



# Reshaping the South African investment platform landscape

## Momentum Wealth in partnership with FNZ

Globally, digital disruption has had a profound impact across all industries with no signs of slowing down. Investment platforms, a key role-player in the wealth management value chain, have not escaped this disruption.

In countries like the UK, leading platforms have responded successfully to the continuous pressure on administration fees and the quest for differentiation and personalised solutions by entering strategic partnerships.

In South Africa, the leading platforms have all started to lay down the foundational elements of a more digitalised platform. Business models and differentiators will be challenged, and the regulatory environment will not be more kind in their demands for change.

Advisors certainly look at platforms to run efficiently, handle their service requirements timeously and most importantly, maintain their regulatory obligations in an environment of increasing costs, especially in the context of the Retail Distribution Review.

The paradigm shift would seemingly have begun as advisors and consumers alike demand more, but at a similar or lower cost. Successful platforms will be those that can enable seamless integration with advice practices, support the creation of efficiencies for these businesses and offer stronger outcomes when compared to their competitors.

Our role is to continually invest and optimise our platforms through technology innovation to ensure that advisors can increasingly remove the burden of administration from their daily operations and offer superior client service. Investing is personal and we want to help enable advisors to focus on what is important – their relationship with their clients and helping them achieve their goals.

At Momentum Wealth, we believe that the increasing competitive landscape will force financial services firms to determine which aspects of the value chain will be core to their differentiation and which could be best delivered through strategic partnerships. This is exactly what we have done as part of our process to match our strengths with the evolving needs of financial advice firms.

We are positioning ourselves for a future where we will adapt fast to the rapid changes in our industry, with our ultimate end goal in mind: to become increasingly relevant in the lives of our financial advice partners and their businesses. Our focus remains on offering a differentiated proposition to our partners by leveraging the expertise and intellectual property gained internally at Momentum Wealth.

### Why FNZ as our preferred partner?

FNZ has a 15-year history of successful strategic partnerships with some of the world's largest financial companies and has helped these firms to implement the digital transformation required to continuously evolve the quality and personalisation of their services, reduce costs to end clients and increase the accessibility of wealth management. FNZ is revolutionising the industry by giving financial institutions a single platform that integrates seamlessly with their business and provides partners, like Momentum Wealth, with an unrivalled platform to accelerate digital transformation, deliver significant operational efficiencies and improve the advisor experience and proposition.

Trusted by more than 150 major global financial institutions, FNZ has over US\$1.5-trillion in assets under administration, which represents the combined savings and investments of over 20-million clients<sup>1</sup>. It has a track record of more than 40 successful international platform migrations and has industrialised the process of platform transformation, minimising risk and disruption for clients.

Although platform fundamentals, like offering market-leading access, choice and seamless switching between investment components, facilitating transactions, consolidated and transparent reporting for clients, ease of use enabled by technology, and the eradication of duplication between advisor's offices and their own, are essential – these are no longer differentiators. Advisors now compare platforms on how well they play holistically across the various parts of the industry. FNZ supports all aspects of the retail client and advisor lifecycle, enabling its partners with an end-to-end, single platform that includes client on-boarding, portfolio management, and advisor business and practice management. The digital offering maximises advisor efficiency and improves their engagement with their clients.

FNZ empowers financial institutions on this transformation journey by providing a fully automated, end to-end wealth and asset management platform that uniquely combines market-leading technology, IT infrastructure and investment operations.

We are partnering with FNZ to make sure that we can deliver an ongoing roadmap of innovations and enhancements for a constantly evolving platform proposition.

There is also a significant opportunity for corporates and wealth managers to accelerate their own digital transformations by leveraging Momentum's investment in FNZ capabilities and leapfrog their competitors as a result. This is a mature model in the UK which many of the major IFA networks have been benefitting from.

### The evolution of platforms

If we look at the trends dominating the local landscape, many typically follow the UK, like the trends mentioned below:

- **Advisor focus:** User-centred technology is allowing processes to be moved online, making it easier and more efficient for clients and advisors to manage their investments.
- **Digitalisation:** The wealth management industry is undergoing significant digitalisation and is seeing a growing demand for hyper-personalised solutions delivered through new distribution channels that are often embedded into other non-financial offerings. Financial institutions need to accelerate their digital transformation strategies and embrace new technologies such as cloud, Application Programming Interface (API), artificial intelligence (AI) and better data management tools to deliver a superior digital experience for their clients.

Both FNZ and Momentum have a shared vision and a relentless focus on customer success.

- **Continuous shift towards professional investment management, driven by discretionary fund managers (DFMs), regulation and a need for a more personalised solution:** Platforms play a key role in enabling seamless integration with DFMs and ensuring that their capabilities allow for efficient administration and reporting of model portfolios.
- **Portfolio construction:** There is also demand for access to a larger choice of products at lower costs, and a focus on ESG investing as an example.

### What does FNZ say about Momentum Wealth?

Hugh Evans, Managing Director of FNZ says: "We are delighted to be in a long-term strategic partnership with Momentum Wealth. Both FNZ and Momentum have a shared vision and a relentless focus on customer success. We look forward to enabling Momentum to

deliver an agile, digital-first service to their advisor firms through our global wealth management platform to help them personalise advice and wealth management solutions for clients, while improving efficiency.

"Momentum Wealth is a market leader in South Africa, and an ideal partner for FNZ, extending our

commitment to and investment in the South African wealth management sector, as we seek to rapidly accelerate the digital transformation and evolution of services to meet the needs of advisors, and ensure the South African financial services industry benefits from the latest developments in international savings and wealth management markets."

The partnership between Momentum Wealth and FNZ will certainly shift the platform landscape in South Africa, benefitting the entire industry. Our focus is to create a platform experience and proposition that will surpass the expectations of financial advisors and their clients. We are leaving no stone unturned in revolutionising our business to create a future-fit platform that is relevant, affordable and agile to respond to industry demands. ■



Hymne Landman, Head of Momentum Wealth, Momentum Investments



Hugh Evans, Managing Director, FNZ