

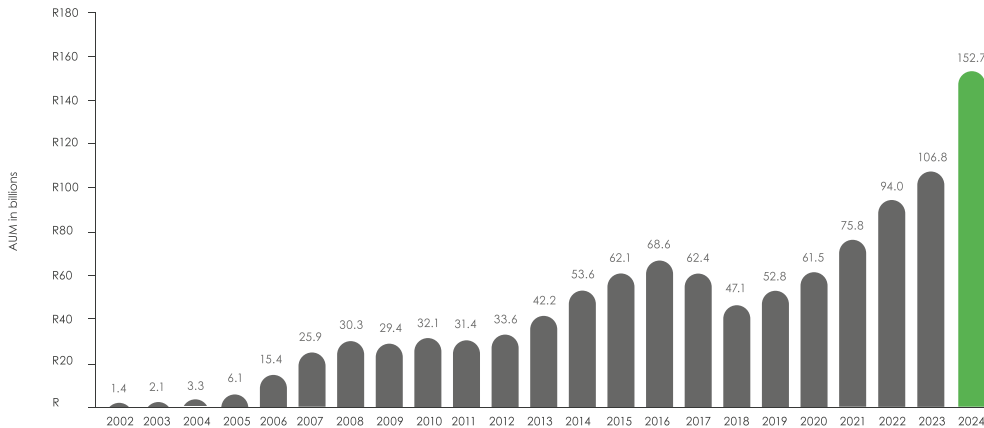
HEDGE FUND SURVEY 2024

What is a Hedge Fund?

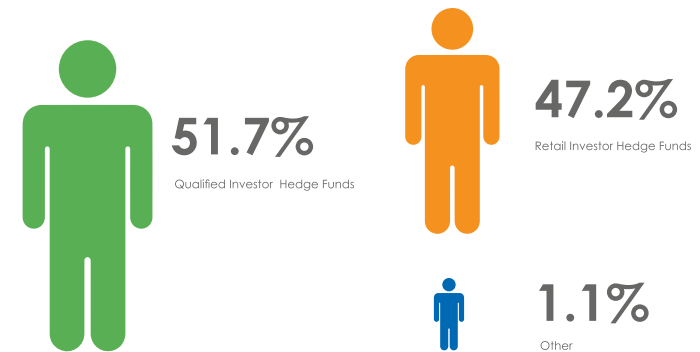
Hedge funds are financial partnerships that pool capital from investors and utilise various sophisticated strategies to deliver optimal returns while minimising risk. Hedge funds employ unique approaches such as derivatives, short selling, and leveraging, with the goal of achieving positive financial returns in both rising and falling markets. While they may invest in the same asset classes as traditional unit trust funds, hedge funds have access to a wider range of investment tools, allowing them to generate additional sources of return.

Assets Under Management (AUM)

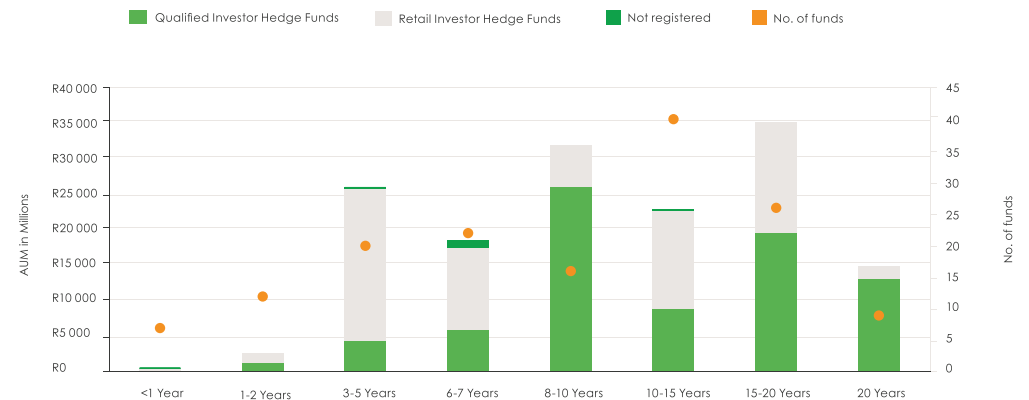
South Africa's hedge fund industry reached a new milestone in 2024, with assets under management (AUM) soaring from R106.8 billion to an all-time high of **R152.7 billion** – an increase of R45.9 billion, the largest year-on-year growth since Novare began tracking the industry.



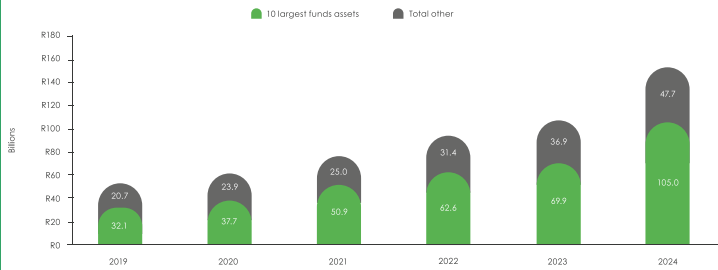
AUM Split by Regulatory Structure



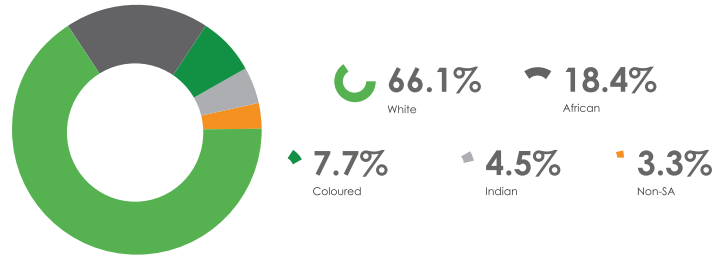
AUM Distribution by Fund Track Record



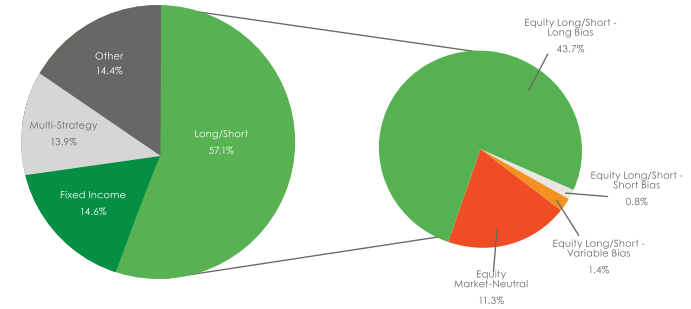
Top 10 Fund Concentration



Senior Management - Ethnicity



Strategy as a % of Hedge Fund Assets



R45.9 billion

The industry saw a notable increase of R45.9 billion in AUM, driven by strong performance gains and positive net flows. Funds with AUM between R500 million and R1 billion emerged as the top performers, followed by funds with assets between R1 billion and R2 billion.



R106.8 billion in 2023 to R152.7 billion in 2024

Total AUM soared to a new record, marking the best year for the industry since the first Novare Annual Hedge Fund Survey in 2004.



Top 10

The top 10 hedge fund managers manage R105 billion of industry assets, representing 69% of the total hedge fund assets.



Less than
50%

Only 34 of the 64 hedge fund firms surveyed disclosed their B-BBEE status. Among them, 32% held a Level 1 rating, while another 32% were non-compliant.



Male dominance
72.6%

The industry remains male-dominated, with the proportion of senior management positions held by men declining only slightly from 75% to 72.6%.



R22 billion

RIHFs saw strong inflows of R22 billion, reflecting growing accessibility among retail investors, while QIHF only managed to attract a modest R6 billion.

