COVER

Knowledge Shared

AFRICAN INNOVATION

African Insurtech Funding Takes Off

Every Adviser Should Have A Chaise Longue

Short Term Healthcare Advice For The Long Term

FEBRUARY 2022

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WHY RENASA, ROGER?


BECAUSE BROKERS BENEFIT FROM RENASA'S STATE OF THE ART TECHNOLOGY YET KEEP THEIR PREFERRED OPERATING SYSTEM, ARCHIE!
BLB 2020

INNOVATION 2022

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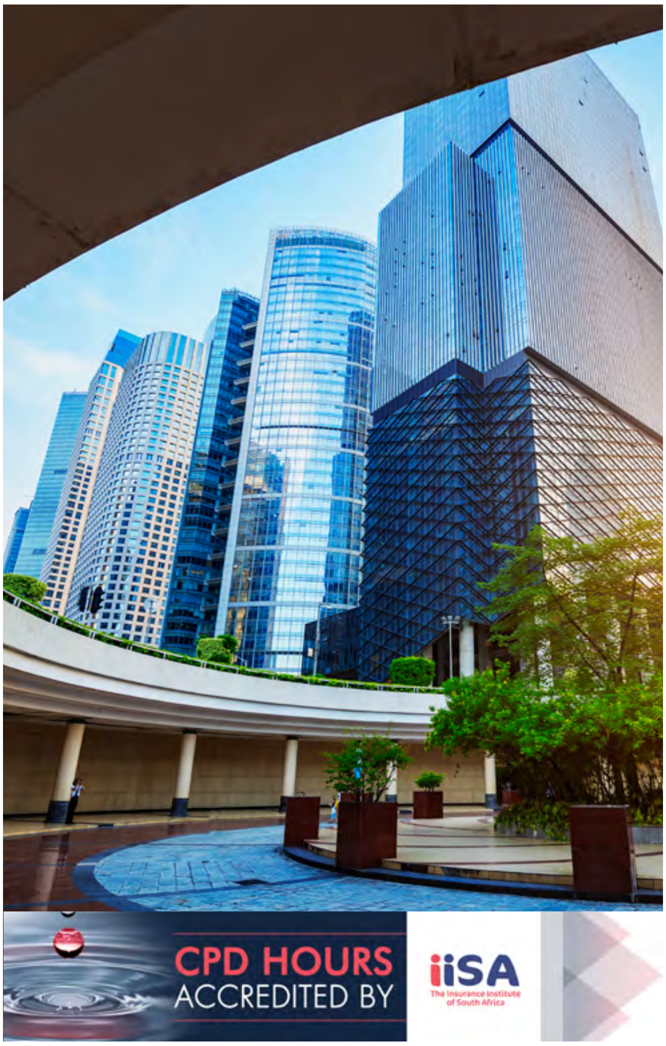

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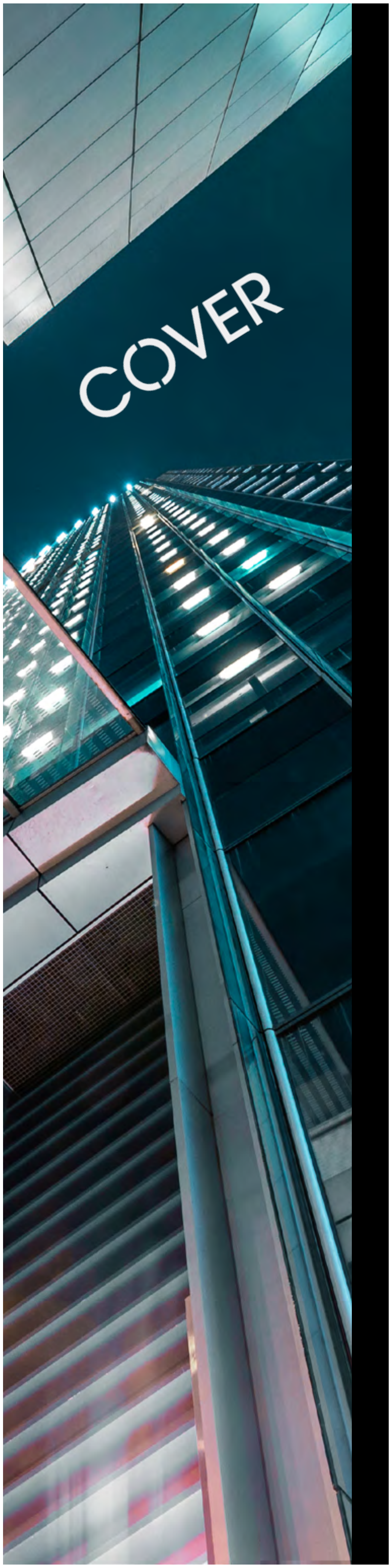

Confidence Rule 28:

YOUR MOST VALUABLE ASSET IS YOUR ABILITY TO EARN. PROTECT IT.

The most valuable asset in this picture **is the one most people forget to insure.**

Your clients' most valuable asset might not be something that they can see or touch, but it's infinitely more valuable. It's their ability to earn an income. Offer your clients peace of mind with Income Protector from Sanlam. It gets to work when they can't by delivering a monthly income if an illness or injury leaves them unable to work, either temporarily or permanently. With first-in-market features and enhanced benefits, it gives clients a greater level of assurance and peace of mind that they will be financially secure, come what may. So they can live with confidence knowing that today will be good. And tomorrow will be even better.

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Welcome to COVER

Knowledge Shared

Editor's Note

TONY: EDITOR IN CHIEF

INSURTECH FUNDING TAKES OFF

Every now and then one should break the rules, especially when we need to celebrate success. That's why I decided to put a photograph of people on our cover, only for the second time in our 34 year history. Since I was a child I have been fascinated by innovation, invention, science and science fiction. There is something special about imagining what could be. Staring into the blue sky and creating exciting possibilities. Most of the time it is just that, building castles in the sky, but sometimes those castles become reality.

In the insurtech space we have seen a proliferation of exciting technology startups growing into fully-fledged global players, like Genasys Technologies, who recently attracted funding of approximately R274m for expansion. We have also seen several amazing insurtech startups receiving big funding, for example like Naked (R165m), Pineapple (R80m), Click2Sure (unknown US funding), Ctrl (R34,5m) and a huge number of others. You also have businesses like Inclusivity Solutions who are successfully braving the continent outside of South Africa. Local insurers and international reinsurers are all putting their money where their mouths are, increasing international investor interests.

You can also join us at Insurtech2022, where we will unpack all the latest tech developments. Exciting times!

ADVICE

FINANCIAL PLANNING

Customers are more confident and knowledgeable as they understand how to make smart purchases in line with their needs.

- Sedick Isaacs, Bryte Insurance

DYLAN VERREYNNE

Head of Business Development, Wealthbit, GCI

MORE PERSONAL & PROFITABLE WITH THE HELP OF TECHNOLOGY

Used smartly, advanced technology can solve several challenges for financial advisors and deliver a significantly better client experience.

Humans seem to be perpetually attracted to the scary delights of an impending apocalypse: Imminent extinction! Climate disaster! And, the perennial favourite, The robots are coming to get your job. Of course, there is some truth behind all the hype, but technology offers more upside than downside when it comes to financial advice.

TECH FOR THE WIN!

First off, it's important to distinguish between what we might call a robo-advisor on the one hand and a virtual financial advisor on the other. The former is a totally automated bot powered by sophisticated algorithms drawing on vast amounts of data and powerful artificial intelligence. There is no human involvement. Like any computer program, it is wholly dependent on the quality of the data it accesses – garbage in, garbage out – and, even more important, the quality of the code. The so-called "intelligence" of these things is entirely reliant on what they are hardwired to do. Not like a human at all! Unsurprisingly, adoption rates of robo-advisors have been slow.

At the other end of the spectrum, what I'm calling a virtual financial advisor has much more potential because it combines the best of what a human financial advisor can offer with the best of what technology can offer. I'm talking about a very carefully designed program that allows advisors to service their clients more quickly and efficiently and thus empowers those clients significantly by providing them with autonomy over their financial plan. Think of a website or app into which the client's financial and other information can be inputted, enabling various scenarios to be tested.

Human Financial Advisors Who use these Virtual "colleagues" well can Expect the Following Benefits:

Better Client Service: Rapid digitalisation, greatly accelerated by the COVID lockdowns, has heightened client expectations across all sectors. These days, clients expect an Amazon-like service everywhere, which means instant access and highly personalised regular contact.
Technology will enable an advisor to meet with clients more easily and frequently, thus fulfilling these expectations.

It also allows clients to access their financial information at the click of a mouse and test various scenarios independently. For example, "If I save an extra R1 000 a month, what would the effect be?" "Or if I change my risk profile?" This kind of access significantly increases clients' engagement with their financial plans and thus leads to greater satisfaction in the end.

Greater Profitability: Along with heightened expectations, though, a greater willingness to use technology will open up new client universes, potentially unshackling a financial advisor from his or her geographical location. Technology will allow an advisor to locate and service more clients and do so more profitably. This is because it removes much of the mundane, manual work involved in servicing clients, automating it for greater accuracy and ease of use.

This is significant given that providing financial advice is so unprofitable because it traditionally requires so much input from the advisor. For example, KPMG research shows that, in Australia, the cost of providing advice is AUS$5 335 per client as compared with the fee charged of AUS$3 660.

Another potential benefit is that advisors can realistically hope to gain a greater share of each client's wallet by providing better, more comprehensive service. In reality, advisors seldom manage all their clients' assets. According to one study, financial advisors manage only 39.45% of their clients' assets – a significant opportunity.

Greater Scalability: It's all very well to gain more clients, but your typical independent advisor has severely limited capacity. A virtual "colleague" can provide the necessary ability to scale without incurring fixed costs.

Greater Accuracy: Automation lies at the heart of the virtual financial advisor's value proposition. The elimination of unnecessary manual processing, particularly the inputting of data, means that data quality and accuracy are greatly enhanced. Do I need to spell out the need for accuracy when it comes to financial advice? In conclusion, one could argue that the hybrid approach is the winning one in line with much of what's happening in digitalisation today. That's certainly true when it comes to giving financial advice. Human plus the right technology equals winning team.

ARE YOUR INVESTMENT ASSUMPTIONS ACCURATE?

UNDERSTAND THE RISK RETURN

When you sit down (alone or with your financial adviser) to plan your finances, you'll set certain goals. These could include paying for your child's tertiary education, saving for an overseas trip to celebrate a special anniversary, or planning for a well-deserved retirement. You'll determine the amount of capital that you need for each goal, and then calculate what you'll need to invest every month to achieve your capital requirements.

When calculating this, your adviser will take certain factors into account and make several assumptions that are important for you to understand, as they play key roles in determining how successful you are in meeting your investment goals. Here we unpack the thinking behind the main factors in your calculation.

Time Horizon

Your time horizon is a key input in calculating how to reach your financial goals. Each goal will have a different time horizon. The term refers to the amount of time between now and the point at which you'll need the capital for your goal. If the goal is retirement, this is typically around age 65. If you're currently 25 years old, your time horizon is 40 years. In other words, you have 40 years to accumulate sufficient capital to retire on. But are you sure you will want to retire then? What about aiming to retire earlier?

Or maybe you're someone who likes to stay very busy and who may want to retire later? Be sure you know what age or time horizon is assumed in your planning. You also need to think about your time after retirement you need to make an assumption around how long you're going to live and include this time horizon in your retirement planning.

You can base this assumption on the average longevity figures, which your adviser will know, and factor in any other information you may have such as your state of health. Remember, having an appropriate investment plan in place for after your retirement is also very important, especially if you consider that your capital may need to last another 30+ years, and will still be earning eturns even as you draw it down.

Inflation

The next assumption in your plan will be inflation. Simply put, inflation is the general increase in the price of goods and services over time. If your investments aren't keeping up with inflation, your buying power will be eroded. Nobody knows what the inflation rate will be decades from now, so your adviser will have to make an educated guess. This begins with looking at the long-term history of inflation in this country. Starting at 1994, the year of the first democratic elections in South Africa, until the end of last month, the average inflation rate is 5.3% per year.

This is within the Reserve Bank's target of 3-6%. Using this average as a benchmark, and perhaps upping it a little for safety's sake, your adviser will then project it over your time horizon to see how much capital you'll need in the future to achieve your financial goal. Then, he'll calculate that as a monthly amount. It's worth remembering that the cost of your financial goal will also increase over time so that the longer you delay investing towards your goal, the more expensive your goal will be in the long run.

Investment Performance

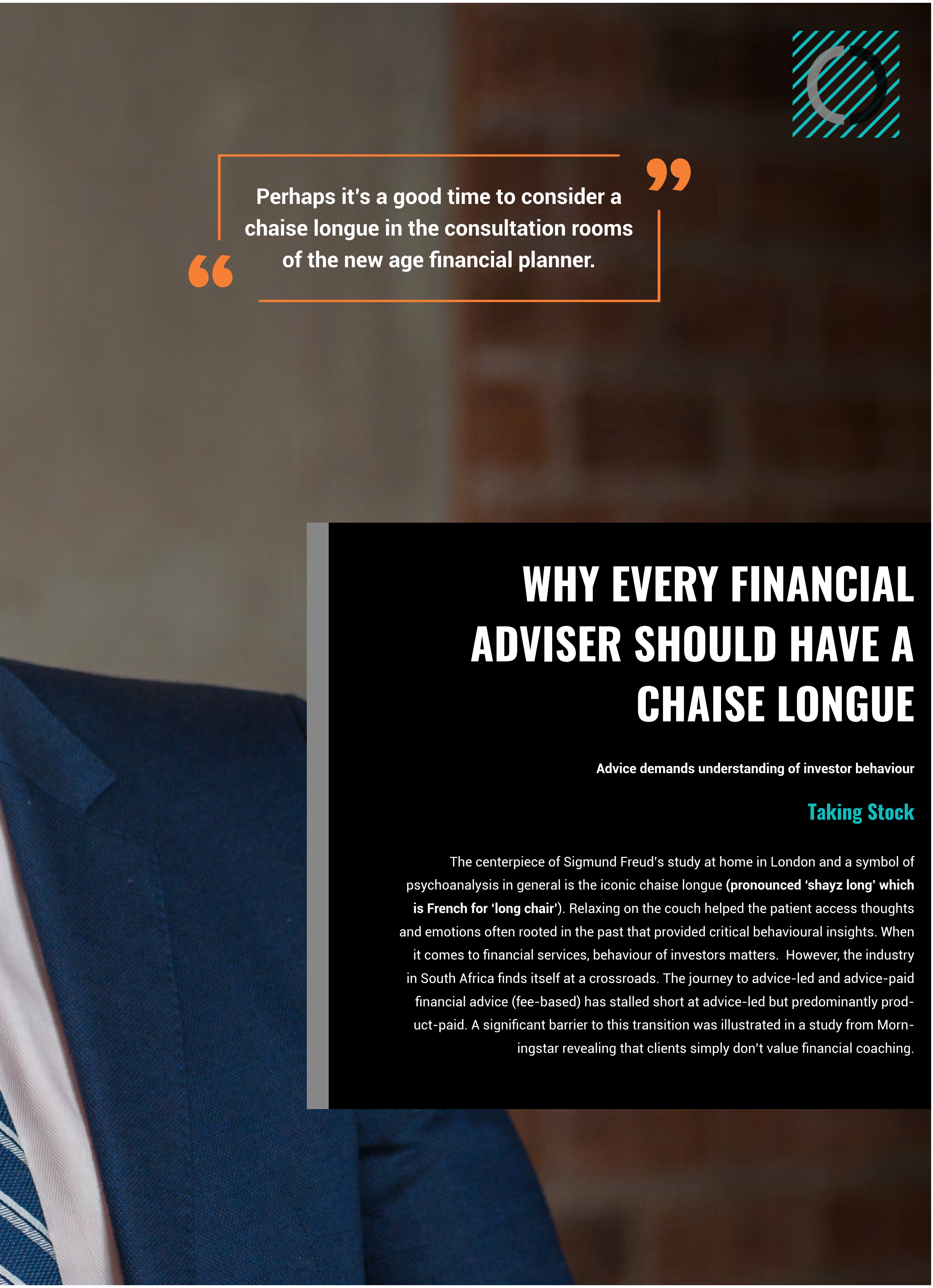
When you choose which unit trusts to invest in, look at the return you need and your investment time horizon. Different types of funds are designed to deliver certain returns and are built around different risk parameters. For example:

Fund type	Average performance above inflation	Time horizon	Risk
Equity funds	CPI + 7%	7+ years	High risk
Listed property funds	CPI + 6%	5+ years	High risk
Multi-asset high equity funds (balanced funds)	CPI + 5%	5+ years	Medium risk
Multi-asset low equity funds	CPI + 3%	3-5 years	Medium risk
Multi-asset income funds	CPI + 2%	<3 years	Medium-low risk
Income funds	CPI + 2%	<3 years	Low risk
Money market funds	CPI + 1%	<1 year	Lowest risk

Based on historic performance in SA, Important Assumptions per fund with risk-return considerations (net of fees)

Understanding these broad return and risk assumptions for different types of unit trusts can help you choose which funds best fit your particular requirements. Investment managers like M&G Investments provide detailed fund fact sheets and performance commentary that explain a fund's risk parameters, underlying holdings and suggested investment time horizon to get the best possible returns through economic and financial market cycles.


PAUL
NIXON
Head of behavioural finance
at Momentum Investments



> Perhaps it's a good time to consider a chaise longue in the consultation rooms of the new age financial planner.

WHY EVERY FINANCIAL ADVISER SHOULD HAVE A CHAISE LONGUE

Advice demands understanding of investor behaviour

Taking Stock

The centerpiece of Sigmund Freud's study at home in London and a symbol of psychoanalysis in general is the iconic chaise longue **(pronounced 'shayz long' which is French for 'long chair'**). Relaxing on the couch helped the patient access thoughts and emotions often rooted in the past that provided critical behavioural insights. When it comes to financial services, behaviour of investors matters. However, the industry in South Africa finds itself at a crossroads. The journey to advice-led and advice-paid financial advice (fee-based) has stalled short at advice-led but predominantly product-paid. A significant barrier to this transition was illustrated in a study from Morningstar revealing that clients simply don't value financial coaching.

At least not yet. When asking investors to rank 15 attributes in order of importance, 'helping me to reach my financial goals' was, encouragingly, rated at the top. Concerning, however, was that 'help me maximise investment returns' was near the top (4th), while 'helps me stay in control of my emotions' and 'acts as a coach/mentor to keep me on track' were dead last and 13th respectively. There is a faulty belief that maximising investment returns results in the achievement of investment goals.

German military strategist Helmuth von Moltke is renowned for this quote: "No battle plan survives contact with the enemy." The Momentum Investment Sci-Fi report for 2021 demonstrates that investment plans often don't survive contact with financial markets either. In fact, 2021 saw a record number of investment switch transactions exceeding 28 000 and an 80% increase in the number of investors actively engaging with their portfolios (switches). Ultimately, this resulted in over R90 million paid in behaviour tax at an average cost of 3.5% to investment returns.

Behavioural coaching and a deeper understanding of the investor's psychological tendencies and the roots thereof is an undervalued skillset but one that is vital to the transformation to an advice-led and advice-paid financial planning world. An important step towards this future was taken by the Certified Financial Planner Board of Standards (CFP Board) last year.

Psychology has been added to the syllabus and will require knowledge of client and planner attitudes, values, and biases; behavioural finance; sources of money conflict; principles of counselling; general principles of effective communication; and crisis events with severe consequences (see the Momentum Investments COVID-19 investor behaviour case study here). These topics have been integrated in the education requirements for CFP certification and assessed on the CFP exam starting in March 2022 in the United States.

Russell Investments calculated the value of investment advice at 4.83% per year. Four of the five elements of advice reside in the more traditional technical competencies of tax planning, product alignment, portfolio rebalancing as well as customer experience and together amount to an estimated 2.81% per year in value.

Financial advisers, however, have focussed far too much on the numbers leaving clients to fend for themselves when it comes to the psychological roots of how they got to these numbers in the first place. One element, behavioural coaching, adds the rest and was estimated to add 2.02% in value to clients annually. When considering the effects of the behaviour tax Momentum Investments has studied, this figure is not far off.

Investing is personal, and the survival of a financial plan demands an understanding of investor behaviour. However, the future looks bright, as the importance of psychology in investment decision-making begins to take its rightful place in the armoury of a good practitioner. Producing results in managing and eliminating the behaviour tax of investors will improve the perceived value of this important skill in the eyes of clients.

PROPER ADVICE CREATES A WIN-WIN

ADVICE IS ABOUT IMPROVING CLIENT OUTCOMES

Giving advice has always been about improving client outcomes – otherwise you're just flogging products. Until now, advice has pretty much been defined by steps three to six of the financial planning process (the first two are about relationships). These steps are summarized as doing a needs analysis, presenting recommendations, implementing and reviewing solutions. You can think of this as technical advice.

Make no mistake, you will always have to be on top of technical matters to ensure that you select an appropriate solution for your client. However, as we've grown to understand concepts like behavioral economics, we're finding that advisers need to go beyond technical advice and embrace a coaching mindset to improve their clients' financial outcomes. Don't get hung up on the words "adviser" and "coach", rather think about moving from telling your client what to do, to helping them make the right decisions for themselves. This shift can be both subtle and complex, so I'll use a simple example to show you what I mean.

In his book "The Psychology of Money", Morgan Housel talks about wealth creation having three components: the return, your savings rate and time. The more you have of each of these components, the more wealth you will create.

Optimize all three and the results will be spectacular. Or, at least, the maths will be spectacular – because life is a little more complicated and your clients are people rather than robots.

The Return is the effective annual rate at which your client's wealth compounds. Traditionally, advisers have tended to focus their advice here because the return is a function of both the product and the underlying investment (advisers tend to know a lot about these, and they enjoy talking about them). However, if you only give advice around the return, you are only advising your client on one of the three components of wealth creation, which means that it is unlikely that they will get spectacular results.

The second component is your Savings Rate, which is how much you save on a monthly or annual basis. In many cases your client will tell you that they are financially constrained and can only afford R500 or R1000 per month. You can accept this, write the business and move on, or you can help your client think differently. A practical way to do this is to buy a copy of "The Richest Man in Babylon" and lend it to your client. Give them a week or two to read it, then have a conversation about creating wealth that is centred on paying yourself first and the difference between wants and needs. By helping your client to internalize these concepts, they will shift away from the notion of what they can afford now and move towards the idea of wealth creation.

The final component is time, which is how long you have for your money to grow. We understand the miracle of compounding, and you've probably spent quite a lot of time explaining it to clients, especially to those who have left it too late who are now going to have to continue working longer than they intended. While you cannot do much for a client in their mid-60's, you can ensure that your younger clients get the full benefit of the time that they have available by getting them to save from their first pay cheque. While the amounts tend to be small at the beginning, what you are actually doing is helping them create a savings habit. This is critical to creating meaningful wealth because your clients will save diligently in their 40's and 50's when they are earning decent money.

always remember that clients who have financial success are happy. And happy clients pay fees and naturally refer people to you. Which is the real win-win.

Take a moment to reflect on this simple example. Are you giving technical advice or are you coaching your clients to achieve better financial outcomes? Beyond this example, are you talking to your clients at their annual reviews, or are you having the right conversations at each of the key milestones in their lives?
As a final thought, always remember that clients who have financial success are happy. And happy clients pay fees and naturally refer people to you. Which is the real win-win. Fairbairn Consult is a firm of Registered Financial Advisers. We are a licensed FSP and a member of the Old Mutual Group.

SINGLE NEEDS ADVICE NO LONGER FIT FOR PURPOSE

The role of a financial planner and adviser, and the approach to financial planning and advice, have evolved considerably over the past decade.

This has happened as the insurance and investment landscapes have become more complex, not only in terms of the number of product offerings, but also in terms of increased regulation. Advisers also need to reconsider how they deliver value-added insights to their clients, and build and manage relationships, given a rapidly advancing technological landscape. In this evolving environment, single needs advice is no longer fit for purpose.

MARISKA COMINS
Head of Technical at PSG Wealth

It is now best practice to consider the entire client portfolio and take the client's holistic financial needs into account, including the client's family and business interests where needed. This requires a deep understanding of the insurance and investment industries, and therefore financial advisers need to be well qualified and very well informed. In many cases, there is the need to collaborate with other experts in the fields of tax and corporate services, fiduciary services, and estate planning, and for advisers to become the 'lead adviser' facilitating the entire financial planning process.

However, financial and insurance advice has also moved to a place where product, technical and analytical advice is only the starting point*.* Knowing your client and understanding their behaviour is essential for the modern financial adviser, and the relationship should be a lifelong one, with advice evolving as part of the journey. Advisers now take significant amounts of time getting to know their clients and understand their personalities and the potential behavioural patterns of personality types. This informs product selection, the client journey and ultimately the entire advice process.

Particularly in times of stress, it is important to understand what drives a client's behaviour and how to facilitate the best outcome for the client. Personality types, and their relationship with money, also inform the setting of, and planning for, clients' long-term financial goals. The relationship between advisers and clients has also evolved. This is in part due to the fact that advisers now interact and communicate more frequently, albeit through different mediums, than what was the case in the past. Zoom and Teams meetings are everyday occurrences and forgotten are the early days of the pandemic where everyone struggled with the adoption of these platforms.

These, at times subtle, changes to the advice industry are also enabling advisers to assume guidance and coaching roles in a client's financial planning process, laying the foundations for a long-term relationship. This, combined with technology enhanced analysis and planning, and a deep understanding of a client's needs, goals and personality, results in the creation of a truly holistic financial plan with the best possible outcomes for the client.

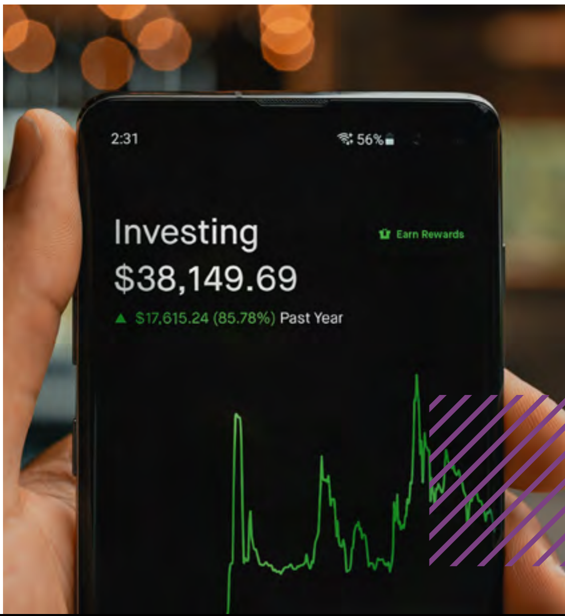
A COACH FOR ALL SEASONS

GUIDING INVESTORS TO THEIR DESIRED OUTCOMES

COVER

A great investment coach guides investors through the worst bouts of volatility, helping clients thrive and find new opportunities when everyone else is unnerved. Financial markets have so much to contend with right now that the coronavirus pandemic risks becoming a footnote in a long list of uncertainties facing investors.

Shortages of everything from energy to computer chips are reigniting inflation fears. Interest rates are climbing from record lows. Central banks are preparing to end unprecedented stimulus programs that have injected trillions of dollars into the financial system and propelled global asset prices to all-time highs.



> As fund managers and advisers, we need to constantly remind ourselves that we're managing other people's money, and without them, we wouldn't exist, so we need to be with them every step of the way.

As these and other risk events unfold, it's easy for investors to get caught up in the panic and react with both knees jerking. That's especially true of investors who haven't been adequately prepared by advisers or those managing their money. It's best to pause and make conscious financial decisions.

An exemplary coach guides investors toward their desired outcome by continuously nurturing their relationship through regular contact and detailed awareness of their needs. A consistent track record of performance underpins this trust. When there are short-term setbacks, investors must be encouraged to stay the course to achieve their long-term financial goals.

Training helps clients understand the consequences of choices available to them. Most of Novare's clients are long-term investors, such as pension and retirement funds, so our mandates include an active educational role for trustees.

Feedback is provided through tailored monthly reports. Novare Chief Executive Officer Olaotse Leepile regularly meets clients, and we also hold group quarterly feedback sessions. Proactive communication and an open line are essential when there's a crisis.

Clients must be comfortable to ask questions, no matter their level of financial or investment literacy. When they do engage, we don't spin a story. We back up information with data and keep it simple. Authenticity is key to building lasting relationships.

We manage our clients' money by setting a long-term strategic asset allocation goal, which is influenced by an investor's return expectations and cash flow needs. Then, what's pertinent in these volatile times, is that we add an active tactical overlay, which allows for short-term changes based on current economic or market developments. Our investment committee rigorously debates these.

As a multi-manager, we allocate the capital we receive from clients to other managers we have studied and formed relationships with, based on what asset classes we believe will outperform inflation. Over the past 20 years, Novare has built a reputation as an alternative asset manager. We select hedge fund managers who can achieve positive returns whether markets are trending up or down. We also have teams that focus on environmental, social and governance issues and funds concentrated on African real estate.Diversification is one of our key messages.

The funds that we typically include aren't that aggressive, and if they are, we will manage that risk at a portfolio construction level. Say, for instance, a fund returned 60% last year and is on track to gain another 40% this year. Instead of investing 50% of our clients' money into that fund, we would allocate 5%. If it can go up 60%, it can go down 60%.

While alternative assets are great diversification tools, it's an ongoing learning curve for investors, so clear and straightforward communication is vital. At Novare, we don't necessarily try outperforming raging bull markets but also ensure that we add value in downturns. Right now, stock markets look nervously overpriced and could possibly see a further correction over the next few months before rebounding. The odds are also skewed toward a dimmer outlook for company earnings.

At the same time, troubles in China's property sector may spread to its bond market, which will reverberate globally. With the era of cheap money ending, the world's economies and their capital markets are heading into unfamiliar territory where volatility will be the order of the day.

If investors understand the benefits of money that keeps compounding positively and avoid drawdowns, their cash will be better off.

REAL-TIME PLANNING TOOL FOR INTEGRATED WEALTH PLANNING

According to the EY Future Consumer Index, respondents are reprioritising their purchase decisions and spending less on what they perceive to be unnecessary goods for financial (49%) and environmental (30%) reasons. A majority (63%) of the 16 000 consumers surveyed say the new behaviours they have had to adopt since the start of the pandemic now feel "normal" and they want to make consumption choices that are born from aspiration rather than necessity.

It is important to build shared trust and create shared value for all stakeholders. Valuing long-standing relationships in the financial adviser community is essential for any product provider. Old Mutual's Wealth Integrator, our flagship financial planning tool, will give accredited advisers a clear competitive advantage as consumer preferences change.

Our entire proposition is summarised in our Integrated Wealth Planning philosophy, which centres on co-creating a financial plan alongside clients that enables them to achieve their lifestyle goals. We believe that there are four distinct considerations that, when focused on, will allow financial planners to develop a clear plan that will enhance their clients' financial well-being. The first of which, is to start with understanding the client's current financial position and then determining their dreams and aspirations, and what quantum of assets are needed to achieve that. With this goal in mind, we then calculate the returns required to attain their desired lifestyle, and finally consider how long they'll be able to sustain their lifestyle. A good financial plan is one that takes into consideration all four factors as they apply, uniquely, to every person. The ultimate role for any financial planner should be to help their clients grasp the relationship between these four numbers and how they impact their overall financial plan and it is important for clients to look at all the variables, in a level-headed, unemotional way, to fully understand the implications of their financial decisions. With our Wealth Integrator tool, we can calculate any one of these four numbers, if we have the other three.

This has benefits beyond empowering clients to co-create their financial plan, rather than being dictated to by an advisor. Key among these is that the Wealth Integrator tool demonstrates that the advisor has discharged his/her fiduciary responsibilities by offering prudent, impartial advice. The challenge, of course, is to translate this holistic financial planning theory into a practical, useful, financial plan. The ability to plug in different variables into the Wealth Integrator tool gives advisers and their clients unprecedented insight into how decisions today will influence outcomes in the future. This is a powerful aid in guiding clients in making the right decisions.

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SHORT TERM INSURANCE

customers are more confident and knowledgeable as they understand how to make smart purchases in line with their needs.

- Sedick Isaacs, Bryte Insurance

VICTOR SHONHIWA

Business Unit Manager at Global Client Network at Aon South Africa

INCREASED GLOBAL UNREST LIKELY FOR 2022: 2022 MAY BE A TIPPING POINT FOR MANY BUSINESSES

Importance of Sasria Cover

With trade already heavily challenged by the COVID-19 pandemic, the recent wave of riots, looting and destruction of businesses in Gauteng and Kwa-Zulu Natal has exponentially exacerbated matters, presenting a tipping point for many businesses as to whether they survive or not. The violent and destructive protest action is not, however, unique to South Arica with Aon's 2021 Risk Maps finding that persistent political instability and unrest is slowing global economic rebound in the face of the ongoing pandemic.

- 60% of countries globally were exposed to some form of civil unrest in 2021.*
- Political unrest increased due to rising emerging market inflation and the widening wealth gap.*
- Increased global unrest is likely by 2022 as mass vaccinations and an easing of restrictions converge with the COVID-19 pandemic's accumulated economic and political impact.

According to Sasria SOC Ltd's 2020 Integrated Financial Report, the insurer paid net insurance claims of R1.578 million in 2019 and R991million in 2020, while the recent riots and looting caused damages worth R25billion. Disruptions and malicious property damages of this magnitude have a huge negative impact on the economy, specifically the country's possible foreign investment prospects.

Aon South Africa, says it's crucial for risk managers, business leaders and consumers to review their insurance programmes and ensure that they have cover for loss or damage caused by protests, riots, strikes, civil commotion and public disorder. Sasria SOC Ltd offers insurance against such risks in terms of various Sasria products in accordance with the Public Finance Management Act No 1 of 1999. Using local insurance companies as its agents, Sasria SOC Ltd offers riot, strike and civil commotion insurance in respect of property damage, business interruption, money, goods in transit, motor and construction risks.

Implications for Individuals and Businesses

Individual consumers and commercial enterprises of all sizes could find themselves severely out of pocket if their mobile and immobile property are damaged during a violent protest. In most cases, property and vehicles are bank-financed. Where such property is lost or damaged and the owner does not have Sasria insurance, they remain liable for bank loan repayments in addition to the cost of the damages. Purchasing Sasria is therefore a personal and/or business imperative.

What About Business Interruption?

For commercial clients, Sasria also offers insurance for Business Interruption (BI). Such insurance is limited to gross profit, working expenses or standing charges and Net Profit. Sasria BI insurance does not extend to include the traditional contingent business interruption covers such as loss of income following damage to premises of customers and suppliers, and to the supply of public utilities like water and electricity.

Implications for Multinationals with Local SA Operations

Sasria offers cover up to a limit of R500 million for most classes of risk subject to predefined premium rates, however, cover of up to R1 billion is available on application. For large corporates and multinational organisations participating on global property programs, these limits may however be insufficient and may require additional cover in the form of a 'riot wrap' policy.

The riot wrap provides additional coverage for loss of income, contingent business interruption and material damage (where necessary) in excess of Sasria limits. The riot warp cover also provides cover for exclusions of war, civil war and terrorism which are not covered under Sasria.
Essentially, where combined material damages and business interruption values exceed Sasria's R500million limit, the riot wrap policy will provide extended coverage in respect of the claim once the underlying Sasria (or primary limit) is eroded.

Structuring of global insurance programmes needs specialist broking experience of the relevant tax and insurance regulatory regimes of the country. "When it comes to cross-border insurance on a global programme, considerations must include whether South Africa jurisdiction non-admitted insurance from an unlicensed global provider to cover local riot risks," explains Victor Shonhiwa, Business Unit Manager - Global Client Network at Aon South Africa.

"If the additional riot wrap insurance is placed outside of SA's borders as part of a global insurance programme, multinational companies may be exposed to regulatory and tax scrutiny at claims stage if an incident occurs at its local SA operation.

If the claim is paid outside of the country to the global parent operation, there could be onerous tax and compliance burdens on a multimillion claim settlement if trying to transfer that money to the SA operation. All this will be happening when the local operation is unable to operate in the absence of the financial relief to resume operations," adds Victor.

"Furthermore, Sasria policies only follow cover under an admitted policy (policy issued by a locally licensed insurer). Multinational companies will not be able to access the primary limit of cover where a policy has been arranged with an unlicensed insurer. Risk Managers are well advised to work with a global and professional brokerage firm like Aon who can assist them to formulate risk strategies for local risks within a global insurance programme and dovetailing SASRIA insurance products to programmes," advises Victor.

Status Quo demands Attention on Sasria Exposures

It's essential to consult with your broker and risk advisors to ascertain whether the insurance coverage has been extended to cover Sasria perils. Given the status quo of the last few years and the current events unfolding across the country, it's an essential if not non-negotiable cover on any insurance policy and risk management programme.

HEALTH INSURANCE WHERE HEALTHCARE IS A CHALLENGE

When people work from "complicated" locations, effective access to healthcare services can very often be a major challenge. OracleMed spotted this gap in 2001 and are now operating in 18 different countries. I spoke to David van der Knaap, the CEO of OracleMed Health, a Constantia UMA, about the need for this unique product and service.

David: In all 18 countries that we operate in, we appoint a lead insurer while the business is reinsured back to Constantia Insurance. The lead insurer would issue a policy and payment would be to the lead insurer because we do business by way of admitted business.

With the policy being issued on local paper, the client knows that he's got a legitimate and legal written paper, approved by the regulator, rather than writing it from offshore, where it is called non admitted business. This also forms a major part of our distribution channel. By having that in-country partner, we have proper reinsurance treaties and proper agreements. OracleMed owns the products, we do the underwriting claims management and call center functions, all done in three languages (English, French and Portuguese) from our office in South Africa.

Most important of all, the clients know that they are talking to us. It is written on our in-country partners' paper, but we do everything related to claims administration, etc.

They have comfort in that we have skilled people to fulfil all these functions. The in-country insurer, working in conjunction with us, will appoint the broker, in a separate agreement, with us a signatory to that agreement. So, the in-country insurer would partner with the likes of Marsh, AON or Willis etc., but we work through our in-country partners. A big portion of the business is generated through that in-country insurer, who are partners. While some retain a small part of the risk, some don't and get an administration fee.

Tony: Typically, what type of clients need the service and value that you provide?

David: We deal with multinational and leading local companies. They look for quality cover for their employees. Multinational clients, board members, senior management and middle management want to offer quality cover to their staff. They would have all the bells and whistles, which would include flying to South Africa, where they want treatment or fly offshore, if they want treatment in London, Paris. We have a worldwide network of 3200 hospitals.

At the top end, senior management up to middle management generally want the top plans that allows treatment offshore. From there downwards we do what we call emergency cover, because they can't get top end cover for their lower staff. They are looking for quality care for their staff, should there be a trauma later or in emergency. We offer it across the whole spectrum of the company, on different levels of cover, because that is what clients want. When in Africa, they want quality health care, and they want quality life care on a dollar-based policy. A small percentage of our businesses is for the expatriates, so, it would really be mainly for the local nationals living in for example, Nigeria, Ghana, Ethiopia, etc. where they want to give quality care for their staff.

Tony: How has COVID-19 and the lockdowns affected you? What sort of impact has it had on the business?

David: It has had a significant impact on the business because COVID, pandemics and epidemics were never covered in the policies. However, now we do cover them. Multinationals are looking to ensure that their staff, if they have COVID, are covered. don't do COVID as a standalone product, it is embedded into all the products we have, with emergency evacuation. Over this period, we have evacuated numerous policyholders with COVID into South Africa, when they are in a critical condition. We have dispensation from the DIRCO to bring them in. Generally, they get treated in - country, we are liable for that claim, but COVID is covered with the difficulties and the problems with the limited health care in Africa. COVID has created a huge awareness amongst companies about the limited health care available for their staff

> ***People want to know that they have quality benefits at both of those levels because they won't move if they don't receive dollar-based benefits.***

Tony: In terms of brokers that you work with, who are they, are they specialists and do you provide training to get them up to speed?

David: As a rule, we would work with the top five to 10 brokers, depending on the size of the country. Brokers are appointed through our in-country partner. So as a rule, it would be the likes of Marsh, Willis, AIB, AON etc. At the same time, there are a lot of leading local brokers who know their domain well, so we appoint them too.

These companies usually have limited specialist employee benefits divisions, but are setting them up more and more because there's a big demand. So, we do intensive regular training with these brokers and have invested a lot of money into monthly ongoing training with these brokers. Because of our knowledge and because we are in the forefront in Africa, brokers sometimes bring us along with them to meet with clients..

Tony: It seems that your year is off to a good start, and that there's a lot of activity in the healthcare provision space.

David: It has been good, we have an almost 100% retention rate, and the need is getting ever greater. Multinationals are very conscious of the safety of their staff because of the limited health care in Africa. They want to know that they are fully covered for any form of incidents with their staff. The second part would be that somebody can deal with it and take action as it's not always so easy to bring people out..

Companies are looking for good cover because it helps retain existing staff and entices new staff. So, people are coming in and they ask two questions, tell me about your health care and tell me

RETAINING & REBUILDING CUSTOMER CONFIDENCE

SEDICK ISAACS

Head of Business Support Services at Bryte Insurance

> "The industry continues to evolve as a sector that predicts and provides risk mitigation against future incidents."

Customers are More Confident and Knowledgable

The insurance industry is witnessing a change in customer behaviour, which is informed by current conditions such as the COVID-19 pandemic, a transition to a digital world and the experience they receive from service providers. By understanding the developments in customer engagements, insurance providers increasingly realise the importance of leveraging digital capabilities for a seamless customer journey and providing instruments that empower clients to find information and conduct transactions effectively.

Enhanced Product Offering

The industry is taking note of the developments that inform the type of cover customers need and what essentially works for them. As a result, customers are more confident and knowledgeable as they understand how to make smart purchases in line with their needs. When using their insurance, customers expect quick responses from their insurance providers.

The industry is also leveraging essential resources to access information to create the right products for customers. By using refined tools that help model risk, insurers are improving their capability to make decisions, understand different factors to the outcomes of claims and obtain better insight into future trends.

Furthermore, the industry is looking into providing sufficient insurance cover using simple, innovative and unique products that also provide for a better customer experience. In addition, better understanding and dissecting of information will help in improving product relevance and retaining customers.

Tailored Engagement

The expansion of customer engagement channels provides both the customer and insurer with a seamless interaction process across a myriad of channels. Artificial Intelligence and programmes such as website chat boxes and social media are assisting businesses to promptly respond to customers' queries and engaging with them quicker. While technology is making engagement easier, customers still need and value human interaction, as they still view human touchpoints much more trustworthy than digital elements they have at their disposal.

The need to balance digital and human engagement is essential and can only be realised if insurers understand their audience segments. The insurance industry is a service-oriented sector that requires an integration of different channels to communicate information and get hold of stakeholders, i.e. SMS updates with notifications, emails about product updates and phone calls to assist customers in need.

Strengthening Capabilities for Efficient Results

Risks are continuously changing and managing them remains a multifaceted activity. The industry has put in place top-level tools such as analytics, robotics, etc., which dramatically reduce client exposure to risk alongside prevention measures and cover. However, as businesses embrace analytics as a critical lever, considerations need to be made about investing in people. In order to remain relevant, insurers need to have the right people and partners with the necessary skills and talents to service customers effectively.

Leveraging Partnerships Effectively

Customers have a genuine appreciation of receiving assistance that provides them with a better understanding of the cover they receive and the policy wording. Intermediaries have the capability to assist customers in understanding the type of risks they may or may not get cover for or the limit of cover for the prevailing risks they can face. Brokers are essential partners in guiding customers through claims processes, understanding what constitutes a claim and knowing which cover responds to the claim, concessions afforded, relief options available, etc.

The industry continues to evolve as a sector that predicts and provides risk mitigation against future incidents. Its ability to effectively provide advice and guide customers properly will ensure that it remains relevant. However, the industry also needs to maintain a high ethical standard to ensure that questions around fairness and transparency become irrelevant.

An artisanal approach to risk.
Approach risk with purpose.
At Bryte we view managing risk not as a profession, but a craft. Through our hands-on approach and meticulous focus on detail, we work tirelessly to create niche insurance solutions specifically designed for your unique business.
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Bryte

COVID-19 IN INSURANCE:

WEATHERING THE CRISIS AND LEVERAGING PANDEMIC LEARNINGS

COVER

The Covid-19 pandemic is one of the deadliest events in recent times that has contributed to the largest economic loss results in history for companies and insurers alike.

Companies and even entire sectors, suffered large business and supply chain interruption events as a result of the pandemic which hit our modern, globalised and interconnected economy. The pandemic demonstrated just how vulnerable the world and businesses are to unpredictable multi-country events but also opened up new opportunities in digitalization: This has significantly changed the risk landscape for clients and society as well as the way corporate insurance operates.

The Covid-19 pandemic is one of the deadliest events in recent times that has contributed to the largest economic loss results in history for companies and insurers alike.

Major Changes

With the Coronavirus crisis, a new corporate risk landscape has emerged: Fire, explosion, natural catastrophes, cyber, and political violence have been in the forefront of the top risks that businesses have been grappling with over the last few years but in 2020, pandemic risk re-emerged, creating even more disruptive scenarios for businesses globally.

As the world was plunged into global lockdown, in a truly unprecedented manner, the pandemic led to large-scale business closures and supply chain disruption globally and brought tourism and aviation industries to an abrupt halt. Covid-19 increased social inequalities and racial disparities contributing to looting and riots in some countries.

Cyber exposures for companies increased, too. Pushing digitalization and remote working, the pandemic created a fertile ground for criminals seeking to exploit the crisis, with ransomware attacks soaring. The total number of reported ransomware incidents increased by 12% between 2019 and end of 2020 to more than 500,000(1). Cybercrime now costs the global economy over $1trn – more than 1% of global GDP – up 50% from two years ago(2).

Standards in Risk Management and Business Continuity Planning Need to Evolve

Against the backdrop of this new risk environment, the pandemic has shown us the limitations of approaches that were previously considered robust. Risk management and business continuity management (BCM) needs to further evolve to be more holistic, cross-functional and dynamic to help businesses prepare for and survive extreme loss scenarios. In an increasingly interconnected world, businesses have to also ready themselves for more frequent extreme scenarios, such as a global-scale cloud outage or cyber-attack, natural disasters driven by climate change or even another disease outbreak.

The business interruption has become a discussion not just for risk professionals but for corporate boards to build more resilient operations. According to risk experts contributing to the Allianz Risk Barometer 2021(3), "initiating or improving business continuity management" (62%) is the main action companies are now taking in order to make them more resilient in the face of the global pandemic. We are seeing clients make changes including near-shoring (bringing production to a nearby country) and some

re-shoring and changing the locations of supplies, particularly for US companies. Companies are increasingly thinking about the consequences of events like natural catastrophes and civil unrest, and how quickly they will be able to find alternative suppliers.

Post-pandemic, a lot of work remains to be done on business continuity and business resilience, reflecting the lessons of the last 18 months. In order to manage the risks and develop solutions, businesses need to clearly define their specific situation, with accurate data on operational exposures and risks which can be analyzed to create a more accurate picture of their risk profiles – and which then can inform the best approach to risk mitigation. This should extend beyond the well-established primary insurable risks such as fire, flood or explosion to cover a wider range of scenarios including contingent business interruption in supply chains or intangible assets such as brand and reputation.

Accelerating Digitalization in Underwriting and Claims

The pandemic saw accelerated digitalization in client interactions – literally the first round of 100% virtual renewals in 2020. We observed strong commitment from our clients, brokers and service partners to make it happen. We also introduced new formats of digital customer interaction – be it virtual client events, broker workshops or even socializing through digital wine tasting – formats that will be here to stay in the post-pandemic new normal of work and create additional touchpoints with customers besides face-to-face meetings. AGCS and many of its clients will move to hybrid working models combining remote and office-based working, so it will be a blend of digital interaction and personal meetings going forward. Covid-19 reinforced the need and urgency for digitalization of claims handling.

Remote claims inspections and loss adjusting for physical damage events or major industry accidents are now possible through satellite, drone or image capture technology. Just a few years ago, claims processes were mostly manual and paper-based procedures and many clients could not have imagined handling claims remotely. This, together with a strong collaborative approach from our clients and brokers, has enabled our claims teams to handle the surge of claims received in 2020 and deliver expert service, all while working remotely.

While we all have improved our digital savviness during the pandemic there is still some way to go for corporate insurance to move to truly digital business models, consolidate legacy systems into new platforms, and leverage data and technology in order to become more effective and faster for better customer experience.

The Pandemic made Remote Surveys and Risk Consulting the New Norm

We also digitalized our approach to risk consulting and on-site loss prevention surveys. Since 2019 we have done 430 remote risk assessments in the Mediterranean & Africa region. The 60% increase in 2020 is as a result of travel restrictions in the region and greater acceptance among clients for remote assessments. All lines of business are focusing on remote assessments with big contributions from Property (75%) and Marine (20%). How do remote risk assessments work? Our risk consultants upload questionnaires and instructions on platforms such as MirrorMe or Microsoft Teams, where a plant manager can respond with photos, videos, documents or text comments of the process, storage areas, utilities, fire protection and other control systems, and business continuation for our risk engineer to analyze, rate and benchmark against the relevant risk categories, and offer recommendations to mitigate these risks. A follow up call or live video of a site walk through is often required to validate and clarify information, which allows for some measure of interaction with the client.

The pandemic has made remote risk surveys crucial in the industry and we have seen efficiency gains as a result. Onsite surveys which usually took about a week (including travel) can now be done in a few days and for smaller sites, in a few hours. We also saw more engagement from our clients 'senior management, which expedited decision making for recommendations on exposure controls. Remote assessments are here to stay but as enabling as technology is, one thing is still clear - no tool will ever be able to completely replace an in-person visit to establish the human connection and assess the holistic risk (with loss estimations), particularly for a first visit or to more complex occupancies.

In general, we supported our customers with safety risks guidance and observed a very professional 'care and caution' approach of our business customers to manage temporary closures and the – often tricky and loss-prone – restarting phase of their operations and facilities or the reactivation of hibernated aircraft or vessels. The entertainment and sports industry reacted quickly in developing mitigation measures that allowed the film industry to resume shooting with specific health and safety measures or the sports industry in continuing competitions without spectators or live events being streamed virtually.

The Need for Coverage Certainty and to Create New Solutions for Systemic Risks

Corporate insurers have been notified of thousands of Covid-19 claims for business interruption and closures following governmental shutdown orders. These claims were settled quickly where coverage was confirmed. Nonetheless, property insurance is intended to cover physical damage, and non-damage business interruption caused by Covid-19 would not typically be insured. This has brought up some challenges in terms of coverage and there have indeed been grey areas, so we have had to work with brokers and customers to explain the situation and clarify the terms of the insurance. In some countries, such as South Africa, courts have been called upon to clarify the interpretation of wordings. Upon renewal, insurance conditions have been made more precise so that in the future it will be more clearly recognizable what can and cannot be insured for communicable diseases.

On a more fundamental level, Covid-19 has exposed the limits of (private) insurability when it comes to systemic risks. Other risks, such as natural catastrophes and cyber-crime have the potential to be the next black swan event to also reach systemic dimensions. This means that the industry should use this as an opportunity to forge new private-public partnerships, which is something Allianz has been proposing. Initiatives for governmental backstop solutions are well underway in many countries.

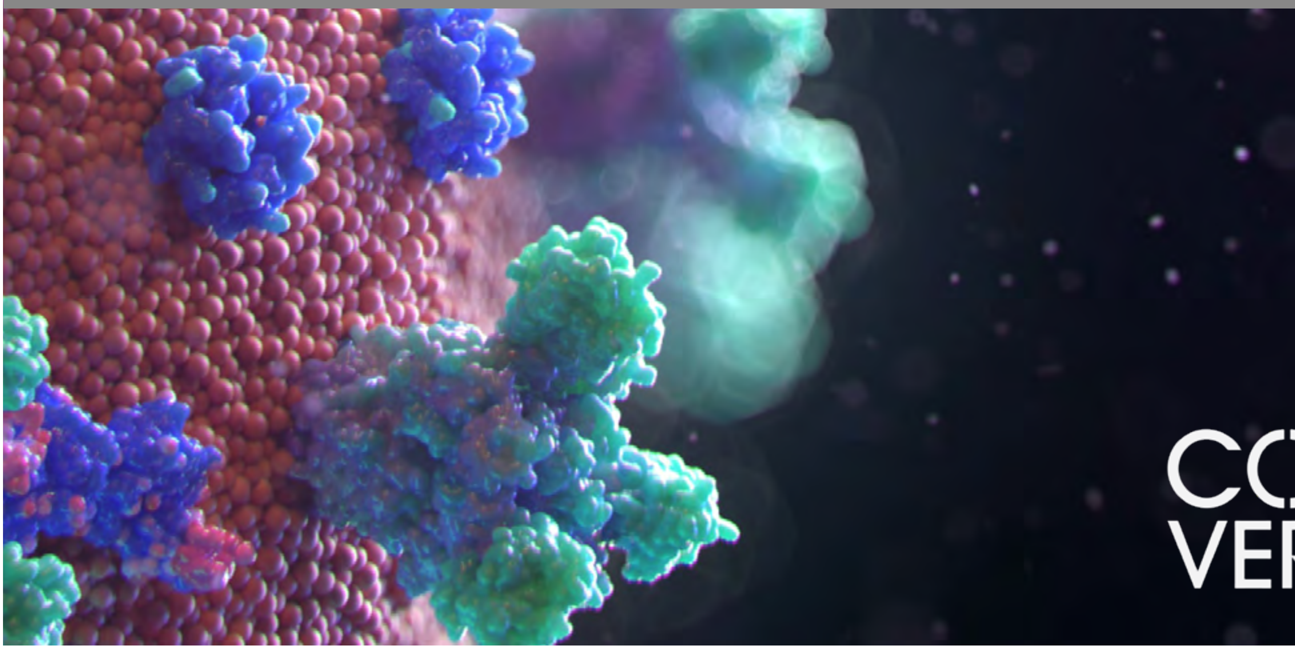
A Post Covid-19 Landscape Brings Opportunities for Growth and Innovation

According to the latest Allianz Global Insurance Report(4), the insurance industry weathered the Covid-19 storm with solid resilience – despite a significant claims burden. The post-Covid-19 landscape will open up new opportunities as growth is expected for both the global economy and the insurance industry. Businesses and governments have been forced to reset, rethink their reform agendas and business models and improve their resilience striving for more robust digital operations and supply chains. The crisis has also increased the demands and expectations of our corporate clients. For the insurance industry, this means a profound transformation, away from a pure product logic and toward a holistic value proposition that focuses not only on financial compensation but also on the management and prevention of risks as well as claims and crisis management services.

The pandemic has accelerated the industry's digital transformation by at least five years—forcing incumbents to open or enhance digital distribution channels and to make corresponding upgrades to back-office capabilities. Insurtech investments have reached an all-time high. The demand for digital solutions is increasing across the insurance value chain, from quote issuance to claim settlement. As insurers, we are expected to accelerate our digital transformation, rapidly increasing technology capabilities for the benefit of improved customer experience. While we have highlighted many potential scenarios, only time will tell how trends play out. The fact that Covid-19 will have a lasting impact and change the way we view the world is inevitable. It was and is a steep learning curve for all of us and so let's continue learning and leveraging the insights for the new normal – or as some say – for the new better.

Source

1. The cost of ransomware in 2021: A country-by-country analysis, April 27, 2021
2. McAfee and the Center for Strategic and International Studies, The Hidden Costs of Cybercrime, December 7, 2020
3. 10th Allianz Risk Barometer 2021, January 19, 2021
4 .Allianz Global Insurance Report - Insurance Outlook 2021: A year of new opportunities, May 21, 2021



REBUILDING A FORGOTTEN SECTOR THROUGH RISK AND RESILIENCE

> Now more than ever, in this process of recovery, event organisers, sponsors and venues can't afford the risks of not having special events cover in place, the industry and the livelihoods it sustains depends on it.

An article published by McKinsey & Company in July 2020, commenting on the post-pandemic recovery of US small-businesses, indicated that it would take the hardest-hit sectors;** of which arts, entertainment, and recreation topped the list, more than five years to get back to their pre-Covid state. However, would the same be possible for South Africa's battered film and entertainment industry? KEU's single biggest event clients reported international cancellations resulting from the outbreak as early as the first week of March 2020, and by the 13th of March, they – KEU, had already presented its first estimated figures to their Insurer , Centriq Insurance.

By the 18th of March 2020, KEU had registered its first claim and appointed a Risk Assessor, followed by their first interim policy payment on the 14th of April. This was uncertain territory for us all, but we continuously worked with our event organisers that had annual policies in place, and paid ongoing interim payments to assist these organisations to retain staff, honour contractual liabilities and remain liquid. However, many event organisers did not have Event Cancellation Cover, only Event Liability cover. Due to the uncertainty around the lockdowns, all our annual policy holders had their policies extended for the rest of the duration, at no additional cost. The event organisers who had once-off liability policies had to be refunded due to all their events being cancelled with immediate effect.

When it came to the film industry, KEU had encountered different challenges to that of the event sector. When the nationwide lockdown was announced, all film sets had to be closed and international cast and crew members had to return to their country of residence with immediate effect. Communicable diseases, like Covid-19, as well as any efforts to curb the spread of these diseases, such as the nationwide lockdowns, weren't claimable under this policy, only Illness Cover for nominated key cast and crew members were included. We had to review each policy individually to ensure that all cast, crew, props, locations, equipment and vehicles were dealt with in terms of the existing policy and hiatus periods were noted during this time. The local film industry was able to recommence by the 4th of May 2020, but soon after, we had our first COVID claim, when a nominated key crew member tested positive resulting in the set being placed under lockdown. We paid the additional costs incurred over this period.

Since the outbreak, we have paid a total of R82 million in claims, with R2.3 million; mainly airline tickets, still outstanding. During this period KEU also had to cancel and refund the premiums of 55 Event Liability policies. It has ultimately required us, as an authorised service provider, to review all our policies. Unfortunately, many events were not insured for Event Cancellation. Especially the events that did not have a main performer and had been running successfully for many years, such as the likes of your big Easter festivals, an annual tradition, and sporting events such as the Comrades, Two Oceans, etc.

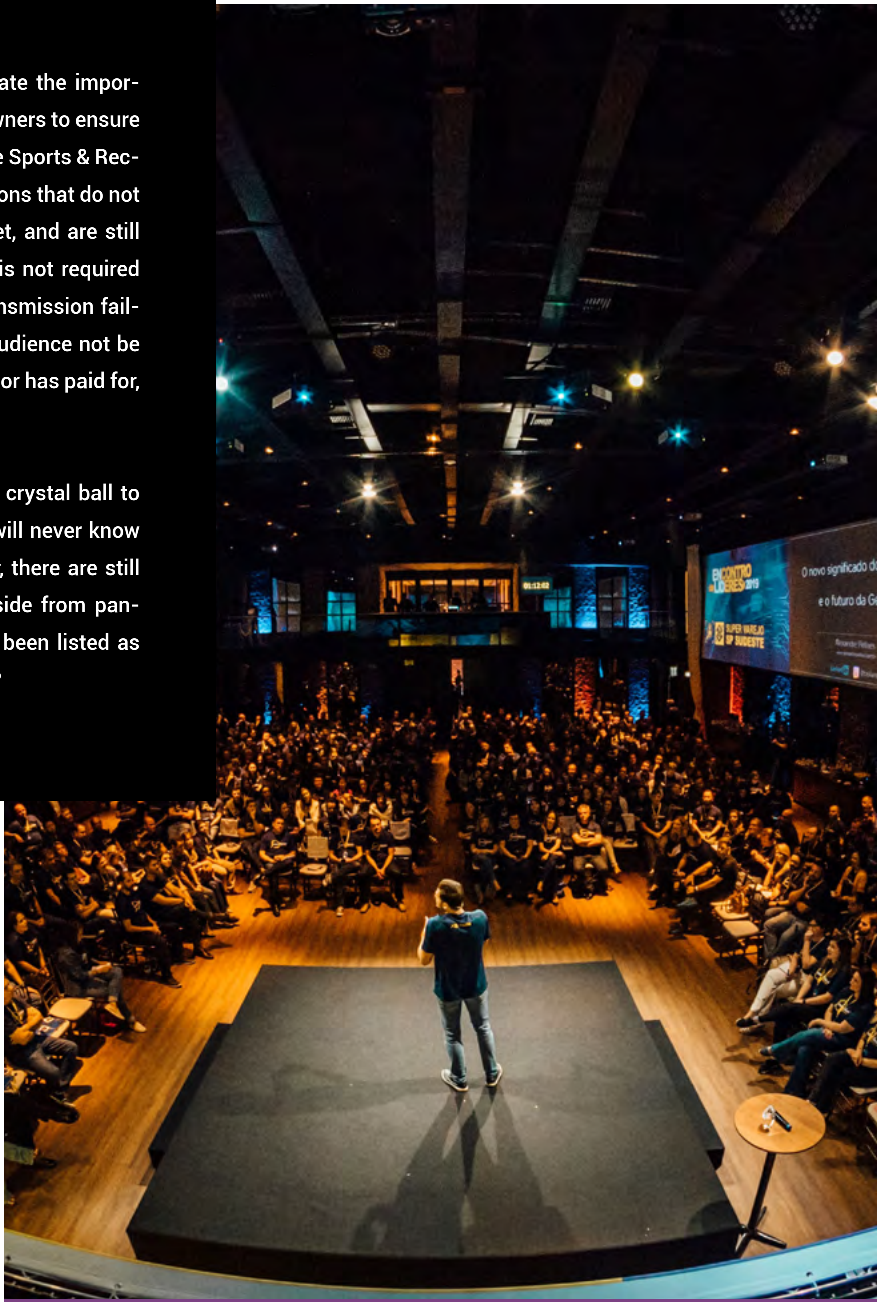
Obviously the further the event's date, the easier it was for organisers to cancel and cut their losses, but all events arranged for Easter were too close to show real savings. To further the dilemma, certain contracts such as Exhibitors, Venue, and Crew contracts were completely silent on the matter. At that time, all and sundry started reviewing their contracts to see who owes who, and what to do with ticket refunds, postponement dates, etc. Crews were immediately affected.

As most crew members were freelancers, here was no safety net apart from the Government stimulus which had its own widely published difficulties. Technical services companies, catering services, cleaners, security, and medical support was immediately brought to a standstill. The pandemic has caused unimaginable and very long-lasting devastation to the overall market, however, many have survived by obtaining other skills or branched out into various other sectors. Some artists started giving online singing lessons, writing books, hosting various online concerts, just to survive. But can an industry recover in survival mode?

Looking back, it's almost been two years since the global pandemic brought this sector to its knees, with the events market still struggling to get back onto its feet, one must commend their resilience in many respects for finding online solutions. Even some of the exhibitions organisers have moved over to the virtual events space where they are connecting clients, buyers and sellers. The local film market has been fortunate to be returning sooner, but has not yet found itself at pre-Covid stages. This market also had to immediately adapt to Covid-19 regulations and has reviewed the stance on catering, make-up and hairstyling, as well as crew and cast limitations on set. We delighted to see that the industry is slowly rising from the ashes, with global restrictions and international travel bans being lifted.

Now that events are returning, we need to reiterate the importance for event organisers, sponsors and venue owners to ensure they secure Event Liability cover, as required by the Sports & Recreational Act 2010 (SASREA). For those organisations that do not want to risk hosting live and in-person events yet, and are still opting for virtual events, although event liability is not required for virtual events, the shift has now moved to transmission failure, increasing the demand for cover should an audience not be able to view or connect to an event they or a sponsor has paid for, due to technical errors.

The pandemic has proven that we do not have a crystal ball to predict and foresee the future, and we therefore will never know when or what the next big crisis will be, however, there are still many risks associated with hosting an event, aside from pandemics. Therefore, even with Covid having since been listed as an exclusion, event insurance still highly relevant?



THE FUTURE OF ADVICE

Never before have brokers had greater responsibility for advising their customers. Today's intermediary has to be an expert business consultant, a risk surveyor, a business adviser, a customer champion and even compliance specialist – to name but a few!

As a broker-focused short-term insurer we sell our products almost exclusively through intermediaries, and we actively promote the expertise and services they provide.

When a customer is given great advice, matched to the right cover at the right price, and the broker is there for them at both policy inception and claim, there will likely be no nasty surprises. That leads to happy, loyal customers, increased retention, and a sustainable business to the benefit of customer, broker and insurer. All of this is contingent on brokers being the best they can be, and insurers taking the responsibility to support brokers in being just that. What's good for brokers is good for us; our future fortunes are intertwined. **However, there are a few challenges on our doorstep that we will need to consider as we walk this journey together.**

User Experience: Digital technologies have evolved. Insurers and brokers need to find new ways to optimise processes, reduce costs and most importantly connect with our customers.

Technology has enabled a world of extreme customised and on-demand experiences. Insurers and brokers alike must harness this technology to deliver the customer experience our digitally discerning customers are coming to expect.

Direct Distribution: Direct insurance has long been touted as a disruptor of the intermediated insurance model, especially when it comes to Personal Lines insurance. Hollard Insure and our brokers responded to this challenge when we enabled brokers to underwrite business on our behalf in line with the Binder Regulations and under supervision.

The result was to essentially create a direct insurance model, giving customers the best of both worlds – the opportunity to benefit from broker advice, experience and access to multiple insurers, as well as the opportunity to get an update on a policy or claim without having to join an insurer's call centre queue. With many direct insurers now entering commercial lines of insurance, Hollard Insure and our brokers are replicating this model with success.

Emerging Risks: Climate change, business dependence on technology and an increasingly litigious society, to name a few, are trends being observed globally. Certain of these challenges create opportunity.

There is tremendous potential for insurance brokers in the area of emerging and specialist risks arising from these challenges. Training offered by insurers such as Hollard Insure in specialist and emerging risks could become invaluable to brokers as customers in other, more traditional, segments of insurance may feel more empowered to handle placement of standardised risks themselves.

Analytics: Technology can now provide personalised offers for standardised risks. Artificial intelligence (AI) is a reality as we enter the 5(yes, 5!) industrial revolution. Concerningly, much is written on broker versus AI when it comes to insurance intermediation. We believe the narrative will rather be one of broker embraces AI rather than broker vs AI. Digital interventions such as AI and automation can provide scale and efficiency.

Insurance brokers can leverage technology to evolve and capture their experience as on-the-ground experts to a hybrid story of physical and digital to provide speed, accuracy and convenience to their customers. Being able to capture, albeit to a limited extent, a broker's experience through technology to complement a face-to-face understanding will see brokers become the most crucial cog in the hybrid story of human and artificial intelligence in insurance.

Our relationships with our broker partners is a two-way street, and we look forward to walking this journey with them. We also listen carefully to our brokers. In our recent Broker Survey, brokers tell us in no uncertain terms what we're getting right and what we could improve upon.

For example, in the survey brokers acknowledged high satisfaction with our products, but added that we needed to be more flexible to cater for the unique complexities of each customer's business.

In other words, brokers recommend we move away from our "one-size-fits-all" approach and be more specialist and they should know, because nobody understands customers as well as they do.

INNOVATION IN AFRICA

"Africa is popular and trendy now. It seems that venture capital firms have cottoned on to the unbanked population in Africa"

- Dominique Collett

DANIEL GUASCO

CEO / Founder, Click2Sure

MORE INVESTMENT HAS ENTERED THE MARKET

A requirement to survive as a disruptor or challenger in the fintech space is capital. The right team with the right business idea can only succeed with a business model which shows rapid scale and sustainability and when trying to challenge large and established incumbents with deep pockets this is not easily possible without funding.

As both a partner and investor at Team Africa Ventures which, since 2010, has made a number of early-stage technology investments and currently CEO and Founder of one of those investments, Click2Sure, the last few years has seen the rapid growth of capital typically in the form of VC funding coming from global entities but also more established corporate venture funds into the local market. 2021 saw an all-time high of over $4 billion being invested into technology startups with the bulk being made in the fintech space.

As a South African based entity, the complexities have been substantial when trying to raise capital from international partners. While investment from local partners has also been possible this has historically been limited although that has changed as more investment has entered the market and the thesis has played out. An established global VC has many options when looking to deploy cash in more established larger markets so historically convincing investors have been a real challenge specifically when they have not made prior investments and so the market is unknown. Click2Sure has raised a substantial amount of its capital from international investors to date. It has not always been easy to achieve but the benefit has been typically more competitive terms and a team with substantial global experience, knowledge and network.

As the momentum has built aligned to the traction and growth the local market has seen in technology-enabled startups so has the capital and success stories. The momentum that has built over the last few years will only grow further as relative to more established markets and the size of the opportunity in Africa current levels of investment will only get stronger.

There is no doubt that 2022 will see further growth in the sector with more international funds entering the market and local startups being the beneficiary of this capital. In turn, so will there be many more success stories in the local market. There has never been a better time to be building successful businesses in the technology space in Africa.

DOMINIQUE COLLETT

a senior investment executive at Rand Merchant Investments and the head of AlphaCode

> Fintech has gone mainstream and is no longer a niche sector. There are now over 26,000 fintech companies globally that employ half a billion people.

FINTECH REVIEW & PREDICTIONS FOR 2022

Fintech has gone mainstream and is no longer a niche sector. There are now over 26,000 fintech companies globally that employ half a billion people. The pandemic has changed consumer behaviour substantially, with 30% of banking consumers now using app banking and 64% of consumers using one or more fintech platforms. The future of fintech looks promising considering the maturity and funding of the sector. It is quite extraordinary how quickly consumers have adopted fintech; 96% of global consumers are aware of at least one fintech service or company, taking it from a niche sector to becoming mainstream.

Highest Funding on Record

Over the past year, the second and third quarters have become the best funding quarters on record with $31 billion in the third quarter alone. A couple of years ago, $31 billion was funding for a full year! During the third quarter, another 43 fintech unicorns were created, getting us to 206 globally. At the end of 2020 there were 104, which means we have more than doubled the number of fintech unicorns globally. Mega-rounds saw Revolut raising $800m and Chime $760m.

Mergers and acquisitions (M&A) are still the primary way to exit fintech investments rather than initial public offerings (IPO) or special purpose acquisition companies (SPAC). More than 95% of fintechs still exit via M&A and these are largely payments companies, such as PayU, Visa and Mastercard.

Fintech in Africa

African fintech was one of the big stories of 2021, with the amount of funding for African fintech increasing to $2 billion compared to half a billion in 2020.

There have now also been mega-rounds locally with Enterse-kt, Jumo, Yoco and Ozow raising significant funding from offshore investors. On the continent, Flutterwave and MFS Africa raised hundreds of millions of dollars from big US investors.

South Africa is important and its fintech sector is hot because these companies are all based here, especially if they have meaningful operations and potential outside of SA. A SPAC, Newcourt Acquisition Corp, was listed on the NASDAQ by South African executives Michael Jordaan and Marc Balkin. It was massively oversubscribed and closed at $250m. The SPAC concentrates on emerging market fintech, with a big focus on Africa.

Investment Race

Africa is popular and trendy now. It seems that venture capital firms have cottoned on to the unbanked population in Africa. lot of money was raised with emerging market mandates and these funds have to be deployed soon.

We are seeing extraordinary evaluations for fintech businesses and I suspect a lot of it is fuelled by the sky-high valuations for fintech globally. Money needs to be deployed in Africa and the market is not that mature.

In reality, there are not that many assets so it's started a bidding war.

Environmental Focus

Covid has also accelerated the adoption of digital financial processes. We will likely have another year of really aggressive venture capital funding and fintech growth. The theme post-Covid following the COP Summit is "building back better" with an increased focus on environmental, social and governance (ESG) practices. This plays directly into fintech and opens up a lot of opportunities, such as parametric insurance.

Parametric insurance, often based on smart contracts, pays out automatically when the insured event happens, reducing the lead time of the claims process. For example, if there was a flood and your flood sensors picked it up, your parametric insurance policy would payout instantly. The massive impact of climate change opens the way for interesting startups to innovate.

Wellness

Wellness is another big theme as Covid has shone a spotlight on physical wellness and the management of chronic diseases, as well as mental wellness. Vitality has always been the leader in this space encouraging people to change their behaviour and now there are many startups from insurance and banking, such as Paceline in the US, Sweatcoin in Europe and Betterfly in Latin America.

Rise of Mobile Network Operators

Mobile network operators (MNOs) will also be trending in 2022 alongside Vodacom and MTN. This year, Vodacom aggressively promoted Vodapay, while MTN and Vodacom plan to list their fintech units separately.

I think 2022 could be the year when MNOs go mainstream from a mobile money point of view. There will always be a challenge here in SA because we have such a competitive banking sector. However, the fact that MTN in Nigeria obtained a mobile money licence is going to be a game-changer, giving MNOs the opportunity to dominate the payment space across Africa.

Buy Now, Pay Later

Buy Now, Pay Later (BNPL) will also be a big theme in 2022 because it is a great value proposition for customers: they do not have to enter credit card details online if they are worried about fraud and this payment solution charges no interest. It is also great for merchants because it will enable them to increase their e-commerce presence, especially in a post-Covid world.

It will be interesting to see how aggressively businesses will focus on getting into that space.

I am not sure if the Payflexes and the Klarnas are going to maintain their stronghold in their core markets.

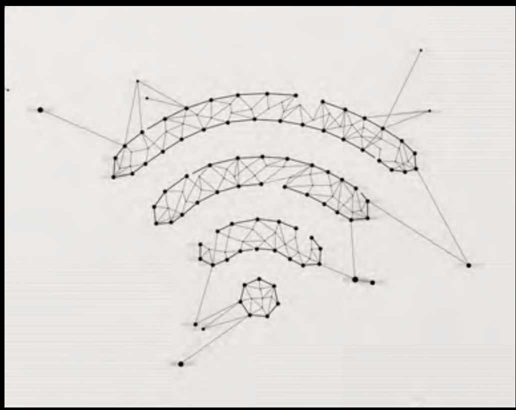
I think they may be taken over by businesses like Flutterwave in the rest of Africa.

Niche Challenger Banks

Niche challenger banks will also attract greater interest in 2022. A few years ago, it was all about the challenger banks, such as Monzo and Revolut, which offered a better user experience.

Many banks have now caught up in terms of user experience and now the focus is on niche banks, such as Daylight in the US and Pride in Brazil, which focus on the LGBTQI community and Monese in the UK that focuses on migrant communities. In Africa, there are players such as Kuda focusing on the unbanked.

I believe we will see a shift away from launching a digital bank to finding a niche consumer base to grow.



The Internet of Things

The Internet of Things (IoT) will also become mainstream in 2022. We might be reaching a bit of a tipping point around telematics. Locally every insurance company offers a telematics programme and customers are more willing to engage with it.

People are getting more comfortable with the idea of using devices that gather data and automatically push messages to their financial services providers. When it goes mainstream, it will give rise to all sorts of new businesses.

Cryptocurrency

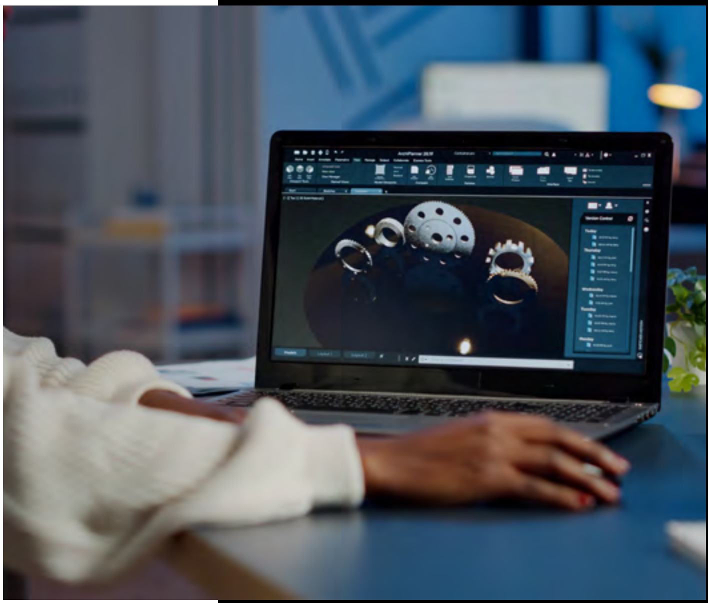
Every year I predict that it's going to be the year for crypto even though prices have recently taken a tumble. [Luno](http://www.luno.com/)'s logo now dominates the Cape Town skyline along with the logos of the other big four banks. AlphaCode was an early investor in Luno and it was our first exit when Luno sold to DCG. The platform has flourished with more than 9 million customers in 40 countries.

AFRICAN INNOVATION AND INVESTMENT

Africa is an exciting market and, despite the challenges, deserves the moniker of Africa Rising which was coined in the early 2000s. However, until pretty recently, Africa fintech and inclusive insurance, has struggled to attract the type of investment seen in developed countries. During my consulting days at BFA Global I completed a study in 2014 on investors in inclusive insurance for the Micro Insurance Network. This was before the current fintech and now 'embedded finance' hype curves and it showed limited investment activity in inclusive insurance except for a few brave impact related investors.

JEREMY LEACH

Founder and Chief Executive Officer at Inclusivity Solutions



When we secured a Series A round in 2019, I was hopeful that with my established network from my work with investors and with the increased interest in Fintech / Insurtech and financial inclusion that identifying investors would be, if not easy, relatively smooth. Little did I know.

Thankfully we were incredibly successful, and some serious investors joined our anchor investor RGAX including international impact investor, Goodwell Investments, alongside Umkhathi Wethu (in association with Allan Gray) and Pan African fintech, MFS Africa.

Some of the Lessons from this Time Include:

Networks Are Critical: 'We only engage with those referred to us by trusted parties'*. This disclaimer was even written on some of the venture capital (VC) websites amazingly and when a VC did respond, often as much they said the same thing. So what I found was that one's Linkedin network was only good insomuch as you had people who could introduce you to investors. So building up a network is critical.

Location Counts: We are an African fintech representing 11 nationalities across 7 countries and partnering with some of the biggest brands on the continent. However, our HQ is South Africa which, whilst cost effective and reflects our base, is seen as problematic for many investors due to the painful foreign exchange and IP rules. It also appears to suffer from the 'African discount' where investments are often lower or at higher cost than in developed countries. It is notable that a number of fintechs have since set up entities in the US and Europe for the sake of fundraising, which has helped secure astronomical levels of investment.

Always Overestimate the Time to Raise: multiple articles talk about the time it takes to fundraise. Listen to them. In our case in 2019, it took 12 months to secure investors from a pipeline of 90+ investors and then 6 months to finalise the deal, partly due to the Christmas silly season. And we did well compared with many others, although a few outliers claim 3-6 months is sufficient.

Ever since 2019 there has been a significant increase in funding and new ecosystems being set up in African countries that were just not present when we were established in 2015. This bodes well for the next round of innovators seeking funding as well as those investors looking for high growth funding opportunities. Africa Rising indeed.

INTERNATIONAL INVESTORS STARTING TO SEE AFRICA AS A HOTBED OF INNOVATION

SUMARIE GREYBE

co-founder of Naked Insurance

> Now more than ever, in this process of recovery, event organisers, sponsors and venues can't afford the risks of not having special events cover in place, the industry and the livelihoods it sustains depends on it.

For years, startups in South Africa and the rest of Africa have struggled to raise capital, whether that's through angel funding, venture capital or bank loans. We are seeing signs that this picture is changing fast with international funds and local investors alike allocating more capital to technology startups that focus on providing innovative solutions to financial exclusion and economic inequality. Fintech investment especially, is growing in South Africa and the rest of Africa, with the sector attracting a record $3 billion in investment in 2021. To provide some context, global fintech investment hit $91.5 billion last year.

Much of that investment is going to companies that focus on financial inclusion and innovative payments solutions. The insurtech sector is still small, but we can expect to see it starting to take off, too.

Venture capital funds and other private sector investors like Naspers Foundry are embracing the imperative of 'profit with a purpose'. Just like government lenders and multilateral institutions like the IFC, they are investing for social impact. The likes of TymeBank and Yoco, for instance, have attracted funding partly because investors are attracted to their mandate of providing access to financial products to unserved and underserved markets.

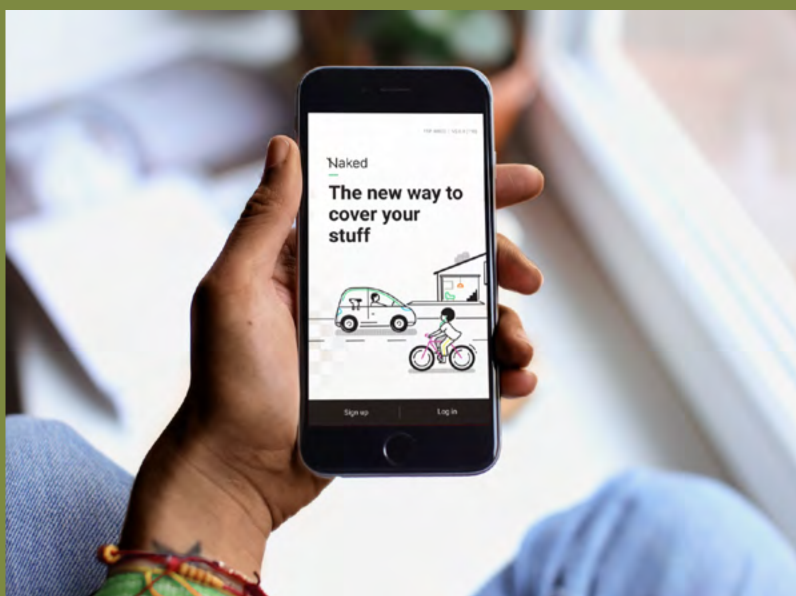
It is also encouraging to see the growing international interest in Africa's technology startup scene. For investors, Africa is a compelling market because there is still so much scope for growth. There are hundreds of millions of people without access to basic financial products, representing a great opportunity for American and European investors to diversify their portfolios and access significant revenues. Having seen how many parts of Africa leapfrogged richer countries with mobile money and cellular telephony adoption, investors see the continent as a source of future innovation. In Africa, we are forced to innovate to improve affordability and accessibility, which leads to the development of breakthrough business models and products that can be applied throughout the world.

Thus, Africa is a market that is hard to ignore, even if there are some concerns that a bubble is forming and that some capital will be withdrawn from the market as interest rates rise.

South Africa is one of the more attractive markers on the continent for international investors because we have a well-developed technology industry, solid telecoms infrastructure and the proven capability to deliver high quality offerings.

It's key for our technology startups to learn from the best practices of international investors and harness their funding, but it's also important to build local ownership and take advantage of export opportunities.

My co-founders, Alex Thomson and Ernest North, and I had all spent many years in the short-term insurance industry before founding Naked. We were fortunate that people and companies we worked with in the past believed in our vision and our ability to execute, so we were fortunate to secure funding in the early stages of the business. My advice to other founders who want to raise funding is to develop a clear pitch and business plan that outlines the problem you are solving, how you are solving it and how big the market opportunity is. Then, find people who believe in your vision.



VENTURE CAPITAL FUNDING IN AFRICA AS A CATALYST FOR INNOVATION

Fund raising is one of the hardest undertakings that entrepreneurs have to grapple with, especially in the early stages of their journey. One of the major reasons why raising funding is such a painstaking process is because of the scarcity of Venture Capital in Africa to support start up and early stage entrepreneurial ventures.

Whilst we have seen the emergence of a number of VC funds on the continent in countries such as South Africa, Kenya, Nigeria, Egypt and Morocco, the pool of potential investors remains limited when compared to much larger and well developed VC markets in North America, Europe and Asia.

Further to the limited but growing pool of VCs in Africa, there has also been limited high profile exits that would naturally encourage and increase interest and appetite for these types of investments. So for these reasons, African VC capacity and appetite to write big cheques is still limited, despite ever increasing entrepreneurial activity and great ideas and innovations emerging out of the continent, that deserve funding.

ISAAC CHINDOTANA
Portfolio manager at Lireas

As a Venture Capital player in the South African market with a specific focus on Insurtechs, Lireas Holdings has made Seed and Series A Investments into 8 Insurtech startups in the last 5 years. We have indeed been on a journey of exploration and learning together with our family of entrepreneurs as well as local and international co-investors in our portfolio companies. Compared to 5 years ago and despite what is noted above, we are observing increasing appetite to invest in local and international tech businesses by Corporate Venture Capital firms (CVCs) and Enterprise Development Funds (EDFs) of large corporates in conjunction with independent VCs and in some cases international investors as well. In the last +/-3 years, International Investors from the US, Europe and parts of Asia are increasingly taking note of smart innovations that are coming out of Africa, some of the unicorns that have emerged from the continent as well as the vast potential of the continent with respect to a large and growing consumer population, smart ideas emerging out of the continent. In some cases, these ideas develop into solutions to problems which entrepreneurs exploit and tap into the massive commercial and export potential that these African grown solutions and innovations present. Two of our portfolio companies Inqaku and Lumkani are perfect examples of such phenomenon.

Africa's diverse tech scene has been one of the fastest growing in the world this last decade albeit off a low base. The increasing interest from international investors is a great development for African entrepreneurs and the African VC community as a whole since it stimulates and spurs investment, as entrepreneurs and VCs are more encouraged to take the investment risk with the confidence of better prospects for follow-on rounds, potentially larger ticket sizes and additional value of international investors opening doors with other investors, markets and potential trading partners.

So Yes! The outlook for African Venture Capital is indeed a positive one and very for exciting for entrepreneurs and investors globally.

AFRICAN INNOVATION & FUNDING

Funding for startups on the African continent has been very fragmented due to lack of access for early-stage ventures, with large amounts of capital available only for a few ventures that get to Series A and beyond. The funding gap between Seed stage and Series A startups results in several founders with great potential having to close shop due to insufficient funds. Another key driver to the low number of startups getting to Series A level funding, is the lack of support founders receive, that is require alongside capital injections.

VUYANI TATI

Portfolio Manager/Finance Lead at Startupbootcamp AfriTech

Most companies don't get access to markets and sound strategic advice during their beginning stage because the funders in the ecosystem come from established industries and thus don't know how to best advise early-stage businesses. The same can be said for the angel investor network –very few have founded businesses before.

With a mixed response and acknowledgment from investors outside of the African ecosystem on the Africa rising story, the perceived risk of investing into the continent is still very high. This perceived risk is even higher for early-stage businesses.

The number of investors that do invest end up investing on terms that are more detrimental to the growth of the African ecosystem and founders.

Ecosystem players like ourselves are working hard to try and educate investors on the potential of the continent and coming up with innovative ways to try and de-risk the investment opportunities for them. Africa has a unique set of challenges that can be solved best by founders who come from those communities. Some of the innovative solutions we come across from founders continue to blow us away and serve as a source of inspiration to provide as much support to the founders as possible, and to grow with them.

Startupbootcamp AfriTech remains very excited for the future of Africa and the number of innovative ways our people will continue to solve problems.

Through accelerator programmes like the Telecel African Startup Initiative Programme, we encourage more founders to start solving real problems in ways that can also be exported to other parts of the world. This will help lift countless numbers of people up from poverty in a more sustainable manner than just relying on aid from institutions that continue to see them as helpless.

MONEY OR PARTNERSHIP
CHANGE OR EXPERTISE

> For us, it was all about finding the right partner who bought into us and our strategy and could bring expertise to the table and not just money.

Taking the plunge and starting your own business whether alone or with a bunch of friends who share your vision is one of the biggest decisions anyone can make. It's stressful and there are never enough hours in the day. You think you have an amazing business plan, but the industry or economy changes and you find yourself having to make a U-turn or ripping it up and starting again. But with hard work, a bit of luck, a lot of sweat and probably some tears along the way, the stars align and your business takes off. Your marketing efforts pay off, people are taking notice and you're creating quite a bit of noise across your industry sector.

It's at this point that you face the next massive decision – do you keep going it alone or do you need to attract more funds to take your business to the next level. When you and your team have put in the effort, it can be hard to let go of even a little chunk of your business but the simple truth is that in order to scale up, you inevitably need to get fresh capital and this means allowing outsiders in.

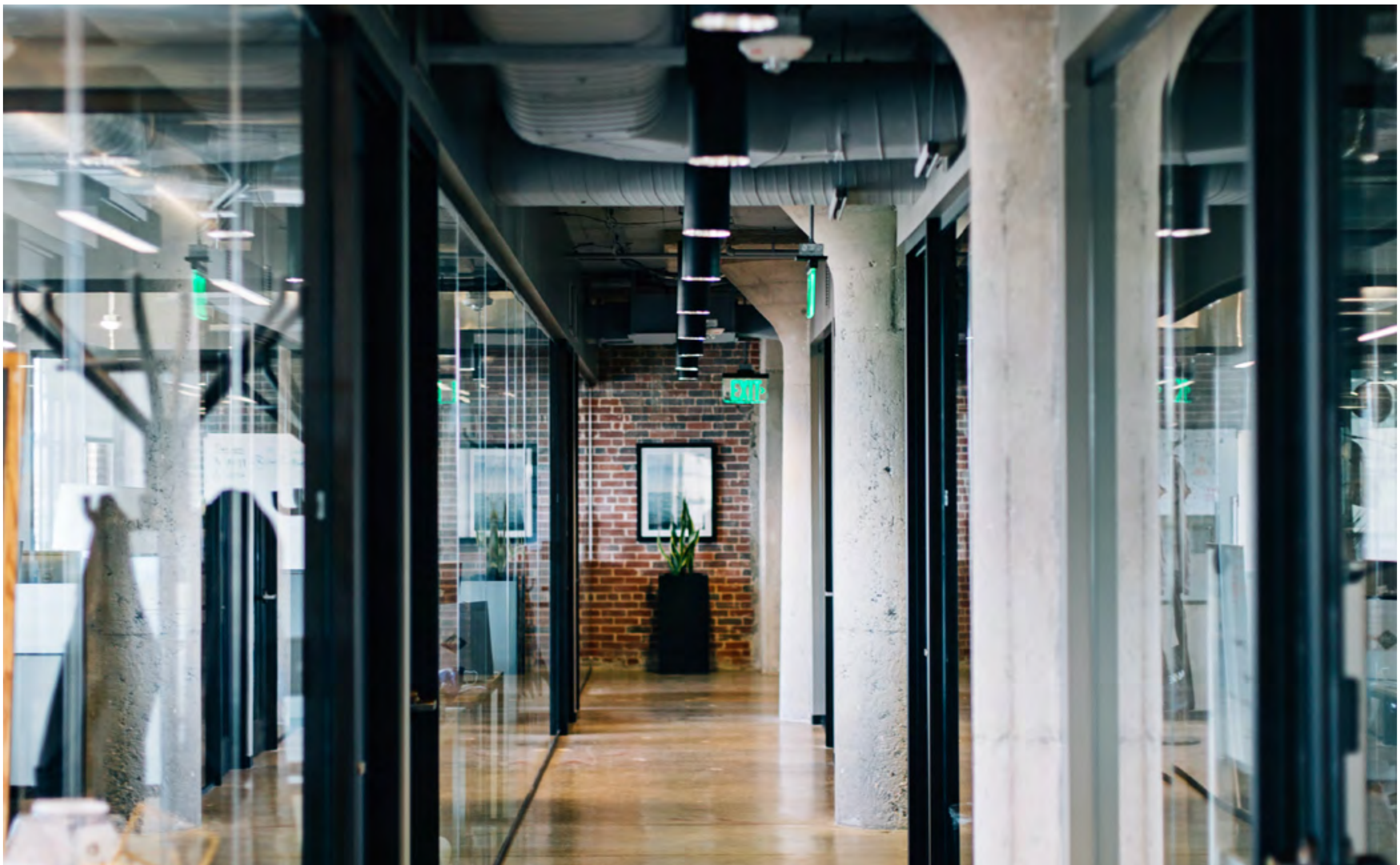
At Genasys, we were very fortunate in that we had achieved a tremendous amount of growth in our home market organically and had been able to remain self-funded for a number of years – constantly reinvesting profits back into the business to facilitate new tech and product development. So it took us perhaps a little longer than other start-ups to reach the point where we felt we needed to get an external investor on board.

Because we had over 20 years of successful growth to point investors toward, we didn't find it hard to set up conversations with potential partners with a whole range of different investment models. But again and again, we found ourselves answering the same questions like: 'What is your CAC:LTV Ratio? How is it going to change over the next couple of years? What are you going to do about driving down costs and increasing sales in various areas?' And then one scale-up investor came along and didn't ask any of these questions. Instead, they asked, 'What are you doing and why is it working?' They were genuinely interested in our story and become a part of our journey, not by changing things, but by helping us to push and pull the right levers to help accelerate us along the road. The conversation more or less started from a business planning point of view and then worked its way into an investment conversation unlike the approach of the majority of CV and other PE firms.

For us, it was all about finding the right partner who bought into us and our strategy and could bring expertise to the table and not just money. And in my opinion, the most crucial thing for any business that decides to go down the PE investment route is to be clear about what is the most important thing to them money or partnership, change or expertise.

ACCELERATING AFRICAN STARTUPS

TELECEL GROUP AFRICAN STARTUP INITIATIVE PROGRAM HAS CONTRIBUTED OVER R15 MILLION TO AFRICAN STARTUPS IN THE LAST 24-MONTHS



Africa's brightest minds are solving some of the continent's most challenging problems, with 2021 being a year of recognition for African startups, being noticed and invested in on the global stage. The number of startups with Africa as their home base is also increasing. An estimated 500 fintech startups are headquartered in Africa alone, showing a growth rate of more than 17% over two years. Most startups are focused on Fintech (62%), and this sector has captured the largest share of funding on the continent. Almost two-thirds of the total funding into technology companies in Africa went to Fintech startups. But while the interest in African startups grows, work still needs to be done to upskill entrepreneurs especially with the failure for startups on the continent standing at around 50%. This is because they face challenges such as a lack of access to funding, mentoring and markets.

Addressing these challenges is the work of Telecel Group Africa Startup Initiative Program powered by Startupbootcamp AfriTech, the most experienced, pan-African and multi-corporate-backed tech accelerator that specializes in unlocking and growing tech opportunities for early-stage startups. The Accelerator Program has prepared numerous entrepreneurs to win their first clients through mentorship and developing pilot projects, as well as providing access to investment. They do this with the help of partners like Amazon, The DER/FJ in Senegal, and Google.

The last 24-months saw Telecel Group ASIP powered by SBC Afritech launch the inaugural Africa Startup Initiative Program Accelerator, which has contributed over R15 million to the growth of African startups in AgriTech, Supply Chain, IoT and Connectivity, Machine Learning (Data Analytics), Cybersecurity, CleanTech, and RegTech sectors.

Most startups are focused on Fintech (62%), and this sector has captured the largest share of funding on the continent. Almost two-thirds of the total funding into technology companies in Africa went to Fintech startups.

The program scales early-stage startups through intensive coaching and opportunities for pilots and Proof of Concept projects that open the doors for longer-term commercial agreements. With nearly 2300 applicants vying for one of ten positions in the three-month accelerator, a strict and competitive selection process is in place.

ASIP cohort II was highly successful with a total of 2,295 entries after which finalists from various African countries will go on to pitch at Final Selection Days in Dakar, Senegal.

The Telecel Group ASIP Accelerator team held one-day FastTrack pitching events where they select 10 innovative startups in 6 countries across Africa. Startups have the opportunity to receive mentor feedback, network with corporates, and learn more about the ASIP Accelerator Program at the FastTrack events.

At a press conference held at the FastTrack event in Ghana earlier this month, the Telecel Mobile CEO Malek Atrissi reinforced the company's commitment to identifying and empowering African tech talent, "Since we started this program, the number of startups applying and the problems that they are solving are immense - we believe that many of these startups will be playing vital roles in the growth of the continent."

Attending the event in Ghana, Executive Deputy of Telecel Group and ASIP Program Director, Eleanor Azar stated, "the tremendous response and the large number of promising Ghanaian startups that participated were impressive, we will be coming back to Accra soon, it is an opportunity not to be missed" The results of the ASIP Accelerator are undeniable: 88% of the startups in the program are still operating and scaling at impressive rates, and half are self-sustaining on commercial contracts.

This year's participating entrepreneurs will be housed in Senegal at the DER/FJ campus. DER/FJ is a youth and women empowerment structure that offers startups public-sector knowledge and support, which presents an opportunity to scale their impact further.
For more information, Click here.

WIMPIE VAN DER MERWE

CEO of Global Choices

FUNDING INNOVATION & START-UPS

Innovative ideas and business models are the foundations of a promising start up. Still, you will also need a steady flow of funds, especially in the early days, to turn those ideas into reality. Funding is crucial for improving and developing innovative technology, hiring the right people, and launching a comprehensive marketing strategy to promote your solutions and to get traction to gain the critical mass to be sustainability. However, sourcing enough money to start your new venture is always a challenge and can be costly.

From online virtual stores, app's to SaaS (software as a service) products, start-ups are popping up in virtually every field around the world, despite the risks. As an entrepreneur, I faced several challenges seeking the funds or using my own funds, in part because you'll have to convince others that your idea is a solid investment. Over time, after many opportunities, challenges, and mistakes I developed this framework for me.

The Significance of Creating a Scalable Business Model

Whether you are hoping to expand an innovative business opportunity with a loan or going for a round of venture capital, make sure you have a scalable business model. Investors want to fund only scalable or ready to scale businesses. Your business model must demonstrate the potential to increase the revenue with minimal expenditure in the coming months or years. Your business idea alone needs to be scalable. This means being able to increase your profits without increasing costs at an equal or a higher rate. The business idea should be unique, but if it is not scalable, it is probable to be investable. A scalable business models normally have higher profit margins and lower infrastructure development and marketing investment. When the business is expanding, your business model needs always to be aligned with the company's core offerings. Timelines of business goals and defined milestones are very important, if your business model is likely to result in the overextension of time, money, and resources, funders will be hesitant to commit. A complete and scalable business plan with realistic financial forecasts is the core and your guideline for your innovative idea to become a reality.

Do you Share the Same Values in What you are Investing in?

I go beyond chasing success. I dig deeper before I fully invest as a shareholder in a business, but in my earlier naïve days I made mistakes not applying this and in hindsight it always came back and create losses. I value partnerships and I must share the same value system as the business founders or partners I invest with. Innovative ideas always require traditional values and empathy.

Airbnb, Uber, and Netflix disrupted the industries that they now dominate. Regulation is disrupting our industry by restricting some businesses and making compliance more onerous.

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INVESTMENT & FINANCIAL PLANNING

You will always have to be on top of technical matters to ensure that you select an appropriate solution for your client.

- Guy Holwill, Fairbairn Consult

SIMPLIFYING RETIREMENT PLANNING FOR THE SANDWICH GENERATION

Findings from the Old Mutual Savings and Investment Monitor 2021, show that a third of those surveyed have no formal retirement products. However, just as there is no better time to plant a tree than today, it's never too late to help your clients put retirement provisions in place.

The OMSIM 2021 report tells us as many as 56% of South African consumers are experiencing overwhelming financial stress. In addition, 43% of survey respondents now fall in the sandwich generation, where they are financially supporting their immediate family as well as adult dependants, and extended family members.

LIZL BUDHRAM
Head of Advice at Old Mutual Personal Finance

Key for the sandwich generation is finding the balance between meeting their financial responsibility for others with the need to successfully save and plan for their own retirement. This is the only way to break the sandwich generation cycle so that the next generation will experience less financial pressure.

Financial Advisers Can Help Clients by:

- Helping them draw up a realistic budget and a plan to reduce debt so that they have funds available for saving.
- Using proper needs analysis tools that take affordability into account.
- Facilitating a retirement savings plan that the client understands and is committed to, so that they can be less financially dependent on their children in retirement.

Sometimes, there may not be sufficient funds available to make regular, monthly contributions towards a retirement savings product. The financial adviser can help by pointing the client towards making lump sum deposits into retirement savings plans, where possible. These lump sums could include unexpected windfalls such as performance bonuses or even tax refunds.

Speaking of taxes, your clients should be made aware of the tax benefits around retirement annuities. Contributions are tax deductible up to a maximum of 27.5% of your remuneration or taxable income or R350 000, whichever is higher. For example, if the client earns R500 000 a year and contributes R50 000 to a retirement annuity, they are effectively only taxed on R450 000.
In an environment where the economy is uncertain and job losses are rife, it is also vital to talk to your clients about their choices when they change jobs or leave an employer. They have the option to preserve their savings, either within the current company's retirement fund or by transferring it tax-free to their new employer's retirement fund or a preservation fund or retirement annuity fund. Unfortunately, many members cash out their full benefit, because they are unaware that there is the option to take a portion as cash and preserve the remainder, with the opportunity of one more – full or partial – withdrawal before retirement age.

The move towards poly-jobs or more than one source of income has also become far more common. Where multiple incomes were once confined to owning a second property and renting it out, people are now increasingly turning to their hobbies and skills to find ways to increase their income. Many clients are hesitant to tie up money in savings products or to commit to regular payments when they are worried about their financial stability. Planning for any unexpected outcomes means taking advantage of flexible options such as:

- Premium protection, which covers their premiums if they are disabled and unable to continue working.
- Retrenchment cover – that pays out a set amount if they are retrenched.
- The ability to reduce or pause premiums for a set period to help them recover their financial footing, at which point they can resume the full premium payments. This ensures that savings or cover can continue with minimal disruption.

Talking about big numbers required for retirement savings tends to terrify consumers into inaction or a sense of hopelessness. A financial adviser who adopts a practical approach based on affordability is far more likely to guide his client gently into successful retirement planning.

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Instead of looking back on 2021, we're looking forward to 2022. But this year, rather than resolutions, let's focus on our goals. Our goal remains to be your valued partner. We can't predict the future, but know that future goals cannot be achieved by relying on past benchmarks. We can provide you with investment services and solutions, so you can focus on what is important to you and your clients – providing them with informed and thoughtful advice to keep them on track to achieving their personal financial goals. **Because with us, investing is personal.**

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ANET AHERN

CEO, PSG Asset Management

INVESTMENT LESSONS TO TAKE US INTO 2022

It's quite sobering to realise we are about to enter the third year of the Covid-19 pandemic. As we bid farewell to one year and look forward to the arrival of the next, it's worth reflecting on some of the lessons we have learned from the pandemic.

The Importance of Good Housekeeping

In the early days of the pandemic, decluttering our living spaces became quite the rage, and it may have inspired some changes in how we organise our homes. But good housekeeping is important in our investment portfolios too. There is a difference between investing for the long-term, and letting a buy-and-hold strategy run amok with the risks in your portfolio.

Remember that market movements will skew the allocation of assets in your portfolio, and you need to actively review these from time to time to ensure you have not inadvertently taken on excessive, or insufficient, risk in your portfolio.

Manage Your Risks

Washing your hands, wearing a mask, sanitising, social distancing, opting for outdoor seating, and vaccinating. Over the course of the past two years, we have all become experts in managing our personal risks. For investors, understanding the risks in markets have always been important, but even more so during pandemic times, when bifurcated markets have meant that some parts of the markets are very expensive while others are very cheap. We have always argued the price you pay for an asset is a key determinant of the long-term outcomes you can expect to achieve, and in the current environment, it is important to ensure you are not over exposed to some of the very popular assets investors have been chasing, and whose performance may disappoint in the future due to their inflated valuations.

Expect the Unexpected

While life has always been uncertain, the pandemic has highlighted how rapidly our plans can go awry.

From shifting holidays to revised travel plans, we have certainly learned to roll with the punches over the past two years. Having contingency plans in place has become second nature. Similarly, investors should be aware of the dangers of betting on a single strategy or outcome. Diversification remains the best line of defence to ensure you remain on track to achieve your long-term investment goals.

Manage Emotions for Better Outcomes

Having your plans change at the last minute can be upsetting, but often, it is our response to situations that ultimately determine the outcome. During the pandemic many of us had to make the most of local travel, and were surprised by the gems our own country has to offer (at great prices too!).

Market volatility will come and go, but it is how we manage our responses to them that will ultimately determine the long-term investment outcomes we realise. Those who sold out during the market lows of March 2020 turned paper losses into real ones, and missed out on the spectacular rallies we have seen subsequently.

Technology is Great, but Sometimes we Need the Human Touch

We all became adept at Zoom, Skype and all forms of online collaboration. However, the great technological leap forward has also highlighted that there are some things that will always be better in person. These days, investors are better informed than ever and can manage their investments seamlessly. Yet there is no replacing the human touch of an adviser helping us to manage our emotions and take a longer-term view at the most difficult times. By helping us keep a cool head, we are able to make better decisions in the long run. Thank you for your continued support, and we wish all our investors a blessed festive season and prosperous new year.

CONSIDERATIONS WHEN CHANGING OUR MANAGER LINE-UP

As a multi-manager, we spend substantial resources on researching, screening, selecting and blending managers with complementary strengths into our fund range. But the process is ongoing and, on occasion, we carefully consider making a change to managers previously selected, particularly if it could enhance the return profile and improve the chances of achieving the desired outcome.

ANDRIETTE THERON

Head of research at PPS Investments

Our approach is to replace managers when we no longer think they are better than average. This means that above-averagespecialist managers should outperform their market benchmarks, while above-average multi-asset managers need to outperform their peers.

In manager selection, the first step is to identify the managers that would be suitable for inclusion by quantitative and qualitative assessments. This evaluates the organisation's structure, experience and expertise of the investment decision makers, the suitability of the investment approach and the consistency of performance aligned to their style over time.

The second step is to effectively combine these exceptional managers with the aim to blend the different styles that deliver outperformance at different times. It is therefore not unusual, and should be expected, that not all underlying funds will outperform over all short-term periods.

Key Pillars for Rating Managers

We employ an investment process that focuses on the internal rating of three qualitative pillars rather than only on the short-term performance. These pillars qualitatively assess whether managers are above average in terms of their organisational structure and stability; people and support; and their investment approach.

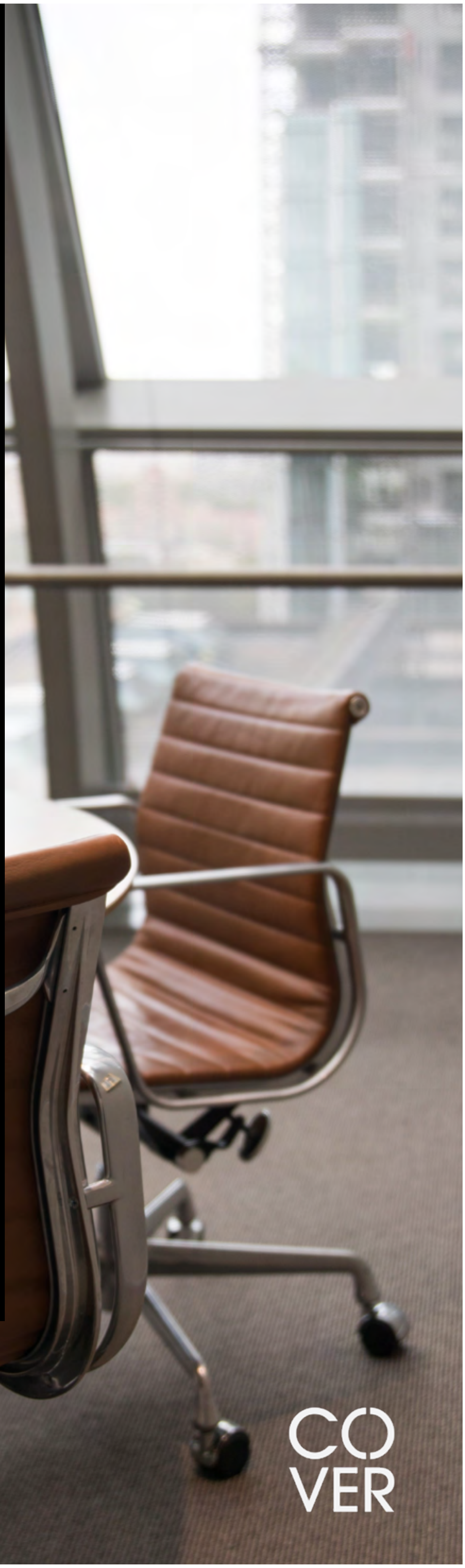
In the organisational structure and stability pillar, some of the areas that we focus on are misaligned incentives, lack of majority control, and inability to reach critical scale. This pillar also looks at whether the firm is managing its own evolution appropriately, or is ill-placed to succeed.

Material issues that could also concern us include key client concentration, lack of focus, and product proliferation. The people and support team pillar includes assessing the implications of staff turnover, and key-person dependency, but also diversity and inclusion and the extent to which the investment team culture can continue to generate new ideas.

A useful framing for this pillar (to assess whether it remains above average) is to ask how easy it would be for a competitor to replicate the team, and in what way the people and support pillar remains more than the sum of its parts.

Finally, investment approach is focused on our confidence that we have identified a manager's enduring edge that has been applied consistently. Managers that don't do what we expect of them, or arbitrarily change their approach, would get penalised in this regard.

We'd also be sceptical of approaches that are easy to replicate or don't appear to have significant barriers to entry.



Reviewing Ratings

As new information arises, we're astute enough to reconsider previously held views on managers and their ratings. But we follow a diligent process to ensure that we have carefully considered all the information at our disposal to make an informed decision.

Firstly, our process deliberately tries o protect us from downrating a manager simply because it is performing poorly, but rather draws our attention to whether we think the manager remains best in class. This is because, in responding to short-term underperformance, many of us terminate a manager at precisely the wrong time, to the detriment of future portfolio returns.

Secondly, we maintain a record of all our previous manager rating downgrades, which we can refer to, in framing how to approach our current decision. While it is important to view each case on its own merits and not default to uniformity simply for the sake of it, it is also important to have some consistency in how we rate managers.

At the very least, we should know why we are making an exception with a particular decision. For example, a surprising launch of a new strategy from a manager could lead to a rating downgrade, if we felt it would distract the investment team. However, this would not automatically result in a rating downgrade, and the materiality would be thoroughly discussed before reaching a decision. Regardless of the decision, careful documentation helps our process evolve over time and ensure the next decision would be framed even more comprehensively.

While the decision to replace a manager is often because the manager's process has degraded, rather than the manager has been left behind by its peers, it is also important to assess whether the manager has not moved with the times.

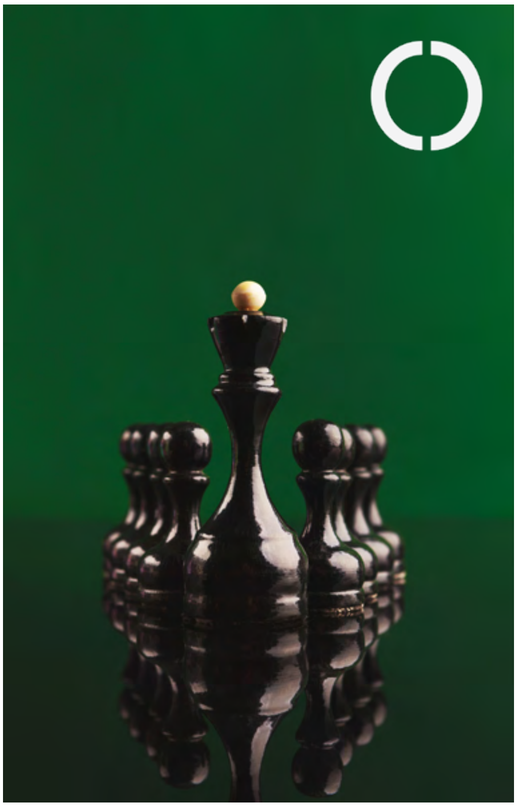
Again, there is a tension to the manager sticking to its investment process, and being agile to adapt to a changing environment, where necessary. Examples here include how the manager thinks about ESG or the return to the office in a post-COVID world. In both cases we would expect the manager to have thought deeply about these issues if it is to remain best in class.

In short, replacing a manager is seldom straightforward, and may be done at the wrong time. We remain open to learning from previous termination decisions that may have been wrong, as well as the material red flags that were ignored. Carefully documented learnings and institutional memory can help to inform future decisions.

Focusing on forward-looking risks and opportunities rather than backward-looking performance, and challenging the thinking that the manager is truly exceptional, is a helpful starting point in framing the decision.

The aim of manager selection is not to predict which managers are going to perform best in the immediate future, but to invest with a combination of managers that will deliver a competitive return regardless of the economic environment. This mindset ensures that all manager selection decisions are thoroughly analysed and continually reassessed with regular meetings with these managers.

Through our multi-manager philosophy and in-depth research, you gain access to the country's top asset managers combined into one solution. We blend an appropriate combination of investment styles and asset classes that are best suited to take advantage of opportunities at different times in the cycle, thereby offering optimal diversification in your portfolio.



FRANCOIS SCHAAP

Managing Executive at Guardrisk Life

WILL INSURERS & REINSURERS ASK FOR EMPLOYEE'S VACCINATION PROFILES AT EB RENEWALS?

With death claims soaring in the wake of the Covid-19 pandemic, employer and fund schemes offering employee benefits (EB) have not escaped unscathed and this is likely to affect pricing at renewal.

Current vaccine data shows that the higher the vaccine rate in a specified group, the lower the risk of serious illness and death and it makes sense that insurers and reinsurers will price accordingly.

With no end in sight for the pandemic, and yet another new variant of Covid identified in South Africa recently, Covid is going to be a challenge that insurers and reinsurers (and employer and fund schemes) are going to grapple with for the foreseeable future.

In terms of EB risks impacted by Covid, it is not inconceivable that insurers and reinsurers could start asking for employees' vaccination profiles; and those entities that are able to extract this type of risk mitigating information will reap the benefits because it will be used to determine exposures and pricing, and assess underwriting structures. One way that employers can mitigate price increases is to self-insure their EB schemes, which allows for EB programmes to be customized according to prevailing internal and external risks. During times of uncertainty and volatility such as Covid-19, self-insurance of benefits through a cell captive structure allows for EB programmes to be structured periodically with different protection covers being offered by professional life reinsurers to lay off some of the client's high exposures. Then, when normality returns to the market and the client's circumstances, the self-insurance component can be increased again.

There is a misconception that self-insurance means that the cell takes 100% of the risk for its own account. The degree of self-insurance depends entirely on the client's risk appetite, claims' experience and external market factors, of which Covid is one example. Most employers and funds may start their journey conservatively by taking minimal risk and then increase self-insurance levels as they get comfortable with the concept and as reserves grow. Reliable updated data lies at the heart of the cell captive model; the more data that is available regarding the risk profile and claims experience, the more accurately the risk can be priced. This determines self-insurance appetite and, when outsourced, often leads to lower rates.

YOUR GREATEST ASSET IS YOUR ABILITY TO EARN AN INCOME, PROTECT IT!

The “it won’t happen to me” mindset is human nature, but unfortunately the likelihood of being unable to work due to illness or injury is higher than one might think. And while becoming permanently disabled is less likely than having a temporary disability you recover from; this possibility should not be ignored given the devastating financial implications of no longer being able to earn.

Intermediaries can play a pivotal role in helping younger clients mitigate against this risk.Younger clients often believe that income protection is unnecessary until they are older, but this is not the case.

> Our 2020 claims statistics show that 46% of income protection claims came from individuals between 26 – 45 years and 1 in 5 claims were by people younger than 35. The single greatest financial risk a young person faces is the loss of their ability to earn an income.

Our 2020 claims statistics show that 46% of income protection claims came from individuals between 26 – 45 years and 1 in 5 claims were by people younger than 35. The single greatest financial risk a young person faces is the loss of their ability to earn an income. In the case of temporary disability, this is because they often don't have a sufficient buffer in place, and in the case of permanent disability, because there are so many prime earning years ahead.

Hope for the Best but Be Prepared for the Worst

Here are two real life case studies both Sanlam clients where having income protection made a massive difference. You may find these examples useful when discussing the need for income protection with your clients.

In November 2019, prior to lockdown and the normalisation of work-form-home, Dionne, a 36-year-old attorney, fell down a flight of stairs while five months pregnant, breaking her toes. This meant she couldn't work or drive. Her income protection payout proved invaluable, "Not only did I still have income, but I also had money available to take care of medical bills…

Losing my ability to look after my family financially, even for a temporary period, would have been really hard for us." She took the policy out at the urging of her financial adviser, early on in her legal career.

"It has definitely proven a worthwhile product to have." Miehleketo, a 35-year-old business analyst, had an operation and was hospitalised and unable to work for a month. That was incident number one. Later, he was injured while running and, again, unable to work. "*The payouts provided me with a fall-back plan, instead of needing to take out loans to fulfil my monthly obligations.*" Without income protection, he'd have had to use his 'rainy day' savings, or go into debt, if these didn't suffice.

Income Protection for Business Owners

Small business owners and entrepreneurs have been particularly vulnerable in recent times. The impact of being ill when you're a business owner can be immense, especially if operations must halt for a prolonged period. Any business interruption has consequences. But long-term disruption can be devastating.

Zelda Apollis, Operational Manager: Living Benefit Claims at Sanlam says, "We've seen a number of claims from small business owners who have been ill with Covid-19 or had other illnesses or injuries and have been out of action for a while. When we look at income protection claims as a whole and not only those linked to Covid-19, there are also the grave cases of owners who are rendered permanently disabled and unable to work.

This has huge implications for the business, its employees and the person's family as very few households are likely to have emergency funds to 'cover' a lost income for more than one or two months."

In conclusion, having income protection provides financial security when life throws unexpected curveballs. We are proud to work with our intermediary partners to empower younger clients to make the right choices now to protect their tomorrows.

COVER

> If there is one thing that this pandemic has done, it is to shine a spotlight on just how important it is to have some form of income protection in place.

LUSHAN ENOCH

Risk Specialist at Sanlam

INCOME PROTECTION: THE TIME IS NOW

Lushan Enoch, Sanlam risk specialist, talks to COVER about the importance of having an Income protection policy.

Tony: Income protection, especially over the last few years, has really come to the fore, with many people realising how important it is to have it for those periods when you can't do the work that generates your income. What has been Sanlam's experience with this over the past few years?

Lushan: If there is one thing that this pandemic has done, it is to shine a spotlight on just how important it is to have some form of income protection in place. Since the start of this pandemic, we have seen a large increase in claims, particularly in the medical sector and health services professions. And, of course, that spilled over into really the entire book over the last two years. Just to try and quantify that a bit, if we look at January to December 2020, we paid R29.25 million in sickness claims for being booked off from work due to Covid-19 alone.

Tony: In other words, the experience has been quite different from the past, which means people have benefited from the fact that they had income protection over this difficult time.

Lushan: We have seen a large uptake from an income protection perspective, particularly since we made changes to our product. We have had some nice enhancements that took place during the period of March to April last year. I think that has helped to refocus clients on exactly how important income protection is. Then going into just a little bit of detail around the product, we took things that were a choice for the client, and we packaged them together, like when you buy a luxury vehicle. Instead of having to add on separate things like climate control and heads up display, Sanlam put this all together in the new income protection product.

Tony: If you're looking at the need for income protection, especially over this period, what would you say were the specific reasons people took up income protection?

Lushan: When looking at life insurance, it really is a grudge purchase in the industry. Unlike things like medical insurance, where you know people come to intermediaries looking for medical aid, generally, people shy away from life insurance. However, the pandemic spotlighted the need to have something in place, because people were getting ill, and they were booked off work for long periods of time. And, of course, the longer you are away from work, the greater the impact on your ability to earn an income.

Now, people who are in employment have sick days and sick leave available to them. But of course, for those who are business owners or self-employed, there's no such thing as sick leave. You don't work, you don't get paid. I think that really was an eye opener for a lot of people, highlighting the need to have something in place to take care of those instances when you cannot work.

Tony: Most people look at income protection from a disability and temporary disability perspective. Because they're healthy, they don't expect to need income protection. And yet, through this period, disability played a very small role; it was about illness.

Lushan: Most definitely. In fact, if one looks at 2019 and 2020 from a claim's perspective, we paid 60% more income protection claims in 2020 as compared to 2019. So, it's a considerably higher number of payouts from an income protection perspective.

Tony: Now comes the crux of the matter. We need more people to benefit from income protection insurance. Are we, as an industry and as financial advisors, doing enough to get people to understand the need for this category of insurance?

Lushan: There are three parts to that question. We've seen a great move in the industry to sharpen pencils and to get a product set that speaks directly to the needs of clients. Speaking from a Sanlam perspective, we have been working on our income protection suite to make it more relevant from a client perspective, trying to remove some of the intricacies of the product by making it a packaged deal.

So, you don't lose anything because you forgot to add that benefit to the product. We have simplified it from that perspective and have been out on a campaign to let the public know of the offer that we have. But, in many instances, we are dependent on our intermediaries.

The sad reality of it is when one looks at the True South Gap studies, that gap between what people need and what they have in place is getting much larger. In fact, I was just looking through some of the stats towards the end of last year and I think the last gap study tells us that we are R19.3 trillion under-insured, and that's only from a disability perspective.

Tony: That seems like a massive opportunity for the industry in terms of business and for financial advisors. Because, as an advisor, you have that responsibility to make sure that the client is looked after. If you haven't got income protection as part of the portfolio or if you haven't at least offered it to the client, then your service is not complete.

Lushan: Exactly. And then the third part that I mentioned, from a client financial behaviour perspective, people get excited with big potential sum assureds. If you say to somebody, I'm going to give you a million-rand disability cover, that sounds very appealing as compared to saying to somebody, we can give you R15 000 a month worth of cover for disability.

What people tend to ignore is that it's R15 000 a month over your potential working life, all the way up to retirement. And, yes, we understand that lump disability or permanent disability is not something that everybody will experience, but because of the large cover amounts, people are drawn to purchasing that. We need to get people into a place where they understand what the impact is of being temporarily disabled for a period. In fact, research was done a few years back that demonstrated one was 40 times more likely to be temporarily disabled than permanently. I think if you just look at those steps, and the probability being 40 times higher, that's what you need to protect against.

SOLVING THE FINANCIAL INCLUSIVITY PROBLEM

Tony: I would like to discuss the topic of inclusivity and how you plan to tackle it. To kick it off, in your opinion, besides unemployment, which we know is a huge problem, what are the three main stumbling blocks?

Leon: I see them as opportunities. Actually, South Africa is now, whether we want to admit it or not, where South Africa and the Afrikaners were in 1933 with the Great Depression.

Research and centuries of experience have shown that there is a positive correlation between a society's degree of openness and tolerance for the entrepreneur, independent and creative mindedness, and it's economic success. "We need to get South Africa to become a growing nation again. The question is how?

In the 70s, we used to export jam to Japan. The Japanese flattened cans, made dinky toys, exported them to South Africa and made good money. More 60 years later and we still haven't improved our manufacturing ability. This is mainly due to a lack of innovation. We need to create the ability to innovate by starting to improve our education system.

Secondly, research has shown that South Africa is one of the countries with the lowest entrepreneurial activity in the world., it has actually regressed since 2008. Steve Biko said that we need to pump some life into the lifeless soul of the black man. If blacks want to be permanently incorporated into the economy of South Africa, they have to build businesses for themselves, according to Chief Lediga in 2007.We have to create a culture of entrepreneurship, which starts with the family. My best lesson in life was when my father was retrenched in late 1994, after 18 years. He started a spaza shop and we, as children, learnt by example. I used to pick up five cent and 10 cent pieces in the road in 2014, so that I can make a phone call to get an appointment with the CEO of an insurance company in JHB. I've slept in police stations, I walked, I rode with buses and taxis but, technically, today I'm the majority shareholder of a forming insurance company and a bank. And it all started with my father being retrenched.

Thirdly, the challenges with behaviour of Big Money and between them and Government. Government sings the tune of Big Money too often. The Demise of SPES BONA BANK,PRO SANO Medical schemes and the collapse of CTPA-KPO) into SADTU were the biggest political/economic disaster. The recommendations of The Taylor report in 2002: financial services is dominated by 4 or 5 groups…..

This is how we can solve the massive unemployment and the inclusivity problem in this country.

encouragement should be given to smaller mutual societies to develop into real competitors in the market." White capital co-opting black people to drive their Neo agendas and some in government who act as gatekeepers to retain economic control. This has blocked transformation. In my opinion, most innovations that have had a significant impact on the world are the result of an unfair race in which one idea takes off whilst others run with their legs tied." If we fix these three pillars, then we will fly.

Tony: So part of how you aim to achieve this is that you started GrowCom. How did this come about?

Leon: It all started in about September 2012. I wanted to start an organisation to change the financial services industry and called it GrowCom, which stands for growing community. The model hasn't changed at all. GrowCom will create a circular economic model where you use financial services to set up businesses. You then add accountants, lawyers and business support services to help build small businesses in 200 communities.

It takes about 15% of a nation to create an economic revolution. GrowCom will, roughly if I've done my analysis cover about 20% . However, the core of this is education. Rosabeth Moss Kantor wrote about the three C's, Competence, Confidence and Connections. You get those three right and like all successful organisations, you have a solid foundation. Help the little man when no one wanted to, this was and still is the drive in me.

Now Further to this, everybody in GrowCom, becomes a partner. For every R100 net profit we make, R40 goes to GrowCom, R35 to the client/members and R25 to a beneficiary organization of the members choice. Our model is basically a self-funding model, using that money to set up other business and build a fully inclusive economy. Initially, 70% of our business will be in the Western and "Old" Cape province from where we will expand.

Tony: You talk about getting communities involved, as one of your main strategies. How do you envisage getting the communities involved?

Leon: I capitalised on my UWC networks from 76-1980. We work together in churches, sport mainly rugby as we mostly come from the same educational background capitalising on our relationships. I crisscrossed the country over the past 7 years before COVID. But, getting the communities involved was the hardest part because our people were so used under apartheid, believing there is only certain parts of the population that can start a business? The aim is to have 40 cells across the country and to develop each cell as a FSP under a cell captive insurer, with the money circulating in that community. Once we uplift those families in each community and town, we will actually uplift the whole society in South Africa. For me, it's a crusade.

Tony: Where are you in this process of achieving this vision?

Leon: Our Training Academy has Inseta accreditation and we intend to have, with the Service's Seta, another 25 qualifications soon. Bank Seta will then follow as well as the tourism sector, because I don't see it as very different, followed by sport because I've got a passion for sport. We are recruiting 5000, mostly graduates and young people who do not want to work in the corporate environment anymore. For every 125 young people you need to have at least about 10 managers. Then further to this we will be supported by lawyers, accountants and business consultants totaling 7000 people across SA. So we will end up with a national business consultancy, estate agency and legal organisation. Almost alike to how the Afrikaners did it early in the previous century. We will soon have the biggest sales and sales support system in South Africa. Product wise, we already have two funeral products and, within the next year, a further 25 insurance and other products.

Tony: Now, who needs to get involved with this and how do they do this?

Leon: As Jim Carroll the futurist who worked for Boeing amongst others said, it's all about partnerships, and I believe in partnerships to get there faster. There are smaller insurance companies that are battling. So, why must anyone set up a new license? If our passion is to develop people and develop the sales forces then we should help them grow their business in a partnership. Also smaller brokers, irrespective of colour. Asking the more experienced to mentor younger brokers. Many of them haven't got succession plans and their children are moving overseas. They can mentor these younger brokers to later buy out the brokerages. We used to say during the 1980's riots "Each one teach One".

TECHNOLOGY

While customer experience teams can set up specific journeys for their customers, doing so means losing out on customised journeys.

- Striata

THE TECH BEHIND SANLAM'S E-NNUITY

Karen Wentzel, Head of Annuities at Sanlam Corporate and Victor Willemse Actuarial Analyst at Sanlam Employee Benefits, talk to us about Sanlam's E-nnuity product and their partnership with JumpCO.

Tony: As I understand it, the Sanlam E-nnuity platform now allows Sanlam Pension fund members the ability to receive immediate real-time quotations on annuities from their financial advisors from an online quotation programme, E-nnuity. E-nnuity enables financial advisors to give pension fund members, who are about to retire, multiple instant quotations based on real-time values from across the range of Sanlam Corporate's annuity products. From a technology perspective, you used IBM WebSphere and DBQ as the runtime of the database with JumpCO as external consultant. How long has E-nnuity been in use by Sanlam Corporate customers?

Karen: Yes, since July 2007 the JumpCO team has been instrumental in developing E-nnuity, which is a web-based annuity quotation system.

Daily we update it with market rates and indices, with system developed to integrate fully with the existing standalone Sanlam architecture and infrastructure. Now, the quotation system was originally just developed for our staff as a tool for pricing. But over the last 10 years, it was expanded to make it a very useful tool for brokers in doing their financial planning and to also provide quotations on various annuity products for a range of clients.

Tony: It is quite a broad product so Victor, could you tell us about the feature updates that you have done to the E-nnuity over its lifetime and how many have you done in the last while. Is this a continuous process?

Victor: Over the last four years, we had various updates, some being minor, and then also other major developments. Minor developments would be typically things like cosmetic changes, and then the major developments would be something like implementing a new product on the system. So, I want to summarise the updates and improvements as product updates, technical pricing changes, cosmetic changes to the look and feel, and then new operational features and technology updates.

In conjunction with these, we also had to keep track and stay aligned to changes in legislation such as the recent POPIA legislation. The main areas of development are as follows:

Product Updates: In the last 10 years Sanlam added the complete picture pension and more recently, the Sanlam with-profit annuity, both of which use stochastic calculations to determine the annuity price, which required our annuity calculator to be updated to cater for this.

So, obviously, we expect the Sanlam With-profit Annuity to take off now that it's implemented on E-nnuity and available to the market.

Technical Pricing Changes: Allowances were made for changes like daily indices and market rates, flexible mortality basis and customer input, such as specific-dated yield curves for staff users, as well as many other logistical changes to improve the user experience. It is fully functional for brokers, which have a certain access, and staff have a certain access, which allow them a bit more flexibility.

Cosmetic changes to the look and feel: We've added a few explanatory labels on some pages just to ensure the user understands exactly what the functionality means. In other areas, we've replaced some controls with drop down lists, which makes selection and validation of inputs easier. It also allows you to group controls better, which in turn results in a cleaner and easier page to read for a much more simplified view to the user.

So, under the new operational features that we've added, we are currently busy implementing a new workflow that is facilitated by a Business Process Manager that was designed by business in conjunction with JumpCO. A Business Process Manager ensures that an automated policy is generated and issued to the pensioner after the quotation for the life annuity has been accepted, saving some of my colleagues many hours of work.

This automated policy generation process also integrates several systems, architectural environments in Sanlam I.T. The Integration for this was made possible by the collaboration of JumpCO and Sanlam developers. Previously, the policy generation was a manual process, so it took a lot of hours to issue a policy after the quote was accepted. But with this Business Process Manager, we are making it an automated process. So, it's very easier, quick and much more secure.

Technology Updates: The user interface, or front end, is a web application and the user inputs information on a webpage that communicates with a calculator through a very precise parameter mapping. In early 2017, my involvement with E-nnuity took off and I took ownership of all the actuarial and technical calculations. Then JumpCO appointed a new and very experienced developer to the development team, specifically to code the calculator in Java. Before, the calculator was written in VB.NET, and not in the businesses control. To our amazement, in a very short time, the new developer got to grips with the workings of our products and he also made some very insightful suggestions. This understanding facilitated the quick implementation of several improvements to the system. So, in 2017 we decided to redesign the calculator or back end.

Tony: This has been running since 2017. From your perspective, Karen, have you seen the value of the E-nnuity to Sanlam corporate increase over this time?

Karen: Developing and expanding E-nnuity was a joint effort between Sanlam and JumpCO. The JumpCO developers had to upskill on the technical aspects of specifically annuity pricing and all the factors to be considered. We really valued the full support from JumpCO. And the collaboration with the Sanlam developers. As Victor mentioned, a lot of the features and updates happened over time. Now, technology is not an event, it's part of everyday learning. So as the demands of the brokers and the industry change, Sanlam also had to work continuously to keep up to date and keep our technology at the cutting edge of the market requirements. Not only did the use of E-nnuity change, but it also added new products and benefits to keep us relevant. I must say, the seamless implementation of the new business flows, and the communication with external brokers have really been a great success and make business easier for all of us.

Tony: Victor, are there any specific feature requests that have added significant value, especially in the backdrop of effort versus benefit, done in a timeframe that worked for you and that exceeded your expectations?

Victor: So, when we redesigned the calculator, we set aside about six months for this project. The entire process, from planning with Jump-CO, to implementation, took just over three months, saving us a lot of time.

The time saved allowed us to do many updates much earlier than expected, in addition to implementing new features. Over the last three years, our new business flows have increased significantly, which we believe is a result of brokers finding it advantageous to do the quotations on our user friendly system that can communicate with businesses and uses current marketer rates.

Tony: The current drive with technology and probably with any system is the user experience. People don't want to struggle anymore with using interfaces. It seems like you have found the sweet spot in terms of the system usability.

For a change, it is great for me to not just find out about the actual product, but also a bit about what happens behind the scenes, the development and the systems that drive and how you collaborate with JumpCO and IBM Systems.

MARIUS BOTHA

Group CEO of African InsurTech aYo Holdings

2022: THE YEAR THAT TECH GETS HUMAN

Until recently, digital transformation was mistakenly assumed to be a matter of tagging the word 'tech' to the end of practically any industry, throwing some technology at it, and sitting back and waiting for disruption to happen.

FinTech, and particularly InsurTech, is no different. There's no doubt that the traditional insurance industry is in major need of an overhaul. But in 2022, digital transformation is firmly focused on the customer.

Here are my top four trends to watch in the InsurTech industry this year particularly across Africa, where the growth and diversification of telecommunications is fuelling an unstoppable wave of financial services uptake.

A Greater Focus on Customer Scalability

A big learning for any tech company is that what worked yesterday doesn't necessarily work today. We've got to start learning to unlearn as we try to work out how to scale in a world of changing customer behaviour.

I see more InsurTech companies getting brutal with products and services that fail or lack the potential to scale, and a greater focus on testing, questioning, and re-creating products and solutions from the ground up that will scale whilst still focusing on solving past "neglected problems" for customers.The big questions the industry will be asking in 2022 are: how do we re-learn what matters to customers? How do we go beyond offering standard products to giving our customers more choice in how they meet their personal financial needs? But to do so in efficient, scalable ways.

The Rise of Co-opetition

We live and work in a sharing economy. The days of trying to dominate every area in your industry are long gone. You can't be a specialist in everything, and it's simply impossible for single industry players to cost-effectively solve all financial inclusion challenges on the continent. To scale, we're going to see more InsurTechs embracing symbiotic partnerships where each partner plays to their strengths.

Seamless, Omnichannel CX as a Basic Requirement

Smooth digital customer experience (CX) is no longer a unique selling point. It's table stakes. We're tracking

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a young, growing population with increasing digital skills, who have access to more affordable smartphones. Ask yourself: why should they spend more time on your digital real estate compared to other product providers?

Omnichannel ecosystems are deliberately blurring the lines between physical and online, between agents and self-service, and between people and bots in the pursuit of the optimal customer experience. As many tech companies are finding, providing a seamless experience that works for all customers across various platforms is difficult to deliver. We'll keep on iterating to get the "basics" right.

Making Payments Easier

Just as we work to provide an omnichannel experience for our customers, the industry is grappling with the challenge of evolving our payment and collections platforms to an omni-payment approach. In other words, how we allow our customers to pay for financial services in the way that they choose at any given point in time cash, debit order, subscriptions, airtime, mobile money, and even data (which is not yet a currency?) In Africa, airtime remains a challenge, as there's a huge problem of people's airtime balances being depleted by rogue subscriptions that they unknowingly subscribed to. In 2022, the industry will have to find better and more customer friendly ways of collecting payments/premiums.

The bottom line? There's no doubt that the InsurTech industry must continue to use technology to reduce transactional friction, to be able to deliver cost-effective products and services to broader audiences, and to provide more choice. But in 2022, we've got to focus on using our technology capabilities to improve every customer's experience whilst we pursue scale and efficiency. That's key as we follow a deliberate strategy to become a Financial Services Platform that all people on the African continent can access and use easily.

INTELLIGENT ORCHESTRATION AND THE 3D CUSTOMER

CUSTOMER ENGAGEMENT IN 2022

Businesses' interactions with their customers have changed dramatically over the last couple of years. And as a result of this shift, businesses have been forced to rethink their strategies, ensuring that their models are centered on truly understanding their customers and adding value.

By developing a customer engagement strategy that puts the consumer at the center of all decisions, businesses can maintain brand relevance and cultivate stronger loyalty. In this article, we speak with industry experts to find out what they think will be the customer engagement trends in 2022.

1. Linear Journey Mapping is Dead

While customer experience teams can set up specific journeys for their customers, doing so means losing out on customised journeys. Each individual interaction offers a multitude of possible directions, making the visualisation of an engagement process more of a spider's web of potential journeys.

Moreover, mapped out journeys lead to experiences that are misaligned and organised around the needs of the business. "Think about it. If you're an insurance customer who's trying to take out a new policy, would you rather your provider forced you to go from their app or website to email, or that it allowed you to complete the process on whichever channel you choose?"asks Brent Haumann, Managing Director at Striata.

"The organisation might prefer the former, but for most customers, it's a no-brainer, especially if the organisation provides a consistent experience across all channels." Haumann believes that businesses must take an approach that centres on orchestration and intelligent orchestration in particular. Intelligent orchestration means the system improves its ability with each additional data point and makes increasingly intelligent decisions. " Across all your channels (call centre, social media, communication), the system makes a decision on the next best step to send the right message on the right channel, at the right time," Haumann says.

2. Understand the 3D Customer Experience

Most organisations understand that data is critical. But in a world where 2.5 quintillion bytes of data are produced by humans every day, it's important to be able to filter out the data that will give your organisation usable insights. Greg Gatherer, Account Manager at Liferay Africa, believes that done correctly, it can help you understand things like which channels an individual customer prefers, what times of the day they're most likely to interact with your organisation, and what kind of transactions they engage in when they do.

Delivering on value starts with recognising that the customer is the most important factor in the transaction. Without the customer there is no business, and without the business even the most useful and brilliant product doesn't have a market.

Using these insights, you can not only design changes to your products and services but to every single customer touchpoint, including communications, marketing, and billing.

"Remember, every department within an organisation contributes to the overall customer experience and the insights gained from customer data can be used to make tweaks and improvements at every level," says Gatherer.

Finally, you can deliver these improvements to the customer, understanding that they need to complement each other and work together if your organisation is to provide the kind of experience that today's customer expects. "If you've done things properly, you should end up providing experiences optimised for each individual customer across online and offline channels," says Gatherer.

3. Engagement Equals Entertainment and Every Brand is an Entertainment Brand

Increasingly, every company needs to see itself as an entertainment company. More than anything, people want to be entertained, and 'brand conversations' typically aren't entertaining.

"This means thinking laterally about brand associations and customer value to ensure the entertainment element doesn't feel forced or, worse, tone deaf for the audience it's targeting," says Sizwe Sihle Dlamini, Customer Experience Director at Hoorah Digital.

For example, KBC bank in Belgium embraced entertainment by making live football clips available on its app to increase usage. "KBC had no association to football but saw an opportunity to build affinity with football fans, which represents a significant portion of the bank's target audience," says Dlamini.

Significantly, the bank didn't do this to increase transactions on the app, which would have been the traditional motivation. Instead it took the longer-term, more strategic approach and opted for usage and brand affinity first, knowing that transactional use would be the inevitable result.

"This serves as a brilliant example of how notions of brand value can be expanded – and challenged – to speak to the passion points of an audience through entertainment," says Dlamini.

4. Value Lies at the Heart of Sustained Engagement

Sustained engagement is underpinned by value, which in turn is driven by convenience, particularly in a retail environment. Jonathan Hurvitz, Teljoy CEO believes that convenience is central to delivering on customer value.

The notion of convenience is increasingly under the spotlight as consumers seek solutions to simplify various aspects of their lives, according to Nielson's The Quest for Convenience report.

"In fact, convenience has been called the 'new battleground', hinting at its importance and in line with reports of consumers spending more if it means better convenience," says Hurvitz.

Hurvitz continues, "Delivering on value starts with recognising that the customer is the most important factor in the transaction. Without the customer there is no business, and without the business even the most useful and brilliant product doesn't have a market.

This starts by defining the customer value proposition in line with the needs, wants and expectations of actual customers and ensuring it is a value proposition that is relevant, measurable and agile."

5. Data, Data, Data.

Getting customers to engage with your brand is great but understanding why,how and when they engage with your website or app is something that can often be overlooked. "Websites and apps are typically built by developers from a brief that very seldomly gets written by a marketer - which is an error. While most marketers don't understand how to code a website, the majority of developers don't understand the marketing requirements of a website. This leaves rather large gaps in the data that marketers are able to collect and make decisions about," says Pieter Geyser, Head of Digital and Marketing at Irvine Partners.

"It is of utmost importance to not just understand where your users are coming from but how they are engaging with your site. What pages they're looking at, how far down the page do they scroll, where are they clicking on the page and at what point do they drop off," Geyser explains.

Tools such as Google Analytics, be it the older UA or the 'new' GA4 platforms allow for a lot of this data to be collected and analyzed, but they are not enough. It's important to take advantage of as many tools as are needed when looking to understand how people engage with your website. Using Google Tag manager to get a view of how people are engaging with an app or website or a tool such as HotJar, which allows you to check "heat maps" of your site to understand exactly where and for how long people are spending on any given page.

"Customer engagement is good - understanding the how, where and the why behind your customer engagement is great. Collecting and understanding this data will allow marketers and developers to work together to build the most efficient funnels, and deliver the content that the users are looking for, faster," says Geyser.

UNDERSTANDING OUR HUMANITY IN A WORLD OF ARTIFICIAL INTELLIGENCE

Adapted from his talk: What AI Teaches Us About Being Human

There are few books that alter the way you see the world after you've read them. Homo Deus is one of these books and in it the author Yuval Harari examines humanity's future. In it he offers a vision of tomorrow that at first seems incomprehensible, but soon looks undeniable: humanity as we know it will lose its dominance. We are in the process of creating a totally new form of life. Artificial life. Artificial Intelligence (AI) and the potential future it may bring are easy to get lost in. Instead of focusing on AI directly, we would do well to first understand ourselves better. In doing so we might find the answers that we need to plot a way forward into the future.

A future where our dominance can no longer be taken for granted. To be human is to act in and be acted upon by the world; both the inner world of emotional states as well as the environment we inhabit. To be human is to be vulnerable. It means to take risks that can often have a catastrophic impact on our lives. To be human is to discover what inspires and holds your interest and then to explore and grow. Unlike artificial intelligence, you pilot your own ship into the uncharted waters of life. It requires you to look to the horizon to sense where you want to go.

It is to commit years of precious unrecoverable life to attain a portion of your available potential. You are the unlikely product of countless lives that were not only lucky, but made enough good decisions so that you happen to be here today. To be human is to trust our intuition born of this collective legacy of your ancestors encoded into our genes stretching back to the dawn of life.

To be human is to nurture and inspire others to attain their potential. It means to pour time and energy into relationships that form the basis of families, friends, colleagues, companies and countries. It means you need to come to terms with the disappointment, sadness and frustration of failed relationships so that the few truly great relationships can raise you up higher than you could ever achieve alone. To be human also means that we possess God-like powers to create a totally new form of intelligent life.

We are living at the point in time (maybe the only time in our universe) where organic life has forged inorganic life and created it in our image. In many respects this new child of ours has the potential to become far greater than we ever were. Ultimately to be human is to make decisions when you don't have all the facts.

Decide who will accompany us on our journey into the uncharted waters of our collective future. Decide, despite knowing our decision making is driven by emotions rather than rational thinking.

Decide if we will trust our intuition when our intuition may not be up to this task. Decide if the reward is worth the risk because we risk so much. To be human is to decide and then step up and take responsibility for everything that unfolds afterwards.

Caution

If to be human is to decide, then giving up the ability and the desire to decide for ourselves is to give up on our humanity. Social media that creates bubbles of same thinking and that reinforces one unchallenged narrative diminishes us by not forcing us to rethink what we "know" to be true. Attempting to fight misinformation by pushing only "approved narratives" also dumbs down complex topics to unidimensional and simplistic caricatures that lose their depth and nuance. Reality is not simple and good decisions take into account this complexity.

There is a trend to rely on machines to make more and more decisions for us, because it is easier not to take responsibility to make these decisions ourselves. It is imperative for us to become aware of those algorithms and trends that ultimately rob us of our humanity. My wish is that everyone here today embraces our ability to make the hard decisions and to take ultimate responsibility for them. Shoulder the burden that is your inheritance.

Dream

Lastly, to be human is to dream. In one of the most iconic speeches of all time Rev Martin Luther King Jr declared "I have a dream that people (paraphrase) will not be judged by the colour of their skin but by the content of their character." This dream was shared less than 60 years ago and it resonated with people across the globe they too shared his dream. Looking around the room today and seeing people in academia from all walks of life is a physical fulfilment of this dream. A dream that continues to direct, uplift and inspire.

I too have a dream. I dream that our children, both biological and silicon, are allowed to grow up and fulfill their potential. That we nurture them and strive to establish mature relationships, not of parent and child, but of equals. I have a dream that we all embrace our humanity to the fullest. That we recognize the potential in our peers and our children and that we allow them to be all that they can. And in the end we establish a community of peers with none being the master of the other. This is a dream worth sharing. Let us dream together to shape the world that we want to live in.

THE FUTURE OF COLLABORATION

Collaboration tools are nothing new – they have been around for many years, but the events of the last two years have accelerated their adoption as well as innovation around the offerings. As the world continues to adapt in a post-pandemic world and the hybrid-remote workforce becomes the norm, collaboration tools are evolving rapidly. New functionality is constantly being developed to enhance the experience, and Artificial Intelligence (AI) and other next-generation technologies are being incorporated into mainstream tools.

ANKUSH JOSHI

Service Delivery Manager at In2IT


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Teamwork in the Cloud

Workforces have never been more geographically dispersed than they are today, which has made collaboration tools critical to business productivity. While such solutions have been in existence for years, the uptake has not been widespread, and many organisations have been running proprietary in-house systems that are no longer feasible.

The trend toward remote working makes cloud-based solutions essential in allowing team members to work together, coordinate tasks and transition seamlessly between devices. Choosing the right collaboration solution is essential to business success and productivity.

New Features, New Functionality

As the adoption of cloud-based collaboration tools has accelerated and become a vital business enabler, innovations and new features are rapidly being rolled out to increase functionality. One essential component of remote and virtual working is the ability to track information to improve overall efficiency.

New tools such as real-time note-taking, as well as version control and history, help teams to keep records and understand processes as they go. There are also new innovations being rolled out, utilising next-generation technologies such as AI and Virtual Reality (VR). VR, for example, is being used to create virtual meeting rooms and other virtual spaces, where people who are working remotely can meet 'in person'. This technology is being combined with AI to create smart meeting rooms, with advanced technology collaboration such as automated minutes of meetings. The ultimate goal is to reduce mundane, repetitive tasks using smart technology, to enable more time for productivity and value-adding activities.

Futureproofing Collaboration

The future remains uncertain, but it seems more than likely that workforces going forward will be a hybrid of remote and on-premises. This means that collaboration tools need to be able to integrate the entire workspace into one so that the working experience is consistent regardless of location.

Organisations therefore need to be careful to select the right tools for the job, based on their own business requirements. This may mean only a limited set of features is required, or that an entire enterprise-grade system is necessary, but a trusted IT partner can assist in understanding needs and sourcing solutions.

It is also critical to ensure that collaboration tools are open for integration with third-party solutions to enable additional functionality and that they are intuitive and easy to use. The key to collaboration is to simplify and improve efficiency, without compromising on privacy and data security. Your IT partner should assist in delivering a solution that enables the workforce of today and the future.

NEW SATRIX ETF TO GIVE

SA INVESTORS ACCESS TO INDIA'S EQUITIES MARKET

Johannesburg, 24 February 2022: Satrix Managers (Pty) Ltd (Satrix) has listed its Satrix MSCI India Feeder Exchange Traded Fund (ETF) on the Johannesburg Stock Exchange (JSE), which tracks the MSCI India NET TR Index, allowing South African investors an opportunity to get exposure to the Indian stock market. Shares in this global ETF, which trades under the code STXNDA, started trading this morning when the JSE opened. The MSCI India NET TR Index is designed to track the performance of the large- and mid-cap segments of the Indian market, one of the world's largest and fastest-growing economies. With 107 constituents, the index covers approximately 85% of the Indian equity universe.

Siyabulela Nomoyi, Quantitative Portfolio Manager at Satrix, says India is one of the world's largest and fastest-growing economies. "Increasingly, investors are looking for alternative sources of portfolio returns, and India offers just such an opportunity. This is because it has a fast-growing and increasingly affluent middle class (around 50 million people today and headed for well over 400 million), a very young and educated population and relatively low wages compared to those in much of the rest of the emerging world.

"Together with these long-term structural benefits and large-scale infrastructure growth, the Indian economy is growing, with its government committed to reform." "Global multinationals are also starting to question their overdependence on China, leading to a search for a viable alternative. Inexpensive and English-speaking, India is well placed to fill this gap with its established chemical, pharmaceutical, financial technology and electrical manufacturing base", added Nomoyi

The new Satrix India ETF listing brings the number of ETF listings on the JSE to 86, with a total ETF market capitalisation of more than R117.5 billion.

Satrix MSCI India Feeder ETF has been designed to replicate the index by investing in the iShares MSCI India UCITS ETF. In terms of the sector index composition, 23,85% of the weighting will be in financial services, followed by information technology at 19,83% and energy at 11,32%.

The new Satrix India ETF listing brings the number of ETF listings on the JSE to 86, with a total ETF market capitalisation of more than R117.5 billion. The JSE offers ETFs across different asset classes with diversified exposure and liquidity. There are 54 equity ETFs (29 local and 25 international), 12 bond ETFs (six local and six international), seven property ETFs (three local and four international), eight commodity ETFs and five multi-asset ETFs.

This enables investors to diversify their portfolios in an easy and accessible manner. Commenting on the listing, Valdene Reddy, Director of Capital Markets at the JSE, says ETFs continue to be popular with individual investors due to the diversification and ease of access. This latest Satrix ETF will provide South African investors with an entry point to a dynamic and growing emerging market.

“The ETF market maintains its growth and interest, and we are pleased with its continued momentum and innovation. The new listing allows South African investors to diversify their portfolios and to get exposure to the Indian economy. In addition, this offers a new and broad level of exposure to international markets, easily accessible through products on the JSE,” concludes Reddy.

WHAT TO LOOK FORWARD TO..

INSURTECH 2022

We are excited to announce that Insurtech2022 is scheduled for 12th and 13th of April. It will, once again, be a virtual event, but with a twist. For the first time, the virtual event will be followed by a face-to-face networking function in Cape Town and Sandton. Save the

ALTERNATIVE INVESTMENT CONFERENCE

The conference will host some of the leading alternative investment fund managers focusing on artificial intelligence, structured products, tech, private markets, impact investing, cryptocurrency and more. Register Here.

AFRICAN IINSURANCE EXCHANGE 2022

This years African Insurance Exchange hybrid edition will be hosted live as well as virtually. The dates have been set for 25 and 26 July 2022 at Sun City (in-person event) as well as virtually for attendees from across the globe. Register Here

COVER

Knowledge Shared

One of the most important areas we can develop as professionals is competence in accessing and sharing knowledge.

- Connie Malamed