

Media Release

Association for Savings and Investment South Africa (ASISA)

19 May 2025

Local CIS industry attracts strong net inflows despite extreme market volatility

Despite a turbulent start to the year for South African investors, the local Collective Investment Schemes (CIS) industry concluded the first quarter of 2025 with assets under management just shy of R4 trillion and the strongest net quarterly inflows in several years.

Sunette Mulder, senior policy adviser at the Association for Savings and Investment South Africa (ASISA), notes that a series of local and international upheavals led to a rollercoaster quarter for the South African stock market. The sudden withdrawal of the National Budget in February 2025 signalled discord within the Government of National Unity, leading to a sharp decline in the JSE All Share Index and a weakening of the Rand. While both recovered quickly, the trade tariff shakeup announced by the United States (US) in March triggered severe stock market volatility worldwide, and South African financial markets were not spared.

Despite this volatility, the JSE All Share Index (ALSI) achieved a 5.9% gain in the first quarter, primarily driven by strong commodity performance, resulting in a total return of 22.9% for the 12 months ended March 31, 2025. The JSE ALSI outperformed (in Rand terms) the S&P 500 both in the first quarter and the 12-month period, and the FTSE 100 over the 12-month period, according to Mulder.

The CIS industry statistics for the quarter and year ended March 2025, released by ASISA this week, show that participating CIS management companies grew assets under management to R3.93 trillion. This represents a modest 1.4% increase from the R3.87 trillion under management at the end of December 2024, but a healthy 10.0% increase over the 12 months from the R3.57 trillion under management at the end of March 2024.

Local CIS management companies recorded total net inflows of R104.14 billion over the 12 months to the end of March 2025, with the bulk of these inflows contributed by existing investors who reinvested income declarations (dividends and interest). Mulder notes that while only R17 billion of the annual net inflows represented new money, it is noteworthy that R12 billion in new investments was received during the first three months of the year.

"Considering the extreme market volatility, geopolitical strains and local political uncertainty at the start of this year, we were positively surprised by the most substantial quarterly inflow of new money since the third quarter of 2022. Combined with reinvestments, total net inflows for the quarter amounted to R48 billion; the highest since 2020."

South African investors had a choice of 1 883 local CIS portfolios at the end of March 2025.

Investor trends

At the end of March 2025, just under half of assets (49.5%) were invested in South African (SA) Multi Asset portfolios. SA Interest Bearing portfolios held 30.6% of assets, 18.6% of assets were in SA Equity portfolios, and 1.3% were in SA Real Estate portfolios.

Mulder says SA Interest Bearing portfolios attracted the highest net inflows, both for the quarter (R29 billion) and the year (R52 billion) ended March 2025. SA Multi Asset portfolios came in with quarterly net inflows of R18 billion and annual net inflows of R45 billion. SA Equities recorded net inflows of R3 billion for the quarter, but net outflows of R13 billion for the year.

Offshore focus

Locally registered foreign portfolios held assets under management of R974 billion at the end of March 2025, a slight drop from the R975 billion at the end of December 2024. These portfolios recorded net inflows of R5.08 billion for the quarter ended March 2025 and R8.86 billion for the year.

Foreign currency unit trust portfolios are denominated in currencies such as the dollar, pound, euro and yen and are offered by foreign unit trust companies. These portfolios can only be actively marketed to South African investors if registered with the Financial Sector Conduct Authority (FSCA). Local investors wanting to invest in these portfolios must comply with Reserve Bank regulations and utilise their foreign capital allowance.

There are currently 756 foreign currency-denominated portfolios on sale in South Africa.

Ends

To set up interviews please contact:

Lucienne Fild
Independent Communications Consultant
082 567 1533
lucienne@fild.co

Issued on behalf of:

Sunette Mulder
Senior Policy Advisor
Association for Savings and Investment South Africa (ASISA)

ASISA represents the majority of South Africa's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers, and life insurance companies.