

APRIL 2019

# AN OVERVIEW

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## 1. WHY WE EXIST

The Association for Savings and Investment South Africa (ASISA) is empowered by a mandate from an industry that manages some R6.2 trillion of the nation's savings and investments.

The majority of our members are South Africa's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance companies. Membership is also open to service providers to our industry such as fund administrators, accounting and legal firms, as well as industry data and software firms. ASISA has some 130 members.

ASISA enables members to speak with one voice to ensure that the South African savings and investment industry remains relevant and sustainable for the benefit of not only ASISA and its members, but also the country and its citizens. Our mission is to work towards promoting a culture of savings and investment in South Africa.

ASISA is recognised as a significant and relevant partner around Government's negotiation table where we proactively engage on policy, regulatory reform and other issues of national priority such as economic transformation and inclusion.

## 2. OUR STRUCTURES & TECHNICAL CAPACITY

ASISA membership can only be attained at the highest appropriate level in a company's corporate structure, never at a subsidiary company level. In addition, members must be represented on the ASISA Board by their most senior representative. The aim is to ensure that high-level strategic thinking shapes the future of the financial services industry, and not product-aligned agendas. ASISA and its members are committed to the principle that the consumer's best interest will govern all decision-making.

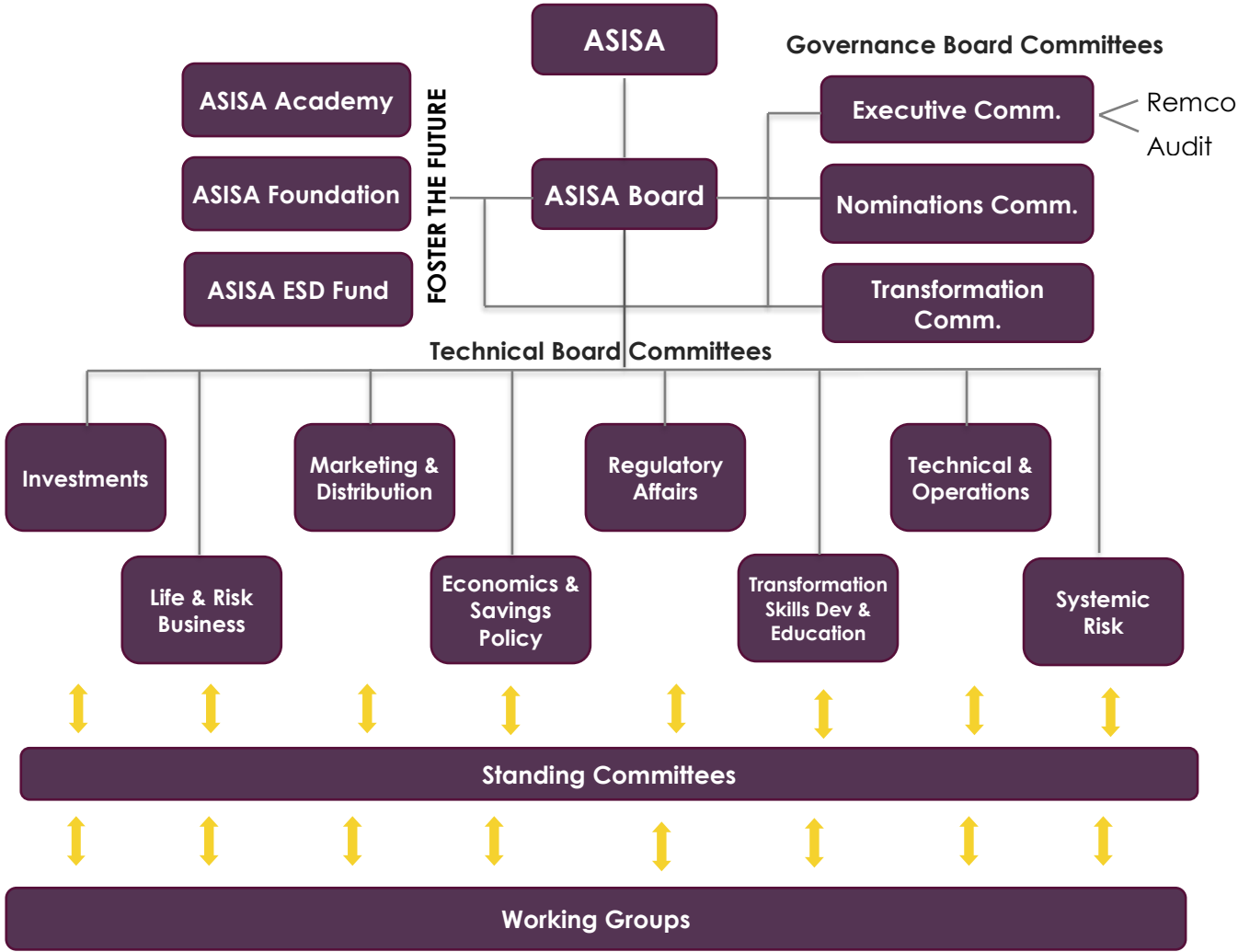
ASISA applies the principle where a voting member can vote only once when electing individuals to serve on the ASISA Board, irrespective of the number of licences held. This means that the big conglomerates have the same vote as a small independent company.

The ASISA Board determines the association's strategic direction, taking into consideration the priorities of our country, as well as international direction. The strategy is executed by eight Technical Board Committees, each chaired by an ASISA Board member and supported by a team of subject matter experts from ASISA as well as member companies.

All members, voting and non-voting, can nominate representatives to serve on the various ASISA technical committees and working groups. All members are encouraged to submit comments to be included in submissions on draft legislation and regulation. At the same time, the importance of minority views is recognised and presented together with the majority view.

The activities within the ASISA structures are driven by highly experienced and well-qualified employees. The ASISA team collectively offers 700 years of hands on financial services experience (an average of 21 years per person). ASISA employees also collectively hold 24 business related degrees, 34 postgraduate degrees and 23 diplomas and special certificates.

THE STRUCTURE FOR ASISA'S ROLES



### 3. THE ASISA BOARD OF DIRECTORS

Ian Kirk - Chairman  
Group CEO: Sanlam

Thabo Khojane – Deputy Chairman  
MD: Investec Asset Management

Leon Campher  
CEO: ASISA

Anton Pillay  
CEO: Coronation Fund Managers Limited

Bernard Fick  
CEO: Prudential Portfolio Managers South Africa (Pty) Ltd

Bridget Mokwena-Halala  
CEO: Assupol Life Limited

David Munro  
CEO: Liberty Holdings Limited

Dawie de Villiers  
CEO: Alexander Forbes Limited

Fatima Vawda  
MD: 27four Investment Managers (Pty) Ltd

Francois Gouws  
CEO: PSG Konsult

Grant Cloete  
CEO: Afena Capital (Pty) Ltd

Herschel Mayers  
CEO: Discovery Holdings Limited

Hillie Meyer  
CEO: MMI Holdings Limited

Iolanda Ruggiero  
Group Managing Executive: Nedbank Wealth at Nedbank Group Life

Malungelo Zilimbola  
CEO: Mazi Asset Management (Pty) Ltd

Nomkhita Nqweni

CEO: Wealth, Investment Management & Insurance at Absa Group Ltd

Peter Moyo

CEO: Old Mutual Emerging Markets

Rob Formby

COO: Allan Gray (Pty) Limited

Roland Greaver

CEO: Kagiso Asset Management

Saks Ntombela

Group CEO: Hollard Insurance

Shaheen Ebrahim

Chairman: Oasis Group Holdings (Pty) Ltd

Willem Venter

CEO: Prescient Holdings (Pty) Ltd

## 4. SAVINGS

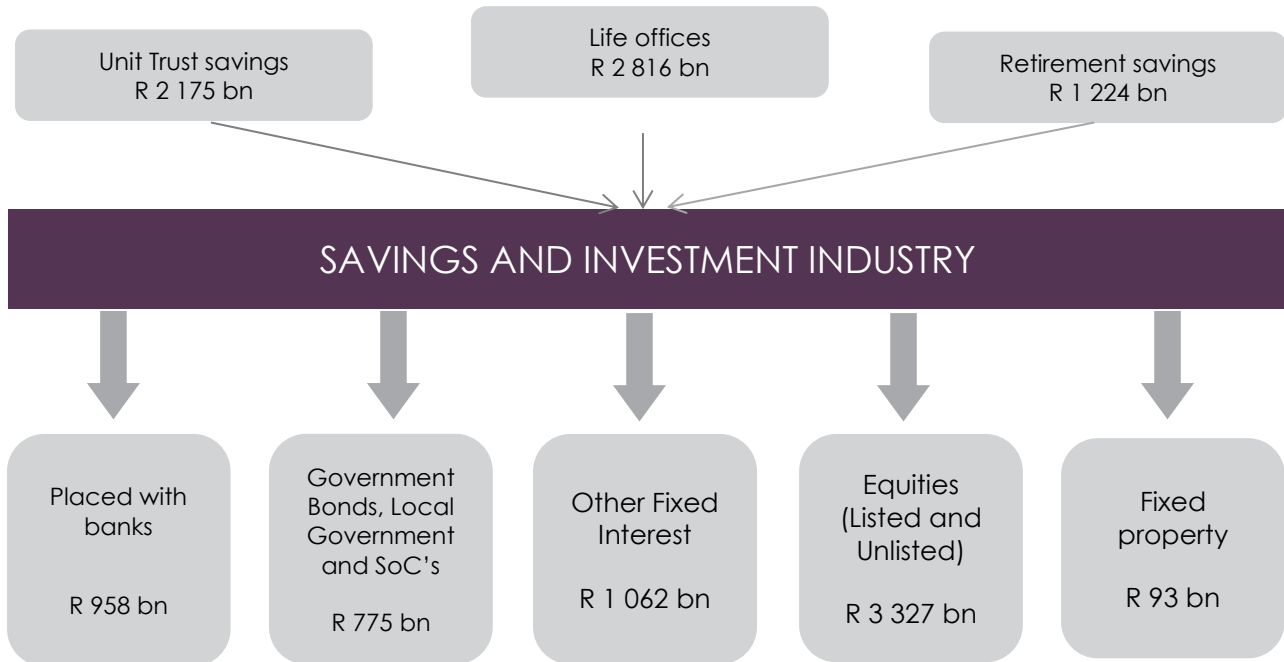
ASISA members manage the long-term savings and investments of customers in the following regulated product ranges:

- Pension and Provident Funds
- Retirement Annuities
- Endowment Policies
- Collective Investment Schemes (unit trusts, exchange traded funds, hedge funds)
- Risk protection policies such as life, disability and dread disease cover

With assets under management of R6.2 trillion, ASISA members are collectively one of the biggest contributors to the financial sector. The financial sector in turn is a major contributor to the national GDP and plays a critical role in financing South Africa's economy. ASISA members are also considered one of the key custodians of our nation's savings and investments.



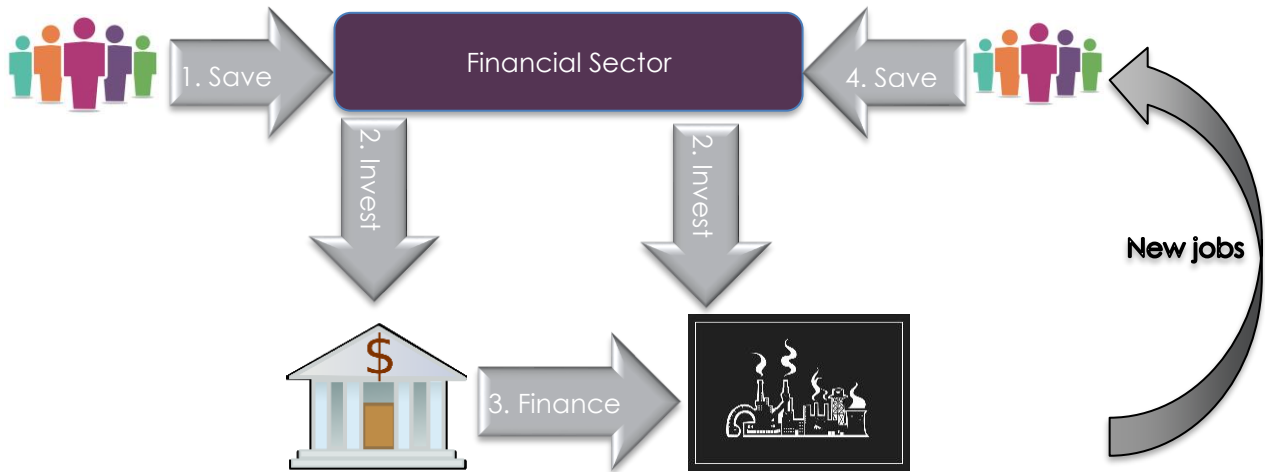
## FINANCIAL SECTOR ASSETS UNDER MANAGEMENT



SOURCE: SARB Quarterly Reports – 31 December 2018

The assets reflected in the graphic above belong to ordinary South African citizens and savers. The financial sector plays a vital role in aggregating the savings of individuals and organisations. These savings are then mobilised and deployed into productive enterprises that, in turn, create more jobs, wealth and then more savings. This virtuous circle encourages economic development and the ownership of South African assets by ordinary citizens, thereby building their wealth.

THE VIRTUOUS SAVINGS CIRCLE



## 5. INVESTMENTS

We believe that many of our country's challenges can be overcome through effective public private partnerships (PPPs). To this end, ASISA and its members support the National Development Plan (NDP) as well as the nine-point plan set out in the State of the Nation Address (SONA) 2015 aimed at achieving inclusive growth to reignite the economy and create jobs.

To date, ASISA members have deployed capital in support of the above-mentioned goals as follows:

- SA Government, Local Authorities and State Owned Companies: **R775 bn**
- Other Fixed Interest (listed & unlisted) and Equities (listed & unlisted) of **R4 389 bn** to fund corporate SA as well as the following projects:
  - Renewable energy
  - Township development
  - Affordable housing
  - Urban regeneration
  - Student accommodation
  - Water
  - Roads
  - Agriculture (emerging farmers).
- Banking Sector:
  - The savings and investment sector has deployed **R958 bn** into the banking sector by way of cash, deposits and bank paper.
  - It should be noted that banks are not able to create money. They can only deploy capital raised from their depositors. The money raised from the savings and investment sector, private individuals and other entities is then deployed (through loans) to ordinary people, Government, State Owned Companies, local authorities and the Corporate Sector.

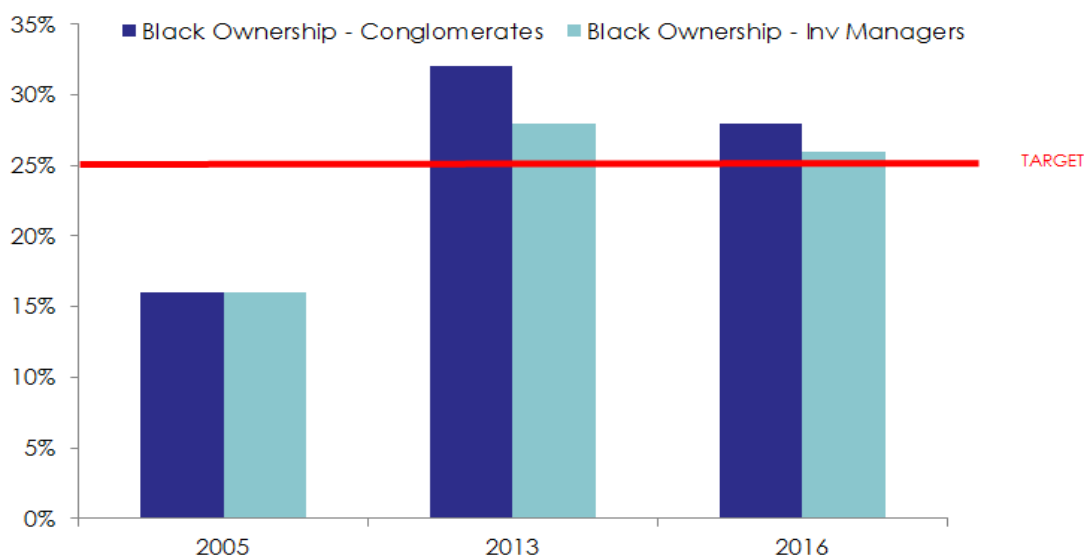
In deploying this capital, our industry must strike a fine balance between protecting the savings of the people and investing in the economy with a reasonable risk-adjusted return. The long-term nature of these arrangements emphasises the importance of governance and stability.

In addition to the above, South African life insurers inject billions of Rands into the economy each year through benefit payments to policyholders and beneficiaries.

In 2017 the long-term insurance industry paid R469 billion in benefit payments. The significance becomes evident when compared to the R528.4 billion in social grants committed by Government in 2018 over three years. ASISA is in the process of compiling the long-term insurance industry statistics for 2018.

## 6. TRANSFORMATION OF THE INDUSTRY

### Black Ownership



SOURCE: FSTC + ASISA

\*currently collating 2017/2018 statistics in accordance with revised FSC which was gazetted in 2017

### Management Control

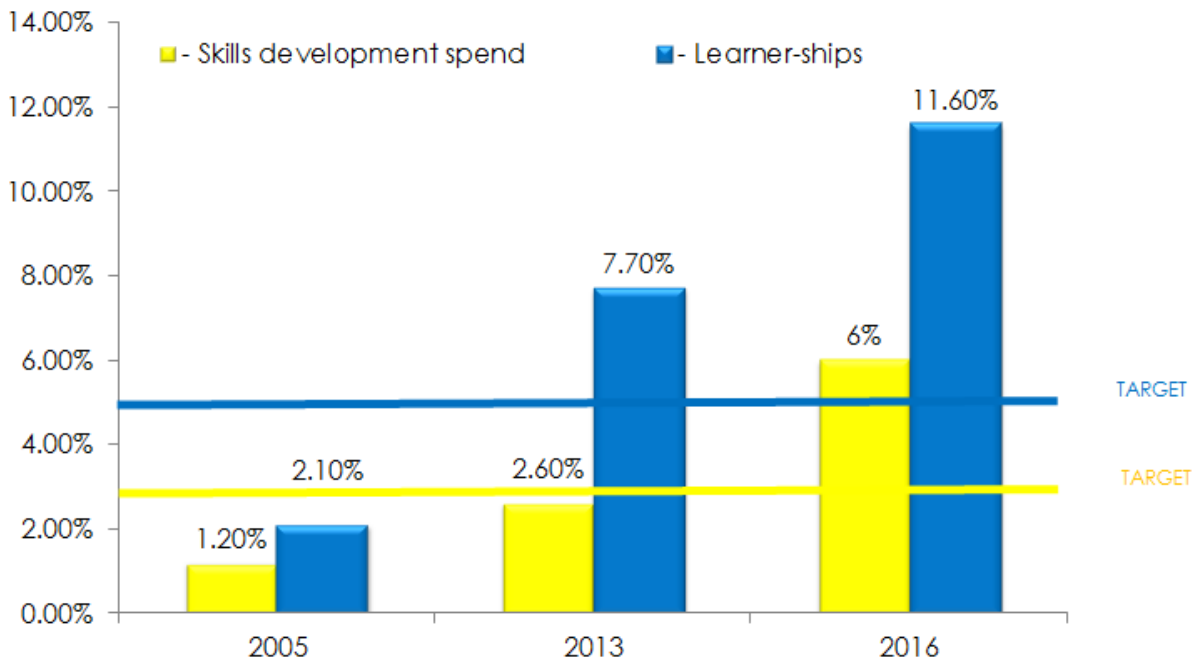
	Conglomerates		Invest. Managers		TARGET
	2005	2016	2005	2016	
<b>Board</b>	30%	48%	30%	58%	<b>50%</b>
<b>Executive Directors</b>	22%	50%	22%	56%	<b>50%</b>
<b>Sen. Top Management</b>	**	41%	**	48%	<b>40%</b>
<b>Sen. Management</b>	16%	37%	16%	34%	<b>60%</b>
<b>Middle Management</b>	32%	50%	32%	37%	<b>75%</b>
<b>Junior Management</b>	45%	73%	45%	57%	<b>80%</b>

SOURCE: FSTC + ASISA

\*currently collating 2017/2018 statistics in accordance with revised FSC which was gazetted in 2017

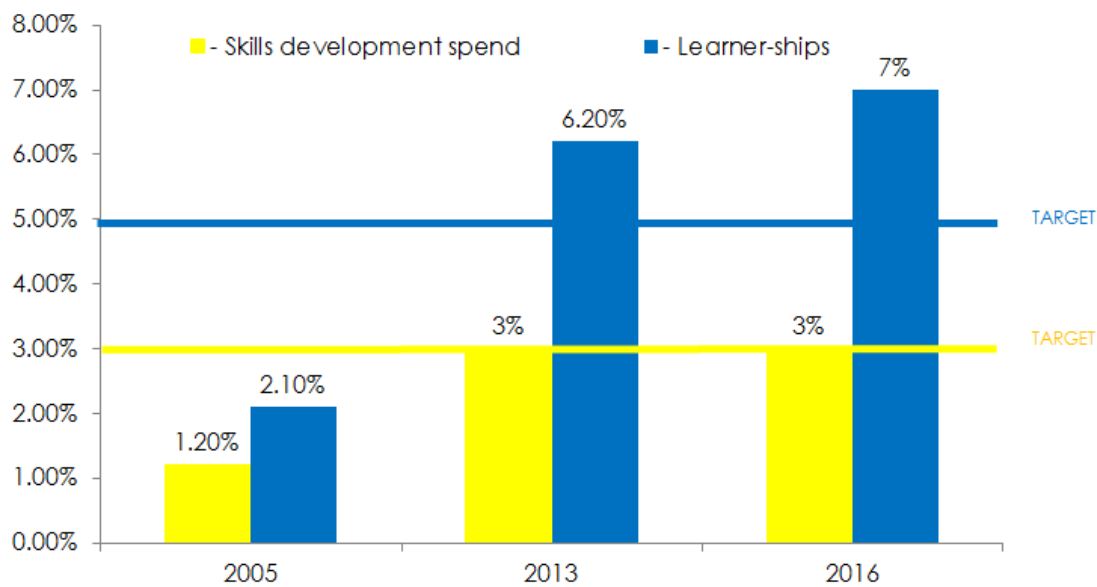
\*\*not measured as part of this FSC

### Skills Development – Conglomerates



SOURCE: FSTC + ASISA

### Skills Development – Invest. Managers

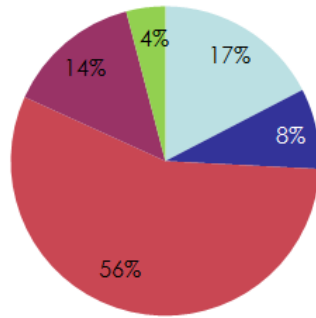


SOURCE: FSTC + ASISA

## 7. TRANSFORMATION OF INVESTMENT TEAMS

25%  
black

Portfolio Managers



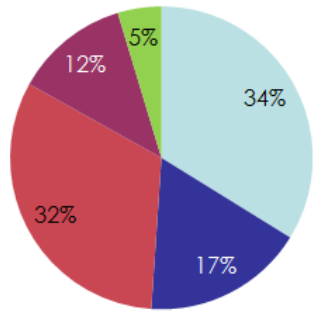
- Black Male
- Black Female
- White Male
- White Female
- Foreign Nationals

31 participating companies

650 people

51%  
black

Research Analysts



- Black Male
- Black Female
- White Male
- White Female
- Foreign Nationals

SOURCE: ASISA 2015 Academy Survey

\*currently collating 2017/2018 statistics

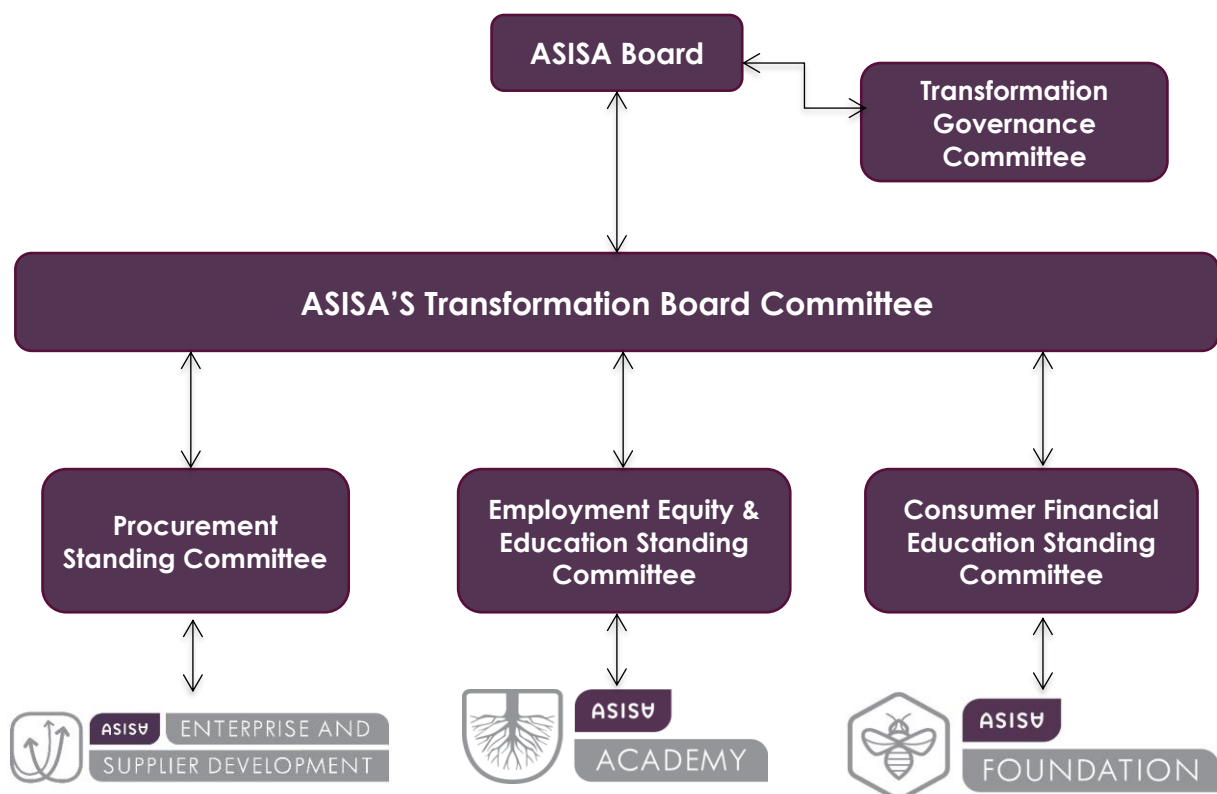
## 8. FOSTERING THE FUTURE

The Foster the Future initiative brings together three independent entities: the ASISA Foundation, the ASISA Academy and the ASISA Enterprise and Supplier Development Initiative. All three initiatives are driven by the common goal of addressing one of the key social deficits currently plaguing our country and prohibiting economic growth, namely unemployment.

With ongoing support from key stakeholders and funding from ASISA members, the Foster the Future initiative aims to empower vulnerable communities through financial literacy, facilitate employment for graduates and create jobs by building businesses.

The ASISA Board, through its Transformation Governance Committee, exercises strategic oversight over the Foster the Future entities.

AN INDUSTRY WORKING TOGETHER TO  
ACHIEVE INCLUSIVE TRANSFORMATION





## 8.1 THE ASISA FOUNDATION

The ASISA Foundation (a non-profit industry initiative) delivers effective and objective financial literacy and micro-enterprise development programmes to South Africa's most vulnerable groups. The aim is to achieve a long-term sustainable and positive impact on the financial wellbeing of communities, particularly the poor and needy, through facilitating greater financial capability and economic participation by all South African citizens. The Foundation prides itself on the independent and objective monitoring and evaluation applied to all projects to assess the impact of programmes. Learnings are implemented across all projects to enhance implementation, reach, methodologies and content.

- All programmes qualify as consumer financial education and socio-economic development spend as per the Financial Sector Code.
- At least 85% of activities are carried out for the benefit of black South Africans, 40% of whom must benefit black women.

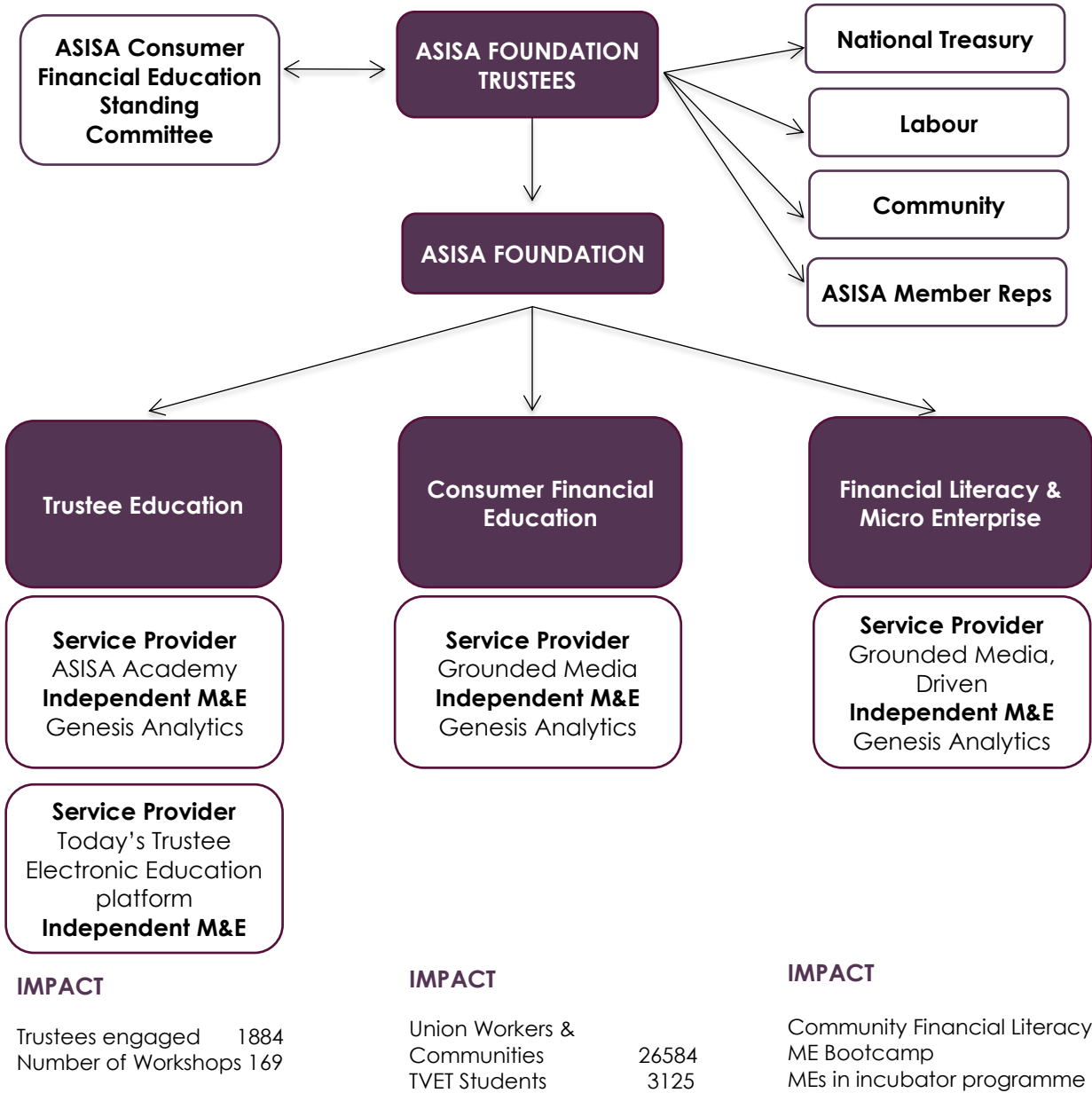
The Foundation's successes include:

- The Saver Waya Waya WageWise programme teaches financial literacy to improve the financial capability of vulnerable workers across a variety of sectors to better manage their personal finances, understand their payslips and engage with retirement fund benefit statements. The Foundation has reached over 26 000 workers across all nine provinces.
- The L+Earn programme equips students with the skills necessary for entering the job market and to manage their finances once they start earning an income. To date the Foundation has reached over 3 000 students.
- The FLAME (Financial Literacy and Micro-enterprise) programme empowers beneficiaries in low-income areas and is a three phase programme:
  - Financial Literacy: more than 800 community members reached
  - Micro-enterprise boot camp: more than 300 community members reached
  - Micro-enterprise incubation phase: 30 incubatees (99 participants pitched their business for selection). These businesses started the incubation programme with cumulative recorded turnover of just over R100 000. After 15 months of incubation, the businesses were generating cumulative turnover of more than R4 million, of which R1 million was profit.



- The Retirement Fund Trustee Education programme aims to equip trustees with relevant information that will enable them to fulfil their fiduciary duty towards their funds, effectively engage with financial service providers, and manage their retirement funds responsibly. The programme, funded by the Foundation and delivered by the ASISA Academy, has reached over 1 884 trustees. The ASISA Academy is accredited with the Quality Council for Trades & Occupations (QCTO) and is registered to deliver two full retirement fund trustee qualifications.

# ASISA FOUNDATION GOVERNANCE & IMPACT



Figures are since inception



## 8.2 THE ASISA ENTERPRISE AND SUPPLIER DEVELOPMENT INITIATIVE

The ASISA ESD initiative is a drive by the savings and investment industry to fast-track job creation by unlocking the growth potential of South Africa's small and medium enterprise (SMEs) sector. The sustainable development of high-potential black owned SMEs is achieved through an innovative combination of tailored business support, access to market and financial support structured according to the specific needs of each SME and access to market. Eligible black owned SMEs are carefully selected from the supply chain of ASISA member companies.

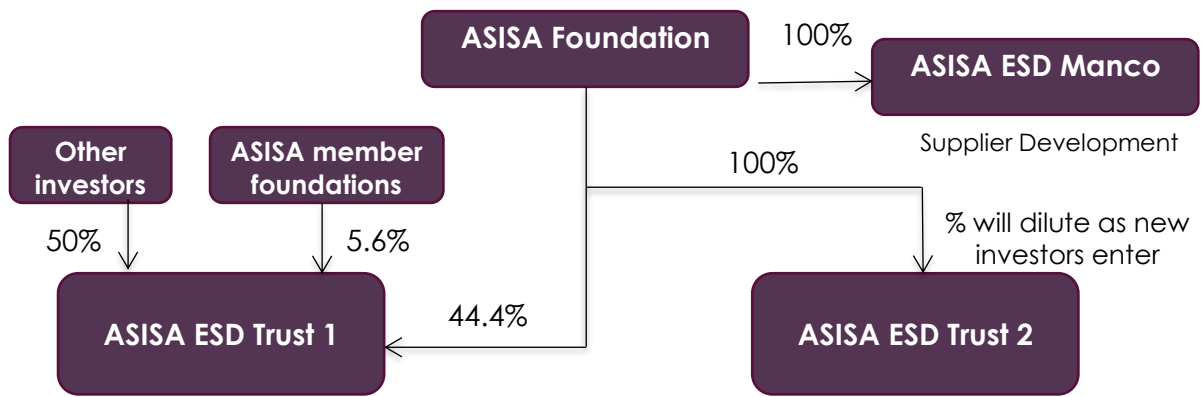
The operational model of the ASISA ESD initiative has been structured to align with the requirements of the Amended Financial Sector Code, which came into effect on 1 December 2017.

The ASISA ESD Management Company (Manco) oversees all supplier development programmes. Grant and project capital received from ASISA member companies for supplier development is channeled through the Manco.

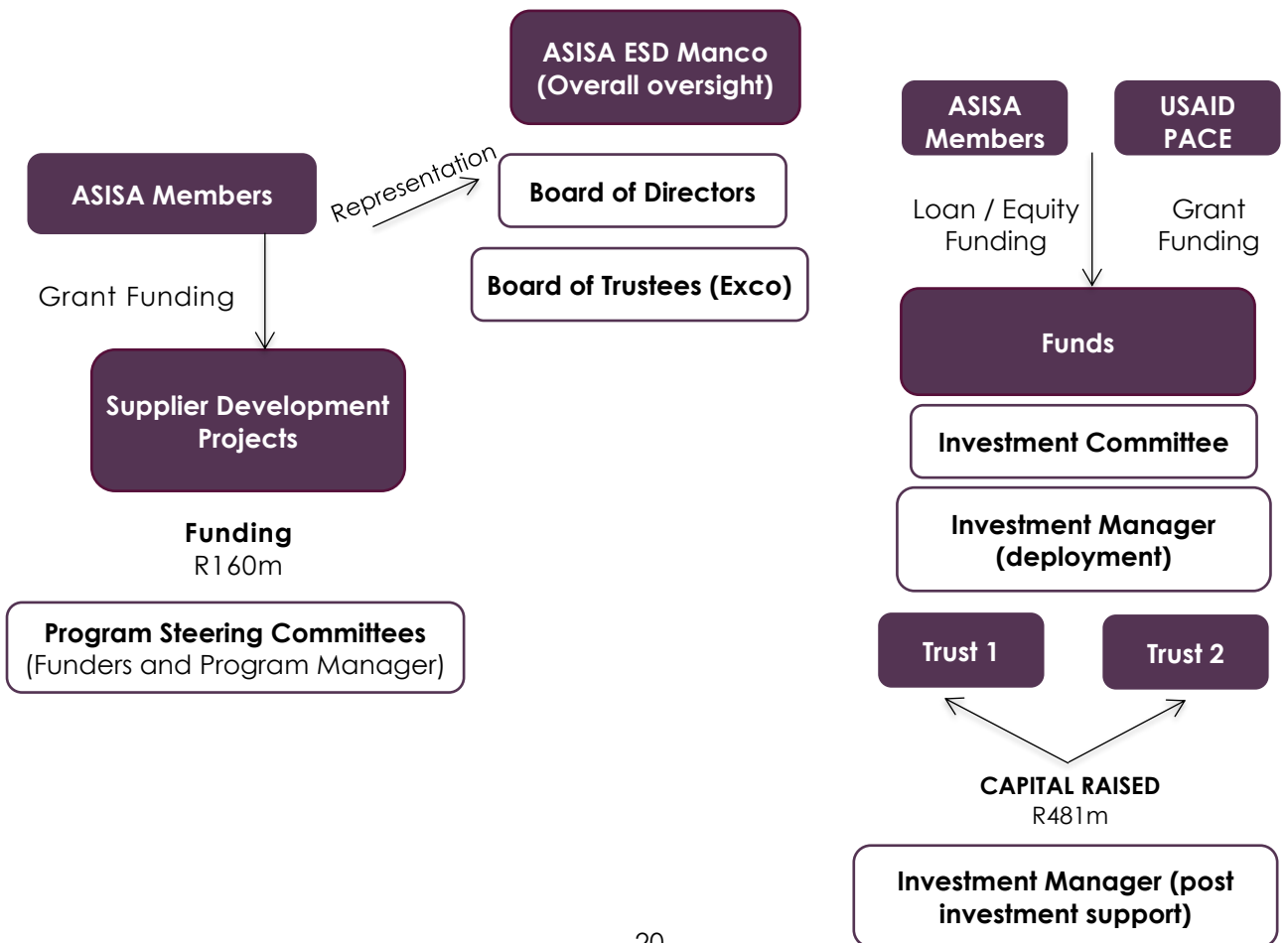
Loan and equity contributions received from ASISA members are channeled into the SME Investment Trusts. The ASISA ESD Investment Committee evaluates and approves the deployment of loan and equity capital into SMEs. The Investment Committee consists of investment professionals with experience in private equity, SMEs and developmental investing.

The initiative received international recognition for its innovative approach when it was selected in March 2016 by the United States Agency for International Development (USAID) for a US\$1 million grant, payable over three years, as part of the USAID Partnering to Accelerate Entrepreneurship (PACE) initiative. The initiative is one of only eight applicants worldwide selected for this grant and only the second successful applicant from Africa.

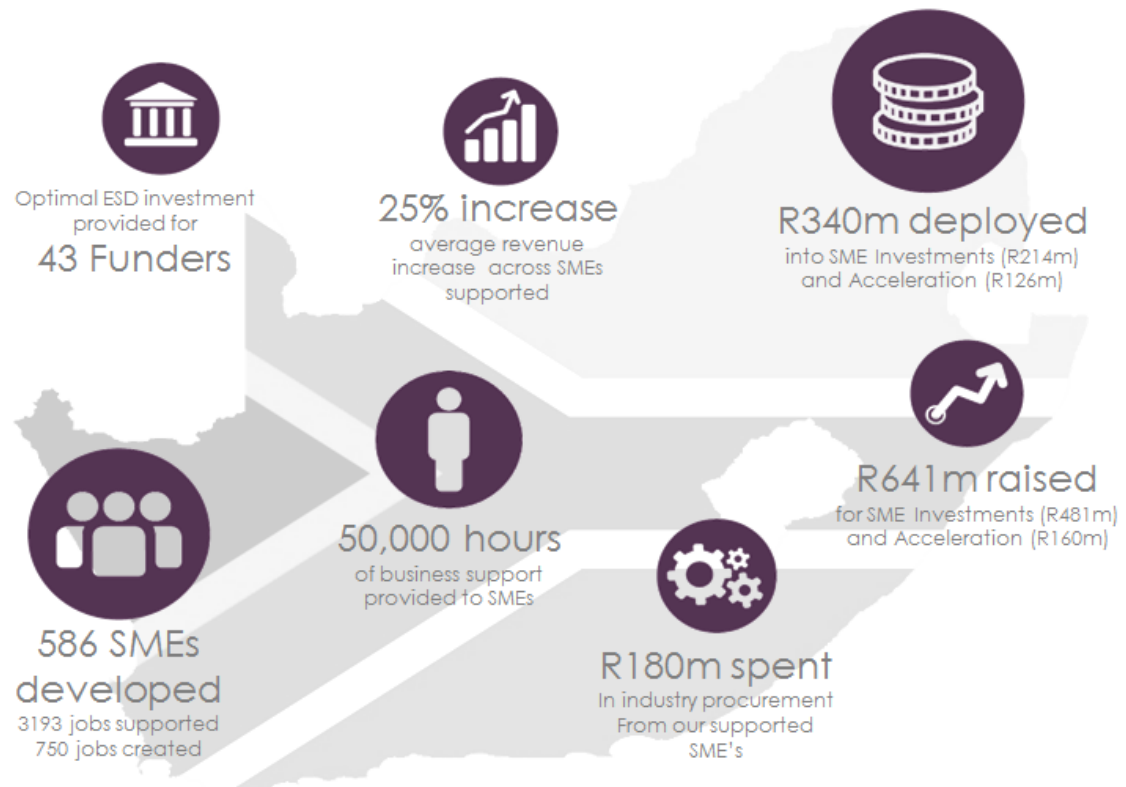
## ESD INITIATIVE'S OWNERSHIP



## ASISA ESD INITIATIVE' STRUCTURE & GOVERNANCE



ESD INITIATIVE'S IMPACT



Figures are since inception



### 8.3 THE ASISA ACADEMY

The ASISA Academy creates desperately needed employment opportunities for black graduates wanting to pursue a career in the savings and investment industry by bridging the problematic gap between tertiary education and the skills required by potential employers. All of the ASISA Academy programmes are designed and delivered by industry practitioners which ensures the learning remains rooted in the reality of the changing needs of industry.

#### IMPACT FOR GRADUATES

	<b>IFA INTERNSHIP PROGRAMME</b>	<b>INVESTMENT MANAGEMENT WORK READY PROGRAMME (I'M WORK READY)</b>	<b>IMACS@TSIBA (INVESTMENT MANAGEMENT ADMINISTRATION &amp; CLIENT SERVICING)</b>
<b>WHAT IS IT?</b>	Sourcing, preparing, placing and mentoring graduates with high- performing IFA practices	Sourcing, preparing and placing graduates with ASISA members	Preparing undergraduate students for investment management roles and then placing them with ASISA members
<b>DURATION</b>	12 months	12 months	5 months
<b>NUMBER OF PROGRAMMES</b>	4 from 2016 to 2019	5 from 2015 to 2019	8 from 2011 to 2019
<b>WHERE?</b>	JHB, CT, DBN, PE, EL	JHB & CT	CT
<b>PARTNER UNIVERSITIES</b>	UJ, UWC, UKZN, NMU & Potchefstroom	UJ & UWC	Tertiary School in Business Administration(TSiBA)
<b>GRADUATE IMPACT</b>	<ul style="list-style-type: none"> <li>• <b>109 graduates</b></li> <li>• <b>100% black</b></li> <li>• <b>60% black female</b></li> <li>• <b>85% employed after internship</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>73 graduates</b></li> <li>• <b>90% black</b></li> <li>• <b>85% employed after internship</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>94 undergraduates</b></li> <li>• <b>100% black</b></li> <li>• <b>85% employed after internship</b></li> </ul>

#### IMPACT FOR ASISA MEMBERS' EMPLOYEES

The Academy has worked with close on **5 000 staff members** of ASISA member companies and other key industry stakeholders such as the FSCA, the PIC and the regulatory teams from multiple African states. In December 2018 we ventured further afield than ever

before when we ran a bespoke CIS Bootcamp for the **Ghanaian Securities Exchange Commission**.

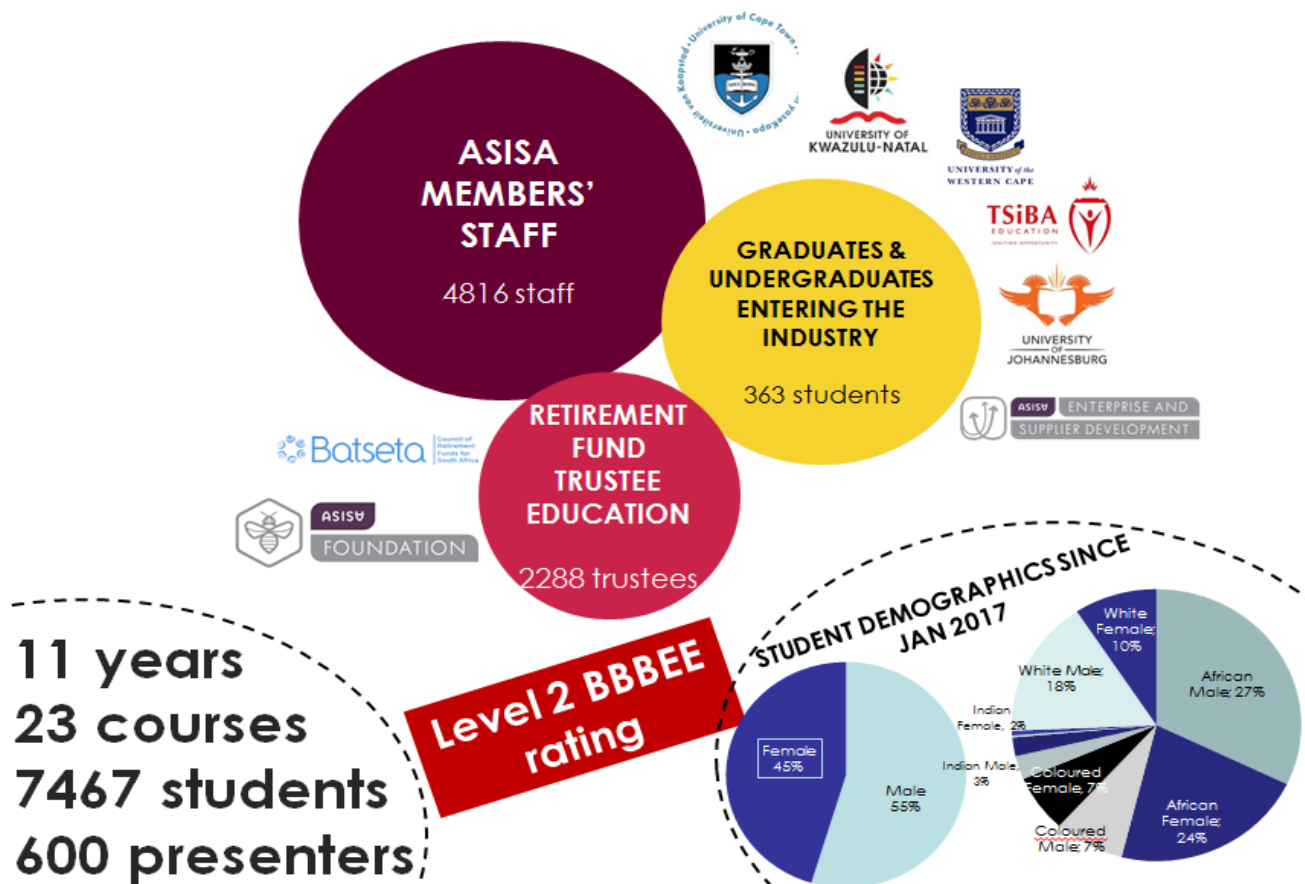
Our short courses to raise the skill levels and to professionalise employees include:

- 1-day Financial Services Overview Blitzcamps (qualifying for FAIS CPD points)
- 5-day UCT-endorsed courses for Collective Investment Schemes and Investment Administration
- 20-day UCT-endorsed course for Life Insurance Claims Assessors
- 5-day Equity Analyst Bootcamps
- Bespoke courses for new employees of ASISA members

### IMPACT FOR RETIREMENT FUND TRUSTEES & PRINCIPAL OFFICERS

Over the past decade we have developed a suite of **9 workshops** covering the most critical topics for South African trustees and principal officers. **More than 2200 trustees** have participated in these workshops which all qualify for Batseta CPD points and are offered at no cost to retirement funds through the enduring partnership with the ASISA Foundation. Independent M&E has shown our workshops make a dramatic difference in trustees' abilities to engage confidently with each other and industry service providers to ultimately steward their funds better.

In addition to being accredited with Batseta and the FPI, the ASISA Academy is also accredited with the **Quality Council for Trades & Occupations (QCTO)** and is registered to deliver two full retirement fund trustee qualifications.



## CONTACT US

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