

M&G Investments Southern Africa: Transformation Report

Year End 2023

Where our journey began

In 1994, as democracy dawned in South Africa, a small group of South Africans set up an investment management business under the banner of Prudential, the UK-listed global insurer and asset manager.

Their aim: to make a meaningful contribution to South Africa's journey toward achieving broader-based prosperity and rising standards of living.

Their vision: to help people manage and grow their savings to retire with dignity.

Today, three decades later, we are called M&G Investments Southern Africa, and retain the same vision and mission we had then.

Equally, we remain fundamentally the same in our people, investment philosophy and process. While other global firms have come and gone, our commitment has been firm as we expanded around the country, extending our footprint to Windhoek in 1996. We are proud to have helped thousands of clients by delivering superior investment returns, consistently braving the financial markets' ups and downs. Our ability to remain steadfast in our focus has been underpinned by our global parent, who has backed us on our journey with their deep resources, global market expertise and experienced people.

Over the years, we are proud to have seen our investments aimed at benefiting not only our clients and staff, but also the communities in which we operate, bear fruit. The founding team recognised their pivotal role as helping to democratise wealth.

To this day, our mission remains: to assist as many South Africans and Namibians as possible in accessing investment solutions that safeguard and enhance their savings so that they can, one day, retire with dignity.

Our unwavering commitment to our investment philosophy (one we hold in common with our global colleagues), combined with our consistently strong investment performance, have firmly established our position among the top 10 asset managers in South Africa and Namibia. As of June 2023, we oversee assets of over R316 billion. As a leading investment manager, we not only bear the responsibility of acting in the best interests of our clients, but also of seizing the opportunity to play a meaningful role in reshaping our industry and the communities we operate in.

For us, transformation transcends mere ownership or scorecards; it's about demystifying the investment landscape and making it accessible to the many Southern Africans who have been excluded from this industry. Our purpose in this regard is twofold: first, as custodians of our clients' savings, we aim to protect and grow their investments; second, as a corporate citizen and investment manager, we strive to expand the industry by attracting talent from outside it. Additionally, we leverage our voice and investments to bring about tangible change in the fabric of our communities and society, promoting a more equitable and sustainable future for generations to come.

At M&G SA, we aspire to leave the investment industry in a better state than when we entered it: more accessible, more diverse, more transparent and more transformed.

This is deeply rooted in understanding our clients' hopes and aspirations, leveraging our own transformative experience, and forging a shared journey toward a more inclusive and promising future.

This is our story.

Key Transformation Milestones

Transformation is an evolutionary process for everyone, and it has been an evolutionary process for us as well. To understand our 30-year-old history, we highlight some key milestones.

- 1994** Prudential Portfolio Managers South Africa established in Cape Town.
- 1996** Prudential Portfolio Managers Namibia established in Windhoek.
- 2005** Partnership agreed with Thesele Group, a successful black-owned investment business. All staff become owners under Staff share scheme.
- 2011** B-BBEE Level 5 achieved.
- 2013** B-BEEE Level 2 achieved.
- 2019** Parent company Prudential/M&G Investments splits, lists insurance and investment businesses separately on London Stock Exchange.
- 2021** B-BEEE Level 1 achieved. M&G Investments becomes indirect majority shareholder in Prudential's Southern African business. Change of brand name from Prudential to M&G Investments Southern Africa.

Company Ownership



As they prosper, we prosper

As long-term investors, we hold the conviction that sustained success arises from enduring commitment. Our commitment to transformation and the role that we play in making the investment industry more accessible is something that we take very seriously. We are proud to have first achieved a Level 1 B-BBEE rating in 2021 and to have maintained and improved the rating since then. While this scorecard does formally demonstrate our compliance with the B-BBEE requirements of the country, for us it is more about showing our consistent commitment to sustainable transformation and creating a more equitable future across all spheres in South Africa.

In our journey toward transformation at M&G Investments Southern Africa, our primary focus is centred on our clients, acknowledging the imperative of fostering greater socio-economic equality in all aspects of our society. This commitment is driven by our dedication to doing what is right for our clients. It also encompasses the meaningful development of our people, our stakeholders, and our communities, in order to build a sustainable future for generations to come. Please refer to our CSI Report for more about how we are doing this.

| M&G INV Gazetted Amended FSC Scoreboard | | FY2020 | FY2021 | FY2022 | FY2023 |
|-----------------------------------------|------------|---------------|---------------|---------------|---------------|
| Element | Weighting | Score | | | |
| Ownership | 25 | 21.86 | 22.26 | 22.38 | 22.18 |
| Management control | 20 | 12.39 | 13.49 | 14.29 | 16.54 |
| Skills Development | 20 | 13.96 | 13.07 | 16.61 | 16.79 |
| Preferential Procurement | 20 | 22.00 | 21.52 | 20.73 | 22.73 |
| Enterprise and Supplier Development | 15 | 16.55 | 17.00 | 16.00 | 16.00 |
| Socio-economic development | 5 | 8.00 | 8.00 | 8.00 | 8.00 |
| Empowerment Financing and ESD | N/A | N/A | N/A | N/A | N/A |
| Access to Financial Services | N/A | N/A | N/A | N/A | N/A |
| | 105 | 94.76 | 95.34 | 98.01 | 102.24 |
| Converted Total | 111 | 100.17 | 100.79 | 103.61 | 108.08 |
| B-BBEE Status | | 2 | 1 | 1 | 1 |

Enhancing Client Outcomes Through the Power of Diversity

Leading research suggests that having diverse teams leads to better decision making. Different perspectives provide multiple lenses through which our analysis of potential risks and opportunities takes place, providing an increased depth of analytical perception. As the investment landscape in Southern Africa changes, we are also seeing that clients in the investment management industry are increasingly diverse. Having a team that reflects the diversity of clients can enhance the understanding of their unique needs and preferences, potentially leading to more tailored and effective investment strategies.

Diversity and inclusion are therefore key attributes for success in our business.

Leading by example – M&G SA Executive Committee

Internally we are making strides towards having a more diverse and inclusive leadership. With more than 19 years of average industry experience from various backgrounds, **our executive committee is made up of a diverse group of individuals which has a majority of Black members (70%) and a strong female representation of 40%.** This combination of skills, experience and backgrounds creates a formidable senior leadership team, laying the foundation for the success of our business, staff and future generations to follow suit. We strongly endorse the idea that one cannot aspire to what one does not witness. Through the appointment of our inaugural CEO of colour and the inclusion of women of colour in our executive team, we aim to demonstrate to our younger staff and other aspiring individuals, even those outside our industry, that with diligence and hard work, achieving a position at the decision-making table is indeed possible.

EXCO Demographics
(as at 29 February 2024)

40% Female
70% Black
192+ Years

Combined Industry Experience



Meet our Executive Committee (as at 29 February 2024).

From top to bottom, left to right:

- Marius Botha**
Chief Executive Officer
- Naleni Govender**
Head of Institutional Business
- Daryl van Zyl**
Chief Operating Officer
- Yakupha Nkosinkulu**
Head of Human Capital
- Sandile Malinga**
Chief Investment Officer: Multi-Asset
- Sumayya Davenhill**
Head of Marketing & Retail Client Services
- Ross Biggs**
Chief Investment Officer: Equities
- Nailah Limbada**
Head of Finance
- Shaheed Mohamed**
Head of Risk and Compliance
- Gareth Bern**
Chief Investment Officer: Fixed Income

They say we're 100% compliant, we say we're 100% committed

While following the letter of the law should naturally be a given, the spirit of Employment Equity has become the golden thread interwoven with our business practices. This commitment, led by our CEO, is reflected in the significant strides we consistently make toward achieving fair representation of employees from designated groups.

To advance our approach in this domain, we concentrate on:

Create awareness and acquire talent from Designated Groups:

Actively seeking talent from designated groups during our recruitment processes.

Tap into talent and create opportunities:

Offering skills development opportunities specifically designed for individuals from designated groups.

Optimal Development of Black Talent:

Facilitating the optimal development of our own pool of Black talent within the organisation. This strategic focus underscores our dedication to fostering diversity and inclusivity, extending beyond mere compliance with legal standards.

Staff demographics (as at 29 February 2024)

- 191** Staff total (permanent and contract)
- 69%** Black staff
- 50%** Female staff
- 37%** Black female staff
- 30%** Black staff at top, senior and professional levels
- 9%** Female staff at senior levels
- 18% of the total number of females
- 4%** Black female staff at a senior level
- 8% of the total number of females

Create awareness and acquire talent:

We are actively progressing toward a more inclusive workforce at M&G SA. While we take pride in the positive shift we've achieved over the years, we recognise the ongoing need for improvement.

Our commitment extends to expanding opportunities within the industry for individuals who may not have previously encountered or had access to it. We believe that we have a role to play in transforming not only our business but the industry too.

To achieve this goal, our recruitment strategy has evolved to seek talent beyond the traditional confines of the industry. We've successfully brought in professionals from diverse backgrounds, not only benefiting from their fresh perspectives but also raising awareness about our industry.

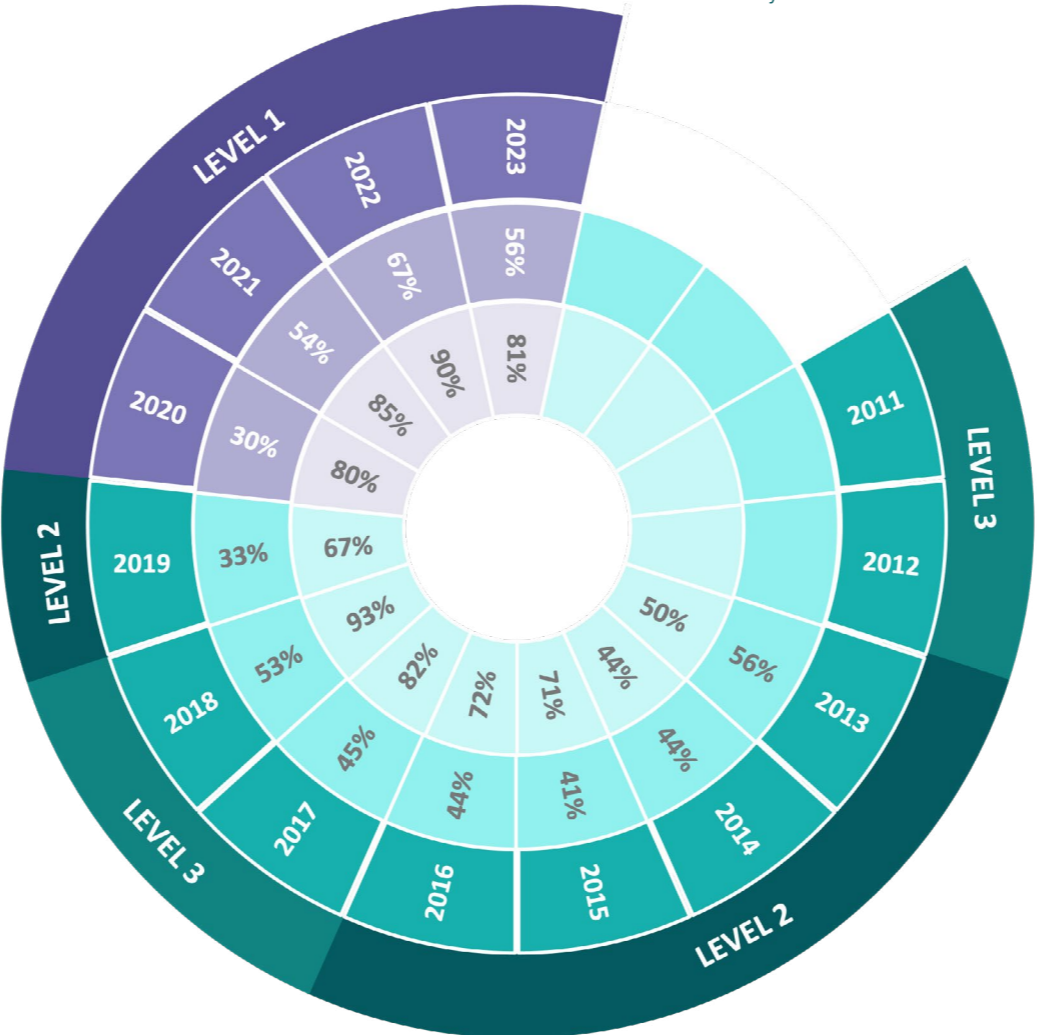
In 2023, out of the 35 new hires, a noteworthy 17 individuals joined us from outside the industry, reflecting our

dedication to broadening the talent pool and fostering a more inclusive and dynamic workplace. M&G SA has a robust Diversity and Inclusion committee, comprising staff members representing diverse groups within our organisation.

This committee actively oversees the implementation of our Employment Equity plan, submitted to the Department of Labour. Our continuous efforts have resulted in substantial strides in recruiting talent from designated groups.

The commitment to prioritising recruitment from these groups is championed by our CEO.

The chart illustrates our transformation journey since 2011. For example, in 2023, 81% of all our appointments were individuals from designated groups, with 56% of appointments being female.





Tapping into talent and creating opportunities

Here's what one of our graduates has to say about it:

M&G Analyst Graduate Programme

We are purposeful in our efforts to enhance the skills of our staff, firmly believing that this investment will support our colleagues in their career aspirations and interests, leading to improved outcomes for our clients. In 2021, we introduced the M&G Analyst Graduate Programme, representing a strategic investment in cultivating our future talent in the investment team. This initiative not only strengthens our internal capabilities but also contributes positively to the broader industry.

Through this programme, we actively recruit and empower aspiring young professionals by providing extensive exposure to various facets of the investment management profession.

Over a two-year period, participants engage in rotating roles with the portfolio management team, steadily building their knowledge, and honing their analytical skills. A prerequisite for admission to this programme is an ongoing pursuit of a Chartered Financial Analyst (CFA) qualification. This dual focus enables participants to seamlessly blend the practical experience gained with theoretical insights, propelling them toward becoming accomplished analysts in their field.

Sifiso Hadebe, Fixed Income Analyst, BSC Hons Actuarial Science, CFA (in progress)

“The M&G programme provided a guiding light in shaping my career path, enabling me to plan and pursue my aspirations with confidence and purpose, setting me on a trajectory for success in the investment industry.”



Q: What motivated you to apply for the programme?

A: Driven by my passion for investments, I sought to explore the investment industry. The M&G programme's uniqueness among various offers, with its exposure to diverse asset classes and insights into running an investment firm, made it an enticing adventure from the moment of the interview.

Q: What was the biggest benefit of the programme?

A: The M&G programme's greatest benefits included the opportunity to work closely with industry experts, comprehensive learning about the investment process, and the privilege of sitting in significant meetings to gain unparalleled exposure to the investment world.

Q: Tell us about your greatest achievement since completing the programme.

A: A significant milestone was achieving my dream role as a dealer and Fixed Income analyst, bringing me closer to the market and enabling me to leverage my technical skills to add substantial value to the business.

Q: What did you find was the most challenging part of the programme?

A: Bridging the gap between theoretical knowledge from university and practical investment decision-making was the primary challenge, but determination and dedication allowed me to overcome it.

TSIBA Business School student internships

We are equally dedicated to nurturing talent across various parts of our organisation.

In collaboration with TSIBA Business School, an accredited higher education institution offering both undergraduate and postgraduate business qualifications, we have established a longstanding partnership. Throughout the years, we have actively supported their internship programme, welcoming high-potential undergraduate students pursuing a Bachelor in Business Administration (BBA) Finance degree into our business. Since 2014 we have hosted 20 Black students, of which 17 have come from TSIBA and three from the Cape Peninsula University of Technology (CPUT), for internships lasting between four to six months. Of these students, we have offered a 12-month contract to 19, who then undertake a year of work experience. During this year, these students rotate through our support services including Operations,

Marketing and IT, gaining invaluable direct and practical on-the-job experience.

We are pleased to be able to report that 8 of these interns became permanent staff, and 5 are still employed with us on an extended basis. In so doing we are contributing to the broader goal of making this industry more inclusive and accessible to individuals of colour who might not have otherwise had the opportunity.

Here's what one of our former students – now a staff member -has to say about their experience:

Sisipho Jokazi, *Institutional Client Manager, BBA (Bachelor of Business Administration)*

“The main benefit from early on, was having mentors that aligned with a vision that I had for myself. Having a mentor was immensely valuable to me. Being previously unfamiliar with the industry, I benefited greatly from the insights of like-minded professionals who had walked the path before me.



As I developed over the years, they continue to be a solid source of support, empowerment and guidance. ”

Q: *What motivated you to apply for the programme?*

A: As a second-year student at the time, I was intrigued by the prospect of learning about portfolio management, building wealth and

in the broader scheme of things, be in a position to relay my learnings back to the people at home and in my community. The opportunity to engage and get exposed to people who were in the industry opened my eyes to the profound impact of exposure – it is quite transformative for a young individual.

Q: *What was the biggest benefit of the programme?*

A: The main benefit from early on, was having mentors that aligned with a vision that I had for myself. Having a mentor was immensely valuable to me. Being previously unfamiliar with the industry, I benefited greatly from the

insights of like-minded professionals who had walked the path before me. As I developed over the years, they continue to be a solid source of support, empowerment and guidance.

Q: *What has been your greatest achievement since completing the programme?*

A: I rarely speak of this, but to be truthful, one of my most treasured achievements is being able to build a home for my family. My mother, as a single parent, tirelessly worked for my brother and me, supporting her siblings and parents on the same income, which meant she couldn't get to own a house. Now, no matter what happens, we have a home that truly belongs to us, a reality made possible due in part to the opportunity I received as a TSIBA student.

Among others, this one stands out as a testament to my mother, that all her sacrifices were not in vain.

Q: *What was the most challenging part of the programme?*

A: I was just months away from finishing my degree when I joined.

My understanding of the industry was mostly from stories and lessons shared during lectures. Stepping into the corporate world with a limited grasp of the terminology and lacking hands-on experience made my first year as an employee quite the adventure. However, by staying true to my principles and background, I believe I drew a varied group of individuals who were supportive of my journey and were willing to carry me through the uncomfortable stretches of growth.

Q: *How has the programme shaped your career?*

A: It has been both a steppingstone and a solid foundation for my career; simply invaluable.

Internships. The facts since 2014

- 20** Black students in total
- 95%** of students offered a 12-month contract, which means they are work-ready and have one year of experience in financial services
- 40%** were offered permanent employment
- 65%** are currently employed at M&G in a permanent capacity (of those, are black female)
- 40%** are black female
- 50%** of interns are black females

Further education and development

The business also supports and encourages its employees to pursue further education. We have team members who have successfully obtained their Chartered Financial Analyst (CFA) certifications, actuarial qualifications, and various other courses or degrees that align with our business objectives focus. To advance the careers of our up-and-coming talent, we recognise the paramount importance of continuous investment in their professional growth. Internally, we have instituted a dedicated agenda for talent and progression, aimed at nurturing the development and advancement of our staff within the organisation. To catalyse genuine transformation in our industry, we wholeheartedly embrace the concept of cultivating our own talent. It is through this commitment that we can not only nurture talent within our sector but also open doors for individuals outside the industry, providing them with opportunities to enter and make a meaningful impact.

Here's what one of our staff members had to say about their experience:

Boitumelo Mahudu, Trainee Equity Analyst, BCom Accounting (CA-stream); Chartered Accountant (SA); Chartered Financial Analyst (CFA)

“ I've learnt a great deal throughout the CFA programme and apply these learnings in doing my job on a day-to-day basis, so that has been the greatest benefit. It hasn't been one of those qualifications that you do and never actually apply it in carrying out your day-to-day job – so it's been very useful in that I use the concepts I've learnt. ”



Q: What motivated you to study towards a CFA?

A: I studied a mostly financial reporting and auditing focused degree, and working in a position with a high level of finance knowledge required, the CFA designation provided an opportunity to upskill myself in this regard.

Q: Tell us about your CFA journey.

A: I wrote the first exam in 2021, which was my first year at M&G. Due to my Bachelor of Commerce background,

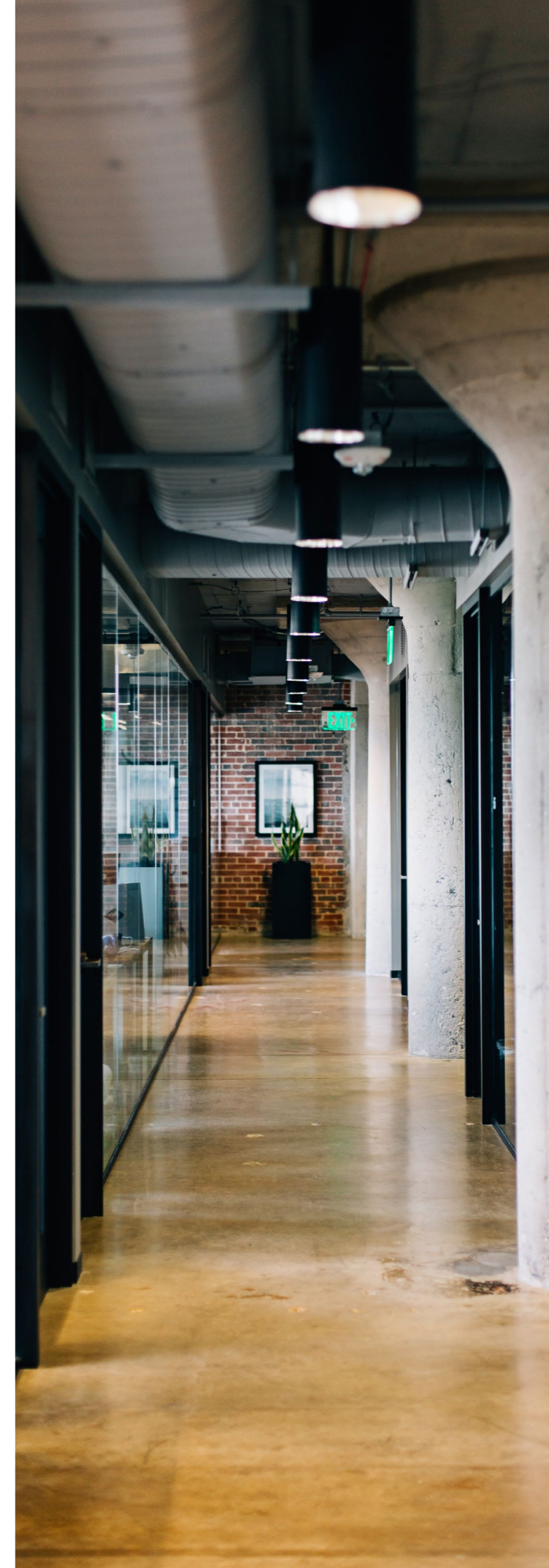
I had covered a lot of the concepts in varsity already, so there was a lot of revision. The second (2022) and third exams (2022, 2023) were certainly more challenging and introduced newer concepts and required a deeper level of application of concepts, versus what was required in the CFA 1. So, one really needs to apply themselves a lot harder in CFA Level 2 & CFA Level 3. I had to write the level 3 exams twice as I didn't pass the first time, so that was tough.

Q: What was the most challenging part?

A: Certainly, having to re-write the level 3 exam was the hardest part. However, the positive takeaway from that was that this provided another opportunity to apply myself properly to the material, which is overall beneficial. Throughout the whole process, however, having to balance between work, studying and personal commitments was always challenging. Furthermore, unlike other school-based qualifications, CFA requires you to exercise a huge amount of discipline to ensure you're consistently working from the time you register up until the exam, to avoid having to cram four to six months of studying into the two weeks before the exam. I think if one remains disciplined and consistent in the months leading up to the exam, everything should go fairly well.

Q: Any advice for those who are considering or currently doing their CFA?

A: I would say ensure that you've got good enough motivation or reason for wanting to do the qualification – that'll keep you motivated when you're spending hours on weekends and in the evenings putting in the work. Most importantly, I would say that you need to be disciplined and consistent in the four to six months leading up to the exam. Many candidates fall short because they leave most of their studying to the last month before the exam, and by then there's far too much content to cover within a short space of time.



The LEAD programme

In our business, we acknowledge the presence of specialists in managerial roles. Collaboratively, we have developed a programme known as the Leadership Excellence and Development (LEAD) programme, working in partnership with a distinguished industrial psychologist possessing extensive experience in the investment industry. This programme spans one year for specialists, aiming to refine their critical thinking skills, deepen their understanding of design science and systems thinking for enhanced problem-solving, and foster an innovative thinking mindset.

For people managers, the programme extends over two years. The first year mirrors that of the specialists, focusing on critical thinking, design science, and systems thinking. In the second year, the emphasis shifts to essential management skills, including conducting critical conversations for success, effective stakeholder management, and cultivating key leadership soft skills. This extended programme ensures that people managers are equipped with the necessary tools to foster a happy and productive team.

Our staff members have enthusiastically embraced the chance to participate in these courses, and as of now, a total of 63 employees have taken part in the LEAD programme since 2019. Participants have comprised:

**73% Black | 52% female | 35% Black females
10% went on to complete Public Mastery**

We believe that by investing in this strategic focus, we are not only doing what is right for our staff, we are also improving their skills and future career prospects, while simultaneously enhancing the delivery of superior service and financial outcomes to our clients.



Here's what one of our staff members had to say about their experience:

Aphiwe Mxabanisi, Retail Client Services Consultant

“ Because of LEAD, I'm more aware of my strengths and weaknesses. I was also able to identify areas where I can improve on to become effective at work. This also made it easier for me to deal with feedback. My conflict resolution skills were sharpened by this course. I was also able to set goals for my future based on my interest and capabilities.”

Q: What motivated you to join the programme?

A: The program presented an opportunity for me to grow personally, as an employee and as a professional.

Q: What was the biggest benefit?

A: It helped me clarify my professional vision, my sense of being and improved my communication especially when it comes to emotions.

Q: What was the most challenging part?

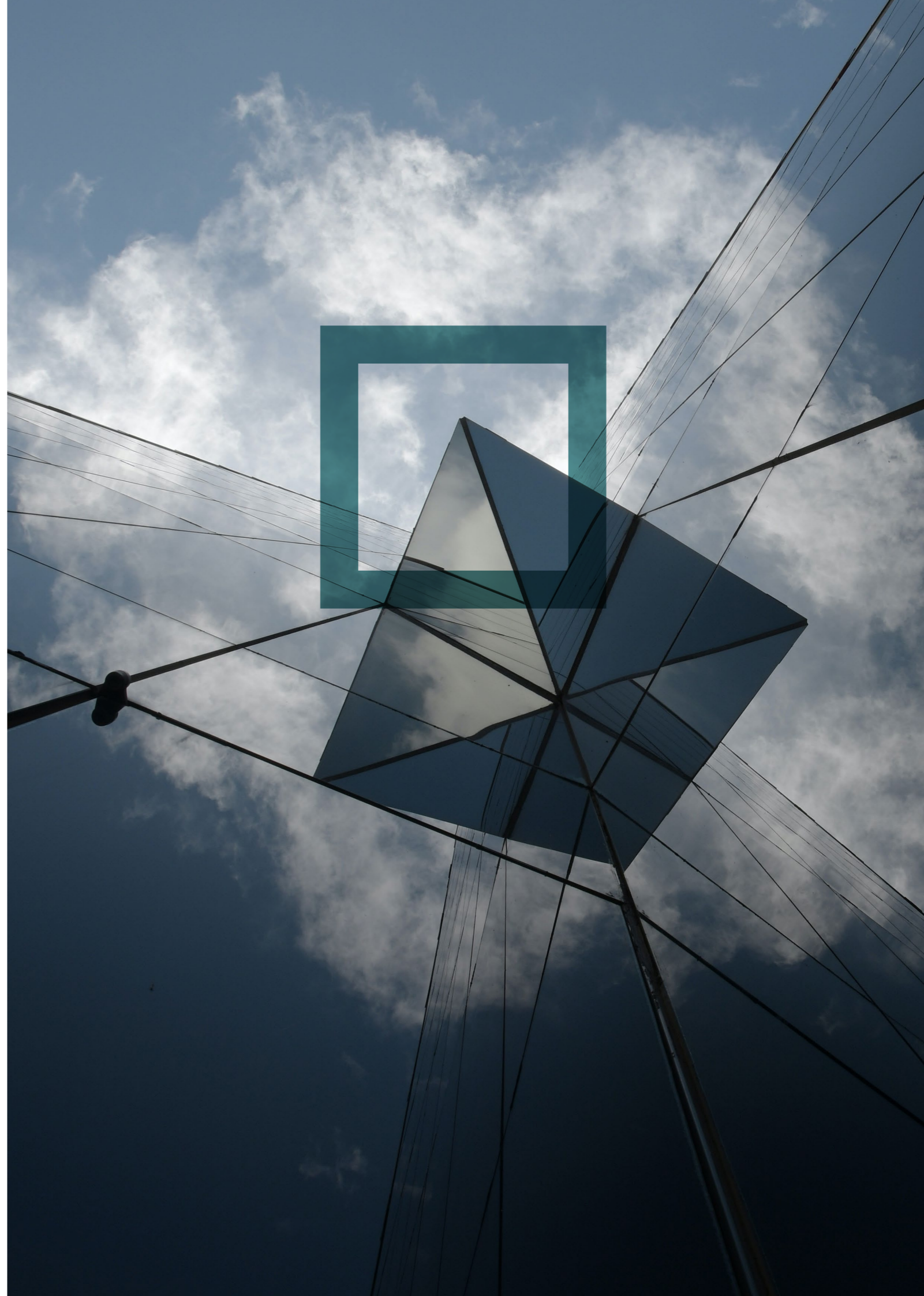
A: The most challenging part was communicating my feelings in professional and personal relationships. Also, having to reflect on that, and my actions, as well as the impact that I have on other people.

Q: What was the key learning that you took out of the programme?

A: For me, the key learning was learning how to navigate the organisation and the different people across the teams.

Q: Any tips/advice to those considering going on the programme.

A: Be open and apply yourself wholeheartedly to the program. Some learnings may not be used or applied immediately, but you will be better equipped for the future.





Advancing Black Equity: Empowering Ownership and Shareholding Progress

In the early stages of our journey back in 2005, we formed a partnership with Thesele Group, a highly successful and knowledgeable partner with substantial experience in financial services. Currently, they own 21.8% of our business. We have developed a very successful long-term relationship with them. Thesele Group adopts a hands-on approach, actively participating as shareholders in all the businesses within their portfolio. More than mere capital providers, founders Sello Moloko and Thabo Leeuw are closely involved in M&G, serving on the Board of Directors in Southern Africa and contributing to various committees within M&G SA.

Thesele Group (Pty) Ltd is a 100% black-owned investment holding company founded in 2005. Thesele is positioned to identify suitable business opportunities for capital investments using its extensive business skills and networks, strategic input and financial expertise to bolster the business. Thesele is a commercial enterprise with a portfolio of investments across a range of sectors in South Africa, including financial services, logistics, property, ICT, automotive as well as energy, water and infrastructure.

Also in 2005, we initiated an ownership scheme for our staff, resulting in them today collectively owning 28.08% of the business. We strongly believe that having our staff as shareholders cultivates a strong and inclusive ownership culture focused on care and dedication.

Every team member, regardless of seniority, holds shares, a practice we are proud of and believe significantly enhances our ownership culture. We are confident that these initiatives contribute to our staff's heightened commitment, ultimately leading to superior outcomes for our clients. The remaining 50.12% is owned indirectly by M&G plc, who have been committed to Southern Africa for three decades and continue to invest in not only our business but the Southern African communities we operate in.

Playing our role in the Investment Industry and more broadly

As one of the 10 largest investment managers in South Africa, we understand that we have an important role to play in ensuring the success of our broader industry.

Our active membership in the Association for Savings and Investment South Africa (ASISA) reflects our commitment to supporting their mission of ensuring the industry's relevance and sustainability by fostering a culture of savings and investment. In alignment with this goal, we contribute skills and financial resources to the following commendable programmes.



| | |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Programme | Association for Savings and Investment South Africa (ASISA) Fezeka Investment Management Programme |
| Description | This structured development programme provides high-potential, black female graduates with the opportunity to build a career in investment management through a powerful combination of theoretical knowledge, professional development and practical work experience within investment management businesses committed to growing the talent pool of women in asset management. As part of the recruitment drive for 2024, twelve graduates have successfully secured placements. |
| Transformation objective | Skills development |
| Programme | ASISA Independent Financial Advisors (IFA) Programme |
| Description | The programme was purposefully designed to invest in the strategic growth and development of selected IFAs to equip their businesses with practical practice management toolkits, skills and knowledge. Since its inception, the programme has supported 148 Black SMEs and 129 interns from designated groups. |
| Transformation objective | Enterprise, supplier and skills development |
| Programme | ASISA Enterprise and Supplier Development (ESD) Fund |
| Description | The Fund invests in acceleration programmes for Black SMEs, assisting them with capital and business support so they can plug into the funder's value chains, create jobs and move society forward. Click here for a list of all the SMEs the Fund invests in. |
| Transformation objective | Enterprise and supplier development |
| Programme | ASISA IMACS@TSiBA internship programme |
| Description | This internship programme connects companies with high-potential undergraduate students completing a Bachelor of Business Administration (BBA) Finance degree through TSiBA Education. Students participate in the ASISA Academy's investment management administration programme, which provides a potent combination of theoretical knowledge and work-readiness input. |
| Transformation objective | Skills development |
| Programme | ASISA Consumer Financial Education (CFE) |
| Description | The ASISA Foundation facilitates several successful consumer financial literacy and education programmes to improve the economic behaviour of South Africa's most vulnerable groups through the transfer of knowledge and skills development. Click here to read about the programmes that are currently running. |
| Transformation objective | Socio-economic development and consumer education |

Working with other stakeholders

We partner with the Ikusasa Student Financial Programme (ISFAP). ISFAP aims to fast-track South Africa's skills production for the 21st century. This is done through a funding model that predominantly caters to the higher education needs and costs of South Africa's poor and middle-class students studying towards a career in Occupations of High Demand (OHD).

Supporting black-owned stockbrokers

For many years we have been a staunch supporter of the development of black-owned stockbrokers in the local industry, to help influence transformation across the investment value chain. In fact, we were a founding sponsor of ASISA's Black Stockbroker Programme and IFA Development Programme and have contributed to both initiatives consistently. Separately, we make a concerted effort to ensure a significant portion of our trading volumes is transacted through select black stockbroking businesses. This year approximately 45% of our total brokerage fee payments has gone to black stockbrokers.

Partnering with Motswedi

We're also excited to be embarking on an endeavor with Economic Transformation Specialists, Motswedi, to facilitate meaningful enterprise and supplier development as well as empowerment financing to small black-owned asset managers. Currently, there are four black asset manager beneficiaries in the programme receiving support across a range of areas, including technology, resources, staffing, automation, licensing, marketing, among others.

Motswedi's vision

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

Preferential procurement

At M&G Investments Southern Africa, we believe that preferential procurement in asset management plays a pivotal role in advancing transformation goals by actively promoting the inclusion of historically disadvantaged individuals and businesses.

By prioritising procurement from entities owned by previously marginalised groups, such as Black-owned enterprises, women, and youth, we contribute to economic empowerment and social equity. This intentional focus on preferential procurement fosters diversity within the supply chain, supporting the growth of businesses that may have faced historical barriers. Ultimately, it contributes to a more inclusive and representative landscape within the asset management sector, aligning with broader transformation objectives in South Africa.

We are proud to have supported Black suppliers with more than than R234 million in spending in the 2022 financial year.

While we remain mindful of our expenditures with larger suppliers, our dedication to fostering Small and Medium Enterprises (SMEs) is equally unwavering. In pursuit of this commitment, we allocate spending to black-owned small and medium businesses to provide a range of services from professional services to our building work and maintenance to consciously choosing to support a local fruit vendor for office fruit supplies. These deliberate choices underscore M&G Investments' commitment to enhancing our local economy and uplifting the communities in which we operate.



Investing responsibly



For us, sustainability embodies the concept of long-term viability, where we aim to create and share value over an extended period. To ensure the enduring well-being of current and future generations, we proactively address challenges that could hinder the quality of their lives. In our role as custodians of our clients' savings, we recognise a responsibility to actively collaborate with our investee companies on environmental, social, and governance issues, including matters related to transformation. We firmly believe that all listed South African companies, as corporate citizens play a role in positively transforming the socio-economic landscape of our country. Emphasizing diversity and inclusion, we engage with these companies to evaluate and discuss their employment policies and diversity plans, recognising that such initiatives contribute to the overall success of our country.

We have never underestimated the importance of being custodians of our clients' hard-earned savings and the meaningful role we can play in helping guide the policies and actions of our investee companies to improve the lives of our clients and their families, our staff, our suppliers, our communities, the financial services industry, and the broader Southern African region.

Empowering communities for sustainable success

As long-term investors, **we hold the conviction that sustained success arises from enduring commitment. Genuine empowerment goes beyond a mere donation**, irrespective of its size; it necessitates ongoing consistency, unwavering dedication, and a readiness to create lasting impact over the course of many years. Our country faces many social challenges, and to truly make it better, not only for today but for future generations, our actions today must possess the capacity to empower well into the future. Since our founding in 1994, we have taken our role as an active, responsible steward of our clients' savings very seriously, and this attitude is reflected in our approach to social investing as well. We take a long-term view in all we do. In our approach to social investing, likewise, we form long-standing partnerships with successful community organisations to understand their challenges and empower them to effect meaningful progress where our communities are most in need.

We work with our CSI partners to make a real difference through the transfer of sustainable skills, resources and financial contributions. The added advantage of being a global investment company also means that our global parent M&G plc enables us to make an even more powerful impact through aligning the considerable global resources of our group behind our community upliftment initiatives.

Based on this deep-rooted ethos, it is highly appropriate that educational investments form the heart of our corporate social investment (CSI) programme. Education is the key to breaking the cycle of poverty in Southern Africa, and if we can sow the seeds of a quality education for

as many people as possible, then surely generations to come will reap the rewards.

“ What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead. ” – Nelson Mandela

Education empowers and is something that can never be taken away. Our embrace of education also supports the principle embodied in UN Sustainable Development Goal #4 (SDG 4), which emphasizes achieving inclusive and quality education for all. This is also one of the SDG's that our group has adopted globally. The UN chose this goal with the firm belief that education is one of the most powerful and proven vehicles for sustainable development, and one of the most effective ways to reduce gender and wealth disparities in a society. Our Corporate Social Investment (CSI) initiatives are spearheaded and executed by our dedicated CSI committee, comprised of staff members who are passionate about this cause. They volunteer their time and efforts to contribute to this meaningful aspect of our business.

Our CSI programme comprises of three different types of initiatives:

1. CSI Partner initiatives, where we contract at a corporate level with registered non-profit organisations working on the ground - in communities most in need;
2. Staff community initiatives, where we help to fund worthy community projects identified by our staff that they are directly involved in;
3. Living CSI initiatives, where our staff in-house activities generate donations to community projects near to our hearts.

More about the governance structures that enable transformation

Our Board

As an unlisted investment company, M&G SA has a board that is mandated to ensure that the business is strategically fit and well run in order to deliver on the promises that we make to our clients.

MandG Investments Southern Africa (Pty) Ltd Board

| Title | Name | Role | Position |
|-------|------------------|--------------------------------|-------------------------------|
| Mr | Graham Mason | Chair - Non-Executive Director | Shareholder Nominee (M&G) |
| Mr | Marius Botha | Executive Director | Chief Executive Officer |
| Mr | Linda Yanta | Non-Executive Director | Independent Director |
| Ms | Dolores Mashishi | Non-Executive Director | Independent Director |
| Mr | Bruce Grater | Non-Executive Director | Independent Director |
| Mr | Thabo Leeuw | Non-Executive Director | Shareholder Nominee (Thesele) |
| Ms | Fabiana Fedeli | Non-Executive Director | Shareholder Nominee (M&G UK) |
| Mr | Sandile Malinga | Executive Director | Shareholder Nominee (Staff) |

Permanent Attendees

| Title | Name | Position |
|-------|-------------------|-----------------------------|
| Mr | Shaheed Mohamed | Head of Risk and Compliance |
| Ms | Nailah Limbada | Head of Finance |
| Ms | Candice Posthumus | Company Secretary |

55%

Black members

36%

Female members

18%

Black female members

From left to right

Linda Yanta -

Independent Non-Executive Director

Fabiana Fedeli -

Non-Executive Director

Bruce Grater -

Independent Non-Executive Director

Graham Mason -

Chairman

Marius Botha -

Chief Executive Officer

Dolores Mashishi -

Independent Non-Executive Director

Thabo Leeuw -

Non-Executive Director

Sandile Malinga -

Chief Investment Officer: Multi-Asset



Our SET Committee

To uphold an unwavering commitment to Ethics and Transformation within our business, the board has established a subcommittee known as the Social, Ethics and Transformation Committee (SET).

Comprising an independent non-executive chair and representatives from the Thesele Group and our staff, this committee is dedicated to overseeing the implementation of our Transformation, Diversity & Inclusion, and Corporate Social Investment strategies.

The aim is to ensure that we fulfil our mandate as a responsible investment company.

For the day-to-day management of initiatives related to Diversity and Inclusion, as well as Corporate Social Investments, the SET committee delegates authority to two committees led by staff members at M&G SA.

“Constantly being mindful that what we do has to be purposeful, and holding ourselves accountable to it, changes how we do business. It ensures every decision we make and every action we take creates a positive future for our people and the planet.”

Graham Mason – *Chairman, M&G SA Board*

| | Position | Role |
|--------------------|-----------------------------------------------|------------------------|
| Marius Botha | Chief Executive Officer | Executive Director |
| Dolores Mashishi | Independent Director | Chair (Non-Executive) |
| Thabo Leeuw | Thesele Shareholder Representative | Non-Executive Director |
| Nailah Limbada | Head of Finance | Attendee |
| Yakupha Nkosinkulu | Head of Human Capital | Attendee |
| Sumayya Davenhill | Head of Marketing and Retail Client Services- | Attendee |
| Ziyaad Bassadien | Compliance Officer | Attendee |
| Anthony Walker | ESG Specialist | Attendee |

75% Black members **50% Female members** **50% Black Female members**



Permanent SET Members

From left to right

Dolores Mashishi -
Independent Non-Executive Director

Marius Botha -
Chief Executive Officer

Thabo Leeuw -
Non-Executive Director



Celebrating success and paving the way forward –

A close from our CEO

At M&G Investments, we take pride in the transformative milestones achieved on our journey so far, making a meaningful impact in the communities we serve. While celebrating our successes, we acknowledge the ongoing need for progress and remain steadfastly committed to the long-term vision. Recognising that sustained positive change is achieved through consistent, responsible actions, we are dedicated to doing the right things right—taking small, positive steps day after day, year after year. It's this cumulative effort that yields significant results over time. This philosophy guides not only our success in delivering strong investment returns for our clients, but also shapes our approach to making a lasting, positive difference in our country and for our valued clients. As we reflect on our journey thus far, we are energised and resolute in our commitment to a future marked by continued transformation, growth and positive impact.





Contact us

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Invest in
consistency

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