

South African fintech revolution

Issued by [Advicement Investment Services](#)

6 Jun 2017

Advicement: Digitally charged online financial advisor launches in SA

[Advicement](#), a cutting-edge alternative to the traditional ways that South Africans save and invest, has launched. The innovative company aims to bring financial services and sound financial advice to all South Africans through the power of technology and the internet.

While Advicement is not the first robo-advisor that has been developed locally, it does offer investors exciting portfolios of JSE-listed ETFs, and specialises in managing these portfolios using quantitative techniques.

Advicement was bootstrapped into existence two years ago by [Igor Rodionov](#), who previously was a quantitative analyst at an investment bank. "My thinking about a local robo-advisor started when family and friends kept asking for advice about their investment. This prompted some research that showed there were massive issues when it comes to service fees and transparency amongst traditional 'face-to-face' South African financial advisors.



"Unsatisfied with the available options in the market and noticing the popularity of passive investments overseas, the idea behind Advicement was born. The aim was to create an online platform that puts investors first – by making financial advice as cost-effective and transparent as possible," says Advicement's managing director, Igor Rodionov.

To utilise the [Advicement investment process](#), all you have to do is answer a quick questionnaire about your savings preferences – with a succinct description of your financial goals.

"Advicement will analyse your answers and recommend an investment portfolio with an appropriate risk level given your situation. This is done using an interactive dashboard that is supplemented with a wealth of information, including portfolio composition, projected analysis, risk scenarios, fees explanation and more," Rodionov says.



He explains that users can then change the recommended risk level and contribution amounts to see the impact on their portfolio. "Once the user is satisfied with their selection, a report with all the information they need is generated and sent to them for further evaluation."

Once you have studied your investment report and you're satisfied with your selected investment portfolio, you can then choose to proceed and open an [Easy Equities](#) account.

"Easy Equities is a retail stock broker and our sole execution partner, meaning that you will need to have an account with them to invest with

Advicement. They also take care of the regulatory FICA requirements and the whole process is exceptionally quick provided you have your FICA documents ready," he adds.

Choosing Easy Equities was a no-brainer for Rodionov, as they provide one of the most cost-effective brokerage services in the country. "Their long list of fintech awards speaks for itself," Rodionov says.

[Advicement](#) will appeal to investors who like the passive investment approach, with its low investment fees. Such investors are growing fast overseas.

In May 2017, *Financial Times* reported that the size of the passive market (globally) has reached USD4 trillion, while experts believe this strong growth will continue and that passive funds will reach 50% of the size of active funds next year.

Unfortunately, this growth has not been realised in South Africa just yet, which is still largely dominated by active funds, some of which are expensive by comparison. "The situation locally will begin to change as investors realise the benefits of the passive approach," he says.



Platforms like [Advicement](#) will stimulate growth in ETFs and educate the public on their benefits, which in turn will encourage local financial service providers to introduce more passive products.

In the meantime, as you await greater ETF choice, you can participate in the fintech revolution by trying the [Advicement investment process](#) to see if passive investing is for you.

"It has been an exciting two years, which we used for research and development purposes, but now we are looking forward to sharing our work and passing the benefits of ETF portfolios to our clients," Rodionov concludes.



Website: <https://advicement.co.za>

Facebook: <https://www.facebook.com/advicement.co.za>

Twitter: https://twitter.com/Advicement_SA

LinkedIn: <https://www.linkedin.com/company/advicement-investment-services-pty-ltd>

Editorial contact

Igor Rodionov

clientservices@advicement.co.za

For more, visit: <https://www.bizcommunity.com>