



## **NEWS RELEASE**

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### **PENSION FUNDS SHOULD CONSIDER AFRICA FOR SUSTAINED INVESTMENT GROWTH**

South African pension funds should ensure that they maximise the benefit of being able to invest 5% of their assets in African markets, over and above the possible 20% allocated to them for offshore investment, as the continent offers significant and still undiscovered investment opportunities.

Eugene Visagie, Risk Manager at specialist emerging markets financial services company, Novare, says pension funds should take full advantage of the ability to invest in Africa in terms of legislation.

“The investment case for Africa has been strengthened by a decline in political risk as well as solid prospects for economic growth. Despite this, opportunities continue to be overlooked, often due to a lack of research, reliable information, and effective communication channels between markets and under-valued but profitable, well managed companies.”

Low debt levels mean that African nations can sustain robust domestic demand supported by their large populations and a growing middle class.

“Healthy economic growth, strong corporate earnings and well-capitalised banks without toxic assets all contribute to the potential for significant profit opportunities in Africa,” argues Visagie.

To benefit from Africa’s improving prosperity institutional investors can consider buying South African listed companies that are increasing their business focus on Africa, or investing via fund managers with expertise in African private equity, listed equities and fixed income markets.

To help with the efficient identification of African investment opportunities, Novare will publish a survey of managers that invest in African markets later this year. “Our intention with the *African Manager Survey* is to facilitate a better understanding of the African investment universe and to establish Novare as a leading gateway to African investments,” says Visagie.

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