think tank

March 2010

Contents

RisCura

good thinking

Jarred on the business 2010.

By Jarred Glansbeek

Investors had a rough start to 2009, with many pundits in January and February prophesising the "end of the world" for almost all companies in all industries globally. Times were certainly challenging for most investors. At RisCura Consulting, we received a number of calls from clients and Fund members wishing to liquidate anything considered a "risky" asset. Investors were determined to pull out of certain assets to avoid a potentially terrifying plunge as values were apparently headed toward zero.

Assisting institutional clients through the worst

Efforts to navigate our clients through such a tough climate proved challenging, as the market conditions made it difficult to convince Trustees not to run to cash. In fact, RisCura worked hard to persuade clients that the best thing was to take some of their "risk free assets" and buy risky ones. That advice may seem to fly in the face of the conventional wisdom in extremely volatile markets, which implores investors to "sit tight and wait it out", but in reality, investors couldn't actually afford to miss the opportunities the market crisis presented. Consider if you, as an investor, did nothing but waited. We can assume many investors did do this as exposures to riskier assets were down by 30% through the market crash. By trying to divorce yourself from the "blood on The Street", you would have missed the opportunity to invest in valuable long-term assets at tremendously low prices.

Excellent opportunities opened up in everything from equity to credit to property to even "safe" instruments affected by interest rates. If you didn't buy assets over this time, even if they continued to go down from the point of purchase, you would have missed out on a considerable opportunity. However, not even we could have been certain despite our convictions.

All of these hard choices combined to make it a complicated and difficult time for both Trustees and members. The dilemma for Trustees revolved around the fact that they needed to contemplate the long-term investment strategy of the Fund within a short-term financial crisis. At RisCura, we found ourselves in the fortunate position that despite the uncertainty, a majority of our clients were willing to look past the financial carnage and benefit from short-term and long-term opportunities available both locally and abroad. We are fortunate to see that most of our clients, including many of the more risk averse ones, benefited during these trying times if not through equity, certainly through credit market calls.

Help navigate the storm...

For RisCura, 2009 was all about serving our clients' financial interests. We focused less on our own business growth and spent our energy on helping our current clients navigate through the storm. In many cases, it involved us playing the tough role of convention challenger to Funds. However, with a priority placed on safety and performance for our clients, we are pleased to see client performance across the board has reflected well-timed actions, even if some of these actions seemed outside the scope and complexity of "normal" pension management by Trustees.

The business must go on

Despite having been focused on our current clients to see them through the financial crisis and not focusing on client growth, we have seen in many facets across our business, RisCura has had a tough but good year. We firmly believe that a renewed focus on "getting it right" for our clients during such a challenging market climate – from manager selection to investment strategy to systems – has led to a natural strengthening of our business on many levels. Some of the highlights from the past year include:

1. **Streamlining our process:** A streamlining of the consulting process took place over the last 12 months, with a focus on getting the best ideas to clients without a lot of noise. Some of the major improvements in process have been:

   a. Hiring expert project management skills across our team to keep the process running smoothly

   b. Standardising all consulting processes for accuracy and consistency

   c. Up-skilling all staff in the team so everyone is equipped to manage more effectively for our clients

   d. Enhancing the hands-on time of our management team to ensure experience is a shared resource

2. **Systems development creates a powerful platform:** Changes in RisCura's systems over the past two years have been astronomical. Our technology team has succeeded in creating a transaction-based system that can adapt portfolios, measure returns and risk, and solve practically any enquiry with the touch of a button. This enhanced functionality sprang from the creation of stable interfaces and a thorough process of checking, checking, checking! We've only recently begun to explore the full power of the platform, but we're excited to see that it allows us to carry out any type of analysis of worldwide assets and portfolios.

3. **Unitisation improvements reduce error:** The RisCura Unitisation team worked tirelessly in 2009 to ensure that their processes and systems were set up to foster an environment of zero tolerance for error. Our platform for Unitisation was one of the services greatly enhanced by the systems development work on portfolio performance risk and reporting, which puts our goal of zero error well within reach. Audits were carried out on old numbers finalising all outstanding issues and more recently, errors have practically been eliminated.

4. **Transition beyond best practice:** The RisCura Transition team put in a tremendous amount of effort over the last 12 months to develop an intelligent market-based decision support system that carries out audits of transaction costs as well as transitions around the world. In addition, enhanced levels of checks and balances have been added to our systems, creating an additional layer of confidence for clients. The foresight of RisCura Transition, combined with serious efforts from RisCura's Research team, has allowed us to push the boundaries beyond Global Best Practice. All this results in overhauled administration, elimination of errors, and sound decision-making algorithms allowing for a reduction of cost and risk for clients in an area where error can be especially damaging. A great achievement is that, for many clients, we have discovered major stockbroker cost and dealing issues. The resolution and remedy of these issues has saved our clients a great deal of money.

5. **Reporting and Analytics enhance accuracy:** Due to our focus on transaction-based information, RisCura's reporting team and RisCura Analytics have combined to provide sharp growth in our services to Trustees allowing them to meet, with accuracy, the requirements of current and proposed legislations as well as decision support at the level of professional investment managers, banks, etc. We're proud of what these teams and their management have achieved over the last year.

6. **Advancements in our Liability Driven Investment (LDI) Strategy:** Over the past several years, RisCura's Research team laboured tirelessly to make advancements in our LDI models. Particularly in the past year, we saw more clients recognise our approach as the optimal way to manage funds. Our innovation in this area and our clients' enthusiastic acknowledgement of that innovation has set the stage for us to share some exiting new developments in 2010.

Throughout 2009, RisCura focused on developing our business to meet the needs of clients during turbulent financial markets. From everything to added checks and balances within our systems to a higher level of focused client communication, we worked hard to ensure the resources we spent in the last year fed directly into the support of our current clients.

A big year ahead

With the harder times behind us, we look forward to implementing our vision for company growth in 2010. As the world descends on South Africa for the 2010 FIFA World Cup, we are busy expanding into the world. One of our biggest news items for the coming year is the focus on our new UK-based operation. In mid-2009, Albrecht Gantz launched our first non-African operation based in London. One of the primary drivers for this new location is to enhance international manager selection for our South African-based clients. As you will recall, our offshore performance has been a real strength, with outperformance of many investors and the largest multi-managers in the world with similar mandates. However, we know that a solid presence on the ground can only add to already excellent performance globally. Expanding our foothold in 2010 will allow for even greater depth and breadth of manager due diligences, as well as the opportunity to provide our risk and performance services for additional offshore investors.

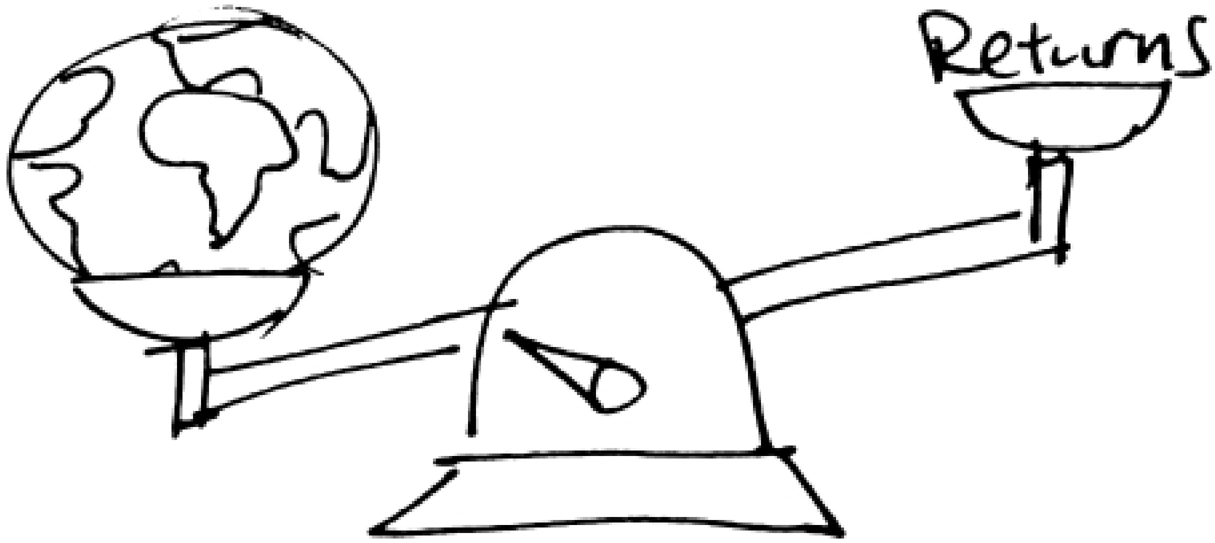
As a company grounded in African expertise, we also see 2010 as a year to build momentum within the African market. We've led the industry in investments into Africa and are starting to see the benefits from performance in this segment, with many of our clients gaining advantage from their African exposure. Investment in Africa poses a real opportunity for many investors. Intrinsically, while there is a higher risk associated with investing into Africa, there is also a potential for higher margins and therefore enhanced returns. In the year to date, this sector has outperformed most asset classes by over 10%. Africa is one of the few regions that still has not adjusted values post-market crash and therefore creates a unique opportunity for investors. As part of our African focus, our Namibian office has also been fully established with strong operations and a specialised focus on the local market. The second quarter of 2010 will see us launch our first Namibian-specific RisCUpdate, RisCura's quarterly economic overview including market overviews from Namibian-based asset managers that focus on local opportunities.

Building on our foundation of African experience and Responsible Investment at RisCura, we're excited to announce our involvement in the 2010 sub-Saharan Africa sustainable investment research project. Through a joint project with RisCura, Sinclair & Company and the International Finance Corporation, a member of the World Bank Group, we have launched the first study on sustainability practices amongst investment managers in Sub-Saharan Africa, with a focus on private equity. The results will provide investors worldwide with a better understanding of the extent to which sustainability is integrated into investment practices in the region. We're looking forward to the opportunity to provide clients with the results and implications of this research later in the year.

Finally, we have an exciting announcement on the horizon about the addition to our management team of two non-executive directors. We've grown tremendously in the last few years as a business and RisCura understands the need to enhance our management capacity alongside that growth. Our EXCO team has recognised the opportunity to expand our access to industry experience and add an additional layer of corporate governance through engagements with non-executive directors. These experienced professions will bring to RisCura immense expertise and business acumen in their respective areas. We are finalising the arrangements and look forward to announcing our new directors soon.

As we continue 2010 with a focus on building our processes and systems to provide clients with better services and support at a time when they need it most, we find ourselves looking at all the work we've done over the past year and seeing that without neglecting clients in tough market conditions, we have set ourselves up for great performance in the coming year. We look forward to sharing this promising opportunity with all our clients.

Responsible investing - Making it happen.



By Malcolm Fair, COO

"It's better than nothing." This was the predominant sentiment coming out of the UN's 2009 climate summit held in Copenhagen (COP15) this past December, where 183 countries came together to carve out a new set of rules for combating climate change on a global level. Few participants were willing to call it a success, especially countries of the developing world. Many observers believe that deals coming out of COP15 fell well short of the action needed to combat one of the biggest issues the world currently faces. However, just because COP15 failed to turn the tide of international policy, doesn't mean that individual investors and pension fund members have to be satisfied with the missteps of international politicians. A commitment by institutional investors can give responsible investing the momentum it needs to make it mainstream. Trustees have the power to change the world through the direction they take on the investment of their assets.

At the core

Responsible investing is about integrating the goal of providing return-based benefits to investors (or in the case of pension fund investing - the goal of providing pension benefits to beneficiaries) with a broader consideration of the world and society in which investors or beneficiaries live. There is no point providing pension income to beneficiaries if the world that these beneficiaries retire into cannot provide them with food, potable water or a home to live in. On a more technical investment level, The European Sustainable Investment Forum defines responsible investment this way: "investors take into consideration the long-term influence of extra financial factors such as environmental, social and governance (ESG) issues in their investment decision making. They integrate ESG factors into their stock portfolio analysis and management, bringing together social and sustainability indicators with traditional financial analysis."[1] As Achim Steiner, the United Nations Under-Secretary-General and Executive Director of the UN Environment Programme, says in the introduction of the recent report Fiduciary II by the United Nations Environment Finance Initiative (UNEP FI), "Out of the ashes of the worst financial and economic crisis in generations, the 21st century global economy should invest in real and inclusive long-term growth, genuine prosperity and job creation... We are living off the Earth's capital - we need to live off the interest."[2]

Pressure on companies with high impact on local communities

Responsible investing becomes especially relevant in regions like Southern Africa, where businesses face unique social and environmental challenges. For example, mining companies throughout Africa are under pressure as they often find the communities in which they operate characterised by poor environmental and social conditions that may result from mining operations. Accusations frequently levelled at mining companies include increases in poverty rates and unemployment rates, poor housing and infrastructure, increases in prostitution, aggravated poor health and an increased influx of migrants. This industry scrutiny has led to local and global pressure on the mining industry to be more accountable for and transparent about their actions in the community as a whole. This entails companies not only focusing on profitability but getting involved in protecting and uplifting the communities they operate in and around. Increasingly, many mining companies are viewing social responsibility as good business practice that can directly add to their bottom line and enhance the communities in which they operate.

The impact of climate change

Climate change threatens the basic elements of life for people around the world - access to water, sufficient food and good health. Worldwide, people will experience climate change most strongly through changes in the distribution of water and its impact on food supply. Food production is particularly sensitive to climate changes as crop yields are dramatically affected by temperatures and rainfall patterns. This pressure on food supply will be a major factor for South Africans and has been well articulated in various forums recently by John Oliphant, Head of Investments for the Government Employees Pension Fund (GEPF). As signatories to the United Nations Principles for Responsible Investment,[3] GEPF has been making a solid case for why the issues surrounding climate change, as part of a bigger responsible investment agenda, should be a main point of concern for African pension funds. According to a study by the International Food Policy Research Institute (IFPRI), there is enough evidence to show that the average temperature in South Africa has increased while the average rainfall overall is expected to decrease. This disparity is only expected to increase over the coming years. Maize growth, a food staple of South Africa and sub-Saharan Africa, is extremely dependent on temperature and precipitation levels and fluctuations in production have had significant impacts on food prices across the region. Alarmingly, food price inflation has outpaced normal inflation in past years and currently 75 million people are malnourished as a direct result of food price increases.[4] Mr. Oliphant points out that a majority of pension fund members across South Africa can be classified as low income wage earners who spend nearly 70% of their income on food. Therefore, pressure on the food supply, like the kind we can see from climate change that drastically impacts prices, will have devastating effects on pension fund members that are already spending a disproportionate amount of their income on food.

Solid reasons to support responsible investing

The broader environmental, social and governance (ESG) issues highlight a need for us as investors to change the way we look at the companies in which we invest. However, it's not just these broader issues that make a case for responsible investment. Beyond the major issues created for pension fund members living in a world affected by climate change, environmental stress, and negative social impacts, there are additional reasons to support and develop responsible investment policies:

- Considering environmental, social and governance (ESG) issues when making investment decisions can positively impact Fund returns. Deeper analysis of companies and their impact on markets, societies and the world should result in better decisions and uncover key issues that traditional number-based analysis can miss.
- Companies that manage complex ESG issues well tend to be well managed overall.
- Economy-wide effect of poor corporate behaviour will impact investor returns.
- Through collaboration, investors can help create a more sustainable, prosperous economy.
- Good international business practice suggests that companies benefit from taking ESG issues into consideration.

The nagging issue of returns

A common concern about responsible investing is that there is a premium to be paid for being socially responsible that potentially diminishes investment returns and therefore is not in members' true interests. There are a number of things to consider here:-

A short-term mindset

The obsession with short-term returns in the retirement fund market is set to change, particularly in the case of pension fund investing. Recent research indicates that the 10 largest European pension funds believe that most investors in the market act in a short-term manner due to the dominance of quarterly performance reporting and asset manager remuneration that is linked to short-term performance.[5] Pension fund investing cannot be about 3-month, 12-month or even 3-year returns but should be about the 10-20 year returns which are more relevant to goals of retirement investing. As UN Secretary General Ban Ki Moon so clearly stated in May 2009, "It is time to create market incentives that reward long-term investment."

Research suggests returns aren't compromised

International research by Asset4 & QSG on adding value through ESG information suggests that responsible investing does not result in lower investment returns.[6] This finding provides support to Trustees of institutional funds wanting to pursue responsible investing with the expectation that investment returns will be similar to those from traditional investment options.

Only after the last fish has been caught, will you find that money can't be eaten.

In addition, Fiduciary II indicates that one reason for the growth in the incorporation of ESG factors into investment process is evidence that a material connection between ESG and investment performance does in fact exist.[7] Benefits of higher levels of corporate social governance in companies could include:-

- Improved ability to attract and retain better employees
- Competitive advantages in production technology designed to eliminate waste
- More product workforces
- Higher sales and more loyal customers
- Lower litigation costs
- Lower environmental costs
- Enhanced brand and reputation
- Better risk and crisis management
- Good relations with government and communities

Call to action for sustainable investment

For many Funds, real life examples of environmental and social impacts are of great importance to their members and the communities in which they live. Investing for their future without consideration of the state of that future is no longer enough. Trustees have always had a fiduciary duty to protect the investments of the Fund's underlying members, but this fiduciary duty must now begin to expand beyond just returns-based considerations. Legislation and fiduciary trends are reflecting this globally. UNEP FI's Fiduciary II speaks clearly about the responsibility of institutional investors to make investment decisions that consider society, proper governance and our environment.

Many Trustees, and others in the financial services industry, are under the impression that responsible investing is an "asset class" that should be ring-fenced in a portfolio by investing in one of the myriad of SRI products available on the market. Yet as we can see, responsible investing goes deeper than this – it's a way of considering all investments and cuts across different investment mandates, asset classes and investment products. Responsible investing is an approach to investing, not just a product, and has becomes integral to all decisions made about the way we invest.

As an ancient Native American Cree proverb warns "Only after the last tree has been cut down; Only after the last river has been poisoned; Only after the last fish has been caught, will you find that money cannot be eaten."

1 *Eurosif, European SRI Study, (Paris, France, 2008), p. 6*

2 *Achim Steiner, Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009) p. 5*

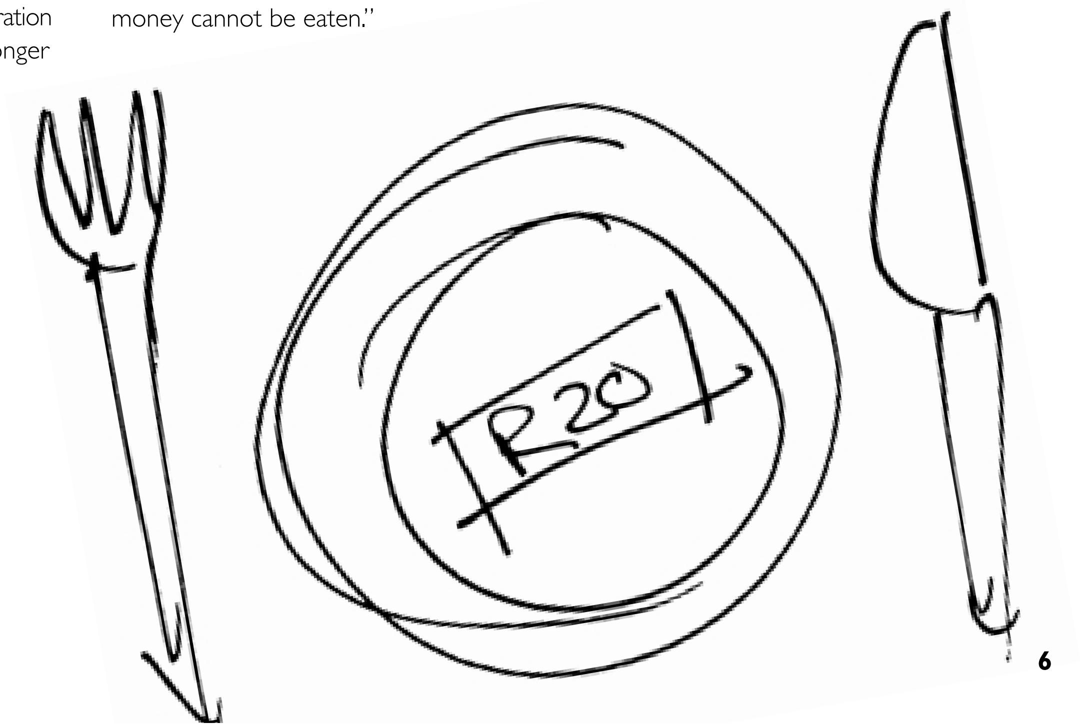
3 *See the next thinktank article by Prasheen Singh on pg.7 for more information on the Principles for Responsible Investment*

4 *Food and Agriculture Organization of the United Nations estimate, www.fao.org*

5 *Dr. Axel Hesse, Long-term and Sustainable Pension Investments ASSET4 and the German Federal Environment Ministry, 2008*

6 *The ASSET4 Framework: Adding Value through Environmental, Social & Corporate Governance Information, October 2009*

7 *Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009)*



Ways Pension Fund Trustees can start to consider responsible investment.

By Prasheen Singh
Head of RisCura Consulting

How can Trustees like you help push the concept of responsible investing more into mainstream decision making?

1. Ask your investment consultant about their environmental, social and governance (ESG) focus.

2. Areas that consultants could be addressing with your Fund include:-

3. Learn the regulatory frame-works on integrating ESG into investments.

4. Document your plan on responsible investing in your investment policy statement (IPS).

5. Ensure ESG expertise and focus is part of your tender process for investment managers.

6. Check on proxy voting by your asset managers.

7. Become a signatory to the United Nations Principles for Responsible Investment (PRI).

Our practical suggestions:-

1. Ask your investment consultant about their environmental, social and governance (ESG) focus.

Investment consultants serve as intermediaries between institutional investors and money managers. Their familiarity with ESG issues and the responsible investing (RI) options available is crucial. The United Nations Environment Programme Finance Initiative's (UNEP FI) Fiduciary II makes a strong case that consultants have a duty to proactively raise ESG issues within their advisory process. It suggests that advisors to institutional investors should make responsible investment options the default position.[8] A big challenge to the consulting industry is how to develop sufficient measures to assess asset managers' competence on ESG integration and engagement as well as dedicated systems for reviewing and rating responsible investment strategies. Consultants should be the thought leaders on how ESG considerations impact idea generation, portfolio construction, management and implementation.

2. Areas that consultants could be addressing with your Fund include:-

- Trustee training and education on ESG issues
- Developing a long-term plan to deal with ESG issues for your Fund
- Communication to Fund members about the importance of long-term returns and ESG integration
- Developing a plan to help Funds implement international best practice when it comes to responsible investments. For example, becoming a signatory to the United Nation's Principles for Responsible Investing (PRI).

3. Learn the regulatory frameworks on integrating ESG into investments.

International best practice has begun to move toward requiring the integration of responsible investment for financial service providers. In the UK, it has been suggested that investment advisors who fail to incorporate ESG issues into their investment services could face "a very real risk that they will be sued for negligence."[9] It can naturally be expected that across the global financial services industry, other countries will follow suit and eventually require investment advisors to incorporate ESG issues.

For pension funds in South Africa, it's important to note that PF130 already includes sections on responsible investing. PF130 clearly states that, "Funds should include a policy on socially responsible investments (SRI) in their investment policy statement."[10] Although not a requirement at this stage, if international best practice is any indication, it can be assumed that South Africa will be headed in that direction.

4. Document your plan on responsible investing in your investment policy statement (IPS).

With PF130 recommending pension funds to include responsible investment in their investment policy statements, there are many samples available of how your Fund can begin to craft language around these principles. This language and philosophy can then be integrated into your Fund's investment policy statement. As international best practice suggests through Fiduciary II, "It is an obligation on pension fund trustees not simply a right or an option to state in their Statement of Investment Principles what the fund's guidelines are on responsible investment and to what extent social, environmental and ethical considerations are taken into account."[11] The report goes on to give several relevant examples of how language oriented towards responsible investment can be incorporated in your Fund's IPS. Working with your investment consultant and the Board of Trustees to see this through is an important step for formalising your Fund's responsible investment plan.

5. Ensure ESG expertise and focus is part of your tender process for investment managers.

Fiduciary II suggests that fiduciaries must increasingly apply pressure on their asset managers to develop robust investment strategies that integrate ESG issues into financial analysis and engage companies to better incorporate responsible and sustainable business practices.[12]

ESG is usually low on a list of priorities when considering and selecting an investment manager or advisor. Many investors simply want to tick the responsible investing box and are satisfied with short answers from the managers. Few investors are interested, or confident, in probing managers on how they integrate environmental, social and governance factors into their investment process, policies and decision-making.

With pension funds often taking on the role of industry-leading investors, your Fund and its advisors can begin to require asset managers to outline their approach to ESG integration in the initial tender process. In addition, asset managers should be obligated to report periodically (every 6-12 months) on ESG issues and integration in line with the Fund's investment policy. This can include reports on exercising voting rights, direct engagement with corporate directors and buy/sell strategies which implement positive or negative screening.

6. Check on proxy voting by your asset managers.

Asset managers have the ability to engage with companies using proxy voting to assess, query and monitor a company's commitment to ESG issues. There are various ways that your Fund's asset managers can engage with a corporation on issues that concern your Fund. These channels include initiating dialogues with company management around environmental and social concerns, and then submitting and voting on resolutions. There are a multitude of examples where socially motivated investors working cooperatively have steered management on a path to improve financial performance and positively impact the company stakeholders. As a bottom line, it is worthwhile for Trustees to request that they be made aware of the corporate governance policy adopted by their investment managers and to receive regular reports on activities that relate to this policy.

7. Become a signatory to the United Nations Principles for Responsible Investment (PRI).

The PRI is an investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact that focuses on process oriented principles for integrating ESG issues into mainstream investment practices and asset classes. It is a voluntary entity that has been grounded in fiduciary duty and is a United Nations Secretariat[13] that provides an aspirational framework for signatories on the implementation of ESG integration.

The PRI currently has over 400 institutional investor signatories that represent some USD15 trillion of assets under management.

So why join the PRI?

As a signatory, you'll improve your understanding of the issues of responsible investment. You will get a better sense of the value drivers and risks, which will help your Fund contribute to a long-term, transparent, sustainable and well-governed market. Your Fund will have access to a global network of peer investors who are exploring and acting on ESG issues. In addition, being a signatory demonstrates that your Fund is addressing ESG issues seriously and in a manner consistent with fiduciary duty. As a signatory, you are required to participate in the PRI's annual reporting and assessment process. This is an online survey that helps signatories evaluate progress in implementing the six principles listed in the green box to the left, but most importantly provides Funds with a good sense of where they are in relation to responsible investment and helps them add to their responsible investment knowledge on a yearly basis.

In signing on as a signatory, your Fund is asked to adhere to the following principles:

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes, and through time). We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1. We will incorporate ESG issues into investment analysis and decision making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

Keep yourself, your Fund & your members informed.

Here are some reading suggestions to further enhance your knowledge on the issue of responsible investment:

- Fiduciary Responsibility: Legal and practical aspects of integrating environmental, social and governance issue into institutional investment (Fiduciary II), UNEP Finance Initiative, **www.unepfi.org**, July 2009
- The State of Responsible Investment, South Africa, UNEP Finance Initiative, Noah FI, UNISA, **www.unepfi.org**, 2007
- PRI Report on Progress, 2009, Principles for Responsible Investment, **www.pri.org**, 2009

We've all just survived a fairly substantial global financial crisis. Committing to the value of responsible investment can help ensure enhanced investment industry transparency, accountability and disclosure alongside more active monitoring of companies and greater risk management.

Still want to know more or have additional questions about how to address responsible investment for your Fund? Call your RisCura consultant at (021) 673 6999.

8 *Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009), p.32*

9 *Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009), p.24*

10 *Financial Services Board Pension Fund Circular 130, Annexure B Section 14.8, p. 6*

11 *Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009), p. 25*

12 *Fiduciary responsibility Legal and practical aspects of integrating environmental, social and governance issues into institutional investment, Fiduciary II, (UNEP FI, 2009), p. 56*

13 *Secretariat (n.): The body established under an international agreement to arrange and service meetings of the governing body of that agreement, and assist Parties in coordinating implementation of the agreement. Also performs other functions as assigned to it by the agreement and the decisions of the governing body. (www.unep.org)*

Q&A: Albrecht Gantz setting the pace in London.

We've interviewed Albrecht Gantz on his new role as Managing Director for the new RisCura UK office. Here's what he had to tell us:

What was RisCura's reason for expanding offshore?

One of our big reasons is getting closer to the managers we're recommending to our current clients and having people on the ground in the UK gives us a big advantage when it comes to keeping our manager research strong. Not to mention that it is helping us stay close to our current offshore clients and provide RisCura's advanced technology and ideas to additional clients in new markets. We're finding that our African expertise is in demand here and, apart from our global vision, we're also busy establishing RisCura as the African specialist risk and investment consultant.

Why did you choose London?

It's the world financial hub with most managers maintaining representative offices here or in Ireland and Scotland. London has very good consultants and world-class talent available with a host of data and cutting-edge technology at the ready. Importantly for company-wide operations, London gives us a time zone advantage with our other offices and allows us to stay closely aligned with our teams in Cape Town, Johannesburg and Windhoek.

What are the benefits to setting up a new operation in the UK?

We are closer to the action. And the closer we are, the better our knowledge of the managers and events in this region. Plus, it never hurts to enhance your access to new clients for Africa and emerging markets coverage.

What are you looking to offer RisCura clients that you couldn't offer from Southern Africa?

The comprehensive international manager research, reporting and offshore manager selection function that comes from having an ear to the ground where it's all happening. This will assist in maintaining our excellent offshore performance for SA clients.

What are your goals for the London office over the next year?

We aim to have a strong manager selection team built in the next year. We'll also focus some of our time on marketing our capabilities in order to attract new clients for Africa through our enhanced manager research platform. In addition, we'll look to educate locally on our asset liability modelling and the need for independent valuation.

What benefits do you hope clients will see from RisCura's first offshore office?

Performance, performance, performance! We want our clients to see us continuing to live out our promise of exceptional risk appropriate performance, global best practise and cutting-edge technology.

Personally, are you excited to be living in London?

Loving it. It's a great city and very diverse. I'm looking forward to sampling some old world wines, getting to know the global industry players better and doing some travelling.

What do you think you'll miss most about South Africa besides the sunshine?

People who know how to pronounce my name.

Profile

Kagiso Matlala

RisCura Transition

Describe your job.

Transitioning assets from one fund manager to another in a risk and cost efficient way on behalf of RisCura Transition.

Why RisCura?

RisCura provides the chance to work with young bright minds serviceing some of the largest institutional investors in the country.

What is your idea of perfect happiness?

Perfect happiness would be being in good health and simultaneously being in control of your future.

What is your greatest fear?

Waking up 5 years from now and realising that I have not made any progress.

What do you consider the most overrated virtue?

Obedience is the most overrated for me; you can be respectful without being obedient.

On what occasion do you lie?

Can't think of a good reason to lie, it's always tricky to justify it retrospectively.

What is your greatest regret?

Not playing enough sports in varsity.

What or who is the greatest love of your life?

It's got to be my immediate family and friends.

What is your current state of mind?

I'm excited about being young in this country.

What do you consider your greatest achievement?

Other than my degrees, participating in some of the largest transition trades in Southern Africa.

What is your most treasured possession?

I have two, my health and my family.

What do you most value in your friends?

Honesty.

What is it that you most dislike?

Dishonesty, and prune juice.

Who are your heroes in real life?

My mother.

RisCura

good thinking

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