



Client Success Story **Alexforbes**

How Alexforbes Tells a Compelling Investment Story with Direct

“I’ve been an expert user of Morningstar Direct for more than 13 years, and I can say it’s difficult to operate in the multi-manager space without a Direct license.”

Fay Khan

Senior Discretionary Fund
Management Specialist

Company

Alexforbes

Product used

Morningstar Direct

Use cases

Portfolio Construction
Compliance
Reporting
Product Development

Industry

Financial Services

As Senior Discretionary Fund Management Specialist at Alexforbes, Fay Khan sits at the intersection of strategy and execution. Khan’s mandate is to bridge the gap between the range of available investment solutions and the needs of the end investor.

A strategic position, Khan leverages the expertise of internal sales, distribution, marketing, and investment teams. It’s a role that requires her to keep her finger on the pulse of the market, monitor new trends, keep up with the needs and demands of financial advisers, and ultimately, develop investment solutions that meet the moment.

When your services aim to go above and beyond for clients, every decision you make needs to be informed by a deep and broad array of data. It’s no wonder then that Khan turned to Morningstar Direct.

Alexforbes: A Juggernaut

Alexforbes is a leader in the South African financial services sector. As the largest multi-manager and premier fund selector in the region, the firm is synonymous with investment excellence.

“Clients trust us with their money to advise on or manage”, Khan notes. “We’ve spent decades building and maintaining a deep sense of trust. It’s a testament to our position in the market as a large institutional player in the employee benefits space.

When it comes to investment solutions, that’s really where we set ourselves apart in the South African DFM space. Typically, we see competitor firms choose one or two product providers, which limits offerings available for end clients. We’ve found success through diversifying our offerings, focusing on positive alpha, and balancing risks and returns.”

“As we move into a new space in the market, Morningstar’s data allows us to leverage our local expertise and global reach to expand our offerings and better serve our clients.”

One Platform, Multiple Benefits

As Khan acknowledges, data sits at the very core of developing new investment solutions.

“Data informs so much of what we do, from our internal strategies to the way we communicate externally. I’ve seen several areas where data has been instrumental to success.

The first is portfolio construction. Managers need an extensive understanding of the investment landscape; the different industry trends, outflows and inflows, regulatory requirements, and client preferences. With Direct, I’m able to bring in all this independent and objective data, access the underlying holdings data, and manipulate the datasets according to my objectives. You’re able to look through various lenses, which is very beneficial.

However, Morningstar’s data provides comprehensive insights that go beyond the basics. While you can view the data in isolation, the insights bring it to life by adding an additional layer of depth and context that are fundamental to informed decision-making and our overall strategy.

Secondly, I find the data helpful when it comes to navigating regulations. In recent years, we’ve seen regulations evolve, specifically Regulation 28”, Khan notes. Introduced by the South African Reserve Bank (SARB) and issued under the Pensions Fund Act, Regulation 28 increases the limit people can invest in offshore funds from 30% to 45%, allowing for greater portfolio diversification.

“With an increase in limits, having access to more data about offshore funds has really

been valuable when it comes to implementation. We’re able to look at the regulations, analyse the research and datasets, create investment products that are compliant, and offer actionable insights about how to implement new rules. All of this comes back to being able to serve our client base.”

Crafting an Investment Narrative

From seasoned pros to novice investors, hundreds of thousands of data points can be intimidating no matter your level of understanding. For Khan, this is where the standout feature of Morningstar Direct comes into play.

“Presentation Studio has been valuable for me over the last few years. It enables me to take all those datasets, trends, and insights I mentioned previously, and bring them all into one place. With it, I see two clear advantages.

The first is the standard reporting and templates feature. You save time using an automated, pre-approved set of templates. You know it’s going to look professional, your clients will understand it, and you won’t lose hours tweaking or formatting components. It enables you to direct your time elsewhere while receiving all the information you need at the right frequency to support your operations.

The second advantage is that the presentations are customisable. You can start with standard report templates, but depending on your clients, their needs and their preferences, reports accordingly. The platform is structured, without being restrictive.

Operating in a competitive landscape, being able to deliver a personalised experience is crucial. It’s what clients expect, and it’s a way to differentiate yourself in terms of offerings. Whether you’re spotlighting product comparisons or high-level performance presentations, you’re able to incorporate various Morningstar components with your organisation’s brand.

“If I had to sum up Morningstar Direct in one word, it would be enablement. The ability to aggregate the data, derive meaningful insights, and distil everything through clear and customisable reports is invaluable to our clients.”

That idea of telling a story is important to me, and it’s a rewarding aspect of my role. I work with clients who have varying levels of investment knowledge. There are clients that have a sophisticated, in-depth level of knowledge, but there are also clients who are just starting out. With these reports, I’m able to help with their educational journey. Over time, as clients become familiar with the different metrics and data available, and as their needs adapt, I’m able to increase the complexity of the reports and drill down further into the data.

What I enjoy about Presentation Studio is that it’s not just beneficial for product or investment teams. At Alexforbes, the reports are useful from a marketing perspective. When you’re creating marketing or sales enablement materials, having automated reports built on high-quality data enables you to go to

market quicker and substantiate the benefits of your solutions and products. It gives our marketing an added layer of credibility. Beyond that, we're also able to operate in a much more cost-effective manner, which is top of mind for any organisation."

The Road Ahead

Alexforbes has a good reputation to maintain, so it's no wonder they turn to Morningstar for their data needs. There's an alignment in values that doesn't go unnoticed.

"I appreciate that Morningstar invests time to develop new tools that add value", Khan notes. "They're committed to validating the integrity of the data and take additional time and care to speak to the managers and interrogate the data further.

Their dedication to providing transparent, rigorous, high-quality data is valued across the industry and that's reassuring. Alexforbes is expanding its offering to assisting clients with their regulatory needs, and Morningstar contributes to providing data and analytics tools.

Additionally, I find the depth and breadth of coverage at Morningstar impressive, and I'm excited to see it expand further, especially for the South African market.

"Morningstar is constantly evolving. The datasets are expanding, the functionality is improving, and the opportunities for success are growing."

We've seen a lot of correlation taking place locally and globally on equities and fixed interest in our local market in terms of real return generation. So how do you set yourself apart in the multi-manager space?

I think we're going to see a bigger demand for alternatives, and companies moving more into the alternative space, which means a greater demand for transparency around the holdings for both equities and multi-asset fixed income and other asset classes. It's interesting to see how the market moves, especially in response to regulation, but it's a given that more and more data will be required, therefore I'm happy to have Morningstar as a trusted data provider."

Ready to see for yourself?

Talk to a specialist about growing your business with Morningstar Direct. Visit: <https://www.morningstar.com/en-uk/try/free-direct-trial>

Alexforbes has not received any cash or non-cash compensation from Morningstar, directly or indirectly, in exchange for this client success story.