

# 2023

## ASISA ENTERPRISE & SUPPLIER DEVELOPMENT **ANNUAL OVERVIEW**

Mar 2022 - Feb 2023



ASISA

ENTERPRISE AND

SUPPLIER DEVELOPMENT

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10 years



# O.I.

## ABOUT US

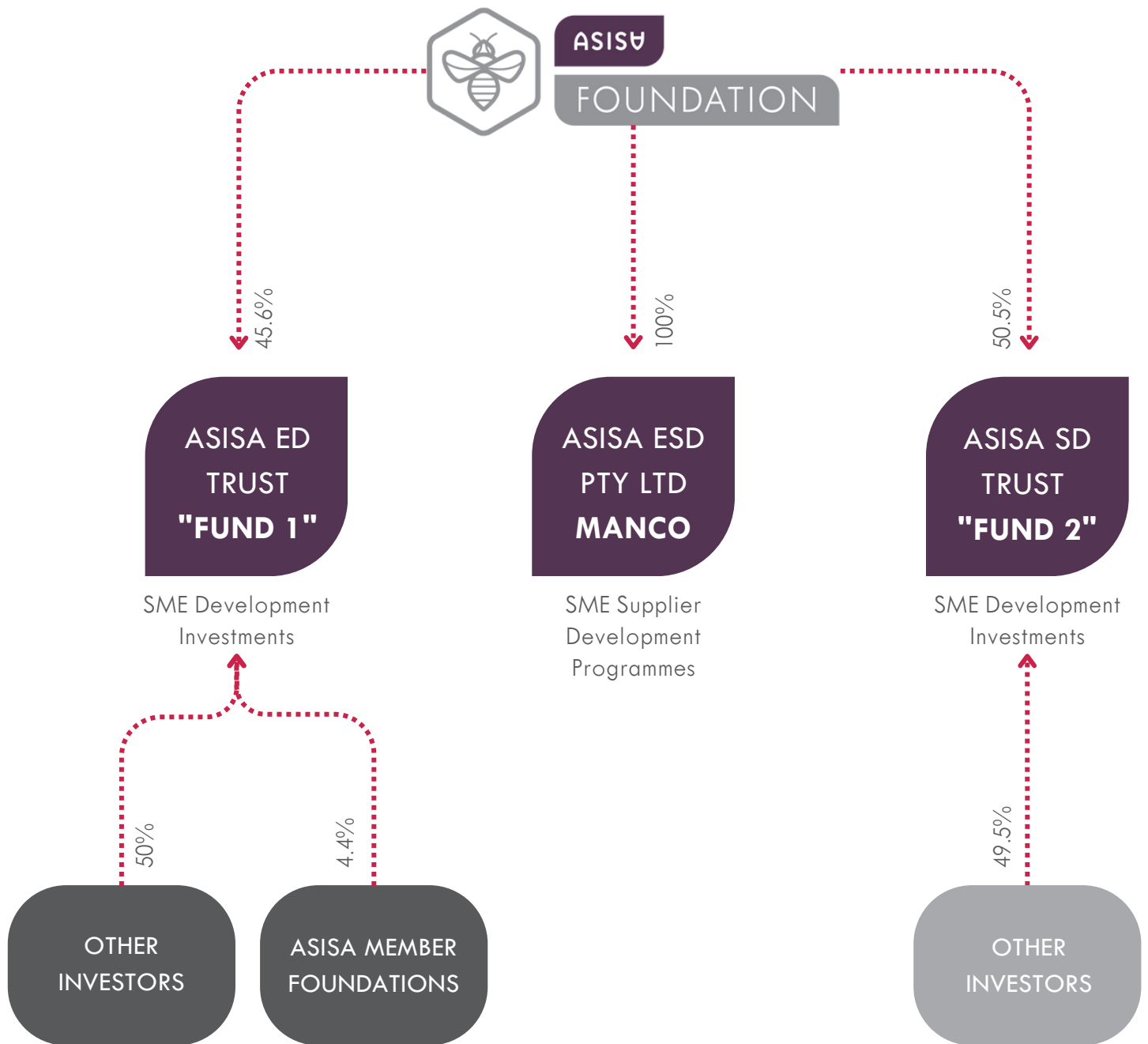
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*What has been meaningful for me has been to see the power that access to capital has had on unlocking and supporting the growth of the businesses we invest in. These SMEs often have limited pools of funding to tap into, and we are prepared to partner with them to create sustainable value.*

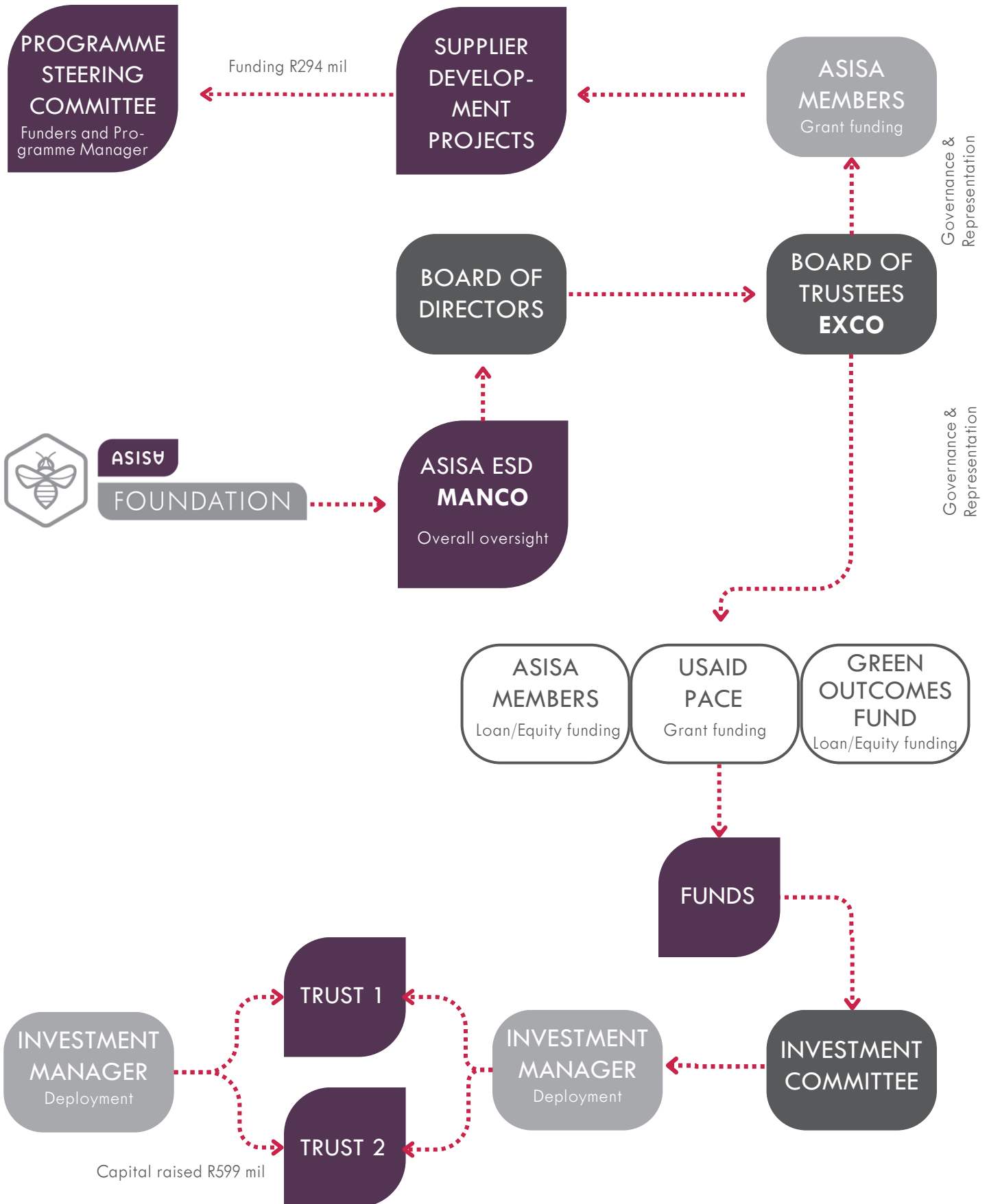
**Riaz Gardee** - Group Head: Corporate Finance, Liberty

# OWNERSHIP





# STRUCTURE & GOVERNANCE





## PURPOSE

ASISA's Enterprise and Supplier Development (ESD) initiatives exist to grow small and medium enterprises (SMEs) for impact. We build SMEs that support our funders' value chains, create jobs and move society forward to create a brighter future for our country.



## VISION

Our vision is to create meaningful and sustainable shared value for our funders, enterprises and nation through the SMEs we grow and support.



## MISSION

We invest in the growth of SMEs with the potential to create far-reaching impact through an innovative combination of tailored business acceleration and investment support.

## CONTACT

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Boundary Terraces,  
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ASISA

ENTERPRISE AND

SUPPLIER DEVELOPMENT

# SMEs



# 1,010

SMEs developed

# 101,000



Of business support

# 50%



SME revenue increased on average



Black owned SMEs



# 44

Total SME investees



# 52

ESD programmes run since inception

## INVESTMENT

# R1076m

Raised

# R823m

Committed

R689m  
SME Investment

R387m  
Acceleration

R473m  
SME Investment

R350m  
Acceleration

# JOBS



# 6,316

Supported

# 2,694

Created

# 10,998

Indirectly created\*

# 71

Funders provided capital to the ASISA ESD initiative



# R285m

Spent in industry procurement from our supported SMEs

\*Artisans and small contractors

10 years of impact

# 02.

## OUR TEAM

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*Our investment in this initiative has highlighted the power of collective sector collaborations. It has been wonderful to see fierce competitors in a sector set aside their differences to rally support for the development and transformation agenda. The need to build brand SA is a strong driving force.*

**James Nyawera** - Head of Transformation & Stakeholder Engagement, Engen



# MESSAGE FROM THE BOARD CHAIR

## A DECADE IN REVIEW

In the last ten years, the ASISA ESD initiatives have realised remarkable outcomes for small businesses in, amongst others, stockbroking, fund management, healthcare, technology, motor-body repairs, independent financial advice, and property services:

- Access to finance through committed long-term risk capital of R473m
- Access to skills through acceleration programmes of R350m
- Access to markets in the form of procurement spend of, conservatively, R285m
- Over 1,010 small businesses impacted, with revenue growth of almost 50% per annum
- Nearly 2,700 jobs created, and over 6,300 jobs supported

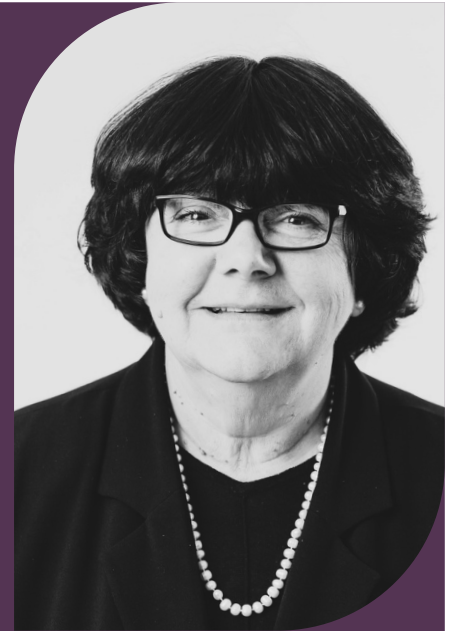
Of course, thanks must go to our investors and funders who have generously supported the ASISA ESD initiatives. Without their commitment, we would not have achieved such a significant impact.

Implementation of the ASISA ESD vision to create meaningful and sustainable shared value for our funders, enterprises and nation through the small businesses we grow and support requires a special team of people. The Board thanks the ASISA and Edge Growth teams for their ongoing proficiency, dedication, and professionalism.

Also, my thanks go to my fellow board members for their wisdom, leadership, and dedication to the ASISA ESD initiatives.

**Ingrid Goodspeed**

Board Chair



# BOARD OF DIRECTORS

As of 02/2023

TRUSTEES



**Ingrid Goodspeed**  
Non-Executive Director



**Ruth Benjamin-Swales**  
CEO  
ASISA Foundation



**Rodger Walters**  
Chief Financial Officer  
ASISA



**Francois Adriaan**  
Senior Policy Advisor  
ASISA



**Keneiloe Selamolela**  
Chief Transformation Officer  
OUTsurance



**Zulfa Abdurahman**  
Chief Risk Officer  
Old Mutual Investments



**Lehlohonolo Mokomela**  
Group Head: Transformation  
Momentum Metropolitan  
Holdings



**Aslam Higgins**  
Head of Group Procurement  
Santam & Sanlam



**Riaz Gardee**  
Group Head: Corporate  
Finance  
Liberty



**Niraj Gudka**  
Chief Operating Officer  
PSG Konsult



**Schalk Fourie**  
Non-Executive Director



**Themba Palagangwe**  
General Manager:  
Governance and  
Transformation  
The South African  
Insurance Association



**James Nyawera**  
Head of Transformation &  
Stakeholder Engagement  
Engen

## MESSAGE FROM THE INVESTMENT COMMITTEE CHAIR

### A DECADE IN REVIEW

The ASISA ESD Investment Committee identifies black-owned SMEs from ASISA member supply chains for inclusion in the ASISA Enterprise Development Trust or the ASISA Supplier Development Trust (the ASISA ESD Funds). This committee also approves the deployment of loan and equity capital to enterprises selected for funding. During the period under review, R49,47m in investment capital was committed to SMEs.



While SMEs picked for funding support show high growth potential, they are often in the start-up phase and come with significant risks. Early-stage businesses have not yet reached the resilience required to withstand tough operating environments exacerbated by factors like load-shedding. Unfortunately, load-shedding impacted one of the investee companies heavily, forcing the company to close in the latter half of 2022.

Most of the remaining SMEs included in the ASISA ESD Funds delivered solid growth in revenue as a direct result of receiving tailormade funding, post-investment support and access to the market via ASISA member supply chains. In the 12 months to the end of February 2023, the ASISA ESD investee companies attracted procurement spending of R35m from our funders (as measured by the ASISA ESD Growth Tracker), enabling the investee companies to maintain and create additional jobs.

Thank you to my fellow committee members for the time and effort dedicated to this worthwhile initiative. I would also like to commend the Edge Growth Investment team for their professional and dedicated support to the Investment Committee.

Looking ahead, we extend a warm welcome to Paul Boynton, who takes over from me as chairman of the Investment Committee, effective 1 June 2023, and the new members appointed to the committee.

I am proud of the significant impact achieved thus far and remain confident that the ASISA ESD initiative will continue to grow the black-owned SME segment, thereby contributing in the most meaningful way to inclusive economic growth.

**Leon Campher**

Investment Committee Chair

# Investment Committee Overview

# INVESTMENT COMMITTEE

As of 02/2023



**Leon Campher**  
Independent  
Ex-CEO of ASISA  
(until 31/08/2022)



**Mike Herrington -**  
Executive Director,  
Global Entrepreneurship  
Monitor, UCT  
Entrepreneurship Head



**Taskeen Ismail**  
Head of Corporate  
Finance  
Old Mutual



**Hanneke Louw**  
Corporate Finance and  
Investments  
Santam



**James Howard**  
Independent



**Riaz Gardee**  
Group Head: Corporate  
Finance  
Liberty



# 03.

## INVESTMENTS

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“

*Creating long-term value is important to me and our brand. Our entrepreneurial spirit connects us with this initiative, which doesn't just take off-the-shelf solutions to support SMEs but leans on the approach of bespoke and customised support to ensure that we help build sustainable businesses. We also see the value of addressing both the transformational challenge our country faces while speaking to the business challenges corporates face - The two are so inter-related.*

**Keneiloe Selamolela** - Chief Transformation Officer, OUTsurance

# MESSAGE FROM THE PORTFOLIO HEAD

## A DECADE IN REVIEW

This financial year marks ten exciting years of impact for the ASISA Enterprise and Supplier Development (ESD) Fund.

With R25m in assets under management at the end of its first year, the initiative grew 25x to almost R700m within a decade. This quantum, and the participation of more than 60 financial services and other industry players, makes it the country's largest industry-wide ESD investment initiative. Having already committed almost R500m into 44 emerging SMEs and continuing to do so, the Fund has seen over 1,009 jobs created in key industries, 2,694 jobs supported and 10,998 small contractors/artisans impacted through indirect job creation. Investee companies' revenue has grown by 50% annually over this period. In the notoriously difficult SME funding space, this is no mean feat.

We are proud of the transformational impact this industry collaboration has achieved and remain grateful to all the stakeholders who have supported this initiative over the past ten years - and we look forward to continuing to partner for even greater impact.

**CARYN MOSELEY**  
Portfolio Head



10 years

## FACING CHALLENGES HEAD-ON

This past financial year (March 2022 - February 2023) saw a backdrop of global political and military conflict, rising energy prices and investment uncertainty. Local businesses, including our Fund's portfolio companies, were confronted by rising inflation and significant operational interruptions due to load-shedding.

One specific portfolio company was especially hard-hit. Reach Republic was an innovative lead generation business for insurers and grew strongly after its ASISA ESD investment. However, its business relied on uptime for its agents, and the load-shedding interruptions through the second half of last year meant that the business could no longer fund its operations and needed to be closed. It was a painful blow for the Fund and the industry, as well as for the Reach Republic management team and its employees and shows the dire impact that adverse conditions like load-shedding are having on SMEs.

However, much of the rest of the ASISA ESD portfolio remained resilient, with several investee companies emerging in a better position despite these obstacles. **IG3N** and **Sensor Networks** are two examples of businesses that are well-positioned to take advantage of the current climate. They focus on alternative energy and energy efficiency, respectively, and their businesses grew during this period.

## FOSTERING FINANCIAL INCLUSION

Financial inclusion is a key pillar of our portfolio. The Fund invests in SMEs that would otherwise be excluded from receiving funding and many of our investee companies have financial inclusion as a core part of their mission.

Consider **Bobats**, a 90-year-old independent financial advisory business focused on providing ethical and Sharia-compliant products to its customers. The business has grown 2.5x since receiving funding.

**Franc**, a recent entrant to the portfolio, is focused on providing simple and user-friendly savings and investment products to South Africans who would otherwise not have access - while also focusing on their financial education. In the past year, the company has grown its client base and impact by over 50%. Franc is now looking to use their funding to grow its reach, product range and financial education offerings.

**Pineapple** is a leading insure-tech company that has made significant strides in making insurance more accessible to everyone. Pineapple's digital model lowers the cost of insurance for clients through a combination of lower fixed costs and an innovative pricing mechanism.

Their intuitive user interface is attractive to those not familiar with insurance products, and this has resulted in their motor insurance client numbers more than doubling in the last year.

Finally, consider **Meerkat**, an ASISA ESD Fund alumni that exited last year. Meerkat's combination of debt counselling, cost-effective credit life policies, a simple savings product, and ongoing financial education has helped over 30,000 clients reduce their debt burden and increase their savings. Meerkat's team has grown by 10x and revenue by 50x over the past six years.

In addition, all ASISA ESD portfolio companies receive support and mentorship related to their own financial management from the Fund's portfolio management function - an element often lacking in the SME space.

While it is impossible to predict what this next year will bring, financial inclusion has been and continues to be a cornerstone of the ASISA ESD initiative. We look forward to telling more good news stories like these as we continue to grow the Fund's reach and impact.





Over the years, the ASISA ESD Fund has developed investment themes that focus on some of the key areas requiring intervention within the financial services sector and the economy at large.

## BLACK FUND MANAGERS

Emerging fund managers find it notoriously difficult to attract capital due to the circular requirement of track record, which in itself requires capital. The ASISA ESD initiative has provided around R40m in capital to assist emerging fund manager LPs to cover their operating costs and hire a team to attract enough assets under management to become sustainable.

## BLACK FINANCIAL INTERMEDIARIES

There is a significant need to support the emerging financial intermediaries space. The ASISA ESD Funds have worked to support this theme, although finding suitable investees has been difficult. Investments made to date have seen strong growth.

## OTHER SHORT-TERM INSURANCE VALUE CHAIN

The short-term insurance chain has numerous other elements requiring funding, including property services and tech-enabled products to reduce claims and resultant damage.

## BLACK STOCKBROKERS

Many small stockbrokers struggle to achieve scale due to the requirements for capital adequacy (CAPAD). The ASISA ESD Fund collaborated with the JSE to develop a pre-funded guarantee mechanism that would provide four emerging stockbrokers with sufficient CAPAD to grow their business by taking larger orders from more substantial clients. Over the last three years, the ASISA ESD Funds have provided over R90m in guarantees for these brokers.

## MOTOR BODY REPAIRERS

One of the most significant spending areas for short-term insurers is motor body repairs. The ASISA ESD Fund has developed a sub-theme focused on these businesses. With unpredictable cash flow, low margins and difficulty in directing procurement, this is a difficult space to fund.

## HEALTHCARE

The funds have committed over R35m into healthcare investments, many of which are integrated into the National Department of Health and the value chains of the medical aid and insurance providers.





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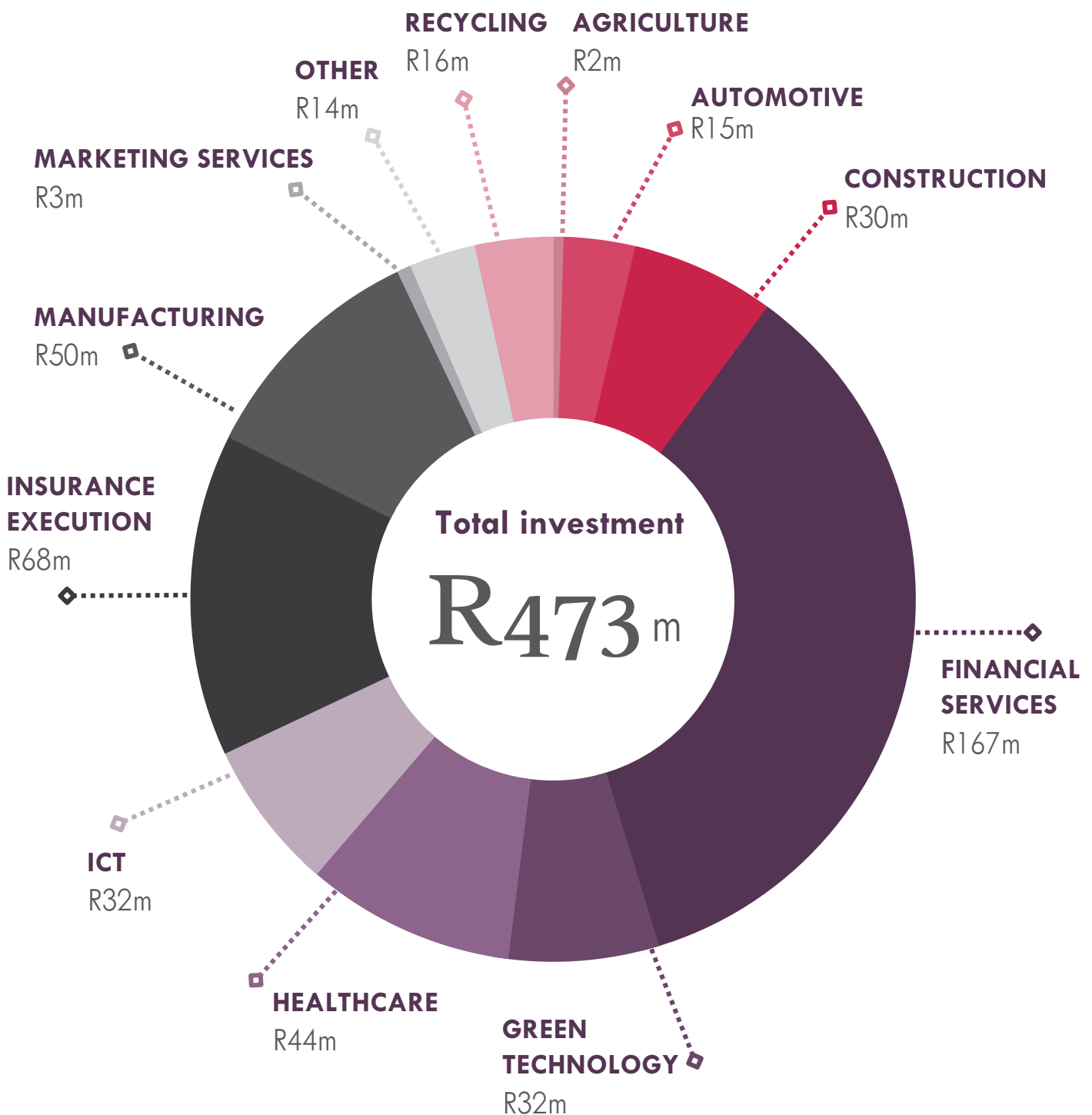
A key pillar within our portfolio is financial inclusion. Not only does the Fund itself exist to provide funding to SMEs that would otherwise be excluded from receiving funding, but a number of our investees have financial inclusion as a core part of their reason for being.

**Caryn Moseley**  
Portfolio Head



# INVESTMENT PORTFOLIO BREAKDOWN

As of 02/2023



# 04.

## ACCELERATION

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*It has been rewarding to witness the impact the ASISA ESD initiative has had on the black-owned SMEs we have been able to support in one form or another.*

**Niraj Gudka** - Chief Operating Officer, PSG Konsult



# MESSAGE FROM THE HEAD OF PROGRAMMES

## A DECADE IN REVIEW

This financial year marks the 10th anniversary of the ASISA ESD Initiative. It started with one main sponsor in 2013 and now has over 20 sponsors, from one programme to now having managed 50 programmes, and from a team of six people to 10 core team members. In this time we've partnered with a range of service providers and mentors which has enriched and diversified the ESD initiative service offering provided to the industry. Over the last ten years, we have raised over R380m in contributions from sponsors, and deployed R350m across 50 programmes. The programmes have allowed us to support over 4,800 jobs across 450 SMEs and over 550 financial practices. Even through the highs and lows – over 1,500 jobs were created through the Business Development Support on the programmes. Through our collaboration and shared commitment to making a difference, we were able to create this impact in the SME space. What a major achievement!

**AMANDA URBAN**

Head of Programmes



10 years

## A YEAR OF GROWTH AND INCLUSION

The period covering March 2022 to February 2023, focused on growing the Manco through partnerships and the inclusion of new sponsors and SMEs through our tailored programme offerings. Despite facing tough situations from a global perspective, the local energy crisis, and general unease in the country, our SMEs were able to weather the storms and push on to survive. The Manco adapted to accommodate all entrepreneurs, enabling them to achieve positive outcomes through in-person and hybrid engagement, with a focus on business survival. During the year, all programme SMEs were able to keep going and adapt to the changing environment.

A highlight of the year was the collaboration between the private and public sectors, with the Western Cape Department of Economic Development & Tourism (DEDAT) awarding the Sanlam Programme grant funding as part of the DEDAT Booster Fund for 2022. We were able to bolster the programme by including an additional 14 Western Cape-based SMEs in the Programme creating a win-win for all parties. The use of specialist projects powered by SME funding was also noteworthy. Through these projects, we were able to purchase inverters for SMEs, allowing them to continue working even during load-shedding.

## THE KEY OBJECTIVES FOR MANCO IN FY23 WERE

- »»» Leading business development enhancements
- »»» Capacity building with the team on the ground
- »»» Stakeholder engagements
- »»» Programme execution

## FOSTERING FINANCIAL INCLUSION

A cornerstone of the ASISA ESD initiative is financial inclusion. This is evident throughout the programmes in the financial services sector, with a particular focus on IFAs, tied agents, and stockbrokers. Through the programmes, these businesses get tailored Business Development Support (BDS) and the opportunity to apply for growth funding. The programmes aim to assist in creating sustainable businesses that help drive the economy, the sponsors' objectives and, deepen financial inclusion by sharing financial knowledge. Examples include **Navigare** Stockbrokers and **Ngobese & Associates**. They walked the journey with us and embraced financial inclusion as core to their business.

We would like to express our sincere appreciation to the sponsors, delivery partners, SMEs and brokers on the programmes for their dedication and hard work. We believe that their efforts will create a more inclusive and equitable economy.

# 10 years





**NAVIGARE**

N E V E R G U E S S

## BACKGROUND

Navigare, a prominent institutional trading firm, was established in 2009 by four founders: James and Erica Bruce, Gavin Bow and Harold Jones. Despite the challenging post-2008 financial crash environment, these founders leveraged their collective experience of over 100 years in institutional trading to embark on an entrepreneurial journey.

In 2014, Navigare underwent a transformative phase that would reshape its direction and elevate its impact. The firm wanted to improve its empowerment credentials and partnered with Mr. Vuyo Radebe, a dynamic force from a consulting background. This partnership enabled the firm to have 51% black ownership. Mr. Radebe provided Navigare with new perspectives that challenged the company to evolve.

## LEVERAGING THEIR EMPOWERMENT CREDENTIALS TO GROW AND SCALE

This transformation was further facilitated by participation in the ASISA Stockbroker Programme, joining the 10X Programme stream. This initiative equipped Navigare with valuable tools to scale the business and harness the power of diversity which affected the local capital markets in the last few years. As a result, the company experienced substantial growth and navigated the challenges posed by shrinking commissions and capital flight that have affected the local capital markets in the last few years.

# Case Study: Stockbroker Programme

## NAVIGARE

### A SMART PIVOT TO BECOMING A DATA-DRIVEN FIRM

Navigare's ability to adapt to changing industry landscapes became evident when they ventured into big data analytics. Recognising the need for a new direction to remain competitive, the firm harnessed big data to provide clients with informed investment decisions. It marked a departure from traditional brokerage to becoming a hybrid entity.

Navigare's clientele comprises esteemed institutions such as Coronation, Old Mutual, PIC, and Stanlib. The company directly trades on behalf of these entities, including asset managers, hedge funds, pension funds, and property funds. Additionally, Navigare provides bespoke data analytics services to listed companies, aiding them in meeting their listing requirements.

The ASISA ESD Initiative played a pivotal role in Navigare's growth story. Beyond financial assistance through the ASISA ESD Fund's Prefunded Settlements Guarantee (PFSG), the firm's directors participated in the Stockbroker programme, gaining essential managerial skills and insights into effective business operations. The programme's comprehensive courses, covering both technical and soft skills, empowered Navigare's leadership to navigate challenges and make informed decisions.

Navigare's commitment to innovation was recently acknowledged when its subsidiary, Navigare Labs, received the prestigious Financial Times award for innovation and research. The company's investment in data analytics, data scientists, and mathematicians bore fruit as the market recognised the value of their pioneering approach. This accolade underscored Navigare's position as a trailblazer in leveraging big data within its operations team.





# Case Study: IFA Development Programme

## NGOBESE & ASSOCIATES

### BACKGROUND

Ngobese and Associates is a financial brokerage firm founded in 2001 by Thuthuka Ngobese. After gaining experience at institutions like Absa and Liberty, Thuthuka decided to chart an entrepreneurial path by establishing the firm. Nonhle Ngobese joined the company in 2010 as a managing director. Ngobese sought to empower its clients - professionals and entrepreneurs in niche markets - primarily to help them make informed decisions about their financial futures. They have also built a client base for employee benefits services, including medical aid and insurance offerings.

### OBTAINING FUNDING FROM THE ASISA ESD FUND

Ngobese's journey with the ASISA ESD initiative began with their participation in the Independent Black Financial Advisor programme, funded by Allan Gray, Coronation, M&G and NinetyOne. The programme provided the firm with a 12-month roadmap for improving its practice management. This included a gap analysis of their current processes using the service provider Fundhouse.

### GROWING THEIR REACH AND SERVICE OFFERING

In September 2022, Ngobese and Associates secured funding from the ASISA ESD Funds to foster their growth in the corporate sector. This injection of funds proved instrumental in multiple aspects of their business. It allowed them to expand their team by hiring more brokers and administrators, securing a strategic and reputable office location, and streamlining and digitising their business processes. One notable result of the funding was the development of their CRM system. Through the FutureX program, Ngobese and Associates received assistance from a financial coach in interpreting financial accounts for more informed decision-making.

Ngobese and Associates has witnessed immense growth in revenue and clientele over the past year. The expansion has also translated into enhanced employment opportunities, as they have hired additional para-planners and other professionals. With ASISA ESD's support and their focus on innovation and tailored solutions, Ngobese and Associates is poised to achieve their vision of a technology-driven future while making a lasting impact on their clients and the financial sector.

## PROGRAMMES

1 March 2022 - 28 February 2023

The following programmes ran during the financial period:



### **SANLAM ESD AND BROKER PROGRAMME 2022**

This was the 10th year of the programme sponsored by the Sanlam Foundation and Sanlam Investments - The programme that started it all! This year the focus was on developing brokers through the Elevate and Migrate Streams, while supplier development took place on the Acceleration stream.

### **INDEPENDENT FINANCIAL ADVISOR (IFA) PROGRAMME 2022**

The 7th year of the programme focused on two streams: independent financial advisors (IFAs) and internships. Anchor sponsors include Allan Gray, Coronation, Ninety-One and M&G Investments, with additional contributions from Camissa, Colourfield, FutureGrowth, JustSA, Old Mutual, Perpetua and SwissRe. The programme consisted of 27 IFAs and 40 interns.

### **STOCKBROKER PROGRAMME 2022**

Sponsored by Standard Bank Securities and SA Homeloans, the programme aims to enhance the sustainability of the industry by developing black-owned stockbrokers. The programme also addresses resource constraints, concentration risks and service delivery challenges faced in the industry.

### **SANTAM PROGRAMME 2022**

Sponsored by Santam Limited, the programme focused on working with over 60 Brokers in the short-term insurance space.

### **OUTSURANCE KWANDE FUTHI PROGRAMME 2021**

This plumbers and builders programme provides customised business development support to plumbing and building SMEs based on two phases. It was the third iteration of the programme.

### **MOMENTUM METROPOLITAN (MM) 2019, 2020 AND 2022 PROGRAMMES**

Sponsored by the Momentum Metropolitan Foundation Trust, the 2019 programme focused on behavioural coaching for 60 IFAs. The 2020 Programme is a comprehensive development programme that brings together practice management support and financial coaching. This programme caters to the specific needs of tied agents and IFAs. The 2022 Programme which launched in January 2023 consists of six unique programme streams focused on three business units within MM. Over 100 financial advisors will participate in the programme.

### **LIBERTY INTERMEDIARY PROGRAMME 2021**

The programme, sponsored by the Liberty Group, aims to support the growth and development of black-owned brokerages in the insurance sector and related sub-sectors to expand the pool of scarce and critical skills. A second stream was initiated in 2023 to grow the pool. The programme will continue until October 2023.

### **INSETA BROKER DEVELOPMENT PROGRAMME 2022**

An industry-wide IFA programme in partnership with ASISA, Inseta, Argon Asset Management, Sanlam Investments, Standard Bank Securities, Sygnia and Western National Insure split into two streams – Magnify and Multiply.



# SANLAM ESD & BROKER PROGRAMME 2022

10 YEARS

Start date: 1 May 22

End date: 28 Feb 23

Through the collaboration between ASISA Manco, Sanlam Foundation and Sanlam Investments, the intent of the Sanlam Foundation ESD Programme was to transform, develop and grow Sanlam's distribution network and supply chain. This was achieved through the creation and support of an environment fostering financial resilience and sustainability for high-potential businesses.

The Sanlam Broker programme was designed to develop and transform Sanlam's distribution capability by providing specialist practice management training to 35 financial planning practices.

Throughout the program, the businesses have been assisted in learning to market their own business (as against Sanlam's products). For this to be achieved, clear differentiated service offerings were developed. Processes to ensure delivery and confidence in these professional services were then implemented. Practices were helped to develop recruitment plans to try to ensure that they had a clear understanding of future resources required. As businesses go through changes, it is normal to expect some downturn in revenue as change is implemented. This downturn was offset in most of the businesses by improvements in retention, which was pleasing to see.

## THE PROGRAMME'S IMPACT

35

**PROGRAMME  
SMES IMPACTED**  
(brokers)

13

**BLACK FEMALE-  
OWNED SMES  
SUPPORTED**

11.2%

**AVERAGE SME  
REVENUE  
GROWTH**



# INDEPENDENT FINANCIAL ADVISOR PROGRAMME 2022



7 YEARS

Start date: 1 Apr 22

End date: 31 Mar 23

## FROM THE PARTICIPANTS

*"I had the chance to work with a mentor through the programme, and that was a great assistance to me in developing new skills — like studying for the RE5, which I had never considered before."*

*"The programme is business and life-changing. It is practical, and a great platform for engaging and learning."*

*"There is more to say but I would really like to thank ASISA, and every company that has lent a hand in helping us, and of course, would really like to extend my gratitude to Janine Horn, the greatest mentor I will recommend to anyone."*

*"You have challenged my forward thinking and made me view with intention."*

The Independent Financial Advisor programme is a collaboration between ASISA Manco, Allan Gray, Coronation, M&G, and Ninety One. The IFA programme is a catalyst for change. It is designed to transform the financial planning landscape in South Africa by empowering IFAs with the knowledge, skills, and resources they need to succeed. The programme, along with the ASISA Academy, addresses skills development by providing high-potential individuals with internships in top IFA practices. The structured IFA programme encompasses theoretical knowledge and practical work experience. Further contributions were made by Camissa, Colourfield, FutureGrowth, JustSA, Old Mutual, Perpetua and Swiss Re.

## THE PROGRAMME'S IMPACT

**32** PROGRAMME SMES IMPACTED

**5** BLACK FEMALE-OWNED SMES SUPPORTED

**787** MENTORSHIP HOURS

**6** FUNDHOUSE BOOTCAMP MODULES

**32** INTERNSHIPS COMPLETED

**148** IFAS IMPACTED IN 7 YEARS

For the first time in the IFA Programme, the business development support initiatives implemented in the programme included:

**Mentoring:** One-on-one mentoring from industry specialists aimed at helping solve entrepreneurs' issues and providing a sustainable support structure. Weekly mentor sessions gave support and advice - unpacking the rich content, checklists and templates shared during the group-based workshops. The focus was on implementable growth initiatives that were tailored to the specific needs of each business owner or employee. The positive pressure of feedback and encouragement from a mentor helped to create a supportive environment where individual and business growth could thrive.

**Special Projects:** Special projects were mini-projects or interventions in niche disciplines that the practices need to implement with the assistance of a specialist.



## STOCKBROKER PROGRAMME 2022

6 YEARS

Start date: 1 Jul 22

End date: 30 Jun 23

### PROGRAMME SUPPORT PILLARS



#### LEARNING AND DEVELOPMENT

Bootcamps

CEO coaching

Support for development programmes



#### BUSINESS BUILDING

Assessments

Workshops

Specialist projects

Funded by SA Homeloans and Standard Bank Securities, the programme aims to enhance the sustainability of the industry by developing black-owned stockbrokers. The programme will address the resource constraints, concentration risks and service delivery challenges faced by the industry, implementing best practices to strengthen the competitive edge of stockbrokers and empower the entire industry ecosystem.

The ASISA ESD Fund set up a stockbroker-themed fund to provide a Pre-Funded Settlement Guarantee (PFSG) to selected black-owned and managed stockbrokers to help them with their JSE capital adequacy requirements, enabling them to trade a higher value of equities per day.

### PROGRAMME HIGHLIGHTS

- »»» **13 brokers** developed
- »»» **Two** of the businesses achieved their **Big Hairy Audacious Goals** (BHAGs) in a much shorter time than projected.
- »»» One of the programme SMEs won **three of the recent Financial Mail ratings Awards**. The business was the top B-BBEE stockbroker, top rating for quants, and top rating for real estate.
- »»» The programme has assisted the development and growth of many of the SME employees to move to roles of more responsibility.
- »»» The programme has supported and promoted internship programmes which directly led to the **individuals being hired into brokerages**.
- »»» **Five businesses** received **Pre-funded settlement guarantees**, allowing them to access bigger deals.

# SANTAM BROKER PROGRAMME 2022

2 YEARS

Start date: Mar 22

End date: Dec 22

Initiated in 2021 between ASISA Manco and Santam, the programme focussed on the Santam Distribution space and working with the tied agents. The focus was on the short-term insurance space to create a national reach. The programme was designed to support financial practices in their efforts to build a sustainable business and market presence, in line with the principles of enterprise development. The programme follows a high-reach approach, working with close to 80 brokers over a 12-month period.

“

*As one of the long-standing funders of this initiative, we have been focused on adding value to SMEs through creating ongoing access and engagement with our supply chains and adding to our focus on procuring from black-owned businesses.*

**Aslam Higgins** - Head of Group Procurement, Santam & Sanlam





A young man with short, curly hair is sitting at a desk. He is wearing a light blue and green plaid shirt over a grey t-shirt. Large black headphones are around his neck. He has a thoughtful expression, looking slightly to the right. His right hand is raised near his face, and his left hand is resting on the desk. In the background, there is a blurred desk with a pen holder and a laptop. A decorative red and white geometric pattern is visible on the right side of the image. The lighting is soft and warm, suggesting an indoor setting with natural light.

“

Through continuous learning and development, we are able to shift mindsets, create new opportunities and make a difference.

**Amanda Urban**  
Head of Programmes





# OUTSURANCE KWANDE FUTHI PROGRAMME 2021

4 YEARS

Start date: 21 Sep 21

End date: 31 Mar 23

In collaboration between ASISA Manco and OUTsurance Insurance Company, the Kwande Futhi Programme was OUTsurance's flagship Enterprise and Supplier Development Programme. It aims at developing SMEs in the plumbing and building industries. The 2021 edition marked the third consecutive year of the programme's existence.

## THE PROGRAMME'S PURPOSE

- Pilot a business development support programme to build the capacity (capability/ skillset/ toolset/ mindset) of black-owned plumbers, construction and maintenance SMEs on OUTsurance's panel to help meet service and capacity requirements, especially during peak winter.
- Assist SMEs in improving their operations and customer service. This impacts their performance rating and influences the volume of work that can be allocated to SMEs. The SMEs also represent their corporate clients and an improved rating ultimately influences the reputation of their corporate clients.
- Improve SMEs' business acumen, primarily across four areas: (i) sales and marketing, (ii) financial management, (iii) operations, and (iv) team management and scalability of the business.
- Impact the SMEs by driving improvement in revenue and profitability, therefore ensuring sustainability.
- Create jobs by supporting and growing SMEs.

## PROGRAMME HIGHLIGHTS

- >>> All nine SMEs received **a grant of approximately R50,000**
- >>> One participant **increased annual revenue by almost 10 times**. The programme assisted her in improving the business to cope with the new size and scale of work
- >>> Another participant was able to certify one of their employees as a plumber, thereby **gaining access to a new revenue stream**, i.e. plumbing
- >>> Everstream was facing operational challenges and their rating with OUTsurance was not as it should be. With the support of the programme, their **rating scores increased**, allowing them to access more from OUTsurance.
- >>> The increase in SME profit is an indicator of the improvement in business pillars, such as financial management, operations, etc.

**9** PROGRAMME SMES  
 IMPACTED

**97** IFAS  
 IMPACTED IN  
 4 YEARS

**3** BLACK FEMALE-  
 OWNED SMES  
 SUPPORTED

**38%**

AVERAGE SME  
 REVENUE  
 GROWTH

**1,125**

MENTORSHIP  
 HOURS

**9/9**

SMES RECEIVED  
 GRANT FUNDING

# MOMENTUM METROPOLITAN INTERMEDIARY DEVELOPMENT PROGRAMME

4 YEARS

Start date: 4 Jul 22

End date: 22 Dec 23

ASISA Manco and Momentum Metropolitan launched the Momentum Metropolitan Intermediary Development Programme, a comprehensive development programme that brings together practice management support and financial coaching to impact the intermediary space. This support programme caters to tied agents and IFAs, providing them with the support they need.

This programme's primary aim is to transform tied agents and IFAs by offering a holistic, best-practice ESD Solution.

The programme follows an innovative model that differentiates the ESD implementation partner (Edge Growth) from the BDS learning partner/s (local and/or international service providers). The ESD implementation partner primarily carries out project management and support functions, while the BDS learning partner/s delivers the actual content of the programme.

## THE PROGRAMME'S IMPACT

2022

**98%** COMPLETION RATE

**207** SMES IMPACTED

**53** BLACK FEMALE-OWNED  
SMES SUPPORTED





# LIBERTY

## Programmes

# LIBERTY INTERMEDIARY DEVELOPMENT PROGRAMME 2021

8 YEARS

Start date: 15 Nov 21

End date: 30 Nov 23

Established in 2021 between ASISA Manco and Liberty, the Intermediary Development Programme aims to support the growth and development of black-owned brokerages in the insurance sector and related sub-sectors to expand the pool of scarce and critical skills, as well as address the issues of sustainability facing the sub-sector.

The programme aims to offer practical and proactive assistance to financial advisors to sustain and expand their businesses. This is achieved through the following means:

- **Access to knowledgeable and reliable resources:** Providing financial advisors with access to valuable and trustworthy resources that can enhance their expertise and understanding.
- **Awareness of knowledge gaps:** Helping financial advisors recognise areas where they may lack knowledge or expertise, enabling them to seek appropriate guidance and fill those gaps.
- **Fostering community and accountability:** Encouraging financial advisors to engage with their peers, creating a sense of community where they can exchange ideas, support one another, and hold each other accountable.
- **Guiding the use of technology and business tools:** Offering guidance on leveraging technology and business tools to facilitate growth and efficiency within their practices.
- **Assisting with regulatory compliance:** Supporting financial advisors in staying up-to-date with regulatory changes, such as Continuing Professional Development (CPD) points and requirements.

## THE PROGRAMME'S IMPACT

**74** SMES IMPACTED

**5/5** PARTICIPANT RATING

**32** R9.5K GRANTS AWARDED

**12** BLACK FEMALE-OWNED SMES SUPPORTED

**424** MENTORSHIP HOURS

**58** ENTREPRENEUR COUNCILS





# INSETA BROKER DEVELOPMENT PROGRAMME 2022

3 YEARS

Start date: Dec 22

End date: Dec 23

The INSETA Intermediary Development Programme – funded by Argon Asset Management, ASISA, INSETA, Sanlam Investments, Standard Bank Securities, Sygnia, Western National Insure, is divided into two distinct streams. The first stream, called "Magnify," consists of 10 independent IFAs who successfully graduated from the pilot programme conducted in 2021. These individuals have demonstrated their potential for growth and development in the insurance sector.

The second stream of the programme comprises 40 delegates from the Multiply platform. These delegates have been carefully selected based on their qualifications, expertise, and potential for making a significant impact in the industry. By including these delegates, we aim to foster a diverse and inclusive environment that nurtures the growth and sustainability of brokerages.

Together, these two cohorts form an integral part of the INSETA Intermediary Development Programme, reinforcing our commitment to supporting the advancement of black-owned SMEs in the insurance sector while addressing the critical challenges faced by the sub-sector.

The primary objective of the INSETA Intermediary Development Programme is to foster the growth and advancement of black-owned small and SMEs operating in the insurance sector and its related sub-sectors. By doing so, we aim to enhance the pool of scarce and vital skills while also addressing the challenges of sustainability that affect this particular sub-sector. Through this program, we reiterate INSETA's commitment to facilitating meaningful transformation by nurturing high-growth potential brokerages capable of creating a lasting impact.

**II3**  
IFAS IMPACTED  
IN 7 YEARS



# 05.

## CLOSING

36 Thank you to our Funders

37 Financial Results

39 Looking into 2024

“

*My view of the world is coloured by the need for us all to be of service and make a difference. The fact that we have access to corporate resources to help drive important shifts in our environment is powerful and places a responsibility on corporate citizens to show up as also being responsible citizens.*

**Lehlohonolo Mokomela** - Group Head: Transformation, Momentum Metropolitan Holdings



# OUR FUNDERS

The Fund helps funders strategically optimise their enterprise and supplier development (ESD) contributions to maximise their B-BBEE scorecard, while also achieving meaningful commercial and social impact.



# Financial Results

Financial year to date as at 28 February 2023

The report below outlines the ASISA Enterprise and Supplier Development (ESD) initiatives' financial results for the year ended 28 February 2023 (FY23). Please see summarised versions of our Statement of Comprehensive Income and Statement of Financial Position for FY23. If you would like a copy of the audited Annual Financial Statements, please email [asisaesdfund@edgegrowth.com](mailto:asisaesdfund@edgegrowth.com).

## TRUST 1 ASISA ENTERPRISE DEVELOPMENT TRUST

In the tenth year of annual financial statements, it is pleasing to note the trust earned a net profit in FY23. However, this was largely driven by unrealised movements in the investment portfolio. The trust, together with Trust 2 continues to find suitable investments in Small and Medium Enterprises (SMEs), in addition to supporting them post-investment.

## TRUST 2 ASISA SUPPLIER DEVELOPMENT TRUST

Trust 2 has been investing in SMEs for the last six years. It has also made a net profit for FY23 driven by unrealised movement in the investment portfolio, with minimal impairment during FY23.

## MANCO ASISA ENTERPRISE AND SUPPLIER DEVELOPMENT (PTY) LTD

Manco has been providing business development support programmes to a wide range of funders. It has been able to turn around the loss made in the prior year into a small profit. While profit is secondary to helping businesses grow, it is needed for a sustainable business model.

## Statement of Comprehensive Income

	TRUST 2	TRUST 1	MANCO
<b>INCOME</b>			
Investment & interest Income	14,190,927	7,327,119	1,315,048
Investee Returns & other income	12,811,909	1,857,056	0
Programme Income	420,000	333,198	2,798,003
Unrealised movements in Portfolio	38,837,781	14,705,643	
<b>Total Income</b>	<b>66,260,617</b>	<b>24,223,016</b>	<b>4,113,051</b>
<b>OPERATING COSTS</b>			
Administration Fees	2,566,025	940,370	
Auditing, Accounting, taxes	1,097,040	418,772	656,534
Impairment expenses	23,987,650	610	
Governance Fees	124,275	90,356	120,084
Management Fees	23,094,223	8,463,332	2,248,418
Other operating expenses	1,249,435	305,199	319,769
Outsourced PIM support	1,451,316	112,510	
Performance fees	-		
Programme Costs	400,896	293,724	
<b>Total Operating Costs</b>	<b>53,970,861</b>	<b>10,624,873</b>	<b>3,344,805</b>
Tax expense			235,167
<b>OPERATING PROFIT</b>	<b>12,289,756</b>	<b>13,598,144</b>	<b>533,080</b>

# Statement of Financial Position

Financial year to date as at 28 February 2023

	TRUST 2	TRUST 1	MANCO
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Non-current loans receivable	56,682,833	3,000,649	
Investments in medium term liquid instruments	127,254,151	90,255,795	
Financial assets at fair value through profit or loss	146,500,145	21,158,561	
Financial asset at cost - Other Financial Assets	9,100,000	1,400,000	
Deferred Tax Assets			429,396
<b>Total Non Current Assets</b>	<b>339,537,130</b>	<b>115,815,005</b>	<b>429,396</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	134,024,922	51,506,845	32,509,855
Current loans receivable	8,885,044	1,983,765	-
Accounts Receivable	339,317	196,970	281,155
Current tax receivable			596,146
Financial asset at cost - Other Financial Assets	11,524,376	2,881,094	
<b>Total Current Assets</b>	<b>154,773,659</b>	<b>56,568,674</b>	<b>33,387,155</b>
<b>TOTAL ASSETS</b>	<b>494,310,789</b>	<b>172,383,679</b>	<b>33,816,551</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings (Loan Contributions)	26,389,862	86,406,288	
Recontributed Loan Capital		318,837	
<b>Total Non-Current Liabilities</b>	<b>26,389,862</b>	<b>86,725,125</b>	-
<b>CURRENT LIABILITIES</b>			
Current Tax payable	-		
Trade payables	599,930	201,979	1,162,972
Recontributed Loan Capital	7,935,967		
Borrowings	525,325		
Vested Income Liability			
Programme Payables		4,335,949	26,457,205
Deferred Revenue			1,607,249
<b>Total Current Liabilities</b>	<b>9,061,222</b>	<b>4,537,927</b>	<b>29,227,427</b>
<b>TOTAL LIABILITIES</b>	<b>35,451,084</b>	<b>91,263,053</b>	<b>29,227,427</b>
<b>EQUITY</b>			
Retained Earnings/(Accumulated Loss)	(11,342,688)	(16,261,100)	3,719,124
Grant Capital	18,566,777	3,907,556	
Equity/ Investment Capital	451,635,616	93,474,170	870,000
<b>Total Equity</b>	<b>458,859,705</b>	<b>81,120,626</b>	<b>4,589,124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>494,310,789</b>	<b>172,383,679</b>	<b>33,816,551</b>

# 2024 VISION AND BEYOND



## CAPACITY BUILDING

Ensure the continued growth and sustainability of the SMEs we support by providing best-practice business development support.



## CAPITAL RAISING

Raise additional funding for the continued support of SME development initiatives in support of our industry and nation.



## IMPACT METRICS

Alignment to global Sustainable Development Goals and our National Development Plan - to provide funders with insightful data to report on the impact achieved.

## CONTACT

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## DEPLOYMENT

Continue to invest in the growth of SMEs through financial support and developmental programmes to create further shared value for our funders, investees and society.



## EMPOWERMENT

Continue our commitment to optimally align our initiatives to regulatory, compliance and transformation outcomes that marry the spirit and intent of the B-BBEE codes.



## LEADING PRACTICE

Align to broader stakeholder priorities about leading practice in enterprise and supplier development.



ASISA

ENTERPRISE AND

SUPPLIER DEVELOPMENT