

TRANSFORMATION ROADMAP FOR RETIREMENT FUNDS

A guide to help you achieve your transformation goals

WHERE ARE WE NOW? WHERE DO WE WANT TO BE? HOW DO WE GET THERE?

1: ANALYSE

- Understand the Fund's current overall positioning
- Investment objectives and strategy
- Conduct a detailed review of the B-BBEE status of all service providers to the Fund

2: NATIONAL AGENDA

- Understand the state of play
- National Development Plan
- Financial Sector Code
- Social dialogue

3: STATUS QUO

- State of transformation across the value chain
- Data and intelligence
- Black industrialisation

5: GET SUPPORT

- Avoid failure
- Resources, expertise & capability
- Experienced & credible
- Successful track record
- Offer guidance & add value

4: ASSET OWNER STATUS

- Top of the value chain
- Power to exert influence
- Lead and not be led
- Drive change across the value chain
- Leverage purchasing power

6: SET GOALS

- What do we as a Fund want to achieve?
- What are the factors that will influence our decision?
- Must be Fund specific focused objectives
- Prioritise

7: DEFINE PRINCIPLES

- Definition of Black
- B-BBEE criteria for service provider selection
- Life cycle of an asset manager
- Asset class coverage

9: INCUBATION

- Set rules
- Risk management & monitoring
- Optimise administrative & cost efficiencies
- Measure sustainability
- Graduation policy

8: IMPLEMENTATION

- Standard B-BBEE selection criteria across the whole Fund or combinatory approach
- Alignment to Fund investment strategy
- Phased in approach
- Targets

11: TRANSFORMATION POLICY

- Hardcoded roadmap
- Precisely defined
- Clearly sets out goals & objectives
- Provide guidance on execution and monitoring
- Aligned to Procurement Policy

10: PROCUREMENT POLICY

- Governs the procurement of services and the Fund's supply chain
- Leverage purchasing power in support of policy objectives
- Do business with enterprises that share the Fund's values
- Avoid anti-competitive processes and excessive concentration

13: COMMUNICATION

- Communicate one consistent and coherent message to the Fund and its members, service providers and the public
- All policies must be made public

12: ACCEPTANCE & SUPPORT

- Must have cohesive buy-in from all trustees and stake-holders
- Commitment
- Strong capability to implement
- In-house transformation champion

14: SOCIO-ECONOMIC IMPACT MEASUREMENT

- Must be measured to determine the impact of the Fund's strategy on the overall economy
- Economic, industry success and financial indicators
- Process and outcomes based
- Guides the success of the Fund's strategy

15: MONITOR

- Must be a standing agenda item at all investment committee and trustee meetings
- Evaluate strategy on an ongoing basis
- Stay on track
- Critically review
- Identify areas of weakness
- Seek to improve

16: FEEDBACK

- Provide feedback to service providers
- Utilise a scorecard approach
- Encourage improvement

CONTACT US

27four Investment Managers

We are a leading retirement fund transformation specialist. Allow us to help you achieve your transformation goals. Our capability includes:

- Design and implement your B-BBEE investment policy and service provider procurement policies.
- Asset allocation, manager selection, portfolio construction and risk management.
- Helping you access the leading B-BBEE asset managers across asset classes and lifecycle.
- Daily risk management and monitoring.
- Measuring the socio-economic impact of allocating to B-BBEE asset managers and suppliers.
- Retirement fund B-BBEE Scorecard measurement and disclosure.

BEE.economics

Is a leading source of black fund manager data, investment product and intelligence. BEE.economics provides access to:

1. Data and intelligence across the sector to ably evaluate the progress of transformation.
2. A roadmap to asset owners, the public and private sector on how to achieve cohesive integration across the value chain.
3. Black asset manager investment products.
4. Black financial planners and advisors.

BEE.economics is a trademark of 27four Investment Managers.

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