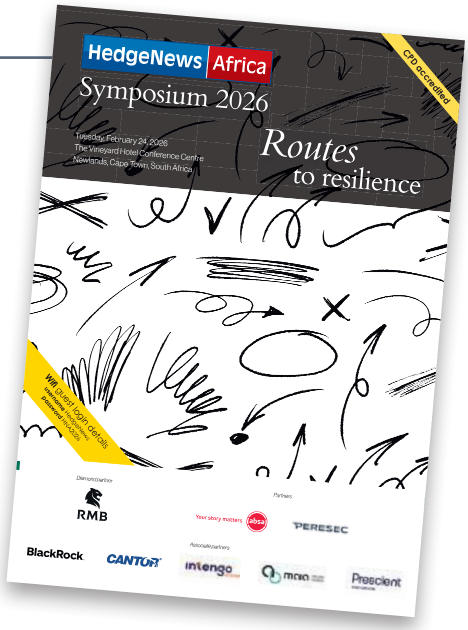
HNA Symposium

Symposium 2026



Global crosscurrents – ahead of the Iran war

This year's Symposium took place a few days before the US and Israel launched their attack on Iran – with the seismic effects on markets all around the world yet to be felt.

But a panel of speakers – featuring André Breedt of Capital Fund Management, Bruce Harington of Stenham, Dumisani Ngwenza of Terebinth Capital and Richard Simpson of Obsidian Capital – already had geopolitical issues and risks at the forefront of their minds for the year ahead.

Breedt posed the question right at the start about whether the US was about to act against Iran – and what might happen.

Commodity prices plus the direction of the dollar, tariffs and potential trade frictions as well as AI were key aspects in the outlook for all the panellists – and critical, as highlighted by Simpson, for economies like South Africa.

Harington was quick to note that a weak dollar and strong commodity prices should continue to be good for emerging markets like SA – with the outlook for metals like copper and silver continuing to look "structurally strong".

Ngwenza agreed that there looked to be a tailwind for SA, but also posed the question: "How sustainable is it?"

Global crosscurrents. From left, panellists: André Breedt, Capital Fund Management; Bruce Harington, Stenham SA; Richard Simpson, Obsidian Capital; Dumisani Ngwenza, Terebinth Capital. Moderator: David Faulkner, RMB.

Another key talking point was AI – given how dominant a theme it has been in global markets. Harington posed the topical question about whether AI was a bubble, arguing that there needed to be more evidence of its functionality – and also argued that there were issues too for private equity and private credit.

Breedt, on the other hand, argued that AI was "already infiltrating the psyche of consumers" and looked likely to have a huge impact on the jobs market.

One questioner from the floor asked about the outlook for the US following the end of Jerome Powell's term at the Federal Reserve – and after Kevin Warsh takes over – and another about whether tensions would be mounting over US fiscal policy.

Ngwenza asked whether the consensus of maybe two more rate cuts by the Fed this year would prove correct.

Simpson agreed there were significant issues for the US, but argued these were not unique – given the fiscal issues for other nations too, including Japan.

Energy transition drives big demand, creating winners, losers, and investment opportunities

In his keynote address, Per Lekander of Clean Energy Transition brought a distinct and different view on the markets, highlighting key themes and investment opportunities that he and his team have identified.

London-based Clean Energy Transition Group runs assets of about US$3.5 billion across two main strategy areas, a hedge fund and a long-only fund, delivering strong compound returns since inception 10 years ago.

Lekander has more than 30 years' experience in the energy markets. He ran a utilities fund at Norgesbank before launching the Energy Dynamics Fund with Lansdowne Partners in 2015 and then spinning out in late 2021.

"Energy drives the world. It always has. It always will," Lekander said, noting that the way energy is consumed, produced and consumed, is changing.

Per Lekander of Clean Energy Transition.

"We are right now in the 'electrify everything' world. An increasing share of the way we consume energy is happening through electricity… and the growth of that electricity is almost entirely coming from green sources, renewables and gas."

Green electricity was cheaper, more efficient and less risky from a geopolitical and economic perspective, he said, however this transition was going to be "massively capital intensive" and time consuming.

The world is currently spending 3.5%-5% of global GDP on the energy transition, which would remain the case for decades going forward. "This means that there are winners and losers. And our task is to identify those companies which benefit, or those which are disrupted."

Previous energy transitions had each taken around 100 years, from wood in the 1800s to coal in the 1900s, then to oil which emerged as the dominant fuel in the 20th century, now moving to gas.

The world had become more efficient in the use of energy over time, but energy consumption had also increased significantly as GDP had exploded. In addition, different sources of energy had a tendency to remain – wood and coal are still in use, and oil is a few years from peaking. "So the growth will come from the green, but historically nothing has gone away," he said.

The difference in energy consumption between countries was "enormous" – Americans consumed 10 times more than Indians, and significant increases were needed to grow wealth in emerging nations.

"It's very hard to see a situation where we are not going to use more energy in the future," he said. "So that means achieving the Paris Accord's pledge to limit global temperature increases to 1.5-2 degrees by 2050 is a complete pipe dream."

"Make no mistake, we will need a lot of energy. It's just that that energy can't be the energy of the past."

Power demand had not grown in the developed world for around 40 years, while Africa had started to accelerate in the past decade after some stagnation. Asia was an outlier, with electricity consumption increasing 30 times, driven mainly by China where demand was two to three times that of the US. The US saw power demand growth of 4% in 2025, after stagnating for 20 years.

Data centres were a key driver of increased demand, as well as electric vehicles, yet increased electrification had many more drivers, including heating and cooling, propelled by climate change.

Power demand had stagnated in South Africa, due to Eskom's issues and slow economic growth, yet there had been a real pickup in renewables, with essentially all capacity additions in the renewable space.

Globally, solar had hardly existed 15 years ago, but has now surpassed nuclear power, while wind has been more gradual and hydro was growing in emerging markets. Gas had been the real success story.

"I'm not saying that everything is renewable, but it really is a story going forward here.

"I would say everything but gas and solar and wind are going to be relatively marginal."

Early development had been driven by subsidies but this was no longer the case, given reduced costs.

The US was competitive with regard to energy with access to cheap gas. Yet it had always been a laggard in the green transition, linked to the fact that it was so advantaged in conventional energy sources. Recent moves from the Trump administration were creating more noise than impact, although this was unsettling for the market.

By contrast, Germany had hardly any indigenous sources of power and its penetration of solar and wind power was multiples of the US. China was similar to Germany in terms of current investments.

"So what are the lessons? First, we need a lot of new power, we need to improve the reliability of the system and we need to lower carbon emissions," he said. "What are the challenges? It takes a long time to accomplish all this. Renewables are less reliable so we need to expand networks, which is difficult and expensive, requiring legislation and regulation."

Spending on transition technologies had multiplied in recent years, including wind and solar, with sales of electric vehicles up 19 times since 2017.

Investors needed to distinguish cyclical opportunities from long-term structural ones – and these ranged from investing in utilities to infrastructure, service and network companies.

Outside of current geopolitical issues, he maintained that there was too much oil in the world, which offered poor risk-reward prospects.

Cyclically, Germany was very interesting, given that it had seen negative GDP growth for some years yet it had a strong balance sheet and capex targets. He was also positive on US gas demand due to domestic reasons and increasing exports.

On the short side, he would pragmatically look to short companies that had benefited from environmental legislation.

CY JACOBS ON BUILDING THE BUSINESS AT 36ONE

The first 'fireside chat' of this year's event featured Cy Jacobs, the co-founder of 36ONE Asset Management, in conversation with an investor he had known for many years – Monene Watson, now of Personal Trust.

To start things off, Watson asked Jacobs why he had decided to start 36ONE in the first place? "To get out of the institutional mindset," he replied.

And had he thought ahead in terms of team building and succession issues?

Jacobs said he had to accept that some people he hired might in turn want to leave at some point and set up shop on their own. But it was important not to have a fixed view about the type of person he wanted on the team – to be successful a team should bring together different backgrounds and mindsets.

And what about how to run long/short money successfully alongside long-only money? Jacobs said his approach on hedge funds was very distinctive in the local market – namely, to run typically with low net exposures. That may not win many awards, he argued, but should deliver consistently strong risk-adjusted returns over time.

Another topic raised was fees – where Jacobs said his approach was based on a target of cash-plus.

And then AI – which he said had created a "strange environment" where the markets were looking very tech-heavy, and arguably toppy.

Jacobs also offered some interesting 'war stories' on investments over the years, including being short of Steinhoff for many years before it was finally revealed to be a fraud, but only after a lot of pain along the way – demonstrating just how difficult the short side can be.

Cy Jacobs, 36ONE Asset Management, in conversation with Monene Watson, Personal Trust.

PRIVATE CREDIT – STILL ON THE RISE?

A panel to discuss the continuing growth of private credit strategies in South Africa brought together three different players – Kasief Isaacs of Creation Capital, Rudigor Kleyn of Capitan and Ryan Wood-Collier of Greenpoint Capital – in a session moderated by Claire Rentzke of Thuso Investment Partners.

Wood-Collier emphasised how private credit stretched across a wide liquidity spectrum where the length of a deal could be typically 7-10 years, but underlying asset classes could differ materially.

Isaacs noted how the vehicles used could also vary a great deal – given the flexibility to create segregated mandates, wrappers or notes, for instance.

Kleyn said decisions on what instruments to deploy depended primarily on investor needs.

Rentzke asked whether the sector essentially disintermediated the traditional role of banks as primary lenders. But the speakers generally felt this was not really the case, with private credit stepping up to do transactions the banks would not otherwise take on – whether that be in smaller ticket sizes or in the ability to take lending decisions more quickly.

There was then discussion about the nature of the risks in private credit – and how they can be managed.

Isaacs emphasised how the strategy was based first and foremost on understanding and pricing the risk most effectively.

And Wood-Collier highlighted how in practice it could be very hands-on – in terms of helping borrowers manage and restructure if necessary through difficult periods, such as happened a lot during the Covid pandemic.

Kleyn emphasised how private credit could also play a pro-active role in job creation across the economy – and Isaacs how small- and medium-sized enterprises (SMEs) made up perhaps 60% of the economy, with lending to that group creating plenty of further knock-on benefits.

The panel was asked about recent problems emerging in private credit in global markets. But Wood-Collier argued that these were mostly in areas such as the software sector – and not an issue in South Africa.

Nevertheless, he also emphasised how valuations in the sector – given that private companies are by definition unlisted – certainly needed thorough independent oversight.

INVESTORS LIKE HEDGE FUNDS – SO WHAT'S THE CATCH?

The latest investor survey from *HedgeNews Africa* found that investors were happy with the performance of hedge funds, expecting it to continue – and expected to allocate more assets going forward.

A panel bringing together four different perspectives – from George Herman of Citadel Asset Management, Lebo Thubisi of Abax Investments, Elmien Wagenaar of THINK.CAPITAL and Lethu Zulu of Sanlam Investments Multi-Manager – were thus asked the question: 'What's the catch?'

Herman argued that for private wealth managers, hedge funds were integral to the allocation mix – and that as the industry had evolved they had done "exactly what they said on the tin".

Wagenaar highlighted her longstanding and continuing belief that you could enhance risk-adjusted returns with the right combination of hedge funds.

Zulu also highlighted his view that

Private credit comes to the fore. From left, panellists: Ryan Wood-Collier, Greenpoint Capital; Rudigor Kleyn, Capitan; Kasief Isaacs, Creation Capital. Moderator: Claire Rentzke, Thuso Investment Partners.

the right combination of hedge fund styles was the correct approach from an institutional perspective.

Adding the perspective of a former allocator now on the management side of the fence, Thubisi noted how more flows were now coming from the retail side of the market rather than from institutions.

So the panel was of course asked to address the risks – and how should they be tackled?

Both Wagenaar and Zulu noted how hedge funds could be complex and difficult to explain.

And Herman warned about the ever-present potential risk of style drift – as well as continuing regulatory impediments to the industry.

The panel went on to discuss how further investor education about hedge funds was still very much needed – and how fees remain a stumbling block for many.

Questions from the floor included a perennial issue for those trying to raise money, namely: What are the key points for allocating to a manager?

Wagenaar, Herman and Zulu all pointed to key factors including people, process and authenticity – with Thubisi adding the importance of diversity.

SINGH HIGHLIGHTS HIGH BAR FOR HEDGE FUNDS TO WIN ALLOCATIONS

The second 'fireside chat' of this year's event featured Prasheen Singh, a director on the board of RisCura – seen as a key gatekeeper for many investors – in conversation with Shane Watkins, chief investment officer at All Weather Capital.

Watkins kicked off with a pertinent question for many in the room, namely: Why are allocations to hedge funds still so relatively small in South Africa?

Singh argued institutional investors were already the backbone of the industry, but that many still struggled to understand whether it was an asset class – which she argued that it was not – and faced major governance requirements in order to allocate, struggling to justify the time needed to perform the due diligence.

Watkins argued that hedge funds had been shown to add to and improve risk-adjusted returns. Singh accepted that more investors should be looking at how they could improve diversification, though for many new to the sector, such as from the retail side, there was still a limited level of knowledge. From the institutional side, fees and governance could also present significant obstacles, she added.

What's the catch? From left, panellists: George Herman, Citadel Asset Managment; Elmien Wagenaar, THINK.CAPITAL; Lebo Thubisi, Abax Investments; Lethu Zulu, Sanlam Investments Multi Manager. Moderator: Niki Natarajan, In Ink (London).

In conversation. Prasheen Singh, RisCura, interviewed by Shane Watkins, All Weather Capital.

Watkins also asked what was the appropriate allocation size for hedge funds. But Singh resisted the notion that there was a single figure which would be correct for all investors – it could be to the maximum for some, but zero for others, she argued.

In answer to a question from the floor, Singh argued that managers should focus less on the product they want to sell – and more on how it could be packaged in a way that complemented other investments.

FAIRTREE FOUNDERS TALK ABOUT CULTURE AND LEGACY

The afternoon of this year's Symposium began with another 'in conversation' session featuring both founders of the hugely successful Fairtree group – CEO Kobus Nel and chairman André Malan – talking with David Bacher, CIO of Corion Capital.

Bacher began with some history – about how they got started with Fairtree and how it had evolved into such a broad

In conversation. André Malan and Kobus Nel, Fairtree, interviewed by David Bacher, Corion Capital.

multi-strategy and multi-fund group.

Malan noted how they began not long before the global financial crisis of 2008 with a single market-neutral strategy – and then subsequently got the opportunity to meet other people who showed they could be "super good at making money in a more aggressive way".

As they added more partners and products, Nel admitted it was impossible to tell in advance which would grow the fastest or prove the most successful.

But it was hugely important, they both stressed, to develop and retain a culture where there was a strong *esprit de corps* or sense of "being in it together" – where everybody on the team could feel free to share ideas, but also have the freedom to take their own decisions.

Naturally, there were of course some mistakes that had been made along the way – such as not going into the retail market earlier.

The formula for success, they added, had certain key elements including commitment to integrity, excellence and growth – but also retaining a good work/life balance.

At Fairtree, they said they viewed it as a responsibility to develop talent, and that meant understanding what motivates each person – and helping them to make better decisions.

FROM THE COALFACE – FUND MANAGERS SHARE THEIR VIEWS

In previous years, the Symposium typically featured separate strategy panels

Infrastructure enters golden age as megatrends drive investment and resilient returns

In this year's BlackRock masterclass, Stuart Wright, a principal with GIP, discussed "The golden age of infrastructure".

He noted that multiple independent megatrends were converging after decades of underinvestment, meaning that aging infrastructure across transport, utilities and social assets now require significant capital just to remain fit for purpose. This created a structural role for long-term private investors in the asset class amid a rewiring of global supply chains.

"Private infrastructure investing is entering its golden age as multiple structural forces converge," Wright said. "Private capital is increasingly the catalyst needed to build, modernise and operate the assets that global economies rely on."

"For disciplined, active owners with operational and regulatory expertise, this environment creates a rare opportunity to generate attractive returns whilst investing in assets that matter and make a difference to economies and societies around the world," he said.

GIP has been a leader in private infrastructure investing for the last 20 years, and was integrated into BlackRock in October 2024.

Wright noted that irreversible structural forces were the demand drivers for infrastructure investing, creating a need for sustained capital.

"The global energy system is short on power. We need more generation, more transmission, more flexibility, and increasingly, lower carbon solutions are the most economically efficient way to deliver this outcome," he said.

According to estimates, about $18 trillion was needed by the end of the decade to fund the energy transition.

"Even if you debate that number and the pace of change, this is directionally a one-way trade," he said. "It translates into real, investable build-out across low-carbon power, natural gases, transition fuel, storage, efficiency, and, increasingly, carbon capture investments."

The impact of geopolitics on supply-chain redesign and changing travel and

BlackRock Masterclass, presented by Stuart Wright, principal at GIP.

trade patterns was rewiring supply chains as is evident in ports, airports, multimodal transport and logistics hubs, as well as the growth of AI and digital, Wright said.

AI and cloud computing required vast investment in physical infrastructure, including power, land, connectivity, fibre, cooling, and of course, physical data centres and cell towers.

Given these forces, what should investors demand their managers provide from the asset class?

The best infrastructure investments shared a handful of key characteristics, Wright noted. They should be long-lived assets with long economic lives (often 30 years or more), with limited risk of technological obsolescence, and supported by long-term concessions or contracts.

Positions should also be secure, with high barriers to entry, such as physical land, permitting, regulation and project-capital intensity, which would benefit from the demand tailwinds that create pricing power and resilient cash flows.

Infrastructure was unique due to its explicit and implicit inflation participation, he said.

"As an infrastructure investor, you need your assets to have mechanisms to pass through costs or escalate prices in line with inflation," he said. These included regulated regimes, concession structures, or long-term contracts with specific index-inflation protection.

Upside potential came from active asset management, improving utilisation, delivering efficiencies, and professionalising assets that had been historically undermanaged – all areas GIP participated in. Downside mitigation would come via the indispensable services that these assets provide.

"We have a team of 55 dedicated business improvement specialists that get involved with every single investment we make to deliver that upside potential to our investors," he said. "If you combine these characteristics in a well-structured investment, you get a return profile that is truly differentiated from a lot of other assets in public and private markets."

Ranked across asset classes, he noted that private infrastructure sits at the top of the risk-adjusted return spectrum, delivering an almost 11% annualised return over the past decade.

With private equity, performance can be more cyclical and correlated with public markets, while private infrastructure benefited from long-term contracted revenues, inflation linkage and essential service demand, which translated into meaningfully, lower volatility and smaller drawdowns. This was particularly the case in periods of market stress where infrastructure had historically held its value far more consistently than listed equity or private equity.

"Infrastructure is a portfolio building block, due to its strong, durable performance delivered by idiosyncratic factors and forces, and resilient cash flows delivered with a smoother risk profile than most alternatives. It's one of the few asset classes that consistently compounds through the cycle and not just when markets are rising," he said. "The asset class has provfocusing on equities and fixed income. Last year, partly to allow more time for other approaches such as multi-strat and market neutral, it was decided to include two panels where debate could range across the whole strategy spectrum – making for a broader and more entertaining discussion of relevance to all delegates. After the success of that approach last year, we decided to follow the same format in 2026.

The first of the two panels, moderated by Absa's Sarshnee Pather, featured

At the coalface I. From left, panellists: Arthur Buchner, AIP Capital Management; Zwelakhe Mngomezulu, Oakhaven Capital; David Fraser, Peregrine Capital; Anthea Gardner, Cartesian Capital. Moderator: Sarshnee Pather, Absa.

en itself to deliver where markets can be a little bit more turbulent."

Where are the best opportunities today? GIP focused on essential physical systems, namely the assets that enabled economies and societies to function and grow, including airports, ports, generation, transmission, water and waste, cell towers, and data centres.

"We group the opportunity set into four main buckets: energy transition, transport, digital infrastructure and water and waste. And importantly our strategy is highly disciplined so we avoid explicitly any style or risk drift. We're not in the business of chasing theme parks, salmon farms or laundrettes."

In the energy transition, the two fundamental facts are that the world is decarbonising, and that the current energy mix still has a long way to go.

Energy demand had evolved since 2000, with OECD (Organisation for Economic Co-operation and Development) economies experiencing largely flat demand, increasing only in the past couple of years, while non-OECD demand had surged across all fuel types, especially coal, gas, and oil.

This growth underpinned the need for new, cleaner infrastructure today.

Solar and wind was expected to grow dramatically, from 2020 onwards, while coal and oil are projected to decline meaningfully with gas in the middle.

"Demand is shifting, systems are changing, and trillions of dollars of new energy infrastructure will be required to deliver the transition," he said. "For the first time in many years, some of the world's largest consumers of energy, like the US, have started to increase demand, driven in part by the growth of data centres and digital-infrastructure requirements. So the investment implication here isn't one technology. It's systems build-out."

As a case study, GIP had invested in Jupiter Power, a battery and energy storage system, which is a leading integrated owner and operator of US utility-scale battery storage.

The business had scaled rapidly in recent years, achieved via long-term fixed-price contracts, locking in revenues and strong cashflow visibility to back up these assets.

"Jupiter brings together many of the characteristics we look for in infrastructure: essential service provision, long-term contracted revenues, downside protection, and upside delivered through hands-on active asset management."

GIP viewed transport infrastructure as a highly attractive long-term opportunity. Global airline passenger numbers had resumed their long-term structural growth trajectory post-Covid, driven by rising middle-class wealth and the continued liberalisation of air travel.

The picture was similar in global container ports, with 20-foot equivalent units (TEUs) showing more modest yet positive growth, underpinned by long-term trade flows and supply-chain reconfiguration rather than short-term economic cycles.

"What's important for us is the capacity-constrained nature of these assets. Airports and ports are physically difficult to replicate. They're heavily regulated, embedded in critical trade and mobility networks, creating really strong pricing power, high barriers to entry and significant scope for value creation through operational improvement and capital discipline."

"In short, transport infrastructure combines structural demand growth with scarcity value, and that is exactly where we want to be as long-term owners and operators of these sorts of assets."

GIP acquired London Gatwick Airport in the UK in December 2009, creating infrastructure alpha through control, business improvement, and regulatory insight.

It is Europe's largest single runway airport, serving around 46 million passengers per year, with freehold ownership and a strong London catchment area.

"At the time of acquisition it was a reasonably high-quality asset, but it was critically under-managed and under-optimised," he said. "That's a big trait we see with large infrastructure assets. You can get away with not actively managing them because of their dominant position or high barriers to entry. However, if you roll up your sleeves, you can really drive performance."

It had unlocked significant value through operational improvement, including airfield efficiency and process optimisation. GIP had subsequently made further airport investments in the UK, Australia and Malaysia.

"This is how we think about infrastructure," he concluded. "Control matters, operational detail matters, regulatory insight matters. When you combine these, even the most mature infrastructure assets can drive exceptional outcomes."

He noted that digital, the newest sector within infrastructure, was not the biggest but it was the fastest growing.

"We see digital infrastructure as one of the most compelling opportunities of infrastructure today. The scale of demand growth is unprecedented."

Global data-centre capacity is expected to grow from around 60 gigawatts today to over 220 gigawatts by 2030, requiring US$1.5 trillion of investment.

This comprised traditional cloud growth, as seen in recent years, as well as growing demand from AI training and inference, which is significantly more power dense and infrastructure intensive.

"The proportion of capacity that is leased rather than self-built has increased from about 20% in 2018 to 40% today and is expected to be about 60% by the end of this year," he said. "Even the largest best capitalised technology companies in the world are increasingly choosing to partner with infrastructure owners rather than doing everything themselves. For us, this is a classic infrastructure opportunity."

"Digital has moved from being a niche sub-sector to a core pillar of global infrastructure and we believe we're still in the very early innings of the growth."

Recent investments included Align Data Centres, which was a pure-play hyperscale data developer and operator with a leading footprint across Tier 1 markets in the US and Latin America. It had longstanding relationships across all major hyperscaler customers who collectively represent about 80% of the contracted capacity secured, and it prioritised speed to market, power efficiency, and scalability.

At the coalface II. From left, panellists: Diketso Phokungwane; Independent Alternatives; Matthew Pouncett, Laurium Capital; Hannes van den Berg, Ninety One; André Steyn, Steyn Capital Management. Moderator: Lynden Howie, Cantor Fitzgerald.

Arthur Buchner of AIP Capital Management and David Fraser of Peregrine Capital – both with equity long/short approaches – plus Anthea Gardner of Cartesian Capital, focusing on fixed income, and Zwelakhe Mngomezulu of Oakhaven Capital, with a speciality in the property sector.

At the time, Fraser said he was more bullish on the outlook for SA than he had been for perhaps 10-15 years, a scenario that has changed somewhat since then with a surging oil price due to the Iran War.

Buchner added some words of caution, about the global macro outlook – even speaking as he was before recent events in the Middle East. With

Cryptocurrencies evolve from speculation to strategy as adoption and use cases expand

In the day's penultimate session, panellists discussed the evolving case for cryptocurrencies, as digital assets moved from speculation to strategy, as well as the broader applications of blockchain technology.

After the ups and downs of the past year, what was the case faor Bitcoin and other digital assets?

Rob Price, founder and CIO at Sound Money Capital, noted that crypto was a very broad term. Bitcoin had been a remarkable success story over 15 years, yet it was a volatile asset and sentiment was weak at the moment.

While there had been challenging areas of the crypto evolution, there had also been powerful adoption by banks and fintechs in recent years, resulting in a much more institutionalised industry today.

Bitcoin and gold were the world's two preeminent stores of value, and both had fixed supply. Yet why was it not appreciating whereas gold and other precious metals had been?

Price noted that the two had never had a strong correlation, and had different drivers in recent years. While Bitcoin was a much larger asset class than it was 10 years ago, bigger flows were still needed to move the needle, with no central bank buying yet.

Wiehann Olivier of audit and tax advisory firm Forvis Mazars said that many people would argue that Bitcoin was 'money' – yet this required three pillars: it needed to be a unit of account, a medium of exchange and a store of value. It fell short as a unit of account, which is where stablecoin offered a solution, providing an asset class that moved freely over the internet with less volatility as the price was pegged to a reserve asset.

He noted that transaction volume throughput of stablecoins in the 2025 calendar year was US$33 trillion, exceeding Visa and Mastercard's combined $24 trillion, which showed the significance of the asset class.


From speculation to strategy: From left, moderator: Neil Wilson, HedgeNews Africa. Panellists: Rob Price, Sound Money Capital; Dr Wiehann Olivier, Forvis Mazars; Dr Eugene van Rensburg, Noblelight Wealth.

Blockchain technology effectively removes the friction associated with the traditional world, allowing for a tokenised version of real world assets. "So you can see, slowly but surely, movement of the traditional financial services world onto blockchain technology as a result of those benefits," he said.

Eugene van Rensburg, co-founder of Noblelight Wealth, spoke about stablecoins and the implications for payment systems, with the evolution of viable solutions around matching capital pools creating interesting alternative assets.

"Cryptocurrency, or a coin or a token, isn't a strategy in itself but a tool to enhance a strategy," he said. "If we take that concept further, we have alternative asset managers looking to attract capital, and investors looking for new yield to create alpha in portfolios. What is emerging in this digital asset management ecosystem is an opportunity to control more of that flow of capital through the right structuring mechanisms."

For example, one offshore private credit fund with SA investors was tokenising investments in its limited partnership, allowing it to access different pools of capital at scale.

"The volatility and the hype around the original Bitcoin story has created an enormous pool of capital," he said. "A lot of time and effort has been put into digital exchanges and they're now seeking more sophisticated mechanisms to allocate capital."

The evolution of these ecosystems was supported by improving regulatory frameworks globally.

Yet in South Africa, Olivier noted that there were around 300 crypto asset service provider (CASP) licences as of December 2025, compared with around 45 in Germany and 11 in Hong Kong, meaning that there were a lot of regulatory aspects that haven't evolved at the same pace. In the domestic context, exchange control regulation and stablecoins were two areas that needed attention.

Price noted that stablecoin, which was dominated by US dollars, had had a profound impact in the ease of access to the dollar via crypto exchanges, effectively supporting dollarisation across the world.

Van Rensburg added that the tokenisation of real world assets presented a real opportunity to turn something illiquid into something more tradeable.

US President Donald Trump "disenfranchising his allies and emboldening his enemies" there should be plenty of long/short opportunities not just locally but globally, Buchner argued.

Gardner also cautioned that market liquidity in SA remained tight – which created the danger of crowded trades.

And Mngomezulu took up a similar theme, noting the continuing fall in the number of counters trading on the JSE and continuing issues for municipalities – but also arguing that the SA property sector was still relatively cheap, if not so cheap as before, and still offering good opportunities.

The second session, moderated by Lynden Howie from Cantor Fitzgerald, featured André Steyn of Steyn Capital Management and Hannes van den Berg of Ninety One as well as Laurium Capital's Matthew Pouncett and Diketso Phokungwane of Independent Alternatives.

Pouncett noted that markets were strong in 2025, yet Laurium added a lot of protection to its portfolios despite being optimistic on precious metals and SA Inc. "We're very conscious that you can have quite a correlated drawdown if things don't go right," he said.

Van den Berg added that the SA equities market offered a range of areas to allocate to and, combined with hedge fund tools, this presented an alpha-rich environment.

Phokungwane, who focuses on fixed income, said markets were at a "dangerous" point and required active risk management to position for alpha.

"Fixed income goes back to basics – are you going to be paid at maturity?" he said. "We price for the risk and if the risk is not correctly priced, or if it's mispriced, it's an opportunity."

Despite the uncertainties, panellists agreed there were opportunities in this environment for hedge funds, potentially playing a more valuable role than traditional 60:40 long-only multi-asset funds. Hedging strategies that gave protection against risk while also being profitable,

Offshore fund expansion requires a balance of cost, regulation, investor access, and strategy

Kim Gibb of Prescient Fund Services convened a panel discussion around offshore solutions and the next phase of growth for South African managers.

As managers broaden their horizons, how should they balance cost and complexity with access to capital, while structuring for sustainable long-term growth?

Panellists noted that every offshore jurisdiction had both benefits and negative points, ranging from set-up fees to ongoing costs and even within the investment mandate itself.

"If you're going to set up a fund domiciled elsewhere, you have to be honest with yourself. Where are your clients, the end investors, coming from?" stressed Jonathan Hertz of SA Alpha Capital Management.

A fund aimed predominantly at South African end investors came with different considerations to one aimed at international investors.

"It's important that you're realistic with that kind of information, because if you're not, you'll run out of money and time. Ultimately that will affect the return of your fund. The fund can be a failure, and for the wrong reasons, even if you're an investment success."

A fund's strategy, and how much flexibility, pragmatism and regulatory oversight it required, were important criteria, added Stefan Engelbrecht of PIM Capital in Guernsey.

"It is about where your investors come from, what you are going to be investing in and what you need to enable that ecosystem as efficiently as possible," he said.

Carole Walsh of Prescient Fund Services Ireland said the UCITS brand was well recognised in South Africa yet it had pros and cons, with some flexibility constraints.

UCITS and AIFs (Alternative Investment Funds) are the two primary categories of collective investment funds in Europe, offering different levels of regulatory oversight,

Structuring for success. From left, moderator: Kim Gibb, Prescient Fund Services; Carole Walsh, Prescient Fund Services Ireland; Stephan Hartzenberg, PIM Capital; Jonathan Hertz, South Africa Alpha Capital Management.

risk, and liquidity.

UCITS structures provided access to the UK and Europe, and the South African regulator was familiar with them, facilitating Section 65 approvals for inward marketing. However, there were constraints, particularly with regard to derivatives, while the AIF structure offered more flexibility.

Having made a product decision, Hartzenberg said clients typically then often underestimated the time needed for regulatory and oversight approvals.

"Approvals don't happen overnight, they don't happen quickly. It is important to have these conversations early and manage expectations. Time to market on these products is critical and often underestimated."

Overestimating closeness to a seed investor and the speed with which they can operate was common, said Hertz, and the relationship required ongoing communication and alignment.

Cayman was a highly regarded jurisdiction, offering Section 65 approvals for SA and good US access, and was far cheaper than many European jurisdictions. However most funds came with monthly dealing and pricing, making it more suitable for professional investors rather than retail.

The Channel Islands, including Guernsey, was an exceptionally well-governed environment offering access to the UK market, whereas Mauritius was more cost effective and provided flexibility for those with a South African investor base.

Walsh stressed the importance of partnering with the right service providers in a collaborative environment, whether it be launching an offshore fund or building an entire offshore asset manager.

"Our best clients are those that started reasonably small, we built them a structure which grew until they could create their own asset manager offshore. It's a journey, moving from a segregated mandate with international clients to an entire umbrella structure," she said.

"On day one, you must give yourself the best chance to make your first vehicle successful because that may lead to the next one, and then an entire fleet."

On global investor appetite, Hertz noted that there was growing interest in the South African market and in emerging markets in general. There were also a lot of South African assets that now had the option of moving into hard-currency classes, providing seed funding for offshore funds.

AI and tech reshape fund operations, enhancing efficiency while preserving human judgment

In a session sponsored by Maia Technology and moderated by Michael Murphy of Inverewe Capital, panellists discussed how technological innovation is reshaping operational touchstones for managers, including hedge funds.

As global standards evolve, how can boutique managers stay ahead of the curve?

Vincent Anthonyrajah, CEO of Differential Capital, said his firm started seven years ago with the view that it could use AI as a proprietary means of processing data and analysing particularly alternative data, which remains "notoriously complex and unstructured".

Unlocking alpha. From left, panellists: Danny Naidoo, ESSTRAX; Vincent Anthonyrajah, Differential Capital; moderator: Michael Murphy, Inverewe Capital; panellists: Mark Williams, Bateleur Capital; Sami Kellali, MAIA Technology.

"We view AI as a foundation for synthesising and eliminating probably 80% of the workload," he said. "But we think a human being still has a tremendous role to play in assessing investment opportunities."

Anthonyrajah noted that a large part of investment due diligence in assessing investment ideas was repetitive.

"If you can use AI tools and large language models to cut out the repetitive nature, the part that takes up a lot of time but doesn't really add value, that leaves as much time as possible to think about what is not average, what is not the same. These tools can streamline the processes and help you focus on the real idea generation."

Mark Williams from Bateleur Capital, a fundamental equity house, said the advent of large language models, which were becoming more accurate, had been a game changer in speeding up the breadth and depth of analytical work.

"It essentially does the work of an analyst with a high degree of accuracy. But we see a lot of value in the human in that final bit of analysis. From a fundamental point of view, you can't discount the importance of slow thinking."

Can operational efficiency fuel competitive advantage?

For Sami Kellali from MAIA Technology, technology was more of an alpha accelerator than an alpha driver. He said being prepared in terms of operational infrastructure meant investors could focus on investment edge.

"When I speak to portfolio managers and traders, they're looking for the technology to make them faster," he said. "It's about enabling them to focus on driving alpha, as opposed to the clicks and steps in their workflow. Automation is a real enabler, but it's not replacing clever PMs."

Danny Naidoo from ESSTRAX said being able to consistently remove human bias on a day-to-day basis was a key part of his process. ESSTRAX is in its 10th year of building proprietary AI-based strategies for trading commodities and stocks long/short across the globe.

"We're not interested in introducing bias. We exploit the maths of what is already in the market and we see the alpha," he said.

Anthonyrajah said Differential spent time building and investing in the engineers behind its models, then creating workflows with its data-science teams.

"We've spent a lot of time on that complexity, focusing on the infrastructure and setting up pipelines. The modelling is sometimes the easiest part. You can't afford to have down time."

For Williams, it was about "staying in the game" from an operational perspective, and being able to integrate data as the environment rapidly evolved.

Naidoo said ESSTRAX was now in its seventh generation, which was being created and tested at much faster speeds. A lot of effort went into operationalising what R&D built so that it became part of daily operations.

"We've got over 180 strategies that we know are worthy of putting dollars against and trading without compromising the market," he said. "So that's very important because you can actually overindulge what the AI is putting out. You can also end up a victim to the nature of the misbehaviours of the AI. Financial services is a regulated world, so you want to be able to say with an extreme level of confidence that this is how something is achieved."

Panellists agreed that cyber security was a massive issue.

"You can't just run machines that are all connected to the internet," said Naidoo. "You've got to have some that are completely offline. Because there's a risk that you could end up with some package of infiltration that would surface three years or four years from now."

"It's about being very level-headed about how you get the tooling right, how you free up R&D and only then how it becomes product, and then managing that product robustly."

Anthonyrajah agreed that handling cyber risks required continuous team training, in a complex and fast-changing environment, and even putting human hurdles in place from an execution perspective.

New technologies could bring competitive advantages for boutique managers, with speed in implementing, testing and trialling compounding benefits. Smaller firms faced implementation hurdles, however, and needed to work with strong partners.

Choosing the right technology partners was a cornerstone in aligning to regulatory and compliance pressures, allowing managers to draw on experience and broader platforms.

As a technology vendor, Maia itself remained a boutique, and was therefore able to partner with its clients in meaningful ways.

"You want to work with someone that is going to act as an extension of your business, as opposed to treating you like just another number," said Kellali. "Often you don't get that nuance from the larger players because there's little time to work with the boutiques. It is a key factor when you're exploring the vendor landscape."

To balance innovation and execution risks, firms needed to move ahead in an organised format, with a lot of testing on the implementation side, keeping humans in the loop.

"It requires intellectual honesty," said Anthonyrajah. "Conditions change. You need a really disciplined control cycle around how you monitor your models."

Over the coming decades, panellists expected humans to become more adept at controlling and managing machines, and that the speed of change would accelerate, which would be both transformative and disruptive.

offered attractive opportunities.

Pouncett said that investors needed to distinguish between structural and cyclical factors in appraising the South African economy, while Steyn added that a bullish outlook on South Africa was not consensus, with the consensus view on GDP growth well below guidance.

"There is some reason for optimism, but we're hedge fund managers, so we're always thinking: how can we be wrong?" Steyn said. "So we carry a big short book against that, both in SA and emerging markets."

Ultimately South Africa needed positive GDP per capita growth, improving employment and an improved environment for entrepreneurs to add to signs of structural improvement.

Winning the mandate, and meeting investor expectations. From left, panellists: Craig Gradidge, Gradidge Mahura Investments; Robert Enslin, STRATEGIQ Capital; Mbali Nzima, Alexforbes; Jacques de Kock, MitonOptimal. Moderator: Jean-Pierre Matthews, Matrix Fund Managers.

WINNING THE MANDATE, AND MEETING INVESTOR EXPECTATIONS

The final panel of this year's Symposium brought together another group from the investor side of the fence to talk about what they were looking for from hedge funds – and whether they were getting it.

The panel featured Jacques de Kock of MitonOptimal, Robert Enslin of StrategicIQ Capital, Craig Gradidge of Gradidge Mahura Investments and Mbali Nzima of Alexforbes – moderated by Jean-Pierre Matthews of Matrix Fund Managers.

The first question raised by Matthews was: Why invest in hedge funds? Nzima was forthright in reply: To reduce drawdowns and improve risk-adjusted returns. To enhance returns or to reduce volatility, added de Kock. And to improve diversification, said Gradidge.

And did hedge funds work? asked Matthews. Further education was no doubt needed, argued both Enslin and Gradidge – but yes, all the panellists gave an enthusiastic thumbs-up.

The discussion then moved to the different requirements of retail versus institutional clients – and how retail had become more important and a greater source of asset growth in recent times.

Nzima talked about how managers needed to explain their approach on key issues like people, process and philosophy – to show how they generate alpha and differentiate themselves from peers.

The allocators were also asked about key issues like fees, due diligence – and what might lead them to lose confidence and redeem from a manager.

Gradidge said he was also keen to see how managers come through bad periods – and what they had learned.