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The ASISA ESD Fund (the Fund) concluded the second quarter of 2018 with a scorecard that includes the creation of 128 new jobs and R29 million of capital deployed in support of black-owned industry aligned enterprises and suppliers. The quarter further saw new funders contributing an additional R40 million in investment and project capital inflows.

The Fund's Investment Committee approved several exciting new investments during the quarter, which are aligned to the Fund's inclusive innovation theme created to support black-owned entrepreneurs innovating in the technology space.

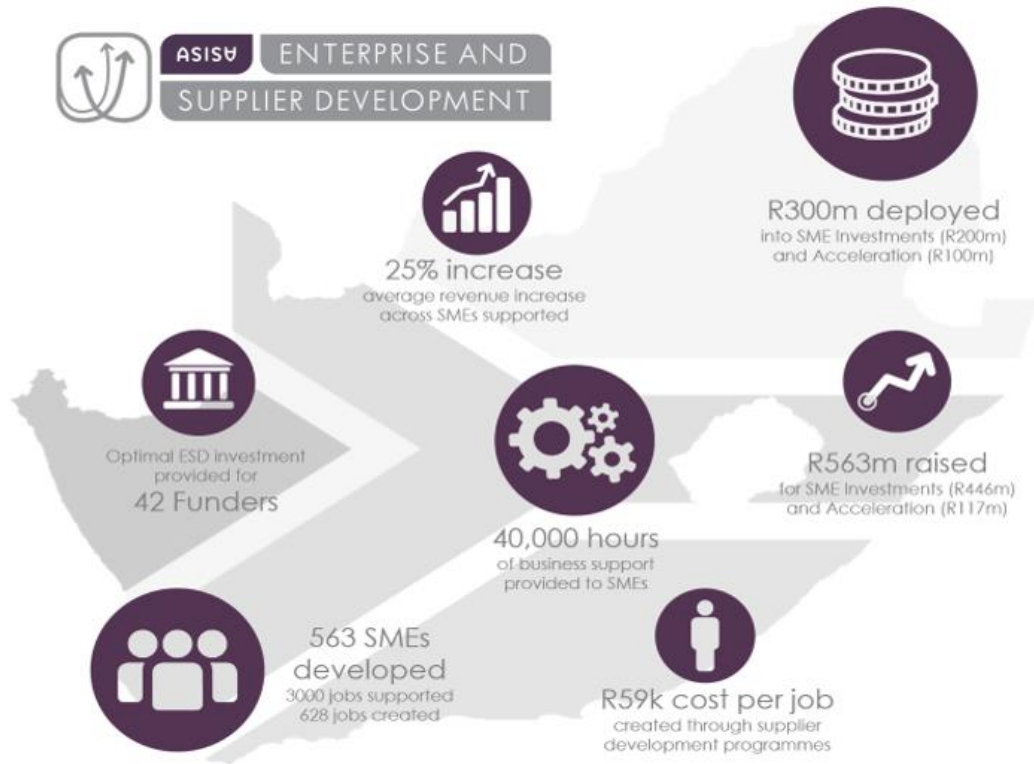
During the quarter we further deployed R9.2 million towards new acceleration programmes (business development and growth support) for some 40 black-owned SME suppliers and financial planners linked to the insurance industry value chain. In the third quarter of this year we will focus on expanding our impact, with a key focus on the following:

- Increase deployment of funding for the development and growth of black owned SMEs active in strategic industry priority areas;
- Expand the deal team to enhance deployment of capital into new investments; and
- Expand our post investment management capability to support the growing number of SMEs within the investment portfolio.

Since inception the Fund has deployed R300 million in support to 563 industry-aligned black-owned SMEs resulting in an average growth in revenue of 25% across the SMEs supported. Further details of the Fund's impact to date are contained in the diagram below:

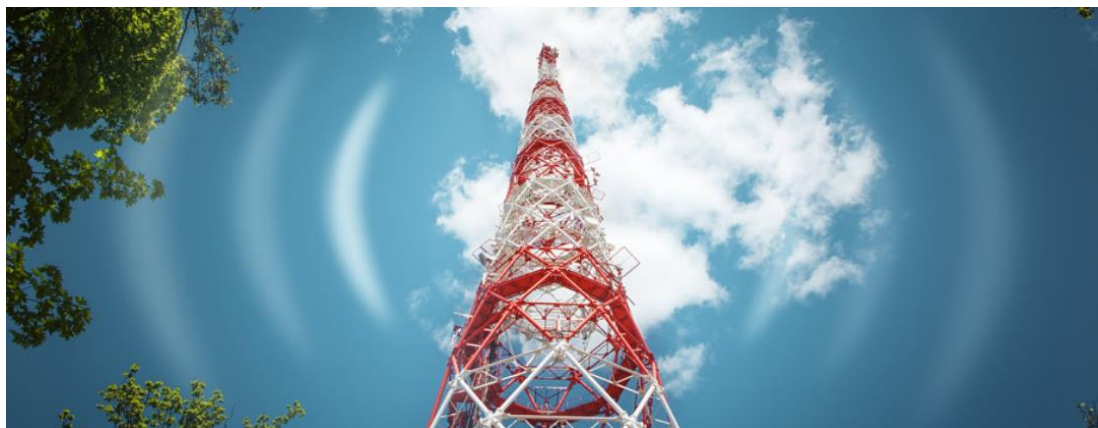


ASISA ENTERPRISE AND SUPPLIER DEVELOPMENT



INVESTMENTS

EAGLE TOWERS SOARS TO NEW HEIGHTS



Eagle Towers, a 100% black owned South African telecommunications company, was founded in 2015 by Avril van der Rheede, a driven entrepreneur who grew up in Jamestown just outside Stellenbosch, and who has vast experience in the telecommunications industry.

Headquartered in Stellenbosch, the company scouts out suitable sites and erects telecommunication towers at these locations. Capacity on these towers is leased to mobile network operators (MNOs) and Wireless Internet Service Providers. Eagle Towers first received funding from the ASISA ESD Fund (the Fund) in 2016. At the time, the

company had only one mobile telecoms tower, which it owned and leased to a mobile network operator (MNO).

Additional funding was approved last year. Eagle Towers also attracted the attention of Mergence Investment Managers, an ASISA member, resulting in a sizeable equity and debt investment deal. The company now has a total of 22 towers across the Western Cape, Eastern Cape and Gauteng and continues to gain traction as a formidable contender in the South African telecommunications landscape.

Eagle Towers is currently in discussions with one of ASISA's members to gain access to their property portfolio in order to install towers on these premises. This promises to be a mutually beneficial development opportunity where the ASISA member relationship can be leveraged to unlock a number of sites at once, while generating good additional revenue for the ASISA member property owner. This large-scale property partnership model has been successfully piloted by Eagle Towers with other partners and provides an opportunity for greater collaboration with ASISA members.

Eagle Towers is also engaging with the major MNOs in order to build partnerships focused on areas of need. This includes bundled tower offerings whereby multiple sites are offered to MNOs in highly densified areas with a focus on areas with high call drop-rates. The company has been identified as a key partner in supporting and delivering Government's Internet for All campaign, which intends to ensure that every South African has internet access.

ACCELERATION PROGRAMMES

ANOTHER EIGHT BLACK-OWNED IFA PRACTICES DEVELOPED IN PARTNERSHIP WITH MMI HOLDINGS



MMI HOLDINGS

momentum

Masithuthuke Broker Development Programme

At the end of March, we proudly witnessed the second group of black-owned independent financial adviser (IFA) practices (also referred to as brokerages) graduate from a Broker Development Programme delivered in partnership with MMI Holdings.

The eight practices - seven 100% Black Owned and one 100% Black Woman Owned – were chosen from 43 applicants servicing the Metropolitan retail market through a rigorous selection process.

Named Masithuthuke, which means to develop, the programme was initiated with the aim of creating a holistic approach to helping Gauteng based black-owned IFA practices grow more professional, sustainable, efficient and ethical financial advisory

businesses. The programme was managed and executed by the Fund's enterprise and supplier development providers, Edge Growth and EncoreSA.

The Masithuthuke Broker Development Programme aimed to achieve the following key objectives:

- Empowerment of brokerages through best practice business development support;
- Insurance sector skills development and transformation;
- Industry profit growth and sustainability through brokerage enterprise development; and
- Social impact through job creation and enhanced sustainability of brokerages.

The programme provided the participating practices with interactive training workshops with Edge Growth and personal mentorship sessions with EncoreSA, totalling 2160 hours of business development support. Tools and business models were developed for each business, targeting increased professionalism, confidence, revenue growth and job creation.

At the end of the programme the group reported a 107% increase in average revenue with 13 new jobs created. A noteworthy achievement was the significant decrease of between 50% and 60% in lapses, which means the IFA practices have improved the quality of business written and are therefore retaining more business.

These are remarkable achievements, considering that all eight IFA practices were essentially start-up businesses that were far below the industry benchmark in terms of business health. The key objective, which was to ensure that they become financially sustainable through clearer business models and processes, has therefore been achieved.

These are some of the comments received from participants at the end of the programme:

"The programme added great value to my brokerage. My brokerage is now working professionally."

"To me this is like a mini MBA in financial services. Something that they do teach you in the financial services courses. I think the programme is well structured for brokers. My company is now more client centred. Client first."

"Crucial Conversations – NB this was my biggest downfall. Thank you for bringing it in the programme."

"The programme should be extended to at least 18 months in order to follow up and reinforce learnt material."

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:

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