MOTSWEDI

Economic Transformation Specialists

Empowerment Financing Through

Enterprise and Supplier Development



Established in 2019

MOTSWEDI
Economic Transformation Specialists

- B-BBEE Level 2, CAT I and CAT II
- Member of the ICTS Group of Companies
- 5-year track record
- ABSIP Awards 2022 & 2023
- FSTC FINANCIAL SECTOR TRANSFORMATION COUNCIL

MOTSWEDI

Economic Transformation Specialists

INVESTMENT PHILOSOPHY

Focusing on Economic Growth & Transformation to deliver superior long term financial returns and impact for you.

Core Belief

Economic Transformation isn't a risk - it's a necessity for future-proofing our country.

Why Economic Transformation Matters

South Africa facing immediate economic constraints



SA economic growth facing constraints



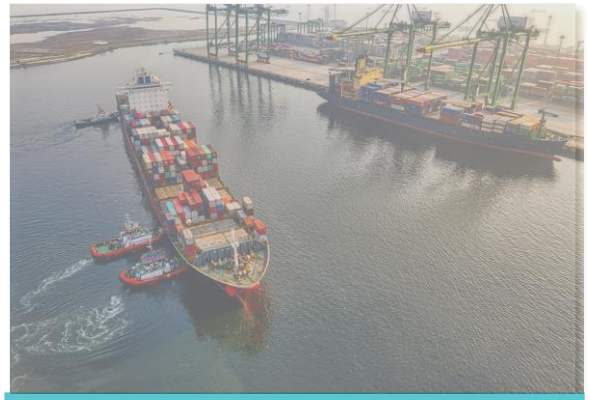
Unemployment threatens stability



Population living below the poverty line



One of the most unequal countries



FDI drought drains SA's potential

MOTSWEDI

Economic Transformation Specialists

ESD as a strategic lever for Economic Transformation



Executive Summary

ESD as a strategic lever for Economic Transformation

Purpose

- Secure a dedicated ESD allocation for Black Asset manager Acceleration

Ask

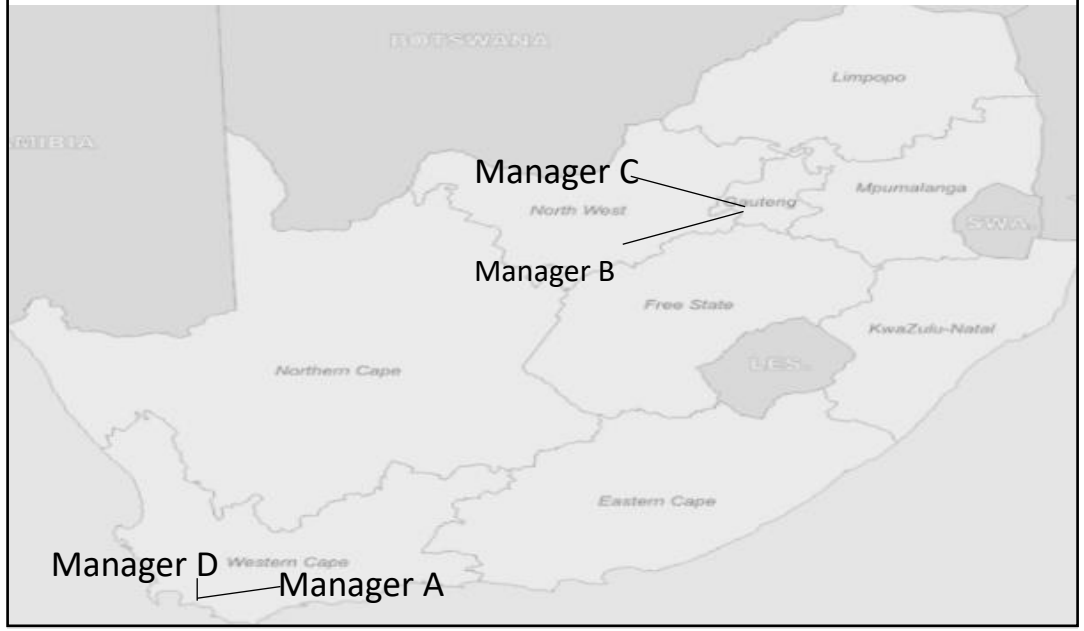
- % Allocation of your annual ESD funding over 3 years

- B-BBEE Score Uplift: Achieve full ESD points through structured ESD Support of intermediate Black Professionals Service Providers
  - Bonus Points
- Economic Impact: Empower high-growth black-owned asset managers, creating jobs and community wealth.
- Financial Returns: Access high growth potential asset managers for partnership potential as they grow.

ESD as a strategic lever for Economic Transformation

- Targeted support into high-potential black asset managers
- 5 Programmes
- Total Grant Funding Size R 40million
- Interest-free Loan Funding R 17million

- Identify
- Fund
- Scale
- Listed and private market managers



	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 - 2 x analysts - 1 x portfolio manager **Graduated to mainstream**

ESD as a strategic lever for Economic Transformation

ESD Process



Deliverables to clients

- Beneficiary BBBEE affidavit/certificate
- Invoices from suppliers
- Thank you letters
- Proof of delivery of equipment or service

Deliverables to beneficiaries

- Disbursement directly to suppliers
- Spend on identified items
- Higher level of engagement
- Measurable impact on business growth

Deliverables from beneficiaries

- Provision of evidence of spend on equipment or services
- Provision of periodic business growth measures
- Access to business
- Thank you letter

Track record of success

Performance and success indicators of the programme:

01 Percentage (%) growth in AUM

02 % Growth in Revenue

03 Number of permanent staff hires

04 Number of temporary staff hires

05 Average RFP's responded to

Programme measurement indicators	% Growth in AUM	% Growth in Revenue	New permanent staff hires	Temp staff hires	Average RFP's responded to
Manager A	**20%**	**10%**	**1**	**0**	**1**
	March 2023 - R1.5 billion **Sept 2023 - R1.8 billion**	Exempt Micro Enterprise - Revenue <R10 million per annum	staff compliment:8	March 2023 - temp : 2 Sept 2023 - temp : 2	
Manager B	**4%**	**157%**	**0**	**1**	**0**
	March 2023 - R592 million **Sept 2023 - R600 million**	Qualifying Small Ent - Once-off successful exit of Fund consisting of 3 well performing investments. Revenue >R10 million.	staff compliment:2	March 2023 - temp : 0 Sept 2023 - temp : 1	
Manager C	**20%**	**10%**	**0**	**0**	**1**
	March 2023 - R1.1 billion **Sept 2023 - R1.4 billion**	Exempt Micro Enterprise - Revenue <R10million per annum	staff compliment:5	March 2023 - temp : 0 Sept 2023 - temp : 0	
Manager D	**11%**	**0%**	**0**	**1**	**2**
	March 2023 - R10 million **Sept 2023 - R11 million**	Exempt Micro Enterprise - Revenue <R10million per annum	staff compliment: 2	March 2023 - temp : 0 Sept 2023 - temp : 1	
Manager E	**5%**	**0%**	**1**	**2**	**0**
	March 2023 - R10.3 billion **Sept 2023 - R10.8 billion**	Qualifying Small Ent - Revenue is >R10million per annum.	staff compliment: 12	March 2023 - temp : 1 Sept 2023 - temp : 3	
Manager F	**50%**	**31%**	**0**	**0**	**0**
	March 2023 - R693 million **Sept 2023 - R1.3 billion**	Exempt Micro Enterprise - Revenue <R10million per annum	staff compliment: 4	March 2023 - temp : 0 Sept 2023 - temp : 0	

Governance structure

Asset manager Due Diligence Process

Investment analysis
- ✓ People
- ✓ Process
- ✓ Philosophy

Business analysis
- ✓ Human resources
- ✓ Investment operations
- ✓ Sales & marketing
- ✓ Operational governance

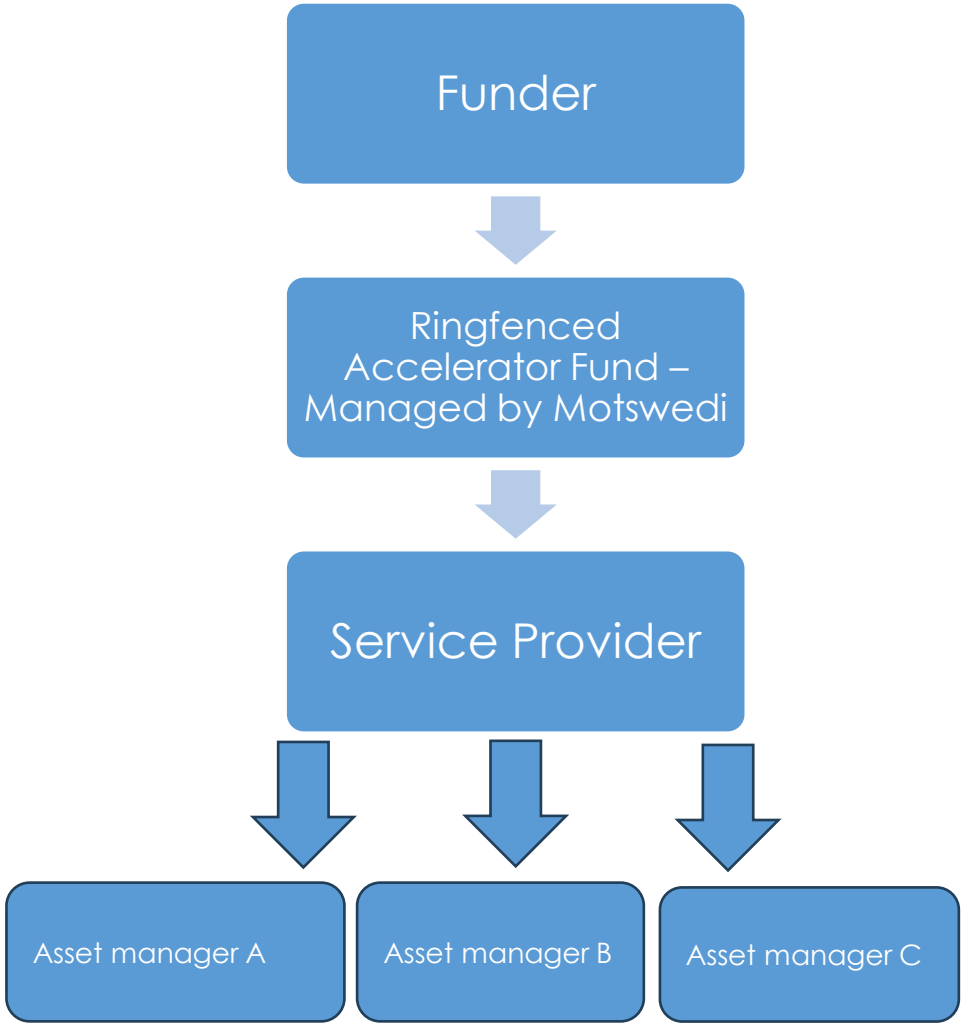
Funding type
- ✓ Grant
- ✓ Interest-free loan

Committee oversight

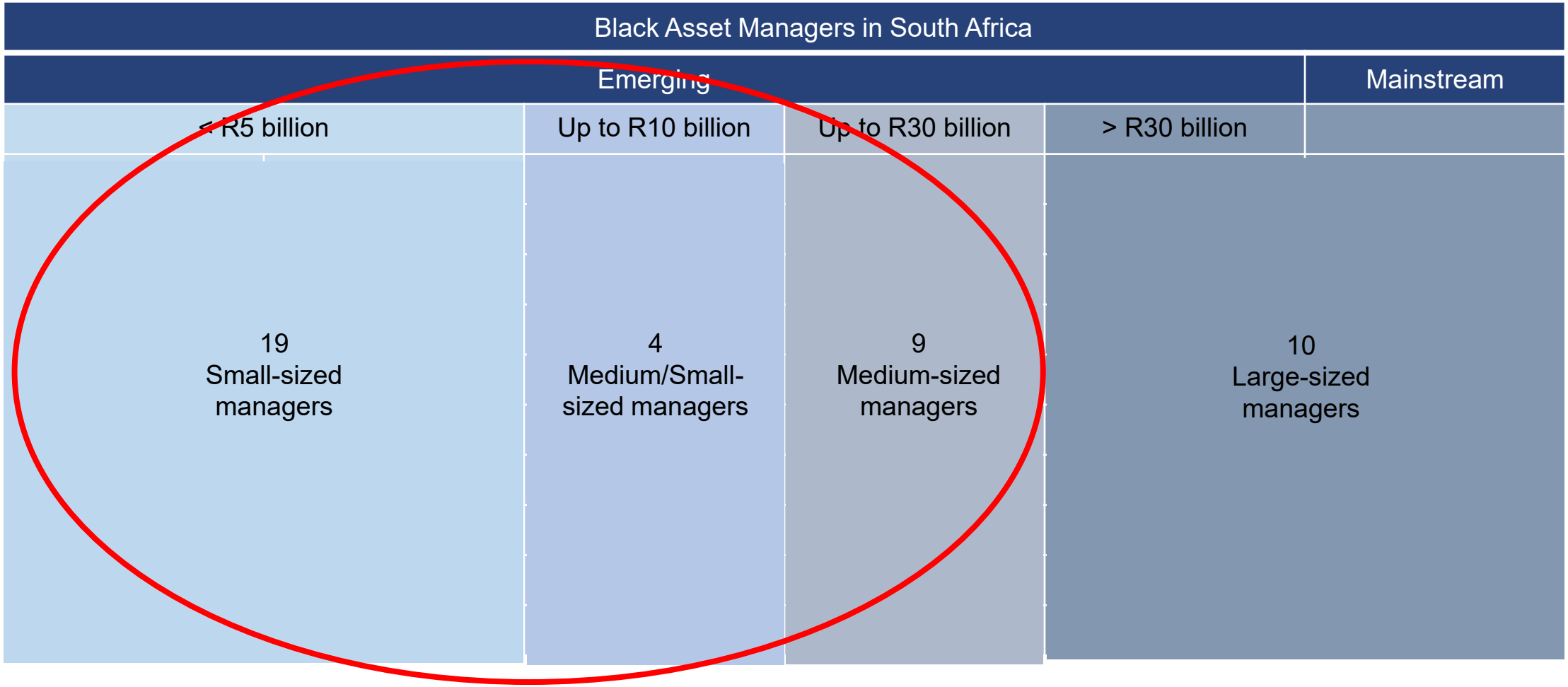
Programme health monitoring
- ✓ Development of Strategy
- ✓ Quarterly Reporting

Manage ongoing engagements
- ✓ Disbursements
- ✓ Issue identification
- ✓ Feed back

Governance Structure



Majority Black Owned Asset Managers in South Africa



Source: Motswedi Research

ESD Loan Funding Expectations								
Asset Manager		Primary Capability	Secondary Capability	Profitable	Item 1	Item 2	Item 3	Item 4
Manager A		Fixed Income	Equities	Yes	Corp Action	Systems	Loan repayment	
Manager b		Equities		Yes	Working cap	Systems	Marketing	
Manager c		Equities		Yes				
Manager d		Equities		No	Working cap	Portfolio Man.	Marketing	
Manager e		Fixed Income	Equities/Alternatives	No	Portfolio Man.	BD Manager	Systems	
Manager f		Money Market	Equities/Alternatives	Yes	Marketing	Products	BD Manager	
Manager g		Equities/Alternatives		Yes	Marketing	Products	BD Manager	
Manager h		Fixed Income	Equities/Alternatives	No	Working cap	Systems		
Manager I		Equities		Yes	Marketing	Systems		
Manager j		Equities		Yes	Tools	BD Manager	Analyst	Analyst
Manager k		Equities/Hedge Funds	Bonds	Yes	Marketing	Systems	BD Manger	
Manager l		Equities		Yes	Working cap	Corp Action		
Manager m		Equities		Yes	Corp Action	Systems	Working cap	
Manager n		Fixed Income	Equities/LDI	Yes	Portfolio Man.	Systems		
Manager o		Fixed Income		No	Working cap	BD Manager	Marketing	Systems

Financial Services Sector Targets

Element	Weighting	Target
Supplier Development Contributions	10	2% of NPAT
Enterprise Development Contributions	5	1% of NPAT
Bonus – Graduation ED Beneficiaries to supplier status	1	1
Bonus – Creating 1 or more jobs through ED/SD status	1	1
Bonus – ESD Support on intermediate Black Professionals Service Providers	2	0.5%

The Financial Services Sector Code targets are outlined in the table above.
15 Points are available for Enterprise Development (5 points) and Supplier Development (10 points)

Motswedi developed asset manager Tool-Kit

Strategic asset management engagements	Strategic Sales package	Marketing and advertising package
Strategic growth programme	**Organisational Sales Culture**	**Discounted Marketing and advertising package**
Motswedi have appointed an industry stalwart to engage the asset managers on all aspects of their business	Motswedi have partnered with Retirement Fund industry sales guru to create a business growth sales programme aimed at accelerating sustainable sales environment that is able to constantly measure, learn, adjust and execute.	Motswedi have partnered with a Retirement Fund industry media giant to advertise the asset managers capabilities on various platforms
❖ First full day engagement on the business ❖ Quarterly Follow-up sessions to assess impact	❖ 3 Month course ❖ Bespoke content with guest speakers ❖ Follow up sessions to assess impact	❖ Unlimited articles for distribution ❖ 6 promotional Advertorials ❖ Video channel interviews/features

Thank you

CONTACT US

The office:
Block D
Country Club Estate
21 Woodlands Drive
Woodmead
Sandton
2080
South Africa

Website
www.motswedi.co.za

Tel:
+27 87 702 3800

E-mail:
info@motswedi.co.za

Mark Davids
Founder & Managing Director

Mobile:
+27 83 222 9913

E-mail:
davidsm@motswedi.co.za

Disclaimer: This document is confidential and is intended solely for the information of the person to whom it has been delivered to. Motswedi has taken care to ensure that all information provided herein is accurate. Motswedi will not be held responsible for any discrepancies in the information provided in this document. Motswedi will not be responsible and disclaims any loss, liability or expense of any nature which may be attributable to the use of the information provided. Registration No: 2011/006602/07 is a registered financial services provider (FSP number 46027).

MOTSWEDI
Economic Transformation Specialists