



krutham

Top Securities Brokers

South Africa **2024**

Industry Report

September 2024





The power of knowing

In today's fast-paced business world, making informed decisions and developing effective strategies are crucial for success. But navigating Africa's complex business landscape can feel like a maze that requires more than keen intelligence.

At Krutham, we believe in the power of informed decision-making. Our primary research and strategy practice conducts on-the-ground research to help our clients answer questions about their markets, customers, products and services. We do extensive work with banks and other financial institutions to anticipate, manage and drive change arising from many sources of risk. We also support strategy development through scenario planning and detailed development of financial sector opportunities.

Talk to us about how we can help you.

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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 15th anniversary of this rigorous review of broking services in the country. The results stem from a questionnaire completed by brokers combined with ratings from clients gathered in an extensive online survey. While 10 brokers officially participated in the survey, client participation roped in 44 brokers, with 23 of these having at least 20 of their clients complete the survey.

This year a record number of 16,510 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 26 September issue of FM Investors Monthly for the full, detailed survey report.

This publication is a summary of the main findings from the 2024 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:

Mark Humphreys (external judge)

Vuyo Ntoi (external judge)

Colin Anthony (editor)

Two external, independent judges, Mark Humphreys and Vuyo Ntoi, joined the judging panel for the 2024 Top Securities Brokers survey.

Vuyo Ntoi has been co-managing director at the African Infrastructure Investment Managers since 2020, bringing over two decades of investment experience with a focus on private infrastructure in Africa since 2003. He co-manages the IDEAS Managed Fund, which invests in infrastructure across the SADC region and boasts a diverse portfolio. Joining AIIM in 2003, Vuyo has been instrumental in its evolution from a South Africa-centric fund manager to a leading pan-African infrastructure investor. He serves on several boards, including as chairperson of SAVCA and GreenCape, and is a director on the AIIM Board and a member of its executive and investment committees. Vuyo holds a B.Com Honours from the University of Cape Town, an M.Sc from the University of Oxford, an MBA from IESE Business School, and has completed Harvard's Advanced Management Programme.

Mark Humphreys is a seasoned professional with over 18 years of experience in the retail investment and trading industry. He played a pivotal leadership role at Standard Bank Online Trading, guiding the franchise through 12 consecutive years of achieving first or second place at these prestigious industry awards. Mark's expertise spans capital markets technology, strategic leadership and product development. Recently relocated to the US, he is actively exploring new opportunities in the global financial and technology sectors.



Get your bespoke benchmarking report

Gain the benefit of our market analysis with a customised report that benchmarks your services against those offered by the rest of the industry. We provide crucial insight into client feedback as well as strategies and trends in the wealth management and private banking sectors.

	Section A	Section B	Section C
Full survey results (with four years' firm survey results, and industry benchmarks)			•
Results presentation with Krutham analysts	•		
Analysis of your clients' feedback from client survey	•		
Client ratings of your offerings and services	•		
Trend analysis from four years of client feedback and peer comparison	•		
Market share benchmarking (client numbers, AUM, AUA)		•	
Firm's pricing strategies		•	
Analysis of market segmentation and targeting		•	
Operational structures		•	
Innovation and disruption monitoring		•	
New developments and trends such as sustainable investing		•	
Comparison of service capabilities		•	
Price (excl VAT)	R30,000	R42,000	*
*Based on number of your clients who completed the survey, priced at R150 per respondent.			

Firms can customise their reports as follows:

C: survey results only

C+A: survey results plus award performance

C+B: survey results plus market dynamics

C+B+A: survey results, awards performance and market dynamics

Confidentiality guaranteed

Due to confidentiality commitments, we do not provide details on direct competitors. The focus is to compare your services and client views with aggregates for the industry.

Get your strategic report

These reports offer strategic market intelligence that will enable you to learn from the market to boost your growth.

The reports consist of three sections:

- **Section A** assesses the industry's performance in the following award categories: Top Large Firm and Top Boutique Firm, Top Full-service Broker, Top Self-service Broker, Top CFD Provider, Best Innovator, People's Choice Award, new award is introduced - Best Research and Education and the six archetype awards: young investor, lump-sum investor, traditional investor, executive, active trader and social investor. We explain the judging methodology and the questions that were used to determine the winners in each award. There are 10 themes that inform these awards. We explore the questions that feed into each theme and provide client comments related to each theme.
- **Section B** contextualises the industry's recent changes in relation to the broader market. Market pricing models are compared between firms with a discussion of the various pricing strategies. Finally, the digitalisation of security brokers is explored to track the progress of the digital transition in South African security brokering services.
- **Section C** focuses on the results from the online survey.

Investment

Report section		Amount
Section A		R10,000
Section B		R10,000
Section C		R10,000
	TOTAL	R30,000

Overall winners

The following awards, Top Large Firm, Top Boutique Firm, Top Full-Service Broker, Top Self-Service Broker and Best Innovator, are based 40% on the judges' assessments of the firm questionnaires and 60% on client ratings from the online survey.

Top Large Firm

Rank	Firm	Score
1	PSG Wealth	8,4
2	FNB Stockbroking and Portfolio Management	8,01
3	EasyEquities	7,9

The Top Large Firm is a new award introduced in 2024. This award is for large firms with more than 20,000 clients.

PSG Wealth's success stems from its strong focus on client satisfaction. Clients speak highly of the firm, with one stating: "They have consistently gone above and beyond for me, keeping me informed about my portfolio and suggesting proactive adjustments when necessary." Another client says: "The support across all services, whether advisory or just a friendly catch-up, has been excellent."

FNB Stockbroking and Portfolio Management moves up to second from eight last year and EasyEquities taking third place.

Top Boutique Firm

Rank	Firm	Score
1	Herenya Capital	9,29
2	Unum Capital	9,20
3	Rand Swiss	8,90

The Top Boutique Firm award is another new award introduced in 2024. This award is designed for firms with less than 20,000 clients. Herenya takes first place, with the firm's success is credited to its personalised approach and dedication to client care. One client commented: "Herenya takes the time to understand my specific needs and provides solutions that are both thoughtful and effective." Another said: "Their proactive communication and attention to detail give me confidence in every decision, and I always feel like a valued client, no matter the size of my request."

Top Full-Service Broker

Rank	Firm	Score
1	Rand Swiss	8,64
2	Unum Capital	8,63
3	PSG Wealth	8,56

Rand Swiss has again claimed the Top Full-Service Broker award, securing the title for the second consecutive year. The firm offers comprehensive services that meet the diverse needs of its clients. Unam Capital rises to second, up from eighth last year.

Top Self-Service Broker

Rank	Firm	Score
1	Herenya Capital	8,42
2	EasyEquities	8,18
2	PSG Wealth	8,18
3	Unum Capital	8,17

Herenya retains its title as the Top Self-Service Broker of the Year for the second consecutive year. PSG Wealth and EasyEquities tie for second place while Unum Capital advances from sixth last year to third.

Best Innovator

Rank	Firm	Score
1	Unum Capital	8,31
2	Herenya Capital	8,21
3	EasyEquities	7,84

The Best Innovator award replaces the Most Improved Broker category, with Unum Capital taking top honours.

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. After assessing the market and the results, we decided to list the CFD issuers used by the CFD provider to give recognition to the third-party issuers.

Rank	Firm	Score	Third Party
1	Herenya Capital	9,12	Nedbank + Peresec + Velocity Trade Financial Services + Interactive Brokers
2	Afrifocus Securities	8,68	Not disclosed
3	Unum Capital	8,14	Investec Prime, Interactive Brokers, Varianse, Velocity Trade, Saxo / DMA

Herenya again secures the Top CFD Provider of the Year award, maintaining its position as a consistently strong competitor in this category.

People's Choice Award

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

Rank	Firm	Score
1	Herenya Capital	8,68
2	Unum Capital	8,25
3	Rand Swiss	8,09

Winning this award is a remarkable accomplishment as it signifies exceptional client satisfaction. This year, Herenya retains its top position from last year, while Unum Capital makes an impressive leap from fifth to second place. Last year's runner-up, Rand Swiss, takes third place.

Best Research & Education

The new Best Research & Education award is based solely on the client ratings gathered in the online survey.

Rank	Firm	Score
1	Herenya Capital	9,20
2	Rand Swiss	8,82
3	Unum Capital	8,80

Herenya Capital takes the maiden award for providing the best research and education.

Best Platform

Only firms with proprietary platforms are eligible for this award.

Rank	Firm	Score
1	Afrifocus Securities	8,62
1	Rand Swiss	8,62
2	Independent Securities	8,46
3	PSG Wealth	8,45

The Best Platform award is a new category introduced this year, specifically for firms with proprietary platforms. Rand Swiss and Afrifocus Securities are tied in first place for this inaugural award, followed by Independent Securities and PSG Wealth.

Winners per archetype

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

- Young investor: employed, younger than 35, contributing regularly to a portfolio
- 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
- Executive: senior business leaders with complex equity structuring requirements
- Social investor: clients who belong to stokvels, credit unions and group saving schemes
- Active trader: day-trading as source of income, to supplement their income or as a hobby

Rank	Young investor	Out of 10 (Weighted)
1	PSG Wealth	8,89
2	Brokstock	8,83
3	EasyEquities	8,55

Rank	Lump-sum investor	Out of 10 (Weighted)
1	PSG Wealth	9,00
2	Sanlam Private Wealth	8,73
3	FNB Stockbroking and Portfolio Management	8,40

Rank	Traditional investor	Out of 10 (Weighted)
1	Herenya Capital	9,15
2	Afrifocus Securities	8,80
3	Brokstock	8,77

Rank	Executive	Out of 10 (Weighted)
1	PSG Wealth	8,56
2	EasyEquities	8,47
3	FNB Stockbroking and Portfolio Management	8,29

Rank	Active trader	Out of 10 (Weighted)
1	Herenya Capital	9,52
2	Brokstock	8,66
3	EasyEquities	8,65

Rank	Social investor	Out of 10 (Weighted)
1	PSG Wealth	8,75
2	Brokstock	8,50
3	FNB Stockbroking and Portfolio Management	8,36
3	Sanlam Private Wealth	8,36

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	Firm	Relationship Manager
1	Afrifocus Securities	Fernando Moreira
2	EasyEquities	Cay-low Raphael Mbedzi
3	Afrifocus Securities	Sam Nganga Jnr

Fernando Moreira of Afrifocus Securities wins the Top Relationship Manager of the Year award. Cay-low Raphael Mbedzi from EasyEquities takes second place, while Sam Nganga Jnr, also from Afrifocus Securities, secures third place.

Fernando Moreira wins this award due to his exceptional dedication and expertise, with one client stating: "Fernando is always in contact with me, advising when to buy and when to sell. He remembers my trades and prices paid better than I do. I value his advice and believe he has my absolute best interests at heart." His ability to provide timely, accurate advice and maintain strong client relationships over decades set him apart in this category.

Runner-up Cay-low Raphael Mbedzi from EasyEquities gets credit for exceptional dedication and professionalism. One client wrote: "Cay-low always goes out of his way to ensure I get all the information I need in a way I understand." Other says his consistent updates, swift responses and thorough assistance make him stand out in his field.

Sam Nganga Jnr from Afrifocus Securities, in third, is praised for his dedication. "Sam is always available to keep me up to date with developments in the market and shares helpful information for decision-making," a client writes. Others highlight his responsiveness, thorough advice and commitment to client education.

General market dynamics

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

Figure 1: What age group are you in?

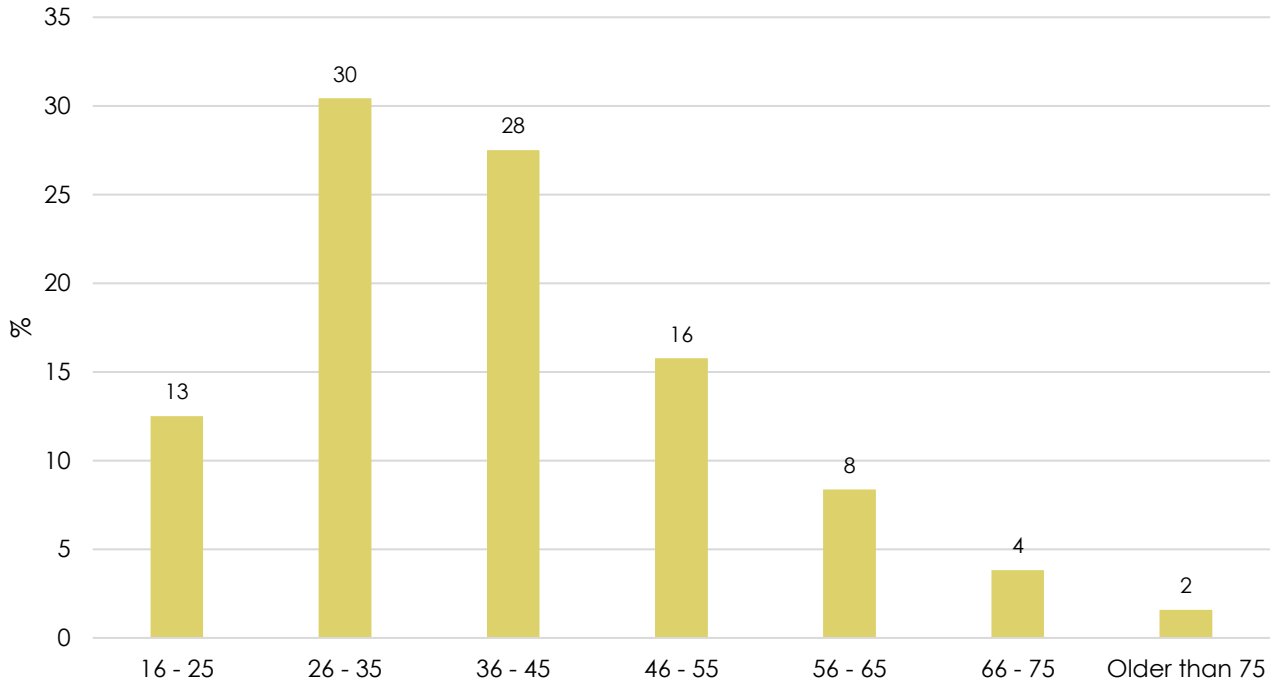


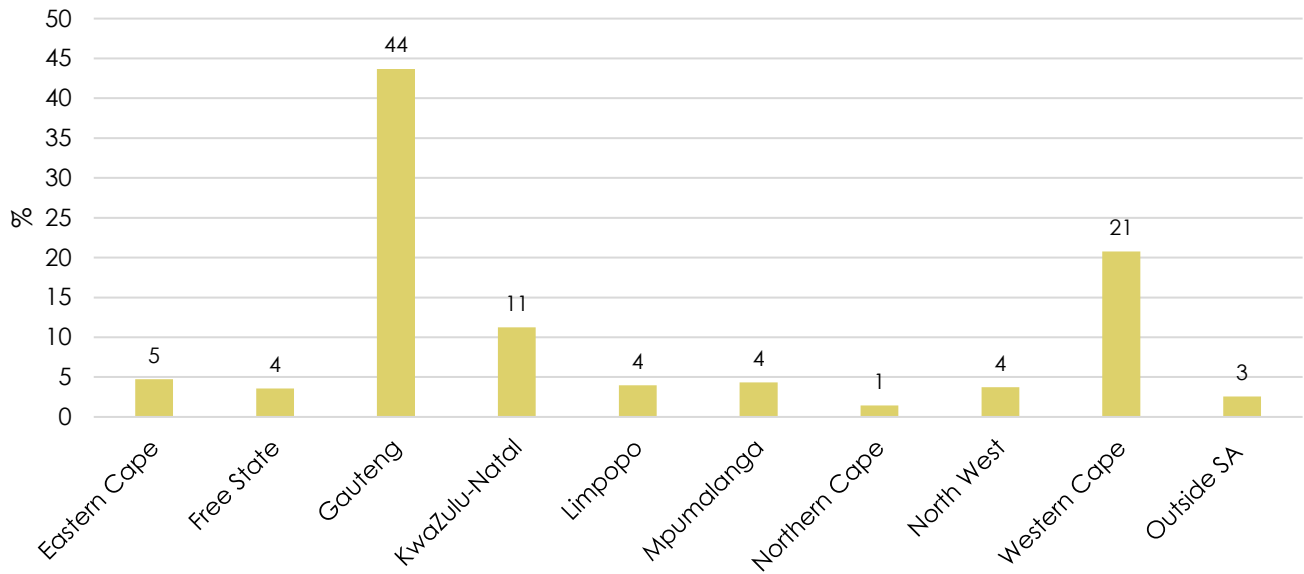
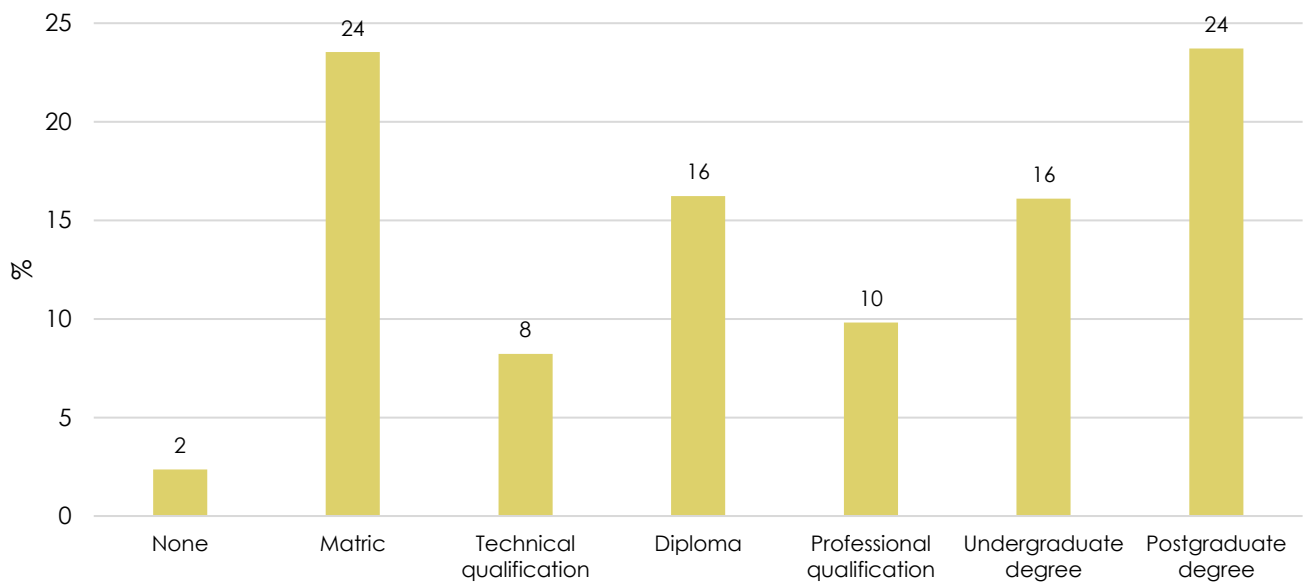
Figure 2: In which province do you live?

Figure 3: What is your highest educational qualification?


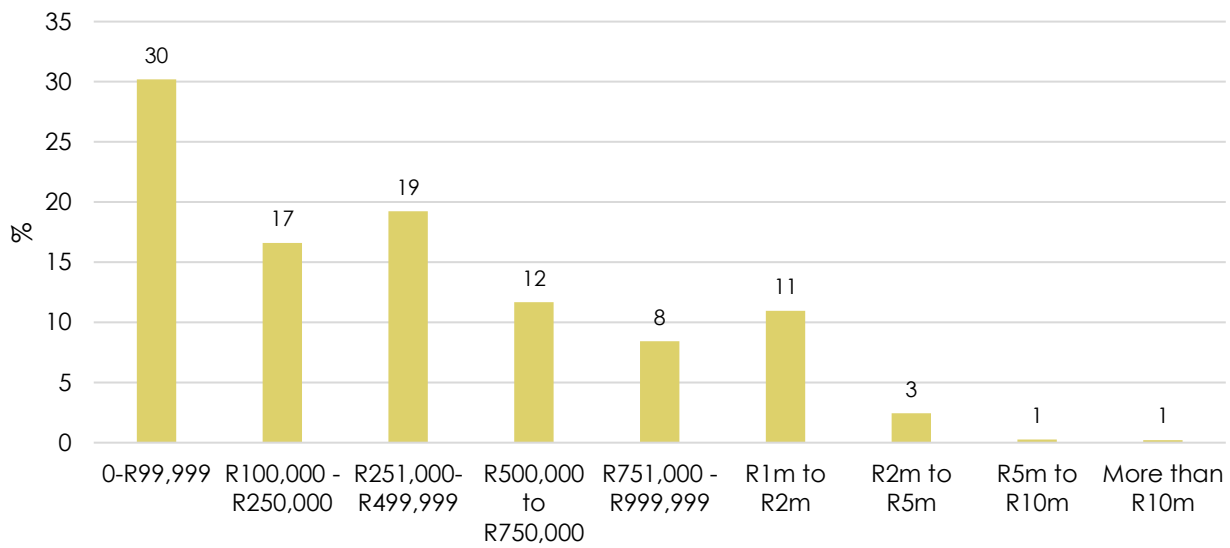
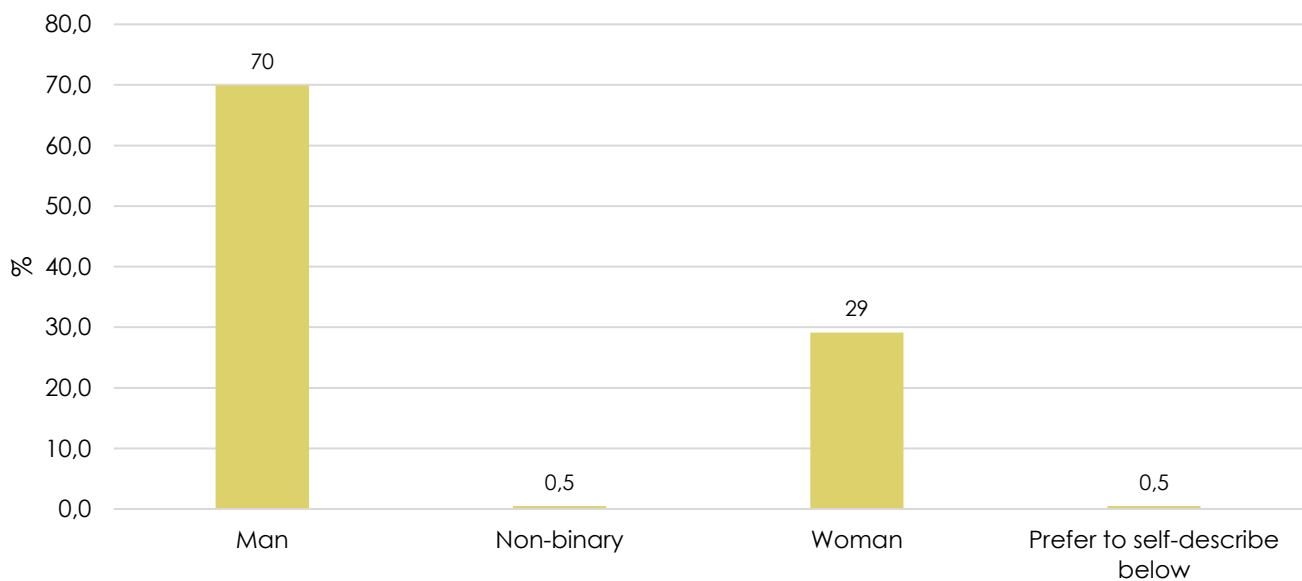
Figure 4: What is your annual income?

Figure 5: Gender: How do you identify?


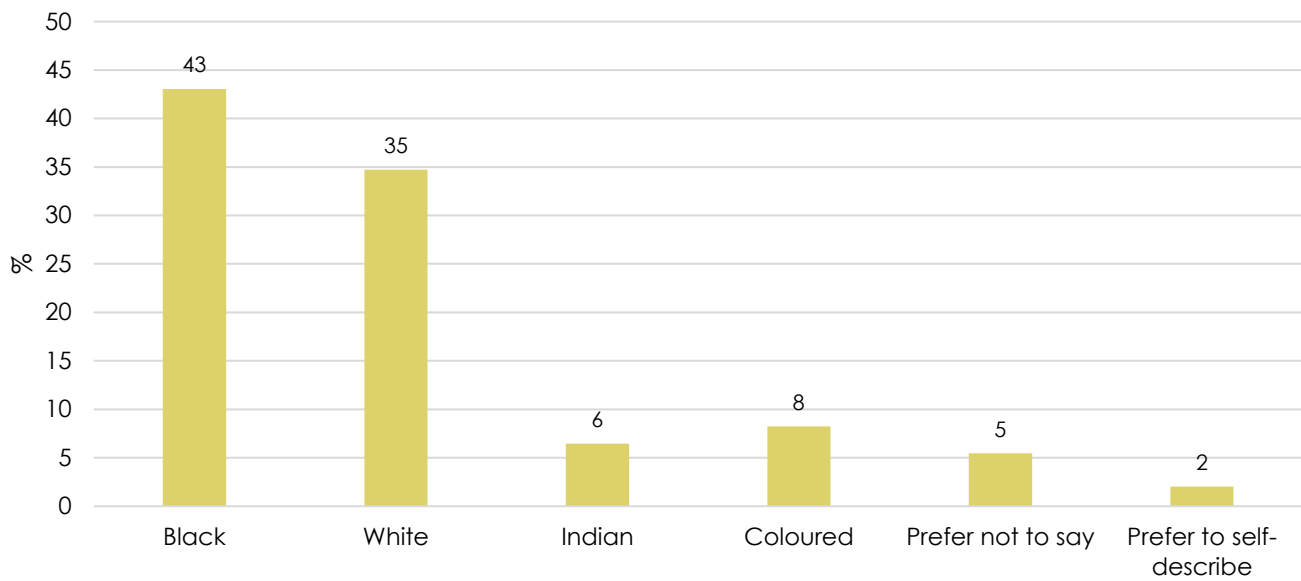
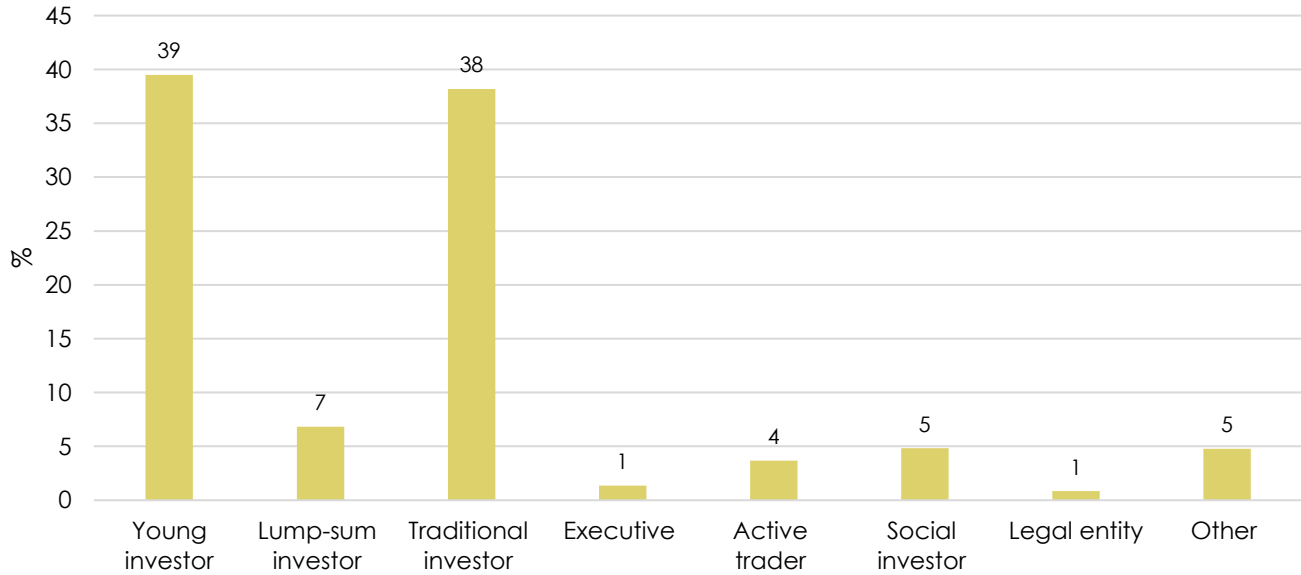
Figure 6: With which race group do you identify?

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


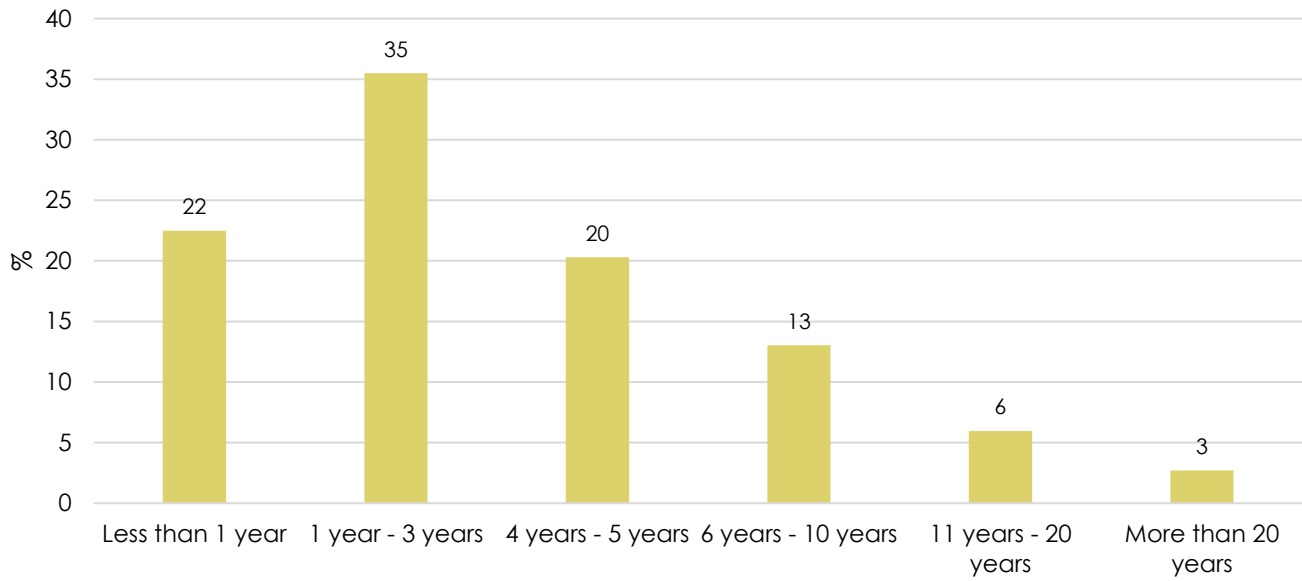
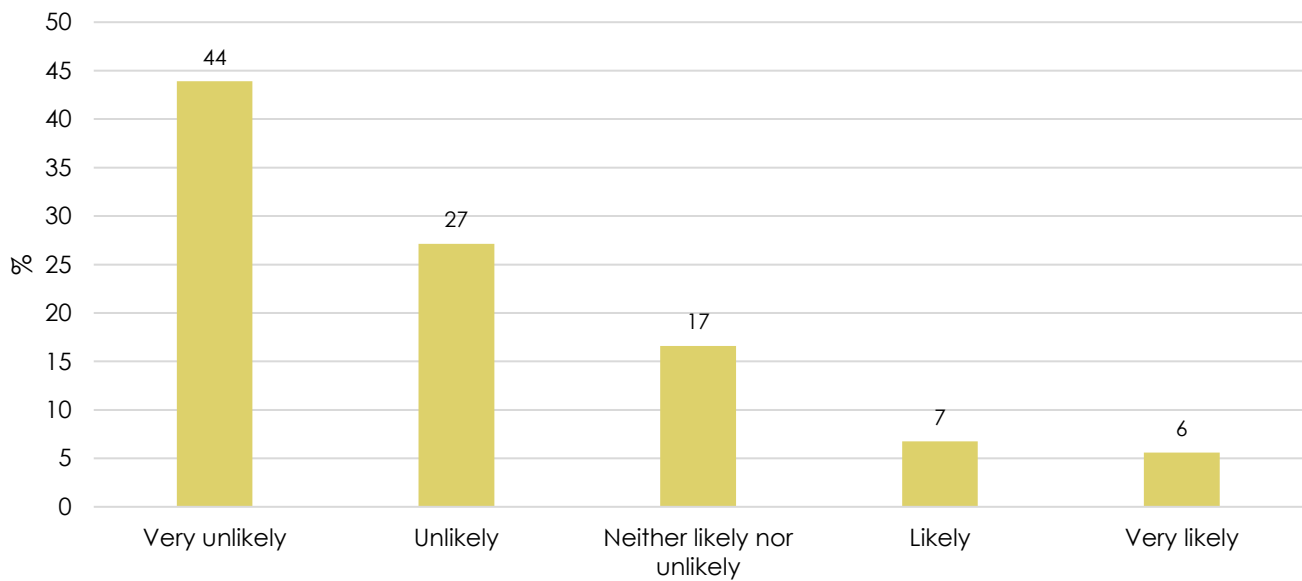
Figure 8: How long have you been a client of your broker?

Figure9: How likely are you to switch from your broker to another one in the next few years?


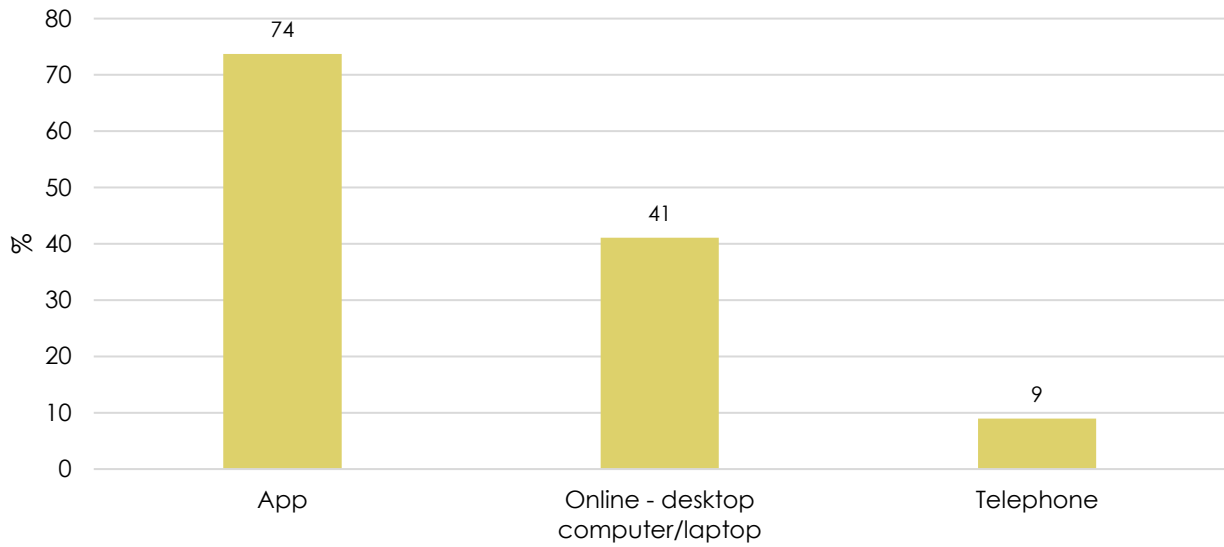
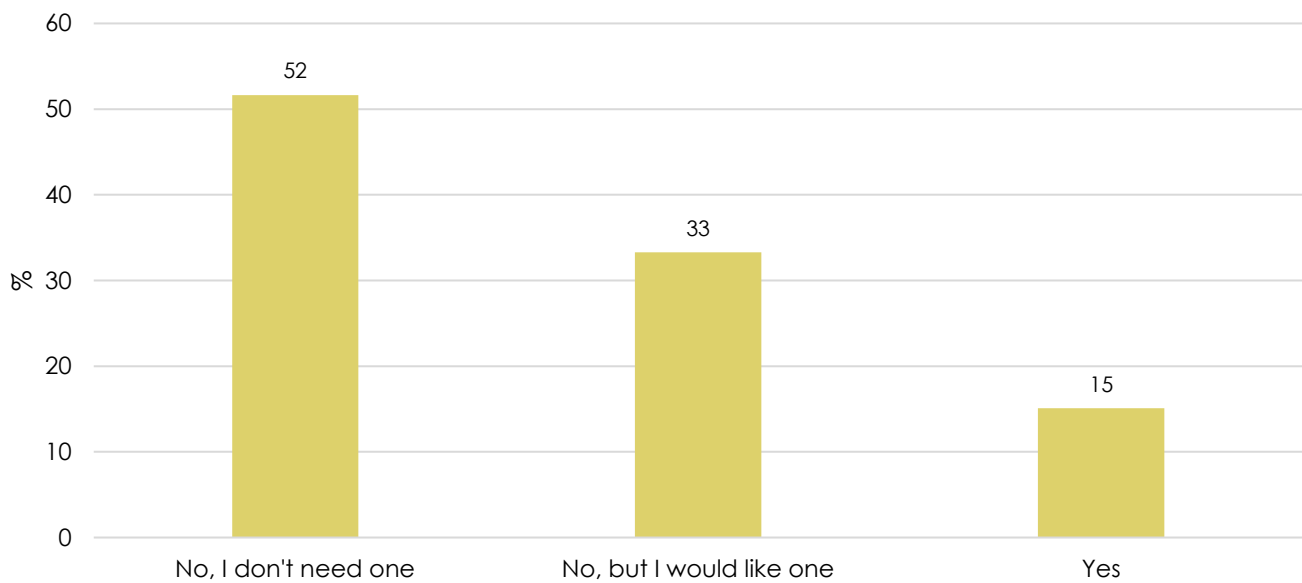
Figure 10: Which of these do you use to place trades?

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


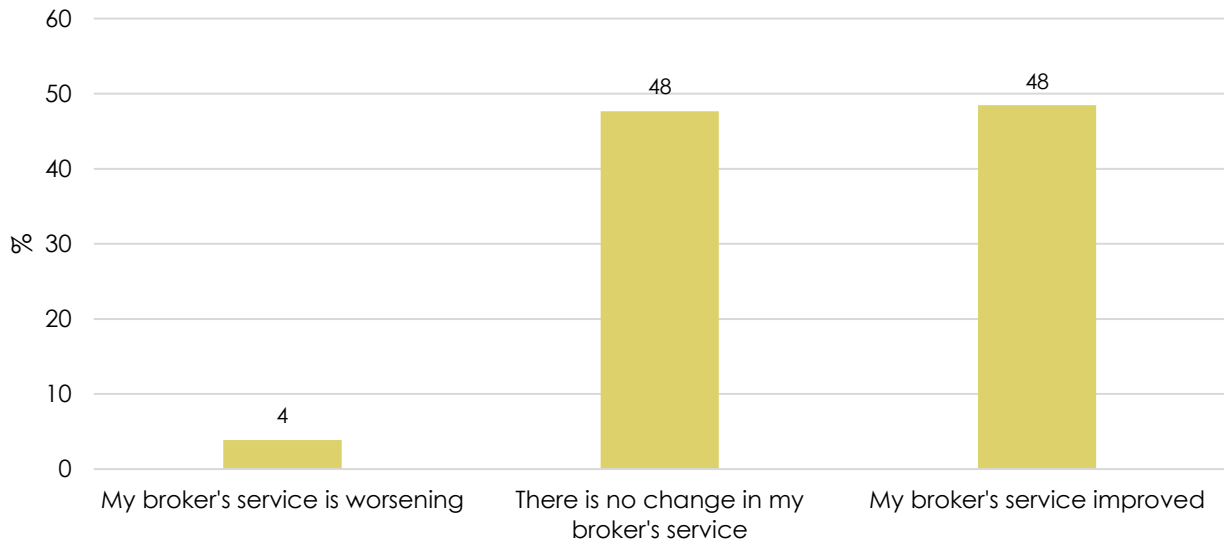
Figure 12: Which option describes your broker's services over the last year?

Table 1: Please rate the importance of the following factors/offerings when you chose your current broker? (shown as %)

Factor/offering	Not important at all	Slightly important	Moderately important	Very important	Extremely important
Low monthly fees and transaction costs	4	5	13	35	43
Personal service from individual brokers	21	16	24	22	17
Ability to provide general financial advice and wealth planning	8	10	20	33	29
Quality and usability of online trading platform	3	3	9	33	52
Quality and usability of mobile/tablet trading	5	4	10	31	51
Quality of research	3	4	13	35	45
Market news and commentary	4	7	22	35	32
Availability of CFDs, currency futures and other derivatives	9	9	23	32	27
Education/training events and webinars	6	10	23	30	30
Availability of international trading capabilities	3	5	16	35	42
Website security	1	1	4	17	77
Website speed and uptime	1	2	7	27	63
Charting and technical analysis tools	3	5	18	35	39
Watchlists and alerts	3	6	19	35	37
Live share prices and market depth	3	4	14	32	46
Live SENS feed	6	8	27	32	27
Stop-loss orders	6	7	20	30	37

Table 2: Please rate the quality of service you receive from your broker on the following factors. (shown as %)

Factor	Very poor	Poor	Average	Good	Excellent	Not applicable
Service when you opened the account	1	1	8	31	59	3
Service with admin and back-office issues	1	2	14	39	44	15
Service with IT queries	1	2	15	39	43	24
Service explaining corporate actions and the decisions you have to make	1	3	16	39	41	18
Service when trading misdeals happen	2	4	21	37	36	38
Service in your language of choice	2	2	9	28	58	12
Overall satisfaction with service	1	1	8	33	57	3

Table 3: Please rate the quality of service you receive from your broker on the following factors. (Shown as %)

Factor	Very poor	Poor	Average	Good	Excellent	Not applicable
Overall quality of service	1	1	8	34	56	3
Quality and service level of telephone/advice-based trading	2	3	15	36	44	32
Quality of administration including statements and cash deposits/withdrawals	1	2	10	34	53	6
Quality of help desk	2	3	15	37	44	22
Value for money	1	2	11	34	53	4

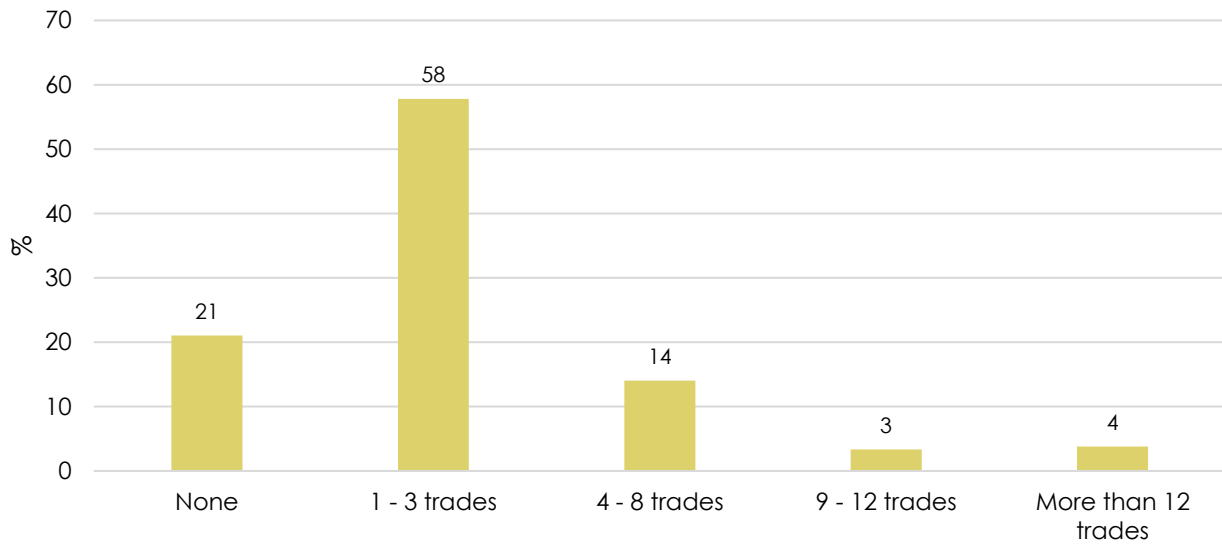
Figure 13: How many trades do you place on average per month (both buy and sell orders)?


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

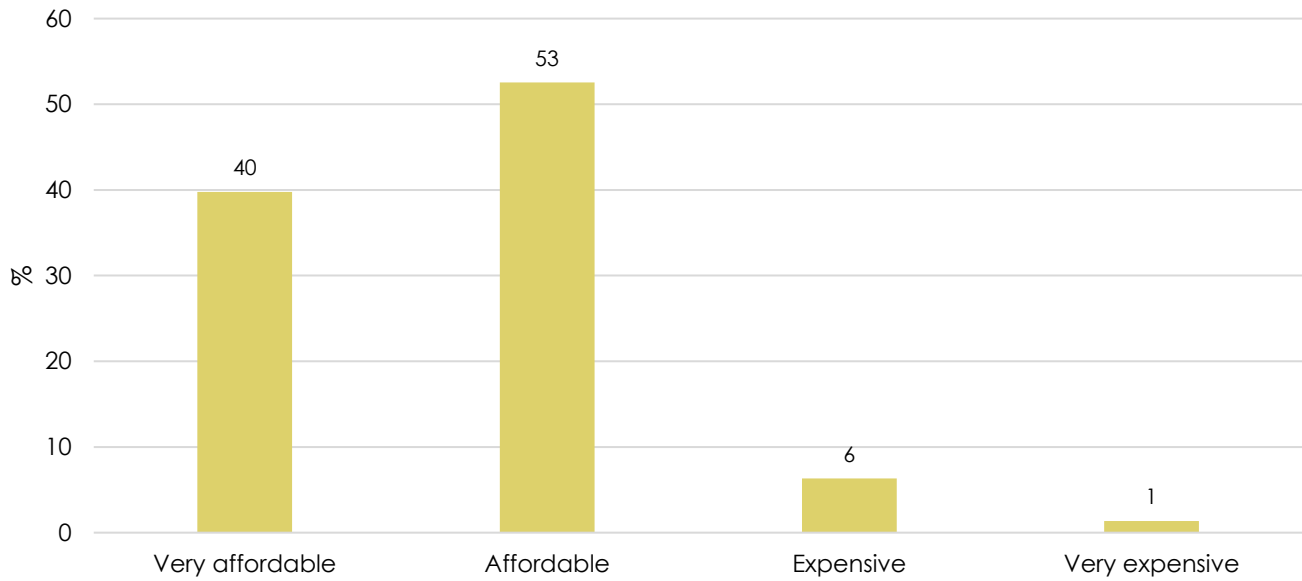


Figure 15: Please indicate to what extent you agree with the statement: "My broker's administrative fees, transactions fees, commission, advisory fees and any other fees are transparent."

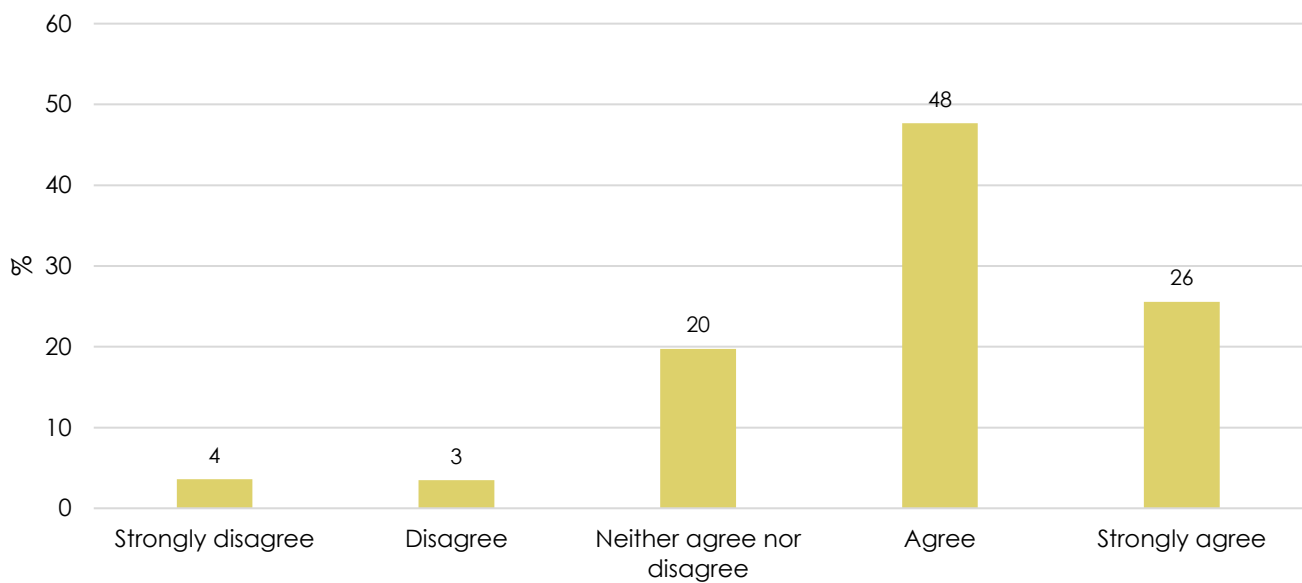


Figure 16: Please indicate to what extent you agree with the statement: "My broker is responsive when I have queries or ask for advice via any of the available communication channels."

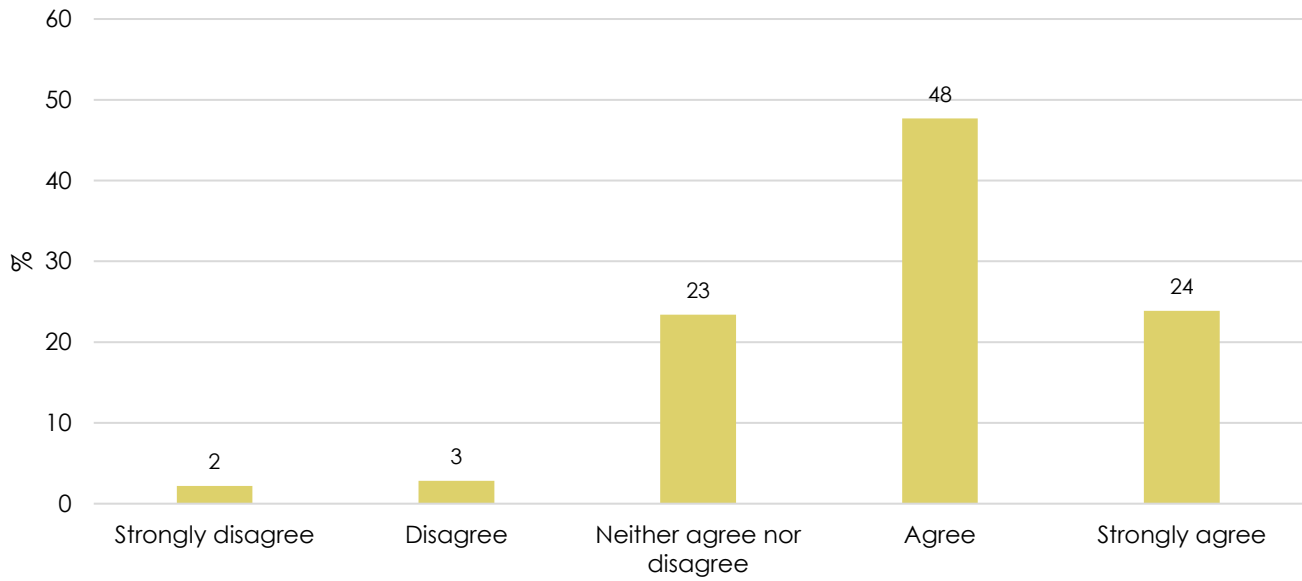


Figure 17: In terms of your broker's CFD offerings, how satisfied are you with the range of securities and/or asset classes available?

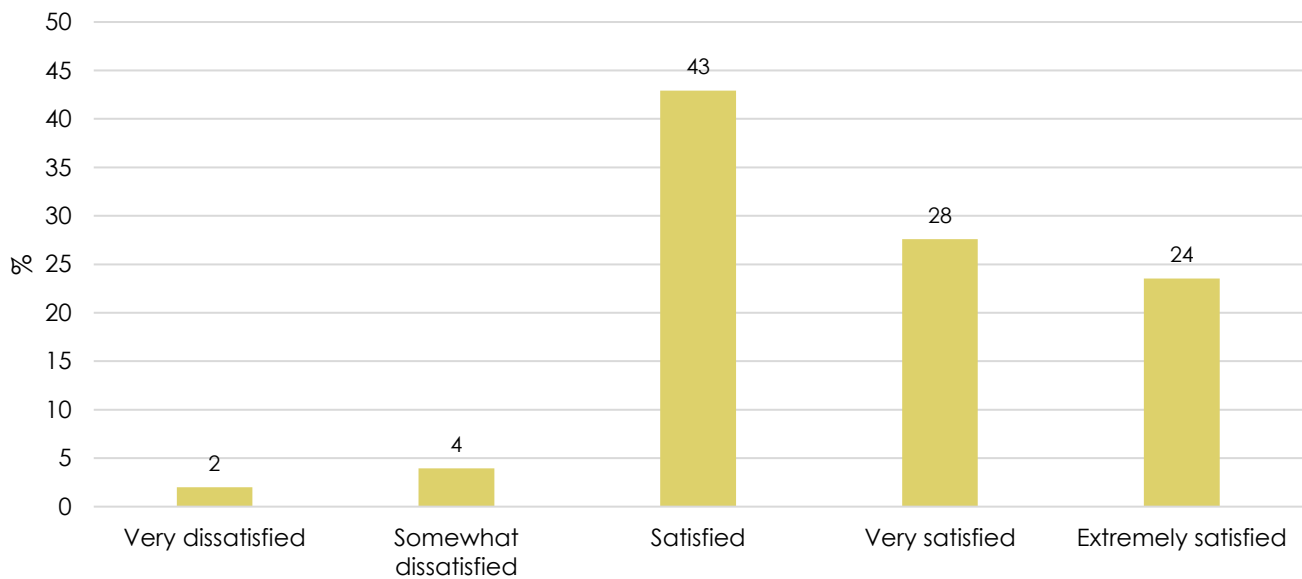


Table 4: Please rate the following factors regarding the online platform provided by your broker:

Factors	Very poor	Poor	Average	Good	Excellent	Not applicable
Overall quality	1	1	8	37	53	8
Responsiveness	1	1	9	40	49	9
Reliability	1	1	8	39	52	7
User-friendly interface	1	2	9	35	54	7
Analysis and trading tools	1	3	17	39	39	13
Automatic trading (trades that are automatically executed based on triggers such as stop losses)	2	3	16	38	40	33
Security of data	0	1	8	38	54	10
Ease of registering to start trading	1	1	8	34	57	11
Service to help you understand the trading platform and functionality	1	3	13	38	45	13
Usefulness of demo account	1	3	12	33	50	23
Ease of depositing and withdrawing funds	1	2	9	31	58	8
Ease of placing buy and sell orders	1	1	8	31	59	11

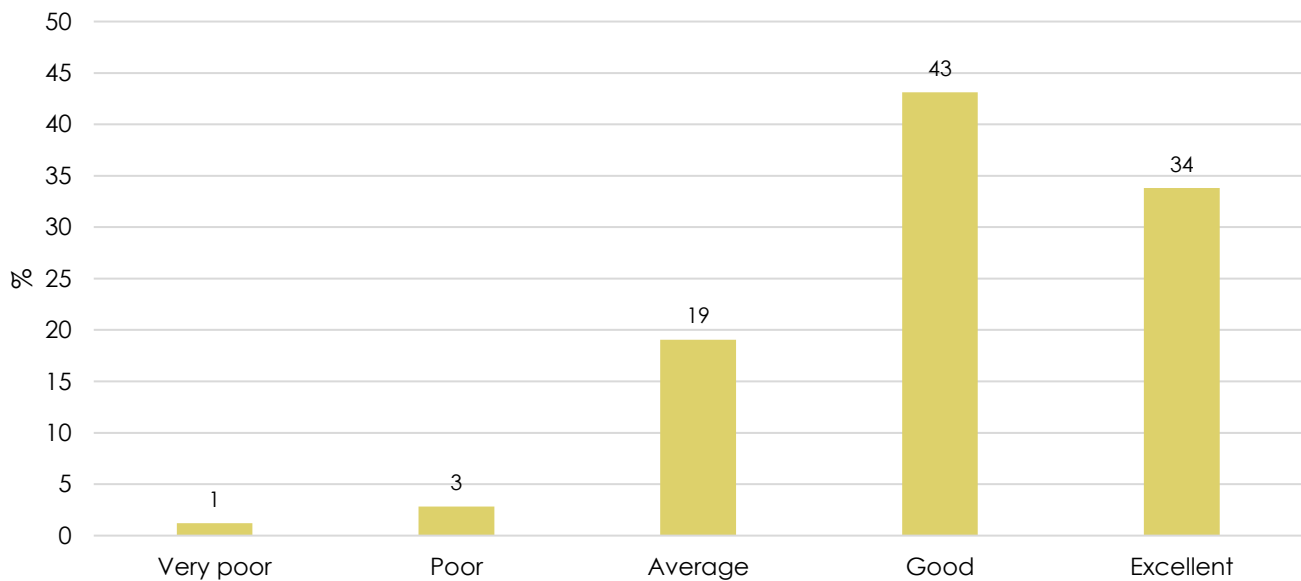
Figure 18: Please rate your broker's free educational offerings.


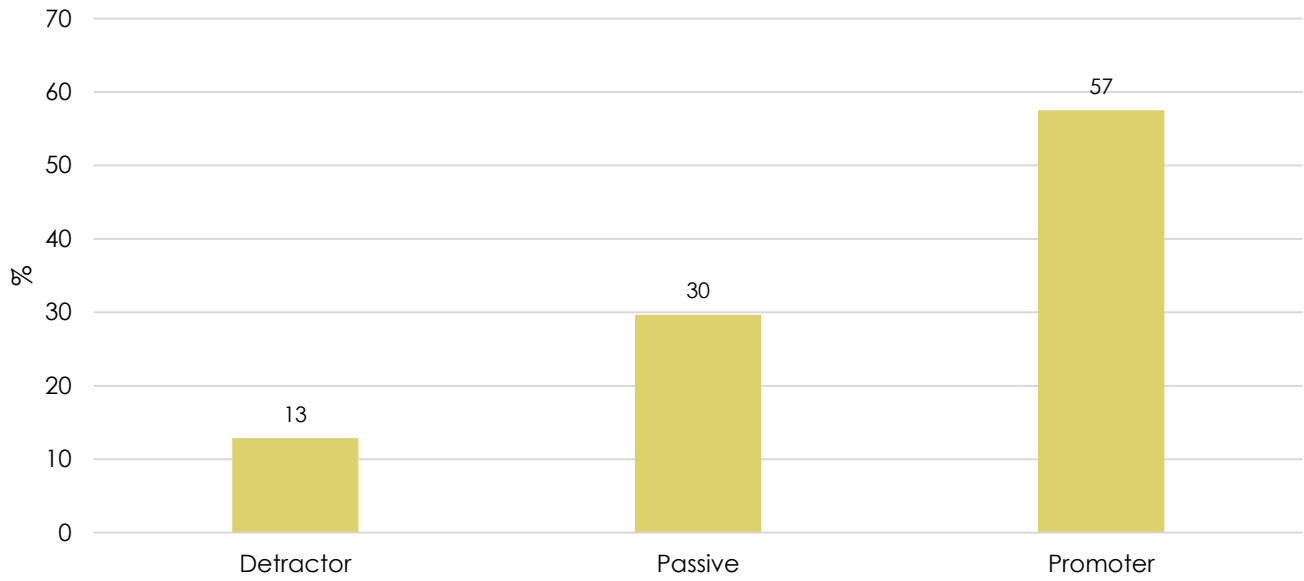
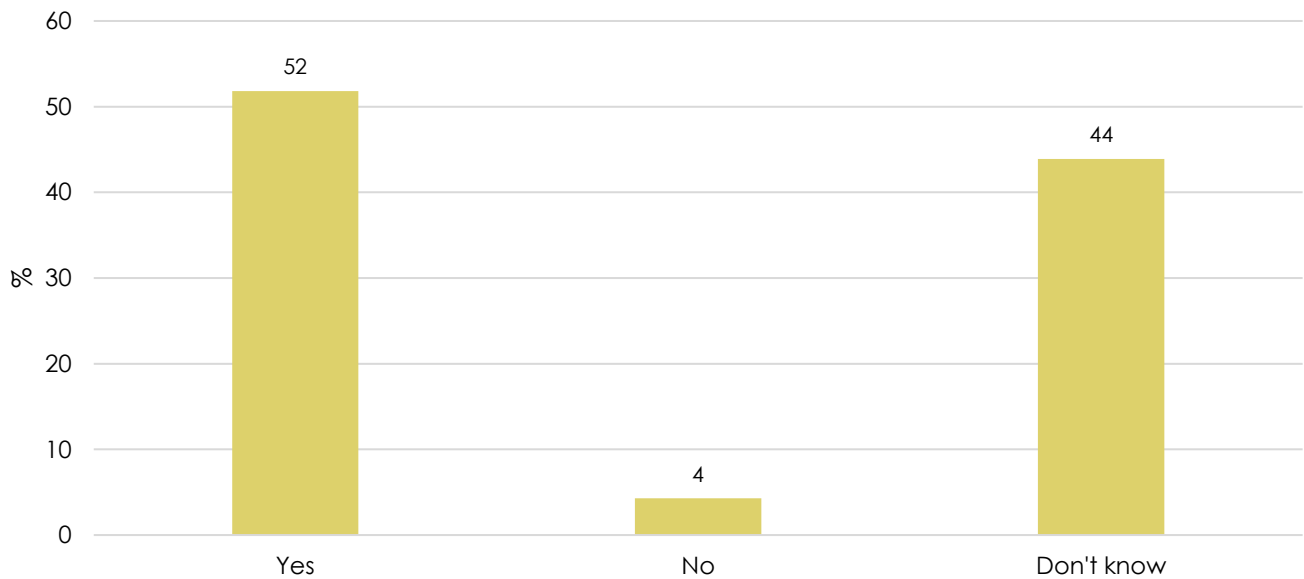
Figure 19: How likely are you to recommend your broker to others?**Figure 20: Does your broker consider sustainable investing when creating your investment portfolio?**

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

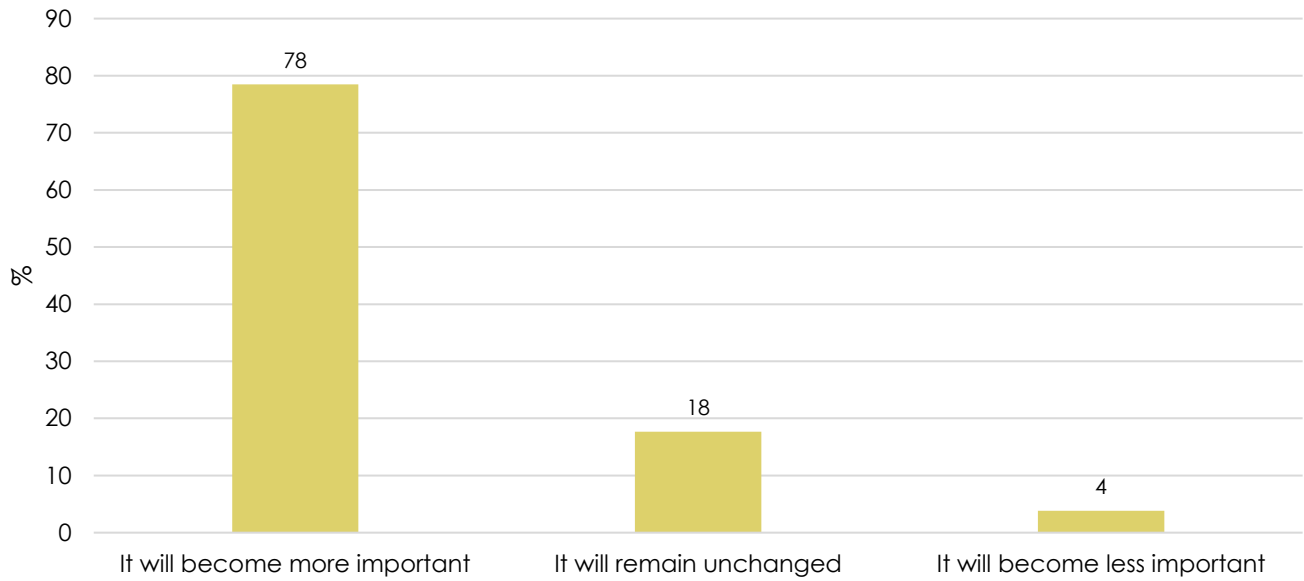


Figure 22: How important is sustainable investing to you?

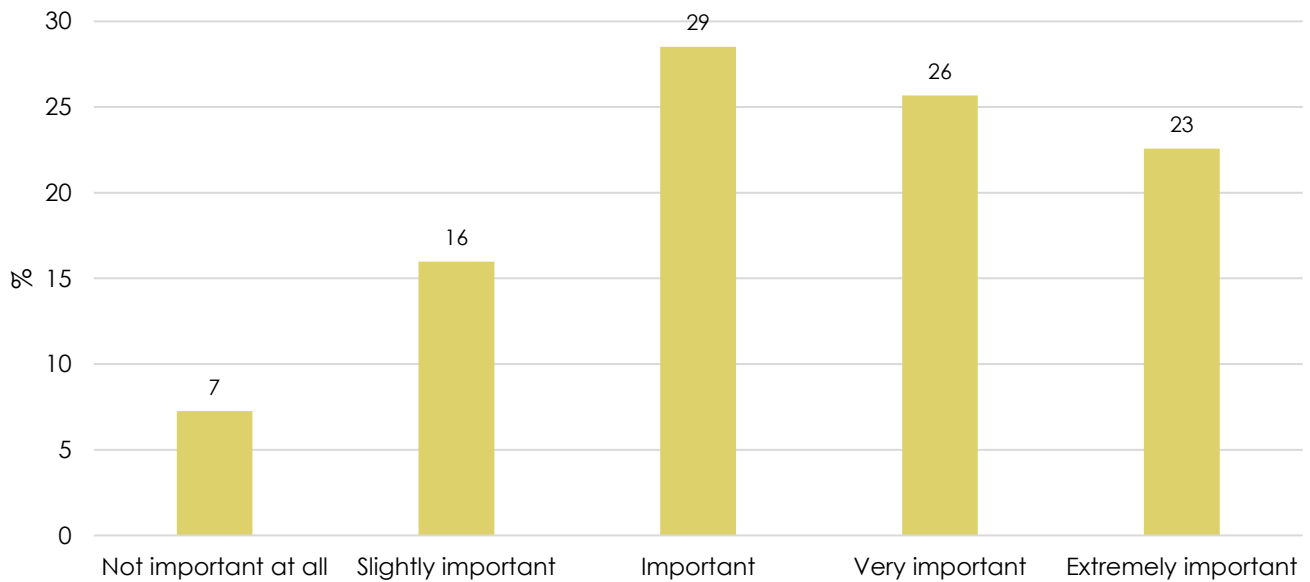


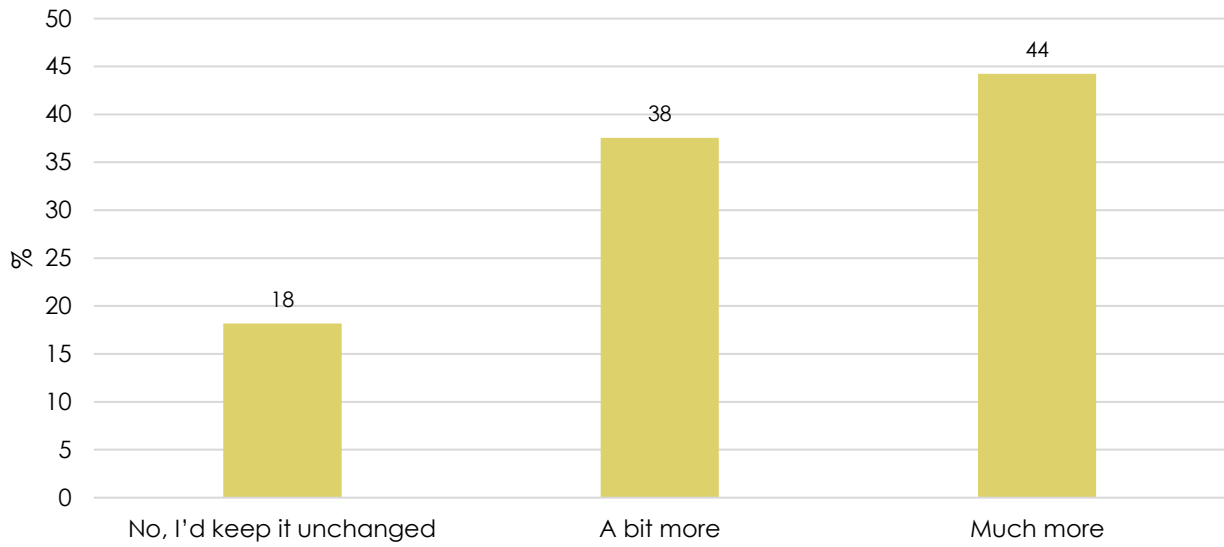
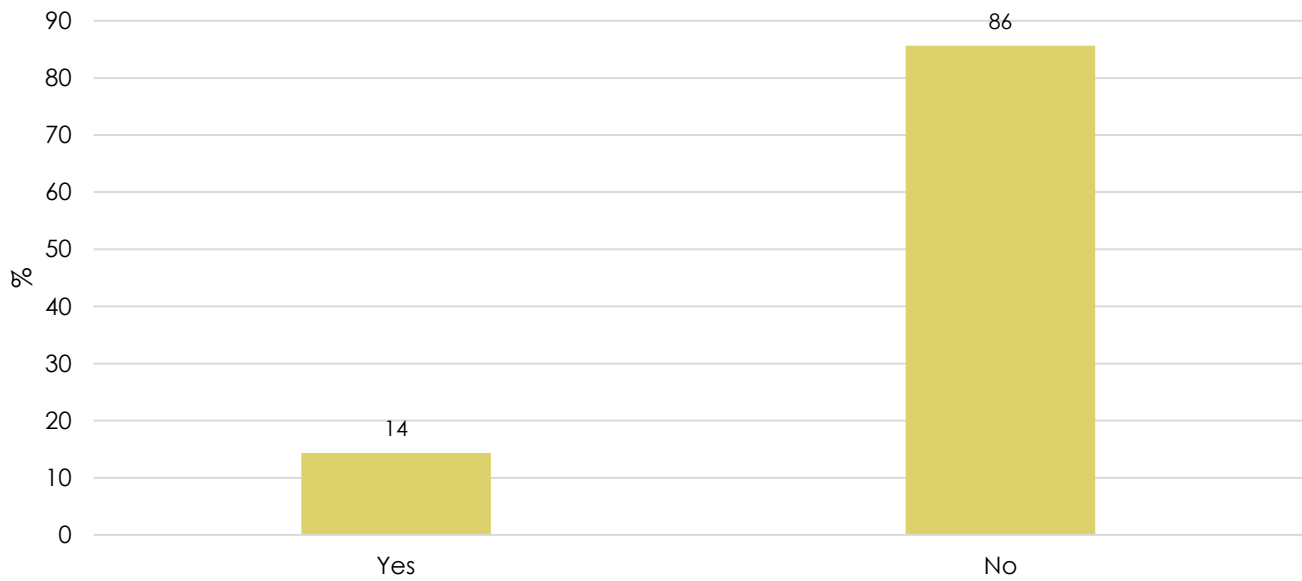
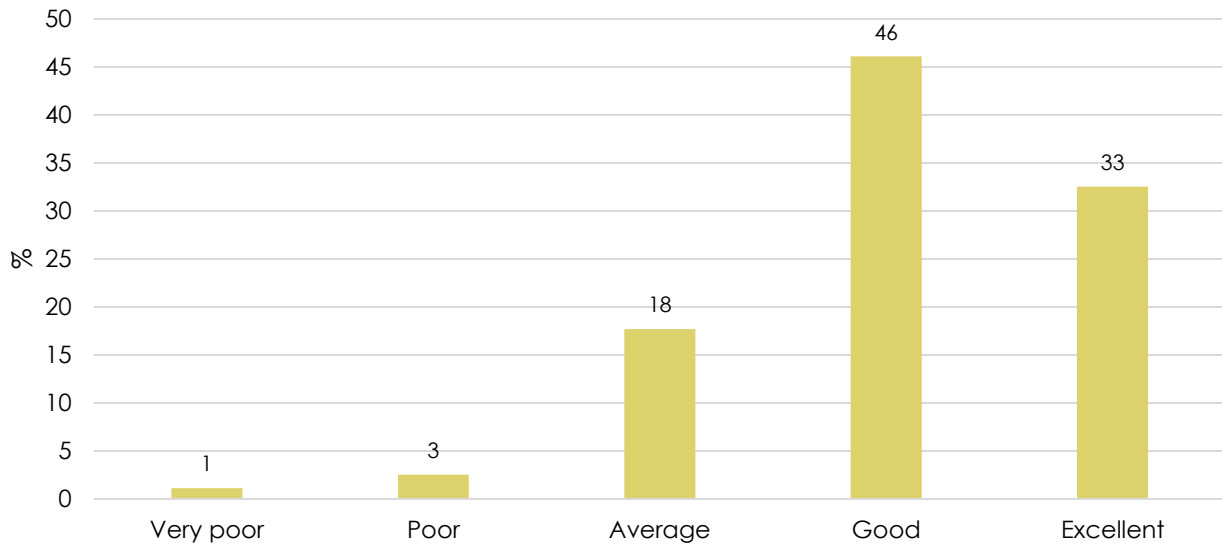
Figure 23: Would you invest more if you knew that your funds were making a positive difference?

Figure 24: Do you make use of Artificial Intelligence when you place trades?


Figure 25: Please rate any new innovations your broker implemented to its service or product offerings over the last year.



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 Best Innovator 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 awards, the Top Large Firm and the Top Boutique Firm. 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 pay-out 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 (stokvels, credit unions, group saving schemes)

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 Individual 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 Large Firm and the Top Boutique Firm awards are informed by client input and an assessment from the judging panel. The assessment considers 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.

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 Thembi Baloyi email tbaloyi@Krutham.co.za or telephone 0761787308.

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 tbaloyi@Krutham.co.za



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