

# NOVARE® HEDGE FUND SURVEY 2019

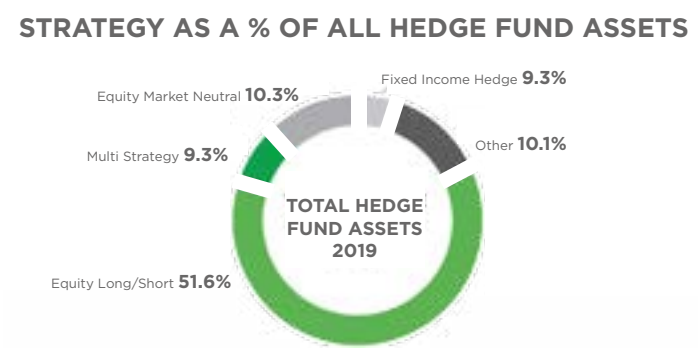
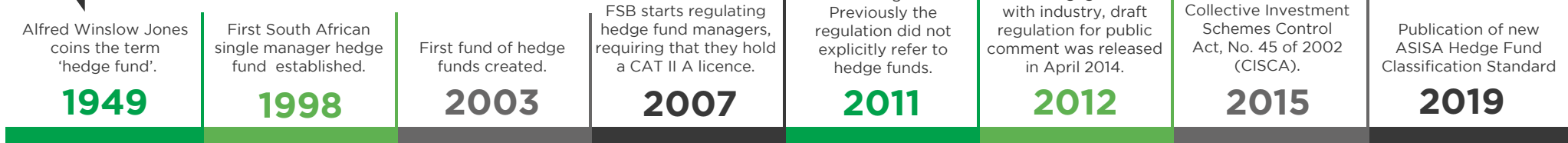
Novare is pleased to present the 16th edition of the Annual Novare Hedge Fund Survey. Novare has conducted local hedge fund industry research for more than 15-years and has published the Annual Novare Hedge Fund Survey since 2004. Our survey collates market-leading insights, from more than 50 fund managers, into a concise report.

The FSB and National Treasury embarked on a process to enhance and expand the scope of regulation and oversight over hedge funds. A proposed framework for regulating hedge funds in South Africa was released and after engagement with industry, draft regulation for public comment was released in April 2014.

National Treasury and FSB finalises regulation of hedge funds. Hedge funds are regulated under the existing Collective Investment Schemes Control Act, No. 45 of 2002 (CISCA).

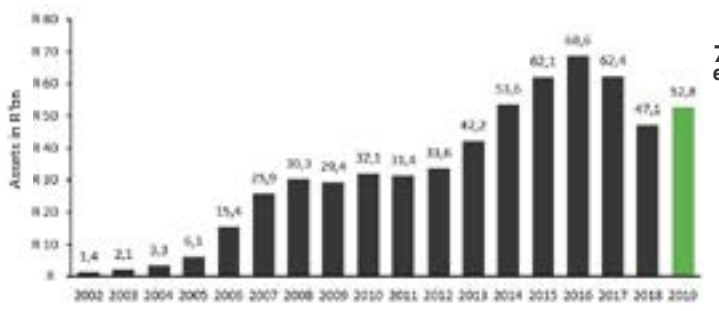
Publication of new ASISA Hedge Fund Classification Standard

## THE EVOLUTION OF SOUTH AFRICAN HEDGE FUNDS

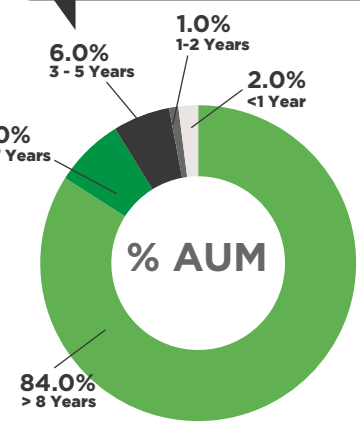


## ASSETS UNDER MANAGEMENT

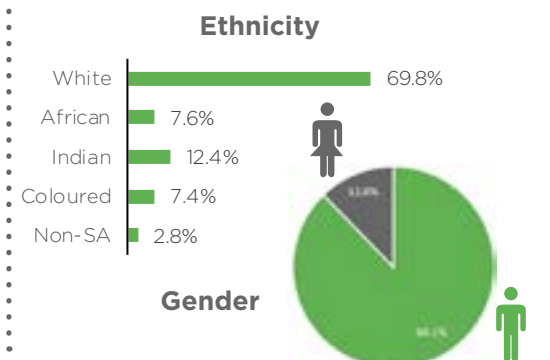
or the period under review, hedge fund AUM increased by **12.1%** (compared to the 25.0% decline in the 2018 survey).



**84.0%** of assets are managed by hedge fund managers with more than eight years' hedge fund experience, representing **76.3%** of funds. Only 9.0% of the industry assets are managed by managers with less than five years' experience.



## SENIOR MANAGEMENT



- AUM R52.8 BILLION**  
Assets under management increased by 12.1% during the period under review.
- DAILY PRICING**  
44.7% of funds offered daily pricing, including soft pricing.
- FIXED INCOME**  
Fixed income strategies led in term of net inflows and maintained a positive monthly average return throughout 2019.
- PRIME BROKER**  
Funds that use only one prime broker decreased from 66.2% to 48.1% for the period under review.
- HARD CLOSED**  
Of the funds that participated in the survey, only 1.5% of funds were hard closed.
- CAPACITY**  
More capacity is available as the majority of funds are still below their asset peaks seen in prior years.



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