
NASP / MIDA ADVISORS AFRICA INSTITUTIONAL INVESTORS ADVISORY COUNCIL

COVID-19 Impact Survey

Following a robust 2Q2020 Advisory Council meeting, we surveyed members to get their perspectives on how their investment programs were adapting to the COVID-19 operating environment. We received several responses, and these included important anecdotal and instructive insights.

To summarize some of the Indicative feedback we received:

- In the wake of the pandemic to date, respondents haven't materially changed their asset allocations; although there have been recalibrations to: 1) de-risk in some areas; and 2) be opportunistic in others. For example, one respondent stated: "... we did allocate new money to a fund to take advantage of credit".
- Most were still in a "wait and see" status with respect to their long-term return expectations for global markets, but there are obvious biases for lower returns in the short-term (next 12 months).
- Respondents were also adapting to the pandemic's challenges to in-person due diligence by relying upon virtual platforms (Zoom, WebEx, etc.) while requiring enhanced due diligence protocols from consultants and investment managers.
- Closely and cautiously watching the performance of emerging markets, which all expected to underperform developed markets during this pandemic environment. Focus is likely to be placed on European and Asian EM, as African countries (ex. South Africa) continue to be at the margins within EM benchmark constructs.
- Finally, all respondents confirmed that research and insights from GPs, investment managers, as well as organizations like NASP and MiDA, was important to their efforts to navigate through this pandemic environment. Desired themes for thought-leadership included: sustainable investing; portfolio construction during times of crisis; and the intersectionality of investment and trade.