

Not all DFMs are created equal – Why I rejoined the Equilibrium team

By Carl Chetty, CFA (Head: Investment Proposition)



“You don’t know what you’ve got until it’s gone” is a saying that resonated deeply with me after leaving Equilibrium during the Covid pandemic in 2021. I joined the team in 2017 as a Portfolio Manager, but my early career curiosity led me to explore other DFMs. Now, having returned to Equilibrium in June, I want to share why I came back and why our clients – both financial advisers and end-investors – can trust in our industry-leading DFM.

Outcome-based investing (OBI)

Many DFMs aim to outperform peer groups or market indices, which often overlooks the actual needs of individual investors. Key questions like “Can I retire?” or “Can I afford my child’s education?” are far more relevant than simply comparing fund performance. OBI addresses this disconnect by prioritising investor goals within the management process, focusing on a comfortable investment journey. Goals are defined by an investment horizon (eg five years), a risk budget (eg limiting annual losses to 5%) and a realistic range of returns (eg CPI + 4-5%).

OBI is firmly rooted in investment theory and global practice, and I genuinely believe in its power to help individual clients achieve their financial dreams and aspirations with more certainty. Equilibrium’s strong heritage and its connection to one of the pioneers of OBI in South Africa uniquely position the company to help financial advisers shift the focus from merely selecting the best funds to finding solutions that minimise uncertainty in achieving investment goals.

Skill, depth and scale

Managing client investment portfolios has become increasingly complex due to a rise in funds and asset managers, new investment strategies (like retail hedge funds and ESG funds), relaxed offshore limits for retirement portfolios and a volatile market environment. Making informed decisions on asset allocation, manager selection and portfolio construction requires considerable skill and comprehensive research. By leveraging the extensive investment expertise within the broader Momentum Investments business, Equilibrium provides robust, future-ready solutions that reflect deep, rigorous and up-to-date investment research. This includes access to:

- highly rated in-house economists
- an experienced and centralised manager research team
- alternative investments (hedge funds, private debt and equity, and impact investing)
- specialist asset management skills (such as systematic strategies and fixed income)
- a global multi-manager investment team based in London
- a strategic partnership with one of the world’s largest asset managers (Robeco), and
- a centralised Research Hive that conducts ongoing research on investor behaviour and investment technology trends.

Equilibrium boasts an impressive scale, managing over R34-billion. This scale offers clients access to lower underlying fund fee classes, facilitating the delivery of diversified solutions that are typically more affordable than those provided by many other DFMs, increasing the likelihood of clients reaching their investment goals.

People, purpose and partnerships

I recently learned about the “boomerang” effect within the business, where many employees rejoin after departing. This reflects the strong culture of representation, inclusion and value. Equilibrium prioritises human collaboration, building meaningful relationships with adviser partners to support clients in achieving their financial dreams.

“Enabling your financial advice outcomes” is more than a slogan – it’s part of Equilibrium’s DNA, and I believe this provides a competitive advantage in a DFM industry that often values profit over people. Equilibrium has a different, human approach to collaboration and establishing long-term reciprocal relationships. We become your practice’s investment management team and an extension of your practice, enabling you to do what really matters – **spending more time with your clients and building your business.**