

PERFORMANCE HIGHLIGHTS

31 MARCH 2012

Funding Approvals	<p>To date, approved 384 black-empowered businesses to the value of R3.716 billion. During the financial year, approved 98 deals worth R1.16 billion (2011: 62 deals worth R749 million).</p>
Creating Jobs	<p>From inception to date, the NEF has supported more than 29 000 jobs, including more than 12 800 new jobs which it has created. The NEF supported 3 124 jobs for the 2011/12 financial year, of which 2 367 were new jobs created.</p>
Strategic Projects Fund (SPF)	<p>The NEF's Strategic Projects Fund (SPF) was established with a mandate to increase the participation of black people in early stage projects that are aligned to national Government policy targeted sectors. 14 projects were approved, together amounting to a pipeline in excess of an estimated R30 billion, with an employment-creation potential of between 150 000 and 200 000 new jobs over the next one to three years. SPF projects have the potential to attract meaningful foreign direct investment into South Africa.</p>
Fund a woman, fund a nation	<p>From inception to date, 21,5% of the NEF's funded portfolio has comprised businesses that are owned and managed by black women.</p>
National Footprint	<p>Opened six regional offices in an effort to ensure a national footprint. These are in Eastern Cape, KwaZulu-Natal, Mpumalanga, Limpopo, Free State and the Western Cape. The Northern Cape and the North West offices will open in the next financial year.</p>
Investor Education/ NEF iMbizo	<p>In order to create awareness of the NEF's products and services and to encourage and promote savings, investment and meaningful economic participation by black people and promote the universal understanding of equity ownership among black people, the NEF went to the North West, KwaZulu-Natal, Mpumalanga and Gauteng, hosting eight seminars in each province. Thus the NEF has been to all nine provinces over the past two years, reaching more than 17 000 people who attended the various seminars. They were educated in how to save and invest, personal financial discipline, shares, dividends, bonds and the property and money markets.</p>
Enterprise Development Fund	<p>Launched the NEF Enterprise Development Fund, which will enable measured entities, in terms of Code 600, to obtain the maximum of 15 points on ED by contributing 3% of Net Profit After Tax (NPAT). The NEF will then directly co-invest in enterprise development initiatives alongside the NEF ED Fund on a 60:40 ratio. A significant development has been entering into an MOU with UK Trade and Investment where a partnership is being developed to target UK-owned subsidiaries in South Africa to develop, through Enterprise Development allocations to the NEF ED Fund, new black-owned enterprises that are able to become new South African suppliers in the value chains of these multinationals.</p>
Post Investment and Mentorship Support	<p>The Post investment unit is now 5 years old and this is a milestone in the history of the NEF. Key performance outputs accumulatively for the 5 years are as follows:</p> <ul style="list-style-type: none"> • The unit tabled 679 formal investee progress reports • Conducted 1 319 site visits over this period • Spend a massive R14.7m in mentorship support to investees • Facilitated 12 exits totalling R147 162 330 on the investment portfolio. <p>The above achievements have resulted in the unit achieving the highest collection rates and lowest impairment ratio in the history of the NEF.</p>





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<p>Junior Manager Development Programme</p>	<p>The NEF managed and provided additional financial support to the JIPSA/AFD Junior Management Development Programme, which is an exchange programme for junior South African managers to gain valuable business school training and practical work experience in France. 34 junior managers participated in the first intake, which was followed by 58 in the financial year under review.</p>
<p>Thought-leadership</p>	<p>After having signed a Memorandum of Agreement (MOA) with the Gordon Institute of Business Science in the previous financial year, approving endowment to the value of R1.2 million, the University introduced an academic module on Broad-Based Black Economic Empowerment (B-BBEE) into the MBA programme in order to lead and enhance thought leadership on black economic empowerment and transformation in South Africa. 14 students registered for the course, and 4 public seminars on economic transformation were held.</p>
<p>Entrepreneurship Development</p>	<p>In response to the constraints facing some black entrepreneurs, such as limited management skills, including financial, marketing and technical expertise, 39 potential entrepreneurs were referred by the NEF to the Shanduka incubator programme. Further, 13 delegates attended the Endeavour Boot Camp, which consists of eight modules, with delegates completing four of these in the first phase. The second phase will follow in the next financial year. The Running Business Today saw the implementation of a nationwide training programme where business training was delivered in two regions per province to SMEs.</p>
<p>Financial Sustainability</p>	<p>In parallel with meeting the mandated performance targets, the NEF has maintained financial discipline and prudence with a further unqualified audit opinion on its financial reporting for the year. Financial sustainability has also been upheld, with the NEF being able to report an overall annual portfolio return of 3% after impairment provisioning and write-offs.</p>
<p>Stakeholder Relations</p>	<p>In pursuit of its commitment to transparency and accountability, the NEF has progressively increased its participation in national, regional and local business conferences, exhibitions and civil society initiatives, to bring home the message of a funder with a soul that is continuing to bridge the economic divide. The NEF participated at local and international conferences and exhibitions, seminars and community meetings across the country. As a result, more and more people, according to the brand audit conducted during the course of the year, came to know about the NEF, and growing numbers attended the Investor Education Imbizos. Further, inquiries and applications for funding also increased as a result of the considerable volume of media coverage received, the highest ever in the history of the NEF. According to the brand audit, public awareness of the brand, products and services of the NEF has grown from 16% in 2009 to 25% in 2011, attesting to a greater impact of public relations and marketing activities.</p>
<p>Socio-Economic Development</p>	<p>In order to propel meaningful participation by designated groups especially in the rural economy and in particular for the benefit of women and people living with disabilities, the NEF established the Socio-Economic Development Unit, whose mandate is to facilitate proper establishment of Workers' Trusts, Community Trusts and Co-operatives. This Unit also evaluates the feasibility of foundations or trusts linked or associated with NEF-funded projects. In order to optimize the NEF's Socio Economic impact, the Unit develops best practice in respect of socio-economic and broad based initiatives on an investment-by-investment basis, and facilitates strategic partnerships and alliances with other support institutions.</p>

