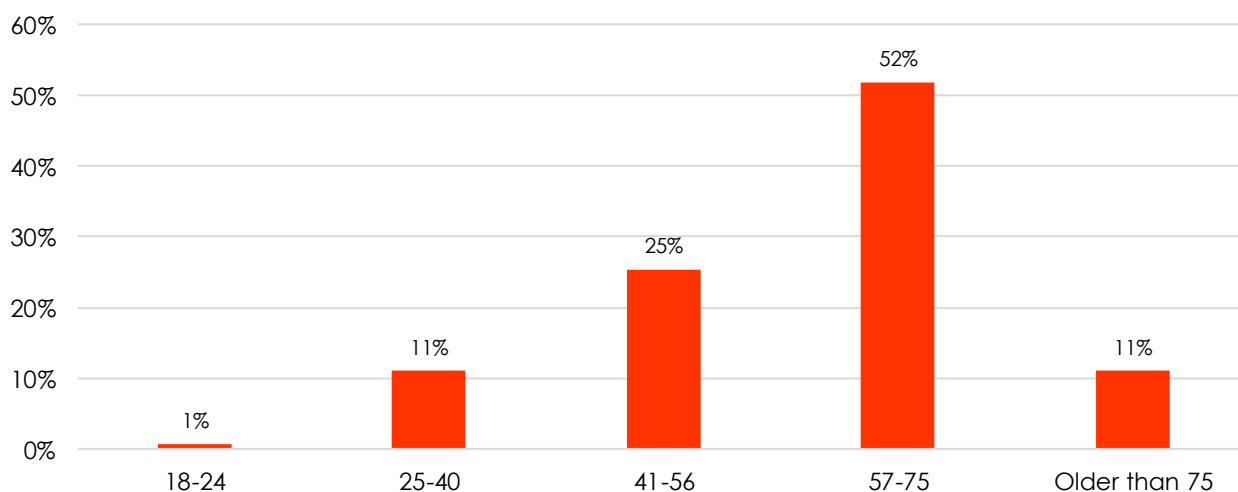
Please note that we've added new questions in 2021 and therefore some questions will not include historical data.

Graph 1
In which province do you live?



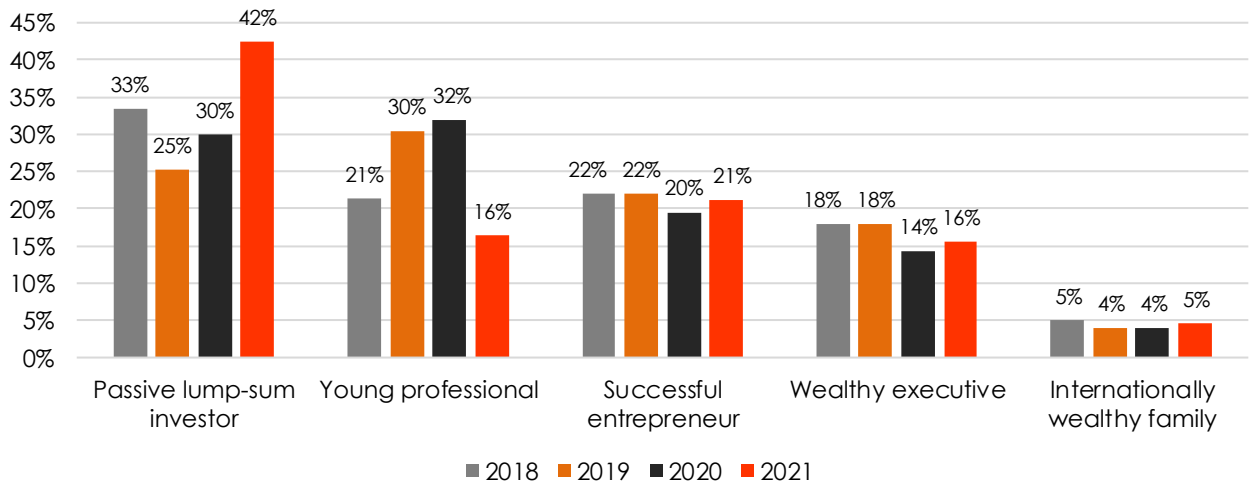
The bulk of wealth management clients reside in Gauteng, followed by the Western Cape.

Graph 2
How old are you?



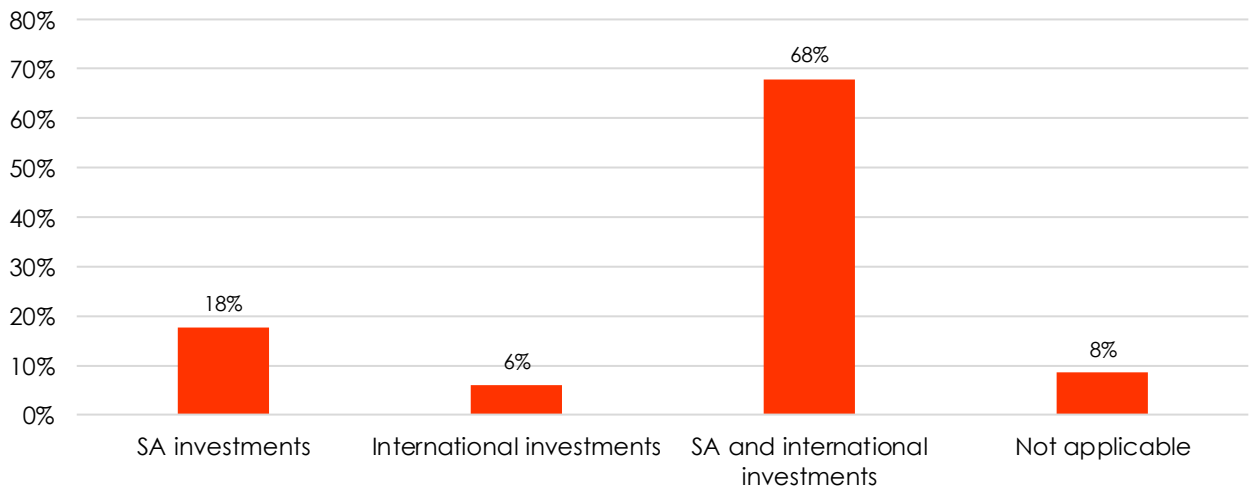
More than half of clients fall within the 57-75 age group (baby boomers).

Graph 3
What type of investor are you?



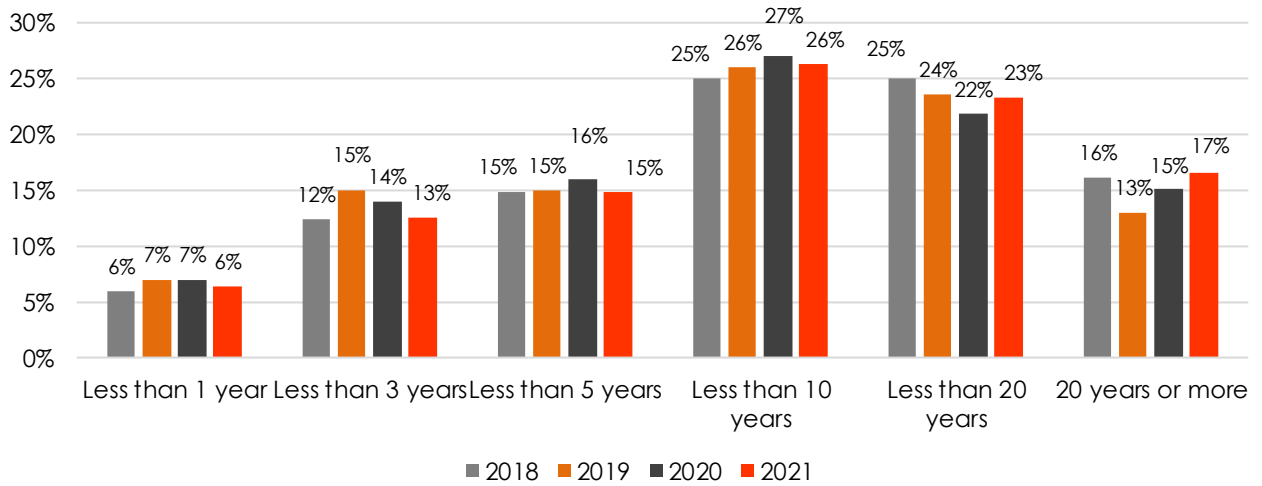
There has been a substantial increase in the percentage of lump-sum investors while the opposite trend is noticeable for young professionals. Less than 20% of wealth management clients are wealthy executives and 5% are from internationally wealthy families.

Graph 4
On which of the following did you receive advice?



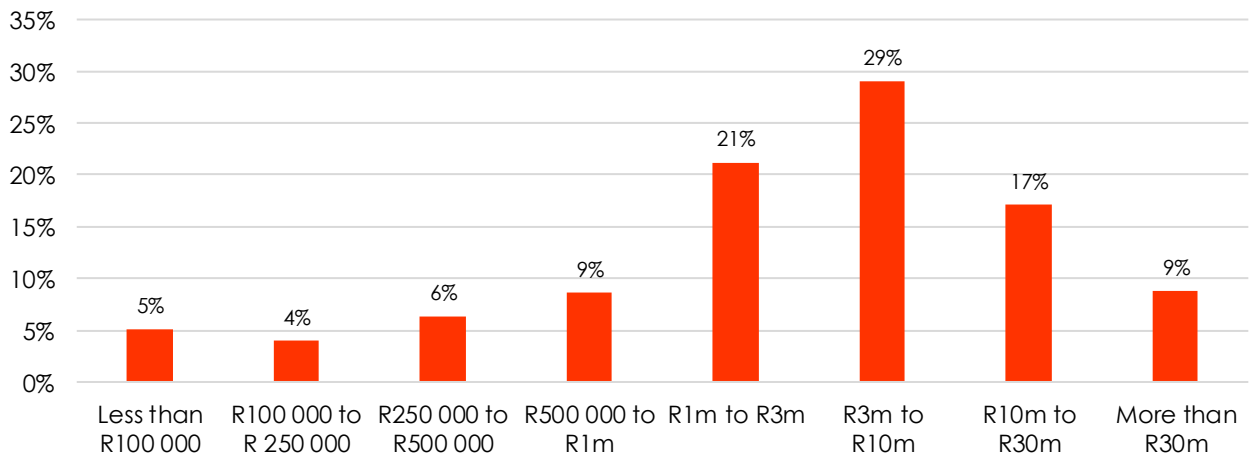
Clients increasingly see the need to invest offshore, therefore it is encouraging that almost 70% received advice on SA as well as international investments.

Graph 5
How long have you been a client of your wealth manager?



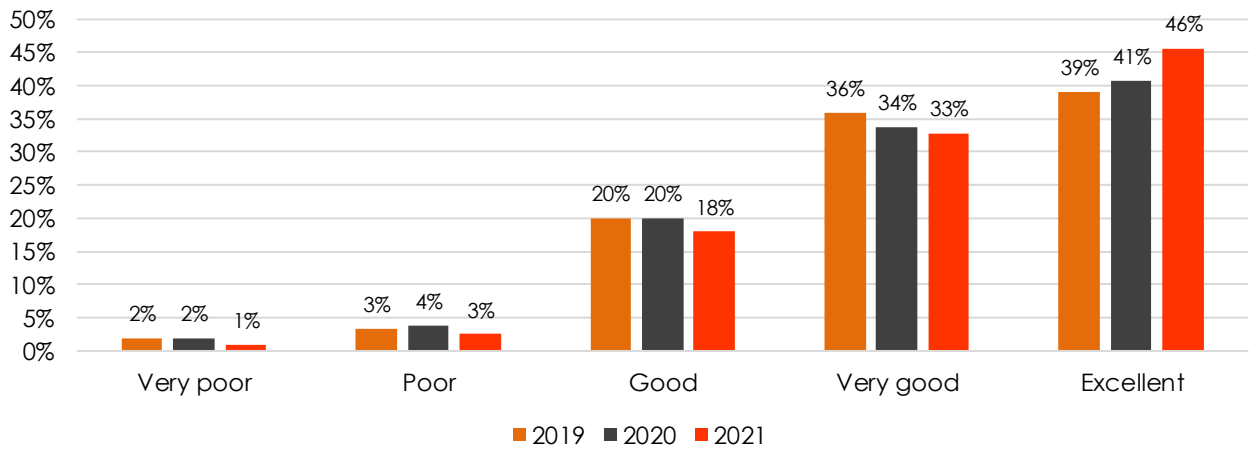
Note the downtrend from last year in the first four brackets, while 40% of clients have been with their wealth manager for more than 10 years.

Graph 6
What is the approximate total value of the assets that your wealth manager advises you on or manages on your behalf?



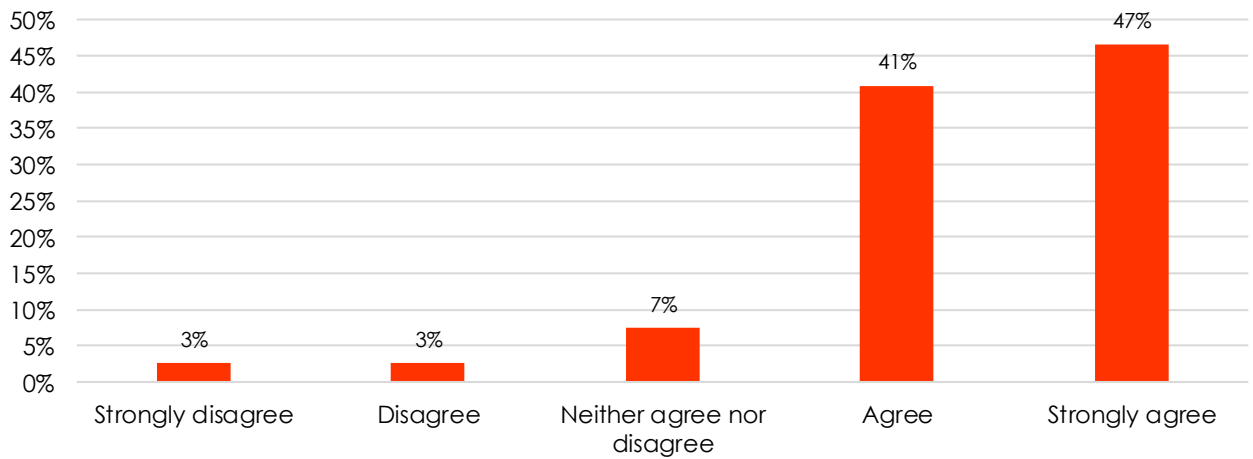
More than three quarters of clients have a total value of assets of more than R1m.

Graph 7
Please rate the clarity and coherence of the investment plan that your wealth manager gave you.



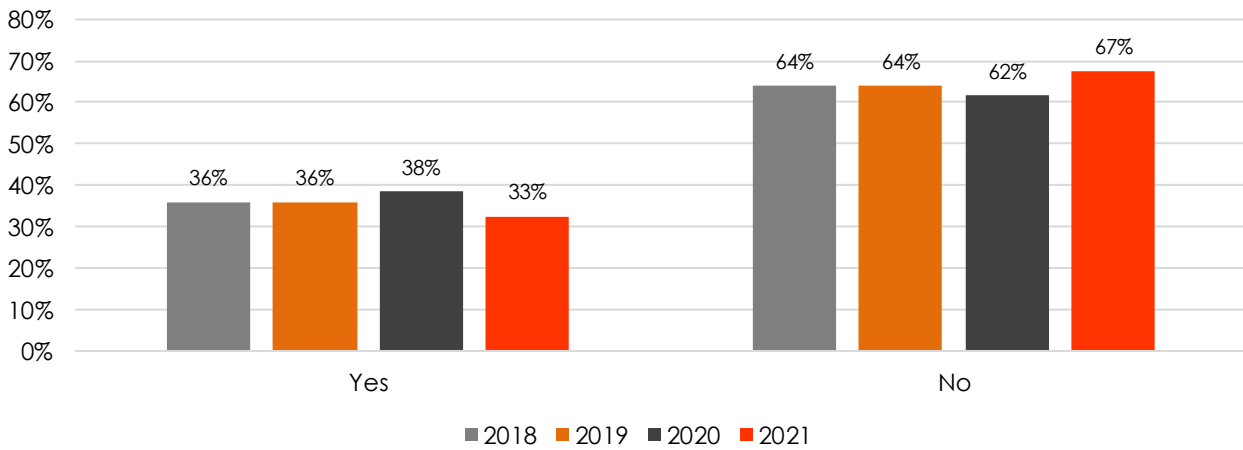
An investment plan that is easy to understand is important to clients, so it is pleasing to note the year-on-year increase in “excellent” ratings.

Graph 8
Please indicate to what extent you agree with the statement: “The advice I received from my wealth manager met my needs and goals.”



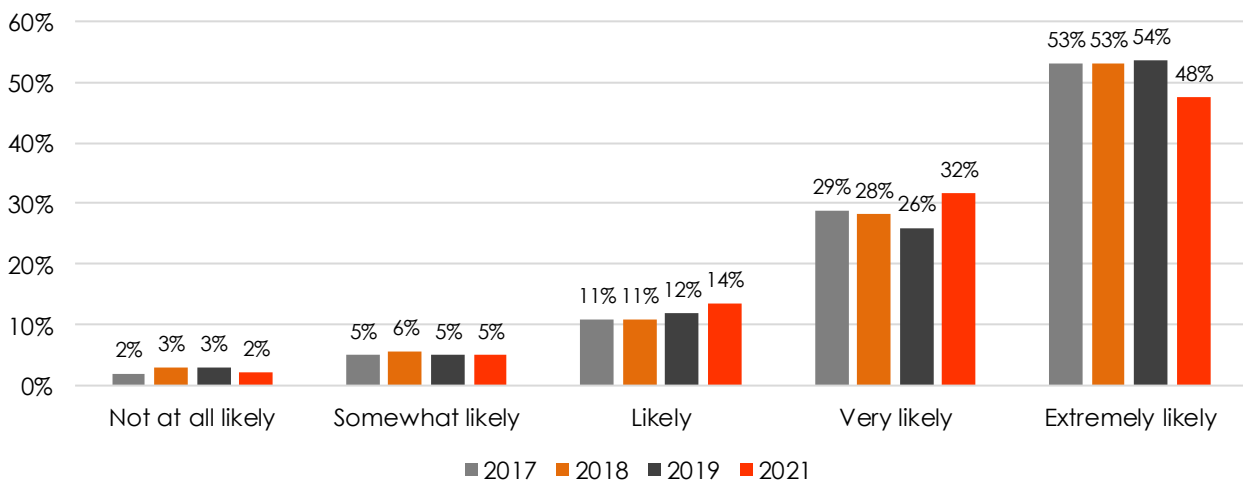
Wealth managers perform strongly on this measure, indicating that clients reckon the advice they receive is sound.

Graph 9
Do you think your wealth manager could improve its offering to meet your specific needs?



More than two thirds of clients believe their wealth managers don't need to improve their offerings – an indication of strong client satisfaction.

Graph 10
How likely would you be to recommend the services of your wealth manager?



Although the percentage of clients who are "extremely likely" to recommend their wealth managers has decreased in 2021, most clients will, in all probability, recommend their wealth managers to acquaintances.

Table 1: Please rate the quality of the following services you receive from your wealth manager.

Service		Don't use	Very poor	Poor	Good	Very good	Excellent
General advice on managing your wealth	2019	11%	2%	4%	24%	35%	36%
	2020	12%	2%	4%	23%	34%	36%
	2021	8%	2%	3%	20%	32%	42%
Investment strategy, including asset allocation and tactical allocation	2019	23%	3%	4%	24%	34%	35%
	2020	24%	3%	6%	23%	31%	37%
	2021	12%	2%	4%	21%	31%	42%
Legal services for wealth management	2019	68%	3%	7%	28%	32%	30%
	2020	65%	5%	7%	29%	30%	28%
	2021	63%	4%	6%	26%	29%	34%
Tax advisory, including for foreign jurisdictions	2019	53%	4%	7%	27%	31%	31%
	2020	52%	4%	8%	28%	29%	31%
	2021	53%	5%	8%	24%	28%	36%
Financial engineering capabilities for equity structuring of personal holdings	2019	72%	4%	6%	26%	32%	31%
	2020	71%	5%	8%	30%	29%	29%
	2021	57%	4%	7%	21%	29%	40%
Fiduciary capabilities including estate planning, wills, executorship services and trusts	2019	74%	4%	6%	24%	31%	35%
	2020	74%	4%	8%	25%	33%	30%
	2021	45%	3%	6%	22%	27%	42%
Philanthropy advisory and management	2019	84%	6%	8%	25%	29%	33%
	2020	84%	6%	11%	25%	27%	31%
	2021	80%	6%	9%	26%	25%	33%
Family office	2019	86%	4%	8%	23%	27%	38%
	2020	87%	6%	9%	23%	27%	35%
	2021	82%	6%	10%	22%	20%	41%
Stockbroking services	2019	64%	4%	6%	24%	31%	35%
	2020	61%	5%	7%	24%	29%	35%
	2021	61%	3%	7%	24%	27%	39%

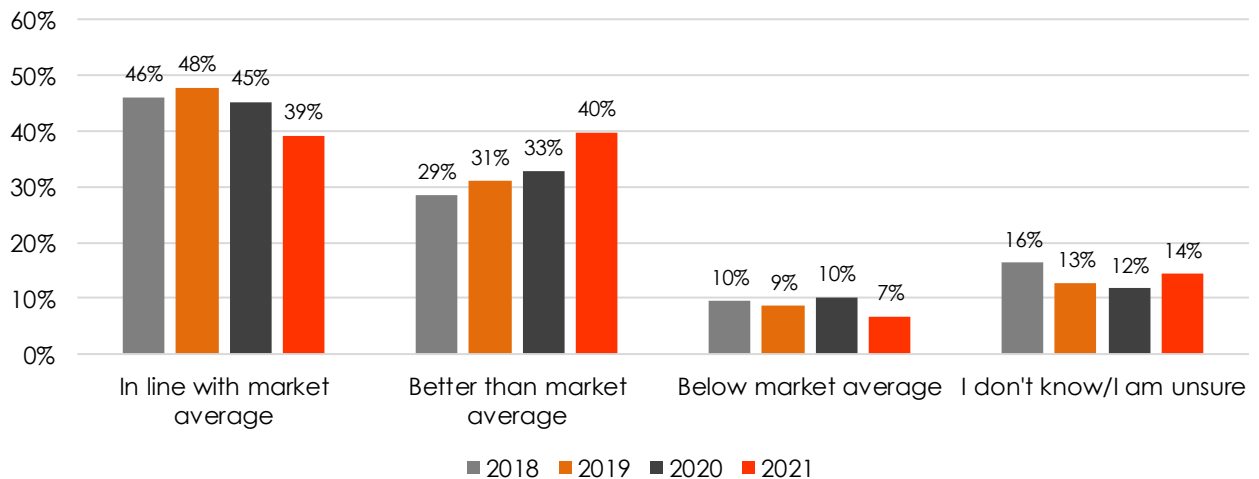
Every service rated by clients saw an improvement in the percentage of "excellent" ratings over last year.

Table 2: Please rate the following aspects regarding your wealth manager.

Aspect		Very poor	Poor	Good	Very good	Excellent	Not applicable
My portfolio's performance	2021	1%	7%	32%	31%	29%	5%
The personal relationship I have with my wealth manager	2021	2%	3%	13%	20%	62%	3%
The firm's reputation	2021	0%	1%	15%	26%	57%	3%
Trustworthiness	2021	0%	1%	13%	22%	64%	2%
The quality of interactions I have with my wealth manager	2021	1%	3%	12%	21%	63%	3%
Institutional support (webinars, client communication and newsletters)	2021	2%	3%	19%	27%	49%	8%
The ease of access through technology	2021	2%	3%	18%	29%	49%	4%
The comprehensiveness of the product range	2021	1%	3%	19%	30%	46%	6%
The transparency of reporting	2021	1%	3%	18%	26%	53%	3%
The quality of service I receive	2021	1%	3%	13%	20%	62%	2%
The quality of advice I receive	2021	1%	3%	15%	23%	58%	3%
The prestige and exclusivity my wealth manager offers	2021	2%	4%	16%	26%	52%	13%
Affordability	2021	1%	4%	27%	32%	36%	5%
The fringe benefits offered (airline lounge access/airmiles/loyalty points)	2021	21%	15%	21%	18%	26%	50%

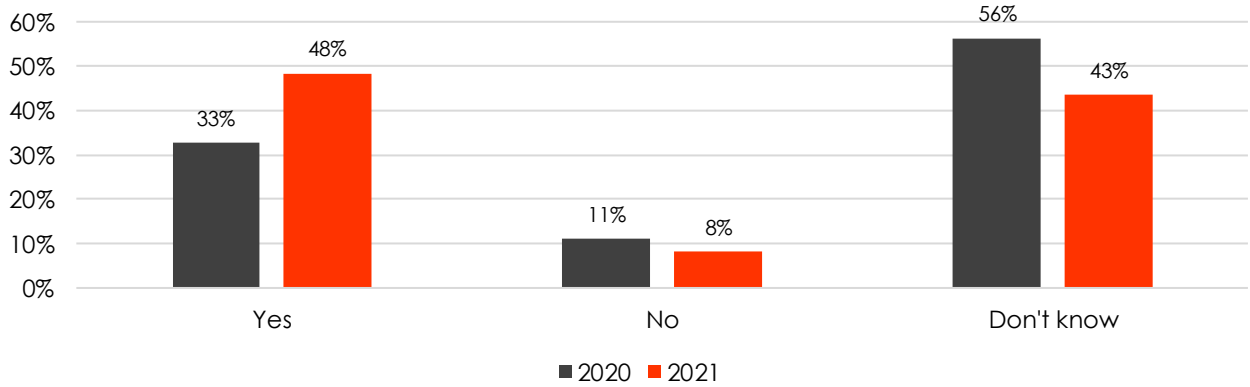
Clients rate their wealth managers' trustworthiness the highest – a strong vote of confidence in the integrity of the industry. Quality of interactions are next highest followed by personal relationships with wealth managers. Given the market turbulence, portfolio performance gets impressive ratings. Fringe benefits are rated the lowest, but half of clients indicate that this is not applicable to them.

Graph 11
Do you think the returns you are getting on your investments are?



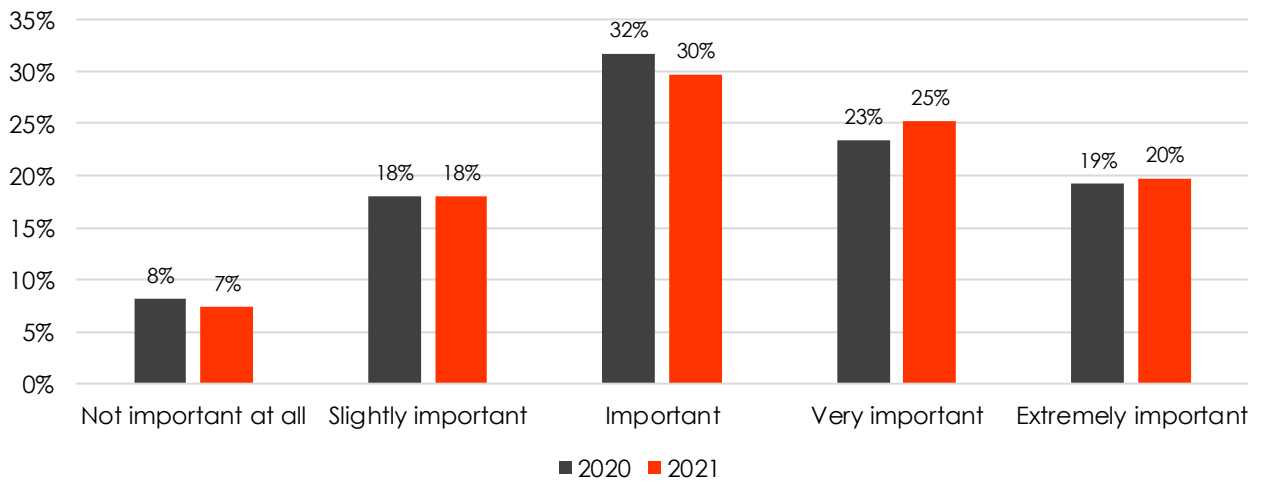
Note the significant jump in the percentage of clients enjoying market-beating returns.

Graph 12
Does your wealth manager consider sustainable investing when creating your investment portfolio? (Sustainable investing, also known as ethical investing, refers to investment strategies that not only consider financial return but also the promotion of social and environmental good.)



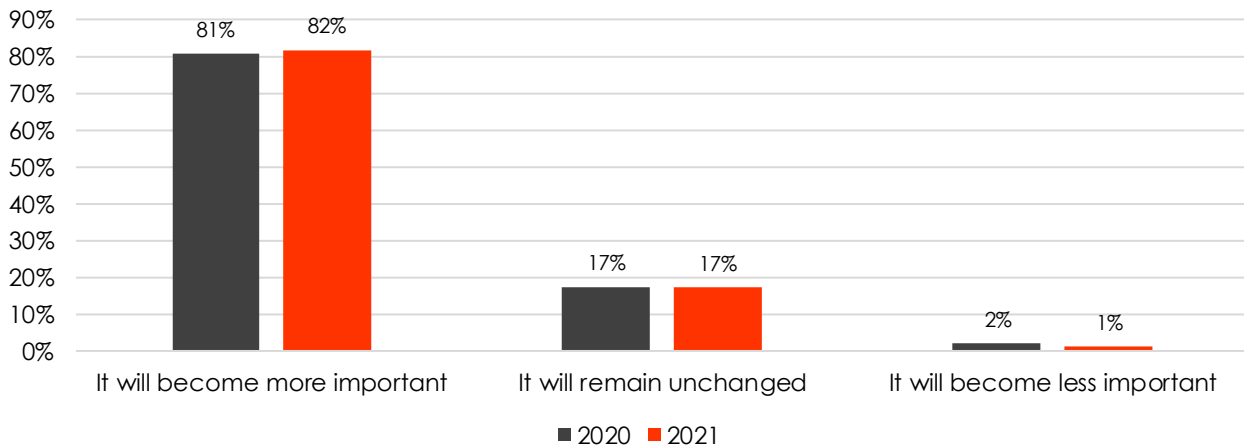
The percentage of clients who say their wealth managers consider sustainable investing when creating investment portfolios increased substantially since last year, but uncertainty regarding this issue remains high.

Graph 13
How important is sustainable investing to you?



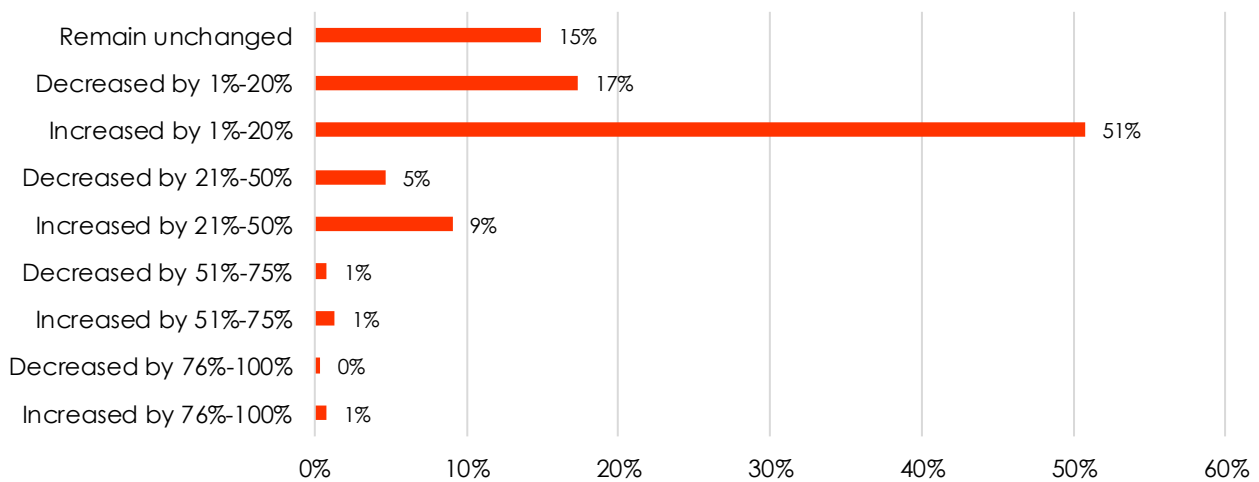
A higher number of clients than last year rate sustainable investing as “very” or “extremely” important.

Graph 14
How do you expect the role of sustainable investing to change in the next five years?



More than 80% of clients reckon sustainable investing will become more important in the next five years.

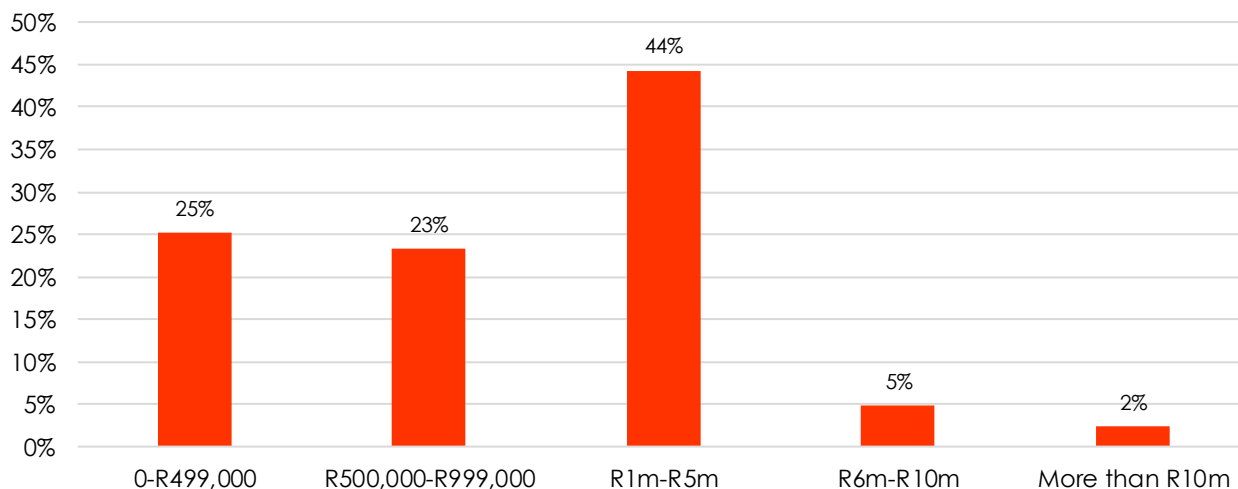
Graph 15
Since the start of the lockdown (on 26 March) my net worth has:



On the whole, the economic disruptions from the lockdowns have not been overly destructive to investments. More than half of clients say their net worth has increased by 1% to 20% while 17% indicate their net worth has declined by the same percentage.

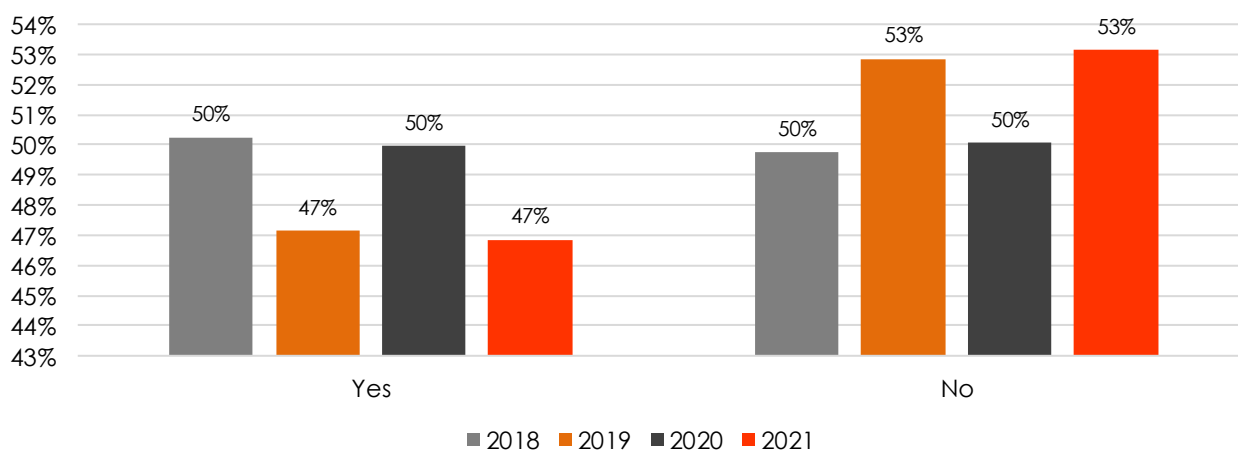
Private Banks

Graph 16
What is your annual income?



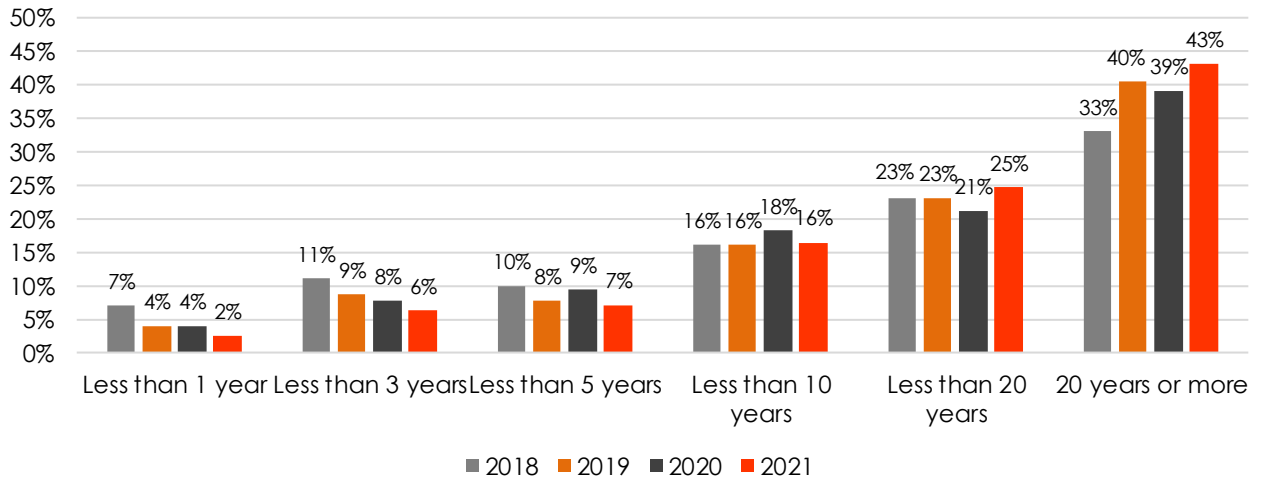
The bulk of private banking clients earn between R1m and R5m.

Graph 17
Do you think your private bank could improve its offering to meet your specific needs?



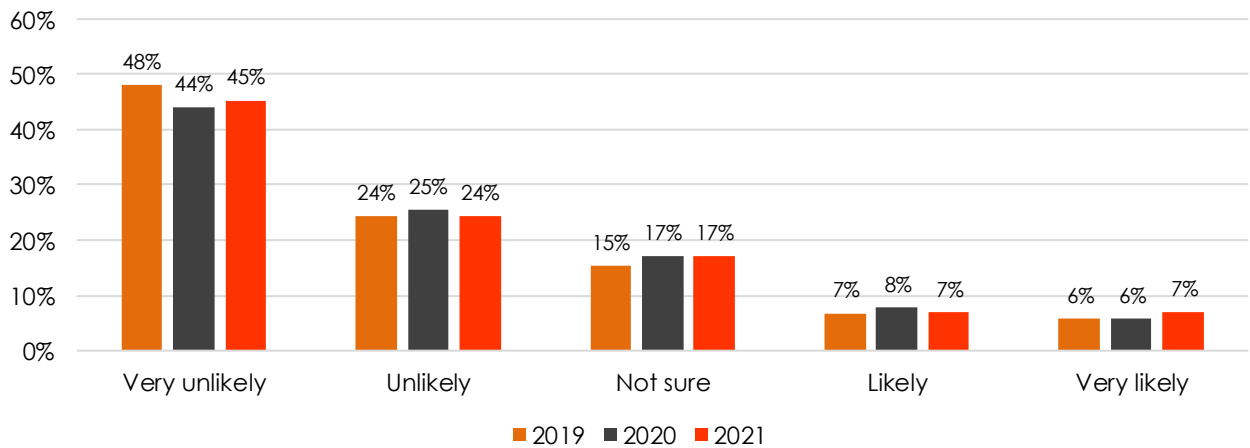
More than half of clients reckon their private banks don't need to improve their service offerings. However, banks are underperforming on this measure in relation to wealth managers, where 67% of clients express that sentiment. (See table 9).

Graph 18
How long have you been a client of your private bank?



More than 40% of clients have been with their private banks for 20 years or more – an indication of strong client loyalty. However, since 2018 there has been a decline in the percentage of new clients being accrued.

Graph 19
How likely are you to switch from your private bank to another bank in the next few years?



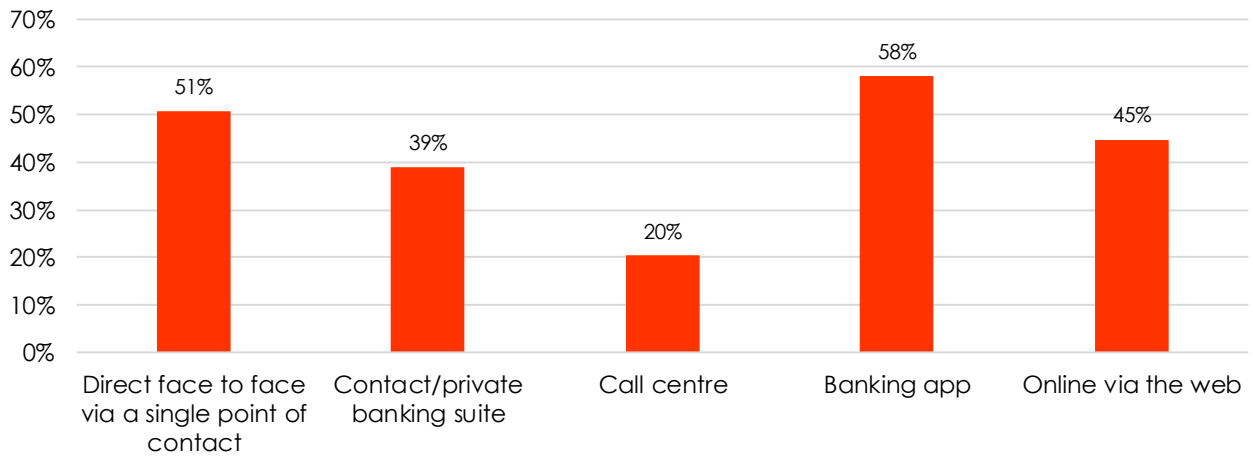
In the same vein as the previous graph, client loyalty is illustrated with 45% saying it is “very unlikely” that they will move to another private bank.

Table 3: Please rate the following aspects regarding your private bank

Service		Very poor	Poor	Good	Very good	Excellent	Not applicable
Transactional banking (payments, debit cards, cheque books, current accounts)	2019	1%	2%	21%	33%	43%	4%
	2020	1%	2%	22%	36%	38%	5%
	2021	1%	2%	24%	30%	44%	4%
Savings products (cash-based savings like fixed or notice accounts)	2019	2%	5%	28%	35%	31%	21%
	2020	2%	7%	33%	33%	24%	23%
	2021	2%	8%	34%	30%	26%	16%
Loan products (credit cards, home loans and vehicle loans)	2019	4%	6%	27%	29%	34%	45%
	2020	4%	8%	29%	32%	27%	47%
	2021	2%	5%	29%	31%	33%	26%
International infrastructure to meet my investment and wealth planning needs	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	13%	26%	26%	31%	46%
Corporate banking and other services for my company	2019	6%	9%	30%	29%	27%	74%
	2020	5%	11%	31%	28%	25%	78%
	2021	5%	11%	30%	23%	30%	67%
Structured finance products like equity derivatives or foreign exchange structures	2019	6%	9%	32%	28%	25%	79%
	2020	9%	14%	31%	21%	25%	79%
	2021	5%	13%	29%	24%	29%	67%
Debt products including basic mortgages and asset finance	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	9%	27%	26%	34%	52%
Debt structuring capabilities and balance sheet (specialised lending)	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	8%	14%	27%	21%	30%	75%
Share/derivatives trading	2019	3%	11%	24%	30%	32%	72%
	2020	8%	9%	30%	27%	27%	70%
	2021	6%	11%	27%	25%	32%	67%
Insurance products such as life insurance and/or short-term insurance	2019	8%	11%	31%	26%	24%	71%
	2020	8%	14%	37%	24%	18%	73%
	2021	7%	15%	31%	22%	25%	67%
The quality of service I receive	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	9%	25%	25%	37%	3%
The quality of advice I receive	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	12%	25%	25%	33%	16%
The prestige and exclusivity my private bank offers	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	4%	11%	26%	25%	34%	14%
Affordability	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	3%	14%	37%	24%	21%	4%
The fringe benefits offered (airline lounge access/airmiles/loyalty points)	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2021	5%	13%	27%	25%	30%	24%

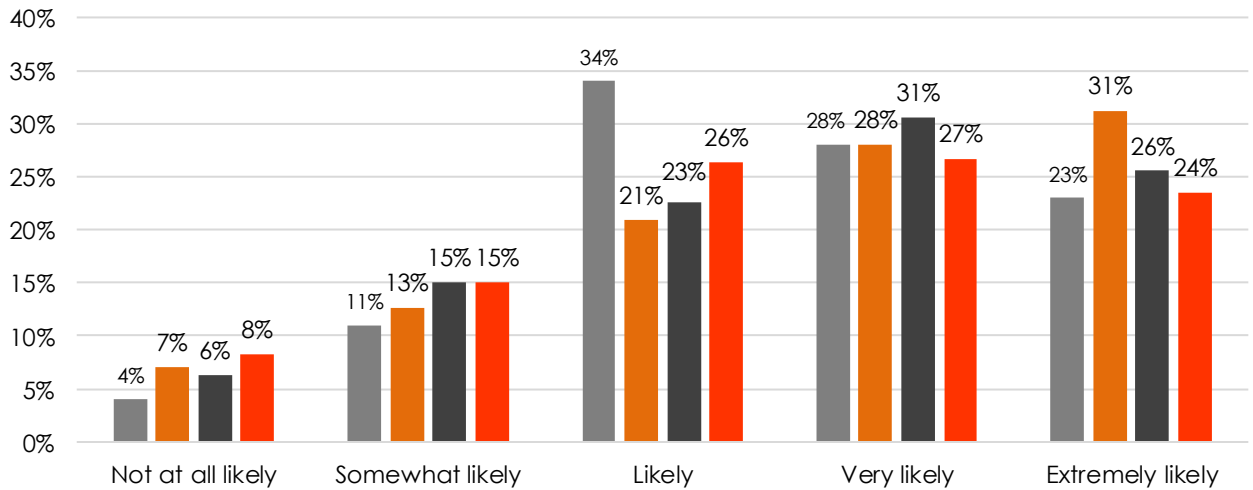
Clients rate transactional banking the highest, followed by the quality of service they receive.

Graph 20
Which channels of access do you use? (You can choose more than one option.)



Banking apps, followed by personal contact with a specific person are the most popular channels of access.

Graph 21
How likely would you be to recommend the services of your private bank?



Almost a quarter of clients are “extremely likely” to recommend their private bank to acquaintances. Again, private banks lag wealth managers where 48% of clients ticked “extremely likely”. (See table 10).

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 10th 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

In 2019 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 a record number of 9,817 clients participated in the online 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. However, this year we revised the format, reintroducing the case study concept. All firms were required to respond to one case study while those that participate in the top end of the spectrum, the internationally wealthy family archetype, were asked to respond to another case study specific to that archetype.

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 most cases, the Intellidex score was grouped with client rankings to derive an overall score.

In 2019 we also introduced a new award for top individual relationship managers. These were chosen from nominations, ratings and motivations made by clients. The Intellidex judges considered the nominations and ratings and choose finalists and a winner based on the motivations provided by clients.

The judges this year were Intellidex head of media projects Colin Anthony, senior banks analyst Nolwandle Mthombeni, market research manager Heidi Dietzsch and head of strategy research, Dr Graunt Kruger.

Find out more

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 at hdietzsch@intellidex.co.za.

Give us feedback

We would like to know what you think of the Private Banks & Wealth Managers survey process. If you have any thoughts or feedback, please email Colin Anthony at cathony@intellidex.co.za.



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