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An Intellidex Company

September 2023

Sector Report

Top Securities Brokers

South Africa **2023**



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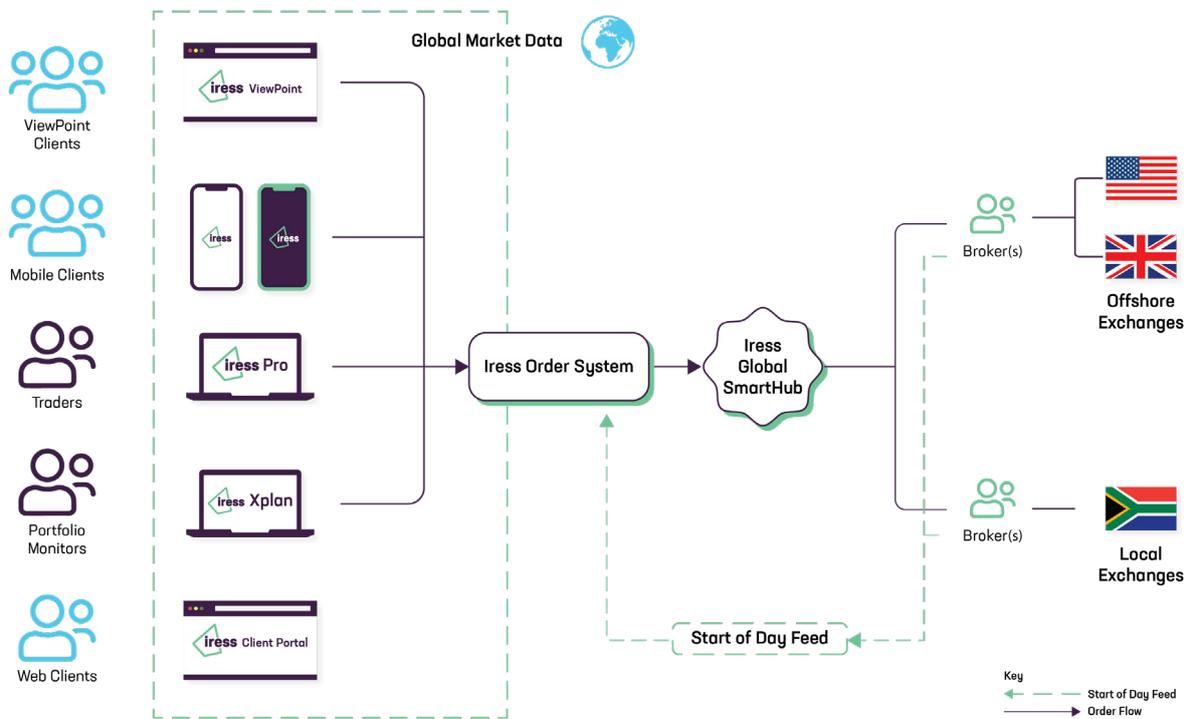
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Intellidex is now Krutham

On 15 August 2023, Intellidex became Krutham.

It is a rebranding, but it is not just skin deep. This evolution is an important step forward as we strive to align our identity with our vision for the future and create a brand that truly embodies who we have become. With it, we have thought a lot about our business and how we deliver value. We have a distinct capability set combining a deep financial and capital markets insight with a keen sense of social impact and politics. We straddle what some call the “spectrum of capital” from those focused on generating returns to those focused on improving lives in our communities. Our clients range from global hedge funds to philanthropies, and we are proud of our ability to deliver highly capable financial skills on the one hand but also able to understand how financial systems affect our societies on the other. We are about ensuring our clients find opportunities to deliver to our evolving societies.

Krutham now has a staff complement of 30, operating from offices in Sandton, Boston and London. We intend to grow, becoming world-leading experts in the financial sectors in emerging markets. But some things will not change.

Close partnerships with our clients, built on confidence and respect are important to us. We also believe we should be a force for good in our societies. Krutham wants to be worthy of the trust of businesses, governments and our communities, built from the recognition that we aim to find ways to deliver the common good and maximise the value of it.

Our new brand arrives in our 15th year as a business. Intellidex has been an important part of our history, but we are very excited about our future. We are, though, most excited about what we can do for you.

Project team:

Project director: Dr Graunt Kruger

Research manager: Heidi Dietzsch

Senior data analyst: Everton Muberekwa

Research analyst: Zonke Zwane-Sebonyane

Editors: Colin Anthony and Janice Roberts

Q&A

WHAT?

Launched in 2010, the Top Securities Brokers survey is the industry's premier independent assessment of the industry. It has two components: a major online client survey in which a record number of 12,741 respondents participated this year; and a questionnaire that the broking firms complete. The research informs various consulting projects and is widely credited for having caused an evolution in the standards of retail broking in SA.

WHEN?

The fieldwork was conducted between July and August 2023 with the results published in the FM Investors Monthly on 28 September 2023.

HOW?

Krutham, which conducts a range of research across financial and capital markets in South Africa, designed two comprehensive questionnaires, one for brokers and another for their clients.

WHY?

A comprehensive survey provides important insight into the competitiveness of South Africa's brokers. 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 brokers that want to improve their products and services.



WHO IS KRUTHAM?

Krutham is a leading research house focused on South Africa's capital markets and financial services. We also undertake major research projects on broking, institutional research analysts, wealth management, banking, black economic empowerment, sustainable investing and other areas. You can find out more at www.krutham.com

WANT TO KNOW MORE?

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

We can provide detailed reports for brokers, with benchmarking against industry averages.

If you are interested in such a detailed report, please contact Heidi Dietzsch, email heidi@krutham.co.za, telephone 0832760435.

GET READY FOR 2024

We will be undertaking the project again in the second half of 2024. 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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Introduction

The Top Securities Brokers survey has established itself as SA's leading assessment of the industry. This year's survey marks the 14th anniversary of this rigorous review of broking services in SA. The results stem from a questionnaire completed by brokers combined with ratings from clients gathered in an extensive online survey. While 12 brokers officially participated in the survey, client participation roped in 41 brokers, with 23 of these having at least 20 of their clients complete the survey.

This year a record number of 12,741 broker clients participated in the survey. Such a large pool entrenches the credibility of the survey findings. We consider the sample size to be a meaningful reflection of the views of the universe of clients of South African brokers.

This report is published for the securities broking industry and its content is focused on its interests. Please see the 28 September issue of FM Investors Monthly for the full, detailed survey report.

This publication is a summary of the main findings from the 2022 survey. It provides some insights from the client research survey as well as an overview of the different award categories. This year's judging panel was:

Wayne Hiller van Rensburg (external judge)

Raazia Ganie (external judge)

Colin Anthony (editor)

Heidi Dietzsch (research manager)

Dr Graunt Kruger (project director)

Two external, independent judges, Raazia Ganie and Wayne Hiller van Rensburg, joined the judging panel for the 2023 Top Securities Brokers survey.

Raazia heads up the investment team within NMG Benefits. She has extensive experience both locally and abroad dealing with institutional funds of different complexities ranging from retirement funds and medical aids to beneficiary funds and trusts. Raazia also has experience in both the advisory business as well as asset management and private wealth. She is focused on ensuring clients receive high quality advice, while also maintaining good governance and improving member outcomes in the process. Raazia is a CFA Charterholder and serves on the board of the CFA Society South Africa

Wayne is a well-known figure in the South African and sub-Saharan retirement sectors, renowned for his advocacy and governance expertise. As the executive officer of the Institute of Retirement Funds Africa, he tirelessly champions improved retirement outcomes. Wayne also serves as principal officer for major South African retirement funds. In addition to his retirement sector leadership, Wayne possesses in-depth knowledge of wealth management. His active memberships in various professional organisations reflect his exceptional skills and commitment to comprehensive financial services.

Overall winners

The following five awards, **Top Overall Broker**, **Top Full-service Broker**, **Top Self-service Broker** and **Most Improved Broker** are based 40% on the judges' assessments of the firm questionnaires and 60% on client ratings from the online survey.

Top Overall Broker

Rank	Firm	Out of 10 (Weighted)
1	Rand Swiss	8,98
2	Herenya Capital Advisors	8,80
3	PSG Wealth	8,70
4	Trive Investments	8,57
5	Sasfin Securities	8,44
6	IG	8,39
7	Unum Capital	8,23
8	FNB Stockbroking and Portfolio Management	8,22
9	Standard Online Share Trading/Stockbroking	8,19
10	Independent Securities	8,17

Rand Swiss is the Top Securities Broker of the Year for the third consecutive year, solidifying its position as a strong player in the financial industry. The firm's success is attributed to its commitment to client satisfaction. Clients hold the firm in high regard and one says: "The firm has always gone above and beyond for me. They have actively kept me in loop with my portfolio and recommended proactive changes to my investments when needed." Another states: "There is excellent support in all services rendered to me even it is just advisory or a friendly chat to touch base and catch up."

Herenya Capital Advisors moves up to second from fifth last year with PSG Wealth taking third place and Trive Investments finishing a credible third in its maiden year of participation.

Top Full-service Broker

Rank	Firm	Out of 10 (Weighted)
1	Rand Swiss	9,06
2	PSG Wealth	8,80
3	Herenya Capital Advisors	8,68
4	Sasfin Securities	8,65
5	Nedbank Private Wealth	8,28
6	FNB Stockbroking and Portfolio Management	8,26
7	Independent Securities	8,22
8	Unum Capital	8,19
8	Standard Online Share Trading/Stockbroking	8,19
9	Afrifocus Securities	7,99

Rand Swiss also wins the Top Full-service Broker award, moving up from second last year, followed by PSG (2022: third) and Herenya (2022: sixth). Last year's winner, Sasfin Securities, is fourth.

Top Self-service Broker

Rank	Firm	Out of 10 (Weighted)
1	Herenya Capital Advisors	9,02
2	Rand Swiss	8,89
3	PSG Wealth	8,59
3	Trive Investments	8,59
5	IG	8,49
6	Unum Capital	8,35
7	Standard Online Share Trading/Stockbroking	8,27
8	FNB Stockbroking and Portfolio Management	8,26
9	Sasfin	8,09
10	Nedbank Private Wealth	8,08

Herenya is the Top Self-service Broker of the Year, shooting up the rankings from fifth last year. Last year's winner, Rand Swiss, drops to second and PSG and Trive share third position.

Most Improved Broker

Rank	Firm	Out of 10 (Weighted)
1	Rand Swiss	8,29
2	IG	7,72
3	FNB Stockbroking and Portfolio Management	7,62
4	PSG Wealth	7,48
4	Unum Capital	7,48
5	Sasfin	7,34
6	Nedbank Private Wealth	7,30
7	Afrifocus Securities	7,20
8	Independent Securities	7,14
9	Herenya Capital Advisors	7,10

A high number of Rand Swiss clients say that the firm's service has improved over the past year, ensuring that it wins the Most Improved Broker award, moving up from third place last year. IG and FNB, both unranked last year, shoot up the rankings to take second and third respectively.

Top CFD Provider

The Top CFD provider is determined from a mix of client feedback and a Krutham assessment of the trading costs, online capability and credit riskiness of the provider. Client opinions on CFD research is considered. Better scores for risk are given to firms where the counterparty for CFDs is clear and has a large balance sheet. Small or obscure balance sheets receive lower scores.

Rank	Firm	Out of 10 (Weighted)
1	Herenya Capital Advisors	9,07
2	IG	8,65
3	Trive Investments	8,51
4	Rand Swiss	8,32
5	Afrifocus Securities	8,06
6	FNB Stockbroking and Portfolio Management	8,04
7	Unum Capital	7,94
8	PSG Wealth	7,60
8	Nedbank Private Wealth	7,60
10	Standard Online Share Trading/Stockbroking	7,15

Herenya clinches the Top CFD Broker of the Year award with IG, a consistently strong competitor in this category, retaining second place. Last year's winner, PSG, drops to eighth.

People's Choice Award

The People's Choice award is solely based on the client ratings gathered in the online survey.

Rank	Firm	Out of 10 (Weighted)
1	Herenya Capital Advisors	9,18
2	Rand Swiss	8,92
3	Trive Investments	8,90
4	Independent Securities	8,81
5	Unum Capital	8,62
6	Sasfin Securities	8,43
7	IG	8,35
8	Afrifocus Securities	8,34
9	PSG Wealth	8,29
10	Nedbank Private Wealth	7,91

Winning this award is a significant achievement because it indicates that clients are extremely satisfied and this year Herenya takes the honours, moving up from second spot last year. Rand Swiss takes second place (2022: third), while last year's winner, Unum Capital, drops to fifth.

Winners per archetype

The archetype awards are also solely based on client ratings gathered in the online survey.

The archetype awards are:

- Young investor (younger than 35, saving regularly from an income.) **Winner: Rand Swiss**
- Lump-sum investor (retiree or recipient of a large payout that will be invested in a broker account.) **Winner: Rand Swiss**
- Traditional investor (older than 35, regularly contributing to a portfolio.) **Winner: Herenya Capital Advisors**
- Executive (has complex equity structuring requirements.) **Winner: PSG Wealth**
- Active trader (day-trading as main source of income.) **Winner: Herenya Capital Advisors**
- Social investor (stokvels, credit unions, group saving schemes.) **Winner: Sanlam Private Wealth**

Rank	Young investor	Out of 10 (Weighted)
1	Rand Swiss	9,58
2	Trive Investments	9,28
3	Unum Capital	9,22
4	PSG Wealth	8,81
5	Herenya Capital Advisors	8,79
6	Afrifocus Securities	8,64
7	Momentum Securities	8,59
8	Investec Wealth & Investment	8,55
9	FNB Stockbroking and Portfolio Management	8,46
10	Sanlam Private Wealth	8,34

Rank	Lump-sum investor	Out of 10 (Weighted)
1	Rand Swiss	9,28
2	Sasfin Securities	8,97
3	PSG Wealth	8,93
4	Sanlam Private Wealth	8,60
5	Investec Wealth & Investment	8,45
6	FNB Stockbroking and Portfolio Management	8,35
7	Nedbank Private Wealth	8,32
8	Momentum Securities	8,16
9	EasyEquities	8,05
10	Standard Online Share Trading/Stockbroking	8,02

Rank	Traditional investor	Out of 10 (Weighted)
1	Herenya Capital	9,50
2	Trive Investments	9,23
3	Rand Swiss	9,20
4	Unum Capital	9,10
5	Afrifocus Securities	9,06
6	Sasfin Securities	8,87
7	PSG Wealth	8,76
8	Investec Wealth & Investment	8,43
9	Sanlam Private Wealth	8,41

9	Momentum Securities	8,41
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Rank	Executive	Out of 10 (Weighted)
1	PSG Wealth	9,08
2	Sanlam Private Wealth	8,74
3	EasyEquities	8,49
4	FNB Stockbroking and Portfolio Management	8,23

*Only the firms above had enough response to qualify for this award

Rank	Active trader	Out of 10 (Weighted)
1	Herenya Capital Advisors	9,60
2	IG	8,80
3	RMB Private Bank	8,79
4	PSG Wealth	8,61
5	FNB Stockbroking and Portfolio Management	8,44
6	EasyEquities	8,29
7	Standard Online Share Trading/Stockbroking	8,17

*Only the firms above had enough response to qualify for this award

Rank	Social investor	Out of 10 (Weighted)
1	Sanlam Private Wealth	8,53
2	PSG Wealth	8,46
3	FNB Stockbroking and Portfolio Management	8,34
4	RMB Private Bank	8,24
5	EasyEquities	8,02
6	Standard Online Share Trading/Stockbroking	7,94

*Only the firms above had enough response to qualify for this award

Top Individual Relationship Manager

This award recognises individuals who have nurtured personal, trustworthy and long-term relationships with exceptionally satisfied clients. The winner is determined by client nominations and the ratings they provide, weighted according to firm size and client base.

Rank	Top Relationship Manager	Firm	Out of 10 (Weighted)
1	Rand Swiss	Gary Booyesen	9,95
2	Rand Swiss	Christo Krog	9,91
2	Independent Securities	Harold de Kock	9,91
3	Sasfin Securities	Andrew Padoa	9,83
4	Afrifocus Securities	Fernando Moreira	9,78

Rand Swiss's Gary Booyesen wins the Top Relationship Manager of the Year award. Christo Krog, also from Rand Swiss, and Harold de Kock of Independent Securities are tied for second place.

Clients laud these relationship managers and one of Gary's clients says: "Gary is always available, measured and well informed. He is also able to explain transactions in a simple, patient and digestible manner. Gary is always on top of the latest movements in the market."

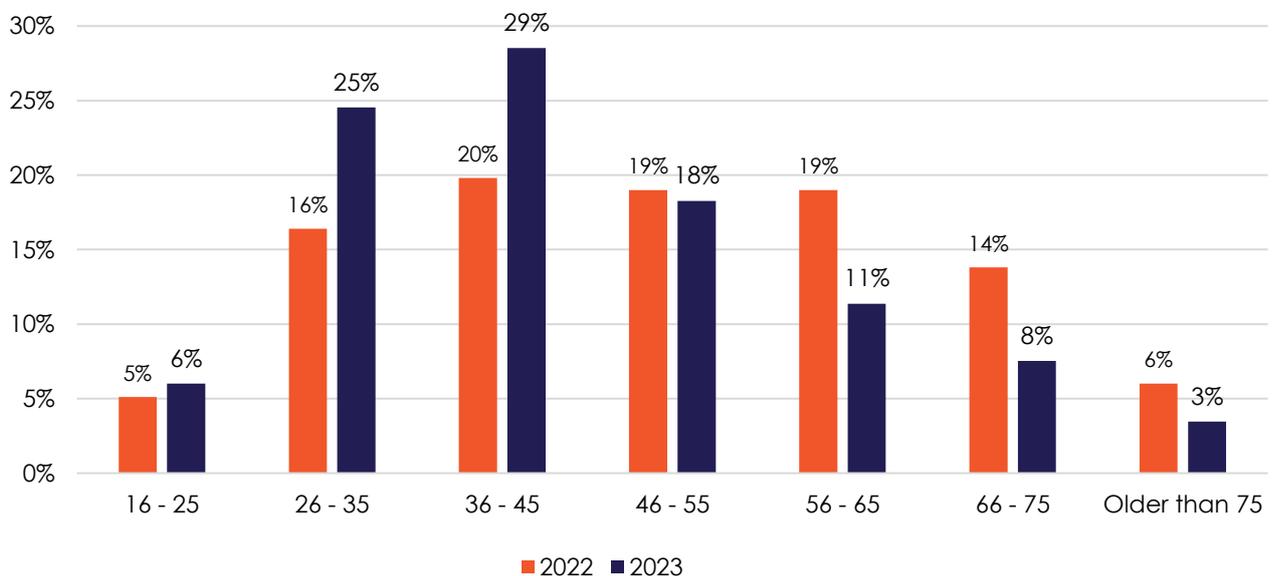
Christo's clients are equally satisfied and one reports: "Christo goes beyond the call of duty when dealing with any of my queries. He maintains the highest degree of professionalism when dealing with any of my requests, while being efficient and extremely responsive in communicating with me."

Harold gets praise for his dedication and open and transparent communication. "He makes regular efforts to connect in person, gain an understanding of my current and future financial plans, and how best to ensure my continued financial success."

General market dynamics

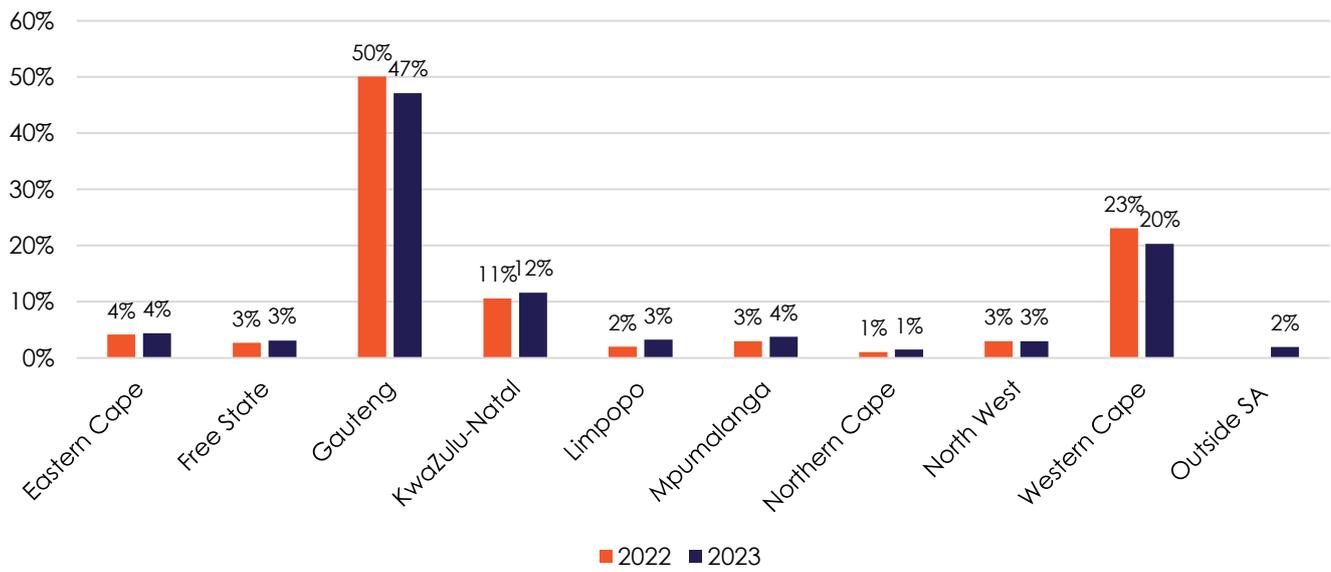
In this section we provide insight into general market dynamics. We are able to provide extensive analysis of each firm, comparing its scores to the market aggregate across a wide range of categories, as well as to historical data. Please contact us if you are interested in our in-depth analysis for your firm. The survey changes year on year, therefore some questions do not have historical data.

Figure 1: What age group are you in?



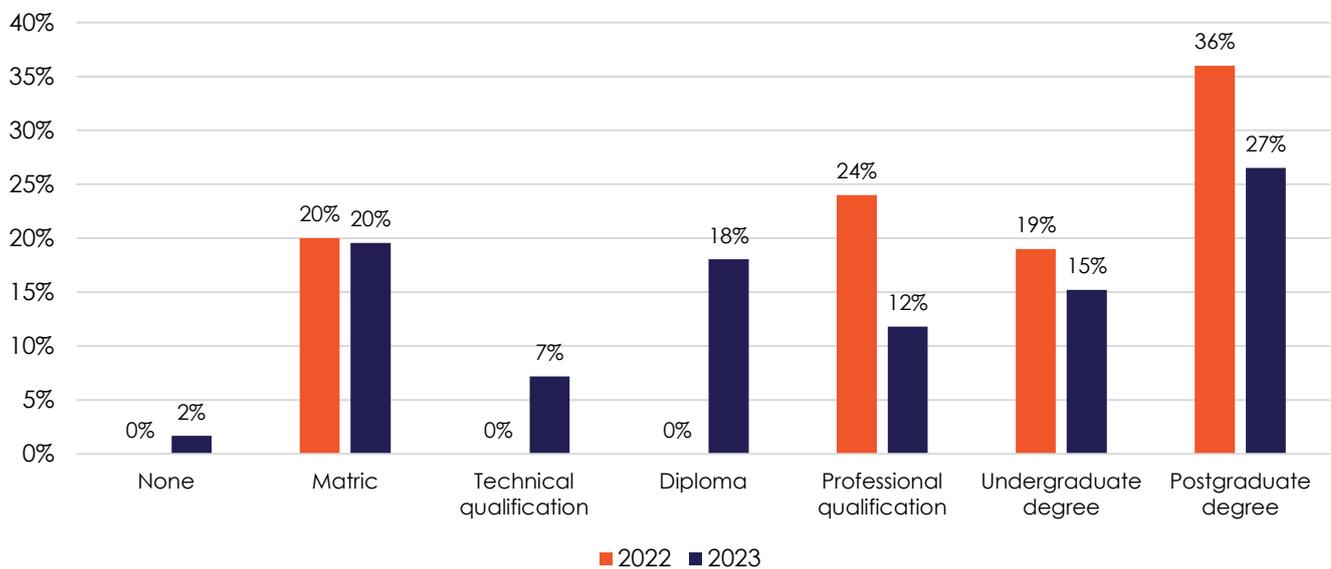
Just over half of broker clients are aged between 26 and 45 with a big increase in the 26-35 and 36-45 brackets since last year.

Figure 2: In which province do you live?



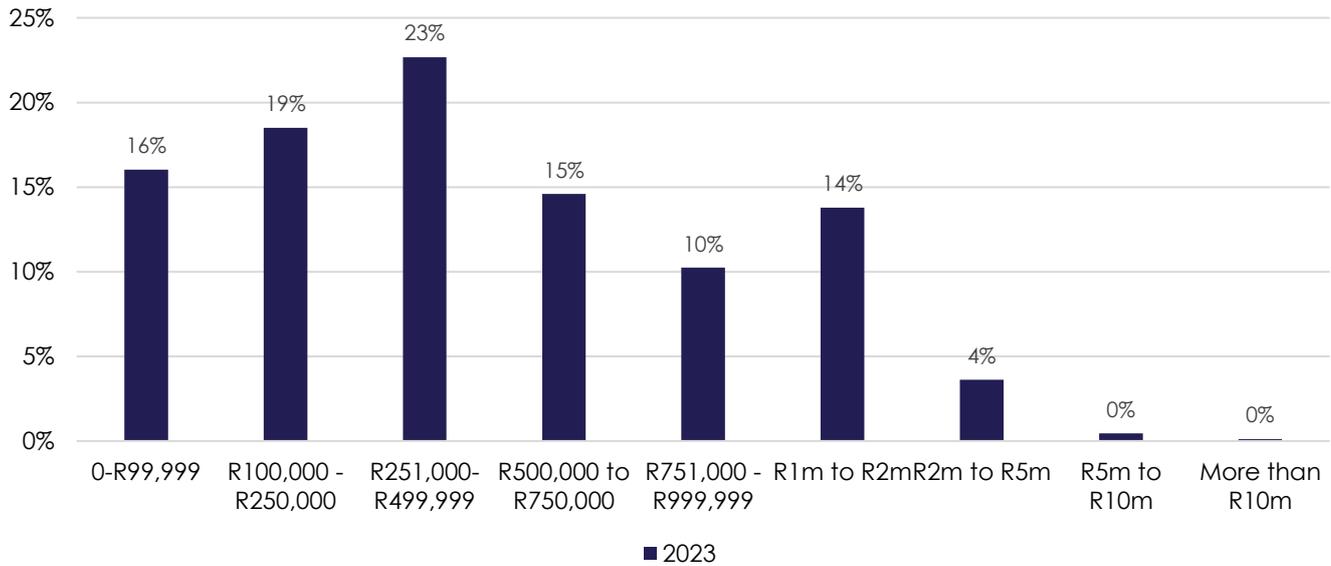
Penetration outside Gauteng and the Western Cape remain low.

Figure 3: What is your highest educational qualification?



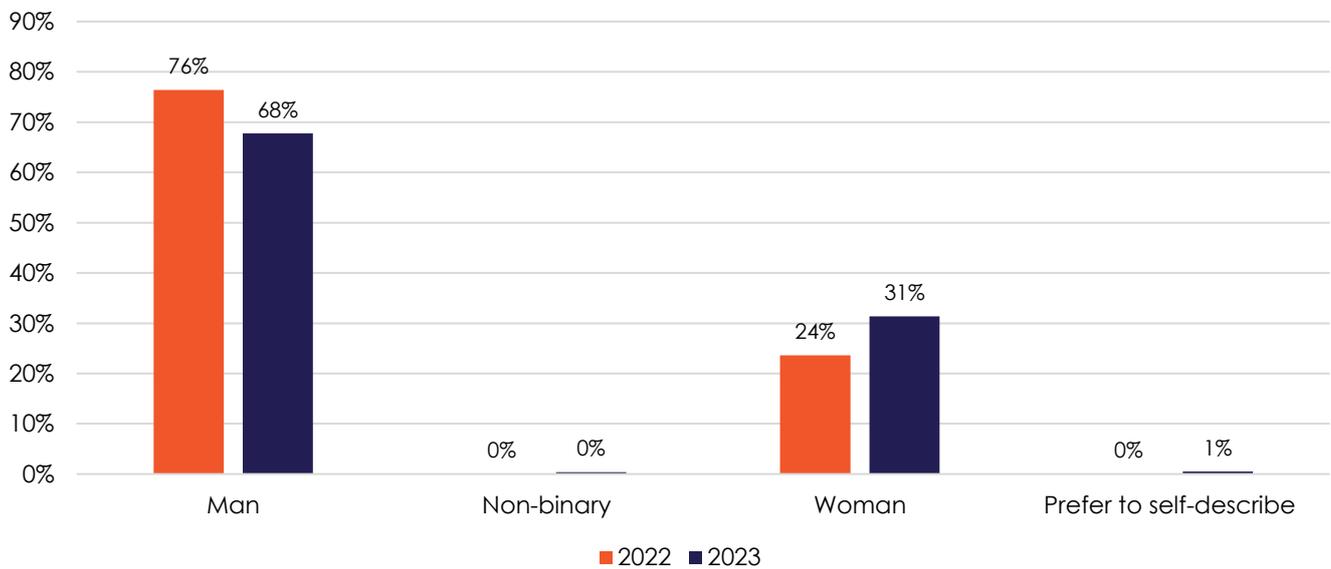
Retail investors are generally well-educated with the majority having a post-matric qualification.

Figure 4: What is your annual income?



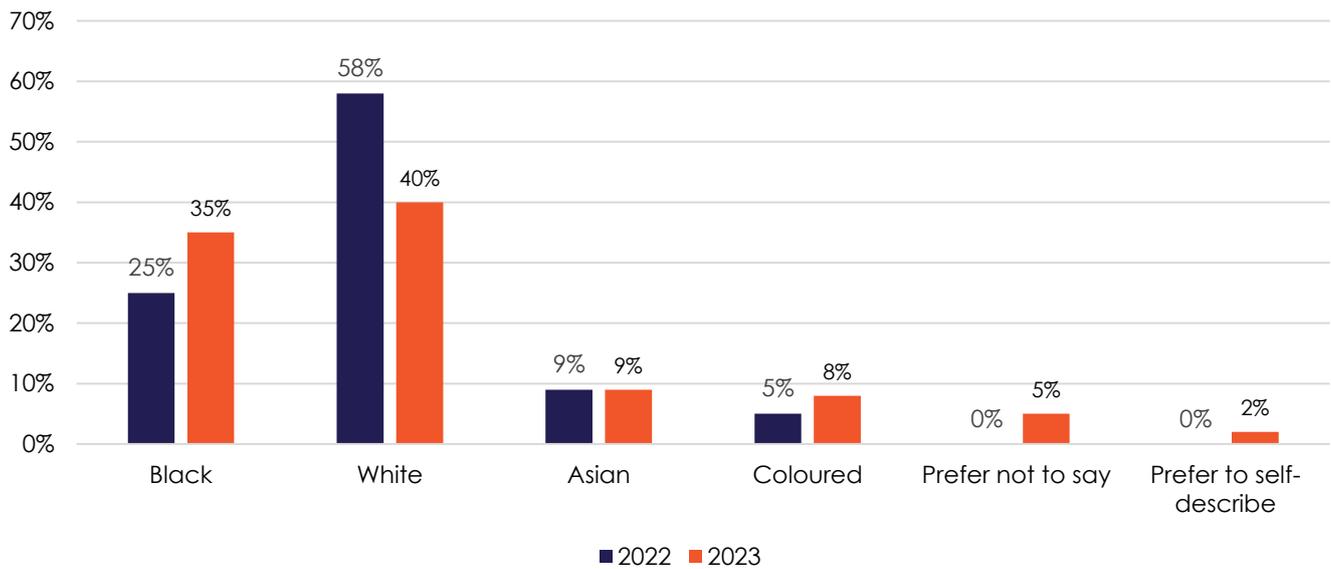
Clients are generally well off with 40% earning more than R500,000 a year.

Figure 5: Gender: How do you identify?



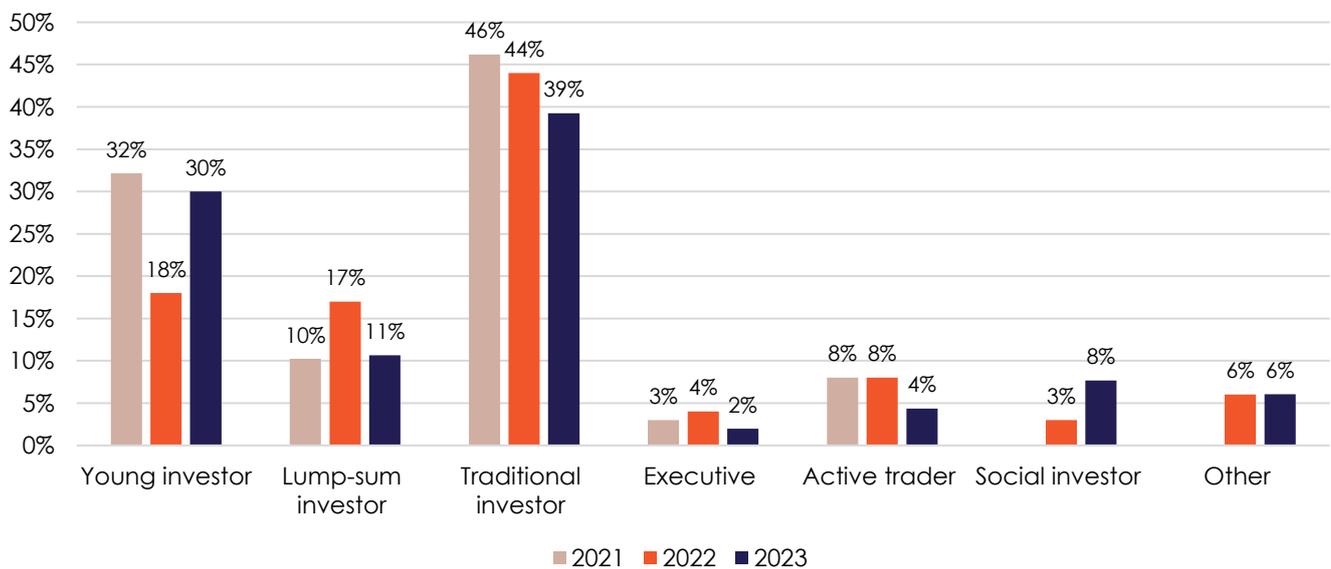
The percentage of female investors remains low, although there has been a considerable increase since 2022.

Figure 6: With which race group do you identify?

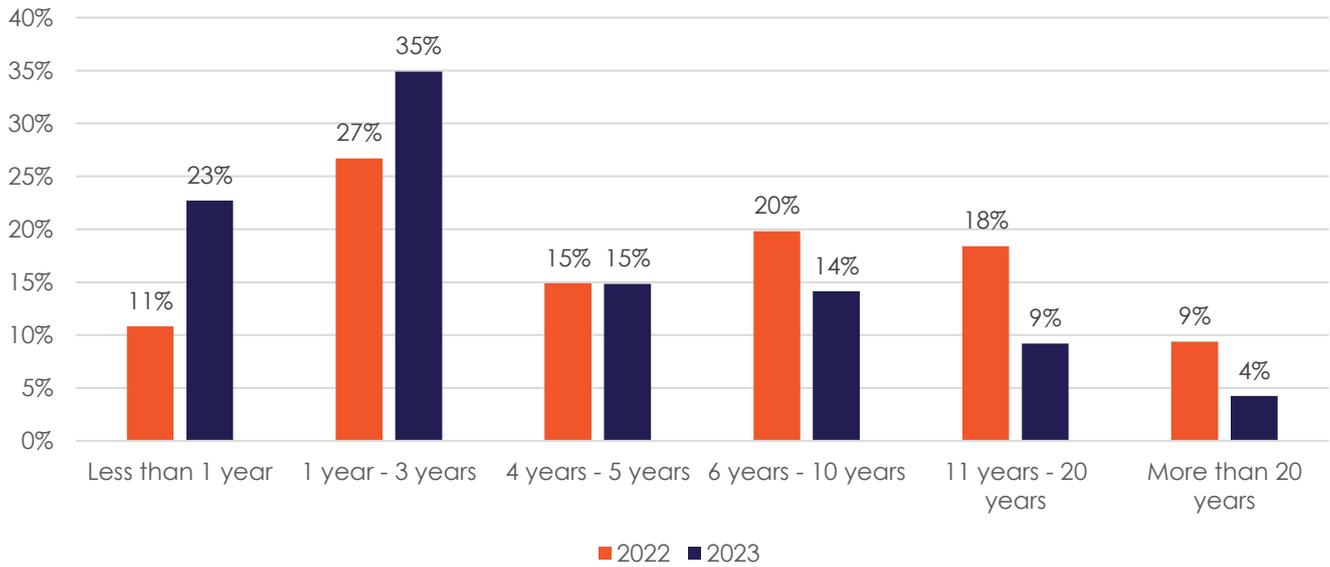


Broking clients do not nearly reflect the demographics of the country however the percentage of black clients has increased from last year while the percentage of white clients has decreased.

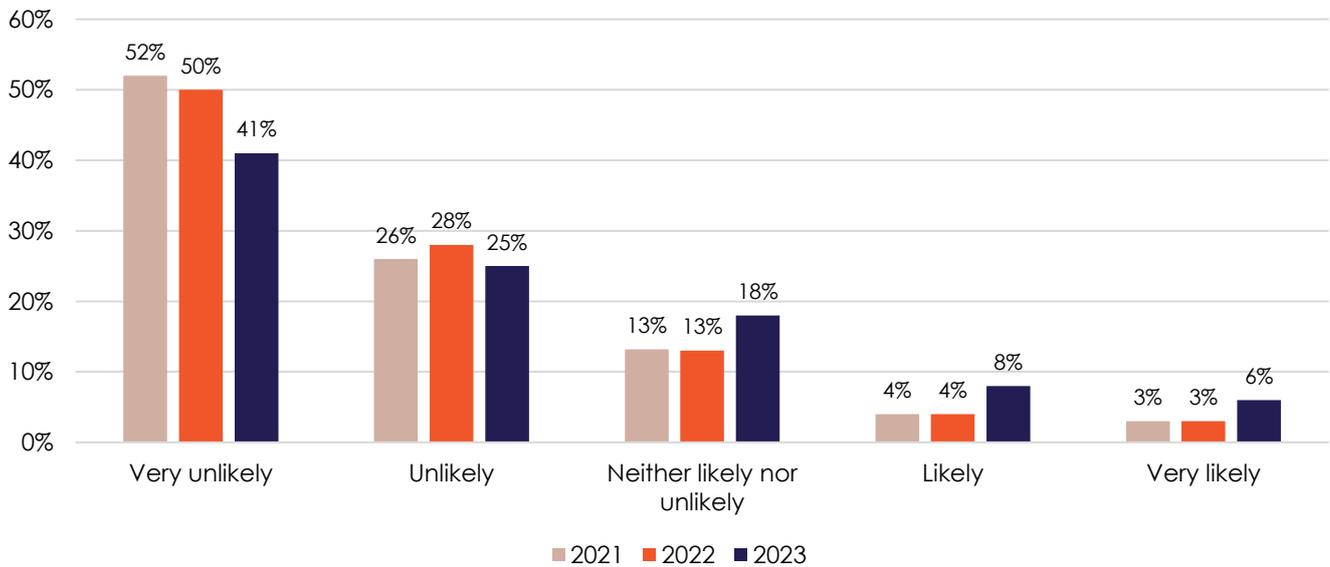
Figure 7: What sort of an investor do you consider yourself to be?



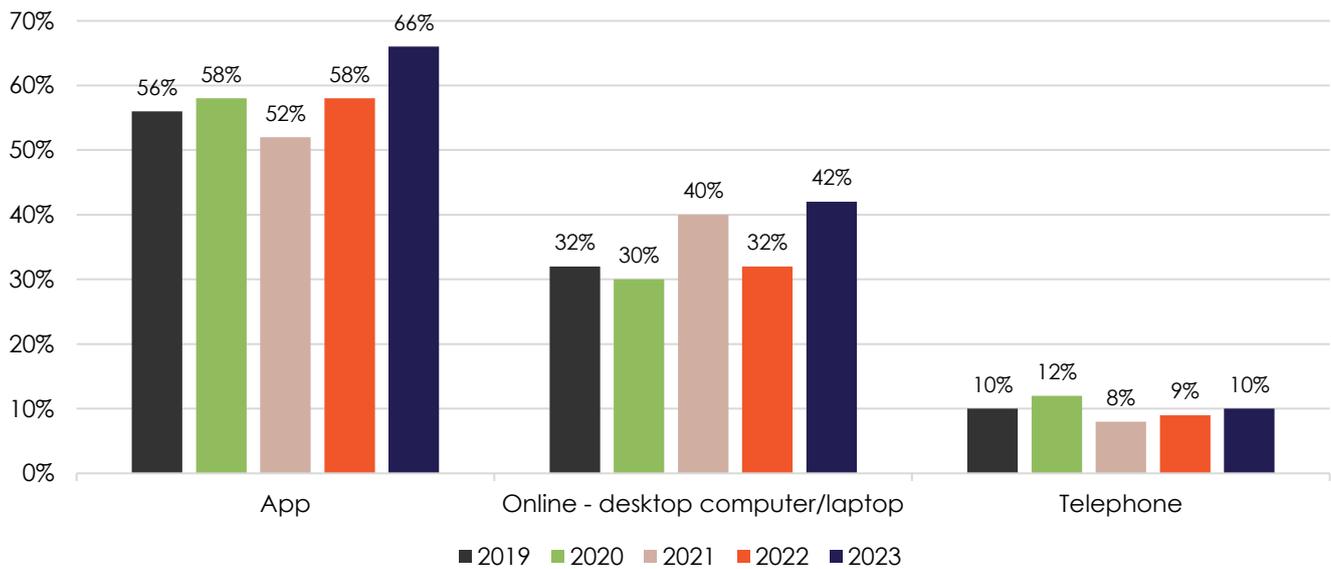
The majority of broker clients remain traditional investors while the number of young investors increases substantially.

Figure 8: How long have you been a client of your broker?


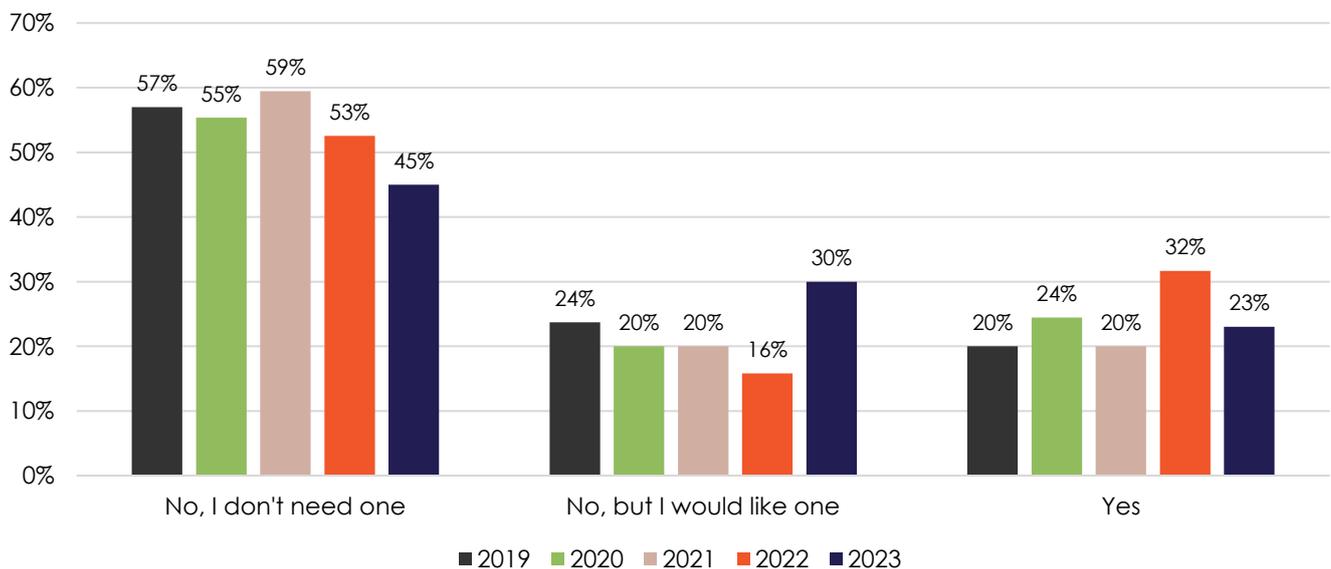
In line with the previous graph, we see an encouraging increase in the number of new clients.

Figure 9: How likely are you to switch from your broker to another one in the next few years?


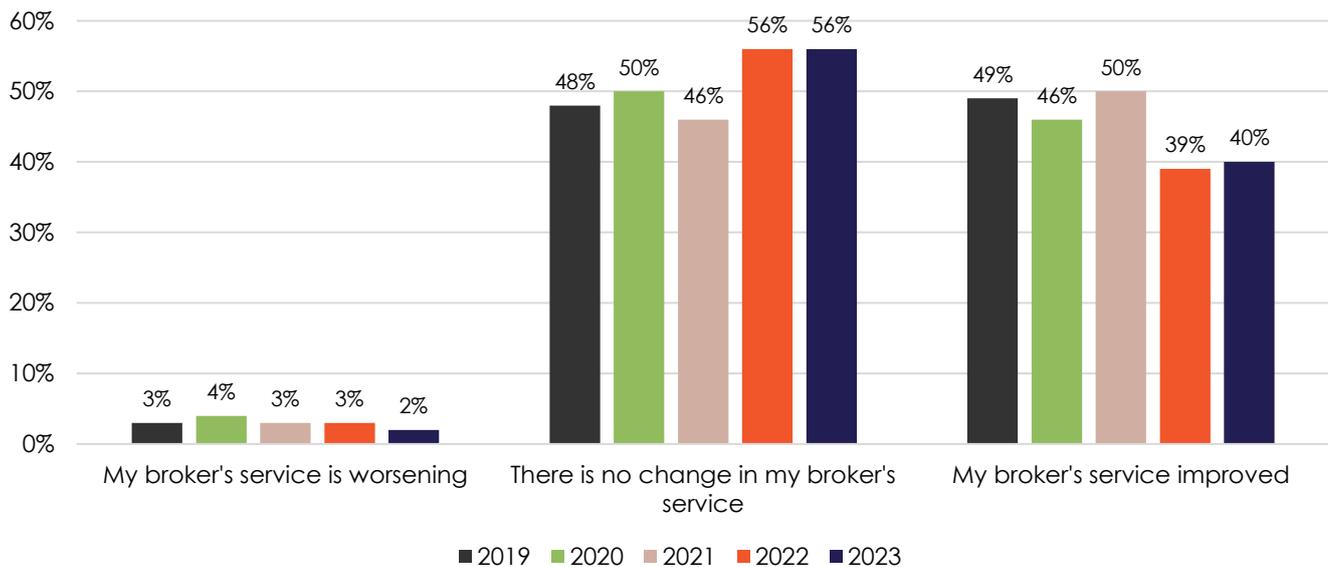
More clients than previous years indicate they are “likely” or “very likely” to switch brokers.

Figure 10: Which of these do you use to place trades?


There are notable increases in the use of both app and computers to trade.

Figure 11: Do you have a dedicated broker assisting you with your trading?


The sharp increase in clients who would like a dedicated broker corresponds with the drop in the other two categories.

Figure 12: Which option describes your broker's services over the last year?


Slightly fewer clients than last year say service is worsening and slightly more believe it has improved.

Table 1: Please rate the importance of the following factors/offerings when you chose your current broker?

Factor/offering		Not important at all	Slightly important	Moderately important	Very important	Extremely important
Low monthly fees and transaction costs	2019	2%	4%	11%	31%	51%
	2020	2%	4%	15%	34%	45%
	2021	2%	4%	13%	32%	48%
	2022	3%	6%	17%	37%	37%
	2023	4%	6%	16%	37%	34%
Personal service from individual brokers	2019	23%	16%	23%	21%	16%
	2020	21%	15%	22%	22%	20%
	2021	24%	16%	22%	21%	17%
	2022	18%	13%	22%	25%	22%
	2023	16%	12%	23%	26%	21%
Ability to provide general financial advice and wealth planning	2019	12%	12%	21%	30%	24%
	2020	13%	12%	21%	29%	25%
	2021	13%	12%	21%	29%	25%
	2022	12%	11%	19%	30%	28%
	2023	6%	8%	17%	35%	31%
Quality and usability of online trading platform	2019	3%	2%	6%	25%	63%
	2020	3%	2%	7%	25%	63%
	2021	3%	2%	6%	26%	63%
	2022	5%	3%	9%	30%	53%
	2023	4%	3%	11%	35%	44%
Quality and usability of mobile/tablet trading	2019	12%	7%	14%	24%	44%
	2020	11%	7%	15%	24%	43%
	2021	9%	5%	12%	25%	49%
	2022	12%	8%	16%	26%	38%

	2023	7%	4%	12%	33%	42%
Quality of research	2019	3%	4%	13%	33%	47%
	2020	3%	4%	13%	33%	47%
	2021	3%	4%	13%	33%	48%
	2022	3%	4%	14%	34%	44%
	2023	2%	3%	13%	37%	42%
Market news and commentary	2019	4%	6%	19%	37%	34%
	2020	3%	5%	20%	36%	36%
	2021	3%	6%	20%	36%	35%
	2022	4%	6%	21%	37%	32%
	2023	3%	7%	22%	36%	29%
Availability of CFDs, currency futures and other derivatives	2019	17%	12%	21%	25%	25%
	2020	17%	12%	22%	24%	26%
	2021	16%	11%	22%	25%	26%
	2022	17%	12%	22%	26%	23%
	2023	9%	8%	23%	33%	25%
Education/training events and webinars	2019	11%	12%	24%	27%	26%
	2020	9%	13%	25%	28%	26%
	2021	8%	12%	24%	29%	27%
	2022	9%	12%	26%	29%	24%
	2023	7%	10%	23%	30%	27%
Availability of international trading capabilities	2019	6%	6%	17%	33%	38%
	2020	5%	6%	17%	31%	41%
	2021	4%	5%	15%	31%	45%
	2022	6%	6%	18%	33%	37%
	2023	4%	5%	18%	36%	35%
Website security	2019	1%	1%	2%	13%	83%
	2020	1%	1%	2%	14%	82%
	2021	1%	1%	2%	14%	83%
	2022	2%	1%	4%	17%	77%
	2023	1%	1%	4%	19%	72%
Website speed and uptime	2019	2%	1%	6%	24%	68%
	2020	1%	1%	5%	23%	69%
	2021	1%	1%	6%	23%	69%
	2022	2%	2%	7%	27%	62%
	2023	2%	1%	8%	28%	59%
Charting and technical analysis tools	2019	4%	6%	18%	31%	40%
	2020	4%	6%	17%	30%	42%
	2021	4%	5%	18%	32%	41%
	2022	5%	6%	19%	32%	37%
	2023	3%	5%	19%	35%	36%
Watchlists and alerts	2019	4%	6%	18%	35%	38%
	2020	3%	5%	17%	34%	41%
	2021	3%	5%	17%	34%	41%
	2022	4%	6%	20%	34%	36%
	2023	3%	5%	19%	36%	34%
Live share prices and market depth	2019	3%	4%	13%	30%	50%
	2020	2%	4%	12%	29%	53%
	2021	2%	3%	12%	31%	52%
	2022	4%	5%	14%	31%	46%
	2023	3%	4%	16%	33%	42%
Live SENS feed	2019	6%	9%	24%	30%	31%
	2020	5%	9%	22%	31%	33%
	2021	5%	8%	25%	31%	31%
	2022	7%	9%	25%	31%	29%
	2023	6%	8%	26%	32%	25%

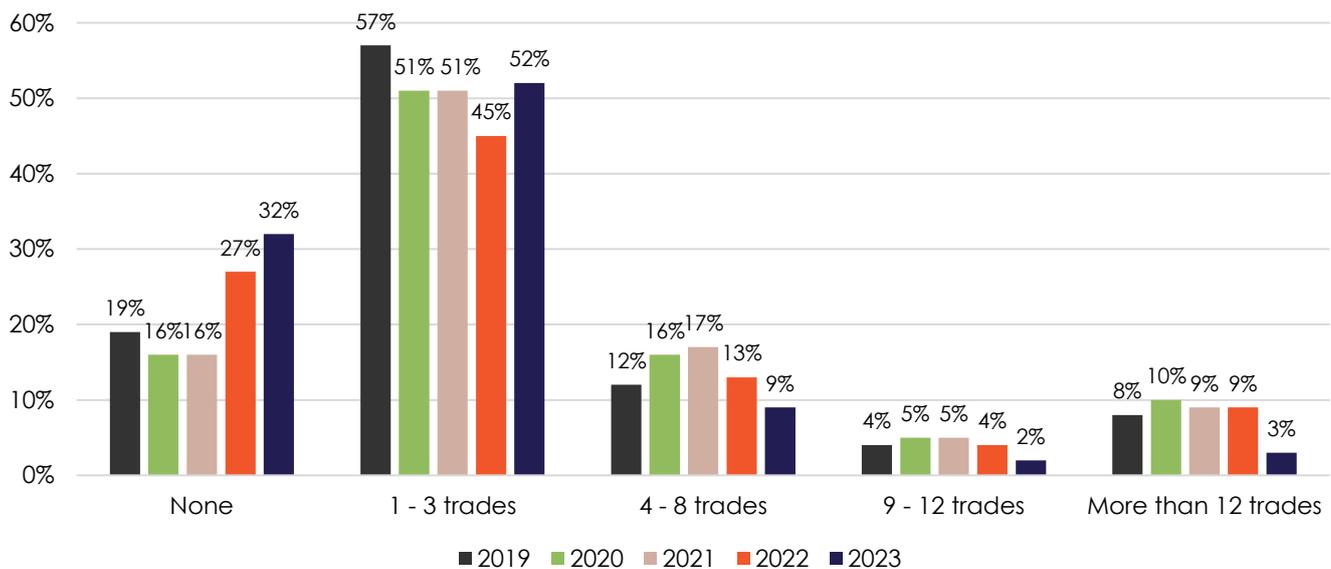
Stop-loss orders	2019	8%	9%	19%	27%	38%
	2020	8%	7%	17%	27%	41%
	2021	7%	8%	19%	27%	38%
	2022	9%	9%	20%	27%	35%
	2023	5%	6%	19%	31%	36%

As in previous years, "website security" followed by "website speed and uptime" are by far the most important factors for clients. The least important factor is "personal service from an individual broker" which somewhat contradicts figure 11, where more clients indicate they would like a dedicated broker.

Table 2: Please rate the quality of service you receive from your broker on the following factors.

Factor		Very poor	Poor	Average	Good	Excellent	Not applicable
Service when you opened the account	2020	1%	1%	7%	31%	59%	4%
	2021	1%	1%	6%	29%	62%	6%
	2022	1%	1%	7%	31%	61%	5%
	2023	1%	1%	9%	32%	56%	5%
Service with admin and back-office issues	2020	2%	3%	10%	35%	51%	8%
	2021	1%	2%	9%	36%	51%	13%
	2022	1%	2%	10%	34%	52%	9%
	2023	1%	2%	14%	38%	44%	14%
Service with IT queries	2020	2%	3%	12%	37%	45%	22%
	2021	1%	2%	12%	37%	47%	26%
	2022	1%	3%	12%	39%	46%	22%
	2023	1%	2%	15%	40%	41%	24%
Service explaining corporate actions and the decisions you have to make	2020	2%	5%	17%	34%	43%	15%
	2021	2%	4%	16%	35%	42%	18%
	2022	1%	3%	13%	36%	46%	16%
	2023	1%	4%	17%	38%	40%	18%
Service when trading misdeals happen	2020	3%	4%	17%	33%	43%	46%
	2021	3%	5%	19%	35%	38%	46%
	2022	2%	4%	17%	37%	40%	44%
	2023	2%	4%	21%	39%	34%	37%
Service in your language of choice	2020	1%	3%	7%	26%	63%	14%
	2021	2%	3%	7%	25%	63%	15%
	2022	2%	2%	7%	26%	63%	11%
	2023	2%	3%	9%	29%	58%	11%
Overall satisfaction with service	2020	1%	2%	7%	33%	58%	3%
	2021	1%	1%	7%	32%	59%	3%
	2022	1%	1%	7%	31%	60%	3%
	2023	1%	1%	10%	35%	54%	3%

"Service in your language of choice" receives the highest percentage of excellent ratings while clients are least impressed about service when trading misdeals occur.

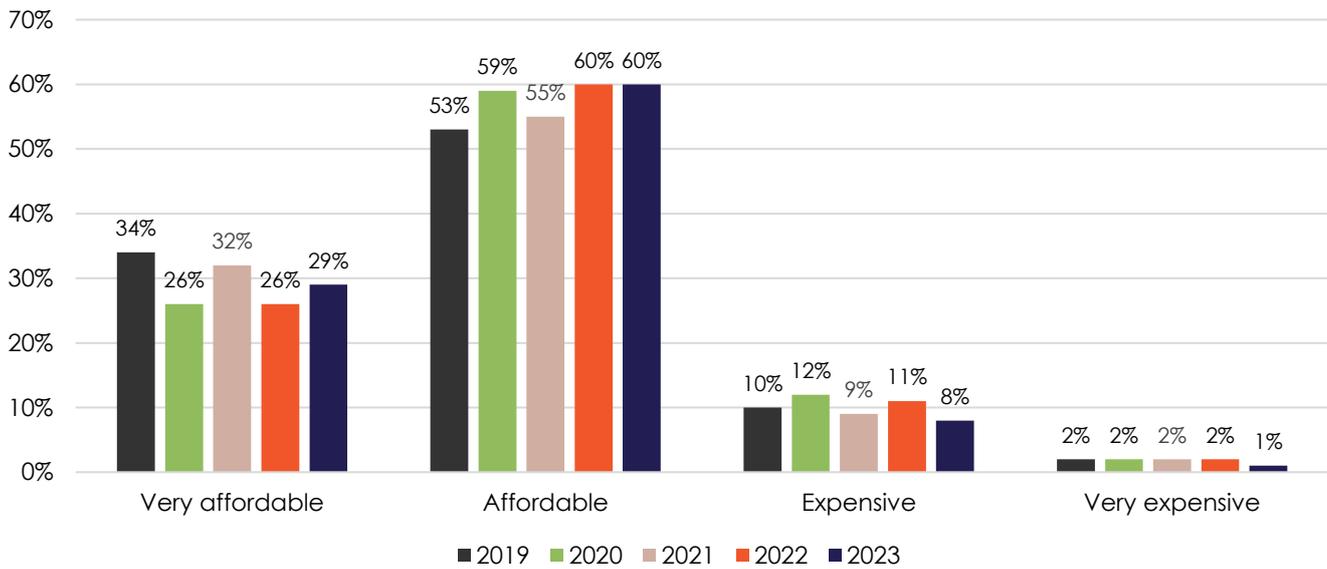
Figure 13: How many trades do you place on average per month (both buy and sell orders)?


The bulge remains firmly in the “one to three trades” bracket but far fewer clients are executing more than three trades a month.

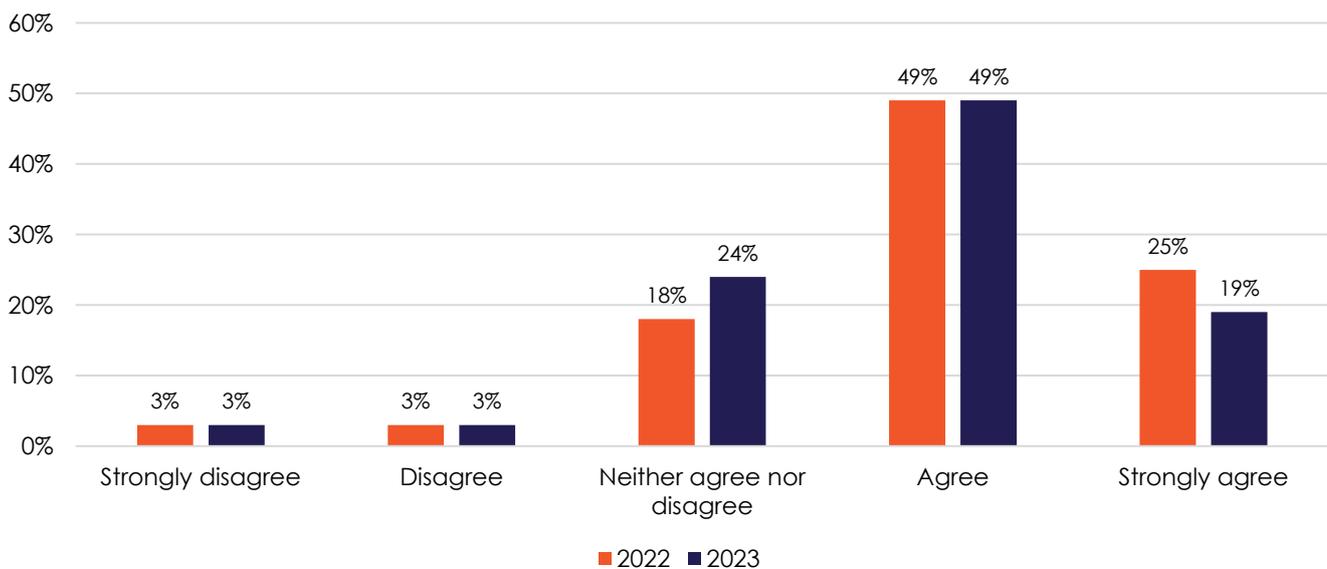
Table 3: Please rate the quality of service you receive from your broker on the following factors.

Factor		Very poor	Poor	Average	Good	Excellent	Not applicable
Overall quality of service	2019	1%	1%	6%	34%	58%	3%
	2020	1%	1%	7%	35%	56%	3%
	2021	1%	1%	7%	33%	58%	5%
	2022	1%	1%	7%	33%	58%	4%
	2023	1%	1%	10%	37%	51%	5%
Quality and service level of telephone/advice-based trading	2019	1%	2%	12%	35%	51%	44%
	2020	2%	2%	11%	31%	53%	46%
	2021	2%	3%	12%	34%	48%	37%
	2022	1%	3%	11%	34%	51%	30%
	2023	1%	3%	14%	37%	44%	27%
Quality of administration including statements and cash deposits/withdrawals	2019	1%	1%	7%	33%	58%	5%
	2020	1%	1%	7%	33%	58%	5%
	2021	1%	1%	7%	34%	57%	6%
	2022	1%	1%	8%	31%	59%	6%
	2023	1%	1%	11%	36%	51%	8%
Quality of help desk	2019	1%	2%	11%	38%	49%	17%
	2020	2%	4%	12%	35%	47%	21%
	2021	2%	3%	12%	36%	46%	23%
	2022	2%	3%	11%	36%	48%	18%
	2023	1%	2%	14%	38%	44%	21%
Value for money	2019	1%	2%	12%	33%	52%	3%
	2020	1%	2%	14%	35%	48%	3%
	2021	1%	2%	12%	34%	52%	4%
	2022	1%	2%	14%	35%	49%	4%
	2023	1%	2%	15%	37%	46%	6%

Clients are satisfied with the quality of the listed factors with high percentages of excellent ratings, although these percentages are mostly lower than last year.

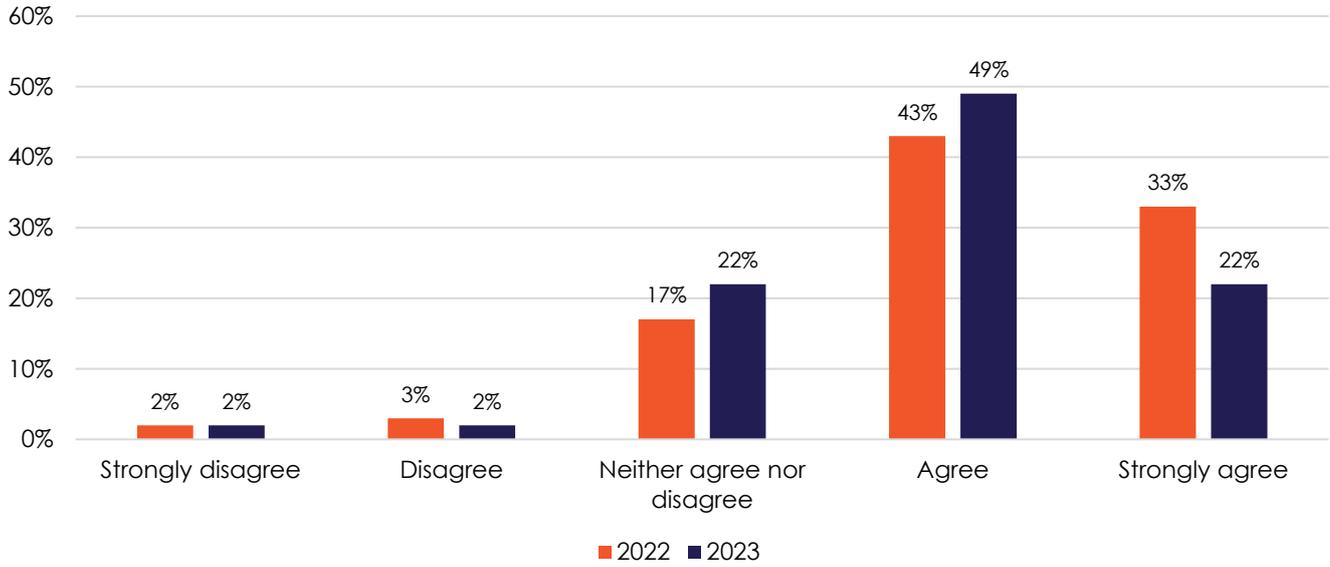
Figure 14: Do you consider the cost of the overall service you receive to be:


Krutham believes there are not many other sectors where clients are generally happy with costs – here 89% rate overall service to be affordable or very affordable.

Figure 15: Please indicate to what extent you agree with the statement: "My broker's administrative fees, transactions fees, commission, advisory fees and any other fees are transparent."


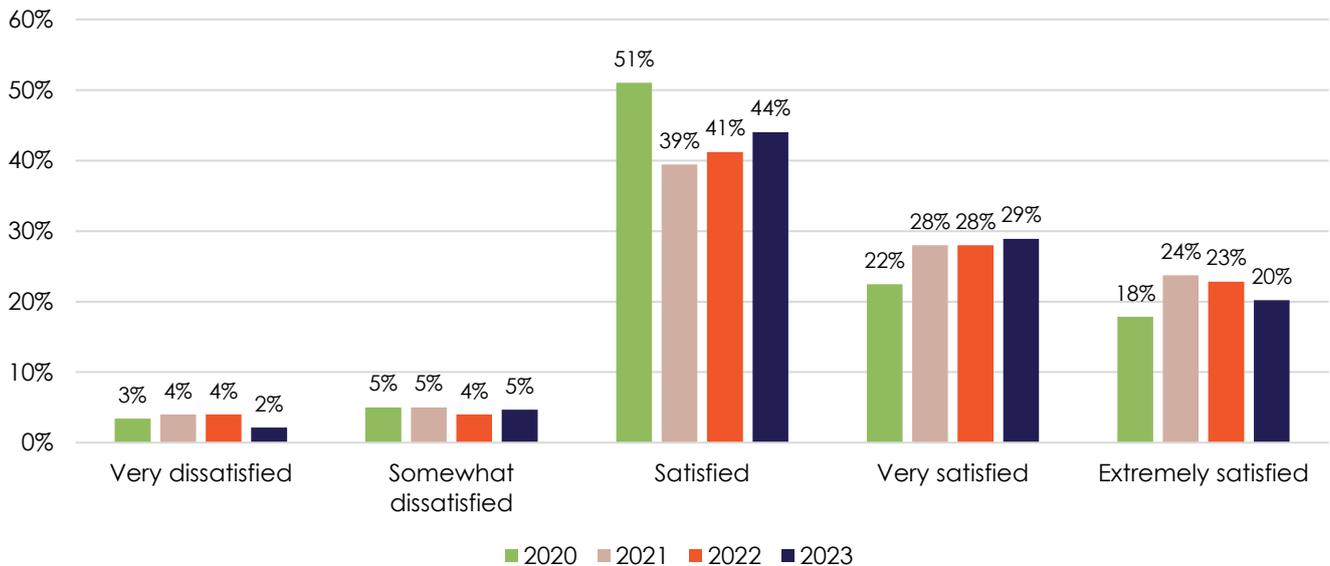
Fee transparency also gets strong ratings from clients, but there is a considerable decline in the "strongly agree" ratings.

Figure 16: Please indicate to what extent you agree with the statement: "My broker is responsive when I have queries or ask for advice via any of the available communication channels."



While this graph reflects strong satisfaction levels, there's a sharp drop in those who "strongly agree" that their broker responds timeously.

Figure 17: In terms of your broker's CFD offerings, how satisfied are you with the range of securities and/or asset classes available?



Very few clients are dissatisfied with their broker's range of CFD offerings.

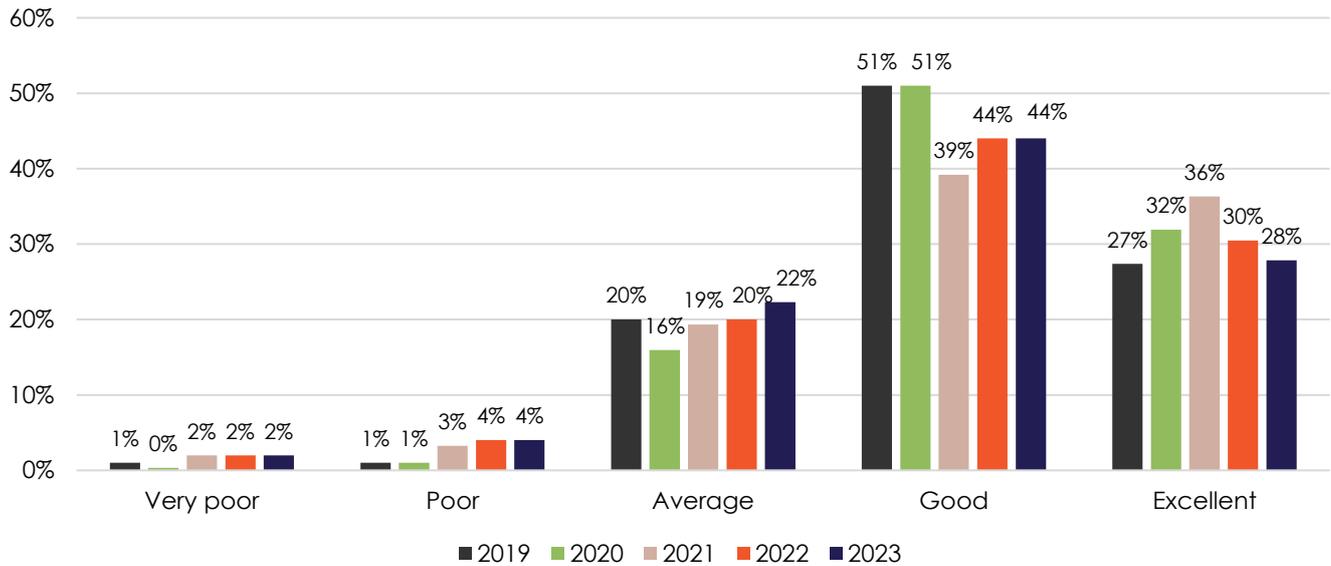
Table 4: Please rate the following factors regarding the online platform provided by your broker:

Factors		Very poor	Poor	Average	Good	Excellent	Not applicable
Overall quality	2022	0%	1%	7%	38%	53%	11%
	2023	1%	1%	10%	41%	47%	12%
Responsiveness	2022	1%	2%	8%	39%	51%	11%
	2023	1%	1%	11%	43%	45%	13%
Reliability	2022	0%	1%	7%	37%	55%	10%
	2023	0%	1%	9%	42%	47%	11%
User-friendly interface	2022	1%	2%	10%	37%	50%	11%
	2023	1%	2%	12%	38%	47%	11%
Analysis and trading tools	2022	1%	3%	14%	41%	41%	17%
	2023	1%	3%	17%	42%	37%	18%
Automatic trading (trades that are automatically executed based on triggers such as stop losses)	2022	1%	4%	12%	40%	43%	37%
	2023	1%	3%	16%	41%	38%	34%
Security of data	2022	0%	1%	6%	36%	57%	12%
	2023	0%	1%	9%	38%	52%	14%
Ease of registering to start trading	2022	1%	2%	9%	37%	51%	19%
	2023	1%	1%	10%	38%	50%	18%
Service to help you understand the trading platform and functionality	2022	1%	4%	13%	39%	43%	19%
	2023	2%	4%	16%	40%	38%	19%
Usefulness of demo account	2022	2%	4%	13%	37%	44%	38%
	2023	2%	4%	16%	38%	40%	35%
Ease of depositing and withdrawing funds	2022	1%	2%	8%	30%	60%	13%
	2023	1%	2%	10%	35%	52%	13%
Ease of placing buy and sell orders	2022	1%	1%	6%	30%	62%	17%
	2023	1%	2%	10%	36%	52%	18%

We introduced this question last year to assess various aspects of online platforms, which are extremely important for self-service traders in particular.

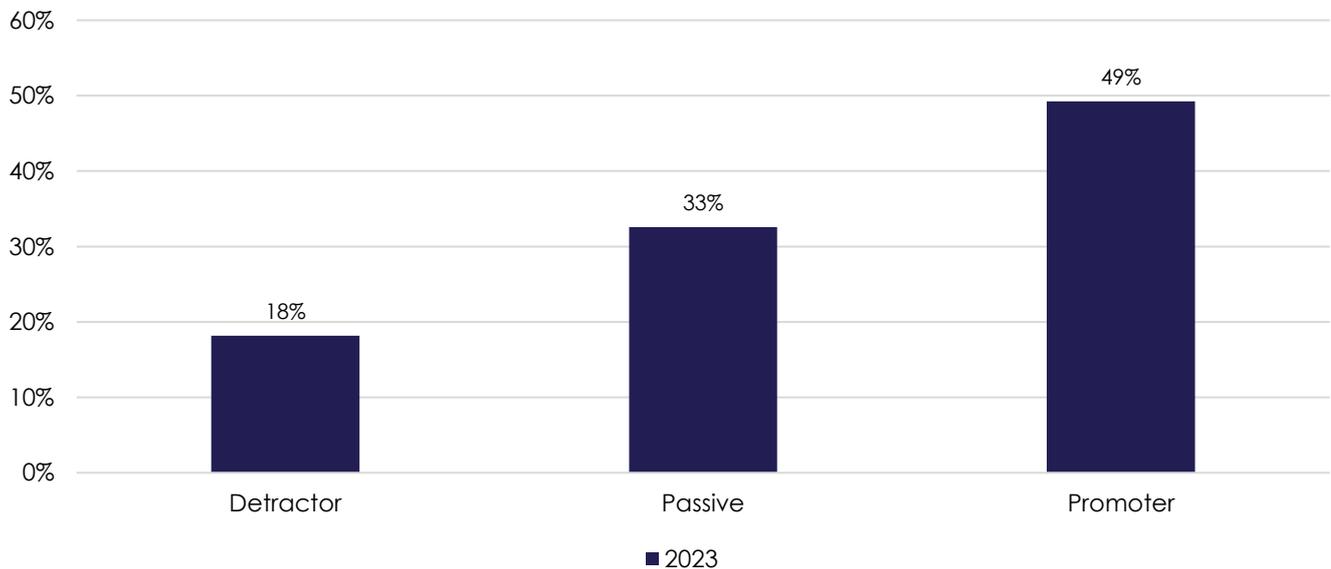
“Security of data”, “ease of placing buy and sell orders” and “ease of depositing and withdrawing funds” get the highest percentage of excellent ratings while “analysis and trading tools” receive the lowest. However, there is a decrease in the “excellent” ratings on all factors.

Figure 18: Please rate your broker's free educational offerings.

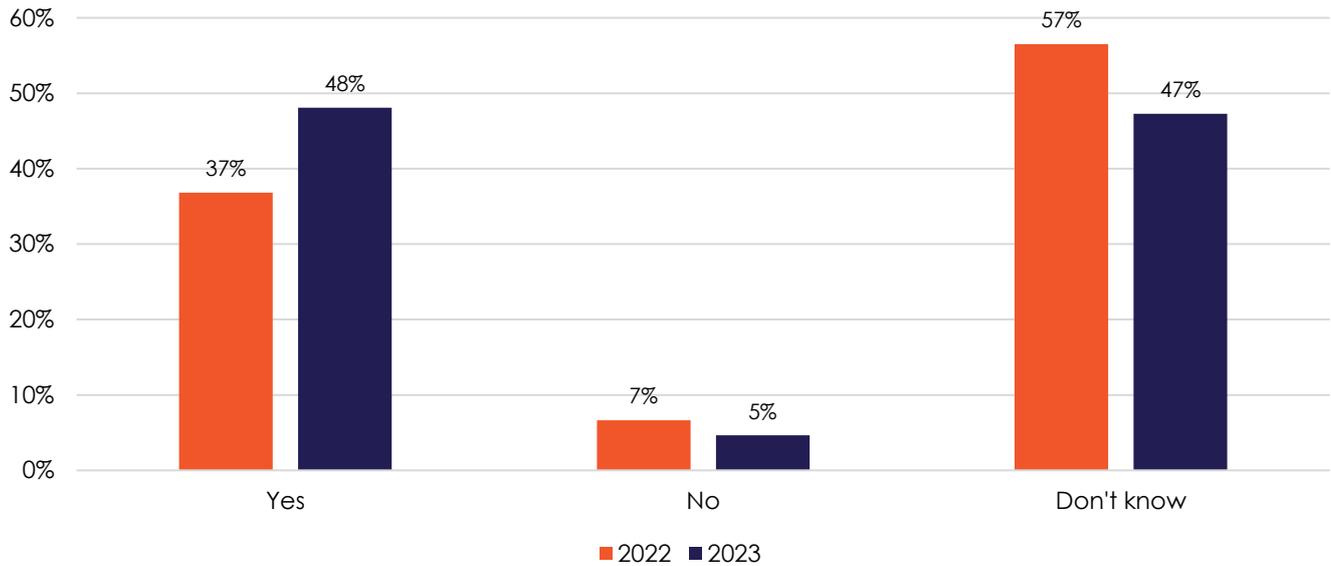


Since 2021 there has been a steady year-on-year decrease in the percentage of clients who rate their brokers' free educational offerings as "excellent".

Figure 19: How likely are you to recommend your broker to others?

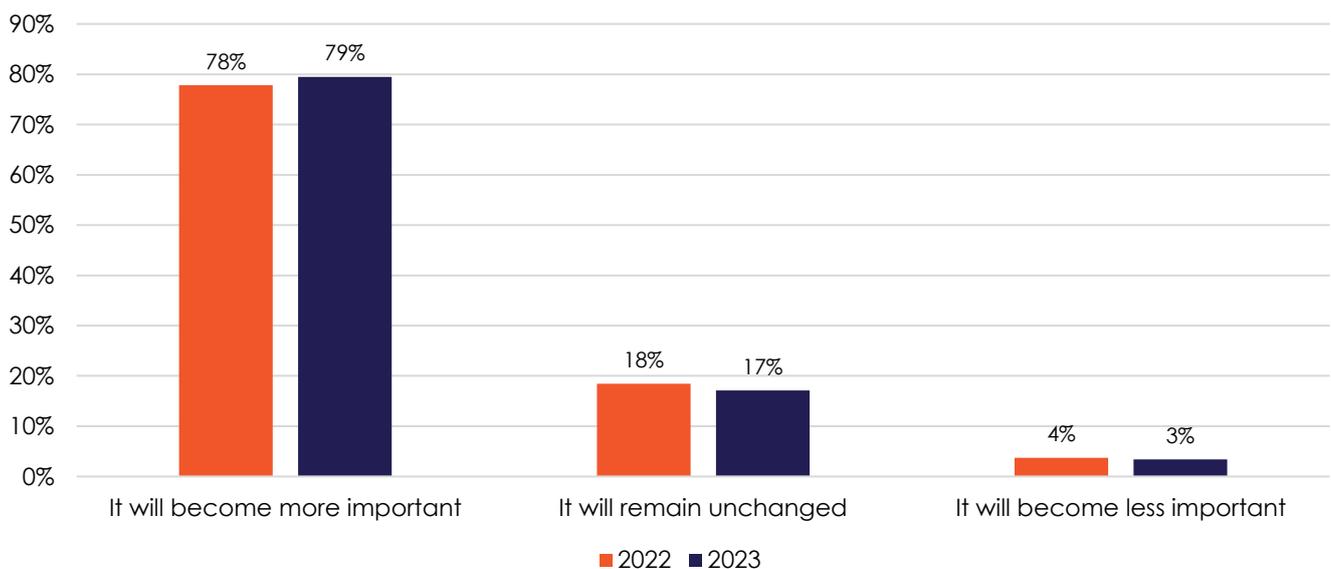


The industry's Net Promoter Score (NPS) is 31 and is calculated by subtracting the percentage of detractors from the percentage of promoters. Clients are asked how likely they are to recommend their brokers to others on a scale of 0 to 10. Those who give a score of 0 to 6 are considered detractors, those who give a score of 7 to 8 are passives and those with a score of 9 to 10 are promoters. According to the creators of the NPS metric, Bain & Company, an NPS score above 0 is good, above 20 is great and above 50 is amazing. Anywhere above 80 is in the top percentile. The industry's clients are thus very satisfied and highly likely to refer their brokers.

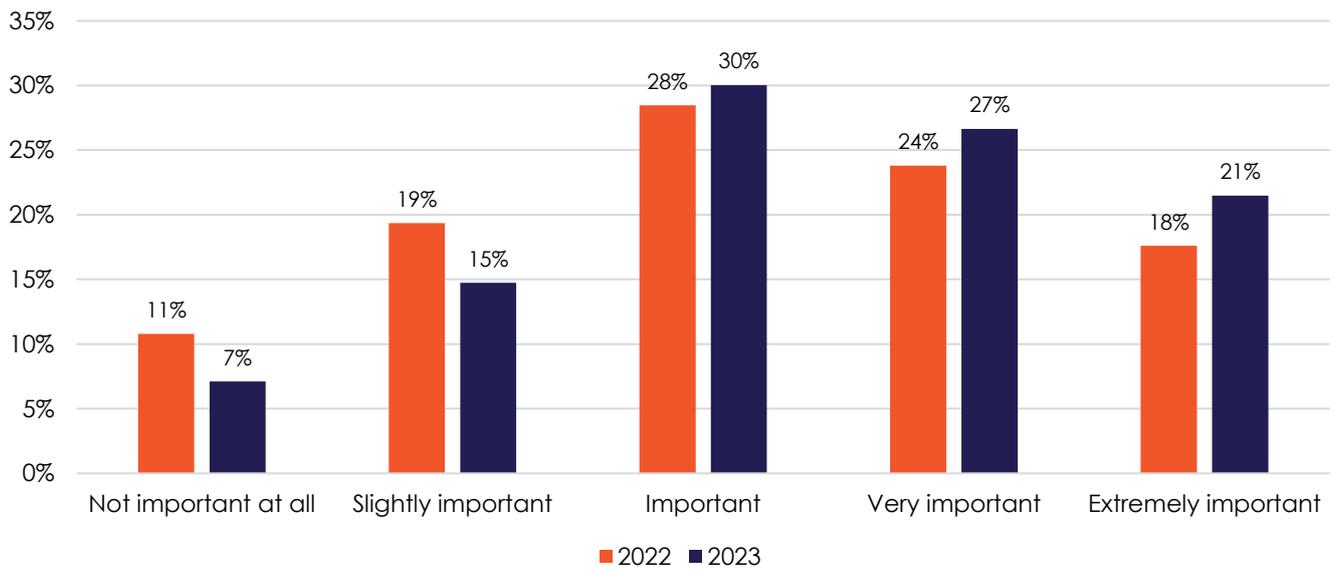
Figure 20: Does your broker consider sustainable investing when creating your investment portfolio?


Sustainable investing, also known as ethical investing, refers to investment strategies that not only consider financial return but also social, governance and environmental impact.

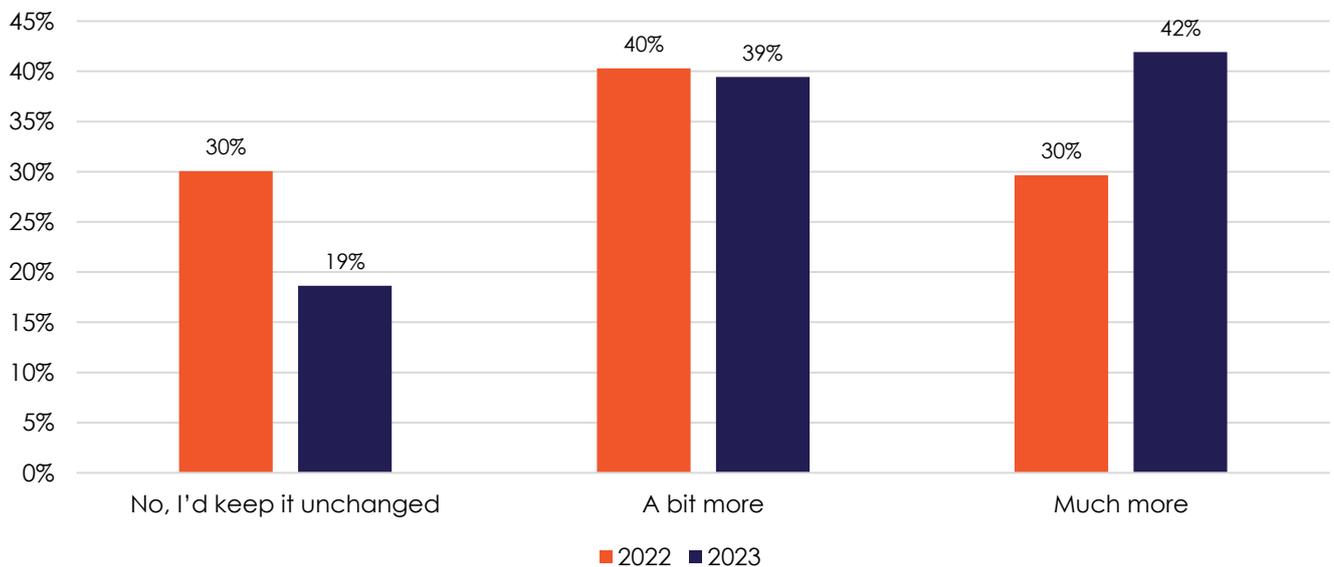
Almost half of clients say their brokers do consider sustainable investing but almost the same number do not know.

Figure 21: How do you expect the role of sustainable investing to change in the next five years?


The responses here reflect industry trends, with sustainable investing principles becoming increasingly important globally.

Figure 22: How important is sustainable investing to you?


Almost 80% of clients are within the "important" to "extremely important" brackets, with a drop in those who believe it is only slightly important or not important at all.

Figure 23: Would you invest more if you knew that your funds were making a positive difference?


Over 80% of clients would invest more if they knew that it would make a positive difference.

Methodology

The Top Securities Brokers survey is conducted annually by specialist financial capital markets research house Krutham.

The structure and approach of the project has been informed by our experience built up over past years, as well as feedback from industry participants and their clients. Overall, we aim to blend qualitative client feedback with data provided by the firms and the assessment from the judges.

The awards recognise firms in two main categories: Top Self-service Broker (formerly Top Online Broker and Top Full-service Broker (formerly Top Advice Broker). This division recognises the two main types of securities brokers that operate in the market and the types of services in which clients are interested. We define full-service brokers as brokers that provide clients with a wide range of financial services including a relationship manager who provides direct advice, research and other investment support to clients and who often have discretion to place buy and sell orders and execute trades for the client. Self-service brokers provide online facilities for “do-it-yourself” traders and execute buy and sell orders placed by the client. These two awards as well as the Most Improved Broker award are based 40% on the judging panel's assessment and 60% on client ratings.

The Top Full-Service and Self-Service scores are incorporated into the overall award, the Top Overall Broker of the Year. There is also an award based purely on client feedback, the People's Choice Award, and we recognise the top brokers that provide contracts for difference (CFDs).

This year our archetypes reflect six client segments to recognise excellent service delivered in each. Krutham believes these awards, which are based purely on client rankings, are particularly useful for new clients seeking a firm that meets their particular needs. These awards are:

- Young investor (younger than 35, saving regularly from income)
- Lump-sum investor (retiree/recipient of large sum payout that will be invested in a broker account)
- Traditional investor (older than 35, contributing regularly to a portfolio)
- Active trader (day-trading as main source of income)
- Executive (has complex equity structuring requirements)
- Social investor (has complex equity structuring requirements)

We also specify which firms excel in different categories, such as value for money and range of instruments available.

Finally, there is an award that recognises individual excellence: the Top Relationship Manager of the Year. The winner is determined by client nominations and the ratings they provide, weighted according to firm size and client base.

The firms we cover come in two types: registered stockbrokers and registered financial services providers (FSPs) that offer stockbroking-like services. Registered stockbrokers tend to be older firms focused on personal relationships with clients while FSPs tend to be more execution focused. Only registered stockbrokers are allowed to call themselves “stockbrokers” in terms of legislation, though it has become common usage to refer to everyone who supplies stockbroking-like services as stockbrokers. Because our priority is to provide a useful service to members of the public, for whom the difference is often irrelevant, we incorporate both registered stockbrokers and FSPs in our survey.

The research has two pillars. First, a comprehensive questionnaire is sent to brokers asking for details of their products, pricing and market positioning. Second, a major online survey is undertaken in

which clients of brokers participate. Clients rate their brokers on numerous factors and these scores determine the important People's Choice Award and feed into the other scoring categories where relevant.

The Self-Service and Full-Service scores reflect a combination of Krutham's views and client feedback. For the Full-Service Broker Award, the client input consists of ratings for advice on investment decisions, quality of fundamental research, buy and sell recommendations, macroeconomic analysis, quality and service levels of telephone-based trading, advice on corporate actions and value for money. For the Self-Service Award, client input includes service with IT queries; help with understanding the trading platform; educational assistance; ease of use of the online trading platform; satisfaction levels with the platform and app; and access to data.

The Top Overall Broker award is informed both by client input and an assessment from the judging panel. The assessment takes into account six equally weighted dimensions: cost of trading; responsiveness and transparency; available instruments and trading tools; client support and education tools; online services; and offline services. The client input is a consolidation of the client input used for the Full-Service and Self-Service categories.

The People's Choice Award is based on client feedback on several factors where clients rank their brokers on satisfaction levels on specific services and products, value for money, overall satisfaction levels and on their likelihood of recommending the broker to family or friends.

The top CFD provider is also determined from a mix of client feedback and the judges' assessment of the online capability, trading costs and credit riskiness of the provider. Client opinions on CFD research are also considered. Better scores for risk are given for firms where the counterparty for CFDs is clear and has a large balance sheet. Small or obscure balance sheets receive lower scores.

The methodology will continue to evolve to stay abreast of industry changes and as we receive further feedback.



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Find out more

Krutham produces detailed reports on the performance of individual brokers based on the client feedback we have collected. If you would like to commission such a report, please contact Heidi Dietzsch, email heidi@krutham.co.za or telephone 0832760435.

Give us feedback

We would like to know what you think of the Top Securities Brokers survey process. If you have any thoughts or feedback, please email heidi@krutham.co.za



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