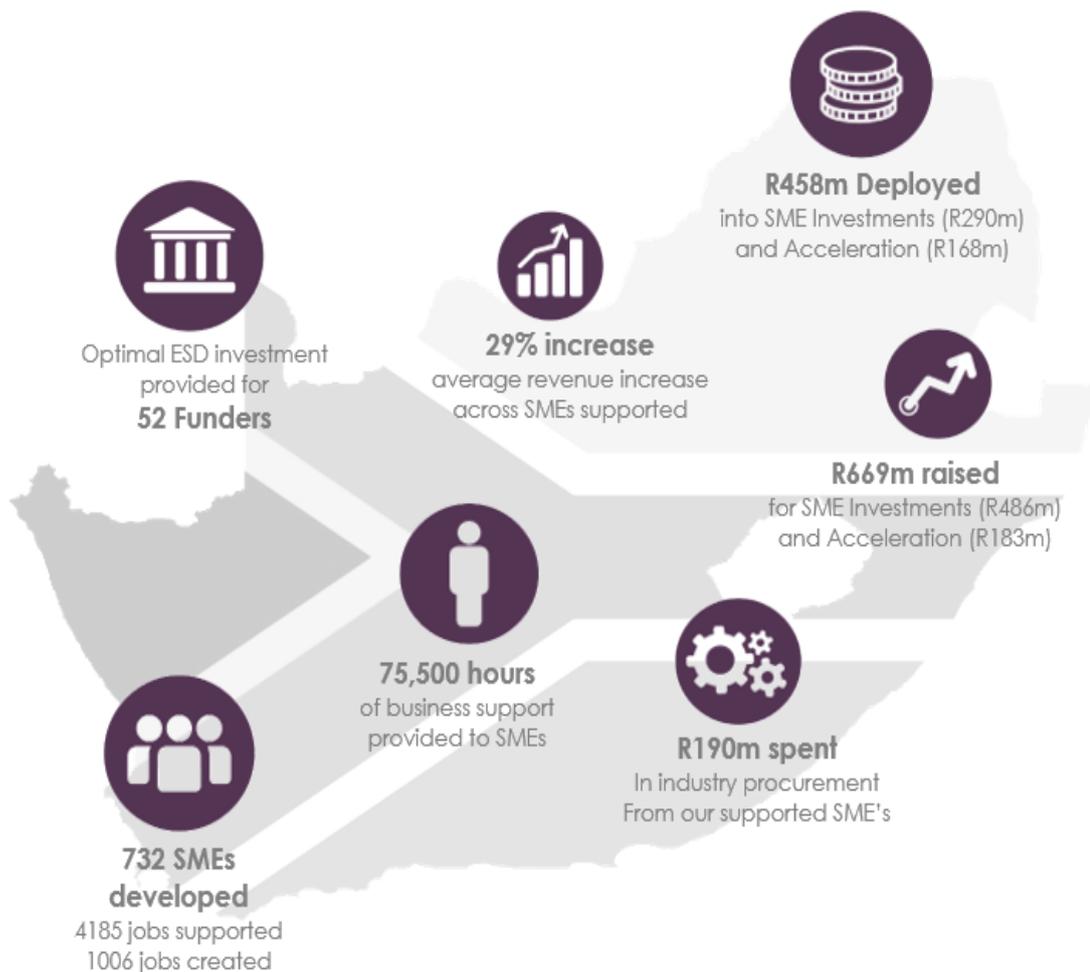




QUARTERLY UPDATE: JULY – SEPTEMBER 2019

During the third quarter of 2019, ASISA's Enterprise and Supplier Development (ESD) initiatives committed R10 million towards funding developmental support of industry aligned small and medium enterprises (SMEs). We also received an additional R12 million in new loan and investment funding for the continued support of SMEs.

The ongoing support from our valued investors and funders of development programmes has enabled us to achieve the following meaningful impact since inception:



NEW INVESTMENTS

We are excited about our Prefunded Settlement Guarantee (PFSG) instrument, which was launched in the third quarter of 2019. The ASISA ESD Investment Committee approved Lefika Securities as the first stockbroking firm to be granted access to this capital adequacy support.

LEFIKA SECURITIES



To provide the stock market with a high level of certainty when it comes to execution of trades, the JSE requires stockbrokers to hold enough capital to prove operational and financial stability. This is termed capital adequacy or “capad”. Holding large amounts of capital is, however, a challenge for many emerging black-owned stockbrokers.

The JSE in collaboration with the ASISA ESD initiative therefore agreed to allow stockbrokers to use a Prefunded Settlement Guarantee (PFSG) instrument to cover the counterparty risk requirement (CPR) for equity trades. Instead of having to take on debt and have the capital on the stockbroker’s balance sheet, the firm can instead receive “capad” support via the prefunded settlement guarantee in exchange for a guarantee fee paid to the guarantor.

In terms of the deal concluded with Lefika Securities, the firm is the first black-owned stockbroker to use the prefunded settlement guarantee offered by the ASISA ESD initiative.

Lefika Securities is a 60% black owned stockbroking firm with level 2 BEE status. Started by Vusi Mkhondo, the current CEO, 15 years ago, Lefika has more than 35 institutional clients. Lefika boasts an impressive client base, with its biggest client contributing just over 10% of brokerage revenue in 2018.

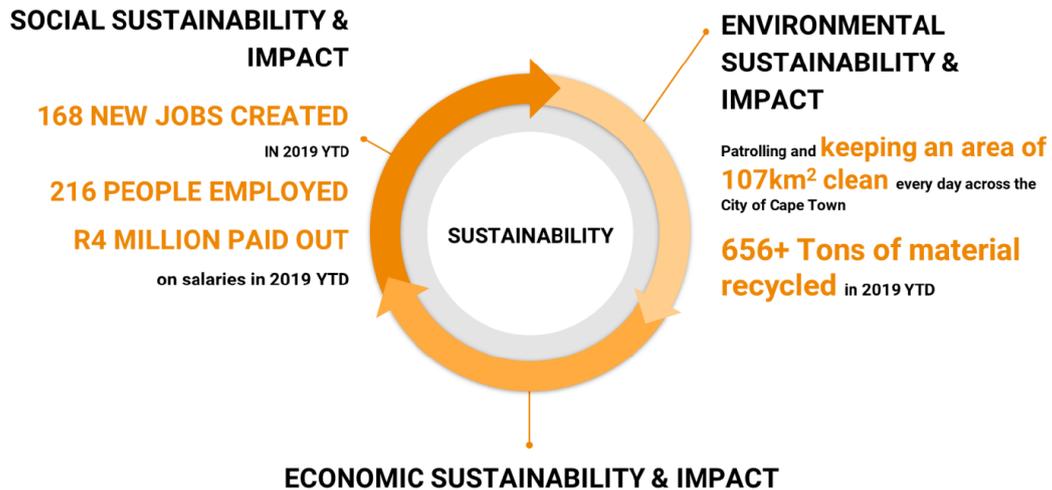
Lefika offers clients the ability to trade both equities and bonds, and also has research capability.

We believe that this is a great initiative that should reduce some of the financial barriers black-owned stockbrokers face in their struggle to become significant players in the market.

[Find Out More](#)

IN THE SPOTLIGHT

WASTE WANT



Waste Want is a 100% black owned waste management company, which has been part of the ASISA ESD investment portfolio since 2014.

Selected from Sanlam's supply chain in 2013, the company completed two years of business development support with the Sanlam Enterprise and Supplier Development (ESD) Programme, which is our longest standing partnership. Recognising the company's potential for growth and job creation, Waste Want was approved for investment in 2014.

The business, founded by Anthony and Lydia Anderson as a small family recycling business in 2010, has delivered average growth in revenue of 47.5% year on year over the past five years since the first initial investment was made by the ASISA ESD initiative.

The business initially operated out of a garage in Cape Town for two years before relocating to an Industrial site in Elsies River. In 2016 Lydia handed the business over to her son Rowen Anderson who successfully managed and facilitated the growth changes of the business.

Today, Waste Want is a successful recycling and waste management company that specialises in dry, non-hazardous waste. Waste Want's main clients are the City of Cape Town and the Western Cape Government.

At the beginning of this year Waste Want purchased a sizeable industrial property in the North East of Philippi, which is well positioned to serve its clients and accommodate future growth. The business also recently won a recycling tender for the Helderberg area with the City of Cape Town, which has necessitated the purchase and installation of a professional Materials Recovery Facility to handle recyclables from the Helderberg and surrounding areas. The ASISA ESD initiative provided Waste Want with additional funding in July 2019 to support this expansion drive.

Waste Want is currently in a strong growth phase. The team has adopted a lean management strategy and is driving process efficiencies and improvements. Between March and August this year the company showed a turnover growth of 186% and a net profit increase of 178% compared to the same period in 2018. [Find Out More](#)

SUPPLIER DEVELOPMENT PROGRAMMES



LIBERTY BLUESKIES

Blue Skies is Liberty's flagship Enterprise and Supplier Development (ESD) Programme. Launched in 2015, the programme is managed by the ASISA ESD initiative and aims to invest in the strategic growth of value-chain aligned small businesses as part of Liberty's commitment to transformation. To date the programme has supported 44 SMEs.

Liberty is committed to holistic best practice Enterprise and Supplier Development by supporting and growing enterprises throughout their business growth life-cycle.

In July 2019, Liberty's Blue Skies Programme concluded its 2018 Enterprise Development (ED) programme. The 12 SMEs that participated achieved excellent results over the 12-month period. An average revenue increase of 6% was recorded together with an average profit growth of 36%. In addition 52 jobs (36 full time jobs and 16 part-time jobs) were sustained.

LET'S ENGAGE

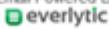
We are excited about continuing and strengthening our relationship with you, our valued stakeholder. If you have any questions about this report or if you would like to discuss new opportunities, please feel free to contact us on:

Call: +27 (021) 671 2658

Email: Asisaesdfund@edgegrowth.com

Website: www.asisa.org.za

THANK YOU!

Email Powered By
 everlytic