



MOTSWEDI
Economic Transformation Specialists

**Improving member returns
by developing SA Inc**

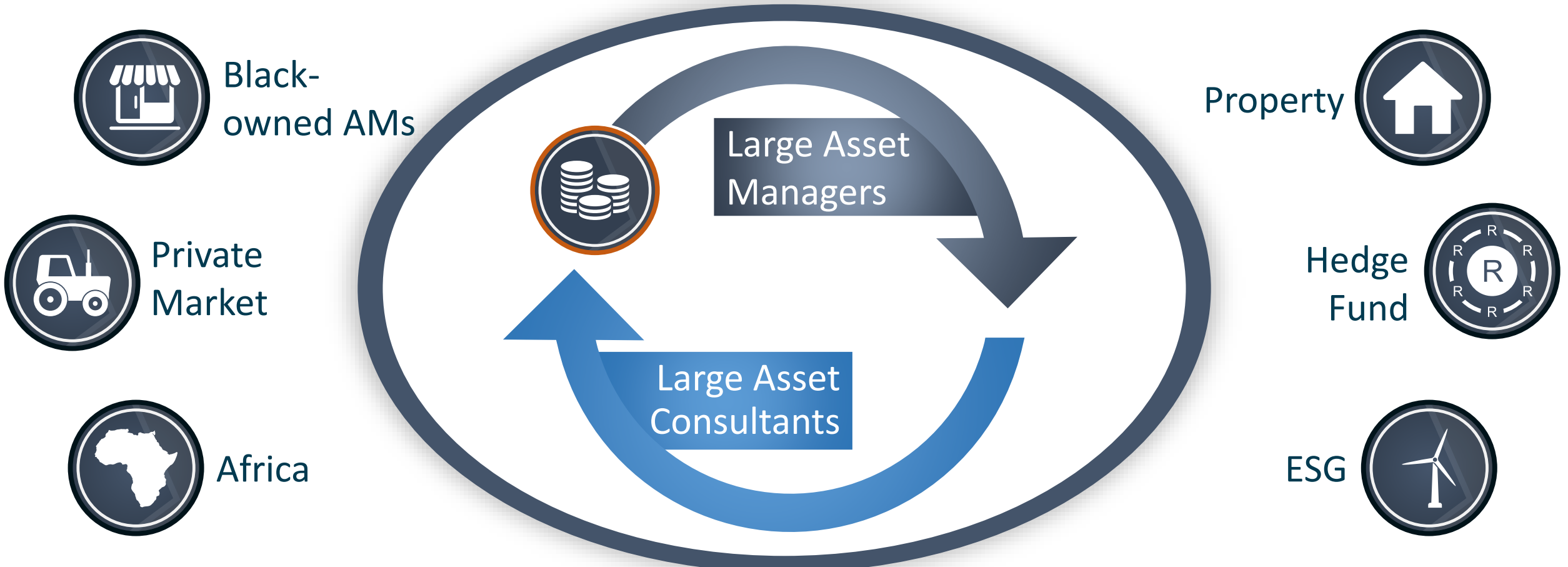




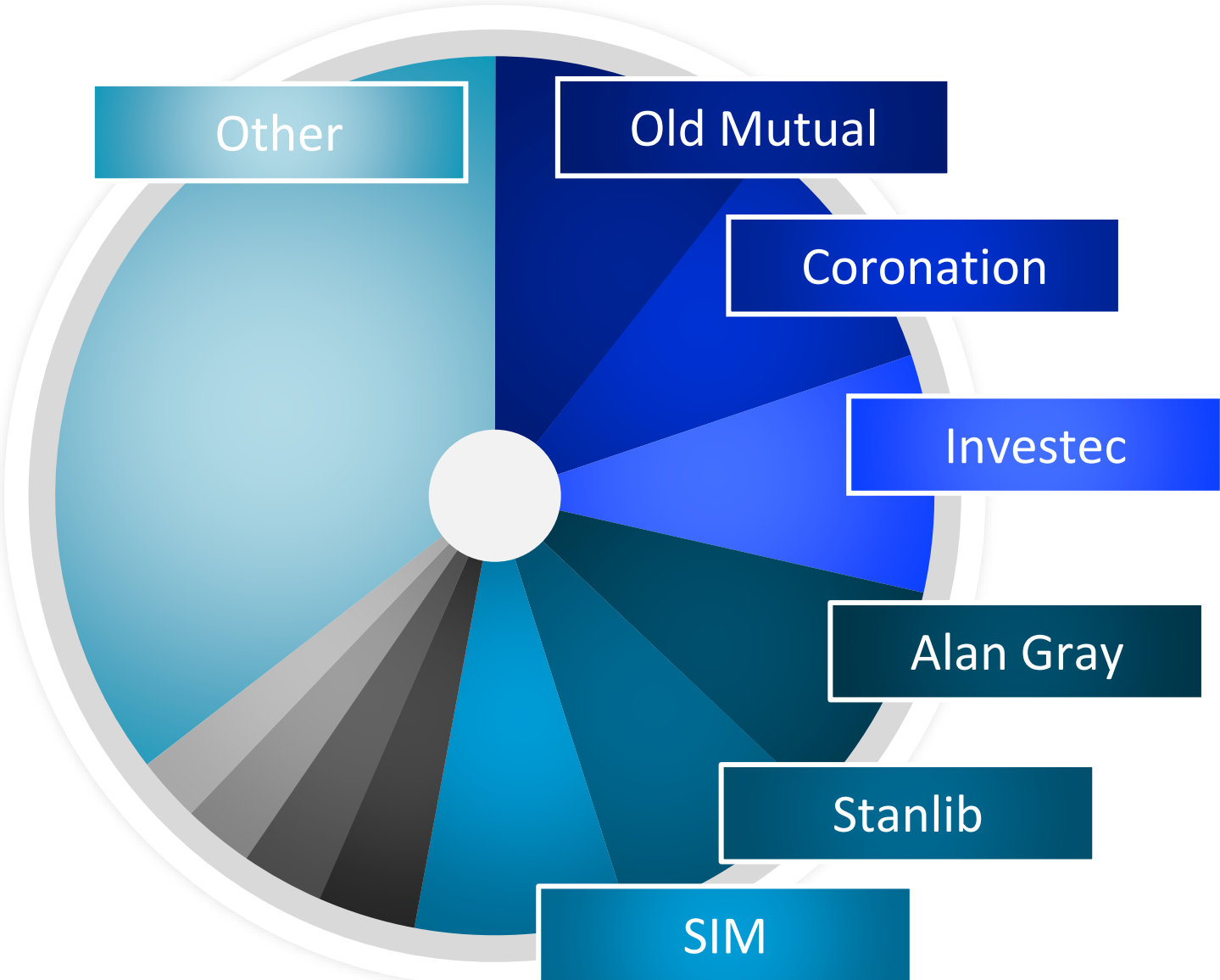
MISSION STATEMENT/INVESTMENT PHILOSOPHY

To help develop the South African economy, through the asset management industry, by encouraging real economic transformation, financial inclusion, gender equality, pay equity, job creation, and social equity in a systematic and responsible way, both in the public and private markets. In doing so, to stimulate the asset management industry to deliver a more competitive and vibrant environment for capital investors.

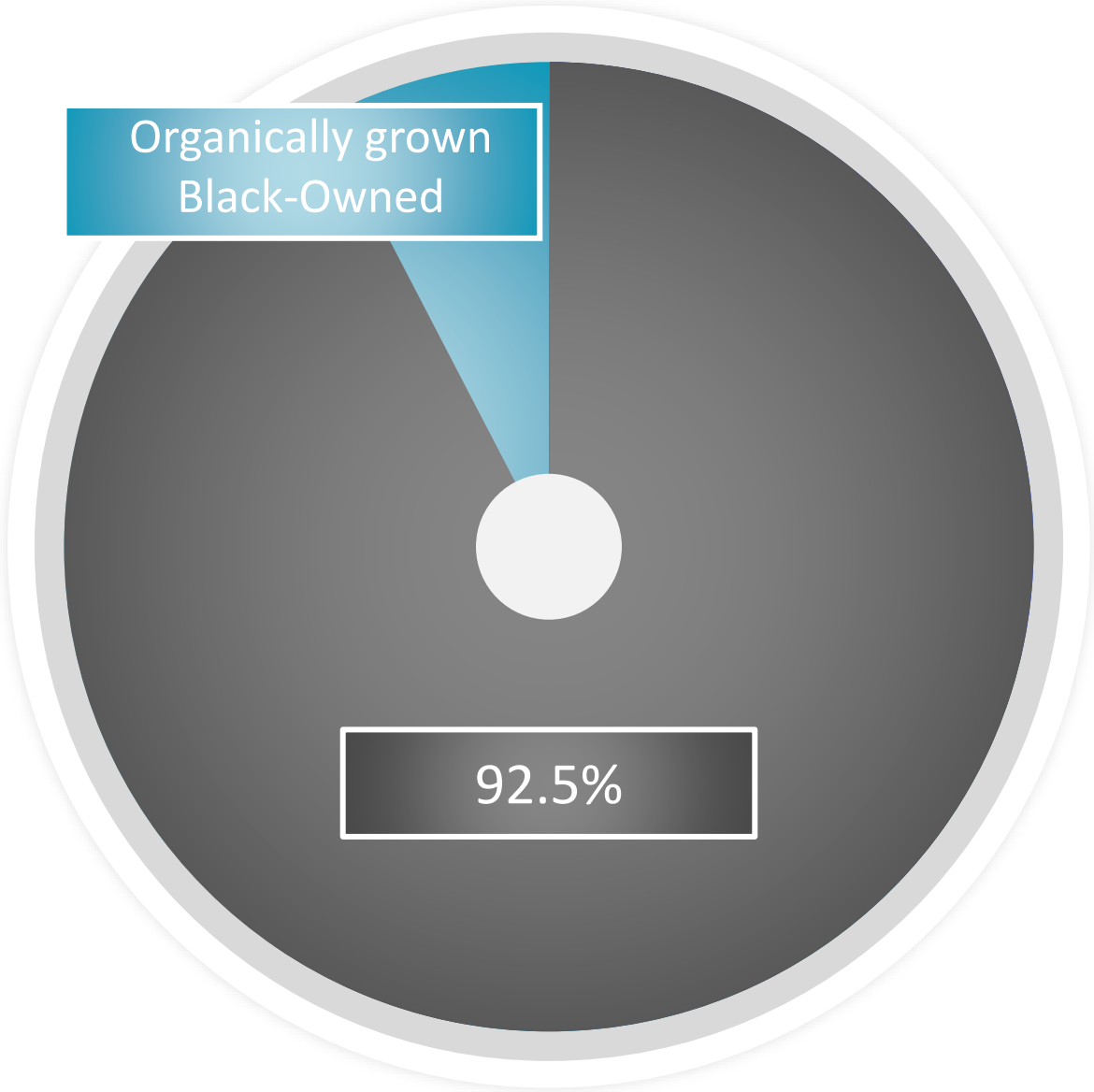
Concentration and Advisors are preventing Real Economic Transformation



Industry Concentration – Asset Managers



Industry Concentration – Asset Managers

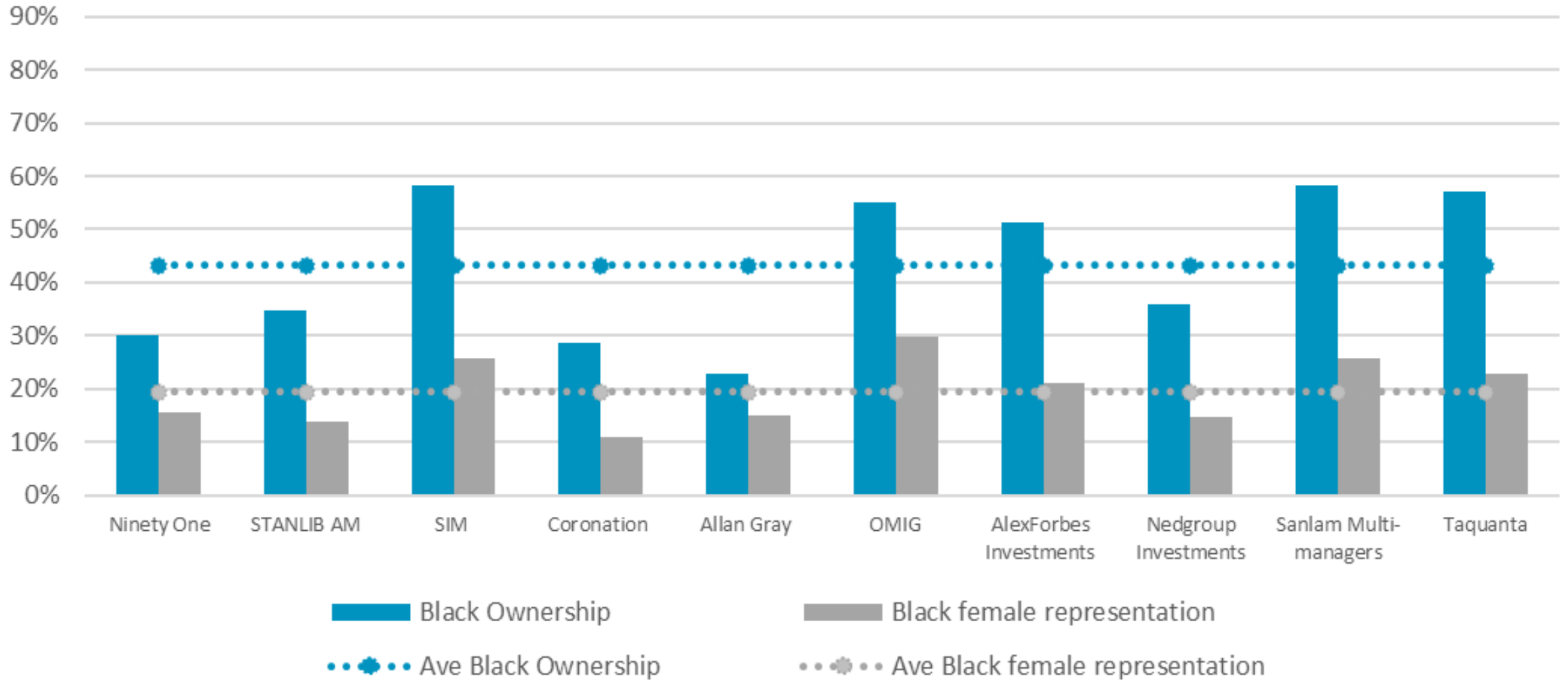


Majority Black Owned Asset Managers in South Africa

Black Asset Managers in South Africa				
Emerging				Mainstream
< R5 billion	Up to R10 billion	Up to R30 billion	> R30 billion	
17 Small-sized managers	4 Medium/Small- sized managers	9 Medium-sized managers	13 Large-sized managers	

Transformation amongst the "Top 10"

Black Ownership



Value Proposition

1

Identify Best Managers

Black-owned

Deep, ongoing research

2

Strong Performance

Style diversity

Cost aware

3

Tangible Impact

Financial inclusion

Creating Employment

4

Manage Risk

Business sustainability

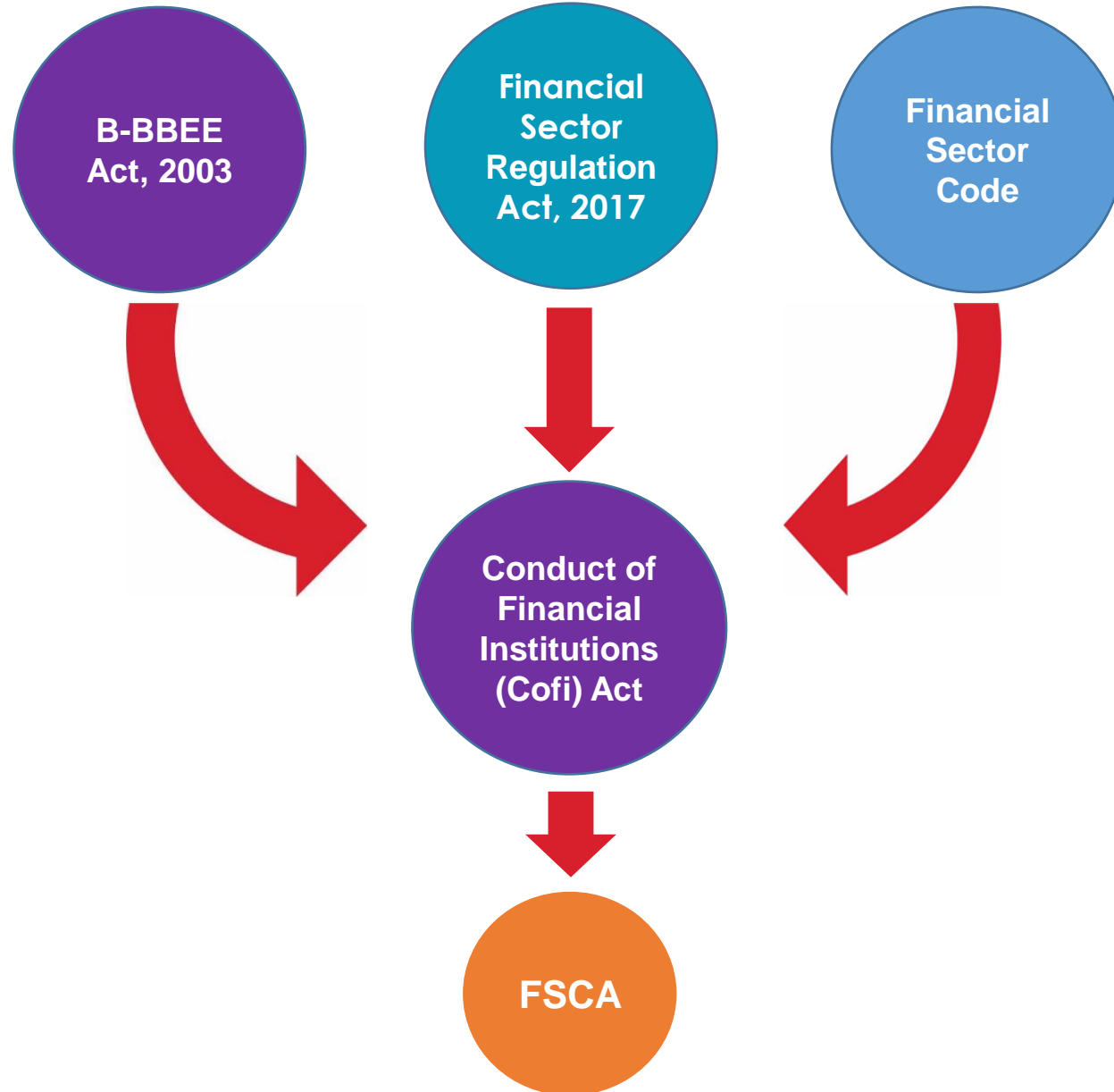
Pro-active risk identification

5

Exceed COFI requirements

Conduct of Financial Institutions Act (COFI)

Policy
framework
for
B-BBEE in
the
financial
sector





MOTSWEDI
Economic Transformation Specialists

Motswedi's unique Investment Process





Active alpha generation - traditional

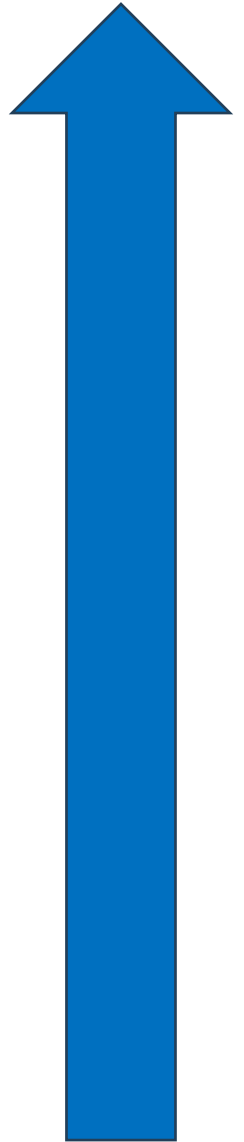
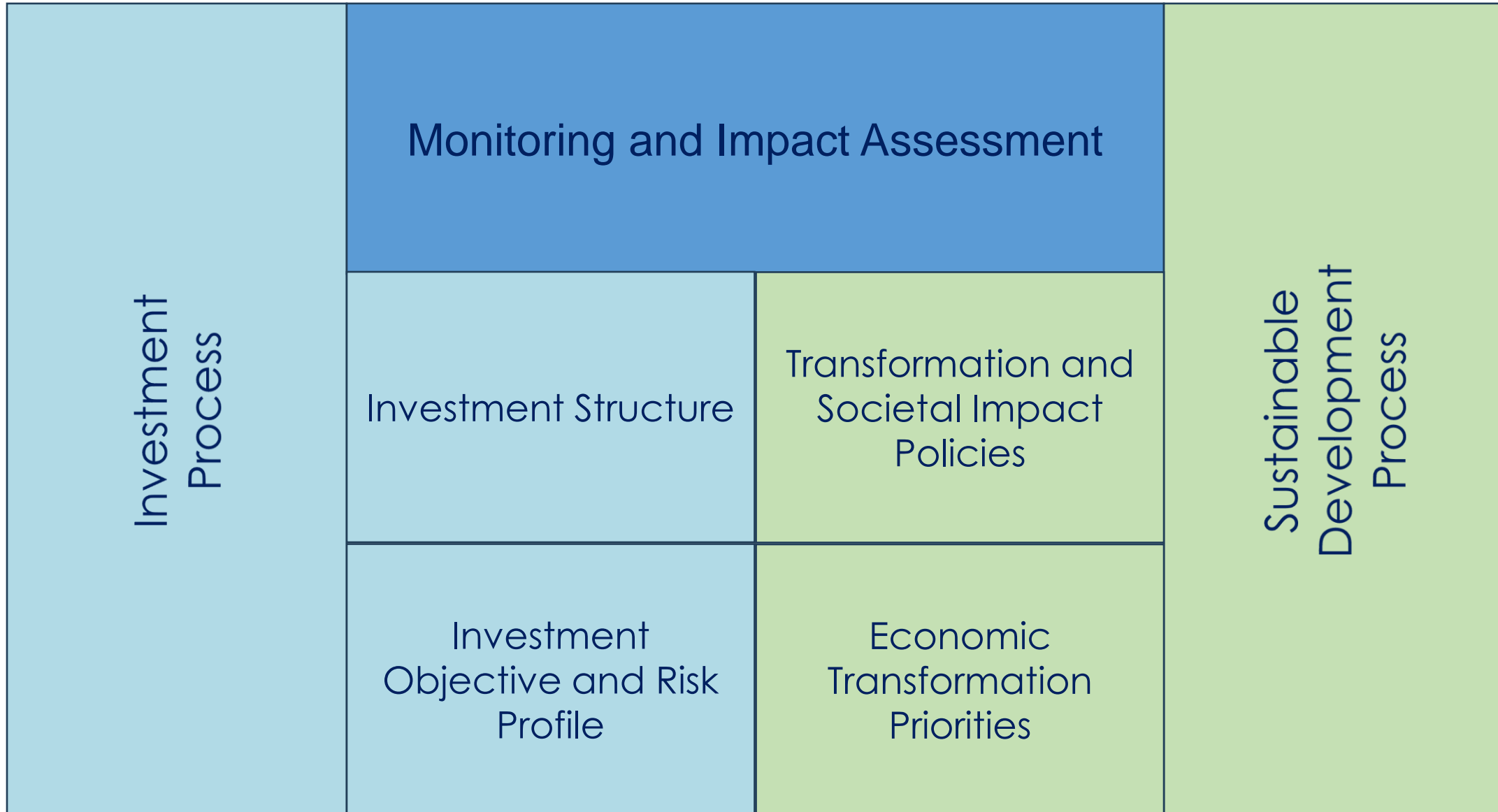
Passive CORE

Private
Markets &
Impact
Investing

Active alpha generation –
Organically grown, black-owned asset managers

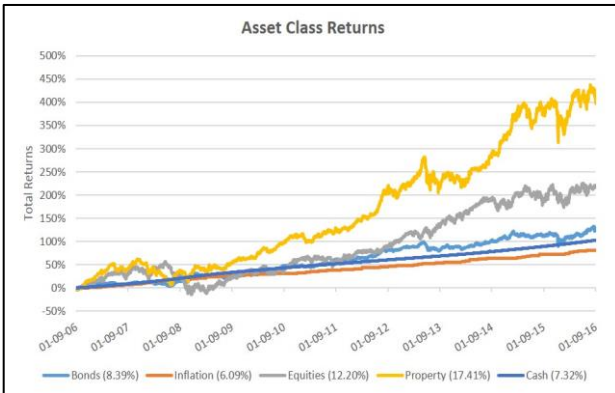


Motswedi Investment Process

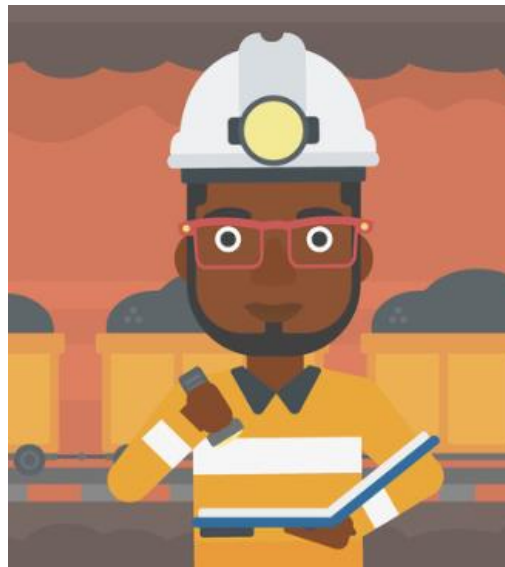


Risk assessment unpacked

Investment Objective and Risk Profile



What is the profile of the average member?



Economic Transformation Priorities

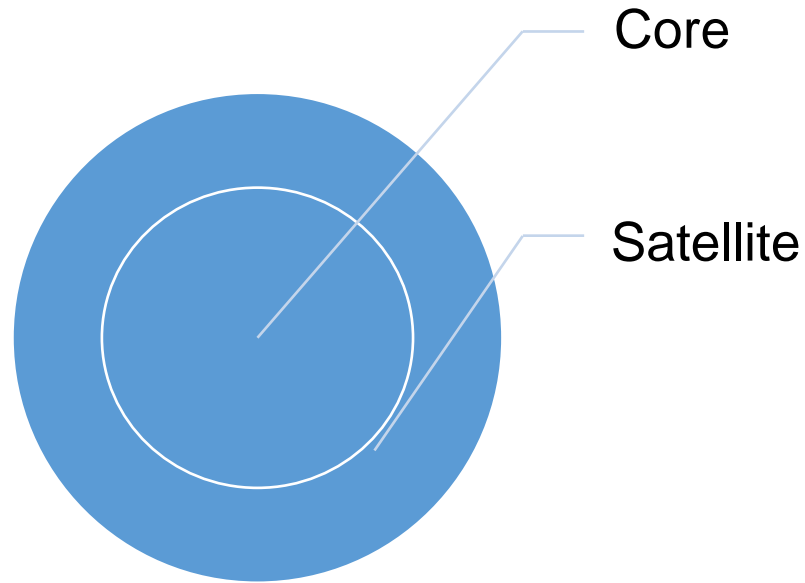
Before



After



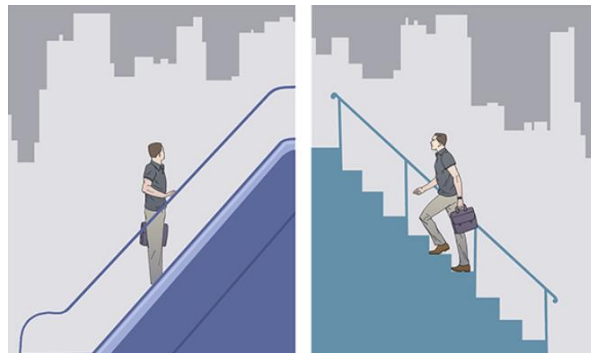
Investment Structure and implementation



- Development of Transformation priorities
- Development of Transformation policy

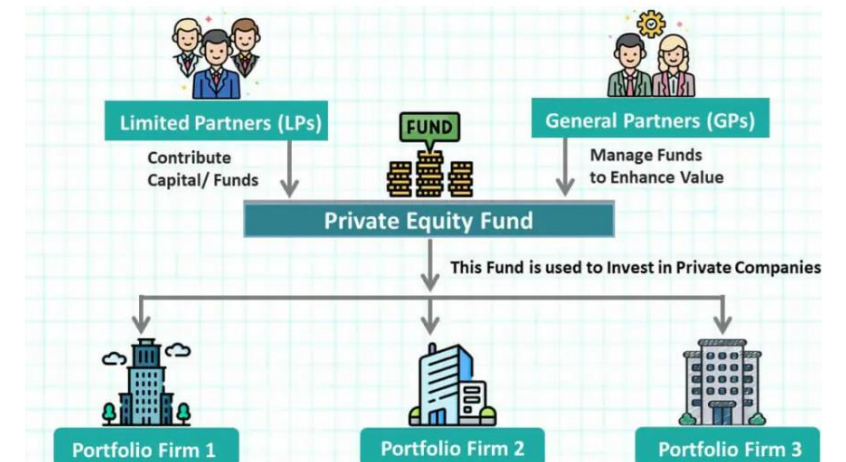


Passive vs Active investments



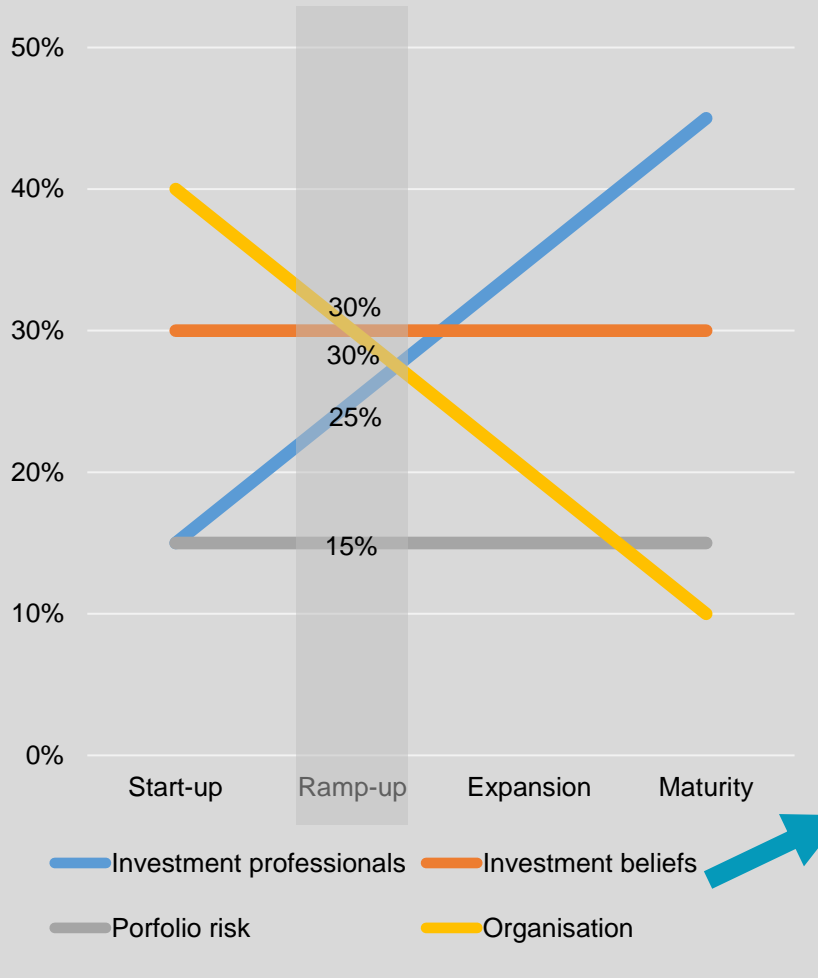
- Strategic Asset Allocation
- Reg. 28 compliance

Fund Structure



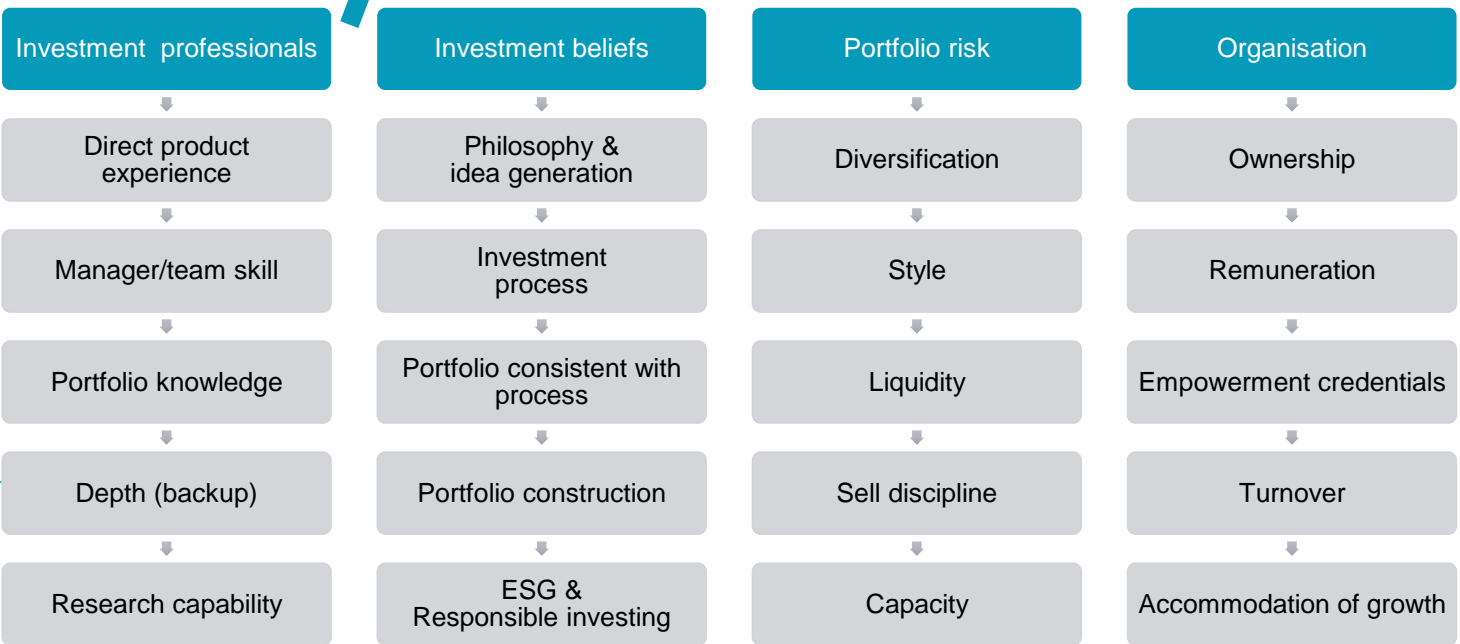
Manager Assessment and Selection

20 factor research model



Manager Scoring Model

Score	Rating	Prospects of success
>80		Exceptional
75 to 80		Excellent
65 to 75		Above average
60 to 65		Average
<60	X	Below average
Y		Research incomplete/ no longer maintained



>100 manager research meetings
per annum



Motswedi Responsibility – ESD program

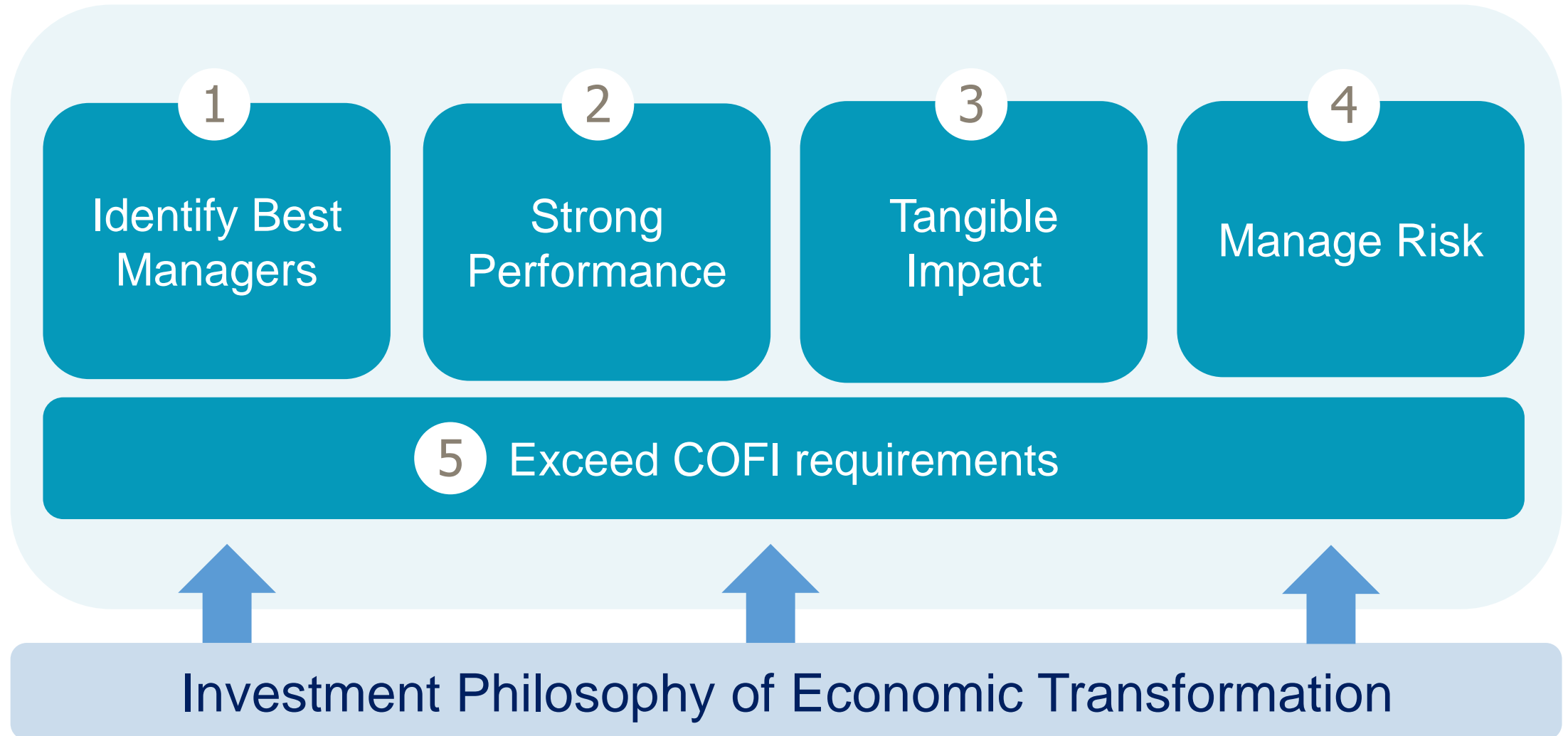
How do we make more black businesses sustainable?

- 4 Black Asset Manager Beneficiaries in ESD programme
- Full assessment of true needs
- Asset management tools of trade
 - Refinitive, iRes, Bloomberg
 - IT infrastructure



	Need	Impact
Manager A	Improve Technology sack Team Funding	Installed UPS - uninterrupted power supply Automated data processing through API 4 jobs retained 100% increase in AUM in 1 year
Manager B	Improve Technology sack Employment of Data Scientist	Bloomberg Automation of Rates&Credit research analysis via multiple API. Automate reconciliations in middle office. 1 new hire Data Scientist 300% increase in AUM in 1 year
Manager C	Improve Technology sack Leadership engagement	Bloomberg Strategic engagement lead to improvement in marketing 20% increase in AUM in 1 year
Manager D	CEO leadership engagement Bolster investment team	Successfully implemented a turnaround strategy to grow the business 3 new hires <ul style="list-style-type: none"> - 2 x analysts - 1 x portfolio manager Graduated to mainstream

Reminder: The Motswedi Value Proposition



Thank you

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