

The KZN Growth Fund Trust (KGFT) was set up in 2008 as an initiative of the KZN Government's Department of Economic Development, Tourism and Environmental Affairs (EDTEA) to administer a unique public-private partnership that would unlock funding gaps in transitions that would create jobs, enable and promote BEE participation in businesses and growth the economy. It is a development finance institution (DFI) set out to make a difference.

Since its establishment, the KGFT has morphed from a single closed debt fund investing R362m of its own capital to an entity that today offers not only debt but also equity with funds under management of more than R1bn. This growth is attributable to its continuing innovation in the sphere of finance and pushing its own boundaries. The leadership has great ambition for the Fund to make a significant difference to its stakeholders and building an entity that delivers on its promise with a unique quality.

The products that the KGFT offers are not new, but are developmental in nature meaning they are preferential either in financial or other terms. The quality of the services offered are personal and intimate. The KGFT prefers to think of itself more as a partner than an external provider to our customers which is exactly the feedback which it receives. We have aligned our interests, financial and other, with our customers and strive towards meeting our goals together. It is for this reason that KGFT can look back today and say that it has assisted in delivering in excess of 6000 jobs.

The vision mission and goals of the organisation are aimed at its core competence of being a developmental financing institution and being innovative. Solutions are always born out of customers needs and being a leader requires innovation. The KGFT prides itself finding solution to problems in the areas of its core competence. The KGFT seeks to fill these needs by pioneering in areas the banks are not able to. The result of which has manifested itself in a great portfolio of assets with much higher risk taken than traditional private sector financing institutions and yet have a comparable default rate.

The recipients of the KGFT's lending and investing practices benefit two fold. Firstly, through the sharing of the risk of starting a new business with the KGFT and secondly, they in turn have created a more sustainable socio-economic environment in which to operate in. This is done by the inclusion of designated groups, job creation and stimulating economic activity. The KGFT can proudly state its involvement in truly national companies contributing significantly to the GDP of South Africa when those entities were just starting out in need of funding.

Whist the KGFT is a public entity, it is financially self-sustaining and does not receive funds from government to cover operations expenses at all. It has created a name for itself in the market place as a Fund that delivers on its mandate and adds value. It is for this reason that the KGFT has also been able to make significant inroads in attracting talent where financial skills traditionally reside outside the province. The attraction of these key niche skills is just the first stepping stone of creating a sustainable financial sector in the province.

Understanding the moral and fiduciary duty that goes hand in hand with managing public resources, the value system of the KGFT is captured in the acronym **RAISE**, **R**espect, **A**ccountably, **I**ntegrity, **S**tewardship and **E**nterprising. This is demonstrated by the fact that the KGFT has received and unqualified audit report in the past 4 years and continues to deliver on its mandate of creating jobs, empowerment and assisting economic growth through innovative finance. The KGFT remains single minded and focused on its core competence.