





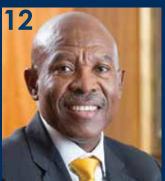
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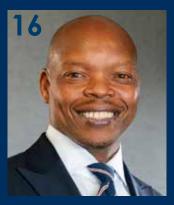
## Contents

Regular Features	
Message from ABSIP President	2
Deputy Finance Minister and ABSIP Patron: Dr David Masondo	6
Gamechanger 2022: Ndabe Mkhize	8
Accelerating Transformation in the financial Sector	14
ABSIP and The Transformation Agenda	
Lwazi Bam Takes A Bow After Making his Mark at Deloitte Africa	18
BBBEE Policy: Implication For Entrepreneurship	22
How to structure employment equity to empower employees	24
VUKA for VUCA – Accelerating transformational leadership in a VUCA world	28
Special Features	
Women Leading Associations: Linda Maqoma	32
Women Leading Associations: Anthea Gardner	34
Women Leading Associations: Sindi Mabaso-Koyana	36
Women Leading Associations: Yvonne Maitin	38
Accelerating transformation in a changing financial services sector	41
Asset managers vs. investment platforms: what do they mean for your investments?	44
Meaningful wealth management is about much more than money	46
Mental health and the complexities of being female in the workplace	48
Talking Style with Mr SlimFit	50
ABSIP Awards	
2022 - Award Winners	57









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## A MESSAGE FROM THE ABSIP PRESIDENT

## **Accelerating Transformation**

#### Polo Leteka - Radebe

The topic of transformation has been hotly debated over a number of decades in our country and across the world. It remains very emotive and there doesn't seem to be an end insight when it comes to these debates. The Oxford dictionary defines transformation as "a marked change in form, nature, or appearance". When unpacking this definition within the context of South Africa's racially segregated past which led to socio-economic inequalities along racial lines, this definition translates to righting these wrongs. It means changing the form of the South African economy, its nature and its appearance from being primarily white and male, to being more representative and reflective of our broader population demographics.

The social and economic dividends associated with inclusion have been well documented over the years. Societies where opportunities are available to all citizens rather than preserved for exclusive sections and communities, can harness the collective skills and talents of their demographics in order to foster better socioeconomic outcomes. Regrettably, anxieties around transformation still persist particularly when it is viewed as a model of benefitting one group and leaving others behind. This leads to unfounded claims of transformation being a manifestation of reverse racism rather than a critical tool of addressing the sins of the past. In recent weeks, as Dischem found itself grappling with the question of how its workforce needs to be transformed, we have seen multiple illustrations of this misunderstanding. For organisations that have fashioned themselves around the idea of protecting minority rights, this has created newfound momentum to challenge the implementation of transformation in workplaces. What is missed in these deliberations is the fact that transformation in of itself should not be seen as a binary process where gains for one race translate

to losses of another race. South Africa's challenge is that its pursuit of transformation has not been matched by a growth in the economic pie. As a result, opponents of transformation regard it as a process of displacing incumbents rather than embracing more diverse workforces. Indeed, sustainable transformation can only be achieved through growth and not only redistribution. This was always a major tenet of the B-BBEE Strategy that was published by the Department of Trade and Industry and Competition in 2003. The B-BBEE Strategy document states "Our country requires an economy that can meet the needs of all our economic citizens – our people and their enterprises - in a sustainable manner. This will only be possible if our economy builds on the full potential of all persons and communities across the length and breadth of this country. Government's objective is to achieve this vision of an adaptive economy characterised by growth, employment and equity by 2014".

This seems like a reasonable and well considered approach to transformation and one hopes that all patriotic South Africans would find resonance with this stated objective. We have however over the years experienced significant resistance towards our transformation policies. This has involved manifestations of passive resistance – where organisations simply ignored the national transformation imperative; and active forms of resistance including litigation against transformation. One question, among many that can be asked, is why it is that despite some of the gains fostered by the country's transformation policies, we remain one of the most unequal societies in the world and that this inequality remains along racial lines. What others argue, which I tend to agree with, is that whilst we record gains on our B-BBEE scorecard in terms of racial representation in certain elements,



The Oxford dictionary defines transformation as "a marked change in form, nature, or appearance".



these improvements may not be sustainable due to not being meaningful and therefore not sustainable in the long run. This criticism talks to the quality and substance of what we report in our scorecards versus the quantitative aspects that we seem to have exclusively focused on.

There is a growing debate to rethink how we implement transformation initiatives and how we measure impact. This argument posits that if we focus on qualitative and sustainable outcomes, we might have a better chance of seeing a reduction in the levels of inequality along racial and gender lines.

In a series of webinars on transformation held in 2021 by ABSIP, many speakers shared stories of working in an environment where they still have to comply with a culture that is mainly male and often times western. As a result, many black professionals suffer from what is called an imposter syndrome. The Oxford dictionary defines this syndrome as "the persistent inability to believe that one's success is deserved or has been legitimately achieved as a result of one's own efforts or skills'. This is a sentiment that was shared across both young professionals as well as our more mature colleagues in the financial services sector.

Further to this, as professionals moved up the echelons of the corporate ladder, they encountered very harsh and unwelcoming environments. One could even argue that many black and female professionals who ascend these ladders are set up to fail. When one scans the newspaper and other reports on black and female professionals in our sector ascending to positions of power, we can see that many do not last for very long in these positions. Some have even disappeared into obscurity whilst others have gone off to start new careers or initiatives elsewhere. This forces us to deliberate about why black professionals continue to experience challenges within the system? It is such developments that lead to many pouring cold water on the notion that we are indeed seeing the progress in transformation that we are told has taken place.

The 2003 B-BBEE Strategy was very ambitious in its intention to achieve racial equality by 2014. This conviction was premised on the hope that all social partners would work together towards achieving this utopia. In particular, the financial services sector was expected to play a leading role in driving this transformation across the various sectors of our economy. Many years later, the evidence in front of us indicates that this has not quite been the case. Valiant efforts such as the launch of the Mzansi account in early years of the Financial Services Charter helped to increase the number of unbanked South Africans from around 40% to around 80% today. This has however not necessarily led to access to many other financial services products that many South Africans require. So whilst we seem to have solved the problem of banking the unbanked, financial inclusion, in its fullness remains an illusion for many black South Africans. The question therefore is whether such initiatives were done half-heartedly. The failure to replicate models such as the Mzansi account across the full spectrum of financial services indicates that the commitment to transformation has not accelerated in the way we would have preferred.

It is apparent that the township and rural economies, where the majority of black South Africans still reside continue to be underserved by the financial services sector and yet this is where the real impact of economic transformation is needed. The question therefore is what should be the tangible initiatives that need to be implemented in order to accelerate the transformation of our economy.

Institutions such as the World Bank have decried the levels of economic inequality in South Africa. In a report titled "Inequality in Southern Africa", the World Bank is quoted having said "South Africa is the most unequal society in the world, ranking first among 164 countries, with race playing a determining factor in a society where 10% of the population owns more than 80% of the wealth". This report was published in March 2022. This same statistic is the one we stated at the dawn of our new democracy in 1994. It is alarming or it should be alarming for all South Africans for us to have clearly not shifted in any significant way since then despite the many efforts and resources that have been deployed towards achieving transformation and an inclusive economy.

The same World Bank report states that "In South Africa, women earn on average 38% less than men with the same level of education". This is a double whammy. Various studies have concluded in the past that empowering women leads to greater socio-economic benefits to society at large. It therefore stands to reason that for every additional rand in the hands of women, our society will be better off. This wage gap between men and women is simply not receiving the attention that is required. We are selling ourselves short of the possibility of seeing significant growth of our economy when we continue to discriminate against women in the manner that this report is stating.

As we reach the end of another year with the national transformation question still unresolved, we need to seriously deliberate on whether the model and the practices we have adopted over the past two decades to foster transformation, remain fit for purpose. Perhaps a transformation Indaba is long overdue where all social partners need to come together to talk about how we can meaningfully accelerate efforts that will result in real and sustainable economic transformation through economic growth initiatives.

Polo Lefeka - Radebe

**ABSIP** President



## **ABSIP National Executive Committee**



Thabiso Ratshefola (Deputy Secretary-General), Mametja Moshe (Secretary-General), Langa Madonko (Deputy President), Khaya Sithole (Treasurer-General),

#### Sitting:

Prudence Makololo (Deputy Treasurer General), Polo Leteka Radebe (President)

# Accelerating Transformation The Policymaker Perspective

Dr David Masondo



Our country has one of the most diverse populations in the world, with majority of the country's citizens being adults who belong to one of the racial groups that have traditionally been excluded from positions of power in society. Second to that, our country's rigid social stratification has resulted in persistent levels of inequality that have greatly and continue to limit opportunities for the members of these historically marginalized groups.

It is common knowledge that racial discrimination was at the centre of Apartheid, however, there are some who fail to recognise it as a multi-faceted and comprehensive system of institutionalised racial oppression which still permeates even today. What the system of Apartheid and structural racism have done, and continues to do, is to rob our country from realising its full economic potential.

With that being said, it doesn't mean that there shouldn't be collective and concentrated efforts towards one; engaging in processes of redress, and secondly, growing and strengthening the economy of our country through the transformation agenda by utilising public policy and legislation.

The nature of policy formulation is that it represents the sum of trade-offs where multiple competing interests are all advocating for a greater say in the policy direction. Policymakers have to balance social, political, and economic considerations whilst also seeking to map out the appropriate policies for the medium and long-term needs of society. Localized political shifts also play a part in the policymaking process. Consistent policy formulation and implementation across different administrations gives that policy direction a stronger chance of execution. In other words, policy formulation benefits more from medium- and long-term consistency, rather than from short timeframes. This is what investors often refer to as political stability.

One of the highly contested public policy position and legislation is the Broad-Based Black Economic Empowerment (BBBEE) Policy. Ironically, there is no individual, or organisation, that would ordinarily be explicitly opposed to the transformation agenda. However, this doesn't negate the fact that many will be engage in subversive ways to undermine it. There are some that argue that that everyone should be provided equal opportunity to compete for resources – productive assets, jobs and so on, without acknowledging that the playing field is not levelled as many often say.

In their view, the state intervention through its BEE laws distort the functioning of the markets. They argue that BEE increases the cost of doing business, thus undermining our attempts to retain and attract foreign direct investment, and subsequently undermining economic growth.

Comically, this argument is ahistorical in many ways. Firstly, it ignores the fact racial forms of political and sexist domination were responsible for lack of economic growth. The racial dispossession of Africans productive assets such as land, denied a huge section of our population to make a contribution towards economic growth. Such systematic disempowerment not only resulted in drastic economic inequality among racial groups, but also resulted in a structurally distorted economy.

Racial forms of political domination distributed income in a skewed way, and this undermined the creation of a domestic market. Racial forms of colonial domination created boundaries that created fragmented markets on the African continent. In addition, racial forms of political domination denied black people education to grow the economy. Black people were provided with Bantu education, which did not deny the economy of the skills necessary to

grow and develop the economy. Post-apartheid mass access to education through state support has enabled SA to build a black middle class. This has undermined the sustainable development and general prosperity of South Africa.

Whilst in 1994 the backbone of the South African economy was still the mining sector thanks to the abundance of natural endowments; the global economic patterns had already indicated that the world was moving towards new focus areas and new commanding heights. The financial services sector became the new central pillar of the economy. Then, the mining sector contributed 15,5% of the national GDP with the financial sector not far behind at 15% (Quantec). By 2017 the mining sector contributed only just 8% to GDP, whilst the financial sector contributed 22% to GDP.

This shift has been reflected in the employment patterns and the skills profile of the country's economically active population. Whilst the mining industry's employment peaked at 763 000 in 1987 on the back of consistent employment numbers of above 700 000 throughout the decade (1980 to 1989), it has now declined to just over 460 000. (Stats SA https://www.statssa.gov.za/?p=9720). The decline can be attributed to a number of things, including public policy and legislative measures.

As a result, the mining industry now just makes up 2,7% of employment and contributes 8,7% of GDP. By comparison, the financial services sector's share of GDP has increased to 24% and its share of employment has increased to 15,6%. All this indicates that more than any other sector of our economy, the financial sector is a critical and fundamental driver of the economy. It will also continue to dominate the economy for the foreseeable future. If the effectiveness of the country's economic policy is to be assessed, the financial sector is a good reference point for the question of whether the national economic transformation is progressing.

There is no doubt that the implementation of the financial sector charter – where ABSIP played an instrumental role in shaping – ushered in an era of collective commitment towards transformation in the sector. Such commitment was evident in the early years of implementation when significant empowerment deals were undertaken that resulted in significant ownership stakes being placed in the hands of black economic participants.

The financial sector charter's commitment to financial inclusion as a focus area, resulted in many more previously unbanked South Africans being onboarded onto the system through initiatives like the Mzansi account. Over the years, as deals matured and workforces evolved, the sector's transformation profile has similarly evolved. As of 2022, the Banking

Association reports that in 2020, over 88% of South Africans had access to transaction points – a proxy of financial inclusion. This is higher than the set target of 85%. In ownership assessment, black people hold 28,4% of voting rights in banks, above the 25% target. The black economic interest however, lagged behind the 25% target (just 23,6%).

These numbers, however, have not dimmed the perception that the sector still lacks fundamental transformation. The employment equity profile of the banks has improved over time but representation in boardrooms and executive roles still lags behind. The sector also continues to be regarded as too concentrated amongst the big players will little room for new players to emerge. The recent growth spurt of African Bank through acquisitions, is assisting in diversifying choices for consumers.

In times of crisis, the tendency to demand more from active role-players is naturally heightened. At the outbreak of the Covid-19 pandemic, the introduction of the loan guarantee scheme was an initiative conceptualised by National Treasury and the South African Reserve Bank in liaison with the banking sector, which was aimed at ensuring that the lines of credit were not frozen. The low success rate of the scheme, in light of the significant economic fallout from the pandemic, suggests that the alignment of the sector's practices with public expectations, is still a glaring point of contention. As we reflect on the transformation of the sector as ABSIP stakeholders, we need to deliberate on the question of whether the transformation model and pathway we have followed since 2004, has delivered the outcomes we imagined when the codes were conceptualised. In the absence of a clear answer to that question, we need to acknowledge that perhaps the model of the past, is no longer fit for purpose and requires a revision.

Over the next few weeks, policymaking will be at the centre of the national debate as the ANC heads to its national conference. Given the fact that policies crafted and implemented have far-reaching implications for all of us, it is quite important that such debates are informed and constructive. As ABSIP deliberates on these matters, it is my hope that we will all gravitate towards reaching a consensus on how the project of transformation can be maintained and the democratic gains of the past two decades, are not lost in transition or reversed.

Deputy Finance Minister and ABSIP Patron

Dr. David Mazondo

# ABSIP 2022 GAMECHANGER: Ndabe Mkhize



#### Taking the road less travelled and taking others on the journey

Ndabezinhle Mkhize, the former Chief Investment Officer (CIO) of the Eskom Pension and Provident Fund believes that real and impactful transformation in South Africa can only be achieved if a 'critical mass' of black people gets involved in the financial sector. He explains that no single "black Einstein" will make a difference, by which he means even the cleverest black person (hence the reference to German-born physicist Albert Einstein) will make no real difference alone.

"I have always seen the big picture that when you are the only one, no matter how good you are, you are not going to make a lasting difference. If you remain the only clever black person in the room, you will not make as much impact as you would when you have many other people that are going the same route as you are. I have therefore always understood the need to invite other people and catalyse their involvement so that we can achieve a critical mass for a chain reaction to make a sustainable difference," explains Mkhize.

He cites the asset management sector, which is the least transformed arm of the financial services industry. The total value of savings and investments managed by black-owned firms totalled R667.8 billion in 2020, equivalent to 9% of the overall regulated savings pool, according to 27Four's 2020 BEE survey. A recent McKinsey survey ('The state of diversity in global private markets:2022') shows that private equity investment committees report 9% women globally and 9% ethnic and racial minorities (i.e., Blacks and Hispanics) in Canada and the United States.

If the asset management sector is to raise its level of transformation, says Mkhize, it should stop treating black economic empowerment solely as a tick-box compliance exercise. One step the sector could take is to increase the pool of skilled black investment professionals to fully embrace diversity and inclusion of the investment teams and the investment committees without jeopardising the expected risk-adjusted returns.

"It's imperative that we increase the number of experienced black investment professionals. You can have the right people doing the right things, but if you don't have a critical mass, their impact in transforming the overall asset management industry will be somewhat of a damp squib. Many years from now, we will be asking ourselves why we have been trying to do this BBBEE thing for a long time but with no meaningful success," says Mkhize.

One of the contributing factors to the slow pace of transformation is the fact that some asset management firms treat it as a grudge purchase and therefore implement it grudgingly. Yet, the pursuit of diversity, equity and inclusion ("DEI") has become a global trend, just as investors have increasingly been



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applying the principles of environmental, social and governance (ESG) in the mix of factors they consider when assessing investment opportunities.

"South Africa has missed an opportunity to be number one in applying the principle of DEI and to be ahead of this global trend. In many respects, South Africa is a microcosm of the world. So, if we had played our cards very well - by genuinely embracing true transformation and ensuring that it is executed equitably, then the world would have been consulting us on how to implement diversity and inclusion in their own markets," explains Mkhize.

Race is not the only factor of redress that needs to take place in the sector. He says gender must also form part of the transformation narrative if the industry is to be more reflective of the demographics of the country. The paucity of female investment professionals is suboptimal and undermines the cognitive and the gender diversity required to avoid the traps of groupthink and unconscious bias. It is like fighting with one hand tied behind your back. Mkhize adds that transformation must also entail attracting

and mentoring female investment professionals. The participation of women in the sector is probably the lowest in alternative assets.

Mkhize emphasises the importance of pension funds and other long-term investors being intentional with their transformation strategy. He quotes the example of the Eskom Pension and Provident Fund's approach when he was still the Fund's CIO. "We looked at unlisted investments and launched a R2-billion manager development programme to develop black managers in the private markets space through Thuso Incubation Partners. Of this amount, 60% went into real assets (such as infrastructure and real estate) and we put 40% into private equity. About a third of these funds were allocated to asset management firms managed by black women."



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He also notes that when transformation has been implemented equitably and without sacrificing investment returns or dialling up on risk, then the sector will move to a sustainable point where opportunities are not profiled according to race and gender, but where people succeed based on their competence while not being subjected to unfair discrimination.

He thinks organisations such as ABSIP use their advocacy and leverage their members and networks to promote dual focus on investment returns and sustainable transformation. Mavovo Capital, an alternative investment manager that he runs, and which forms part of the Capitalworks family, is aiming to do exactly this. We want asset owners to not imagine that there is trade-off between achieving transformation and getting attractive risk-adjusted investment returns, especially in private equity, infrastructure and real estate.

"There should be no excuse for not having women fund managers, and no excuse for not having black fund managers. To have the right pipeline, we must also invest in quality education even as we use our agency to drive for meaningful change soon. If there are fewer women, then it must be explainable and proven that it is not based on unfair discrimination".

"However, if it is education that is not producing enough black graduates in science, technology, engineering and mathematics (STEM) as well as commerce, then double down on investing in quality educational infrastructure and tuition, especially in the rural and in the black township schools. It behooves us to be role models to children of the schools in the rural areas and the black townships. We must join their school governing boards and be effective change agents. We must not be satisfied with just occupying the governing boards of the upmarket private schools that our children go to."

Mkhize adds that institutional investors must not be reluctant to include transformation in their investment decision-making processes because attaining diversity and obtaining good investment performance are not mutually exclusive events.

The consensus among global institutional investors that participated in a recent McKinsey survey ('The state of diversity in global private markets:2022') is that the state of diversity in private equity (PE) today is poor. As key players in private markets, given the amount of capital institutional investors allocate annually to PE firms, these asset allocators could be real catalysts for change on topics like diversity of talent in PE.

According to the McKinsey report the sheer scale and influence that private equity and institutional investors have over businesses globally makes it relevant to understand the composition of the employee base

driving the deployment of so much capital.

#### Formative years and track record

Mkhize prides himself about where he comes from. Born in Polokwane, where his father was studying to be a pharmacist, he grew up in rural area of uMbumbulu and the township of uMlazi, on the south coast of Durban. His family, education and faith are at the centre of his inspiration to be a positive outlier. He drew inspiration from his family. "I remember that even before I went to school, I knew there was a bachelor's degree, an honours degree and even a PhD. That's because my mom would show me photos of my dad and his friends wearing their academic gowns; and my dad would always ask me what I wanted to be when I grew up."

His trailblazing journey started as a young man drawing inspiration from German-born physicist Albert Einstein. Mkhize wanted to pursue a career in the sciences, either as a nuclear physicist or a medical doctor. However, Mkhize went on to enrol for a Bachelor of Science degree in actuarial science at the University of Cape Town at the age of 16, becoming the first student at his alma mater, St. Francis College (Mariannhill), to pursue an actuarial career, opening the door for many of his peers to follow. His choice of actuarial science was inspired by the fact that there were few black professionals in the field. After completing his studies, Mkhize joined the Old Mutual Group as part of his bursary obligation, where he learnt enough about the insurance business to know that his next career move would be in asset management, where he could drive investment returns.

In 2007, he became the first black African (and one of first eight charter holders) in South Africa to obtain the Chartered Alternative Investment Analyst (CAIA) designation. The qualification is useful for people who are into alternative investments such as hedge funds, venture capital, and private equity. Subsequently he became a CFA charter holder, swelling the ranks of a vanguard of black investment professionals who were making inroads into the rarefied world of asset management.

After a period at Umbono Fund Managers (which was an index tracker manager that later became part of OMIG), he joined Prudential Portfolio Managers (now M&G Investments) as an equity analyst. Then he joined Coronation Fund Managers as part of the firm's Absolute Return team, covering both domestic equities and listed property. Whilst at Coronation, he discovered his passion for entrepreneurship and assembled a portfolio of hospital real estate assets establish the first South African healthcare property fund. However, he had to shelve those plans and join STANLIB's listed property team in late 2010.



Then the Eskom Provident and Pension Fund recruited him to be its first Deputy Chief Investment Officer. A year later, in 2015, he was appointed to the office of the CIO and spent close to 7 years in that office until his official departure in November 2021. He implemented the Fund's risk budgeting framework, overhauled the investment philosophy and performance of the internally managed funds, and assembled an investment team that expanded the scope of EPPF's private markets strategies into include real assets, international private equity, and venture capital funds.

During his tenure, the Fund's assets grew from R120-billion to R180-billion and the health of this defined benefit pension fund, as measured by its funding ratio, improved tremendously from 120% to 145% at the time of his exit. This means the Fund had enough assets to pay all current and future pensions (including setting up a contingency reserve) and still maintain an actuarial surplus. There are very few pension funds in the world that have such a strong funded status.

"The EPPF started to have an environmental, social and governance (ESG) policy and it enhanced its existing transformation policy. We put those policies in the fund's governance document - the Investment Policy Statement. This was so that the trustees and the leadership of the Fund would ensure that they got implemented."

If offshore assets remain stewarded by managers with no transformation or diversity credentials – and the allocation to these assets increases from 30% to 45% of total assets of a typical South African pension fund, then the gains that have been made on transformation will be rolled back

In recognition of the effort of the Fund in pursuing responsible investing when it comes to selection of managers in public markets, the PRI included the Eskom Pension Fund in the list of the PRI Leaders' League of 2019, making it the first African pension fund to be given this honour. In addition, the ABSIP recognised the EPPF as the most transformed retirement fund in 2017 and in 2019.

Mkhize adds that risk management is key. When asset owners have a handle on risk management, understanding that risk allocation drives asset



allocation - and have an articulated risk appetite that is based on their ability to take risk, then they can embark on greater good activities while operating within their stated risk budget.

He believes that the asset owners have a great responsibility to ensure that their members have enough money to retire on and a sustainable world to retire into. This is best done by choosing managers that can deliver strong risk-adjusted returns while driving positive social and environmental impact. Transformation is a large part of the narrative of impact and the S-factor of ESG.

#### **Future Developments**

The recent relaxation of exchange controls to allow pension funds to invest up to 45% of their assets outside of South Africa should be an opportunity for pension funds to allocate some of their offshore investment mandates to South African asset managers. Currently most of the offshore assets are managed by international managers, many of whom have no qualities of diversity and inclusion let alone black economic empowerment credentials.

"If offshore assets remain stewarded by managers with no transformation or diversity credentials - and the allocation to these assets increases from 30% to 45% of total assets of a typical South African pension fund, then the gains that have been made on transformation will be rolled back," says Mkhize, adding that fee margins are fatter on international equity mandates than domestic ones. Therefore, keeping black firms out of the international mandates deprives them of the opportunity to earn decent fees to remain sustainable and able to attract and retain investment talent.

The same goes for the allocation of alternative investment mandates, which comprise real assets, hedge funds, private debt and private equity. If the growth of alternative assets within the longterm asset allocation of pension funds goes mainly to untransformed managers and downplays the participation of black and women asset managers, then the transformation of the entire asset management industry will either plateau or start to retrogress.

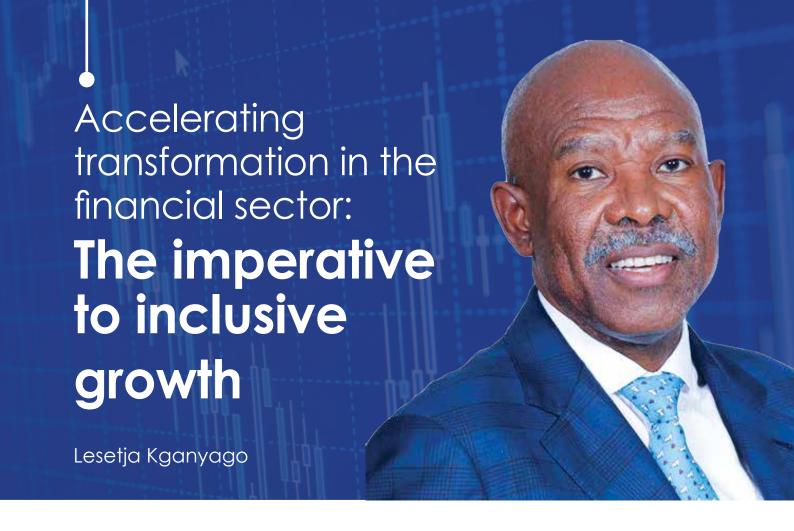
He adds that asset owners are "mandate makers" that also have the power to appoint asset consultants. At the very least, they can appoint asset consultants that are not philosophically opposed to transformation or diversity.

A question that he often battles is how he can create something that will outlast him, something that is not about himself but for the greater good.

Ndabe says he has dedicated his career to ensuring that previously disadvantaged people - including women and black people - find their rightful space in the financial sector and the asset management industry. He cites the pioneering work in assembling the first (and black-managed) healthcare property fund in 2010, his stewardship as chief investment officer of the EPPF, and now his partnership with Capitalworks to form Mavovo Capital to invest in private equity and real assets. "We hope that the cohort of women- and black-owned asset managers that we have incubated matures and that the new entrepreneurial initiatives we are embarking on will have an even greater impact," says Mkhize.

Mabezinhle Mhize (CFA, CAIA)

Managing Partner and Founder of Mavovo Capital



Transformation in the financial sector is pivotal to the advancement of South Africa's socio-economic development. Over the last two decades, South Africa has slowly progressed to being a financial services sector-driven economy.

Therefore, access to financial services and products is key to socio-economic transformation. That's even more reason why the financial sector must be at the forefront of transformation and empowerment initiatives. An outcome of a transformed financial services sector will no doubt be inclusive economic growth, which will benefit all South Africans.

Transformation has five primary pillars. The first, ownership, considers holding rights of ownership by black people as direct participants in financial institutions or as participants through ownership in entities that own shares in financial institutions. Fundamentally, this speaks to black ownership and control of financial institutions.

The second, inclusivity and access, is concerned with ensuring that black people have access to appropriate financial products and services. The third, management control, looks at diversity in management and decision-making roles. Management control addresses the representation of black people and women in top and senior management positions.

The fourth pillar is preferential procurement, enterprise and supplier development. It focuses on whether institutions are procuring their goods and services from businesses owned by historically disadvantaged South Africans and if black-owned enterprises are supported and developed.



According to BASA, black ownership of banks was slightly above the 25% target, with black people holding 28.4% of voting rights. However, black economic interest was at 23.6% against a target of 25%.

The last pillar considers finance, skills development, socio-economic development and consumer education. It focuses on the financing of black and women-owned business, corporate social investment, education of vulnerable consumers and financial sector skills development.

So, to what extent has the transformation and empowerment project been effective? What still needs to be done to accelerate its objectives?

There has been remarkable progress made over the years. At least 91% of South African adults are now formally included in the financial system, with only about 2.9 million still left out. Of those included, 81% have a bank account and 78% use other non-bank channels. It is the beneficial usage and quality of financial products and services that need greater effort.

The most recent reports on the state of transformation in the sector, from both the Financial Sector Transformation Council (FSTC) and the Banking Association South Africa (BASA), show that while progress has been steady, there is a need for greater effort in driving transformation.

Some members of the FSTC argue that the target of 15% direct black shareholding is too low, while the 50% top management target falls well below South Africa's demographics. While there's still a long way to go, the recent report from BASA reflects some positive developments in the banking sector.

According to BASA, black ownership of banks was slightly above the 25% target, with black people holding 28.4% of voting rights. However, black economic interest was at 23.6% against a target of 25%. There is a view that when black economic empowerment deals vest – which is within the next three years - black ownership is likely to drift downwards as BEE investors sell their shares and take profits.

Of particular concern is the drop in black management control of banks, which has fallen short of the targets set for various management levels. On skills development, banks spent R4.7 billion. They also bought 82% of their goods and services from BEE-compliant businesses.

These numbers show that the financial sector has made progress in terms of meeting its transformation objectives. However, it must work harder still to meet the targets set out in the Financial Sector Code (FSC). While it is encouraging to observe that banks have continued to meet transformation targets in the face of muted economic growth, financial institutions on the whole fell short of several targets. Failure to meet transformation and empowerment targets

The banks have also made some progress by recording an increase in:

- Black and women board members;
- Black managers across all management levels, specifically an increase in black senior managers;
- Empowerment financing;
- Institutions procuring their goods and services from BEE-compliant businesses;
- Supplier development spending; and
- Skills development spending.

undermines the effectiveness of the support given to black-owned enterprises, in line with FSC provisions. It also has the knock-on effect of stunting the creation of an inclusive economy.

South Africa is one of the most unequal societies in the world. South Africa currently reports a per capita expenditure Gini coefficient of 0.67. The Gini coefficient is a globally used measure of inequality it measures the distribution of income across a population. The World Bank reports that 10% of the South African population owns more than 80% of the country's wealth and ranks it at number 1 for the highest level of inequality - out of 164 nations.

The financial sector has a role in reducing inequality through transformation. The elimination of inequality is directly linked to improving the quality of life of South Africans. This is contingent upon the provision of inclusive financial services. Inclusive financial services can be broadly defined as the ability for individuals to access a wide range of financial services such as bank accounts, loans, access to cash and insurance products.

Currently, there remains millions of South Africans whose financial sector needs are underserved or excluded from financial services and products. They face barriers, including a lack of access to branch services and smartphone technology. Even where such services exists, they are not always easily accessible to some citizens.

The key to transforming the financial sector lies in giving appropriate attention to financial inclusion and the transformation elements set out in the FSC. The FSC targets require that banks provide access to transaction points, within a 10 km radius, to 85% of South Africans in low-income households. This target has been exceeded and banks have provided access to transaction points to 88% of South Africans in low-income households.

#### **Greater effort**

Although the data shows that progress has been made, the financial sector must apply greater effort to accelerate transformation with specific focus on increased representation of women in decision-making roles. There remains also substantial room for improvement in ownership, management control, enterprise and skills development, empowerment financing and access to financial services.

To meet and exceed all targets, there must be binding legislative imperatives and greater commitment from financial institutions and society at large. There is also a need for compliance mechanisms, which will ensure that the FSC targets are met, and more importantly, exceeded to ensure a more equitable society.

The guidelines provided by the FSC are attainable, however, they require consistent hard work and focus. The tools to succeed are without a doubt within reach

.Moving forward, the sector needs to move beyond transformation being about meeting targets and ticking scorecard boxes. The financial services sector needs to come to the realisation that transformation is about building resilience of households; giving the communities a chance to improve their lives and livelihoods through meaningful participation in the economy; giving black people working in these institutions a chance to sit at the table and discuss strategy, product development and how to change the lives of people for the better. It is about broad based and sustainable sharing of wealth created through these institutions.

Jestja Kganyago
Governor of the South African Reserve Bank



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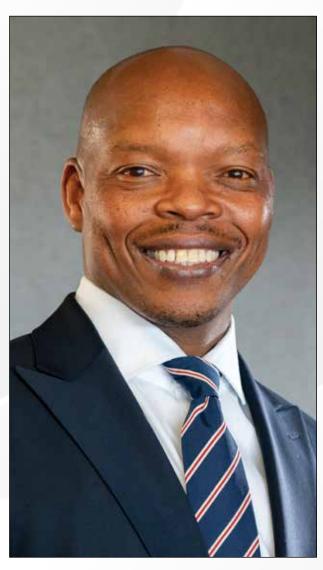
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# Lwazi Bam takes a bow after making his mark at Deloitte Africa

Lwazi Bam



Lwazi Bam, who stepped down in May this year as the CEO of Deloitte Africa, candidly reflects on his leadership tenure, the changes within the auditing firm he served for 28 years – 10 as CEO- as well as on how the various crises including the Covid-19 pandemic have relegated the transformation of the South African economy to the margin of critical conversations.

As he describes his professional journey and reflecting on the factors that shaped him, both professionally and personally, the word exhilarating comes to mind. His journey overlapped with some of the major political and economic changes in the country, all of which had an impact on the auditing profession.

He reflects on this journey with a mixture of humour, frankness and self-effacing humility, noting the transformation that Deloitte has undergone during his stewardship.

Bam attributes his entrepreneurial streak and work ethic to his upbringing in Ngqeleni, part of a cluster of villages outside of Mthatha in the Eastern Cape. His grandmother sold mealies, giving Bam his first introduction to entrepreneurship. This early exposure was further enhanced by working behind the counter at his father's retail stores. And his mother instilled in him the value of education through her own pursuit of a successful academic career.

This mixture of a rigorous work ethic, academic discipline, and entrepreneurial flair led him to start a bookkeeping business with Nhlanganiso Mkhwanazi, currently at Medu Capital, and Molefe Molantoa, while completing his undergraduate degree. It was during this period that he met George Williams, a senior manager at Deloitte, who assisted them with office furniture and equipment. Williams would later recruit Bam into Deloitte in 1994. He made partner in 2003.

He held multiple leadership roles at Deloitte, including head of Corporate Finance (now Financial Advisory) and head of Strategy. Bam became CEO of Deloitte Southern Africa in June 2012. After the merger of about 15 firms across the continent, Bam became CEO of Deloitte Africa in 2013. During that period, he also served on the Deloitte Global Executive Committee.

Bam was the third consecutive black CEO to lead Deloitte. As he rose through the ranks at Deloitte, he got to work with most of the leadership and credits the predecessor CEOs – Grant Gelink and the late Vassi Naidoo - for people helping shape his career.

Futhi Mtoba, who chaired the Southern Africa board in 2012 when he became CEO, was one of

his mentors. There have also been key allies on his leadership journey. These include Trevor Brown, who became Africa Board Chair at a critical time for Bam. The appointment of Punit Renien in June 2015 as the first black CEO of Deloitte Global also gave Bam a leader to look up to and with whom he developed a strong relationship based on mutual respect.

At some point Bam had resigned from Deloitte and was ready to take up his new position when a partner, David McDuff, talked him into staying and thus influenced the trajectory of his career and the history of Deloitte.

When asked about what he would regard as his proudest achievement, Bam responds: "My proudest achievements include the firm's transformation and audit quality journey." Bam helped shape Deloitte Africa into a multi-disciplinary firm in which its flagship audit business operates alongside a thriving advisory practice.

In May 2019, Bam was requested to stay on for an unprecedented third term as CEO. Neither he nor his board knew that his last term would be dominated by the outbreak of the Covid-19 pandemic that disrupted life for a full two years. Bam led Deloitte through the pandemic, successfully adopting a hybrid working model in a new state-of the art head office while simultaneously helping clients adapt to this new reality.

#### Audit reform: the challenge that persists

Without a doubt, the biggest challenge that Bam has faced has been helping Deloitte navigate the scrutiny on the audit profession and related reputation matters at key clients including African Bank, Tongaat Hullett and Steinhoff.

These and other corporate failures forced the entire profession to introspect. But South Africa has been no exception. The Audit profession has been facing scrutiny worldwide for some time owing to high profile failures including World Com and Enron at the start of the century.

For his part, Bam was central in the formation of the South African Auditing Profession Trust Initiative (SAAPTI) and led conversations which drove audit reforms. As a result of the introspections, Deloitte has put in place a range of measures to strengthen quality. These are starting to pay off. This year, the Independent Regulatory Board of Auditors (IRBA) gave 100% for Good or Acceptable audit quality and zero reportable findings at Firm Level.

This is significant game changer for Deloitte as no firm has ever achieved this in the South African

market. Deloitte has also obtained 100% at the Public Company Accounting Oversight Board (PCAOB) inspection.



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This is a legacy that Bam leaves behind. But he notes that addressing these challenges is more than just addressing auditors. It requires the entire financial reporting ecosystem to play its part: from corporate management to chairs of audit committees, to auditors who are committed to the public interest.

Bam acknowledges that the audit profession in South Africa and around the world needs to be re-imagined. This is a fact acknowledged by his global counterparts in other big four audit firms. The profession is struggling, for example, to attract and retain talent largely due to perceived heightened levels of personal reputational risk.

Bam points out that according to the South African Institute of Chartered Accountants (SAICA), South Africa has produced about 15 000 CAs over the past 20 odd years, a decent figure by all accounts. Some of these have left the country. Yet, the country during that same period has witnessed a decline in the number of registered auditors.

The auditing profession is losing CAs to other segments of financial and professional services where they may choose to apply their skills differently. To become attractive again, the auditing profession must reinvent itself using, among others, technology and by minimising corporate failures.

#### Transformation: lessons learnt

Transformation has been a defining pillar of Bam's career. During his tenure at Deloitte, he oversaw the growth of black ownership from 27% to 48%, while black female ownership grew to 37%. The goal was to raise black ownership closer to 51% by 2020, a level Bam regards as the "tipping point" at which the transformation momentum would be self-sustaining.

Bam notes that setbacks such as the Global Financial Crisis of 2008, the COVID-19 pandemic and the generally poor state of the economy relegated transformation and black economic empowerment to the margins of critical conversations. Yet, he notes that the BEE fatigue only sets in if empowerment is pursued as a cynical compliance exercise. He believes that the pursuit of transformation has to be relentless. "If you see the results of whatever you are doing, you will be encouraged to keep doing it," he says.

Bam says that in some ways, South Africa is currently paying the price for not fully pursuing transformation. As the world opens up after the pandemic, South Africa is witnessing the emigration of skilled black and white professionals to various parts of the world due to global labour mobility and a desire to explore.

South Africa's failure to sufficiently produce skills to replace the departing professionals will constrain the country's growth for some years.

What does he believe it will take for South Africa to ultimately prosper? "We have to resell the South Africa dream," he says, noting that the country must drive for economic success despite its divided past. He feels that sometimes the country's political leadership tries to solve all problems at once - "boiling the ocean" as he puts it. He argues that the country must pick a handful of priorities at a time, focussing its energy to addressing these, before tackling the next big challenge: be it fixing energy supply, education or infrastructure. He maintains that South Africa's long-term future is still within our control and bright.

If there is one lesson that can be drawn from Bam's tenure and leadership at Deloitte and various industry bodies, it is that it takes courage and humility to face up to your shortcomings and celebrate your achievements in equal measure.

Jwazi Bam
Former CEO of Deloitte



## **VISION 2025**



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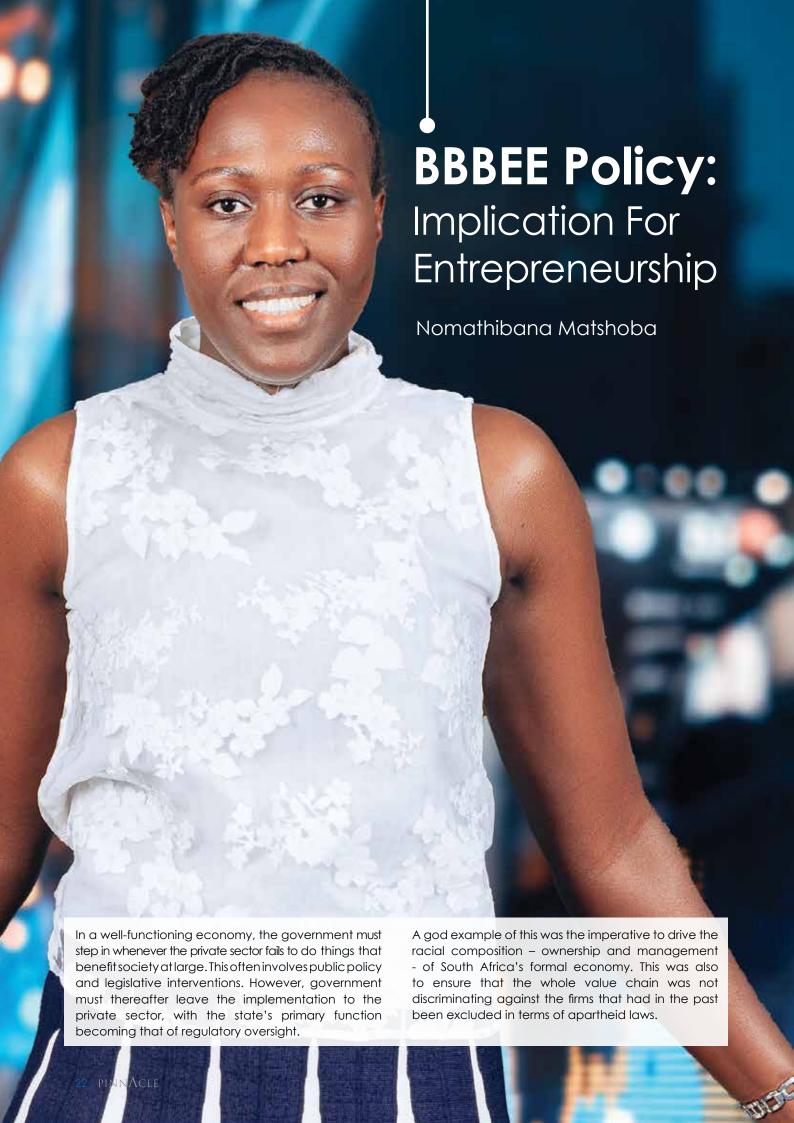
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Government therefore introduced Black Economic Empowerment which was later revised into the Broad-Based Black Economic Empowerment (BBBEE) policy. There have been several arguments about the BBBEE policy, mostly driven by academics. They mostly agree that government could not have left it to the private sector to self-regulate the implementing of this critical transformation policy. There is also consensus about the shortcomings in the implementation of BBBEE and the achievement of the intended goals.

But one of the shortcomings of BBBEE relates to its impact on small and medium enterprises as well as entrepreneurship. Entrepreneurship is essential for economic growth and job creation.

In an economy like South Africa's, which faces muted growth and high unemployment, raising the capacity of the economy to grow faster and create more jobs cannot be overemphasised. To achieve both, the country must focus on the creation and development of small and medium enterprises (SMEs).

The Department of Trade and Industries (DTI) defines SMEs based on the number of employees, with an SME typically employing less than 250 people. The number is arguably a fraction of the official definition in the financial services industry where the work is scalable, particularly in the asset management industry.

Globally, SMEs are considered the largest employers, more so in emerging markets. They contribute to economic growth and bring previously disadvantaged individuals into the mainstream economy. Yet, in South Africa, this sector has been affected disproportionately by BBBEE policy.

The BBBEE legislation does not measure the extent of transformation in SMEs. It's geared toward measuring progress for large enterprises. For instance, in a formalised market like the financial services sector, Enterprise Development can be a hurdle when the budget for an SME is not enough to cover a basic salary for the recipient entity.

The three areas highlighted in most literature as hurdles for SMEs are:

- a. Cost implications of maintaining a BBBEE level;
- b. Administrative burden; and
- c. The importance of entrepreneurship on job creation and growth in a developing nation.

Firstly, implementing the BBBEE Policy is disproportionately more costly for SMEs than larger corporates. The budgets implied by the legislation are not fixed in rand amounts but are calculated as percentages of each entity's balance sheet

and income statement. For instance, the Skills Development budget suggested by the policy is a function of the remuneration packages (base salary and bonuses) at each hierarchical level - the executive, senior management, middle management, junior management, and non-management.

As entrepreneurial hubs, SMEs tend to have more senior employees whose time is consumed by the business. These senior employees barely have time for training courses. However, they participate in industry conferences and read relevant research as part of their continuous learning and training. The act, however, allows only a portion of this time spent to count towards the Skills Development budget spend.

Secondly, the cost implications can also be seen in the procurement section. Although the budget implied for Enterprise and Supplier Development is a percentage of the overall procurement budget, the financial burden for an SME to forgo a portion of earnings is higher than for larger enterprises. This then leads to the administrative burden of adhering to the act. Additional resources are required internally to ensure that procurement spending is being tracked, and the human resource function has to follow staff learning and encourage course take-up. As highlighted previously, SMEs will tend to employ skilled staff and will afford the budgets to develop as the business grows. Without an internal resource, this can be outsourced to BBBEE consultants, which also comes at a cost.

Thirdly, SMEs are usually the hubs for entrepreneurship, essential for economic growth and job creation. Legislation should define the playing field while allowing entrepreneurs to thrive within those defined rules. We should be concerned when adherence to the BBBEE Act starts to play a more significant role in strategy setting for a company. Opportunities for expansion in an existing market may be constrained by the administrative burden of implementing the act.

At the same time, opportunities in new markets may be limited because of the current service providers, especially when the option for Enterprise Development is not possible with a smaller budget.

In conclusion, harnessing the SME space in a developing country remains pivotal in economic growth and job creation. SMEs have proven themselves in terms of sustainability, and their continued success drives job creation because of the ability to service markets that were previously underserviced.

Monathibana Matshoba (CFA)

Managing Director at Terebinth Capital

# How to structure employment equity to empower employees

Ziyanda Potelwa



In order to achieve transformation, the recruitment of talent in line with employment equity should be executed with the aim to empower employees to perform at their optimal level. This should not be mere a "tick box" exercise to score BBBEE points. A case in point would be graduate programs. It's not uncommon for organisations to hire graduates without a plan for how the newly skilled individuals will be absorbed as permanent employees.

Graduate programmes are a key catalyst for bringing young talent into companies. They also offer organisations an opportunity to curate future leaders for succession.

Also, when most companies go to the market, they often stipulate on the job advert that the advertised role is an employment equity one, which is ultimately intended to be geared towards the fulfilment of the greater transformation agenda. While this is the company's best interest, it is also imperative that the organisation also prioritises the interests of the prospective employees.

An organisation should never be content with merely recruiting candidates to fulfil employment equity targets. The end goal should be to grow these candidates such that as they progress from one level to the next, they can contribute positively towards the organisation's goals and strategy.

Ultimately, the opportunity offered to these graduate interns gives them one to two years of work experience, thus opening doors for them to other employment opportunities. Ideally, companies should offer graduates more than just a learning experience. They should use the graduate internships for skills retention too.

Another hurdle that young professionals face is navigating the corporate environment and the nuances thereof. This can be very daunting. The grooming of young talent requires the involvement of seasoned professionals to help them find ways to reach their full potential in the workplace.

Senior managers and colleagues who have walked the same path come with invaluable experience. They should be made available to guide all young professionals and not just a select few. Companies should consider making mentorship mandatory.

Whilst it is understood that the mentor and mentee relationship is based on chemistry and alignment, corporates must make a more concerted effort to see to it that junior staff have a "big brother" or "big sister" to provide guidance and support in their careers. This way, junior staff can be guided through the early stages of their career.

## Impartial growth opportunities

Then there are policies that govern and guide recruitment and promotion. These should be fair to all employees. However, recruitment policies are not always applied according to set guidelines. Often, recruitment processes are rigged to favour the "chosen ones". One solution is making post-interview feedback mandatory. This will give a fair chance to all candidates to put their best foot forward. Failing which, constructive criticism should be another alternative to give potential candidates the opportunity to improve for future interviews. Promotions should also be fair, not only in terms of policies but in practice too.

All employees should also have the opportunity to empower themselves through personal development plans that are linked to their long-term growth path. Coupled with this, all employees should have a fair chance to showcase their abilities through executing more challenging, strategic work-related tasks. This also effectively means that performance appraisals should be objective and free of any discrimination that can negatively impact the ability of any



An organisation should never be content with merely recruiting candidates to fulfil employment equity targets. The end goal should be to grow these candidates such that as they progress from one level to the next, they can contribute positively towards the organisation's goals and strategy.

99

employee to propel their career forward. However, this is not always the case as the powers that be, and their views will ultimately swing the vote on the future of those they deem not deserving of such opportunities.

Punitive KPI's

Environmental, social and governance requirements have become an increasingly popular phenomenon, with asset managers and pension funds adopting set frameworks geared towards the implementation of sustainable development and investment practices.

There are repercussions for non-compliance with the "E" and the "G", a case in point is the pending Climate Change Bill, which will seek to regulate delivery against the "E". This means companies will be penalised and held accountable for non-compliance with the stipulated requirements and performance areas.

The question becomes, so what when happens to companies that do not do what they set out to do with the "Social"? In the case of transformation, this largely sits in the social pillar of ESG. According to the JSE Sustainability disclosure guidelines, this pillar encompasses labour standards, human rights and community development, health and safety, customer responsibility and supply chain.

The main issue is really that there are no punitive measures for companies who do not meet the KPI's of this pillar. Most of the attention seems to have predominantly focused on the environmental aspects. These are largely linked to global warming and sustainability and governance related matters. There's far less emphasis placed on the social aspect – the "S".

The lack of punitive measures is what makes it easy for organisations to move at their own pace in adopting and implementing strategy as there is no real accountability for lack of achieving set milestones where the "S" is concerned.

#### Gender pay gap

Then there's the gender pay gap. According to the UN Global Compact Africa Strategy 2021 -2023, gender equality is one of the priority topics to be addressed in Africa. Gender equality, or lack thereof, continues remains an uphill battle as the number of females in leadership and executive positions are still few and far in between.

There's been progress during the past decade, but there remains a long way to go before we can say that the pay scales between male and female leaders and managers have been balanced. Some females have been the same roles as their male counterparts but at lower pay scales.

The real question is what are organisations doing to rectify this prejudice? It's not enough to acknowledge that the gap exists, salary bands must be regraded and recalibrated for those who fall below what is deemed to be market related packages. This will help ensure that females are paid at same levels as their male counterparts for their contribution to the organisation.

Ziyanda Potelwa

Investment Associate at IDF Capital



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## **VUKA for VUCA**

## Accelerating transformational leadership in a VUCA world

Adv. Fay Mukaddam



The financial sectors play these complex events back to the markets via volatility and uncertainty. Milestones that inhibit growth and transformation. This in turn adds more pressure on organisational effectiveness and general leadership resilience. So often the response from some leaders during times of uncertainty is to provide stability, they attempt to reduce internal organisational change to counteract uncontrollable external change. This response is understandable, yet at its core it is counterproductive. The cliché rings true - "The only constant thing in life is change". This aversion to accepting and managing change has a direct impact on transformation in organisations.

Transformation remains a key strategic growth pillar for most organisations today, yet the concept has become so ubiquitous the sense of urgency to address it seems to have subsided. Leaders default to vague and ambiguous transformation agendas to show action but proceed with limited ownership to truly drive change. Being pro-transformation is not showing courage, it's showing simple common sense.

Transformation is a catalyst for organisational growth, when effectively implemented it truly drives sustainable empowerment, and significantly improves broad based accountability in the workforce.

How do we accelerate transformation then in a disruptive world? How do we accelerate transformation that empowers women in a disruptive world? Transformation as a mindset rather than a check list is what holds the key to sustainable success.

Transformation is not about breaking old molds, it's not about adjusting what was... in fact, it's reimagining the possibilities of what could be. Instead of resisting disruption, it is in leveraging that very disruption that we are able to create meaningful change. It's not thinking out of the box, it's understanding there is no box.

This is the opportunity leaders must grab, their chance to rise up and drive transformation, not merely tolerate it. Transformation must be broad based and inclusive, It is a much bigger opportunity for meaningful change beyond mere racial metrics and ratios. When we start building a business and industry around "diversity of thought", we are positioned much better to pursue opportunities in uncertain and complex spaces.

If we look at gender equity, true gender equity, what are the positive impacts on an organisation with that transformation goal in mind? What are the broader impacts on society? I am reminded of the African proverb, "If you educate a boy, you educate an individual. If you educate a girl, you educate a community". Better gender equity leads to better opportunities and better growth across the workforce. It drives more balanced and inclusive business strategies supported by the same inclusive operational model.

Transformation does not just "solve" or reframe certain business challenges, it also identifies numerous opportunities for organisational growth and development. With proper transformation implementation, there will be a boom in new skills development opportunities. What better way to include and empower the female workforce by providing them with skills that are relevant and necessary to thrive in the future. It creates a nexus for inclusivity, productivity, efficiency, ingenuity and positive change. This cannot happen if the correct mindset and the correct culture is not in place.

How much value is left on the table because leaders cannot break free from archaic, rigid mindsets? What do our societies look like when they are more equal, and not built on historic male-dominated structures? Look at international examples of countries where gender equality is significantly better and balanced, these countries thrive economically, their need for transformation is less since they have built structures that serve more people more equally. What positive output could a country like South Africa gain with a population much bigger than those countries? It is time to rise up.

The key is simplicity. Trying to work through complexity with more complexity is a recipe for failure. A simple and clear approach always drives a benefit for more people more often. With a mindset of transformation as a valuable business practice, it becomes a tool for future success, not adapting to current complexity in the market, but rather being prepared for any complexity in the future.

Thriving in a VUCA world means we have the responsibility to do what we can to help those that come after us. At the end of the day, transformation is more than a race-based metric, it becomes a leadership mandate for a successful organisation, especially during uncertain times. True transformation enables companies to be more agile, more adaptable, and successfully navigate tumultuous market environments. It's time to rise up – Vuka! Leaders must VUKA to embrace the VUCA world. Don't plan for stability, plan for agility, and utilise transformation as the catalyst.

Adv. Fay Mukaddam is a Chartered Director (SA), Technical Advisor to the IoDSA and Chairperson of Conscious Capital.

Adv Fay Mukaddam Independent Professional Chartered

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### Leading the way

#### VISION

"To be the lead custodian of professional interest and black business in the financial services sector"

#### MISSION

- To be an organisation of first choice for financial professionals;
- To be a sustainable activist organisation fulfilling key roles of advocacy, thought leadership, development and influence in the financial services sector and the broader economy;
- To be an organisation that promotes economic development of black firms in the financial services sector:
- To be an active advocate for the development of black women professionals and black women-owned/ controlled companies in the sector; and
- To be an enabler that builds leaders who shape the future of the financial services industry and the broader economy.

#### **VALUES**

- Being the change we want to see;
- Showing passion;
- Doing good:
- Doing the right thing; and
- Celebrating excellence.

#### STRATEGIC OBJECTIVES

- To increase awareness and membership by being the preferred organisation for students, professionals and organisations in the financial services sector;
- To provide thought leadership in all policy and legislative matters affecting the financial services sector and the broader economy;
- To foster strategic relationships with like-minded organisations;
- To actively promote the development of black women professionals and black women controlled companies in the sector;
- To facilitate growth in the demographic representation of the number of black professionals, black-owned and black-women owned companies, including in the core strategic areas of the financial services sector;
- To promote the financial sector and allied professions within the black communities;
- To accelerate skills and career development among black professionals at all levels in the sector
- To recognise and celebrate success and excellence in the sector; and
- To ensure long term financial stability and provide adequate resources to implement programmes.

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Account Number: 404 517 9373
Account Type: Cheque
Bank Name: ABSA

Branch: Market Street
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## **Women Leading Associations**

Linda Maqoma



### Who is Linda Maqoma?

I am a mother, sister, daughter and servant leader who is passionate about people and transformation. I was born and raised in Fort Beaufort in the Eastern Cape which is where my love for farming comes from. I spent weekends and school holidays helping my grandmother in the citrus orchards farm during the day and my mother with the bookkeeping in the evenings.

As a professional, I am an accountant and the founder and Chief Executive Officer of Nomatshawe Group which is a 100% black female-owned consultancy offering a holistic range of services to support businesses. Growing up around strong entrepreneurial women such as my late mother and grandmother, it has instilled in me a spirit of independence and a strong business acumen.

## How would you describe your term as ABASA President?

ABASA boasts a strong line of 5 women presidents in its 37 years of existence which include Dr Futhi Mtoba, Tsakani Maluleke, Tantaswa Fubu and Gugu Ncube. My eight months in the office have been quite busy but fulfilling. I always see this role as a privilege that requires so much from me which may at times seem extremely overwhelming having to carry such a respected transformation brand in the accounting profession and in the country. The support from not only our members but our past presidents and stalwarts has truly made the load lighter.

## What are the challenges you have identified in your role thus far and how do you wish to address them?

Like any black organisations, capacity and resources are always a challenge and one that can at times distract from the real work that our organizations need to do. I do however think we have leveraged quite well in the past few months on various partnerships to capacitate the work of our organisation. We strive to better articulate our value proposition to our members but also in strengthening our visibility working in the advocacy space where it matters most. There is still a lot to be done but I am encouraged by old and new members of our organisation who are putting up their hands to be part of the important work of ABASA. This drives capacity through servant leadership but also fosters thought leadership on how best we can optimise what we have to expand our resources and meet our strategic objectives.

## What have been your highlights since being elected President of ABASA?

Implementation of our national council which houses various accounting bodies within our profession. This truly speaks to our inclusivity as an organisation. The overwhelming support from our stakeholders through our sold-out and oversubscribe ABASA Professional

Excellence Dinners hosted in Gauteng, Western Cape, KZN, Eastern Cape and Limpopo. The success of the Professor Wiseman Nkuhlu Annual Lecture which for the first time was hosted outside Gauteng. Taking Prof Nkuhlu back to his home province through this lecture was extraordinary and I am thankful to the University of Fort Hare and SAPRO for partnering with ABASA to make this happen in his lifetime. Overall, the greatest joy as a leader is to see our "cradle to grave" membership philosophy come alive through our revived initiatives and capacitated national strategy.

## Please describe what your envisioned legacy at ABASA looks like?

I envision an inclusive ABASA that advocates for collaboration in driving meaningful economic emancipation of our people. I see an ABASA and its role as bigger than just the accountancy profession. We are an enabling sector and that calls for so much more from us to drive our economy in the right direction for much of this country.

## What are your views on female leadership in the sector at the moment?

Female leaders are showing the world that they belong where they are and are fully capable if not more than their male counterparts. It is however, still my concern that working environments do not cater for women's needs and the silent challenges we face behind the scenes. Therefore, we need to do more in ensuring that we drive a critical mass of women leaders who speak with one voice to advocate for changing the environment for more women leaders to flourish

## Please share a quote that has motivated you in your career.

To whom much is given much is required. And that is why I always advocate that we must find our passion and live our purpose.

Linda (Nagoma

National President and Board Chair of ABASA



Implementation of our national council which houses various accounting bodies within our profession. This truly speaks to our inclusivity as an organisation. The overwhelming support from our stakeholders through our sold-out and oversubscribe ABASA Professional Excellence Dinners hosted in Gauteng, Western Cape, KZN, Eastern Cape and Limpopo.

## Women Leading Associations

Anthea Gardner



I am also the author of Make your Money Work for You, a book written for individuals in South Africa who want an introduction to the world of investing; and with the aim of improving the local Savings and Investment rates in our country. I would like to see many more South Africans becoming financially independent and retiring comfortably.

In my spare time, I am also a keen triathlete and count the Ironman as one of my greatest accomplishments.

# How would you describe your involvement in the financial services sector?

I started Cartesian Capital eight years ago where I manage local client investments that include Pension funds as well as Discretionary investments. We offer a range of products which include segregated mandates for large institutional clients, Tax-Free Savings Accounts, Retirement Annuities, Unit Trusts and local or offshore investments for High-Net-Worth Individuals and retail clients. Managing clients' money is our top priority and making investment decisions requires commitment and discipline. I also often provide market commentary on various media platforms.

# Being part of the 100 women in financial services, what would you say have been the biggest wins in the transformation of the sector?

I firmly believe that "you cannot be it, if you cannot see it" and that we need more role models in Financial Services. My hope is that when girls see me talk about investments, that it becomes the norm for them.

The last couple of years have been comparatively good with some very senior female appointments in large institutions, but just the fact that we are highlighting such small wins tells us that we have a long way to go.

I have been a part of the global organisation, 100 Women in Finance (100WF), since my days at Morgan Stanley London in 2008 and have found the organisation to be hugely beneficial both on a personal and business level. I was particularly delighted to be invited to the Global Fund Women Week in 2021 and can say with almost near certainty that I was the only South African Fund Manager attending the event. We need more female fund managers involved in such initiatives. I was part of the working group that launched the South African chapter of 100WF and I am excited about the positive influence it will have in our country.

# As the Managing Director of Cartesian, a global Asset Management firm, what would you say are the challenges you have identified since establishing your business in the space?

Initially, my biggest challenge was to raise enough capital to ensure the business survives what we call the "valley of death", or the J-curve, where our spending outstrips revenue while we are trying to build track record and employ a team. However, in line with that, it has not escaped my attention that despite the BBBEE regulation, the dynamics have not changed. I do not think I am a very vocal feminist (I'd prefer to lead by example) but I still often quote Sheryl Sandberg, who quoted Gloria Steinem in her book: "Whoever has power takes over the noun – and the norm – while the less powerful get an adjective." Part of my processing of this idea is questioning whether regulation is making a farce of BEE. Because society's perception has not yet changed, but the government insists on dividing people along racial lines and by continually calling ourselves black females, we may be undermining our skill and experience. The worst thing that can happen is for people to ask whether I have employed someone because they are black or female when I know I have employed them for their skill.

# What in your view needs to be true to achieve transformation in private, equity and venture capital asset management sectors and that is also inclusive and diverse in the way firms do business with black entrepreneurs?

Unfortunately, there is no silver bullet, but I am beginning to see that perception really is everything. It intrigues me that black asset managers who have been around for longer than their white counterparts are still considered "emerging managers"; and that the allocation from big institutions remains relatively small when compared to established managers. While we are on the path to growing the pool of black entrepreneurs in SA, we still need businesses like Inyosi Empowerment group to support us, but I look forward to the day when clients do not distinguish or judge businesses along racial lines.

# Which quote best describes you as a leader?

"Leadership is a privilege to better the lives of others. It is not an opportunity to satisfy personal greed."- Mwai Kibaki, Third President of Kenya

Anthea Gardner

Managing Partner and Director of Cartesian Capital

# **Women Leading Associations**

Sindi Mabaso-Koyana

#### Who is Sindi Mabaso-Koyana?

Sindi Mabaso-Koyana is a woman whose roots are anchored in hard work, knowledge of self, a good spiritual understanding and a strong value system that was grounded by her disciplinarian mother. I qualified 27 years ago as a Chartered Accountant. I am also a businesswoman, a philanthropist, a wife and a mother I am considered an instrumental figure in the history of professional women's achievement in South Africa. Known to be a stickler for good governance, through my roles in both the public and private sector. I have held various positions that have contributed to building organisations with strong governance and positive growth to their financial management. I also consider

myself an ethical and fair leader, that exemplifies transformation that begins with young aspirational women as well as my peers on a global platform.

#### How would you describe your role in the financial sector over the past few years in bringing about transformation?

It has been my passion to inspire and support women as they grow within the financial sector. Ensuring that I work with earnest and continue to up-skill my library of knowledge and experience through good and thorough work has been key because it gave



me the necessary grounding in occupying spaces that I have transformed the industry. In every room I walk in, I present good work and also advocate for giving opportunities to young black women who are growing within the industry through various platforms, like the AWCA. Through AWCA Investments, we have used our investment choices to empower and allow women to participate meaningfully in the economy. Investments in Futuregrowth and Hollard are great examples where as investors, we have been given the space to not only bring in our shareholding as Black women but our expertise and understanding of the markets we represent. My role in the sector has truly been about doing things differently. As it is at AIH, we have just launched our Private Equity Fund, the only PE fund where the manager has a broadbased entity as one of the shareholders. AIH is the majority shareholder in the Fund manager alongside 2 Principals, Jesmane Boggenpoel and myself. Whilst Jesmane and I are own a significant shareholding of the manager, the carry that is earned is shared with AIH that has 53 shareholders and AWCA gets 10% of what is earned by AIH. Empowerment that impacts wider than the individuals. I am truly proud of this model as it is genuine broad-based empowerment.

#### building the African Women **Chartered Accountants Investment** Holding Company, what was your vision?

We wanted to create sustainability for AWCA and ensure its lasting legacy that would outlive all of us as founders. We wanted to create a strong endowment for AWCA whilst enabling Black women CAs to also build generational wealth. We were intentional about allowing women an opportunity to participate in various investment opportunities ensuring financial inclusivity and economic transformation of Black women. One of the key aspects of our organisation is to bring high value and equity to African women within the financial services sector, and we are proud to participate in investments that reflect our own values with a strong focus on ESG investments.

#### What do you think is the biggest challenge in retaining young black and female professionals in financial services?

The existing glass ceiling that has been set for black female professionals has been a challenge over the years. Although a lot of companies have shown commitment in transformation and inclusion, there are a lot of others that have been lagging behind in providing support to women. Black female professionals face countless micro-aggressions and discrimination on multiple levels; from opportunities of skills training to large pay gaps and even executive

decision-making. It is important for all of us to work towards changing this narrative as it will solidify growth in the sector and the overall economic development of our country. It also sets the tone for the next generation, taking away obstacles that are based on gender and race replacing them with an array of high potential and achievement. If women, especially Black women could play a meaningful and strategic role in the financial services sector, this will ensure that even products and services are created with a gender lens, understanding the role women can play in growing economies.

#### What in your view have been the highlights for an organisation such as AWCA?

AWCA has been instrumental in the development of thousands of young African women in the chartered accountancy profession. In the 20 years that we've been running, we have grown the number of Black women CA's from 407 to about 8000 . We have assisted 135 bursars to date, have had programmes aimed at professional development for CAs, including high-level board leadership and mentorship. The Bursary Fund has grown stronger through the support of AWCA Investments and many Corporates, Banks and Accounting Firms and The South African institute of Chartered Accountants who have been partners to AWCA. The AWCA's commitment to accelerate the advancement of black women CA's has impacted the industry, showing tremendous growth to CA entrepreneurs and businesswomen in the country. Our members occupy leadership spaces which have been made possible by our Human capital arm, AWCA Human Capital which does not only search and recruit on behalf of the private and Public sector but runs coaching sessions for women in leadership roles assisting them to succeed. We are looking forward to doing more in the next years through collaboration with stakeholders who have the same vision as we do towards transformation and growth in the chartered accountancy profession. Given that the number of Black women CA's has grown, our focus has now been to ensure ethical and impactful leadership amongst our members.

#### What quote best captures your leadership style?

"You won't find ethical leadership in the rule books. It is in the deep commitment to good that drives our choices and transforms our organisations"-Linda Fisher Thornton

Sindi Mabaso-Koyana CA(SA)
Chairperson of The African Women Chartered Accountants

Investment Holding Company (AWCA Investment Holdings)

# **Women Leading Associations**

Yvonne Maitin



At times, being black and female appears to be a blessing and a curse.

#### 1. Who is Yvonne Maitin?

A businesswoman with a deep passion for investing in and building successful businesses. After 20 years in corporate, I took a leap of faith in 2018 and founded One Africa Capital (OAC), an African female owned and led Private Equity investment firm. OAC is an authorised Financial Services Provider, licenced to mobilize impactful growth capital into scalable midmarket businesses in South Africa, with the view to unlock expansion opportunities into the rest of Africa. Our current portfolio includes a food contract packing business based in Pinetown, Durban and a warehousing and logistics business in Kempton Park, Gauteng where I currently serve as CEO managing a team of professional staff.

I hold an MBA (Finance) from the University of Edinburgh, Scotland (UK) and a BCom (Hons) degree in Financial Economics & Econometrics from Rhodes University. I serve as a Non-Executive Director on various boards including 10X Investments, Norsad Capital, Merrill Lynch Bank of America charitable trust, Brace Able Manufacturing and the Southern Africa Private Equity & Venture Capital Association (SAVCA).

When I'm not in the boardroom, you will find me on the side of a sports field watching my one and only son competing fiercely against his contemporaries in various sports, with rugby and soccer being my favourite. I like to unwind by spending time at wellness spa's and retreats or traveling to destinations on my bucket list.

2. Given that the private equity and venture capital space is -male and white-dominated, what in your view needs to be done to achieve the desired transformation targets and outcomes?

We need to focus on building a critical mass of Women and Black African leaders with economic power in our industry. In order to achieve this there are several issues that need to be addressed and hurdles that need to be overcome including the following:



38 | PINNACLE

- a) Organisations need to adopt leadership styles and cultures which are more conducive to allowing women and black people to contribute meaningfully in the work environment. The more diversity we can systematically promote in environments where the voices of all are heard and valued, the more confident individuals are across various levels can be. For example, a domineering, autocratic and controlling leadership style may be less favourable than an engaging, consultative, diplomatic yet results-driven leadership style for women and people of different cultures.
- b) Finance institutions need to facilitate more access to finance for female, black-owned and managed businesses so that women can be empowered to create platforms that embrace their own terms of engagement. Financial power is a significant step towards equity, respect, and having a seat at the table. It is a key driver in taking back agency and taking centre stage in transforming and reshaping the way things currently stand. Women and Black people are tired of continuous mentorship and training programmes which are not accompanied by working capital finance and facilitation towards access to markets.
- c) Organisations need to encourage leaders to start recruiting outside of their normal networks because like attracts like. If just one senior male in a firm can champion this simple step and request that at least three to four women are included in the recruitment process, this could transform the landscape over time. An important consideration though is to introduce interview panels to the concept of unconscious bias - just ahead of their interviews so it stays top of mind. Conscious and unconscious biases are a reality, I often make an analogy of taking your sick child to a medical practice with an option to see a mature white male doctor versus a young black female doctor. A bias would sway a decision to the white male thinking he has more experience however overlooking a possibility of the younger doctor being exposed to more valuable, recent cutting-edge technology or medicine.
- d) Regulators and policymakers need to consider providing incentives for organisations to achieve transformation targets alongside the punitive penalisation approach. In other words, adopt the "carrot and the stick" approach instead of just the "stick". Grants and development finance support should be accessed through a wider network of service providers. The local DFI's such as NEF, IDC and SEFA have massive capacity issues which create bottlenecks for finance applications. More funds need to be disseminated through the Private Equity and Venture Capital industry which is adequately capacitated to disburse funds efficiently and effectively according to prescribed mandates.

#### 3. What are the glaring challenges facing female-owned private equity and venture capitalist firms and what

#### more can the sector do to support the success of these businesses?

One of the biggest challenges in the Private Equity and Venture Capital space is that investors typically back teams which are a spin-out of an existing established private equity firm. These teams are usually male dominated because historically men have risen to the top at a faster pace than women (note our industry statistics back this up). These same males build relationships among themselves creating a "boys club" of sorts. We need more investor-led programmes to back emerging women fund managers.

Another challenge is that the majority of long-standing family-owned private businesses are owned by white males and these companies have traditionally changed ownership within the same network. Black and female private equity firms are slowing beginning to build their own networks in order to gain access to a solid pipeline of transactions however some barriers to penetration still exist. The need for BEE has forced white businesses to look for partners outside of their traditional networks which poses an opportunity for emerging black funds to gain access. The power of a black and female fund manager with a demonstrable track record and a capital base is immense, however the challenge of access to capital is the greatest hurdle.

At times, being black and female appears to be a blessing and a curse. On the one hand we have progressive laws and regulations which seek to support our efforts to achieve redress and empowerment, however at the same time we are still faced with unconscious biases that deters the allocation of capital towards our firms. Our teams have to embrace cognitive diversity to succeed which calls for collaboration. mutual respect and a willingness to progress by all stakeholders.

#### 4. We talk a lot about diversity and inclusion, in the PE and VC what needs to be true to ensure meaningfully growth and participation of black and female-owned businesses?

Research has been done that women fund managers are almost 2x more likely than male fund managers to back women owned businesses. So we need to fix the upstream issue which is getting more women fund managers into the game.

#### 5. What is the quote that keeps you motivated in your career?

Let your FAITH be greater than your FEAR!

Gronne Mailin ounder and CEO of One Africa Capital

# **POWERING OUR ECONOMY** through transformation.

Why the IDC is dedicated to sustainability, inclusivity and making the switch to renewable energy.

In view of South Africa's energy challenges, the IDC - through its funding support to the energy sector, has been proactive in contributing to the country's Just Energy Transition and energy security.

IDC's funding activity has benefited entities with exposure to energy generation and efficiency. These projects are aimed at reducing greenhouse gas emissions. Funded projects have ranged in various sizes from utility scale, through to smaller scale distributed energy solutions, either for Own-Use by Commercial and Industrial sector companies or for sale by Independent Power Producers.

Of significance to the IDC is the need to empower communities to power themselves on multiple tiers, and allowing them to benefit from inclusive, equitable, and sustainable development in their respective regions.

With over R15 billion invested in renewable energy projects spread across the country, the Corporation has funded 25 Community Trusts, enabling them to actively participate in the country's Renewable Energy Independent Power Producer Procurement Programme (REIPPP).

Our support is purposeful in ensuring that communities use these dividends for socio-economic development, addressing poverty and unemployment through community-based development programmes.



	NORTHERN CAPE	WESTERN CAPE	NORTH WEST	EASTERN CAPE
Number of projects	15 projects	3 projects	1 project	6 projects
Combined purchase price for community shareholding	R2.5 billion	R23 million	R23 million	R256 million
Combined capacity	486MW	13.6MW	13.6MW	386MW



We are for **Black Industrialists, Women, Youth** and designate groups. Speak to us about funding opportunities relevant for you.

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Industrial Development Corporation

Partnering you. Growing the economy. Developing Africa.

# Accelerating transformation in a changing financial services sector

Lupo Futshane

black financial services professionals entering the job market, we do not just want to see a more inclusive, more accessible financial services sector that reflects our demographics and addresses our most challenging socio-economic problems in our lifetime.

Despite the strides that have been made in the financial services sector, the financial services sector has maintained a lethargic posture when it comes to the question of transformation. It remains inaccessible and lags behind in advancing the transformation agenda.

It is trite that transformation must be accelerated and ensure the sector adopts progressive changes that burn the candle at both ends and make a difference. It is also commonplace that transformation must be founded on an intersectional framework and ensure that scorecards are measured against socio-economic challenges to make sure that no one is left behind.

What form this transformation must take and what it must look like is a disputed matter. The definition of transformation is also disputed. The accepted interpretation of transformation is, within context, is less ambitious and for good reason as the need for equitable representation cuts across multiple sociodemographic factors, which are in flux, which all need to be considered and balanced against one another.

But we need to set more demanding standards for the sector to undergo a more institutional transformation. As black financial services professionals entering the job market, we do not just want to see a more inclusive, more accessible financial services sector that reflects our demographics and addresses our most challenging socio-economic problems in our lifetime. We also want to see structural transformation that questions the logic of conventions which might preclude and have a negative impact on black financial services professionals.



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There is a need for a more nuanced approach to transformation that does not just signal difference but itself makes a difference. Our workplaces must not just reflect demographics but also understand them. This requires us to engender a renewed consciousness and commitment towards a transformed and inclusive sector.

At the same time, we must maintain a less restrictive attitude to transformation because the sector we wish to transform is undergoing its own transformation. That in itself makes things a bit more challenging to traverse. The financial services sector is notorious for its unwavering unwillingness to change, for holding on to tradition even when it no longer serves its purpose. But that has not saved the sector from the existential threat that arises from the disruption in the financial services sector.

The advent of technological advancements has made customer needs become more and more sophisticated. This has forced the sector to evolve because new pressures need new strategies and solutions. These are challenges faced by most financial institutions that must learn to adapt to inevitable change. But we see these challenges and consequent changes as accelerants. The changing climate of the financial services sector is something that we can leverage and use to advance our transformational aims.

The changes in the financial services sector climate signal changes in its labour market needs. The future demands a new kind of workforce to work in a new kind of workplace. The role of an organisation such as ABSIP is to enable its members to get access to work opportunities in the sector – that is the first impediment we need to confront – the general lack of work and opportunities across the board.

Over and above that, we must equip our members with the right tools – skills, networks, resources – to make them capable of rising to the occasion when those opportunities arise, to meet and even surpass set expectations. Our various initiatives within the student chapters (workshops and events) serve this end in particular.

We are not just looking to facilitate their entrance into the sector but also allow them to thrive in their roles and perhaps grow into even bigger roles. The promotion of new talent into roles without preparation for what those roles demand is to set them up for failure. To see members thrive in the sector inspires confidence in the old guard that the future of financial services is in safe and capable hands. That on its own

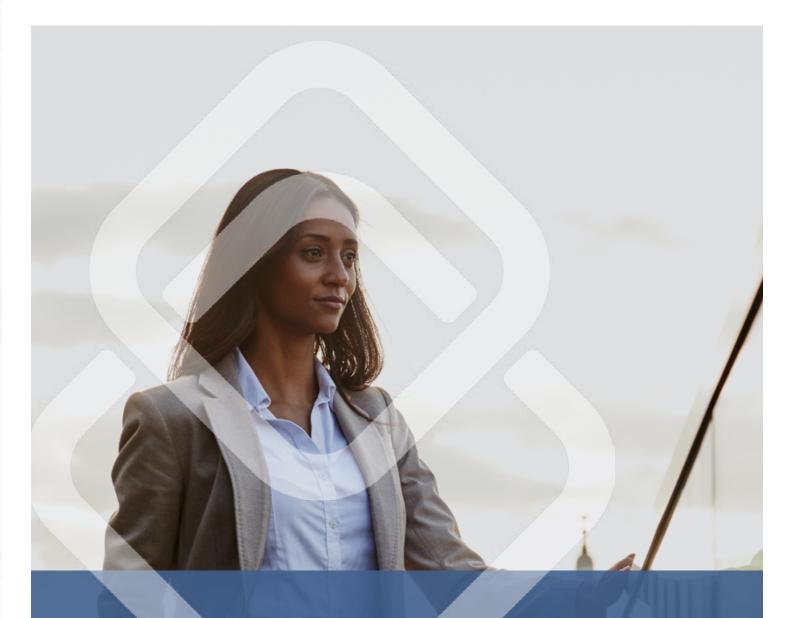
furthers transformation as it builds trust that will see our members trusted with more and make the corporate environment less hostile to them and those that come after them.

When observing the attrition rates the higher as one goes up the corporate ladder, it is concerning and undermines transformational interventions. It is apparent that there is a need for more support and skills development for talent to succeed at the C-suite level. This is not only to ensure that challenges that come with the roles are not unique to who takes the, but it is also to ensure that we do not lose but maintain our gains, however small.

The world is changing and our strategies to reach our transformational goals need to complement this change. The sector must review the progress made thus far and question if we are still heading in the right direction. Moreover, are we geared towards making the financial services sector more inclusive through adopting progressive mechanisms that are relevant and that strike at the heart of our most pressing issues?

Jupo Fulshane
ABSIP Head of Student Chapter





# A RANGE OF INVESTMENT SOLUTIONS TO MEET DIVERSE CLIENT NEEDS

Choose the most suitable investment solutions for your clients with the Glacier Solutions Guide.

THINK WORLD CLASS

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# Asset managers vs. investment platforms:

what do they mean for your investments?

An investment platform serves as a mid-office between an investor, a financial intermediary and an asset manager. While the asset manager manages investors' money, they each have very specific functions.

Many investors have heard the terms 'asset manager' and 'investment platform', but few know that these are completely separate entities, and may get confused about how they work.

Put simply, an investment platform serves as a midoffice between an investor, financial adviser and an asset manager. It's a service that houses the investment funds and vehicles into which these funds are invested, for example a retirement annuity or an endowment. An asset manager, on the other hand, is responsible for managing the underlying investments (unit trusts or investment funds) and how they perform. Still confused? Read on.

#### What is an investment platform?

An investment platform can be likened to an online supermarket. An investment platform offers choice on multiple different levels. The obvious one is that it offers access to a variety of different asset managers and financial advisers can build customised, bespoke portfolios for their clients by combining different funds from different asset managers. And what makes it so easy, is that all these funds are housed in the same place. So, it's not necessary to go to several different asset managers to get the funds you want.

It's important to choose a platform that offers lots of choice; not all of them do. The more choice you have, the better the risk-adjusted returns should be over time. An investment platform also offers investment 'wrappers' such as a retirement annuity, living annuity, endowments and tax-free savings accounts (TFSAs).

With Glacier's investment platform, your financial adviser has a portal to the widest range of investments, in one place. This gives them the option to mix and match your fund selection for ultimate personalisation, putting your unique needs at the core of your portfolio.

#### What is an asset manager?

Asset managers, meanwhile, manage your money within the ambit of their risk-and-return strategy. If, for example, [the strategy is] to manage South African equities, your performance will be aligned to what the underlying equities (shares) are doing.

While an asset manager's aim is to beat their benchmark, it's unrealistic to expect them to completely outperform when markets are down. If the markets are 15% down, the asset manager will most likely also be down – hopefully down by less, but you can't remove the asset manager's performance entirely from the underlying asset class(s) industry the fund invests in, or the conditions in the broader macro environment. Hopefully, though, the asset manager can add his or her expertise to exceed the performance of the market.

#### The key difference

Many wrongly believe that an investment platform is linked to an asset manager, but this isn't true. The Glacier investment platform, for instance, doesn't manage the money even if you, or your adviser, choose your asset managers through it. It's the asset managers that are responsible for the performance that is tied to them and the underlying asset class. A platform is not responsible for an asset manager's performance. What the investment platform does do, is to conduct due diligence on the asset managers on its platform to ensure they meet certain standards.

The benefit of using an investment platform as opposed to choosing just one fund manager from one investment management house is that you get a variety of options. You can diversify your exposure among multiple investment managers with different styles and aspects.

Investment platforms also makes an investor's life easier in that they take care of all the administration, such as tax certificates and statements. Using a good investment platform is all about efficiency, easy monitoring and superior solutions with better returns for investors.

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# Meaningful wealth management is about much more than money

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We are a wealth management business that is built around you. We partner with individuals, families, trusts and corporates and our investment approach is based on a holistic view of your wealth. Not only the assets you hold with us but a complete picture that considers your wealth today, and your ambitions for tomorrow.





We are a wealth management business that is built around you. We partner with individuals, families, trusts and corporates and our investment approach is based on a holistic view of your wealth.



#### A WORLD CLASS INVESTMENT DESTINATION

In addition to our wide range of funds and inflationtargeting investment strategies, we offer a range of specialist wealth management solutions:

#### Old Mutual Wealth Private Client Securities

Specialising in crafting tailored investment portfolios, your highly-skilled Private Client Portfolio Manager will work with you to select the best and most suitable investments (locally and offshore) based on your strategy, our extensive research and collective insights. This level of individual attention and interaction is a defining standard in the personal service we provide to each of our clients.

#### Old Mutual Wealth Treasury And Advisory Services

Our experienced team finds the most appropriate cash and guaranteed rate instruments and expertly negotiates preferential interest rates with various financial institutions on your behalf.

#### Old Mutual International

Locally-based offshore specialists provide you with access to a wide range of international assets and investment funds from some of the biggest and most reputable portfolio managers in the world.

#### Old Mutual Wealth Fiduciary

Making sure your wealth is secure for the next generation by providing advice and implementation on estate planning, wills, estate administration, professional trusteeship and trust administration. We help you to simplify complexities and technical elements relating to legislative, regulatory and compliance requirements, and commit to help you build a lasting legacy.

#### WEALTH IS NOT STATIC: IT IS A JOURNEY OF CHOICES, RISKS, AND SUCCESSES

We take the time to understand your personal situation, financial objectives and attitudes towards risk and return. Together with your financial planner, we help you to achieve more successful outcomes by focusing on planning for you rather than planning for your money. The bigger picture is considered whether you are adopting an all-inclusive, integrated investment approach, or simply creating a niche investment strategy to deliver on a specific outcome.

We believe that a partnership philosophy is central to delivering on your wealth management needs. We are committed to building a long-term relationship with you based on trust and integrity. Whether your goal is to grow your wealth, generate income or preserve and pass on capital, we're here to partner with you on this journey.

Old Mutual Wealth is an advice-led wealth management business, aimed at providing financial planners and their clients with a full suite of industryleading strategies and services. For more information please visit our website: https://www.oldmutual.co.za/ wealth



# Mental health and the complexities of being female in the workplace

Sipho Sibeko



This article looks at the impact of mental health in the workplace, with a specific focus on the unique corporate experience of female professionals because there are nuances and complexities that only affect females. These nuances and complexities have nothing at all to do with aptitude, capabilities or talent.

In this article I share some ideas that will hopefully allow a more honest, transparent impactful discourse amongst young professionals. I hope to encourage young professionals, some of whom may already be struggling with mental health issues, to understand wat they are going through and then seek help.



If you had known that most of your actions, reactions and perceptional processes are formed during the first seven years of your life, what would you have done differently during those formative years?

A complicating factor is that during those formative years you absorb a lot from people around you, including your coping skills. What was their story? Who taught them? Were they someone who you would now approach for advice and guidance? The answers to these questions may surprise you.

Now, imagine you take all these coping mechanisms and perceptions, and without even knowing what your own values are, you enter the corporate world.

This a world where time is money and high-performance levels means greater rewards – financially and in terms of promotions. The pressure is real, the risks are real, and in an ideal environment, you would not

have to fear the consequences of your actions. But the corporate environment is never ideal. Within this less-than-ideal environment, as a professional you are trying to balance life and work. It is not possible, no matter who you are, to work ten-to-sixteen-hour days and have a balanced life that will sustain or even improve your mental well-being.

This is the very real situation for a lot of professionals in the corporate world.

How do you handle this and keep a level of sanity that is sufficient for your survival?

#### Awareness...

Awareness of what you may ask. Awareness of how you operate, what your mental framework does in certain situations, and how your body reacts. Just like any good relationship, whether business or personal, communication is key.

Your whole being is communicating constantly. But are you listening?

For most people the answer will be a resounding no! That's because they are not even aware of the communication channels of their bodies, let alone their minds.

To tread this road with a certain authentic confidence, it is imperative that you understand the rules of the road.

# Here is one of the rules of the mental road

You can't hold opposing ideas simultaneously without causing yourself stress.

Let us break this down into a practical example... Imagine a woman in the corporate world working a 12-hour day. During the span of an average day, she is required to show up, perform and keep a level of professionalism that does not undermine her femininity, and in so doing she does not know how to create healthy boundaries.

Now imagine this woman is a mom that must go home at night and teach her young daughter about boundaries and how to move around the world with a healthy respect for herself.

What do you think is happening to her mentally as this pattern is repeated?

She is trying to hold two opposing thoughts at the same time, and with one of the rules of the mind stating that this causes stress, what will the eventual outcome be?

Stress will win and she will fall back into patterns that may have served her when she was younger, but these patterns are not conducive to solutions in an adult world.

Now, what happens when she is not even aware of the communication channels of her being trying to communicate that she is on a dangerous path of decline mentally and physically?

She would have no chance to even begin to find a way for her to bring her life back into balance.

I am not referring to her external circumstances here. I am referring to her internal state which drives her actions.

Is she helpless then?

Not at all. If she is aware that something is not working for her and her awareness starts to become stronger, then she can receive the necessary feedback she needs to choose another way to respond.

We will be delving into ways that will make it easier for you to respond and not to react and in doing so, we will assist you with real empowerment based on your own values.

We are going to be covering Stress, Anxiety and Depression and unpack them with a fresh new look to help alleviate people caught in the gruesome grip of these three diabolical states.

In the meantime, breathe slow and deep and bring your awareness back to the fact that you can change your perceptions, you can choose your actions and you can learn how to respond rather than to react.

Sipho Sibeko has managed and recruited ultra high performing professionals in some of the most competitive corporate environments, including high end banking, international finance and is currently a senior executive in a private equity firm.

Group Investor Relations, Business Development and Marketing Specialist at Medu Capital

# Talking Style with Mr SlimFit

Theo Ngobeni

#### What encapsulates a "professional look"?

One of the foundations of the personal image is understanding that everyone needs to understand that they are a brand - treat yourself as such. The problem is that most people do not see themselves as a brand. There are key things to look out for when it comes to being a brand.

A brand needs to have an identity: When you do not have a style identity you will fall for everything that comes in as fashion. But if you know your style, you know what works for you and what does not.

Identify your personal lifestyle structure: How is your life structured, are you at work seventy percent of the time or are you on holiday five percent of the time or are you parenting most of the time? Once we have all of those percentages, then we build a wardrobe suitable and purposeful for every life occasion.

Understand your profession: The type of environment you are in will determine your style and the type of colours you can wear. In the financial services sector, the colour of the suits we usually make for our clients are black, navy, charcoal, grey and pin-stripes, as these speak to the profession.

Identify people who represent your style: This could a public figure or role model. For example, if someone said "I love how Barack Obama dresses" and for me that says I want an outfit that is simple, yet speaks power.

# 2. Where does one start when it comes to style identity?

One thing I've learnt about being a wine enthusiast, is that it's a journey. This applies to fashion as well. To improve your wine tasting skills, you need to taste as many wines as you can, and fashion is the same. So, for you to know and understand your style you need

to try out a lot of stuff. By trying out, I am not saying go and buy, I am talking about going to different stores fitting different types of clothes and seeing how you look and feel in them. This way you will figure out if you like patterns or colour, what is your personality like and what excites you? Take your time. To understand what works for you and what does not is not an overnight thing, it takes time and years to perfect.

# 3. What are some of the colours that are suitable for corporate?

Grey, Charcoal, Navy and black. These are suitable for both male and female. However, women can get away with certain fabrics and patterns as well. The other thing I want to touch on is "casual Fridays", it is not really casual. Firstly, weekend casual and business casual are two different styles. In financial services, for both ladies and gents, I would recommend Chinos, button down shirts, blouses, blazers, raw denim jeans and merino wool polos. Depending on the environment, you can also do brogues and loafers as well as nice formal shoes. It is important to respect the environment you are in. "Fit in by standing out, have your own individual style" but remain professional. Remember that the workplace is not a fashion show.

# 4. What colours can be worn in summer/spring and what colours can be worn in winter/spring?

When it comes to a work environment, the black, grey, charcoal, and navy are all seasons but how you style them is the trick. In winter, gents can wear a shirt, a tie and a waistcoat to add layer and shoes can be Chelsea boots (brown or black) leather not sued.

Ladies: Same colours but you can accessorise it in spring/ summer with floral blouses instead of shirt. Ladies also have a variety of options in terms of skirts and dresses (pencil, box or platted) with a jacket on or off. Winter, you can do a suit and coat with your heels but make sure you are still professional.



# 5. What is the right shoe colour can one wear to work?

For Gents: Black and brown but stick to mid to darker shades of brown, the lighter it is the more casual it looks. Dark coloured shoes can be worn both formally and casually. Light shade shoes such as brogues and loafer are better for a smart casual look. Understand the rules of leathers: your shoes, your belt, your watch, and bag all need to speak to each other.

Ladies: Black heels, brown and pastel colours are acceptable. However, stay away from pumps and platform shoes, especially in a professional setting. Having said that, ladies can also get away with wearing brighter colour shoes, as long as it's not neon colours. Sandals that work for casual Fridays are the ones you can tie and not slip-ons.

# 6. What style advice would you give to a student, young professional and seasoned professional?

Dress for the job you want and not the one you have. We teach people how to treat us, not only in terms of behaviour, but how you dress speaks volume too. As a brand, you must always package yourself in terms of where you are going. When people speak about you, they need to say yes your work speaks for itself but also you look like someone who can carry the role in how you present and carry yourself. As a junior, as much as you would not know much about the work yet but dress accordingly and make sure how you dress says I know where I am going, and it should be forward thinking and always remember to respect the environment you are in.



Dress for the job you want and not the one you have



Theo Mgobeni
Creative Director at MrSlimfit



# Mr.Slimfit

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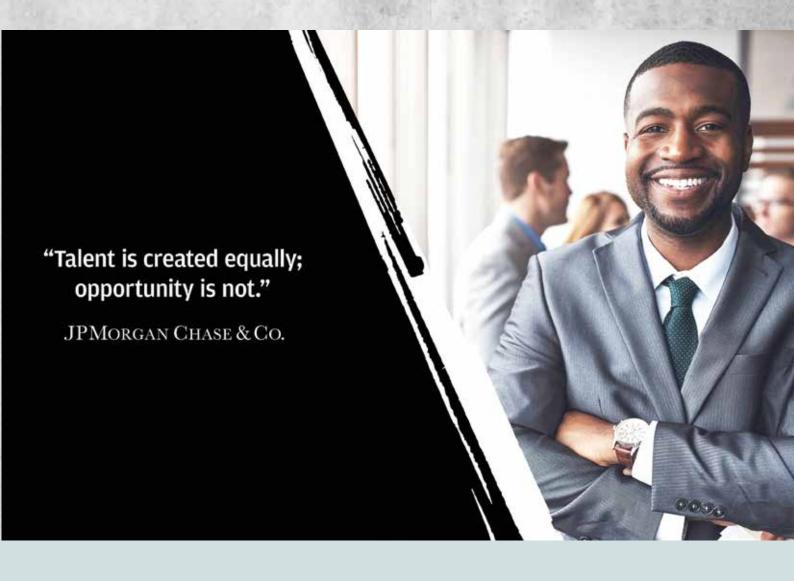


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