



WIPHOLD

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Presentation on “Women and Wealth Creation: Women’s
Investment Funds”

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W I P H O L D

**Presentation
By**

**Women Investment Portfolio Holdings
("WIPHOLD")
on Women and Wealth Creation: Women's
Investment Funds**

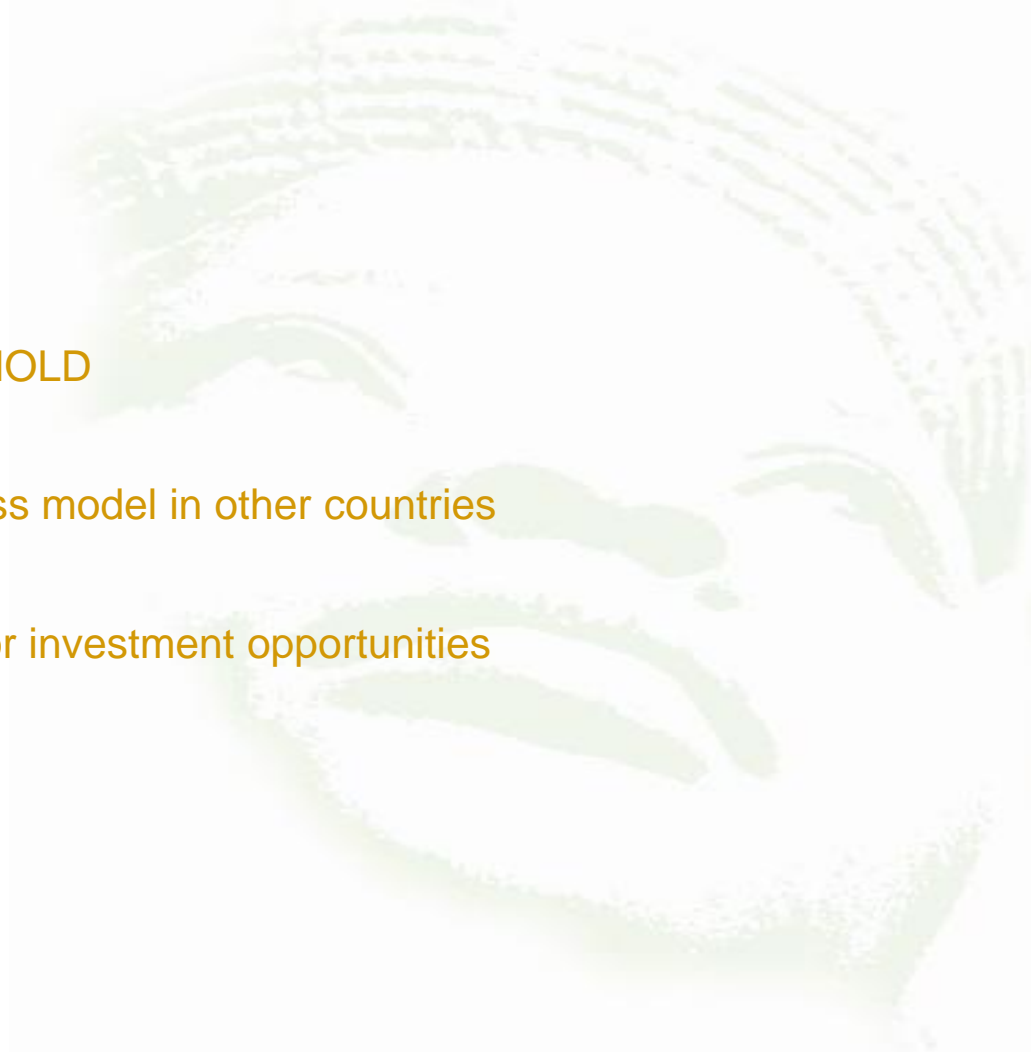
16 May 2009



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WIPHOLD

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Description of WIPHOLD

WIPHOLD

- WIPHOLD is an investment and operating company owned and managed by black women
- WIPHOLD is dedicated to the empowerment of women through:
 - Building of sustainable business operations and a strong balance sheet
 - Influencing the economic landscape for the benefit of women
 - Providing opportunities for talented young women professional to operate at senior levels in business
 - Fostering business and development linkages with the poor in rural and peri-urban areas in the manner which empowers
 - Fostering entrepreneurship amongst other women groups
 - Have facilitated a number of women group to co-invest with us
 - Supporting women organisations dedicated to the upliftment and well being of women and children
 - Have supported a number of charitable organisations with focus on women and children
 - Building and creating shareholder value for the benefit of its shareholders

Pioneers of the empowerment of women in South Africa



What led to the creation of WIPHOLD

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1948

- Birth of apartheid in South Africa
- Women and black majority (87%) excluded from participating in mainstream economy
- Black provided cheap labour and lived in squalor and poverty
- Migrant labour system separated families
- Women in South Africa have been historically the most most disadvantaged sector of the society





What led to the creation of WIPHOLD cont

WIPHOLD

1994

- The birth of new democracy in South Africa changed the landscape of economic participation of the historically disadvantaged individuals
- New opportunities for black and women economic advancement
- An enabling environment created for black and women participation
- Black and women owned companies began participation in the mainstream economy (predominantly men dominated)
- Black owned companies began participation on JSE (men dominated)
- WIPHOLD's vision established



What led to the creation of WIPHOLD

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- Frame of reference:
 - Women, while the largest contributors to the economy both as providers of labour and as consumers of goods and services, have been the most disadvantaged
 - Women are responsible for maintaining family and communities
 - When you empower a woman, you empower a nation
 - Financial independence enables women to positively redirect their lives
- Vision is to empower women (black women in particular) by:
 - Galvanising women into opportunities that makes investments of benefit to women
 - Enabling women to meaningfully participate in the mainstream economy
 - Providing career opportunities for talented young black women professionals

Dedicated to the empowerment of women



WIPHOLD Genesis

WIPHOLD

Where we've come from

- A proud journey, with ups, downs and ups
- WIPHOLD's business model demonstrates capacity to withstand changes in environment, and capacity for sustainability





WIPHOLD Genesis cont

WIPHOLD

1994 Establishment of WIPHOLD

- WIPHOLD was founded by four women with seed capital of \$100 000 with the objectives of:
 - Enabling participation of women from all levels of society in economic empowerment by galvanizing the womens' purchasing power into equity participation

1995-1996

- Identified informal women investment clubs (stockvels) as a source of capital raising
- Embarked on national workshops to galvanize women into an investment vehicle for their benefit thus channeling savings into investment opportunities
 - WIPHOLD used the funds raised to build up a diversified investment portfolio

1997 Securing empowerment for women

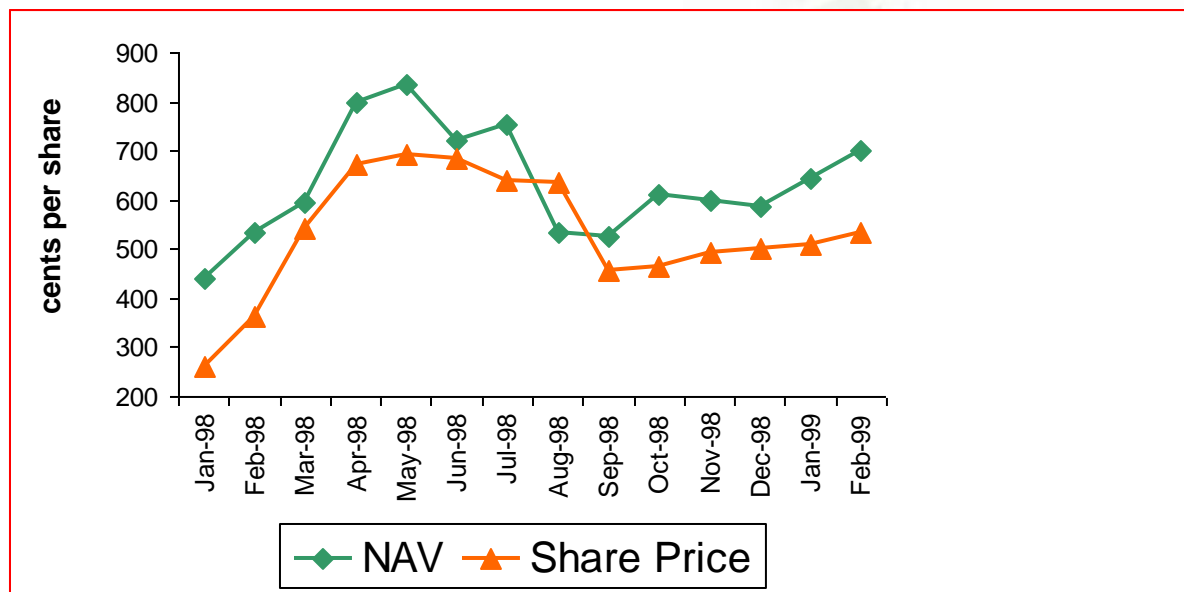
- Establishment of WIPHOLD Investment Trust
- IPO to women throughout South Africa: \$5m
 - Shareholding composition after IPO: 100% women
- Over-the-counter trading established with SCMB
 - Allow WIPHOLD women to experience practical share-trading
- NAV per share at IPO: \$0.4c; NAV at listing: \$1.3
 - Value for women who participated at IPO increased by an annualized growth return of 87%



WIPHOLD Genesis cont

WIPHOLD

Over-the-counter trade





WIPHOLD Genesis cont

WIPHOLD

1998

- Rights offer to women \$20m
- Private placement with institutions \$85m
- Private placement dilutes women's ownership to 22%
- NAV reaches \$200m
- WIPHOLD portfolio outperforms JSE Financial and Industrial Index
 - WIPHOLD reports 23% return on investment; JSE Financial and Industrial Index and JSE Investment Trust sector report negative returns of -22% and -29% respectively

1999

- Generally poor market conditions prevail
 - JSE experiences effects of global market turmoil. Blue chips lose 30% of their value; in contrast, black chips lose 46%
 - WIPHOLD reports \$3.6m profit
- Listed on JSE
 - To enhance tradability and liquidity of B shares on JSE vs OTC
 - To unlock shareholder value, as liquidity and tradability expected to reduce the discount to NAV per share
 - To promote investor and general public awareness of WIPHOLD and its activities



WIPHOLD Genesis cont

WIPHOLD

1999

- WIPHOLD first women owned company to list on Johannesburg Securities Exchange (“JSE”) with NAV of \$200 million
- Changed focus from being a passive investment holding company by establishing an operational financial services company (“Wipcapital”)
- Wipcapital focuses on advisory services
 - Mergers and Acquisitions
 - Corporate and infrastructure finance
 - Transaction structuring and fundraising
- One of the founders, Wendy Luhabe, resigned to pursue other interests

2001

- Following global market crash, WIPHOLD traded at 40% below its NAV
- Institutional shareholders put pressure for the company to un-bundle and unwind
- Another founder, Nomhle Canca, left the company due to disagreement on the strategic direction

2002

- Unbundled portfolio
 - Distributed listed shares (\$16 million) and cash (\$11 million) to the shareholders
 - Search for strategic partner begins



WIPHOLD Genesis cont

WIPHOLD

2003-2004

- Company successfully identified Old Mutual as a strategic shareholder to partner in buying out minorities and de-list company through a scheme of arrangement
- Distributed \$32 million in cash to shareholders
- Increased women ownership from 22% to 60% and black ownership to over 50%
- Restructured and rationalised the company (Wipcapital) and reduced headcount from 80 to 40
- Focused on building the balance sheet and the corporate image of the company
- NAV post scheme of arrangement \$22 million

2005

- Concluded major investments:
 - Old Mutual – one of the world's leading insurance companies
 - Nedbank – one of the top 4 banks in South Africa
 - Mutual & Federal – second largest short term insurance in South Africa
 - Telkom – a leading telecommunications company in South Africa
 - Distell – a leading wines and spirits producer in South Africa

2007

- Concluded a major mining investment
 - In Sasol Mining, one of the leading coal mining companies in South Africa
 - Expected to be the first women controlled coal mining operation



The emulation of the WIPHOLD business model in other countries

WIPHOLD

2008

- WIPHOLD embarks on replicating its business model into the rest of the African continent
- Women all over the world are primary decision makers of goods and services to be purchased
- Women are also the largest providers of labour and consumers of goods and services

BUT

- Women are most disadvantaged sector of society globally

THEREFORE

- There is a need to replicate the success of WIPHOLD model in other countries



The emulation of the WIPHOLD business model in other countries cont

WIPHOLD

Revolves around WIP International

Focus on the following emerging, high growth, regions:-

- Africa
- China
- Vietnam
- South America
- India, and
- UAE (English speaking Arab states- Dubai, Qatar etc.)



The emulation of the WIPHOLD business model in other countries cont

SUMMARY OF WIPHOLD STRATEGY



3 Pillar Strategic Objectives Still intact



The emulation of the WIPHOLD business model in other countries cont

WIPHOLD

WIPHOLD's emulation into other countries will be guided by the following key points:

- Sound Macro-economic fundamentals
- Transparency and good governance laws
- Low or reducing geopolitical risks
- Sound public policy towards development of women
- Urbanization
- Infrastructure investment
- Human capital
- Technological progress
- Intergration with global economy
- Education and politics – very key to economic growth
- Steady FDI inflows





Why women are a very good target for investment opportunities

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- Women are the backbone of the nation
- Women are responsible for maintaining families and communities
- Therefore, women need to be financially independent, in order to be able to provide for themselves and their families
- Financial independence can only be attained through making wise investment decisions for own finance
- Women are more vulnerable to destitution than men
- Although many more women control their financial destiny than in the past, too many still do not take responsibility for their financial well-being
- Women are most financially vulnerable after the death of a partner, if they divorce and when they retire
- Women are a very attractive, unconventional and untapped market for raising capital and pursuing equity investments



Lessons learned - Do's and Dont's

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- Be in charge of your destiny whatever you, do it as if there is no other chance
- Be passionate with your ideas, vision, only then can you make progress by advancing your idea/vision
- Focus on the goal or goals you have set for yourself and keep the eye on the ball. Too many ideas will not yield any positive results
- Be prepared to surround yourself with people who have a positive energy – negative energy will drag you down
- Set yourself critical success path, so you could mark your milestones and celebrate those achieved and evaluate new strategies for those milestones not achieved
- Reward yourself generously for your achievements
- Remember there is no journey without hardships, use every stumbling block as a lesson for success
- Don't forget your humble beginnings
- Don't spend as if there is no tomorrow
- Don't be detached from family and friend, you will need them
- Don't forget to be a corporate social citizen – give back to the needy society



Conclusion

Challenges still facing women



- Strides have been made toward women representation in South African private sector, but still a long way to go
 - Glass ceilings still exists in the corporate world (listed companies sector)
 - Women constitute 16.8% of executive management
 - Only 11.5% of directors are women (with only 6% involved in the day-to-day running of their companies)



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