

## COMMUNITY AND SRI

### Community

The JSE is committed to making a difference in the lives of South Africans by investing time, effort and money in various initiatives. The JSE also believes that this difference should be sustainable and should ensure that individuals benefit directly through positive and meaningful contributions. In 2013, the JSE began the process of re-assessing its activities in this regard. This culminated in the adoption of a more focused strategy related to our corporate social investment (CSI). The strategy will focus our activities into areas that we believe are relevant to the country in which we operate as well as the business activities of the JSE. These activities may be of broader benefit to society in the manner in which we believe we are best able to make a meaningful contribution given our skill and competencies.

The areas that constitute the JSE's main focus in this regard are as follows:

- National priority issues such as poverty alleviation, job creation, youth and community development etc. (as indicated by the National Development Plan and the Financial Sector Codes, among other key policy and development papers/legislation).
- Strategically aligned causes (areas that relate to the JSE's business, where the JSE is hence better suited to make meaningful contributions (such as enterprise development and financial literacy)).

We will also be growing our emphasis on staff participation in CSI initiatives, thereby encouraging active citizenry.

The processes of re-aligning our CSI spend to mirror the identified priority areas are an on-going effort and is evolutionary in nature. We continue to prioritise our activities, which are focused on education. This is reflected by the significant amount spent on related activities.

A summary of these initiatives is shown below:

CSI initiatives	2013 R'm	2012 R'm
Financial education – schools and universities	3.8	8.2
Education for students in the field of finance – JEF	3*	3.8*
Community development and healthcare	approx. 2.4 million	2.6
Benevolent Fund	5.6	5.0*
*Does not affect JSE cash flow.		

### Education

The JSE's educational initiatives are aimed at increasing understanding about the financial markets (particularly among high school learners and university students), encouraging investment among South Africans and growing the pool of potential employees in the financial markets. The JSE believes that this assists in growing the number of people who might become investors or businesses that might list.

### JSE/Liberty Investment Challenge – Community Investment

Now in its 40th year, the challenge is a focused and far-reaching educational youth programme aimed at introducing South African high school learners and university students to the world of finance. The challenge coaches learners in the fundamentals of investment strategy and encourages them to research and strategise around the trading of JSE-listed shares by managing a virtual portfolio of R1 million.

School challenge	2013	2012
– Number of schools (number of Adopt-a-School* schools)	317*	307*
– Number of learners	6 632	6 688
– Number of teams	1 658	1 638
University challenge		
– Number of universities and private colleges	38	41
– Number of students	3 041	4 320
– Number of teams	1 161	1 622

\* The Adopt-a-School initiative aims to assist schools with few resources. The schools are adopted by stock broking firms, listed companies and other institutions. Schools are given funds to enter the game and to receive daily newspapers and business publications.

#### Financial literacy activities

We have not as yet conducted a formal social impact assessment or endeavoured to measure social return on investment, but we believe that the actions we have taken and programmes we have put in place not only demonstrate the JSE's continued commitment to contributing to a positive impact on communities, but will also enable the achievement or promotion of a number of positive outcomes, including the following:

- Enhancing the financial literacy of the South African youth;
- Enhancing the South African youth's understanding of the securities market and its role in wealth generation;
- Equipping the South African youth with some of the financial skills that will assist them in realising employment opportunities and/or contributing to and participating in the country's economy in the future;
- Driving financial literacy in the youth market by educating them about the value of investing and exposing the learners/students to the investment fundamentals through the simulated trading of shares on the JSE; and
- Students will eventually be feeders into the financial sector.

#### Investment education through the curriculum at schools

During 2013, the JSE partnered with the South African Reserve Bank (SARB), the Financial Planning Institute, the National Credit Regulator and the KZN Financial Literacy Association to promote the financial literacy of South Africa's youth.

#### Power Hour sessions and regional public seminars

The Retail Development team continues to conduct Power Hour sessions in Durban, Cape Town and Sandton. In these sessions, the audience is provided with knowledge and skills related to investing and with product information. These

sessions are also enhanced through webinars, which increase their reach to areas not visited. The regional public seminars are conducted in partnership with JSE divisions and retail broking firms in targeted areas.

### Adding new initiatives

In 2013, a new focus area was initiated, aimed at growing the investor market. As a result of this, a public game (virtual trading game) was introduced to offer a learning opportunity for aspiring investors.

The aim of the virtual trading game is:

- to increase retail investors at the JSE by giving them an opportunity to try their investment skills in a risk-free environment.
- to influence people to educate themselves by playing this game before they try out investing their hard-earned cash.

The virtual trading game gives the participants an opportunity to experience the real market, develop their knowledge of the stock market, test their investment strategies, learn how to keep track of a share portfolio and practice trading in a risk-free environment. The virtual trading game will help participants to acquire investment skills and enable them to trade with real money in the stock market.

During 2013, plans were also made to develop learning modules for the public in an effort to enhance learning about the market. These modules will be self-paced and interactive and will enable participants to learn progressively, from basic to intermediate and advanced levels. They will cover all the JSE markets.

Another exciting initiative that began in 2013 was the development of a platform to enable stokvels and investment clubs to participate in educational forums aimed at growing their knowledge of investments on the JSE. This important component of the public currently has custody of community savings and presents an opportunity to grow investors on the market.

### JSE Empowerment Fund (JEF) Trust

The JEF Trust provides promising black students with the finance and support to acquire the appropriate qualifications and the opportunity to enter the financial services sector on completion of their university training.

Through the dividends received as a result of its shareholding, the JEF Trust is able to provide the financial assistance reflected in the table below and this financial assistance does not affect the JSE's cash flow.

In 2013, progress was as follows:

Institution	Student		Tuition (R)	Progress/Comments
Thuthuka	3		129 600	3 students funded annually
Reunert	5		229 322	5 students completed grade 12
University of Cape Town	1		125 298	1 student completed second year
University of Johannesburg	2		130 132	2 students completed third year
University of Witwatersrand	1		95 578	1 student completed third year
University of Pretoria	16		1 516 608	7 students completed second year
				7 students completed third year

				2 students completed Honours
CIDA	7		571 599	4 students completed third year
				3 students completed second year
CIDA interns	6		270 000	6-month internship at the JSE (March-September)
TOTAL	41		3 068 137	

### Community development and healthcare

The JSE supports a number of worthy charities over and above our community efforts in education and financial literacy.

Each of these address important social and environmental issues. Here we comment on just a few of those:

#### NOAH (Nurturing Orphans of Aids for Humanity)

Noah was a non-profit organisation committed to building the capacity of South African communities to care for their own children made vulnerable by HIV/Aids as well as social and economic challenges. Approximately 5 500 children were registered with Noah and received support that ranged from feeding programmes to homework assistance, life skills training, day care, aftercare and psychosocial services. Unfortunately, owing to a lack of funding, Noah was no longer able to continue operating and ceased its operations during 2013. The JSE continued to support Noah through its wind-down process. We are saddened at the closure of Noah but are pleased to have been a part of their tremendous achievements.

During the past two years, the JSE and its employees have supported the operations of Noah through generous donations (both in kind and monetary) and sponsorships, such as CEO breakfasts, an annual gala dinner and book breakfasts. JSE employees have also supported the Freedom Park Ark (both while it was under Noah and after it became independent following the closure of Noah) through volunteer work and donations of cash and in kind.

#### Afrika Tikkun

In 2013, the JSE began contributing to Afrika Tikkun, which addresses the educational, health and social needs of underprivileged children as they are growing and developing, giving them the opportunity to grow into well rounded adults who are equipped to positively contribute to society. The majority of Afrika Tikkun's programmes are run through their Centres of Excellence. These facilities act as the hubs that positively affect the lives of underprivileged children and their families through schooling, healthcare, enterprise and skills development, and so on. There are currently six centres spread across the poorest areas of Gauteng and the Western Cape. In Gauteng, there are centres in Diepsloot, Alexandra, Orange Farm and Braampark, and in the Western Cape there are centres in Mfuleni and Delft. Further details on the work done by Afrika Tikkun can be found at <http://afrikatikkun.org/what-we-do/#.UvDTcPmSxh4>.

### Buffelshoek Trust

Constituted in 2001 by Sidney Frankel, one of the JSE's long-term stakeholders, to uplift the Manyeleti villages, the Buffelshoek Trust focuses on two needs of this poverty-stricken, rural community – education and healthcare. Located in Mpumalanga, adjacent to the Kruger National Park, this community has been identified as one of twenty-three rural and urban nodes by the South African government. These nodes represent the largest concentrations of poverty in the country. This municipal area has the smallest economy; a limited resource base; and contributes the least to the district and the provincial GDP. Growth of the agricultural and tourism sectors can make a meaningful contribution to the local economy. The area has great potential in creating economic growth and reducing unemployment. However, resources to initiate such growth are not easily accessible. The trust has contributed significantly toward improving healthcare and education in the community, details of which can be found at <http://www.buffelshoektrust.co.za/att.asp>.

Recent policy changes have introduced more generous levels of assistance.

### Other sponsorships, donations and contributions

The JSE sponsors and donates money to initiatives that it believes directly and indirectly improves the lives of ordinary South Africans and that contribute to constructively advancing the general business environment both in South Africa and on the African continent.

In 2013, the JSE invested (R1 million) (2012: R1.3 million) in the following initiatives, among others:

Initiative (spend)	Description of initiative
<b>Mike Thomson Change a Life Trust (R481 180)</b>	The Change a Life Cycle, a fundraising vehicle for the Mike Thomson Change a Life Trust, is committed to raising more than R3 million each year for anti-crime projects through participation in a four-day cycle tour run by Computershare, one of the JSE's stakeholders. The aim is to tackle crime at grassroots level, and part of the programme includes youth development in underprivileged areas, as well as a DNA project that promotes the development of the use of DNA evidence in crime detection and conviction. Further details can be found at <a href="http://www.computersharecares.com/Projects/southafrica/Pages/MikeThomsonTrust.aspx">http://www.computersharecares.com/Projects/southafrica/Pages/MikeThomsonTrust.aspx</a> .
<b>Business Against Crime South Africa (R350 000)</b>	<p>Business Against Crime South Africa (BACSA) was established in response to a call from Nelson Mandela, during his time as President of South Africa, for the business community to join the fight against crime. BACSA has two distinct roles. The first is to get business' "own house in order" by eliminating crime-enabling processes, systems and approaches, and improving crime prevention measures within the control of business. The second is to partner with the government, when invited, by sharing expertise, information, processes and technologies resident in business.</p> <p>These roles are fulfilled primarily by mobilising business skills and resources in government-defined areas of need, and the strategic alignment and coordination of business' anti-crime strategies and priorities.</p> <p>BACSA is totally reliant on the commitment and generosity of companies. Further</p>

	information can be found at <a href="http://www.bac.org.za/about.html">http://www.bac.org.za/about.html</a> .
<b>FW de Klerk Foundation (R100 000)</b>	The FW de Klerk Foundation supports and promotes the Constitution through the activities of its Centre for Constitutional Rights. The centre monitors developments that might affect the Constitution, makes submissions to parliament, participates in the national debate on constitutional issues, helps people to claim their rights and opposes unconstitutional action. Further information can be found at <a href="http://www.fwdeklerk.org/index.php/en/activities">http://www.fwdeklerk.org/index.php/en/activities</a> .

### The Benevolent Fund

The Benevolent Fund, managed by the JSE, was set up by JSE stockbrokers and member firms to assist unemployed persons employed by the broking community and the JSE before November 1995 and who find themselves in dire financial circumstances because of their inability to find new employment.

At present, an aggregate of R442 600 (2012: R390 100) is distributed among about 156 beneficiaries per month. Beneficiaries are also offered non-financial assistance. The financial assistance described above does not affect the JSE's cash flow.

Recent policy changes have introduced more generous levels of assistance.

Community investment and relations as well as all sponsorships and contributions are the responsibility of Siobhan Cleary, Director: Strategy and Public Policy, JSE.