

National Empowerment Fund



The NEF wishes to congratulate *Top Women in Business & Government* for consistently showcasing the talented business women of South Africa.

The goals and intentions of this publication directly relates to our priorities of empowering South African women from all walks of life who endeavour to become top business women by contributing to the country's economy.

Addressing the barriers

As a catalyst for Broad-Based Black Economic Empowerment the National Empowerment Fund (NEF) is the sole Development Funding Institution (DFI) mandated by Government to exclusively champion economic transformation in South Africa through the provision of innovative finance and investment solutions to black people, for an inclusive economy.

The risk aversion of traditional funding institutions continues to present significant barriers to black entrepreneurs wanting to enter the formal economy, thereby hampering the pace of economic transformation. That is why the NEF, as a leading funder of black-owned business, has tailored nine funding products to ensure that we promote meaningful black economic participation in the national economy, thereby advancing the objectives of Broad-Based Black Economic Empowerment.

Fund Management

The NEF has registered significant achievements in the Fund Management area by exponentially providing innovative investment solutions to black enterprises, having approved 124 transactions worth R932-million, of which 117 transactions of R699-million were disbursed, by 31 March 2008.

For Black entrepreneurs this illustrates a significant and epoch-making breakthrough in accessing capital. NEF interventions, however, go beyond the mere provision of Capital, important as that may be. The institution demonstrates its commitment to ensuring the sustainability of its Black investee companies through ongoing support and mentorship. Further, we are committed to optimising our regional invested portfolio to all provinces in the country through active and meaningful engagement with national, provincial and local

stakeholders. To this end we have embarked on a Provincial Roundtable Strategy which we are implementing in conjunction with Provincial Governments and local DFIs.


Asset Management

In fulfilling our second mandate as a promoter and educator of long-term savings and investment opportunities among Black people, in June last year we launched the first BEE Retail product, the NEF Asonge Share Scheme. Asonge, which was based on the NEF's 1.5 percent investment in MTN, enabled eligible broad based savings groups, such as stokvel associations and cooperatives, as well as Black individuals, to subscribe for shares of a listed company on a once-off offer basis at a 20 percent discount and with bonus shares being awarded after an initial 12-month lock-in period.

The results exceeded expectations remarkably, with over 85 000 investors buying more than 12 million shares worth in excess of R1.3-billion. The offer was oversubscribed by 13 percent nationwide, and to provide for this oversubscription, the NEF Board of Trustees approved a further allocation to ensure that all qualifying subscribers received their full subscribed shares. The results have confirmed a considerable market demand by Black people for participation in higher asset classes of the economy, and Asonge has set an historic landmark for future share offers.

The Codes of Good Practise

As a leading funder of black business and a custodian for engendering a culture of saving and investment among black people, the NEF plays a direct and integral role in implementing the Codes of Good Practice, which emanate from the Broad-Based Black Economic Empowerment Act of 2003.

The Codes take into consideration preferential procurement, broadening the reach of black equity ownership while preventing the dilution of black shareholdings, and encouraging black employment and the development of black talent into senior management. The NEF product offering was designed to address the funding challenges relating to the achievement of the various pillars of the Codes. 



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