Co-production inside the investment nexus; a retail investor perspective of demand and supply of responsible investment opportunities in South Africa.

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Acknowledgement

Like many others in the 2019 cohort, I kept a notebook whilst submerged in the inclusive innovation classroom. It captures insights from guest speakers and guest lecturers but most particularly from my classmates. It details my own idle thoughts amongst the maelstrom of ideas. It reflects on writing and research tips kindly sponsored by the lecturers and all too rarely absorbed by this researcher.

My wife sent the following poem to me on the 4th morning of our first seminar week:

"SO OFTEN HIS TASKS WERE MANY

AND MORE THAN HE THOUGHT HE COULD DO.

THE ROAD AHEAD WAS RUGGED AND THE HILLS INSURMOUNTABLE TOO.

BUT HE ALWAYS REMEMBERED THE HILLS AHEAD ARE NEVER AS STEEP AS THEY SEEM

AND WITH FAITH IN HIS HEART STARTED UPWARD

AND CLIMBED UNTIL HE REACHED HIS DREAM"

A lot has changed between that week in March 2019 and July 2022. For one, Lisa was my girlfriend freshly relocated from Johannesburg and not my wife of more than a year. For another, this dissertation coincided with a global pandemic, intense uncertainty, a questioning and a discovery of meaning. After walking hand in hand but out of step with it for more than a while, I don't feel paternal toward this research. Indeed, my attitude to it during particularly climatic periods of the journey surely bordered on contempt and was not without hopelessness. Hardly emotions one should feel in the gestation process (or not such as has been described to me). With that said, I do feel great pride in the undertaking.

I chose this research topic due to a frustration with not feeling empowered in managing my own financial future. Having never studied financial theory, I felt intimidated by a world of fact sheets and ratios and a language of equity and fiduciary responsibility. At the same time, I deeply suspected that this spectral world of financial paradigms stood to reveal inherent truths as tendered solutions to some of the social realities of our lived world. I imagined that my disconnect might be shared. At the end of this long road, I am, regrettably, still not trusted with the bill at the end of a group dinner. But I am emboldened by discourse on financial innovation, dual benefit, and co-produced outcomes. I am an ever-expanding disciple of inclusive financial and business practice to bring about positive and sustainable growth in the world around us. I know that institutional norms need to be challenged and shouldn't represent an inherent rectitude.

In the grand apportionment of life, the side-road that bore me whilst writing this dissertation was but fleeting and returns to scrub from here. However, the main thoroughfare effectuates eternally and is widened by the teachings of the past four years. Most of these come from the diversity of my classmates and often-unnerving wisdom of Warren Nilsson. I share them here in conclusion:

(Though not without saying that I am eternally grateful to my wife – who increasingly displays superwoman abilities -, my family, and my friends, who exist in mutual adornment in all things life, and to my supervisors Badri Zolfaghari and Sephen McCullum, for their enduring patience and kindness.)

“You need to become comfortable with feeling uncomfortable”.

“Listen to the story. Being is a function of how we listen. Our voices give permission to the room. Dwell on this when considering the power of listening.”

“Ask humble questions. One needs to conjure a spirit that insists and that doesn’t settle. How can we create meaningful development? By tapping into people’s potential. Nevertheless, its tiring trying to maintain this level of curiosity”.

“Be comfortable with silence. Some of the most revealing and insightful comments are preceded by silence”.

“Social innovation is to see the world as we don’t normally see it. Generally, we make choice on full, partial, or zero information. For social innovation to occur, it must occur in community. Social innovation can occur by doing the exact same thing over again but doing it with renewed consciousness or purpose or agency.”

“An invitation is not telling people what to do. We need to recognize our natural disposition toward the pride of being a practitioner. Instead, the invitation must feel co-creative! We must, further, ensure that we don’t confuse a relationship with a transaction. The relationship must be seen as the asset and not as the deficit.”

“We write to clarify our thinking. We write because we don’t know not because we know.”

“Be curious about emergence… don’t be predictive. Start from a position of positive enquiry. A system can only change from a position of what it does well.”

“The African philanthropist doesn’t give out of abundance but gives out of solidarity”.

“Spirituality in practice is one human being engaging with another in search of respect and a platform of equal dignity”

“The definition of love is one vulnerable heart in search of another vulnerable heart”

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Abstract

Little is known about responsible investment (RI) opportunities for retail investors in South Africa. Disconnect between RI demand and RI supply seems evident, undermining the growth of RI in this country, which in turn frustrates opportunities for economic growth and social well-being. "Over the past decade, environmental, social and governance (ESG) considerations have been among the most important factors responsible for shifting the axes of the financial industry". This research examines retail investor demand for RI and supply of RI opportunities for the same market segment, in South Africa, observing inclusionary investment practice via the application of co-production. The paper reflects a survey of retail investor demand, from which 14 indicators are developed. The indicators are utilised to assess the dynamic between RI demand and available RI supply across three investment sub-sectors (commercial banks, asset managers, and alternative investment platforms). The paper leverages industry perspective to support its interpretations of existent demand for RI and accessible RI supply, circa 2019 to 2022. It intones the importance of using co-production to create investment context, to find equilibrium between supply and demand, and to enable resilient RI practice at the retail level. Methods of enabling inclusivity within nascent but pertinent RI practice for retail investors are reified. Deeper understanding of retail investor demand and methods of leveraging RI supply are required in future iterations of this type of research.

Introduction

Institutional investors have traditionally been amongst the most powerful allocators of capital across macro and micro economies (Mogapi et al, 2019; Dottling & Kim, 2021). By 2025, it is anticipated that global assets under management (AUM), primarily facilitated by institutional investors, will total $145.4 trillion on an annual basis; representing a significant supply of investment opportunity. Evidenced by the financial crisis of 2009 and the rampant deluge of industry induced climate degradation, however, many companies appear to have utilised their investment endowments in a manner that has promoted self-interest and shareholder return over sustainability (Chang, 2002; World Review of Political Economy (WRPE), 2013; ABN: AMRO, 2016). Positive sentiment for industries that acted with impunity has dwindled causing a shift in investor demand for an altered type of investment supply (Scholtens & Sievänen, 2013; Mckibben, 2019). The notion of Responsible Investment (RI) has grown in pertinence as central to the forces of supply and demand within this investment eco-system; acting as a framework to consider an investment offering against criteria of sustainability and well-being (ABN: AMRO, 2016).

Individuals, rather than institutional investors are, increasingly, the focal point of RI advancement (Bauer et al, 2021). Individual investors influence company brands through their purchasing power, they have influenced institutional investors through their voting power, and, gradually, they are starting to influence investment opportunities through their collective conscious. Individual investors, widely known as retail investors, are experiencing greater agency in the manner in which they direct their investments; opting to invest with companies who share their values or with companies who address a specific inequity within society that resonates with the investor (ABN: AMRO, 2016). These investors are defined as seeking "dual return" through their investment; the attainment of social, environmental or local economic well-being alongside a personal financial return generated by the investment (Mogapi et al, 2019).

Several known advantages are emergent through the prominence of RI opportunities directed at the level of the retail investor. The thrust of generating development finance increasingly resides with individuals and entrepreneurial enterprises rather than big institutions or institutional investors. For developing countries, access to capital and, therefore, access to more widespread opportunities for individual investors, is a fundamental driver of local economic opportunity and prosperity (Klapper et al, 2016). As the demand for RI opportunities broadens amongst retail investors, so the balance of supply and demand has sought correction and greater retail investor RI supply has become available (Dottling & Kim, 2021). Increased RI supply suggests increased consciousness amongst business practitioners for issues of widespread sustainability and social well-being (Humphrey et al, 2021). It facilitates greater collectiveness in response to issues of inequity. It engenders the emergence of companies specifically committed to delivering dual return. Importantly, retail investor targeted RI enables a more inclusive investment process whereby investors are purposeful in the manner in which they invest into the future and more intentional about the outcomes of their investment (Viviers et al, 2011). The greater the levels of inclusivity within the investment process, the more retail investors are able to participate in investment activity and the greater the collective financial response to social issues that might result in positive economic gains.

Unlike the supply opportunities available to retail investors in North America and Europe, very little practical recourse appears to exist for retail investors seeking RI opportunities, in South Africa. Indeed, little has been written about retail investor demand for dual return, academically; the degree to which the forces of RI supply and demand influence one another, specifically for retail investors, is largely unknown. It is not that South Africa has unsophisticated financial infrastructure, investment opportunities are abound within a system of practiced checks and balances. However, barriers to accessing these opportunities for retail investors appear to exist. Investment opportunities are rarely expressed at the level of the retail investor level and, additionally, don't prioritise the dual aims of financial return as well as dual return (Viviers et al, 2011). As such, within South Africa, the investment landscape for retail investors seeking dual return is somewhat shrouded. The extent to which retail investors demand dual return is unconsidered within mainstream investment narrative. Correspondingly, the extent to which the investment supply facilitates access to dual return investment opportunities for retail investors is uncertain. A result of this myopic relationship is that inclusivity of retail investors within the South African investment landscape is unmeasured; depriving the country of the positive development externalities that are generated from a more inclusive investment ecosystem. The objective of this study is to consider demand for RI and the extent of RI supply available to retail investors in South Africa, and to comment on the opportunities for greater inclusivity that the investment sector might provide this type of investor into the future.

This study relied upon existent local and international literature to underscore the developmental benefit of investing in RI. The field of RI is broad with multiple terminologies and applications. The literature review outlines the most salient forms of RI and reflects on where RI resides within the arc of the investing, in relation to pecuniary investing. The eco-system in which retail investor demand, supply, and investment impact interact is referred to as an investment nexus, in this study. Retail investor demand as an instrument for enabling RI supply and establishing a self-sustaining investment nexus is the introduction to the concept of co-production. Co-production is utilised as the measure by which to support a more inclusive investment nexus.

Co-production was first coined by Ostrom and Baugh (1973 as cited in Fenwick, 2012) in an economic study of the Chicago police, where it was found that the utilisation of patrol cars had the unintended effect of cutting ties between the police force and the community. Alternatively, by maintaining police officers on the beat, community members were able to actively contribute to the safe-keeping of their areas by regularly engaging the officers, creating stronger ties through which important information could be transferred.

The research methodology outlined a three-step process for practically considering local RI demand amongst retail investors and RI supply targeted at retail investors. Initially, a survey of retail investors measures demand for RI and offered insight into the types of dual return that local retail investors would consider. Conclusions drawn from the demand survey prompt the founding of 14 demand indicators. These assumptions form the basis of an analytical framework that was applied to a case study of retail investor opportunities across three types of local investment sub-sectors. Five commercial banks, five asset management firms, and three alternative investment providers were assessed, leading to several findings about the manner in which RI demand and supply interact in South Africa. Measures of co-production are emergent within the framework and the subsequent analysis, suggesting barriers and opportunities to further RI supply. The salient features of RI supply were tested via semi-structured interviews held with members of the asset management and alternative investment sub-sectors, respectively, and are wound within the concluding findings.

The structure of the practical study intones the importance of the investment nexus and underscores the manner in which demand and supply must work together to support burgeoning and resilient RI practice. As it is, it appears that a disconnect is experienced between retail investors and those who supply RI opportunities, posing a challenge to mainstream RI undertaking within the country. This research reveals that retail investment RI opportunities compete with institutional investment opportunities thereby, potentially, undermining the level of access for retail investors, and pushing RI retail investment opportunities into developing sectors. These sectors tend to reflect greater investment risk. Part of mitigating this risk, creating a more appealing investment opportunity for the retail investor, requires development of the system in which the investment takes place; focusing on the investment beneficiary, the manner in which the investment is facilitated, and the manner in which the investment outcome promotes dual return such that repeat investor practice is experienced. The study proposes that co-production is a central tenet of this system. It offers that the greater the investor engagement with an investment outcome, and the more structured the engagement with the investment process, the more likely that repeat investment practice will take place and the more likely that new retail investors will enter the market. Indeed, in the same manner in which supporting the system of RI supply will assist investor inclusion, burgeoning retail investor demand for RI will stimulate further RI supply. Positive externalities of the search for RI equilibrium between retail investment supply and demand are local economic development, social well-being, and more intentional investment practice.

Literature Review

The literature review is accorded to seven inter-related sub-sections. Initially, the importance of RI in in relation to investment practice is outlined. The associated lexicon of RI is revealed to orientate the reader within the investment paradigm. RI demand and its impact upon the investment system is reflected upon followed by the measures of RI demand within South Africa. Opportunities for RI Supply are discussed. Thereafter, the barriers that impede both RI supply and demand for RI are addressed. The literature review concludes with the notion of co-production as a measure to bring RI supply and RI demand into greater equilibrium.

(1) <u>The growing importance of Responsible Investment</u>

Responsible Investment (RI) has grown in opposition to traditional, pecuniary investment: where the primary objective of the investor is to maximise financial return, without considering externalities that may arise from the investment (Dottling & Kim, 2021). RI presents a practice of avoiding investments that conflict with the moral standing of an investor. However, it is not a purely philanthropic undertaking as investors expect financial return upon the investment. Its origins harken back to the 1700s, where religious leaders would encourage their parishioners (“retail investors” of yore) to avoid committing their capital to morally objectionable industries. By the mid-to-late 20th Century, as global attention has become increasingly directed toward the inadvertent consequences of unsustainable business practice, RI has grown as an investment strategy that focuses on the role that companies play in either enabling or detracting from a healthy natural environment. In turn, companies have begun to generate RI opportunities, which appeal to this type of investor (Viviers & Firer, 2013; Giamporcaro & Viviers, 2014; Viviers 2014; Roundy et al, 2017).

The importance of RI practice by investors and the supply of RI opportunities by business and investment facilitators is growing in pertinence across the globe, attracting the attention of the academic fraternity (Bauer et al, 2021; Dottling & Kim, 2021). Literature identifies mendacity and misappropriation by corporations and institutions as resulting in environmental degradation, loss of community well-being, and reduction of generational sustainability; outcomes which, in turn, negatively affect shareholder wealth (Chang, 2002; WRPE, 2013; ABN: AMRO, 2016). These corporations are enabled by investments made by individuals and institutional investors, who continue (often unknowingly) to commit funding to businesses that directly undermine their future well-being. Company activities that result in fossil fuel mining and beneficiation, development and trade of military weapons, deforestation to enable heightened production and consumption, and displacement of local communities (Visram, 2022). Investors are awakening to the underlying risks that these companies present to global stability, regional economic prosperity, and, indeed, their personal future financial success. Since 2010, investments into companies that offer some form of Environmental, Social, or Governance (ESG) screening has grown five-fold, totalling $15 trillion in the United States, alone (Dottling & Kim, 2021). By 2020, more than 25% of all AUM, globally, were screened for ESG factors; inferring that RI played a role in a quarter of the global investment praxis (McKinsey, 2017; Mickibenn, 2019). Other recent studies (Tu el al, 2020) suggest that whilst ESG penetration amongst investors is relatively small (6%), it is burgeoning. This is reinforced by the fact that global AUM screened for the United Nations Principles for Responsible Investment (UN PRI) totals nearly $89 trillion. The potential market size is large and "investors are attracted to ESG investments" (Dottling & Kim, 2021, p. 12). As far back as 2012 (Morkel, RI has been seen as entering the mainstream (Morkel, 2012). As such, RI has been identified as a tool capable of facilitating strategic economic development within developing countries in necessary utility sectors of energy, water and sanitation, and infrastructure. Similarly, investing via RI strategy to create greater purpose and intentionality within the investment process is recognised as central to bringing about strategic development outcomes (Morkel, 2012; ABN: AMRO, 2016; Klapper et al, 2016; Tu et al, 2020; Dottling & Kim, 2021).

Aside from appealing to the moral inclination of an investor, RI investing has been demonstrated as resilient financial strategy in the recent past. It is acknowledged as an important hedge against current and future climate change risk, capable of outperforming pecuniary funds in terms of market return (Viviers et al, 2008; Morkel, 2012). Dottling and Kim's (2021) review of academic literature attuned to the drivers of investor preference considers moral satisfaction, hedging, and risk-return trade-offs amongst the primary intentions of RI investors, for both institutional and individual investors. Evans (2015) also hails the de-risking benefit of RI investing over pecuniary investing. Dottling and Kim (2021) recall recent studies that review the impact of the Covid-19 economic crisis upon global business, noting that the "stock prices for firms with a high ESG performance suffered much less during the market crash that followed the onset of Covid-19" (2021, p. 12). Interestingly, the authors observe that many retail investors abandoned ESG related investments during the COVID 19 pandemic, seeing these as being overly risky in the face of global economic slow-down. In contrast, institutional investors maintained an ESG-positive outlook within their investment portfolios. Institutional investors view ESG investments as a hedge against downside risk, rather than a necessary investment to support sustainability gains. As it was, during the first two years of the pandemic, ESG investments outperformed pecuniary investments. Dottling and Kim's findings (2021) suggest that ESG demand amongst retail investors may be cyclical and subject to economic distress, something that is not necessarily the case with institutional investors. This is supported by the study of D'Hondt et al (2022) into the profile of retail investors likely to hold stocks in companies that have higher ESG scores, where interest in ESG amongst retail investors declined during Covid-19. "Retail investors might consider ESG investments a luxury good" (D'Hondt et al, 2022, p. 1). Institutional demand for ESG products, on the other hand, are not cyclical according to Tu et al (2020). Instead, distending demand for RI will come to represent an enduring shift in consumer preference that will, with time, attract younger and more socially conscious clients to the world of investing. This statement appears to support the future potential market size influenced by RI, as discussed above. Whilst not entirely in concert, these studies inadvertently highlight the dynamic between retail investors and institutional investors. Whilst a retail investor refers to the individual and the institutional investor is a representative of the collective, a collection of individual wills does not behave in the same manner as that of the institution. The importance of understanding the will of the individual investor and its influence on RI forms part of this literature review, below, as well as within the case study of this dissertation.

What appears to be confirmed is that the forces of investor preference, economic disruption, and mainstream conventions around sustainability are unearthing new investment opportunities as companies respond to investor demand (Morkel, 2012; Tu et al, 2020). In some instances, government regulations have been constructed to assist discovery. Innovative technologies are being developed and acquired to enable firms to meet higher ESG standards. For example, Tu et al (2020) states that China has "effectively banned new factories that make only fossil-fuel vehicles, providing growth opportunities for electric vehicle companies. Similarly, governments in the EU have enforced stricter emissions standards in automobiles and shipping... Tesla, a leading electric vehicle manufacturer, for example, has seen its stock price multiply as much as 56 times since its IPO (Initial Public Offering), while conventional internal combustion automaker equities have languished" (p. 3). Alongside the increasing risk of litigation faced by companies who operate unsustainably, the tide of investor sentiment and market disruption hail a potential flood of investment growth for those companies who chose to align to RI.

(2) <u>Associated Lexicon of RI Strategies</u>

A lack of standard application has historically hurt the growth potential of RI, effecting opportunities for expanding the retail investor base as well as skewing interpretations of return on investment. Though ructions of this nature will likely subside as the RI market continues to grow, establishing a common RI lexicon is an important departure point for reflecting upon demand and supply of RI (Tu et al, 2020). **RI is defined as** “a generic term covering any type of investment process that combines investors’ financial objectives with their concerns for Environmental, Social, Governance issues”, and is represented in an amalgam of investment philosophies (Giamporcaro & Pretorius, 2012, p. 3). Importantly, RI attempts to deliver ‘dual return’ through the investment, by considering environmental and social impact as well as generating financial return for the investor (Trelstad, 2016; Mogapi et al, 2019). Dual return (also referred to as impact return) is in contrast to pecuniary investment (Dottling & Kim, 2021).

RI is applicable to several investment methods and is referenced in a litany of ways. In its evolution, RI naming convention has been derivative, with unstandardized terminology identified as an obstacle for more widespread RI practice. Hochstadter & Scheck’s (2015) contribution is recognised as the most definitive analysis of existent RI terminology. They note that SRI, sustainable responsible investment, RI, social investment, and to a degree, impact investment, are regularly used as synonyms for one another. Though these terms are used variably across niche asset classes, this dissertation recognises they all have a common denominator in promoting investment practice which extends beyond financial bottom-line consideration, alone, and considers dual return as a determinant of success. This dissertation utilises RI as the proxy for capturing the intent of all other derivations of socially and sustainably responsible investing.

Several authors have reflected upon the methods through which RI strategy is facilitated. A RI fund is an investment vehicle which is geared toward supporting companies that display positive ESG practice or avoiding companies that perpetuate natural and man-made ecosystem degradation through non-consideration of sustainability practice. Supporting proactive ESG consideration by companies is known as **positive screening**, whilst the decision to avoid companies who produce harmful externalities through their business practice is referred to as **negative screening**. Meanwhile, **best-in-sector screening** sees investment into companies which display positive ESG practice (determined via an ESG ranking) even though they might exist within an sector that is not necessarily sustainable (such as fossil fuel mining) (Giamporcaro & Pretorius, 2012; Viviers & Firer, 2013; Dottling & Kim, 2021). Best-in-sector strategies are particularly well-suited to a developing country context where limited listed investment opportunities or regulatory measures may exist (Giamporcaro & Viviers, 2014). Traditionally, positive screening, negative screening, and best-in-sector screening strategies are implemented by asset managers, institutional investors, fund creators, or by shareholders via a stock exchange, rather than by retail investors (Asher, 1998).

Impact investing, similar to the investment strategies described above, is a means of enabling RI through targeting of investment opportunities. Unlike the other methods of RI, impact investing, arguably, provides retail investors with greater clarity in addressing specific social or environmental challenges via their capital allocation, and is not necessarily confined to practice by institutional investors or shareholders (Mogapi et al, 2019). Unlike RI strategies such as negative screening, the creation of positive social good is more intentional with impact investing; to the point whereby impact investors purposefully seek to address localised issues of social inequity and imbalance. Accordingly, impact investing is sometimes referred to as 'cause-based investing' or 'targeted investing' (Giamporcaro & Pretorius, 2012; Giamporcaro & Viviers, 2014; Roundy et al 2017; Urban & George, 2018).

When investors aim to galvanise their shareholder power and force companies that they own shares in to act in a certain manner, they are known to be exercising their shareholder rights. **Shareholder activism** has increasingly been utilised by shareholders pushing an ESG agenda to engage companies, interact with boards and management on ESG issues, or stimulate proxy voting practices to influence company strategy-direction setting (Morkel, 2012; Viviers, 2014). An alternative option that is available to share-holders who are unable to influence the exercise of ESG within a company is to initiate **divestment**; a tactic which requires that investors have significant stake within the company in order to effectively initiate large-scale selling of company shares (Giamporcaro & Pretorius, 2012; Viviers & Firer, 2013). Shareholder advocacy is not typically the preserve of individual investors but is instead applied via collective shareholder action. Very recently, retail investors utilising the Robin Hood trading application and spurred by the online discussion platform, Reddit, displayed the potential might of shareholder activism via hedging of GameStop shares, resulting in Robin Hood suspending trade of the shares. The demand for the previously languishing shares was so great that GameStop would not have been able to account for a market short-fall and the pending payment to share purchases. Though not strictly RI, retail investors, if motivated and unified, can have significant impact upon company value and the stock market (Cabral & LaCombe, 2021).

(3) The increasing importance of understanding Retail Investor Demand

As discussed above, several authors define the emergence of RI as pivotal for the investment sector. Whilst traditional literature tends to focus on the behaviour of institutions in affecting RI, it follows that the will of individuals may direct how RI and, by implication, significant segments of global AUM will unfurl into the future. The opportunity for generating development finance increasingly resides with individuals and entrepreneurial enterprises suggesting that individuals (and retail investors) will stand to influence opportunities of sustainable economic development (Klapper et al, 2016). Yet, little is articulated about retail investor preference for RI and their influence upon the future supply of RI (D'Hondt et al, 2022).

Retail investors are a burgeoning investor segment with ability to shift market behaviour (D'Hondt et al, 2022) . At the end of 2017, retail investors held 25% of the global RI portfolio, up from 11% in 2012. Furthermore, retail investors represent 60% of total net mutual fund assets (DFID, 2018; D'Hondt et al, 2022). Attending to retail investor demand is, thus, an important component of enabling RI growth (Dottling & Kim, 2021). Bauer et al (2021) acknowledge that interpreting the reasons for why people invest sustainably is big business for institutional investors. Of the $51 trillion held in AUM by pension funds, roughly 50% is managed on the behalf of individuals and saved in 'defined-benefit' schemes. The RI preference of these investors holds significant implications for pension funds as well as global companies. An endowment of $25 trillion stands to amend the nature in which companies do business as well as reinforces a private sector response to the risks of climate change, resource scarcity, and unequal development.

Underrepresented in the scope of influence that retail investors stand to have upon RI and sustainable economic development, is the influence of RI upon the retail investor. For the individual, greater interaction with RI strategies stands to inculcate a connection between the investor and the investment outcome. It is capable of transforming an investment intention into a tangible return realised in space (this outside of the financial return, which is less obviously connected to a socially conscious outcome). In this sense, RI can facilitate capacity for social cohesion within the individual brought upon by a shared investment aim related to the collective development of society. The ambition of nation building is, thus, an externality made possible by the application of RI strategy. Additionally, understanding the RI demands of the retail investor initiates inclusivity in the investment process by crowding-in more investor actors, whilst simultaneously augmenting the capital allocation toward given social development aims. Understanding the will of the retail investor in relation to RI is important, and has inherent catalysing qualities for local development outcomes (Herringer et al, 2009; Viviers et al, 2011).

As their influence over investment and RI products expands, the will, drivers and characteristics of retail investors, worldwide, have recently been afforded greater scrutiny. Evidence of social preference captured within investment choice is reflected in fresh academia. Surveys by Dottling & Kim (2021) indicate that retail investors invest in ESG funds even though they expect the funds to underperform. Humphrey et al (2021) present how the investment strategy of a retail investor will shift if the investment has a negative impact upon a social cause aligned to the heart of the investor. Bauer et al (2021) contribute toward the literature around accommodating retail investor preferences in pension funds in their study of fund beneficiaries in Holland, finding that retail investors will forego a market rate of return in order to positively influence specific social issues. D'Hondt et al (2022) attempt to find drivers of retail investor demand across categories of RI, concluding that a lack of financial literacy adversely affects retail investor participation within RI strategies. Importantly, the authors decry that retail investors are not all the same and that they need to be understood across a variety of factors (age, language, education, subjective financial literacy and risk tolerance, trading intensity, and wealth) that might influence their RI (and pecuniary investment) decisions. Additionally, retail investors feel differently about the environmental, social, and governance components within RI; the components don't carry equal weighting in the eyes of a retail investor. The authors call for greater research within this layered understanding of retail investor demand.

Non-academic actors are also starting to take notice of retail investor demand for RI. In a survey conducted by Natixis Investment Managers, three-quarters of respondents across multiple generations wanted their investments to match their personal values (Tu et al, 2020). The 'Investing in a Better World Project' was established to better understand how UK citizens wished to invest their money, and whether they might align with the Sustainable Development Goals (SDGs). In a survey generated by the project, 68% of respondents said they would opt for RI if given the choice. If assessed in more granular detail, the positive RI response rate rises to 70% for women, 74% for millennials, and 77% for people with investable assets of more than £25,000. In the same study, 56% of people said they would opt for a RI or partially RI influenced pension, and nearly 50% said that they would amend their pension fund if it didn't align to their social values. Only 14% would opt for a fund that did not seek to have a positive impact on people or the planet. Despite this enthusiasm, awareness of RI options and products sits at a lowly 13%. Greater product availability, RI education, and evidence of RI impact are cited as drivers for future RI update by retail investors (DfID, 2019). Tu et al (2020) concludes that retail investors, themselves, are realising that their investment choices can have social impact. Accordingly, retail investors are awakening to the need for a new type of asset management product that aligns to their social preference. This finding is significant as it means that retail investor demand is capable of shifting investment product supply.

A character thread exists for retail investors who are attracted to RI. These types of investors tend to be younger, more educated than conventional investors, and less concerned with return on investment (Morkel, 2012). Additionally, they are inclined to be more loyal to their investments, holding on to them for longer even in the face of negative returns. They appear to be less risk tolerant than pecuniary counterparts, are not desirous of a financial advisor, and rank their investment knowledge as lower (Morkel, 2012).

(4) Measures of retail investor demand in South Africa

Precious few available local studies focus exclusively on retail demand for RI opportunities. Consequently, little is known of the profile of the RI-orientated retail investor in South Africa. With that said, Viviers and Firer (2013) note that traditionally women, investors with a high degree of education, and investors from generation Y – the cause seeking generation – have historically gravitated toward RI opportunities. These investors not only want to reduce risk and increase returns, but wish to use investment as a vehicle to express their personal values (Herringer et al, 2009). In South Africa, 'generation Y' represents almost half of the population, suggesting that RI opportunities may abound if retail investors were better targeted and better understood (Viviers et al, 2011).

Past South African studies have focused on RI demand amongst pension fund beneficiaries; essentially an institutional collection of retail investors. In Viviers (2014), general ambiguity for environmental and social outcomes was found amongst beneficiaries when assessing the priorities of union employees in directing the investment mandate of their pension fund. Corporate policy and employee treatment outranked other investment demands. Contrastingly, Reddy's (2011, in Giamporcaro & Viviers, 2014) study of union workers in Durban highlighted climate change and environmental degradation as the primary thematic that their pension fund should look to address via its investment mandate, followed by social transformation and infrastructure development in previously disadvantaged areas[1]. As suggested above, demand for RI is not homogenous. Preferences for particular RI issues shift from context to context, thus explaining the disparity in local RI themes (Hickson-Mahony, 2017). Regrettably, however, these studies bring us no closer to knowing the mind of the retail investor and the possibility of expanding the supply mechanisms for investing in local development agendas.

Brijaj (2012) sought to understand the factors that influence demand as well as the extent of demand for RI. The study, which also targeted pension fund beneficiaries, yielded that household income and education levels were both attributes of beneficiaries who had a higher threshold for RI. However, overall, the majority of beneficiaries interviewed had low awareness of RI concepts. Furthermore, beneficiaries had low comprehension of the portfolios in which their retirement funds were invested, suggesting that the will of a beneficiary contributing toward institutional investment is also not well known. Hickson-Mahony (2017) altered the profile of the investor under enquiry by attempting to address demand for RI amongst high net worth individuals (HNWIs), in South Africa, whilst holding this in comparison to other countries. Unlike the study of Brijaj, Hickson-Mahony's research indicated significant levels of awareness and interest in RI; enough to be considered a very high level of demand by international standards. However, the study cautions of sizeable barriers to investing in RI that exist within South Africa, resulting in reduced RI practice and reduced investor engagement with RI opportunities.

The lack of focus on the demand for RI amongst retail investors in South Africa suggests a gap within the existent local literature. Additionally, the above rationale that RI investor demand influences RI supply suggests that RI retail investment opportunities within the country are constrained. By way of literature, little is known about the types of local dual return that retail investors might wish to have via their investment practice. Consequently, studies have not been able to reflect upon the potential connection that is established between a retail investor and the sustainable development agenda that they might have within their community. The case study of this research attempts to breach this vacuum

[1] The authors acknowledge that the presence of the Conference of Parties (COP) 17, hosted in Durban during the year of the research undertaking, may have influenced the perspectives of the union members in determining their investment priorities.

to a small degree. It also recognises that on-going surveying and engagement with retail investors is required to build supply amongst RI opportunity providers.

(5) RI supply opportunities and mechanisms

In order to narrow the definition of 'dual return' in relation to RI supply and so that it might be applicable to retail investor practice, it is useful to consider the arc of investment to which all investment (including RI) strategies are affixed. Similar to plotting stars to a locational end-point, the arc navigates the orientation of retail investors to different financial and impact goals (Trelstad, 2016). The arc also serves as a history of RI development and retail investor demand. Reflecting upon it offers useful insight into the future of RI supply for retail investors.

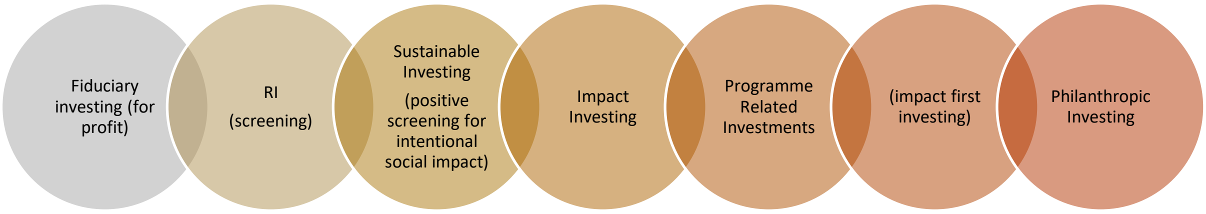

Figure 1: Arc of Investing (source: Trelstad, 2016)

On either end of the spectrum reside fiduciary and philanthropic investing, respectively. These poles had served as the two dominant investment trends up until the mid-20th Century. The fiduciary pole refers to pecuniary investment; environmental or social consequence not being explicit factors within the investment decision. In contrast, on the other end of the spectrum, the philanthropic pole seeks maximum capital donation to social or environmental benefit, with financial return being of negligible importance (Trelstad, 2016).

In the 1960's and 1970's, investment practice started to move from the poles toward one another. From the fiduciary pole, social responsible investing emerged as a means to screen-out investments that were considered unethical within an investment portfolio: guns, tobacco, companies associated with apartheid South Africa, the Vietnam War, global conflict, or environmental degradation. RI presented a practice of avoiding investments that conflicted with the moral standing of the investor. By the mid- to late 20th Century, as global attention became increasingly directed toward the externalities of unsustainable business practice, RI focused on the role that companies play in either enabling or detracting from a healthy natural environment (Viviers et al, 2011; Viviers & Firer, 2013; Giamporcaro & Viviers, 2014; Roundy et al, 2017). The development of exclusionary screening was pioneered by faith-based institutions and continues to this day, as evidenced by the prevalence of Shari-ah compliant investment fund offerings (Bank Sarasin, 2012; Giamporcaro & Viviers, 2014).

Also during the 1960’s and 1970’s, ‘programme-related investments’ (PRIs) were conceptualised, and expanded in popularity for investors who gravitated toward the philanthropic pole. Initiated by the Ford Foundation and originally referred to as ‘social investing’, PRIs enabled low-interest loans (rather than grants) to finance urban redevelopment: specifically, that which was driven by income-generating businesses, such as the construction of affordable housing. Whilst ensuring repayment on the capital investment made by the Ford Foundation, the successful implementation of the loan facility assured more commercial investors of the credit-worthiness of the implementing business, thereby transitioning them from philanthropic support toward more a traditional capital investment. In today’s terminology, PRIs would be called ‘Impact First Investments’ (Trelstad, 2016). Both PRIs and RI suggest greater conscious choice by the investor in being able to avoid or support more targeted investment outcomes.

Twenty years later, in the late 1990’s, the poles shifted closer toward each other once more, through the introduction of ‘Sustainable Investing’. This practice arose from investors asking whether positively seeking out socially or environmentally orientated investments might not yield similar returns to those investments that actively avoided negative factors. Sustainable investing was premised upon the belief that capital markets might not just avoid harmful externalities through their allocation but, instead, drive intentional social and environmental benefit; be able to ‘do good’ through the implementation of investment strategy (Trelstad, 2016).

Impact investing, which found its definitive voice in 2007, was conceived from a blending of PRI and sustainable investing. Buoyed by the returns generated by the other RI strategies, investors postulated that market equivalent financial returns could be achieved whilst addressing a targeted problem and thereby delivering a measurable impact. As such, these finance-first impact investors reckoned that they could have greater impact than independent investments into either philanthropic or fiduciary related ventures (Trelstad, 2016). Finance-first impact investing, as such, represents an amalgam of financial gain with an equivalent social or economic benefit; potentially providing an investor with the greatest degree of intentionality applicable within an investment strategy (Mogapi et al, 2019).

The most recent evolution in RI financial instruments, and thus RI strategy, is the development of social impact bonds. Via this type of bond, issued by a government, a private investor can invest into proven programmes which reduce government spending and increase social well-being. Often cited in this regard are interventions relating to the reduction of homelessness or recidivism. The role of the investor is to provide risk capital in order to expand the programme services. If successful, in terms of a defined impact metric, the investors get their capital back as well as an agreed rate of return. Correspondingly, the government saves into the future on foregone costs whilst social well-being is conjunctively generated through the attained outcome of the programme (Trelstad, 2016).

(6) Barriers that affect RI supply and retail investors demand, in South Africa

Outside of the requirements described in the third King Report and the amendment to Section 28 of the Pension Fund Act (No. 24 of 1956), South Africa does not have significant regulatory requirements for companies to pursue RI[2]. This literature review acknowledges that supply and demand corroborate within a RI market. A deficit of obligatory support for RI significantly influences the diversity of RI opportunities available to investors in South Africa. Accordingly, in present day South Africa, RI options for investors are predominantly available to institutional investors and asset managers rather than retail investors (Mogapi et al, 2019). The majority of institutional investors and asset managers who invest in RI related unit trusts funds utilise exclusionary screens. RI unit trusts options that do not make use of exclusionary screens tend to focus on social criteria like labour relations and social development. It is only within pooled and segregated RI funds where impact investing and positive screening strategies are likely to be utilised, but this is, once more, at the behest of asset managers rather than retail investors (Viviers & Firer, 2013). An amendment to the Income Tax Act (No. 58 of 1962), in 2015, has provided registered venture-capital companies with a tax incentive to invest in dual return businesses; a boon for impact investing in the country. However, barriers to entry like significant financing requirements and lack of widespread practice still inhibit retail investor participation (Mogapi et al, 2019).

As a primary departure point, RI appears to struggle for definition in South Africa, particularly in relation to the development context of the country. Concepts such as social return and dual return are uncertain and therefore underutilised, especially by investment facilitators such as asset managers (Herringer et al, 2009). In their study of the influences on South African RI opportunities, Giamporcaro and Viviers (2014) list four barriers that stand as inhibitors to RI supply growth:

(1) The lack of capacitation of local RI infrastructure - investment houses and fund managers are not sufficiently educated on RI opportunities to incentivise RI practice;
(2) The dearth in standardised reporting mechanisms that would enable comparisons of fund actors, particularly in relation to RI performance and, therefore, RI options;
(3) The absence of platforms that would empower a unified voice for pension fund beneficiaries and enable the elevation of RI concerns by fund beneficiaries; and
(4) The unpublished interests and notices needed to drive environmental issues; particularly in relation to the actions of firms.

In order to better understand the attitude of institutional investors and asset managers toward the pursuit of RI, Viviers et al (2008) undertook a significant study to interview 32 pension funds, 22 asset

[2] The third King Report was tabled in 2009. It insisted upon integrated ESG reporting by listed companies and challenged inadequate publication of non-financial results. Section 28 of the Pension Fund Act was amended in 2011. It required that institutional investors take ESG consequences into account when considering an investment (Viviers, 2014)

managers, and 11 advisory services. The study was structured to test a series of assumptions on determinants of supply and demand for RI products, in South Africa. Amongst pension fund investors, the lack of adequate information with which to evaluate ESG performance ranked as the highest barrier to more widespread RI activity. Amongst the assets managers, short-termism (whereby short-term gain is sought over long-term reward) and a lack of demand from retail investors registered as the two most significant checks on RI. These same two phenomena were mirrored in the submissions supplied by the advisory services interviewed. All three groups identified pecuniary duty as a critical barrier to widespread RI, whilst, interestingly, denoting that increased legislation with respect to RI responsibility would be a bad idea. The results of the study confirmed to the authors that the investment professional groups are strongly demand driven, and rely on the will of retail investors and investment beneficiaries to drive product diversity within the RI market.

A scarcity of knowledge around RI opportunity and resultant dual return affects RI demand, as it does supply. Retail investors are unlikely to demand RI products if their understanding of RI is constrained. Herringer et al (2009) lament the dearth of consumer knowledge to direct business behaviour toward RI, in South Africa. A lack of education on the manner in which individuals can contribute toward socio-economic development through their financial decisions disempowers retail investors, and deflates the opportunity for more diverse RI opportunities. Giamporcaro and Viviers (2014) argue that amongst retail investors who invest into pension funds contributors are unaware of their RI options and that in the few instances where they might be, the general opinion of RI is low. Some authors, furthermore, suggest that a common misconception persists amongst investors that RI constitutes financial sacrifice. Accordingly, retail investor demand for RI opportunities is stunted (Herringer et al, 2009; Eccles et al, 2008 in Giamporcaro & Pretorius, 2012; Hickson-Mahoney, 2017).

In similar observation to Giamporcaro and Viviers (2014), Eccles et al (2008 in Giamporcaro & Viviers, 2014) state that addressing investor apathy for RI is dependent on building infrastructure and support services that enable access to RI products whilst simultaneously contradicting the impression that RI is incapable of delivering results consistent with pecuniary investments. This latter point is supported by the Viviers et al (2008) study of the risk adjusted performance of RI funds in South Africa over a 14-year period; from 1992 – 2006. The results indicated that the performance of RI funds did not differ significantly from conventional funds over the same period. Drawing from their findings, the authors make a strong claim that investing in RI is, in fact, a de-risking investment strategy as it builds necessary diversity in an investment portfolio. As noted, above, this statement is well supported by other international observers of RI (Evans, 2015). Nevertheless, growth in the South African RI market has lagged behind international contemporaries and the financial performance of RI funds is likely to have played a role in generating market sentiment in this regard (Viviers & Firer, 2013; Urban & George, 2018).

(7) Co-production and the investment nexus

This research draws upon the findings of the literature review to recognise that the presence of greater RI demand and supply within local investment markets has positive implications for sustainable development, economic opportunity, and inclusion within investment practice. The South African experience suggests that a deficit of both demand and supply exists, requiring that new mechanisms are necessary to attract retail investors to investment practice. In reflecting on this, the literature review leans upon the application of a new concept: **co-production**. This concept is traditionally applied to public service but some academic literature has, previously, thought about it in relation to finance. This research will apply the concept of co-production to the notion of an investment process to determine the extent of inclusion in that process. The research refers to this as an investment nexus. This is a contribution of the research.

The manner in which a retail investor connects with an investment outcome, and the means through which that outcome manifests in space, is critical. It represents a continuous strand of connectivity between the investor, the investment mechanism and the investment outcome. This investment nexus, if reinforced, can support continued RI practice.

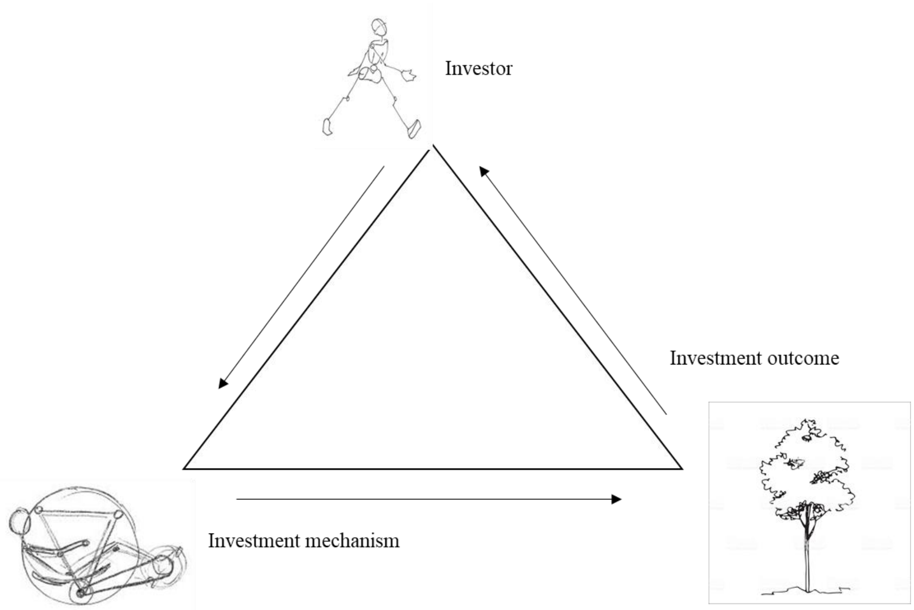

Figure 2: the investment nexus (source: author's diagram)

Yet, in the traditional investment paradigm, where mutual funds and publicly traded securities appear to dominate discourse and limit investor engagement, it is easy to disconnect from the manner in which an investment translates into a real-world outcome. For the retail investor, financial return is often decoupled from the benefit that is yielded by the investment (Feront & Bertels, 2019). The innate connection that holds an investor emotionally accountable to the power of their investment is broken by jargon and exclusive investment practice that is intended to do just that. As such, not only do investors not think about the impacts of their investment practice, but they are not enabled to consider the enormous well-being that their investment can have upon the sustainability and function of the world around them. This disconnect denies the retail investor the knowledge of understanding whether their targeted investment has reaped well-being within the world they inhabit or has aligned to their original investment goals; thereby undermining the likelihood of continued investment uptake or further enterprise development (Freundlich, 2010, as cited in Viviers et al, 2011; Jackson, 2013; Urban & George, 2018). In the same way in which demand might stimulate RI supply, a feedback loop is created between the nature of the practice and the augmentation of investor demand: the more inclusive the investment practice and the more obvious the well-being associated with the investment outcome, the greater the demand that will be stimulated within the market. Ultimately, the same objective is achieved: the attainment of mutual, society-directed development objectives.

"Co-production", applied broadly, is a term that refers to the delivery of goods through an equal and reciprocal relationship between those who utilise the goods and those professionals that are invested in the delivery of the goods. The value of co-production lies in its ability to generate a connection between the actors and the outcomes derived from interactions within a given eco-system, through the provision of feedback loops which reinforce resilience (Boyle & Harris, 2009*)*. Applied within the RI paradigm and the investment nexus, co-production might be utilised within the design of RI strategy based on retail investor demand, or the reporting of RI outcomes in order to expand demand and, thereby, instil reinforcing feedback loops between the investment outcome and the investor. Importantly, within the context of this study, co-production is intended to specifically consider the relationship between the retail investor and an RI strategy or an investment outcome.

Boyle and Harris (2009) and Fenwick (2012) consider co-production through the lens of public service delivery, whereby communities can become agents-for-change by being active contributors to their immediate society. Without this direct contribution to the development of their surroundings, actors unconsciously withhold their compassion from the future well-being of their communities. Through this lens, actors who utilise services are seen as hidden resources rather than drains on the system, and their contributions are understood as reinforcing to the structures of their society. Individuals have the capacity to create community level support systems that underwrite economic activity and social development.

Other authors investigate the use of co-production within the delivery of financial services, specifically, traditional Islamic banking services (Auh et al, 2007; Abd Aziz, 2018). The studies reveal the benefits of ensuring consumer participation in the creation, delivery, and continued use of banking products. In this manner, consumers are seen to create value for a bank rather than the other way round. Additionally, a given banking product is seen less as a finished article and more as a product that is continually in a state of iterative development, as feedback loops are regularly instituted between user, beneficiary, and banking mechanism (Auh et al, 2007).

Whilst little existent literature reflects on co-production as a permeable connection between a retail investor, an investment mechanism, and an investment outcome, some prominent RI scholars have interrogated forms of co-production (via differing naming conventions) within respective components of an investment nexus. Under this convention, the determining attribute of co-production is the manner in which stakeholders are included in orientating a RI opportunity. In considering the means by which RI opportunities are established, Jackson and Harij (2014) have advocated for the utilisation of co-production by industry leaders and investment facilitators to develop knowledge products that engage the net of stakeholders who might constitute an investment nexus. Within this scope, co-production would embed the practice of targeting specific investment outcomes and empower the users of investment platforms to work with various RI strategies to realise their investment potential.

Within an alternative component of the investment nexus, Jackson (2013) has considered the metric for monitoring RI application and noted that a disjuncture exists when information is returned to the investor; stymying the necessary feedback loop from the investment outcome to the investor. Indicators for RI opportunities are generally considered to be a work-in-progress and whilst prominent efforts by the Impact Reporting and Investment Standards (IRIS) project and the Global Impact Investing Rating System (GIIRS) have begun to standardise the means by which impact investment outcomes, in particular, are reported, future iterations are required to effectively close this loop (Jackson, 2013). Standardised reporting for impact related investment products is not universally supported. Urban and George (2018) bemoan a broadside approach to monitoring for being too abstract and overly restrictive in capturing the particular context of localised investment outcomes. The concern with this approach is that investors gravitate toward investment feedback loops which tell easily identifiable and measurable stories which are not necessarily connected to a sustainable development narrative. Interrogating the chain of results which are catalysed by RI is said to require an understanding of the systems of causal effects which are, in turn, shaped by forces which, whilst taking precedence at the level of the local, are equally subject to influences at the level of national and global engagement. These levels are, furthermore, influenced by dynamics across social, economic, political, cultural, and environmental spheres. Until this diverse authority of reagents is capable of being systemically captured, it is cautioned that reporting on RI may continue to dwell within the current practice of storytelling and the counting of inputs and outputs (Jackson, 2013).

Jackson (2013) attempts to overturn this dissonance by focusing on the investor as the point of departure for establishing sustainable investment metrics. In so doing, a “theory of change” is required to re-orientate the will of the investor, and acts as a process of co-production. From the outset of an investment undertaking, an investor must be made aware of the intended outcomes of their investment, and the catalysing effects such outcomes might have. This should be displayed in a manner which illuminates on-the-ground information; prior to the investment and in the outlying years following the investment contribution. Explicitly engaging in a theory of change from the genesis of an investment undertaking enables the investment actors to strengthen investment processes and maximise results through observation and iterative learning. A heightened consciousness around intended investment outcomes ensures that the actors are able to review investment practices for successful attainment of what they were originally intended for, rather than through the lens of universalised reporting standards (Jackson, 2013).

Despite iterative improvements within the reporting of investment outcomes, a seeming detachment remains, as lamented by Freundlich (2010, as cited in Viviers et al, 2011). Retail investors are disconnected from the investment outcomes that are generated by their capital contribution because of a system that does not support inclusive investment practice, so that an investor is empowered to dictate the investment mechanism in order to achieve a specific RI outcome. Within this archetype, Jackson's (2013) theory of change - which progressively acknowledges the need for a more holistic interaction between an investor and the investment outcome - falls short of acknowledging the continuous reciprocity that must occur within the investment nexus of investor, investment mechanism, and investment outcome. The theory of change doesn't allow for the individual investor to set the terms of an investment mandate alongside the investment mechanism so that an intended investment outcome might be achieved; each aspect of the investment nexus working in unison with the other in order to create a helix of capital disbursement, development, and re-generation. Considered within tangential but distinct fields, this on-going exchange can be acknowledged under an alternative nom-cloture: that of co-production.

Arguably, a 'theory of change' could be extended in reciprocal directions within an investment nexus in order to generate a co-productive system. As acknowledged by Jackson (2013), several positive opportunities, stimulated through heightened interaction between an investment outcome and an investor, exist. These opportunities are highly applicable to the consideration of co-production within the investment nexus:

- The on-going practice and refinement of constructing an intended outcome through the use of multiple investment platforms will stimulate greater purposefulness amongst investors as well ensure awareness of the investment mechanisms available to them;
- Maintaining communication between the investor and the investment mechanism, and focusing on the intended outcome will heighten interaction with other actors within the investment eco-system, supporting commitment toward the interventions intended by the investment;
- The investor is more easily held to account for an investment outcome (by governments, NGOs, employees, and citizens) as a result of the intentionality generated within the paradigm of interaction;

Benefits and challenges of co-production

Co-production, like a theory of change, emphasises that learning is iterative and perpetual; interactions are premised upon the need for adaptation, innovation, and solution generation, and are, thus, more capable of addressing the rapid and emergent social, economic and environmental problems faced by the word, today (Jackson, 2013). Furthermore, both a theory of change and co-production are explicit in their impact being felt at a family, household, neighbourhood level; reintroducing the concept of localised economic generation and benefit. By involving individuals in the realisation of their own opportunities, co-production "shifts the balance of power, responsibility, and resources from professionals more to individuals" (Boyle & Harris, 2009, p. 12).

Co-production is recognised for affording other distinct advantages beyond its focus upon the local and ability to innovate within a world of rapid change. It acknowledges that all people - within this context, i.e. retail investors - are assets. It redefines the nature of work and where true value lies within the process of working engagement. By promoting reciprocity between the actors within a co-productive system - in this case, the investment nexus - trust is built between stakeholders. This not only fosters strong social connections but also insures greater emotional investment in the sustained maintenance of the network (Boyle & Harris, 2009).

Despite its apparent benefits, co-production, as a concept, let alone as an investment practice, has struggled to rise to a level of standard application. This is largely to do with co-production having existed primarily at the level of policy discourse and prescription. As rued by Fenwick (2012, p. 1), "indeed, there is little research yet establishing that the co-production ideal is even possible". As underlined within this literature review, definitional deficit results in either misuse and underuse of well-intended concepts. Co-production, with its fragile outline and indeterminate outcomes, is regularly victim to misconception; often being confused for consultation, volunteering, or philanthropic disbursement (Boyle & Harris, 2009). Furthermore, co-production demands deference to acknowledged skill sets as well as a minimum level of understanding amongst all participants. The roles and responsibility within a co-productive system are often problematic and require early determination by all participants; acknowledging, further, that such roles might change through iteration and innovation (Fenwick, 2012).

Fenwick (2012) considers a way forward for co-production beyond the boundary defining negotiations or the inventive encounters that require staging to determine the practice at a distributed community-based level. Opportunities for alternative forms of co-production may become apparent if we were to trace the web of actions that are spindled from observing concrete practices of co-production. Practices in policy formation processes, performance evaluation procedures, public-private partnerships, and product innovation processes may lend themselves to micro-components of co-production which, if traced, would allow for strengthening of existent strands as well as the creation of emergent ties that would encourage co-production within broader practices and forms. Through such an undertaking, the narrative and associated research of co-production can move beyond its singular conception of being the co-development of services and expand its focus to co-productive enactments and patterns at different points and in different environments (Fenwick, 2012).

Method

Co-production in the context of this Research:

This research interrogated the use of co-production and its guises within the RI investment nexus, such that a retail investor is connected to an investment mechanism is connected to an investment outcome. Study of the means in which these components interact has not been undertaken in previous research and represented a departure from previous literature. In order to explore the means by which co-production might be made possible, this research considered the demand for RI products in South Africa, the range of RI Product opportunities available in the country, and the means through which RI outcomes are shared with the retail investor. The manner in which the actors interact within this described investment nexus, responding to established or in-apparent feedback loops, would constitute the extent to which co-production was observed. Similarly, opportunities for expanding the investment nexus would suggest growing inclusivity, and stood to yield a form of co-production.

Research design

Case study research encourages flexible data collection as well as adjustments across the data collection process (Eisenhardt, 1989). In order to reflect upon something as intangible as an inclusive investment process, the research made use of a case study as appropriate research methodology, to leverage the collection of data from various data points. The case study and the means of analysing it is qualitative in nature.

The research was conducted in three phases and is comprised of ten segments within a case study. The first phase was to establish a level of demand for RI amongst South African retail investors. The second phase was to assess the level of demand and compare it to the range of RI supply opportunities that retail investors were able to access in the country, between 2021 and 2022. This analysis indicates whether demand and supply were operating in tandem or whether the barriers to RI outlined within the literature review were active within the market place. Finally, in the third phase, the findings drawn from the comparison between demand and supply were tested in the market place via the conducting of semi-structured interviews with the RI providers, held in 2022. This allowed the researcher to gauge the investment process and probe, via articulated questioning, the levels of co-production evident within it. As such, the research assumed a triangulated methodology for determining the opportunities for co-production within a South African investment nexus by considering demand amongst retail investors, and then assessing the inclusivity of the investment process, with the process, ultimately, serving as the unit of analysis.

A survey supports a richer data field and, along with the literature review, an opportunity to establish potential a-priori understanding (Eisenhardt, 1989). As there is no existent public database which measures retail investor demand for RI, in South Africa, **the first step of the case study** was to establish a survey to confirm demand. The closed-ended questions that formed the foundation of the survey were grounded in the literature; based on questions used to test retail investor demand elsewhere in the world. The survey set out to reveal:

i. A level of demand amongst South Africa participants for RI opportunities capable of delivering dual return;
ii. An indication of priori investor experience amongst retail investors;
iii. An indication of the engagement sought by retail investors in the facilitation and use of RI products;
iv. An indication of what retail investors wanted to invest into; and
v. A level of demand for RI education and knowledge.

Eisenhardt (1989) talks to the utility of a-priori constructs to shape the design and interpretation of case study. Any emergent theory from the case study has greater empirical grounding because of a-priori knowledge. Within this study, the survey questions formed the basis of a-priori constructs. Too many constructs can derail a case study (Baxter & Jack; 2008; Rahi, 2017). Therefore, the survey limited the number of questions posed to participants in order to manage the extent of a-priori constructs.

A deductive approach was applied to the survey findings, utilising the a-priori constructs to group the findings. The analysis of the survey represented the **second step within the case study**. There-after, a process of deduction enabled the **third step of the case study**: the extraction of 14 framework (demand) indicators based on the survey findings. Qualitative survey findings were allocated to the seven a-priori constructs, accorded by thematic or shared reference. From these findings, the researcher established 14 demand indicators, via qualitative deduction, in order to create an analytical framework. A framework acts as the boundaries of a case study, determining what is to be included or excluded. It supports the description of the relationships that are seemingly evident within a case, providing the researcher with an opportunity to allocate data to defined categories (Eisenhardt, 1989).

In the second phase of the case study, the desktop research was utilised to consider the range of local RI opportunities, this representing **a fourth step within the case study**. These were drawn from three investment sub-sectors: commercial banks, asset managers, and alternative RI providers. It is acknowledged that this research may fall short of covering the entire gamut of dual return investment opportunities available to South African retail investors, via a desktop research methodology. Five commercial banks, five assets managers, and three alternative investment providers were assessed within the case study.

Utilising the 14 demand indicators, a standard analytical template was developed, utilised to assess thirteen investment providers across three investment sub-sectors. The construction of this database of investment providers, where each provider was assessed according to the 14 demand indicators represented **the fifth step within the case study**. The standard template includes a "summary overview" column. A summary of the collective investment providers according to each of the 14 framework demand indicators, captured within the summary overview column for each sub-sector, reflected **step six of the case study**.

There-after, an analysis of the sub-sectors was undertaken according to each of the 14 demand indicators. The articulation of this analysis is **step seven in the case study** and is reflected in the "Findings" chapter of this dissertation.

The analysis drawn from the framework is supported by secondary data collected from semi-structured interviews held with RI opportunity suppliers: the third and final phase of the research. The purpose of the semi-structured interviews was to test the a-priori constructs as well as their application to the framework, and the propositions revealed within the analysis. In this manner, the researcher was able to confirm assumptions around barriers to entry to for retail investors, market dynamics that influence supply opportunities, and the utilisation of co-production to facilitate a more inclusive investment process. This represented an inductive approach to data analysis. Leaning on the triangulated method of analysis and the three-phase process utilised to edify it, the research was established across levels of the micro (the retail investor), the macro (the RI opportunities in South Africa), as well as the miso (the organisation facilitating the investment) whilst maintaining the investment process as the unit of investigation.

In this third phase, semi-structured interview questions were extracted from the analysis of the sub-sectors. The questions were based on the 14 demand indicators, and were thus grounded in the initial survey questions posed to retail investors. This was **step 8 in the case study**. In **step 9 of the case study**, the researcher conducted semi-structured interviews with a representative from the asset management and alternative investment provider sub-sectors, respectively. Reflection on the application of the 14 demand indicators applied to the RI supply database and insights drawn from the semi-structured interviews **formed step 10 of the case study,** and is captured in the Discussion chapter.

Table 1 arranges the case study per the steps and highlights where each step reflects within the research:

Description of research step	**Chapter/ sub-chapter**	**Where the data was derived from**
Overview of research phases and steps	Basic research approach	
Phase one: retail investor demand		

Step one: survey questions and a-priori constructs	Sampling	Literature Review
Step two: analysis of survey	"Findings" chapter	A-priori constructs
Step three: 14 demand indicators of retail investor demand	Data analysis and Findings	Thematic grouping of survey findings
Phase two: testing supply against demand		
Step four: desktop research - range of RI supply opportunities	Sampling	Google search engine
Step five: establishment and furnishing of the RI supply database	Data collection	Company websites
Step six: comparison of RI options within their sub-sectors	"Findings" chapter	Researcher/ 14 demand indicators
Step seven: case study findings per sub-sector	"Findings" chapter	Researcher/ 14 demand indicators
Phase three: semi-structured interviews		
Step 8: extraction of interview questions	Data collection	RI supply database findings
Step 9: conducting of interviews	'Discussion' chapter	RI supply database
Step 10: reflection of interview findings within case study findings	'Discussion' chapter	Literature Review, survey analysis, 14 demand indicators, RI supply database, researcher insight.

Table 1: "Steps" within the case study and data sources

Yin (2003 as cited in Baxter & Jack, 2008) and Stake (1995 as cited in Baxter & Jack, 2008) use different language to that of Eisenhardt for determining the type of case study to be undertaken; though the authors share similar intentions. In Yin's lexicon the most applicable construct to this research is an "explanatory" case study. Explanatory cases are those where the researcher attempts to explain presumed causal dynamics that are too complex to capture within a survey or experimental strategies. As such, a researcher may be inclined to program implementation to outcomes. This aptly describes the investment process, which cannot be understood from a single perspective but, rather, requires the application of case study methodology for interpretation. Stake reflects on "instrumental case study" where the case is of secondary interest to the refinement of wider theory; a case study is a supportive instrument that facilitates the understanding of a broader social dynamic. Within this research, the investment process is a proposition for a broader construct brought upon by the interactions between an investor, an investment mechanism, and an investment outcome; its analysis in this research falls into the realm of instrumental case study.

Research Context:

The case study research took place from June 2021 to June 2022. During this time, government enforced restrictions in the wake of the Covid-19 pandemic were in place. Interaction with participants in the research (survey participation and semi-structured interviews) was confined to online engagement. As the research is geographically bound, participation engagement and case study analysis was limited to South Africa. The companies assessed in the case study are based in South Africa.

Sampling and Sample Methods.

SURVEY:

For the survey, the researcher approached an eminent online retail investor platform in South Africa, to consider distributing a survey to its membership to measure local retail investor demand. Here-after, the online retail investor platform is referred to as Quick Trader (QT). QT describes itself as an online platform that enables anyone to buy shares in "brands and companies that they love". The platform aims to de-mystify the investment process and views low barriers to entry as a crucial component of including more investors in the investment process. As such, QT does not charge monthly brokerage fees to its members and maintains a competitive fee structure on transactions. The investment products that are available on the platform vary from shares in companies (purchased via the Johannesburg Stock Exchange), to exchange traded funds (ETFs), bundles and baskets (a combination of shares from various companies pre-selected by an asset manager), and, most recently, fractional investing into property assets. The QT platform is intended for utilisation by seasoned practitioners as well as amateur investors who are new to investment practice. Given its intention to support inclusivity and accommodate any range of investor interest, as well as the diversity of investment products available on its platform, QT presented an ideal channel through which to engage retail investors and test their demand.

As of February 2021, QT had nearly 520 000 members, with a gender split of 32% women and 68% men investors. Roughly 65% of its membership is under the age of 40, with the average investor age being 32 years (Gunnion, 2021).

The researcher designed the survey questions, whilst QT chose the survey platform: "Survey Monkey". The correspondence submitted to QT members was drafted by QT with input from the researcher. This is captured in Addendum B.

On 21 July 2021, the survey was sent to 1 235 QT members. A threshold of 120 respondents was set as being representative of delivering generalizable findings; a response rate of 12%. However, the survey only yielded 46 responses, a response rate of 4.5%. Without knowing the general response rates by QT members to platform-led communication it was difficult to speculate as to the reasons for the attained level of responses; under normal conditions a return of 4.5% might represent an average response rate. QT launched its properties platform over the same period that the retail investor demand-survey was distributed. As such, the platform was regularly engaging its membership with communication and requests for user feedback. In the tide of correspondence, it is possible that communication fatigue could have contributed toward the survey response rate by the membership.

In order to achieve the desired response rate, the researcher engaged his professional network via LinkedIn. Utilising the same survey platform (Survey Monkey), the researcher designed an equivalent survey as to that which had been distributed to QT members. Only South African residents were encouraged to respond to the survey. Several minor edits were incurred due to the fact that the researcher was no longer targeting retail investors via the membership boundaries of the QT membership base. These edits were:

- The survey was prefaced with an introduction outlining the definition of a retail investor, a responsible investment product, and investments that have a dual return in terms of its return. These concepts were assumed to be understood by QT users (given that they were actively engaged in retail investment activity);
- Survey questions which referred to a QT portfolio were changed to an "investment portfolio" (which represents a broader system of investment opportunities).
- Two additional questions were added to the survey asking users to confirm their gender as well as the age category that they fell into. This was initiated in order to provide the researcher with more information about the respondent, and would allow for some degree of comparison with the contextual information known about QT users (gender split as well as predominant age category).

The survey as posted on the researcher's LinkedIn profile was viewed by 729 members and was held open for two weeks, from 3 August 2021 to 19 August 2021. It garnered 85 fully complete responses, and 2 partially completed. When combined with the responses provided by QT users, a total of 131 retail investors had contributed toward the researcher's aim of better understanding retail demand amongst South Africa retail investors.

Table 2 indicates the two surveys (set alongside one another for ease of comparison) as they were distributed to various respondents (QT and via LinkedIn).

QT users	**Via LinkedIn network**
1. How would you describe your investment knowledge: a) Not interested. Investing is for professionals only b) Amateur/ hobbyist who would like to know more	1. How would you describe your investment knowledge: a) Not interested. Investing is for professionals only b) Amateur/ hobbyist who would like to know more

c) No formal investment education but significant interest d) Some investment education and significant interest e) Investment Professional	c) No formal investment education but significant interest d) Some investment education and significant interest e) Investment Professional
2. If an investment opportunity could have an impact upon some of South Africa's development issues, such as youth unemployment, education deficit, environmental degradation etc., would you be interested in pursuing it? a) Yes b) No c) Maybe, as long as I made the same level of financial return as with an ordinary investment offering d) Maybe, if the impact achieved spoke to a cause close to my heart	2. If an investment opportunity could have an impact upon some of South Africa's development issues, such as youth unemployment, education deficit, environmental degradation etc., would you be interested in pursuing it? a) Yes b) No c) Maybe, as long as I made the same level of financial return as with an ordinary investment offering d) Maybe, if the impact achieved spoke to a cause close to my heart
3. If you could co-design your investment products alongside a platform like QT so that the investment had specific development outcomes, would you be interested in pursuing it? a) **Yes,** (investors should lead market offerings by having their 'demand' for specific investment outcomes made known) b) **No,** (investment products should be led by market supply and the companies that operate within that realm)	3. If you could co-design your investment products alongside the investment provider so that the investment had specific development outcomes, would you be interested in pursuing it? a) **Yes,** (investors should lead market offerings by having their 'demand' for specific investment outcomes made known); b) **No,** (investment products should be led by market supply and the companies that operate within that realm)
4. If you could diversify your current investment options to have dual return (financial return and social return), within your QT portfolio, which answers would you select: a) None, I'm satisfied with the current range of investment options b) More overseas investment opportunities c) More investment opportunities into local SMMEs and businesses within my city d) More investment opportunities into businesses that address environmental and social issues, primarily e) More investment opportunities into private, unlisted companies	4. If you could diversify your current investment options to have dual return (financial return and social return), which option would you select: a) None, I'm satisfied with the current range of investment options b) More overseas investment opportunities c) More investment opportunities into local SMMEs and businesses within my city d) More investment opportunities into businesses that address environmental and social issues, primarily e) More investment opportunities into private, unlisted companies
5. On a scale of 1 to 5, do you feel like responsible investment opportunities (which allow for social return as well as financial return) are reflected within your investment options (1 = not reflected, 5 = highly reflected)? a) 1 b) 2 c) 3 d) 4 e) 5	5. On a scale of 1 to 5, do you feel like responsible investment opportunities (which allow for social return as well as financial return) are reflected within your investment options (1 = not reflected, 5 = highly reflected)? a) 1 b) 2 c) 3 d) 4 e) 5
6. On a scale of 1 to 5, how much do you agree with this statement: "I wish I understood more about investment opportunities in South African companies that are achieving dual return	6. On a scale of 1 to 5, how much do you agree with this statement: "I wish I understood more about investment opportunities in South African companies that are achieving dual return

outcomes of financial and social return". (1 = don't agree at all, 5 = totally agree). a) 1 b) 2 c) 3 d) 4 e) 5	outcomes of financial and social return". (1 = don't agree at all, 5 = totally agree). a) 1 b) 2 c) 3 d) 4 e) 5
	7. Please confirm you age category: a) 18 – 34; b) 35 – 50 c) 51 and above
	8. Please confirm your gender: a) Men b) Women c) Other

Table 2: Survey questions posed to the two respondent groups

A-PRIORI CONSTRUCTS

Though the questions are based on investor demand highlighted within the literature review, "Table 3" outlines the rationale for the proposition of questions to participating retail investors. This is presented due to the utilisation of co-production and dual return as concepts within this research. Furthermore, the a-priori constructs drawn from the survey questions results are included in the third column of the table to highlight the connection between the survey question and the a-priori construct.

Question	**Rationale**	**A-priori construct**
One: *how would you describe your investor knowledge?*	Formal investment education is likely to enable investment practice. Yet, opportunities to invest should be directed at retail investors of all backgrounds. This question supports the establishment of a level of demand for various RI options against a background of investment knowledge.	**Investor Knowledge**
Two: *if an investment opportunity could have an impact upon some of South Africa's development issues, would*	Through this question, retail investors reveal the extent to which they believe investments should achieve the dual return of financial return as well as targeted social, environmental or economic return. Additionally, the question poses whether retail investors are willing to compromise on their financial return in order to achieve dual return through their investment practice.	**Investor demand for 'Dual Return'**

you be interested?		
Three: *if you could co-design your investment products alongside the investment provider would you be interested?*	This question addresses co-production and the level of demand (or appetite) amongst retail investors for the co-creation of investment offerings.	**Investor demand for 'Co-production'**
Four: *If you could diversify your current investment options to have dual return impact, which option would you select?*	Retail investors reveal their willingness for greater diversity within their prospective investments in South Africa by selecting specific dual return investment options (whilst having the option to state that they are satisfied with current investment offerings). Dual return investment options represent alternative RI opportunities, expressed through a variety of investing mechanisms. This question, by proxy, also strengthens the measurement of demand for RI options.	**Dual return investment options/ outcomes**
Five: *Do you feel like RI opportunities are reflected within your investment options?*	Considers whether retail investors feel that RI opportunities are currently under represented within their investment portfolios. This reflects the retail investor perception of RI exposure within South Africa.	**Presence of RI supply**
Six: *Do you agree: "I wish I understood more about investment opportunities in South African companies that*	The final RI related question interrogates investor demand for greater exposure to dual return investment opportunities and knowledge surrounding RI investments. Dual return in this instance acts as a proxy for RI. This question also subtly interrogates whether retail investors are	**Interest in RI opportunities and information**

are achieving dual returns"?	receiving sufficient information about RI opportunities, in the country.	

Table 3: Rationale for survey questions and A-priori constructs

RANGE OF RI SUPPLY OPPORTUNITIES

Initially, the researcher interrogated the RI offering provided for by traditional finance institutions such as commercial banks. The websites of the five primary banks in South Africa (FNB, Standard Bank, Capitec, Nedbank, and ABSA) were assessed to determine if any RI opportunities were available to retail investors. Investec Banking, as an exclusively private banking offering[3], was excluded from this list on the basis that institutions/ investment offerings should be available to all retail investors and not only investors who earn above a certain income threshold.

South Africa's largest asset managers were determined via a google search; a readily available search resource to a retail investor. Several websites confirmed the dominance of asset managers according to their AUM, or per internal and external surveys. The method for assessing the top asset management companies was less important than the identification of the significant actors who operated within this investment sub-sector. For this reason, three of the rankings are from 2021, whilst two are from 2017 and 2018 respectively, in order to offer a degree of recent historical comparison. Asset management firms that appeared across publications and across timelines could be understood to be well-represented within the investment sub-system and, thus, would be recognisable to a retail investor.

The rankings of the asset managers were cross-referenced to establish a final list of five primary asset management companies that retail investors might approach. Table 4 compares the biggest asset managers, as determined by websites covering current affairs in South Africa (and as revealed by a Google search):

Eminetra/ News 24 (2021)	**Co-money** (2021)	**Money Today** (2021)	**Business Tech** (2017)	**Business Tech** (2018)
Old Mutual Investment Group	Allan Gray	Allan Gray	Allan Gray	Fair Tree Capital
Ninety-One (Investec)	Stanlib	Coronation	Prudential	Allan Gray
Stanlib	Prudential	iTransact Fund Managers	Prescient	Prudential
Sanlam Investment Management (SIM)	Coronation	Prudential	Truffle Asset Management	PSG Collective Investments
Coronation	Investec	Stanlib	PSG Collective Investments	Personal Trust International

[3] Investec Private Banking requires a minimum salary threshold in order to qualify for their private banking offering.

				Management Company
Allan Gray	iTransact Fund Managers		Foord Unit Trusts	Coronation
Alexander Forbes	ABSA		Sygnia Collective Investments	Prescient
Nedgroup	Old Mutual Investment Group		Personal Trust International Management Company	Sygnia Collective Investments
Sanlam Multi-managers	Foord Balanced Fund		Coronation	Rezco Collective Investments
Taquanta	Fairtree Capital		First: Global Group	PSG Multi-Management

Table 4: Highest-ranking asset management firms in South Africa according to Google search

The following asset managers were selected based on the above criteria of prominence and size:

1. Allan Gray
2. Stanlib
3. Coronation
4. Prudential
5. Old Mutual[4]

In order to establish the extent of alternative investment providers via desktop search, the researcher utilised Google to search for RI offerings provided for by non-traditional investment facilitators. The following entries are examples of categories that were entered into google search engine:

"Responsible investment companies, South Africa"; "Retail investor opportunities in South Africa"; "Alternative investments South Africa"; "Innovative investment mechanisms South Africa"; "ESG financial services companies South Africa"; "Investment mechanisms South Africa"; "Impact investing South Africa".

Three alternative RI providers were selected from this search based on prominence and availability of options.

Data collection

Establishing RI demand:

The first part of the case study for this research held as an objective a better understanding of the demand for RI products by South African retail investors. The definition of a retail investor is broad and encompasses all people who engage with the financial system by utilising a bank, investing into a company, or buying shares on a stock exchange, regardless of investment proficiency (Dottling & Kim, 2021; Bauer et al, 2021). For this reason, the researcher chose to combine the survey responses drawn from the QT survey and the LinkedIn network, as this provided a more comprehensive understanding

[4]A number of asset managers appear twice across the ranking lists. Preference was given to the highest ranking asset management firm according to most recent information; Old Mutual.

of demand across the spectrum of retail investors. The subsequent section on “Data Analysis” details how this information was analysed and how the researcher derived 14 demand indicators from the survey data.

Establishing RI Supply:

In establishing the RI supply database, the companies that formed part of the investment sub-sector were determined by utilising desktop research and the above, described, sampling methodology. A standard template was developed for each of the investment sub-sectors. Company data were collected via desktop research of the company website and imported into the database utilising the 14 demand indicators as a framework. In the process of interrogating RI opportunities across the three different investment sub-sectors, a quantum of investment offerings were viewable by the researcher. The majority of these offerings were not RI in nature, and did not prescribe to any of the 14 demand indicators. They were immediately interpretable as pecuniary investment opportunities. As per the literature review, this fits the pattern of primary investment opportunities available to retail investors in South Africa. Rather than assess each of these pecuniary opportunities, the researcher chose to focus upon those investment options that appeared to satisfy some of the demand indicators and which best aligned with the deliverance of dual return investment outcomes.

The process of analysing the RI supply database is reflected upon in the subsequent “Data Analysis” section, where-as the RI supply database is represented in the “Findings chapter”. Discoveries elicited from the RI supply database in that they relate to the research question are captured in the “Discussion” chapter. These discoveries reflect on those elements that were most meaningful to RI supply; they are not a replication of the text within the database. Additionally, each demand indicators did not warrant a discovery where sufficient finding might be viewable in the database, itself. The discoveries representing RI supply, along with the findings derived from the survey (representing RI demand), formed the basis of the questions intended for interrogation in the semi-structured interviews.

Semi-structured interviews:

Interview subjects were selected from the RI supply database. Whilst the interviews represented primary data, the information derived was interpreted as supporting of the research rather than establishing of new research perspective. It was intended that one representative of each sub-sector would be interviewed to support the research objectives. However, emergent findings within the analysis of the RI supply database indicated that representatives of the asset management and alternative investment provider sub-sectors, respectively, should be approached for interview request. The interview for the Asset Management sub-sector was conducted anonymously whilst representatives of “Livestock Wealth” kindly agreed to interview for the alternative investment provider sub-sector. The commercial banking sub-sector was not interviewed due to the case study findings being largely homogenous for this sub-sector, with no retail investor opportunity for dual return investing. In instances where a diverse investment opportunity existed, the commercial banking sub-sector defers the retail investor to either an asset manager or an alternative investment provider. As such, potential interview findings from the commercial banking sub-sector were assumed to be redundant. A broader study scope might interrogate RI opportunities within this investment sub-sector in future research. Interview protocols for both interviews are included in Addendum A.

“Guiding questions for semi-structured interviews”, represented in Addendum C, groups the questions utilised for the semi-structured interview according to the 14 demand indicators applied as a framework to the RI supply database. Not every indicator elicited a question. Instead, questions were subjectively lifted from the researcher’s analysis of the RI supply database by reflecting upon the opportunity or hindrance for greater RI supply, prospects for investment co-production with retail investors, and facilitation of the investment nexus.

Data Analysis

The survey response data were extracted into an excel document where it was analysed per question (or a-priori construct). Graphs depicting responses to the individual questions were developed. As such, the first part of the “Findings” chapter details graphs according to the respective a-priori constructs (i.e. investor knowledge, demand for dual return etc.). In order to elicit a more layered understanding of retail investor demand, the researcher analysed across a-priori constructs, developing comparative tables within excel. As an example, retail investor knowledge was assessed in relation to demand for dual return. Therefore, within the “Findings” chapter, triangulated a-priori analysis follows the initial, singular a-priori study. As the LinkedIn survey had two additional questions relating to age and gender, a set of findings were exclusive to these respondents. The findings contributed toward the development of the 14 demand indicators and are, therefore, included at the end of the survey analysis within the “Findings” chapter.

Analysis undertaken on the survey data resulted in several findings and assumptions. These were grouped according to their respective a-priori construct. Utilising a deductive method, the researcher extracted general demand indicators relative to the a-priori construct and the findings. The 14 demand indicators acted as gauge of salient elements that were relative to local retail investor demand in South Africa. Thus, the 14 framework indicators were derived to provide a retail investor counterfoil to RI supply; they represented what a retail investor might look for in an investment opportunity when applying an RI lens. Analysis of the survey reflects both qualitative and quantitative elements, but the establishment of the framework indicators is largely qualitative. The purpose of the framework indicators was to support a consistent interpretation of a RI opportunity and, in so doing, erect a viewpoint of the range of RI opportunities available in South Africa. The manner in which the indicators are applied to the range of local RI opportunities is entirely qualitative.

The following 14 demand indicators are reflected in the RI supply database reflected:

1. General: an overview of the company and the service it offers to a retail investor;
2. Investment offering: a summary of the investment products that are offered by the company
3. Investment barriers for retail investors: reflection on barriers to entry for a retail investor, considering primarily finance but also other constraints;
4. Alternative investment offering: review of other investment instruments offered by the company beyond their primary investment offering. This indicator reviewed investment differentiators that provided investors with broader choice, particularly in relation to investments that had dual return;
5. Promotion of dual return outcomes: consideration for whether the company promoted dual return outcomes as an intended benefit of the investment process;
6. Ease of use for retail investor: simplicity with which a retail investor might have engaged with the website and initiate the investment process. This indicator is also suggestive of a barrier to entry;
7. Co-production of investment outcomes: review of whether the retail investor had an opportunity to co-produce the investment outcomes alongside the investment provider;
8. Retail investor engagement with the investment outcome: the degree to which feedback loops were created between the investment outcome and the investor who participated in the investment;
9. Opportunities for ESG, SMME, or overseas investments: whether or not the investment platform offered investment into ESG, SMME, or overseas investment opportunities;
10. Opportunities for investor education: reflection on the means by which the platform attempted to broaden investor education either within the investment process or in relation to financial well-being (and investment risk);
11. Did RI or dual return feature on the platform: were these terms utilised by the platform in any capacity;
12. The nature of communication between the platform and the retail investor: the manner in which information was shared and feedback loops were created; reflecting particularly on language and lexicon as means of inclusivity or barriers to entry for a retail investor;
13. Use of narratives or stories to support investment undertakings; were narratives a method by which investment process, risk, initiation, or outcome were represented for the retail investor; and
14. Focus on women or minority groups (such as youth, young professionals, or stay-home parents); did the website make special mention of investment offerings for women or minority groups, or were investment products designed to have impact upon women or minority groups.

The purpose of the RI supply database was to compare various investment entities against one another in order to determine RI supply such that they would be easily available to retail investors. It was not to unearth a base-level of all RI opportunities in South Africa. Google was utilised as the search engine for this step. The process adhered to in this step was intended to mimic the behaviour of an average retail investor interested in determining RI supply within the local market place.

As an example of the analysis exacted upon the RI supply database, the first template is a comparison of commercial banks per the 14 demand indicators. The first demand indicator describes the general function of the investment platform. The second compares the investment offerings provided by each of the five banks assessed. The third considers via comparison the barriers to investment that retail investors might face. Utilising the demand indicators, the research captured RI features of companies that operated within the same investment sub-sector. For readers, skipping to the 'summary overview' column enables a quick reference of how investment providers have fared per the demand indicator, by reflecting upon differences and commonalities across the assessed companies. Detail pertaining to each organisation is outlined in the larger table.

Discoveries relating to the application of the 14 demand indicators to the RI supply database are captured in the "Discussion" chapter. The intention of the assessment was not to calculate which company provided for the greatest degree of RI opportunity or co-production, but rather to support a more holistic understanding of the supply of RI directed at retail investors in South Africa. As such, the reflections are sectorial and consider inclusive opportunities for greater RI provision. Ultimately, this research is qualitative in nature. Therefore, the investment options were compared in discursive form. There was also an extensive degree of subjectivity applied to the analysis. There is no scoring allocation associated with the investment opportunities.

Analysis upon the RI supply database and its relation to the demand indicators formed the backbone of questions aimed at sectoral interviewees. As the interviews were always intended as secondary data to support discoveries drawn from the simulated equilibrium of RI demand and RI supply, insights from the interviews are ensconced within the "Discussion" chapter. They are intertwined with the database discoveries and contribute toward the narrative of co-production within the investment nexus, illuminating what demand and supply looked like for retail investors in South Africa.

Discussions on the analysis for each sub-sector includes brief recommendations for the actors involved, intended to support greater functionality between RI supply and RI demand.

Limitations

The objective of the survey within this research was to establish a base level of retail investor demand for RI, capable of informing a triangulated analysis of the RI supply opportunities for retail investors. A survey, whilst seeking to aggregate common disposition across multiple parties, is fallible to context and time. Its responses represent a moment in time and are unable to dig deeper and reflect the meaning for the responses. Several methods were implemented to induce objectivity so that quality assurance was upheld for survey data. In order to reduce analytical complexity, the number of survey questions was limited to five. The questions were grounded in literature and previous explorations into investor demand, ensuring that the possibility of frivolous questions was reduced. Additionally, the five questions were structured in order to verify information rather than result in information discovery

(Gable, 1994). Despite these efforts, the question limit and the absence of qualitative responses by survey respondents determined that certain assumptions had to be made by the researcher when interpreting the data inherent within the survey. An example of this would be the equating the level of investment interest held by a respondent to the inherent investment knowledge within that respondent.

This research triangulated the survey analysis with desktop research drawn from company websites, analysis which was further broken by the addition of sectoral perspectives obtained from semi-structured interviews. In case study methodology, research objectives may require multiple approaches that are often sequential in order to support data integrity. Distinctions between the quantitative nature of the demand survey and the qualitative characteristics of the 14 demand indicators, the RI supply database, and the emergent findings posed to interviewees were intended to allow for complimentary rather the competitive analysis. Cross-validation was made possible by this kind of data convergence. (Gable, 1994; Baxter & Jack. 2008).

Despite attempts to maintain data and analytical objectivity, no research is impervious to bias or generalisation. Indeed, once the survey results had been established, the researcher had to be conscious not to seek out data points that appeared to corroborate one another, thereby pre-emptively determining an outcome of the research: that RI opportunities might be underrepresented for retail investors in South Africa. In order to mitigate a fountainhead of single narrative, analytical frameworks were erected to support deductive data analysis and research progression within the data assembly process; from the development of a-priori constructs, to the 14 demand indicators, to the RI supply database, to the questions posed to sector participants (Yin, 1981).

The RI supply database is limited in its selection of investment sub-sectors. Whilst the criteria for selection are outlined in this paper, it must be acknowledged that the extent of RI opportunities supply for South African retail investors, as determined within this research, is incomplete and is not representative of all investment sub-sectors in the country.

Ethical considerations

RI demand amongst retail investors is largely unrecorded in literature, in South Africa. Additionally, RI supply opportunities are not widely published. To support a base-line of South African retail investor demand for RI products as well as an initial analysis of RI supply available to local retail investors, it was intended that the findings of this research were available to members of the public. The nature of the case study for this research required engagement with several data sources across three distinct levels: the micro, miso, and macro. Each level required a distinct approach to maintaining data integrity and ensuring data ethics.

At the level of the micro, where retail investor demand was established, consent to participate in the research survey was established with QT members, who acquiesced to the survey on behalf of their membership (the signed consent form is included in the annexures of this paper). QT distributed the survey link to its membership base. Participation by QT members was voluntary, no penalties for non-participation were enacted by the platform upon it's members, and no personal details were required by participating members. As such, participation was entirely anonymous. Voluntary participation amongst LinkedIn survey respondents was determined at the outset of the survey where it was conveyed that participation would amount to consent. A link to the University of Cape Town "Research Support" landing page, which outlines responsible research practice and ethics, was provided prior to start of the survey. No personal details were collected amongst LinkedIn respondents.

All information extracted for the RI supply database (the miso and the macro) was drawn from publically available company websites. The analysis was based on the researcher's subjective interpretation of the 14 demand indicators in relation to the public information available on the websites. No exclusionary/ non-published information was requested from the companies reflected within the RI supply database by the researcher.

Participation by interviewees used to clarify the investment process was voluntary and anonymous. The representative from the asset management sector chose to withhold their company name from the research. To support accuracy of interview interpretation, both sets of interviewees were provided with the opportunity to review their interview transcripts as well as the associated researcher commentary prior to its inclusion within the research. Consent forms for both interviews are provided in the annexures of this research.

Findings

Singular A-priori analysis

A-priori 1: Investor Knowledge

Most retail investors described themselves as having “significant interest” (36.6%), followed by being “amateurs” (29.8%) and those having “formal education” (23.7%). Only 6.1% of survey respondents said that they had no interest in investing. Given that the survey was conducted on professional platforms, it is not unexpected that only 6.1% of respondents held no interest in investment practice. On other open platforms or non-professional websites, this percentage would likely be higher. Only 3.8% or respondents identified themselves as professional investors. For the same reason given for respondents with no investment interest, this percentage is perhaps less than anticipated. This suggests the extent to which aspirant but non-professional investors made use of the websites utilised.

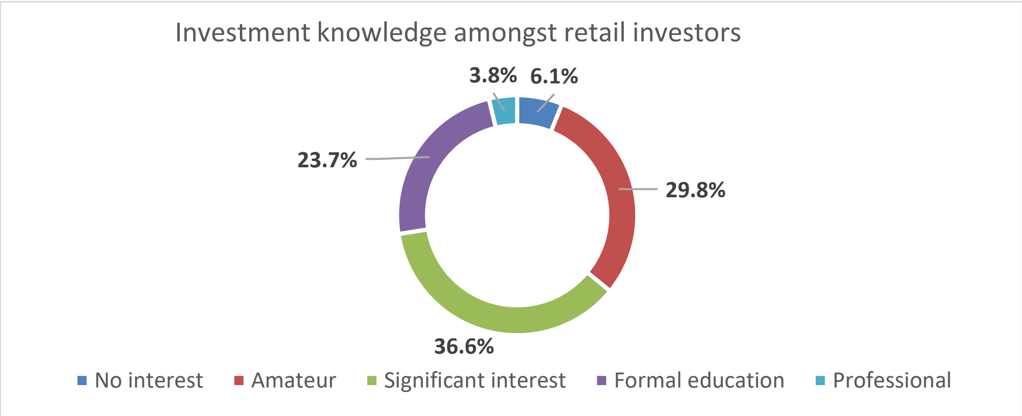

Figure 3: Investment knowledge amongst retail investors

A-priori 2: Investor demand for Dual Return

Across all levels of investment knowledge, the majority of retail investors (42.7%) wanted to see dual return investing outcomes subject to achieving the same level of financial return as pecuniary investments. As much as 31.3% said that dual return investing should be an unequivocal aim of investing practice, whilst 19.8% of respondents would invest emotively to achieve dual return aims. Only 6.1% of retail investors said that they did not believe that dual return investing was a desirable practice.

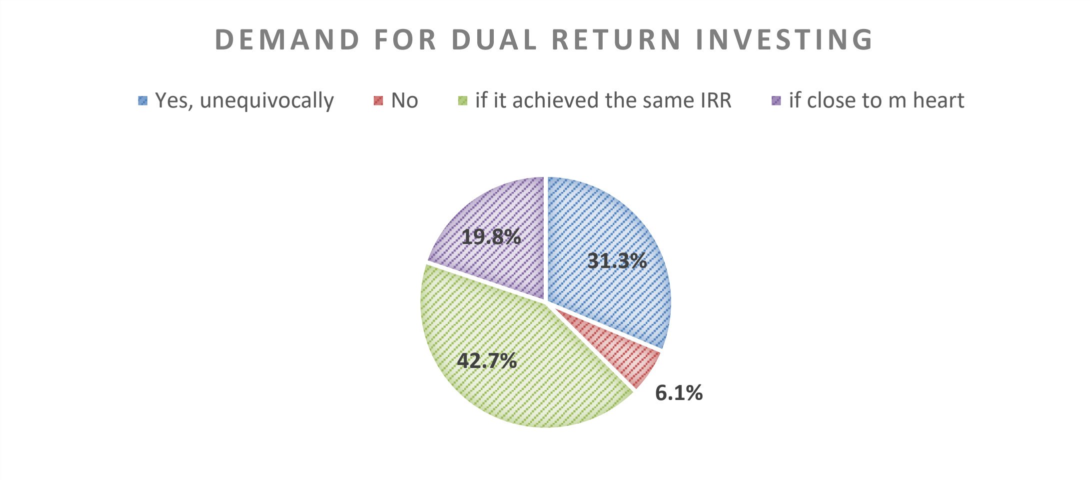

Figure 4: Demand for dual return investing

A-priori 3: Investor demand for 'Co-production'

Overwhelmingly, retail investors indicated that they were interested in co-producing their investment products (85.5%). Amongst all respondents, 29% of those who wanted to co-produce outcomes had significant investment interest, 26.7% were amateurs, and 21.4% had formal investment education.

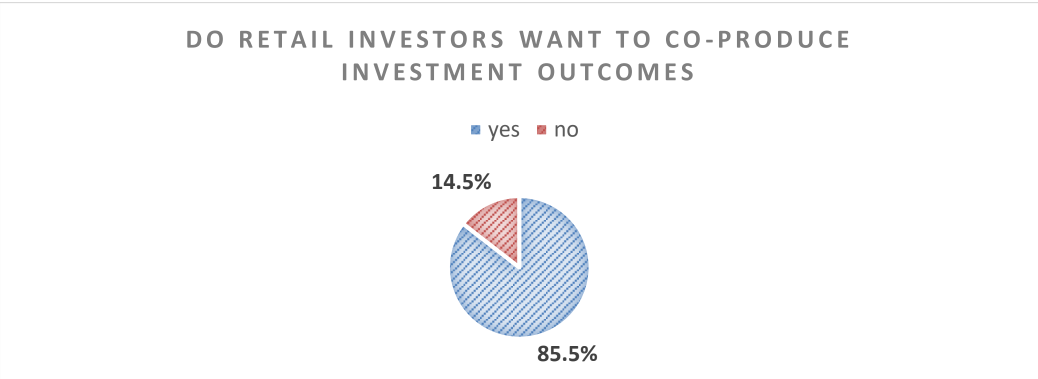

Figure 5: Do retail investors want to co-produce their investment outcomes

A-priori 4: Dual return investment options/ outcomes

Dual return investment options were a proxy for alternative RI opportunities expressed through a variety of investing mechanisms. Amongst retail investors, the most popular option for deriving dual return were investments made into ESG (29.8%). Many respondents sought alternative overseas investments (26.7%). Reasons for this may be manifold; from South Africa's poor economic outlook to the social upheaval experienced in the country at around the time of the survey, to the perception that more extensive dual return options might exist outside of the country. Nearly a quarter of respondents (24.4%) indicated that they would opt for investments into SMMEs. Interest in these three options was fairly balanced. Combined, they constituted more than 80.9% of the survey respondents. Only 4.6% of respondents indicated that they were satisfied with their current investment options. This corresponded, roughly, with the total number of respondents who said they were not interested in dual return investing, 6.1%.

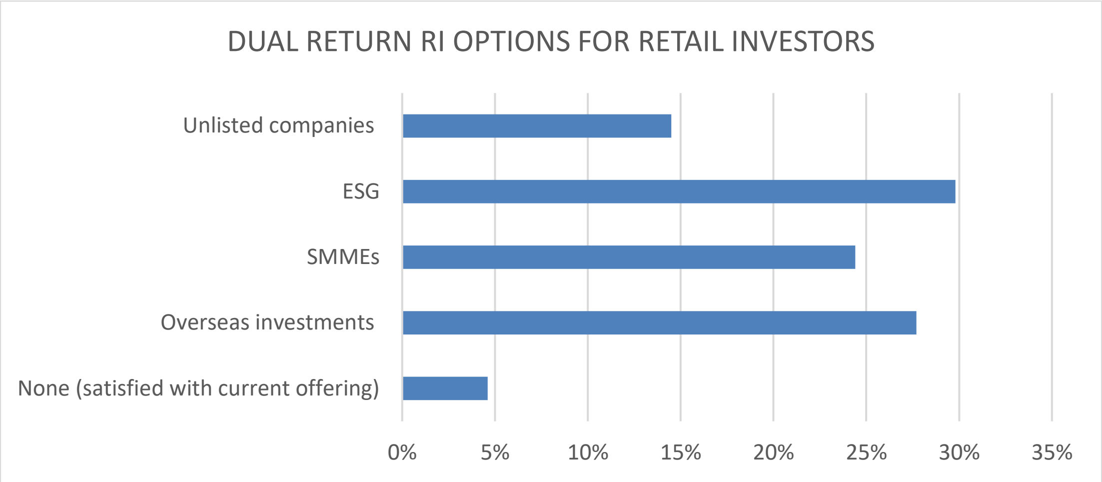

Figure 6: Dual return RI options for retail investors

A-priori 5: Presence of RI supply

The darker colours indicate greater prominence of RI whilst lighter colours suggest less RI opportunity. The majority of respondents felt that RI options were expressed to an average degree within their portfolio (38.2%). However, 45% indicate that RI options were hardly reflected or not reflected at all within their current investment options. If viewed cumulatively, 83.2% of investors stated that RI had between an average representation to not being represented all within their investment portfolio. Only 16.8% of survey respondents felt that RI options were positively reflected within their investment spectrum. This suggests that investor perception of RI supply was low and that RI, if available, had not been marketed amongst those who responded to the survey.

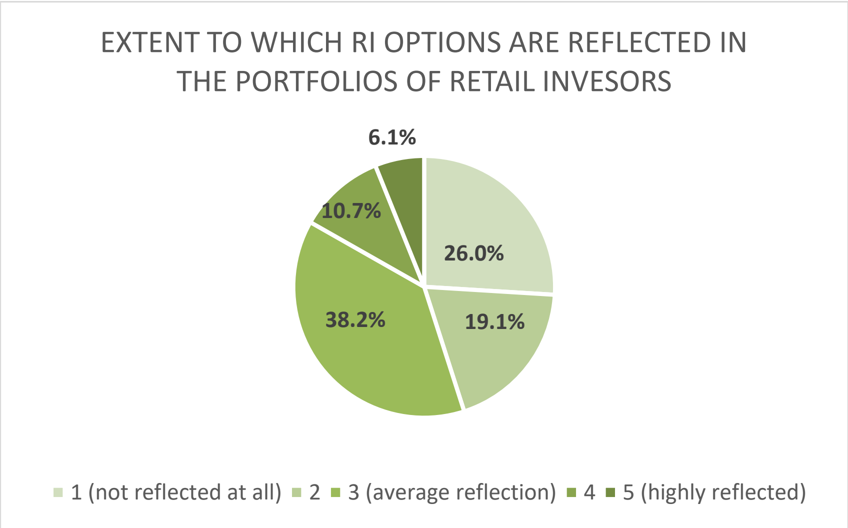

Figure 7: Extent to which RI options are reflected in the portfolios of retail investors

A-priori 6: Interest in RI opportunities and information

The desire to be alerted as to new dual return investing opportunities was incredibly strong amongst respondents; 58% indicated extreme interest in knowing, whilst a further 19.8% indicated strong interest (a total of 77.8% of respondents). Only 7.6% had below average interest in knowing more about RI options in South Africa, with 14.5% suggesting an average level of interest.

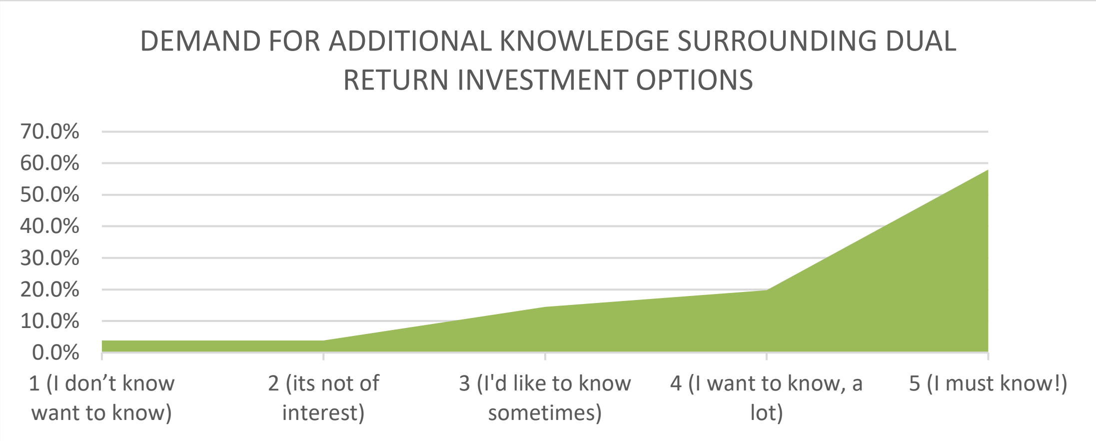

Figure 8: Demand for additional knowledge surrounding dual returns investment options

Triangulated A-priori analysis

A: Investment Knowledge in relation to other factors:

(A1) Knowledge and demand for dual return

Of the investors who had significant interest in investing (36.6% of all retail investors), 45.9% said that they wished for equal financial return on their dual return investment. Amongst the majority of investors with "formal education" (who constituted 23.7% of all retail investors surveyed), 48.5% supported the notion that dual return should correspond with financial return. On the other hand, 45.9% of amateur investors (29.8% of respondents) said that dual return investing should always be sought through investing practice. This suggests that desire for dual return was most sought after amongst those who were excluded from investment practice through their amateur status. This survey did not address why respondents would describe themselves as amateur.

Though a small component of the sample size, amongst the 3.8% of respondents who were "professional investors", none indicated that they didn't believe in dual returning investing options, with the majority opting for "unequivocal" dual return practice or emotive investing.

How would you describe your investment knowledge	No interest	Amateur	Significant interest	Formal education	Professional	
Do you want to see dual return investing						
Yes, unequivocally	1.5%	13.7%	8.4%	6.1%	1.5%	**31.3%**
No	none	1.5%	3.8%	0.8%	none	**6.1%**
if it achieved the same IRR	1.5%	12.2%	16.8%	11.5%	0.8%	**42.7%**
if close to m heart	3.1%	2.3%	7.6%	5.3%	1.5%	**19.8%**
total	**6.1%**	**29.8%**	**36.6%**	**23.7%**	**3.8%**	**100%**

Figure 9: Retail investor knowledge compared to demand for dual return

(A2) Knowledge and co-production

Those with significant investing interest (29% of all respondents), and amateurs (26.7% of all respondents) had the highest demand for co-productive investment products. However, when viewed within their investment knowledge brackets, 100% of professionals wanted to co-produce investment outcomes, as did 90.2% of those with formal education, set against 89.5% of amateurs, and 79.2% of those with significant interest. Even amongst those with no interest in investing, though a small number of the total survey, 75.4% would have chosen to co-produce investment outcomes. This final statistic suggested a dissatisfaction with the hierarchy of investing, and that, despite not having an interest in investing, the impact of investments appeared to be exclusive rather than shared.

How would you describe your investment knowledge	No interest	Amateur	Significant interest	Formal education	Professional	
would you want to co-produce your investment						
yes	4.6%	26.7%	29.0%	21.4%	3.8%	**85.5%**
no	1.5%	3.1%	7.6%	2.3%	none	**14.5%**
	6.1%	**29.8%**	**36.6%**	**23.7%**	**3.8%**	**100%**

Figure 10: Retail investor knowledge compared to desire for co-production

(A3) Knowledge and dual return investment options

The spread of demand for alternative dual return investment options was fairly balanced across all level of investor knowledge. Of total respondents who are amateurs, 7.6% wanted access to RI opportunities that allowed them to invest overseas (this represented 25.5% of the interest amongst "amateurs"). Equally, 7.6% of amateurs wanted to invest in SMMEs, whilst 8.4% would have invested into ESG opportunities.

Of those with significant interest in investing, 9.2% would have invested in overseas RI, 9.2% would have invested in SMMEs, and 9.2% would have opted for ESG (each quotient representing 25.2% of investors with significant interest).

Amateurs (5.3%) and those with significant interest (6.9%) indicated the greatest willingness for dual return investments into unlisted companies (17.7% and 18.8% of all amateurs and all those with significant interest, respectively).

Amongst professionals, the greatest level of demand lies with ESG products. This was mirrored by respondents with formal investment education (8.4% of all respondents) who would have opted for overseas investments as well as for ESG (8.4% of all respondents), in equal measure (each quotient constituting 35.4%, respectively, for those with formal investment education).

How would you describe your investment knowledge	No interest	Amateur	Significant interest	Formal education	Professional	
Which dual return option would you choose?						
None (satisfied with current offering)	0.8%	0.8%	2.3%	0.8%	none	**4.6%**
Overseas investments	0.8%	7.6%	9.2%	8.4%	0.8%	**26.7%**
SMMEs	2.3%	7.6%	9.2%	4.6%	0.8%	**24.4%**
ESG	2.3%	8.4%	9.2%	8.4%	1.5%	**29.8%**
Unlisted companies	none	5.3%	6.9%	1.5%	0.8%	**14.5%**
	6.1%	**29.8%**	**36.6%**	**23.7%**	**3.8%**	**100%**

Figure 11: Retail investor knowledge compared to dual return investment options

<u>*(A4) Knowledge and presence of RI supply*</u>

The majority of respondents (45.1%) across levels of investment knowledge felt that RI options were not reflected at all in their portfolios or were reflected at below average levels. 38.2% of respondents said that RI was reflected to an intermediate degree whilst only 16.8% stated that RI opportunities were evident above an average degree within their portfolio.

Amongst investors with significant interest, formal education and professional investment knowledge, the sentiment toward a lack of RI opportunities was particularly notable; only 20.7% of 'significant interest' respondents, 19.4% of 'formal education' respondents, and 21% of 'professionals' said that RI was widely reflected within their investment portfolios.

How would you describe your investment knowledge	No interest	Amateur	Significant interest	Formal education	Professional	
On a scale of 1 to 5, are RI options reflected in your portfolio						
1 (not reflected at all)	1.5%	9.9%	9.9%	3.8%	0.8%	**26.0%**
2	1.5%	7.6%	5.3%	3.8%	0.8%	**19.1%**
3 (average reflection)	3.1%	8.4%	13.7%	11.5%	1.5%	**38.2%**
4	none	2.3%	5.3%	3.1%	none	**10.7%**
5 (highly reflected)	none	1.5%	2.3%	1.5%	0.8%	**6.1%**
	6.1%	**29.8%**	**36.6%**	**23.7%**	**3.8%**	**100%**

Figure 12: Knowledge and extent of dual return options within an investment portfolio

<u>*(A5) Knowledge and interest in RI opportunities and information*</u>

It was notable the 77.8% of all respondents ardently wanted to know about dual return opportunities, across all levels of investment knowledge. Amateurs (89.5% of amateurs) and those with formal education (80.5% of the same grouping) indicated the highest levels of interest across the knowledge groupings of respondents. Amongst those with no interest in investment practice, all of the respondents wanted to know more about dual return investing. This final data point underlines dissatisfaction with the current investment methodology as well as a desire for an investment model which delivers more than financial return, in South Africa.

When considered against Figure 12, a strong correlation emerged between a dearth in RI availability and the desire to know about more dual return opportunities. This suggested a level of demand amongst retail investors that was previously untested.

How would you describe your investment knowledge	No interest	Amateur	Significant interest	Formal education	Professional	
How much would you like to know about companies delivering dual return?						
1 (I don't know want to know)	none	0.0%	2.3%	1.5%	none	**3.8%**
2 (its not of interest)	none	0.8%	2.3%	0.8%	none	**3.8%**
3 (I'd like to know sometimes)	none	2.3%	8.4%	2.3%	1.5%	**14.5%**
4 (I want to know, a lot)	2.3%	4.6%	8.4%	3.8%	0.8%	**19.8%**
5 (I must know!)	3.8%	22.1%	15.3%	15.3%	1.5%	**58.0%**
	6.1%	**29.8%**	**36.6%**	**23.7%**	**3.8%**	**100%**

Figure 13: Knowledge and interest in dual return opportunities

B: Demand for dual return investments in relation to other factors[5]:

(B1) Dual return and co-production

The desire to co-produce investment outcomes was most prominent amongst those who unequivocally believed in dual return investments (92.6%) as well as those who would seek dual return if the cause were an emotive one (92.4%). For those who wanted dual return to achieve the same level of financial return as pecuniary investments, 80.5% were in favour of co-producing outcomes. Even for those who did not seek out dual return investment options, 62.2% still wished to co-produce investment outcomes.

Do you want to see dual return investing	Yes, unequivocally	No	if it achieved the same IRR	if close to my heart	
Co-produce investment outcomes					
Yes	29.0%	3.8%	34.4%	18.3%	**85.5%**
No	2.3%	2.3%	8.4%	1.5%	**14.5%**
	31.3%	**6.1%**	**42.7%**	**19.8%**	**100%**

Figure 14: Demand for dual return and desire for co-production

(B2) Dual return and dual return investment options

Amongst those who wished for unequivocal dual return, investments into SMMEs (34.1%) was most popular, followed by ESG investment opportunities (31.6%). Notably, unequivocal investors were more likely to invest in SMMEs than send their money overseas, indicating a gravitation toward an investment nexus; whereby investment practice results in direct outcomes within the society of the investor.

Of those who wished for equal financial return amongst dual return investments, the majority would have pursued oversea investment opportunities (41.2%). This underscored a preconception amongst

[5] *Note: demand for dual return investing in relation to investment knowledge amongst respondents is addressed in Section A*

these investors that dual return could not achieve the same level of return within the domestic market. This might also have indicated a perception of RI immaturity within South African by these retail investor respondents.

Notably, unequivocal dual return seekers were predominantly amateur investors. Those who sought an equivalent financial rate of return described themselves as amateurs, as holding significant investment interest, or professionals. Investors who gravitated toward ESG options also described themselves as holding significant investment interest.

Emotive investors (those who seek dual return if the cause is close to their hearts) (42.4%), and equal return investors (25%) would opt for ESG opportunities. This suggested a level of climate consciousness amongst retail investors.

Unlisted companies performed poorly amongst respondents seeking for dual return opportunities (11.6% amongst emotive investors, 16.1% amongst equal return investors, and 16.9% amongst unequivocal investors). This may have suggested a predisposition within retail investors that unlisted companies represented greater investment risk.

Do you want to see dual return investing	Yes, unequivocally	No	if it achieved the same IRR	if close to my heart	
Which dual impact option would you choose?					
None (satisfied with current offering)	1.5%	none	1.5%	1.5%	**4.6%**
Overseas investments	3.8%	2.3%	17.6%	3.1%	**26.7%**
SMMEs	10.7%	3.1%	6.1%	4.6%	**24.4%**
ESG	9.9%	0.8%	10.7%	8.4%	**29.8%**
Unlisted companies	5.3%	none	6.9%	2.3%	**14.5%**
	31.3%	**6.1%**	**42.7%**	**19.8%**	**100%**

Figure 15: Demand for dual return and dual return investment options

(B3) Dual returns and presence of RI supply

For unequivocal investors (43.7%), RI was reflected to a below average degree within their investment portfolio. For equal return investors, 42.8%, and emotive investors, 53.5%, the majority shared this same sentiment. Even for those who were not seeking dual return options, RI was under-represented, though they were the investors least likely to seek out dual return opportunities.

Equal return investors, more than any other type of respondent, confirmed that RI options were reflected to an average degree within their portfolio (18.3% of all respondents and 42.8% of equal return respondents).

Do you want to see dual return investing	Yes, unequivocally	No	if it achieved the same IRR	if close to my heart	
On a scale of 1 to 5, are RI options reflected in your portfolio					
1 (not reflected at all)	8.4%	2.3%	9.9%	5.3%	**26.0%**
2	5.3%	none	8.4%	5.3%	**19.1%**
3 (average reflection)	10.7%	3.1%	18.3%	6.1%	**38.2%**
4	3.8%	0.8%	4.6%	1.5%	**10.7%**
5 (highly reflected)	3.1%	none	1.5%	1.5%	**6.1%**
	31.3%	**6.1%**	**42.7%**	**19.8%**	**100%**

Figure 16: Investors seeking dual returns vs the extent of RI opportunities within their portfolios

(B4) Dual return and interest in RI opportunities and information

Unsurprisingly, 92.6% of unequivocal investors were adamant in their demand for knowledge of further dual return opportunities. This majority was reflected across equal return investors (69.7%) and emotive investors (84.8%). Even amongst those not seeking dual return, 62.2% said that they would want to know sometimes or all the time about dual return opportunities. Equal return investors (5.1% of all respondents) were also the least interested in knowing about more dual return opportunities.

Do you want to see dual return investing	Yes, unequivocally	No	if it achieved the same IRR	if close to my heart	
How much would you like to know about companies delivering dual impact?					
1 (I don't know want to know)	none	1.5%	2.3%	none	**3.8%**
2 (its not of interest)	none	0.8%	3.1%	none	**3.8%**
3 (I'd like to know sometimes)	2.3%	1.5%	7.6%	3.1%	**14.5%**
4 (I want to know, a lot)	4.6%	0.0%	11.5%	3.8%	**19.8%**
5 (I must know!)	24.4%	2.3%	18.3%	13.0%	**58.0%**
	31.3%	**6.1%**	**42.7%**	**19.8%**	**100%**

Figure 17: Investors seeking dual return vs their interest in RI opportunities

C: Co-production in relation to other factors[6]

(C1) Co-production and dual return investment options

An overwhelming majority of respondents indicated their desire for co-produced investment outcomes. Amongst these, ESG outcomes (31.2% of those who wished to co-produce and 26.7% of all respondents) were the most popular, followed by SMMEs (26.7% and 22.9% of all respondents).

[6] *Co-production in relation to investment knowledge amongst respondents is addressed in Section A. Co-production in relation to demand for dual return is addressed in Section B*

Would you want to co-produce your investment options	Yes	No	
Which dual impact option would you choose?			
None (satisfied with current offering)	3.1%	1.5%	**4.6%**
Overseas investments	19.1%	7.6%	**26.7%**
SMMEs	22.9%	1.5%	**24.4%**
ESG	26.7%	3.1%	**29.8%**
Unlisted companies	13.7%	0.8%	**14.5%**
incomplete	**85.5%**	**14.5%**	**100%**

Figure 18: Co-production and dual return investment options

(C2) Co-production and presence of RI supply

Notably, perception of RI representation within investment portfolios was fairly equally spread across those who wished to co-produce investment outcomes. 42.8% said that RI is under-represented, whereas 37.4% said that it was present to an intermediate degree, and 19.6% said that RI had above average presence across investment options. For those who did not want to co-produce investment outcomes, there were zero above-average representation of RI opportunities.

Respondents who said that RI was under represented within their portfolios were self-described amateurs, those with investment interest, and those with investment education. The desire to co-produce were scattered across the gamut of investment interest and exposure.

Would you want to co-produce your investment options	Yes	No	
On a scale of 1 to 5, are RI options reflected in your portfolio			
1 (not reflected at all)	19.8%	6.1%	**26.0%**
2	16.8%	2.3%	**19.1%**
3 (average reflection)	32.1%	6.1%	**38.2%**
4	10.7%	none	**10.7%**
5 (highly reflected)	6.1%	none	**6.1%**
	85.5%	**14.5%**	**100%**

Figure 19: Co-production vs presence of RI supply within an investor's portfolio

(C3) Co-production and interest in RI opportunities and information

It's discernible that 5.4% of respondents indicated that they wanted to co-produce investment outcomes but weren't interested in knowing about companies achieving dual return. This may have suggested a lack of interest in investment practice but an overall concern that personal values weren't reflected in South African society; thereby the desire for co-produced outcomes.

The majority of respondents that wanted to co-produce investment outcomes (81.1%) wanted to be informed of dual return opportunities to more than an average degree. This confirmed a strong correlation between co-production and desire for dual return investment options. Correspondingly, 100% of respondents who do not wish to co-produce outcomes only wanted to know about dual return opportunities to an average degree or not at all.

Would you want to co-produce your investment options	Yes	No	
How much would you like to know about companies delivering dual return?			
1 (I don't know want to know)	3.1%	0.8%	**3.8%**
2 (its not of interest)	2.3%	1.5%	**3.8%**
3 (I'd like to know sometimes)	10.7%	3.8%	**14.5%**
4 (I want to know, a lot)	16.0%	3.8%	**19.8%**
5 (I must know!)	53.4%	4.6%	**58.0%**
	85.5%	**14.5%**	**100%**

Figure 20: Desire for co-production vs desire for more information related to dual return

D. Investment options for dual return relative to other factors[7]

(D1) Investment options for dual returns and presence of RI supply

The majority of respondents would have chosen ESG as their preferred dual return investment. However, of these, 84.2% (25.1% of all respondents) stated that ESG options were reflected to an average degree within their portfolio or not at all. Less than 16% (and 4.6% overall) indicated an above average level of ESG availability, in South Africa.

Equally, of respondents interested in SMME dual return investment, 87.7% (and 21.4% of all respondents) felt that SMME investment options attained either average or below average representation in the country. Less than 13% of these respondents (and 3.1% overall) stated that they experienced an above average reflection of SMME investment opportunities.

This was replicated across the other investment classes. In the same vein, 34% of those who wanted to partake in dual return offshore investment opportunities felt that such opportunities had a below-average availability (supply) to investors in South Africa. Only 14.2% of respondents said that they felt able to access a satisfactory level of off-shore investment options.

Its notable that 26.8% of respondents who opted for more investments into unlisted companies felt that they were able to access such investments as a result of them being reflected within their portfolio to more than an average degree. If one were to include those who said that unlisted companies have an average representation within an investment portfolio, this figure jumps to 53.1%.

[7] *Investment options for dual return in relation to investment knowledge amongst respondents is addressed in Section A. Investment options for dual returns relative to demand for dual return impact is addressed in Section B. Investment options for dual returns relative to co-production is addressed in Section C.*

On a scale of 1 to 5, are RI options reflected in your portfolio	1 (not reflected at all)	2	3 (average reflection)	4	5 (highly reflected	
Which dual return option would you choose?						
None (satisfied with current offering)	none	0.8%	2.3%	0.8%	0.8%	**4.6%**
Overseas investments	5.3%	3.8%	13.7%	2.3%	1.5%	**26.7%**
SMMEs	8.4%	4.6%	8.4%	2.3%	0.8%	**24.4%**
ESG	9.9%	5.3%	9.9%	2.3%	2.3%	**29.8%**
Unlisted companies	2.3%	4.6%	3.8%	3.1%	0.8%	**14.5%**
	26.0%	**19.1%**	**38.2%**	**10.7%**	**6.1%**	**100.0%**

Figure 21: Investors options for dual return investments vs the extent of RI within their portfolios

(D2) Investment options for dual return and interest in RI opportunities and information

Interest in ESG opportunities were the most popular amongst respondents. Amongst all respondents, 26.7% said that they wanted to know about dual return ESG investment opportunities above an average amount. Only 2.6% of those inclined toward ESG weren't interested in know about future ESG investments.

Interest in future SMMEs undertakings garnered a similar level of interest. 83.6% of respondents wanted knowledge on future SMME investments. Correspondingly, only 6.5% were not interested in future SMME undertakings or knowledge there-of.

Overall, the numbers of those who indicated a median level of interest in dual return knowledge were relatively low, with the greatest concentration directed toward overseas investments. In general, the least level of interest in knowledge lay with overseas investments; 4.6% of respondents overall; though 26.7% of all respondents wanted to be able to access overseas investments. This suggested that whilst respondents wanted to be able to invest off-shore (and with dual return), they were not too concerned with knowing about more off-shore opportunities (or, by extension, their impact),

Slightly anomalously, of those who are satisfied with the current investment offerings, 100% of respondents (and 4.6% overall) indicated that they wished to know more dual return opportunities to an average or heightened degree. This indicated that those who were satisfied with their investment offerings were still eager to learn of new opportunities.

How much would you like to know about companies delivering dual return?	1 (I don't know want to know)	2 (its not of interest)	3 (I'd like to know sometimes)	4 (I want to know, a lot)	5 (I must know!)	
Which dual return option would you choose?						
None (satisfied with current offering)	none	none	1.5%	1.5%	1.5%	**4.6%**
Overseas investments	2.3%	2.3%	5.3%	6.1%	10.7%	**26.7%**
SMMEs	0.8%	0.8%	2.3%	2.3%	18.3%	**24.4%**
ESG	none	0.8%	2.3%	3.8%	22.9%	**29.8%**
Unlisted companies	0.8%	none	3.1%	6.1%	4.6%	**14.5%**
	3.8%	**3.8%**	**14.5%**	**19.8%**	**58.0%**	**100.0%**

Figure 22: Investor options for dual return investments and interest in RI opportunities

E. Interest in RI opportunities and information relative to other factors[8]

(E1)Interest in RI opportunities vs presence of RI supply

The majority of respondents who indicated a strong demand for knowledge on dual return products equally felt that RI was under-represented within their portfolios (37.4% of all respondents). 31.3% of all respondents indicated strong levels of demand for knowledge but indicated that RI was reflected to an average degree within their investment portfolios.

Amongst all respondents, only 3.8% fell into the medium category of believing that RI existed at an average level within their portfolios and that they wanted to know about dual return to an average degree.

Of the respondents who said that they did not want to know about dual return opportunities, none indicated that RI was highly reflected in their portfolios. This suggested a congruence in the survey response. It also suggested that these retail investors had no interest in RI.

On a scale of 1 to 5, are RI options reflected in your portfolio	1 (not reflected at all)	2	3 (average reflection)	4	5 (highly reflected	
How much would you like to know about companies delivering dual impact?						
1 (I don't know want to know)	1.5%	0.8%	1.5%	none	none	**3.8%**
2 (its not of interest)	0.8%	0.8%	1.5%	none	0.8%	**3.8%**
3 (I'd like to know sometimes)	1.5%	2.3%	3.8%	5.3%	1.5%	**14.5%**
4 (I want to know, a lot)	2.3%	4.6%	10.7%	1.5%	0.8%	**19.8%**
5 (I must know!)	19.8%	10.7%	20.6%	3.8%	3.1%	**58.0%**
	26.0%	**19.1%**	**38.2%**	**10.7%**	**6.1%**	**100%**

Figure 23: Interest in RI opportunities in relation to the presence of RI supply within investor portfolios

F. Age and gender relative to other factors

As the LinkedIn survey had two additional questions relating to age and gender, the below findings were exclusive to these respondents and represented a summary of age and gender in relation to the other a-priori constructs. Amongst respondents, 34% of amateurs were between 18 and 34 years of age. Of those with significant investment interest, 47% were over 50 years in age, whereas those who had formal investment education were relatively evenly split across the three age categories. This might

[8] *Interest in dual return investments in relation to all other factors, except for the level of RI reflected in a portfolio is covered in Sections A – D. The same is true for the level of RI reflected within investment portfolios.*

suggest that interest in investment offerings were garnered over time, or that opportunities for engaging with investment opportunities were not particularly well targeted toward those aged between 18 and 34.

For those that felt that achieving an equal financial rate of return was most important for dual return investing, the majority were between 18 and 34 years (44%) and over 50 years (34%). Amongst those that said that they unequivocally want to see dual return investing options available, 59% were in the youngest age quotient of 18 and 34 years. For those more likely to invest emotively, with dual return in mind, 58% were over 50 years old.

The gender split between the respondents was 55% women and 45% men. Of those who described themselves as amateur investors, 72% were women. In general, female respondents associated with being amateur investors (38%) or having significant investment interest (34%). The majority of men describe themselves as having significant investment interest (38%) or formal investment education (30%). These responses indicated a gendered lens for engaging with investment opportunities; it may be that women were less likely to engage as active retail investors.

Unequivocal dual return investing was more important to women (29% of all respondents) than to men (22% of all respondents). Amongst those who only responded to unequivocal dual return, the gender split was 64% women, 46% men. Given the above finding of the age category for dual return seekers, one might assume that these were younger women (18 – 34). Amongst all respondents, the gender split was relatively similar for investments that needed to achieve an equal financial return (22% = men, 25% = women) and those that were for an investment cause close to the heart (10% = men, 12% = women).

Do you want to see dual return investing	**Yes, unequivocally**	**No**	**If it achieved the same IRR**	**If close to my heart**	
Gender					
Men	9%	2%	22%	11%	**45%**
Women	16%	1%	25%	12%	**54%**
Other			1%		**1%**
Total	**26%**	**4%**	**48%**	**22%**	**100%**

Figure 24: Demand for dual return investing across gender profiles

Across all age categories, 84% of respondents indicated a willingness to co-produce investment outcomes. Women (84%) were marginally more inclined toward co-production than men (80%). Further assessment of appetite for co-production amongst genders is necessary to reveal whether this disparity is consistent and reflective of a gender investment profile.

Amongst all respondents, 34% said that they felt that RI options were not reflected all in their portfolios. Additionally, 20% of respondents who indicated this sentiment were between 18 – 34 years of age. This suggests a level of disenfranchisement amongst young people and their perspectives of sustainable investment options.

Findings from the survey and the creation of the 14 Demand Indicators

Table 5 reveals the findings from the survey, grouped according to the five a-priori assumptions. Subjective analysis of the findings by the researcher was applied to develop principles of RI supply. From these principles, the 14 Demand Indicators were developed: reflected in the right hand column.

a-priori thematic	Findings drawn from the survey	Principle for the RI supply assessment
A-priori #1 (investor knowledge)	• Generally, the two platforms utilised ensured that a level of interest would be prevalent amongst respondents. Whilst it cannot be considered reflective of South African society, this was an indication of investment knowledge amongst educated professionals. Whilst it was encouraging that that the majority of respondents had significant interest it was concerning that just over a quarter respondents (27.5%) had any investment education. This suggests that adult investment education is an important contributor to inclusive retail investment practice. Equally, a lack of formal education didn't preclude retail investors from participating in investment practice; • A number of retail investors described themselves as amateur investors. The more information and education available to retail investors (in relation to RI opportunities or not), the more likely they were to repeat their investment practice. This is an important consideration in light of the investment nexus. Reduced access to information reduces connectivity between an investor, an investment, and an investment outcome. It creates to barriers to repeat practice. Whilst this research sample of investor demand would not presume to be reflective of the entire country, this statistic may be a close assimilation. Monitoring and reinforcing investment education levels is an important component of enabling demand and supporting RI supply; • Those who are most interested in dual return investing were self-described amateur investors, suggesting a level of exclusion from investment practice. This is significant for supply as this represented an uncaptured and excluded market. It also suggested a dissatisfaction with the existent hierarchy active within the investment process.	The RI offering needs to speak to retail investors across a range of investment experience and education. As investment knowledge does not preclude involvement or interest in the investment process (as per the survey), RI options should be easy to use, easy to interpret and easy to navigate. **Framework indicator**: ease of use for retail investor. **Framework indicator**: level of education/ knowledge available to retail investor to support repeat RI practice.
A-priori #2	• Few investors were satisfied with their investment options;	Given the level of demand for RI opportunities, a percentage (31.3%) of offerings made available by investment mechanisms/

(investor demand for dual return)	• A significant proportion of retail investors (31.3%) believed that dual return should be embedded within their investment practice. A third of investment options available to retail investors in South Africa should, thus, be geared toward dual return outcomes. It is unlikely that RI supply is abreast with this level of demand. This indicative level of demand is significant as nearly a third of respondents believed that their investments should do more than simply generate personal financial return; • The majority of respondents believed in dual return subject to it achieving the same returns as pecuniary investments. The Literature Review confirmed that market returns are possible for dual return options. This is, therefore, a realistic expectation in a South African context; • All of the retail investors surveyed with professional investment experience supported dual return investing; indicating that the concept is attainable; • Respondents wanted dual return investing subject to certain conditions (financial return, emotive accountability). These conditions can be facilitated by investment houses in South Africa. The RI supply database starts to reveal whether this is the case; • Retail investors across the board were interested in alternative investment products. Demand was fairly unanimous in this regard. However, whether the investment nexus functions to support this level of demand was uncertain. Unmet demand suggests a disjuncture between the forces of supply and demand, as well as constraints within the supply; • Investments into SMMEs and ESG were supported by a variety of dual return seeking investors (who we knew to be the majority of retail investors sampled in the survey). The majority of retail investors felt that RI was under-represented within their portfolios, once more suggesting disjuncture between supply and demand; • Those seeking equal financial return on their dual return investment were more pragmatic than other investor types. This stood to correlate with Figure 12 where those with significant investment interest as well as those with formal investment education were most likely to confirm an average representation of RI within their investment portfolio options; • Just because an investor does not seek dual return investment didn't mean that they were closed off to the idea of dual return investments in the future. There may be other factors at play that dissuaded them from dual investment undertakings;	houses will be directed toward RI outcomes. The framework must, therefore, consider the extent to which alternative investment outcomes are publicised and promoted. **Framework indicator**: extent of focus on/ promotion of alternative RI investment products (focus here upon the investment mechanism) **Framework indicator:** the extent to which alternative RI investment outcomes are promoted, beyond pecuniary outcomes (focus, here, is upon the investment outcome)

	• Retail investors do not have sedate/ middling opinions on RI opportunities and dual return knowledge. They lean toward being evocative/ polar. RI and retail investment opportunities appears an emotive topic amongst respondents.	
a-priori #3 (co-production)	• Co-production within an investment nexus was an attractive offering to all retail investors; • Retail investors wanted to be involved in deciding what effect their investments should have. Retail investors wanted to be more actively involved in determining investment outcomes; • Co-production was not something sought after by those who existed on the periphery of an investment nexus. Instead, it was a mainstream desire amongst retail investors. Co-production, regardless of investor education, was a mainstream concept. All investors wished for greater inclusivity and connection with their investment process. This is significant for RI supply providers. The majority of retail investors surveyed felt unseen in this regard. Additionally, those companies who enabled dual return companies stood to benefit from willing capital investment; • Co-production, as an investment concept, was not applicable to RI or dual return investing, alone. There are potentially mainstream applications of co-production that could be applied to pecuniary investment practice.	Co-production is a concept that can exist within mainstream investment practice as well as RI practice. As acknowledged in the literature review, co-production is not a common investment term. Therefore, it needs needed to be viewed via the level of inclusivity that is enabled by the investment provider. **Framework indicator**: the extent to which retail investors are given the opportunity to co-produce the outcome of their RI. **Framework indicator:** the extent to which retail investors engage with an investment outcome (through methods of reporting/ feedback). **Framework indicator:** the extent to which barriers to entry are lowered for retail investors in order to invest into a dual return product, thereby encouraging more wide-spread RI practice.
a-priori #4 (dual return investment options)	• Emotive (where investing relates to matters aligned to moral standing) investing was important to nearly 20% of retail investors. This speaks to issues of ESG, climate change, poverty alleviation. These issues were reflected in the investment options available to retail investors. It suggested that willing capital was available to invest in projects that ameliorate these issues. However, levels of un-met demand, RI portfolios lacking RI representation, and demand for additional information regarding RI opportunities strongly suggested that this capital was not finding an investment outlet. The investment nexus, thus, collapses at this point;	ESG options, overseas RI options, or investments into SMME should be made available to retail investors through the various investment platforms. **Framework indicator:** the extent to which ESG, overseas RI, and SMME investment options feature across the spectrum of investment options available to retail investors.

	• Few retail investors were satisfied with the current investment offering (less than 5%). They were interested investments that had alternative impact. ESG as well as overseas investments were most popular (more than 25% of retail investors, respectively); • ESG is often associated with efforts to mitigate climate change. Retail investors were concerned about industrial and investment practice that accelerated climate change and wanted to co-produce the ESG impacts that ameliorate harmful corporate practice, as a result; • Retail investors indicated a strong level of interest in being able to invest locally and in local businesses. This suggested a belief that the success of local business was an enabler of broader social success. Retail investors wanted to be empowered with options to invest locally. This reinforced the notion of the investment nexus and the investment outputs being tangible and existing in space; • Retail investors wanted more ESG options within their portfolio. Additionally, they felt that these were underrepresented within their investment portfolios; • Retail investors wanted more SMME options within their portfolio, particularly those who unequivocally believed in dual return investing. Additionally, they felt that these were underrepresented within their investment portfolios; • Retail investors wanted more off-shore options available to them (particularly those with greater investment experience). Additionally, they felt that these were underrepresented within their investment portfolios; • Retail investors were more interested in the impact (and the knowledge of) local investment opportunities as opposed to overseas ones; • Retail investors viewed unlisted companies as undesirable dual return investment opportunities. This may suggest a pre-conceived attachment of risk to unlisted companies; • The very even spread of dual return investment options across all levels of investors confirmed that retail investors were not homogenous and that RI supply options needed to be varied and complex in their response to this market. Simple RI solutions are unlikely to meet the level of demand.	**Framework indicator:** the extent to which the positive impact of a dual return investment features across the investment platform.
a-priori #5 (presence of RI supply)	• The perception amongst the majority of retail investors was that supply of RI opportunities was low in South Africa. Even at an intermediate level of representation, demand for RI suggested that greater RI opportunities should be evident within investment portfolios. This has implications for RI supply. It	Dual return options are evident across investment mechanisms, but need to be communicated as such in order for real investors to

	confirmed that a willing market exists but is underserved. It also suggested that demand and supply were not in harmony with respect to RI opportunities. It may suggest that constraints existed on the supply side with respect to the provision of RI opportunities, or that supply does not actively measure retail demand; • The majority of respondents stated that RI was reflected to an average degree (38.2%). It lead the researcher believe that South Africa certainly had some RI options, and that these were available to some retail investors; • At the same time, a significant amount of retail investors felt that RI was under-represented in South Africa, suggesting that RI opportunities were not at the forefront of investment options within the country. This finding was reinforced by the general view (across investment knowledge bases) that RI was hardly reflected or not reflected at all (45.1%); • Those investors that were seeking dual return, co-production, and were amateurs, felt that RI was under-represented. They were excluded from the investment nexus. • A dearth of ESG and SMME options appeared to exist on the South African investment landscape. There was significant appetite amongst retail investors for future ESG and SMME opportunities. • That so many respondents wanted to know about dual return opportunities but felt that they could not access it within their investment portfolio underlined the dearth in communication and engagement that occurred with retail investors. Retail investor interest for dual return was present but a disjuncture existed between those who would seek to provide investment opportunities and those wanted to invest in them. As such, the investment nexus struggles to function.	engage with them accordingly. If they are not well communicated, they are unlikely to be understood as dual return opportunities **Framework indicator:** does dual return or RI feature on the company website as a retail investor offering
a-priori #6 (interest in RI opportunities/ information)	• The level of interest for RI knowledge/ opportunities (92.4%), when compared to the impression of the shortage in available RI opportunities (83.2%), suggested that information and opportunities surrounding RI were under-represented in South Africa; • Demand for dual return and RI opportunities existed amongst South African retail investors. Those who wanted to know more about dual return were also those who felt that RI was not adequately reflected within their portfolios. This underscored the level of disjuncture between RI supply and RI demand. The investment nexus collapses at this point and the positive externalities of RI are lost;	Retail investors want to know more about dual return opportunities, but also have an appetite for extensive investment opportunities in general. The level of retail investor awareness for widespread RI opportunities is shallow. Equally, they are not traditionally engaged with on more expansive investment opportunities.

	• The manner in which information is presented to retail investors, related specifically to dual return opportunities was not adequate for the level of demand that exists.	**Framework indicator:** the nature of communication between the investment mechanism/ platform and the retail investor. The presence of heavy investment jargon set against easily interpretable investment information. **Framework indicator:** the use of stories or narratives to talk to investment outcomes.
a-priori #7 (gender considerations amongst investors)	• Interest in investing is garnered over time rather than being a practice that is inculcated in early adult life. Younger people felt more excluded from investment practice than those who were older; • A gendered lens existed within retail investment practice, whereby women were more likely to describe themselves as amateurs whilst men would admit to more experience in investment practice; • Women were more likely to seek dual return through their investment practice, than men.	Lens relating to gender and age appear to exist within investment practice. **Framework indicator:** whether or not investment mechanisms explicitly attempt to appeal to men or women in promoting investment outcomes or process.

Table 5: the14 demand indicators

Abbreviations that are utilised in the RI supply database:

TFSA Tax-free Savings Account

ETN Exchange Traded Note

ETF Exchange Traded Fund

Findings from the RI Supply Database

Commercial Banks

Table 6 represents an analysis of the commercial banking sector accorded to the 14 Demand Indicators developed in Table 5.

RI Framework Indicators	ABSA	Standard Bank	FNB	Nedbank	Capitec	Summary overview
1. **General**	Offered a variety of banking accounts from entry level to private banking. There were no discernible proactive investment opportunities associated with the banking accounts.	Offered a variety of banking accounts from entry level to private banking. There were no discernible proactive investment opportunities associated with the banking accounts.	Offered a variety of banking accounts from entry level to private banking. There were no discernible proactive investment opportunities associated with the banking accounts	Offered a variety of banking accounts from entry level to private banking. There were no discernible proactive investment opportunities associated with the banking accounts	Offered a variety of bank accounts with different fee structures	Banking and investing are clearly different. This dissertation is not attempting to address banking options for retail investors. However, banks are a primary point of access to investing for retail investing and therefore it is worthwhile considering the investment offerings of banks, alongside the positioning of banking (savings) options. At face value, the general product offering established by banks to retail investors was generic.
2. **Investment offering**	ABSA had a wealth management investment facility which was administered and managed by Sanlam Investment Holdings. Included in this facility were: ○ Several Unit Trust funds (differentiated by asset and equity exposure, property funds, a single fund comprised of African business holdings, offshore funds); ○ A retirement annuity investment account; ○ A Tax Free Savings Account (TFSA)	Standard Bank provided several investment accounts: ○ 'Fixed income account'; ○ 'Money Market account'; ○ 'Autoshare' Invest Account'; ○ 'TFSA'; ○ 'Society Savings Account' (described as a stokvel type account) ○ Shari'ah compliant fixed account	FNB provided a variety of fixed savings accounts ○ TFSA; ○ Sharia'h compliant funds; ○ Unit Trust funds; ○ Equity and Krugerrands.	Nedbank provided a variety of fixed savings accounts (with the premise being that the account would never depreciate to less than what was deposited into it): ○ TFSA ○ Fixed Deposit ○ Stokvel ○ 'Just Invest'	Capitec offers: ○ 'Global One Account' (which enabled savings accounts - fixed deposit, TFSA, and access to the 'Easy Equities' platform); ○ 'Live Better Account' (account which automatically set money aside for savings, enable retail discounts, and allowed for cashbacks); Capitec positioned itself as SA's best digital bank; therefore, their digital account was a primary offering.	In general, the investment offerings were largely similar products with small differentiators. ABSA and FNB offered direct lines of communication with asset managers and offshore investment options. All of the banks offered TFSA to their retail investors. Per the literature review, the Shari'ah accounts were likely to have screening elements to them, though these were not disclosed on the websites.

3. Investment barriers for retail investors	Relatively minimal funding requirements for retail investors: R2000 deposit and R200 per month investment amount	Minimal funding requirements for retail investors starting from R100 to open an account.	Minimal funding requirements for retail investors starting from R10 to open a trading account.	Certain fixed savings accounts could be opened from R500pm and upward.	A retail investor did not need a fixed deposit amount to start earning interest within their Capitec savings accounts. Thus, accounts are available to all retail investors.	Accessing retail investment accounts was of little financial cost to the retail investor. However, none of these accounts addressed RI, meaning that whilst barriers to saving/ investing were low, barriers to investing into RI were high.
4. Alternative investment offerings	These were as described in (2). No additional investment products were discussed on the platform.	No additional alternative RI investment products were discussed on the platform beyond what was described in (2). The 'Autoshare Invest Account' enabled the user to invest into 250 JSE listed companies, via share trading.	Via the Equity platform, users could invest in local and global ETFs, ETN's (products developed by 3rd party institutions), as well as purchase shares in JSE listed companies. FNB could invest into equity on behalf of the user (on global and local levels) via ETNs created by FNB. The unit trust investments were funds accorded to investment timelines and risk profiles. Portions of the funds were allocated to established Asset Management houses for investing.	Purchase of shares within unit trust funds was possible via the Nedbank banking platform. The funds were those managed by prominent national and international asset management companies, and were not compiled by Nedbank.	Capitec offered access to buy and sell shares on the Easy Equities platform via their banking app. Capitec users achieved a 20% discount on brokerage fees as a benefit for linking a Capitec account to an Easy Equities account.	Only Standard Bank did not offer a retail investment product outside of their fixed savings accounts (all the other banks do). Its notable that the other banks had linkages with Asset Management companies (via unit trust funds) or with share trading (Easy Equities). Capitec's partnership with Easy Equities (EE) appeared to represent a significant innovation for commercial banking; Capitec clientele could trade on EE directly from their bank accounts at reduced fees. This type of access might be afforded to RI opportunities in the future. None of the banks offered their clientele alternative investment products within a RI framework.
5. Promotion of dual return outcomes	Whilst these investment offerings were directed at retail investors, they were not framed as delivering intentional dual return. Dual return was not promoted.	Alternative investment products and dual return wer not promoted.	Whilst these investment offerings are directed at retail investors, they were not framed as delivering intentional dual return. Dual return was not promoted.	Whilst these investment offerings were directed at retail investors, they were not framed as delivering intentional dual return. Dual return was not promoted.	Outside of access to the Easy Equities features, alternative investment options were not available via Capitec's account offerings. Dual return was not promoted within the offering.	None of the alternative offerings spoke to dual return or RI impact.
6. Ease of use for retail investor	The website was fairly easy to navigate with clear delineations of what is on	The website had a useful function which allowed the user to compare different	The website was detailed and informative. Users were directed toward contacting	The website offerings were minimal with a frequently asked questions page, a page	Navigating the website was not obvious for a retail investor, and a clear rationale	FNB's website actively promoted its retail investment offerings and was the easiest

	offer. A rationale for first time investors was presented via various education tabs. However, the technical nature of the investment sheets required the retail investor to contact an investment specialist in order to progress further.	accounts in terms of: ○ their opening deposit requirements ○ their fixed interest rate access to the funds (immediate or staggered)	FNB to open accounts and discuss investment strategies	outlining the difference between saving and investing, and a page comparing the various savings accounts being the primary features. Browsing of the site was, therefore, relatively basic. The unit trust landing page was more diversified but still relatively simple to navigate due to the ability to compare unit trust funds according to their risk profile and associated Asset Manager.	for investment options was not evident.	to navigate to interrogate those investment opportunities
7. **Co-production of investment outcomes**	ABSA offered bespoke design of instruments and investment solutions to institutional investors. However, this was not available to retail investors. Retail investors were encouraged to develop an investment strategy based on objectives of financial return and risk appetite.	Within some of the accounts, retail investors were able to trade shares in 250 JSE listed companies. For the rest, retail investors were simply able to choose between the accounts offered by the bank.	Retail investors were provided with a variety of different investment mechanisms in both local and international markets. They were, thus, able to design a relatively differentiated investment portfolio but they were not able to design investment outcomes.	Retail investors were offered the opportunity to select an account that accommodated their own savings needs (their own financial objectives). This is standard across Banking offerings. Retail investors were also able to select their unit trust funds based on their risk profile. However, outside of this typical practice (marketing), co-production did not feature as a retail investor offering.	Aside from the Easy Equities access, retail investors were unable to co-produce investment outcomes.	Outside of being able to co-produce savings plans or investment plans to achieve personal financial goals (which is not universal across banks), co-production of investment outcomes was not considered across the platforms. Risk-return profiles were the only form of described outcomes with regard to how they influence personal wealth accumulation. No other impact was measured.
8. **Retail investor engagement with the impact of their investment**	Investment outcomes were described in terms of their financial return, only. Retail investors were provided with minimal consideration for the companies that constituted their investment funds	Investment outcomes were described in terms of their financial return, only. Retail investors were not provided with consideration for the companies that constituted their investments or savings.	Investment outcomes were described in terms of their financial return and their risk exposure, only. Investors were provided with a degree of understanding of the companies they are investing into (via ETNs and equity portfolios). However, the impact of the investment outcome was not considered or promoted.	Investment outcomes were described in terms of risk appetite and financial savings objectives. There was no connection with how the interest on the savings was generated or any connection with why money would appreciate in value. Retail investors were not given insight into how their money mad money. Unit Trust accounts were described in terms of risk profile. The	Beyond financial saving or gain, the investor did not engage with the investment outcome.	None of the investment outcomes considered social or economic outcomes as a result of the investment. Therefore, retail investors were never presented with the consideration of social or economic outcomes of their investment, beyond their own financial gain.

				fund fact sheets revealed the top ten holdings for the funds (company names) as well as the sector which constituted the fund. However, these companies were not described (in terms of their function) nor was the sector allocation of the companies made clear.		
9. ESG, Overseas RI, or SMME investment options	ABSA offered overseas investment opportunities via its unit trust funds. However, these were not explicitly in RI ventures.	None.	FNB had two landing pages dedicated toward international investment opportunities: (a) "Global Wealth Solutions" (b) "Global Account" The former facilitated the opening of a foreign bank account (transactions and savings accounts), purchase of foreign currency, investment into an offshore trust, investment into an offshore investment portfolio (managed by an investment professional), and direct access into foreign equity markets. The latter was a savings account which allows you to save and transact in nine foreign currencies.	Some of the unit trust had overseas exposure. None of the fund fact sheets described ESG or RI.	Outside of the Easy Equities option, there was no engagement with RI (ESG, SMMEs etc.)	Overseas exposure was possible through investment into unit trust funds. However, with the exception of FNB this was not explicit. None of the offerings spoke to ESG, SMME, or overseas RI investment opportunities.
10. Opportunities for investor education	A rational process flow was presented to investors wishing to understand more about investing, with several cues to understand more about personal investment philosophy. The information was relatively high-level ("what is a unit trust?") and suggested that investing is primarily utilised for securing a financial future or	The website has a page which explained the difference between investing and saving. Both were described as crucial to securing future financial security, whilst both possess "pros and cons". These related to risk exposure and higher fee structures.	FNB had a landing page entitled "achieving your savings and investment goals" which outlines several principles for investing. These were easy to read and engaging for the user. The detail was significant and provided the user with appreciable insight into how to start building an investment portfolio.	The website provided a blog-type landing page which discussed the difference between investing and saving. Nedbank stated that the difference "doesn't matter all that much". There are several posts which attempted to address investor education, and appear targeted at amateur investors.	Capitec appeared to place a premium on investor education - financial education was a prominent tab on their landing page, with several articles and handbooks available to novice retail investors (or bank users). They also had a learning academy offering which presented users with short-courses on building	All of the banks had a page dedicated toward supporting retail investor education. Generally, these addressed savings concerns and the distinction between saving and investing. Nedbank's assertion that the distinction doesn't matter only serves to undermine investor and RI education.

	combating inflation. Users of the website were directed to contacting investment advisors for further information.		Additionally, the detail was user friendly and clearly targeted at amateur investors. FNB also had a learning centre which provided investing tips, information on the rights of shareholders, and what to expect in terms of investment fees.		better financial practice. These learning options did not address investment education but rather better budgeting, saving, and being money smart.	The education didn't address investing specifically, and didn't that permit that retail investors might become better investors themselves (they are routinely told to default to an investment professional). Whilst the education offerings achieved one level of engagement with retail investors, they, paradoxically, established barriers to further education and inclusion for investment practice.
11. Does RI or dual return feature on the platform	Dual return or RI terminology did not feature on the website	Dual return or RI terminology did not feature on the website	Dual return or RI terminology did not feature on the website	Dual return or RI terminology did not feature on the website	Dual return or RI terminology did not feature on the website	None of the banks used any terminology which spoke to RI that could be achieved via investment practice.
12. The nature of communication between the investment platform and the investor	The communication was relatively generic and appeared to assume a level of education amongst website users. It felt like the communication was geared toward amateur investors. The fund sheets (details of the investment options) were investment-jargon heavy and would require a degree of exposure to investing practice to interpret them.	The communication was relatively generic and appeared to assume a level of education amongst website users. It felt like the communication was geared toward amateur investors. The website was not easy to navigate and did not present a clear rational that amateur investors could follow to support their development of an investment approach.	The communication was direct and sought to engage the retail investor. Investments opportunities were discussed in terms of the diverse access that they provide the user. The website followed a rationale by which amateur investors could build an investment strategy or portfolio. Communication was undertaken in short, absorbable sentences - with prompts to contact FNB for more information.	The communication was generic and, generally, underwhelming. Describing the difference between investing and saving as being unimportant (as long as you undertake the practice) undermined the opportunity to engage retail investors, and have them commit to dual return investment practice. This suggested that the language was slightly demeaning. In discussing its unit trust offering, the language became more jargon intensive. "The average investor does not have the necessary time, resources, or expertise to manager their own money" - investors were then prompted to contact a Nedbank Investment professional.	The communication was generic and focusesd primarily on alerting retail investors to the importance of saving and practicing financial education. The Easy Equities offering was not discussed in detail and few opportunities to educate investors on share trading were evident. Instead, users were directed toward the Easy Equities website for further detail. Capitec targeted a wider income earning bracket to the other banks, however, this wasnot overtly evident in the language used to appeal to investors.	Communication varies across banking platforms. A generic interest in saving/ investing was assumed and, generally, communication appeared to be directed at amateur investors. At the point of communicating on unit trusts, the communication became more jargon intensive and retail investors were encouraged to default to investment professionals. A clear rationale for enticing amateur investors into an investment plan was provided for by some websites (FNB) and not by others (Standard Bank, Capitec, Nedbank).

13. Use of narratives and stories to talk to investment impact	None that were notable. The reasons for investing were presented as being to ensure personal financial security, combat inflation, and implement adequate family planning. Investing is, therefore, a pragmatic extension of adulthood.	None that were notable.	None that were notable. Investing was framed as a means to ensure future financial stability and wealth accumulation.	None that were notable. Reasons for investing were framed as achieving financial goals only.	Within their financial education tab, Capitec made use of stories to consider how saving and budgeting should be undertaken. But this did not extend to investing.	Aside from Capitec's financial education handbooks, narratives or stories did not feature in the communication to retail investors.
14. Focus on women or minority groups?	It did not appear that the investments had any gender gearing to them.	It did not appear that the investments had any gender gearing to them.	It did not appear that the investments had any gender gearing to them.	It did not appear that the investments had any gender gearing to them.	It did not appear that the investments had any gender gearing to them.	None of the banks appeared to gear their retail investors offerings to women, or minority groups specifically.

Table 6: Commercial banks within the RI supply database

Summary of Commercial banking conclusion:

The commercial banks assessed clearly presented a different financial mechanism to users as what one would anticipate from investment houses. The former provided users with low interest savings products without any explanation of how that interest is generated, whereas investing would likely involve greater risk and offer greater choice in generating return on investment. Additionally, most of the commercial banks assessed deferred the user to an asset management firm in order to facilitate investment opportunities. At face value, the general commercial banking product offered to retail investors was generic. Some banks offered offshore investment options. All of the banks offer TFSA to their retail investors. Per the literature review, the Shari'ah accounts were likely to have screening elements to them, though these were not disclosed on the websites. Accessing retail investment accounts was of little financial cost to the retail investor. However, none of these accounts addressed RI. None of the alternative offerings spoke to dual return or RI, resulting in an absence of terminology relating to RI that might inform investment practice. Co-production of investment outcomes was not considered across any of the commercial banking platforms. Capitec's partnership with Easy Equities appeared to represent a significant innovation for commercial banking; Capitec clientele could trade on Easy Equities directly from their bank accounts at reduced fees. This type of access might be afforded to RI opportunities in the future. Whilst the education offerings achieved one level of engagement with retail investors, they, paradoxically, established barriers to further education and inclusion for investment practice. Narratives or stories did not feature in the communication to retail investors.

Asset Managers

Table 7 represents an analysis of the asset management sector accorded to the 14 Demand Indicators developed in Table 5.

RI Framework Indicators	Allan Gray	Stanlib	Coronation	Prudential	Old Mutual	Summary overview
1. General	Allan Gray offered a number of investment accounts to retail investors: ○ TFSA ○ Offshore investment account ○ Retirement Accounts. The rate of return was dependent on the Unit Trust that was selected by the investor. Allan Gray offered retail investors access to unit trusts managed by other asset managers, but consolidated by Allan Gray.	Stanlib said that its funds were focused on the needs of its investors. These were: ○ Stable growth ○ Income, ○ Growth, and o ○ Offshore. Their funds appeared to be designed around these 4 pillars.	Coronation's commitment to the retail investor: ○ Put clients first ○ Unwavering commitment to long-term, ○ Focus on producing top performance over meaningful periods ○ Uncompromising about ethics	Prudential's investment philosophy: "Simply put, we buy stocks and bonds that we think are undervalued by the market, and sell them once they have risen to reach their fair value to produce market-beating returns. We believe that consistency is key to successful investing…We are valuation-based. We construct portfolios on a prudent, risk-conscious basis. We focus on the long term, ignoring short-term 'noise'."	Old Mutual's investment philosophy was not obvious. This may have had to do with their diverse financial offerings beyond asset management. They did appear to place a premium on financial education and empowering client's to make financial decisions - though this was not necessarily specific to investing	The majority of asset managers stated that their offerings were shaped by their clientele, but none of the firms considered investor demand or co-production within the product description. Whilst clientele needs were at the forefront, return on investment appeared to be the most important selling point. Clients were provided with investment options rather than 'inputting' into investment outcomes.
2. Investment offering	A wide array of local and international unit trust funds were available to investors. Fund fact sheets indicated the sectors that the fund would target as well as top ten holdings in the fund. Risks were identified within the fact sheets, as well as the provision of monthly commentary on the performance of the fund. Fund fact sheets did not mention dual return, company impact, ESG, or impact on local economic development that occurred because of investing into the fund.	An array of local and international unit trust funds were available for selection. Fund Fact sheets indicated the risks associated with the fund, the geographic exposure, and the top ten holdings in the fund. Fund fact sheets did not mention dual return, company impact, ESG, or impact on local economic development that occurred because of investing into the fund.	Unit Trusts, off-shore unit trusts, and retirement unit trust were available. Fund fact sheets allocated a risk ratio and suggested what type of investor should invest into the fund, displayed the principle target of the fund's investments, and the top 10 holdings of the fund. Fund fact sheets did not mention dual return, company impact, ESG, or impact on local economic development that occurred because of investing into the fund.	Offerings included: TFSA, Retirement annuity, offshore and local unit trusts. Fund fact sheets described the fund objective, the investor profile, the investment mandate and the top 10 holdings. Fund fact sheets did not consider dual return, RI, or ESG	Extensive quantum (450) of unit trust funds. Fund sheets spoke to an ESG rating for the fund, the fund objective, and who the fund was for. It listed the principle holdings of the fund. ESG ratings varied between CCC, B, BB, BBB, A, AA, AAA. These ratings were not explained. The company ESG ratings were not divulged (thus, one can assume this was a weighted rating).	All asset managers focused on unit trusts, primarily (if not exclusively). All offerings were via a factsheet. Old Mutual was the only Asset Managers that provided an ESG rating for its funds (though these appeared without a context to ground them).
3. Investment barriers for retail investors	Fees were dependent on the unit trust selected. The fee for the administration of the	Like Allan Gray, Stanlib had administration fees and advisor fees, determined by	Coronation charged administration and advisor fees dependent on the unit	Prudential had administration and advisor fees. Fund	Old Mutual had administration and advisor	It seems that some asset managers had lower financial cost entries for investing into

	investment was charged on the market value across all local platform investments linked to a personal investor number. Fees were agreed between the investor and the adviser for financial advice and services provided. They would be deducted from the investment, either before the investment was to b made (initial fees) or from the investment account by the selling of units (annual fees). Some funds required minimum deposit amounts (R50 000 and upward)	the total individual investor AUM as well as by the unit trust funds selected. Funds required a range of minimum deposit amounts	trusts that were selected, and the total quantum of investor AUM. From R500 a month, investors could start investing.	performance influenced fee structure.	fees. Fund performance influenced fee structure.	unit trust accounts. Retail investors were not presented with insurmountable costs that prevented them from engaging in investment practice. Financial barriers to entry were, thus, not extensive. Barrier to RI investing were evident in a lack of RI offerings.
4. Alternative investment offerings	All offerings were via a quantum of unit trust funds. All investments were collated by Allan Gray, with the option to access funds via other asset managers. Fund selection was based on risk appetite, market exposure, and personal financial goal setting.	All offerings were unit trust funds or ETFs. Fund selection was based on the four pillars outlined above	All offerings were unit trust funds. Fund selection was accorded to arbitrary themes: 'SA Flagship funds', 'Offshore flagship funds', 'SA growth funds'.	All offerings were unit trusts.	All offerings were unit trust funds. Old Mutual offered an ESG Emerging markets index feeder fund as well as an ESG Index feeder fund.	Only two asset managers (Old Mutual and Coronation) offered funds that addressed ESG or SMMEs directly.
5. Promotion of dual return outcomes	Allan Gray offered an emerging markets unit trust fund which directed investment toward companies that operated within emerging economies. However, the nature of the companies that are invested into was not disclosed (i.e. if the company were mining forests in Borneo, the investor would be none the wiser).	Emerging market unit trust funds were available. However, as with Allan Gray, these were not directed toward RI outcomes, specifically.	All investments were made via unit trusts. Coronation offered a fund which focused on small to mid-size companies (SMMEs). Emerging market funds were also available (though not directed toward RI specifically). Offshore exposure was available	None	ESG index feeder fund. ESG Emerging markets index feeder fund.	Despite the ESG rating, Old Mutual did not discuss alternative investment outcomes. Neither did Coronation. The impact of the investment was not placed as a foremost consideration of the investment.
6. Ease of use for retail investor	Navigation across the website was easy, and users were immediately presented with	Navigation across the website was easy, and users were immediately presented with a	The website allowed the user to select their comfort with investing (first time/	Navigation was easy and fund options were readily available.	Old Mutual appeared to offer an enormous amount of information but the quantum	Generally, the asset management firms analysed directed the user to the fund

	the range of unit trusts that they could invest into. However, barriers around lexicon/ jargon, interpretation of fund fact sheets, and understanding what might constitute prudent investments did not exist. There was no guidance around RI for the retail investor.	range of unit trusts that they could invest into. However, barriers around lexicon/ jargon, interpretation of fund fact sheets, and understanding what might constitute prudent investments did not exist. There was no guidance around RI for the retail investor.	experienced etc.). Thereafter, it presented four investment pillars: income, income and growth, long-term growth, and TFSA. A high level, easy to read summary of the fund options was presented under each of these pillars (for a first-time investor).		mad it quite difficult to absorb. The available funds were presented as if to investors with experience, despite the tabs that addressed amateur investor needs.	options, education options, and advisory options in a very efficient manner. However, the acumen and lexicon prevalent within this space acts as a barrier to entry (for retail investors and RI opportunities).
7. Co-production of investment outcomes	Beyond creating an investment portfolio hedged across different unit trust funds, the user could not co-create investment outcomes	Beyond creating an investment portfolio hedged across different unit trust funds, the user could not co-create investment outcomes. This was interesting, given that Stanlib said that its solutions are driven by client needs (investor demand did not appear to feature in their offering).	Beyond creating an investment portfolio hedged across different unit trust funds, the user could not co-create investment outcomes. Coronation said that its solutions are driven by client needs (investor demand did not appear to feature in their offering)	Investors were offered an opportunity to design their own portfolio based on existent Prudential funds. These funds, however, did not focus on RI. No other co-design of investment outcomes was available	Beyond identifying their funds of choice, investors could not co-produce investment outcomes.	Co-design is a concept that existed within the asset management world. However, the design was for personal wealth accumulation (and risk identification) rather than being broader application toward intended investment impact.
8. Retail investors engagement with the impact of the investment	Investments were described as de-risking strategies, securing of long-term (individual) financial, or methods of secure estate planning. Under the FAQ section, users were told to select a unit trust based on the amount of return they wanted relative to the amount of fluctuation (risk) they were comfortable with in their account.	Investments were described according to the four pillars outlined above. No engagement with investment outcome was considered beyond that.	Investment philosophy was framed as risk vs return in consideration of time period. No engagement with investment outcome was considered beyond that.	Investment philosophy was aimed at making informed decisions around risk. Investors did not engage with an investment outcome outside of personal wealth accumulation.	Investors were able to compare funds according to an ESG rating which certainly stood to influence an investment outcome. However, funds were not geographically depicted. Knowing where the ESG impact is likely to be felt was thus difficult.	Outcomes were framed within risk and reward, which limited discussion around dual return. Asset Managers did not focus on investment outcomes at all, even those that offered RI options. As such, there was no focus on the impact of the investment. This creates barriers between the investor and the dual return outcome; and stymies further investment practice.
9. ESG, Overseas RI, or SMME investment options	An offshore unit trust account was available to retail investors. No specific mention of RI was made	Offshore unit trust funds were available to investors but these were not specifically focused on ESG or RI, in general. No mention of ESG appeared within their local funds.	Coronation offereed a fund which focuses on small to mid-size companies (SMMEs), as well as offers offshore unit trust funds (though not specifically focused on RI).	Overseas offering but not ESG/ RI focused.	ESG index feeder fund ESG Emerging markets index feeder fund	All funds appeared to offer access to off-shore opportunities but without a RI filter. Very few funds focus on SMME or ESG offerings in South Africa. Pecuniary investment was the

						predominant investment offering in the sample size.
10. Opportunities for investor education	The website had a section detailing Frequently Asked Questions (FAQs) with instructional videos on what constituted a unit trust and how money was allocated amongst investors. There wasn't any content which educated investors on RI, the type of companies that were being invested into or how these companies made money for investors.	The website had a learning page but the only entry was a single blog post which discussed "investing in fixed income". Other than that, investor education was non-existent. Education around RI is non existent	The website had a tab dedicated to new investors. It intoned the importance of advice and offered the investor an opportunity to consider their own investment strategy. Ultimately, the user was directed toward engaging with a financial planner. Education around RI was non-existent.	The website had a tab for new investors. It defined a unit trust, how to select a unit trust fund (according to risk), and considered their benefits. Investors were not educated in how their unit trusts accrued revenue or in consideration around RI or impact. Several tools were presented to investors around goal setting, fund selecting, retirement planning, and education planning. These tools were intended to support the investor in determining a quantum to invest and to consider an appropriate risk profile to match their investment objective. The tools did not consider investment outcomes.	Old Mutual had a financial education tab with several tools around tax calculation, retirement planning, budgeting, establishing a will, and a “money-varsity” interactive learning platform. This was likely due to its diverse financial offerings (insurance, investment planning). The ESG rating system was not explained nor did one know which companies achieved which rating. However, the standardised rating system was laudable and an improvement in terms of what was offered by other asset managers. Unlike other websites, Old Mutual offered investors the opportunity to learn how to read a fund fact sheet.	Investor education was certainly present across all asset managers. However, the focus was not upon investment outcomes, the companies that were invested into, or the way in which these companies generated profits for investors. A disconnect therefore exists between the investor, the investment mechanism (the fund) and the investment outcome. This is unlikely to stimulate active re-investment practice or attract new participants to the investment market.
11. Does RI or dual return feature on the platform	None	None	None	None	Despite the presence of an ESG rating within funds, dual return or RI were not addressed across the website	Dual return or RI did not feature on the websites of any of the asset managers.
12. The nature of communication between the investment platform and the investor	Within the fact sheets, the fund objectives were described as achieving higher than average returns within markets or sectors, with views toward short, medium, or long-term growth. This language was jargon heavy and ambiguous. It did not attempt to establish a connection within an investment nexus. The description of funds was	Fund fact sheets outlined what the fund would target but the language was ambiguous and generic (devoid of specific info). They were full of jargon and exclusive investment language. Fund descriptions were non-descript and confusing. Communication were directed at investors with investor experience, though	Coronation said that its funds had been set up to meet the needs of the individual investor. However, attention to investor demand wasn’t evident on the website. Fund fact sheets were jargon heavy. The focus of the funds was more easy to interpret than other asset managers: building block funds were comprised of resource orientated funds, equity,	Fund names were arbitrary and generic ("Target income fund", "Enhanced Income fund", "high interest fund"). The language was direct and non-descript (generic). At times the language appeared to be directed at those who might be new to investing and at other times it was jargon heavy and industry specific	The extensive number of funds made it very difficult to navigate your way through them, and compelled the user to seek financial advice. The funds names were generic making it difficult to distinguish between them. The lesson on how to read a fund fact sheet was an innovation on what else was provided elsewhere. Despite the ESG rating, the	Fund fact sheets were jargon intensive and vastly different in style to the generic overview of funds and unit trust investing. Old Mutual extended investor engagement by providing notes on how to read a fund fact sheet. Fund names spoke to understated, generic investment outcomes rather

	confusing: "core global feeder fund", "dividend growth fund", "balanced fund". Whilst this might suggest the strategic approach to managing the fund, it did not reveal to an amateur investor the recipient companies of the investment or the intended investment impact. Communication at times appeared directed toward amateur investors (FAQ page) and at other times was jargon heavy and clearly directed at those with investment experience.	not so much that one could assume the role of the investment professional.	SMME, etc. Communication was intended for first time investors and those with investment experience. However, this was undermined by a lack of engagement with the outcome of an investment (or a channel to communicate investor demand – one assumes this is done via a financial advisor, though this wont change fund dynamics).	(as evidenced in the fund fact sheets).	website doesn't discuss dual return, RI, or alternative investment outcomes beyond finance first (which appeared to be a contradiction)	than targeted retail investor demand.
13. Use of narratives and stories to talk to investment impact	None	None. Stories were not utilised to describe the investment process or an investment outcome, or the role of investment within local economies/ societies.	None. Stories were not utilised to describe the investment process or an investment outcome, or the role of investment within local economies/ societies.	None	None	Narrative and stories were not utilised at all by asset managers in order to connect with clients or to sell their products.
14. Focus on women or minority groups?	No	no	No	No	No	None of the investment offerings specifically targeted women or focus on female or minority businesses.

Table 7: Asset managers within the RI supply database

Summary of Asset Management conclusions:

The majority of asset managers stated that their offerings were shaped by their clientele yet none of the firms considered investor demand or co-production within the product description. Clients were provided with investment options rather than 'inputting' into investment outcomes. All asset managers focused on unit trusts, primarily (if not exclusively). All offerings were via a factsheet. Retail investors were not presented with insurmountable costs that prevented them from engaging in investment practice. Financial barriers to entry were, thus, not extensive. Old Mutual was the only Asset Manager that provided an ESG rating for its funds. Barriers to RI investing was evidenced by the lack of RI offerings. Despite the ESG rating, Old Mutual did not discuss alternative investment outcomes. The impact of the investment was, thus, not a foremost consideration of the investment. Outcomes were framed within risk and reward paradigm, which limited discussion around dual return. Co-design was a concept that existed within the asset management world. However, the design was for personal wealth accumulation (and risk identification) rather than being broader application toward intended investment impact. Investor education was present across all asset managers. However, the focus was not upon investment outcomes, the companies that were recipients of the investment, or the way in which these companies generated profits for investors. A disconnect, therefore, exists between the investor, the investment mechanism (the fund) and the investment outcome. Dual return or RI did not feature on the websites of any of the asset managers. Fund fact sheets were jargon intensive and vastly different in style to the generic overview of funds and unit trust investing. Narrative and stories were not utilised at all by asset managers.

Alternative Investment Providers

Table 8 represents an analysis of the alternative investment providers accorded to the 14 Demand Indicators developed in Table 5.

RI Framework Indicators	Sun Exchange	Livestock Wealth	Easy Equities	Summary overview
➢ **General**	The business model articulated the open market sale of solar panels to investors interested in financing the solar conversion of schools, businesses, and large organisations. The sale of solar panels to investors financed the solar project. Investors owned the solar cells/ panels. The infrastructure was leased to the schools or organisations. The energy that was generated was purchased by the school/ organisations and paid to the investors. Investors earned a monthly solar income, net of insurance and servicing fees.	Known as "crowd-farming", investors bought and owned livestock, fruit, and nut trees which would be nurtured and maintained by farmers. The assets were purchased from the farmer at a specific stage within their life span. Farmers procured the assets back from the investors at the point of maturation (harvest or cattle auction). Investors essentially funded the expensive maturation period of the assets (working capital), mitigating the financial stress of the farmer. Livestock Wealth facilitated the interaction between the investor and the farmers. The platform also established the investment rules, monitoring of investment capital and maintained accountability amongst stakeholders. Livestock Wealth also acted as a wholesaler for the farmers (removing the high costs of middle-men retailers).	Easy Equities was a subsidiary of the Purple Group. It was an online platform that enables the purchase of shares by retail investors in local and international companies (in local and international stock exchanges). Brokerage fees were minimal meaning that barriers to entry were reduced for retail investors. The platform was intended to appeal to, both, new and seasoned investors.	The 3 case studies offered diverse departure points for retail investors. Each offering aimed to be simple in its logic and relatively simple in its execution. This was a notable characteristic of successful RI initiatives - they shared a penchant for simplicity.
➢ **Investment offering**	Investors were offered an equity share in a solar infrastructure project, which paid out in monthly revenue; generated by the sale of electricity (utilised by the school, business, or organisation). The project lifecycle was 20 years. 'Rent' was accumulated monthly for 20 years and was paid into a sun-exchange account. This could be withdrawn into a bank account or converted into Bitcoin. Investors were unable to trade their solar cells/ panels. They were, thus, locked into the 20-year timeline of the project. It was unclear what happened to the initial	Assets had a variety of maturation stages (i.e. Free Range Ox = 6 months for investment return, macadamia nut tree = 6 years). Investors were guaranteed a profit range at the point of sale of the asset (fluctuations depended on market conditions but a minimum return was guaranteed). One of the assets (connected garden) earned the investor a dividend from the 3rd month of the investment for the remainder of the life cycle of the asset (6 years). The dividend was paid out to the investor on a quarterly basis.	Investors were able to purchase Shares on the JSE, ETFs and unit trusts, baskets and bundles, access to a TFSA, Retirement Annuity funds, and Initial Public Offerings (IPOs). Easy Equities also facilitated the creation of an offshore investment account, enabling investors to buy shares in international companies that trade outside of South Africa. Easy Properties, a new offering, enabled investors to purchase an equity share in physical property assets (thereby having equity shares in a title deed).	In terms of return on investment, Easy Equities offered the most immediate product pay out (investors could choose when to sell their shares across the majority of investment offerings), followed by Livestock Wealth (6 months - 6 years). Sun Exchange was a long-term investment commitment for the investor, paying out over a 20-year period. Receipt of "rent" in bitcoin was highly novel. The variety in these investment offerings should appeal to the different investment needs of investors. Long-term maturation of investment capital is highlighted in the

	investment amount at the end of the infrastructure lifecycle.			literature review as being an important investment principle for RI.
➢ **Investment barriers for retail investors**	Costs of cells vary per project, but were roughly R60 per cell. An internal rate of return was estimated per project, but was roughly 11%. At these price levels, retail investors are not excluded from participating.	Prices were as follows: • Macadamia trees: R2000 • Free Range Ox: R11 529 • Pregnant Cow: R18 730 • Connected garden: R8200 Investors could purchase multiple units of an asset. Prices were more expensive than shares or solar panels but weren't necessarily exorbitant (macadamia trees) as to prevent investment participation.	Registration on the Easy Equities platform was free. Brokerage fees were 0.25% of the nominal value of any transaction on the site (buying or selling shares). Additional fees were charged according the investment asset that was held, and the action that is instructed by the investor (i.e. sell, cash-out the account etc.). Costs for shares were set by market forces and not by Easy Equities. Retail investors had a range of investment choices, which enables participation.	Each investment offering attempted to lower barriers to entry for retail investors. None of the offerings necessarily priced investors out of the market, though Livestock Wealth had the most expensive access point (one assumes for simplicity reasons - multiple investors owing a single cow would be confusing). Sun Exchange and Livestock Wealth represented the most obvious dual return benefits from the investment suggesting that their barriers to entry are lowest from a perspective of accessing RI. Easy Equites offered a wide range of investment products at very little cost, which also represented a significant reduction in barriers to entry.
➢ **Alternative investment offerings**	Sun Exchange offered crowd-sales through a number of diversified projects; ranging from high schools to wine farms, to businesses requiring solar to power their water pumps or cold facilities. The projects had a geographical lens, so investors could invest into businesses that they gravitated towards as well as into regions for which they had an affinity. The range of projects represented a diversified investment offering	All of the investments were within farming products. The focus of the investment vehicle was to provide farmers with critically required working capital and alleviate the stress of farming. As per above, there were a variety of investment options to choose from (within this scope).	Easy Equities offered a range of products across a wide variety of industries. It also offered the purchase of crypto on its platform. Investors could choose from the investment options listed above. Investment options were thematically grouped. Under the "equities" tag, an investor could choose to invest in companies who operated within the forestry and paper sector, for example, or the food and beverages sector. ETFs and bundles were categorised according to risk. Unit trusts were differentiated according to balanced funds, property funds, and global and local equity funds. ETNs, Crypto, and baskets did not have sub-categorises/ themes of investment options. All options were grouped together. It does not appear that Easy Equites offered investments into SMMEs/ mid-cap companies. Investments into overseas companies were available	Despite the three platforms being established as an alternative investment opportunity (beyond the traditional banks and asset managers), all three had variety of investment offerings within their scope. Though the investment offerings were similar on each platform, they were not homogenous. Particularly when interacting with Sun Exchange and Livestock Wealth, the application of a geographical/ lived context was in and of itself an alternative offering - even if the same investment product was being offered. Context is a powerful tool for retail investors and repeat investor practice

			through a variety of instruments (unit trusts, bundles). Investors could also invest into bundles which were themed around issues like sustainability.	
➢ **Promotion of dual return outcomes**	Sun Exchange promoted their investment offering as being a low-impact energy solution that reduced carbon output. Additionally, solar was significantly cheaper form of electricity than coal, meaning that their model was promoted as the best business decision for a project undertaking. The investment outcome was promoted in terms of its financial return, its positive impact upon the natural environment, and its developmental contribution toward local economic development (use of local contractors to install and maintain the panels).	Livestock Wealth focused on three outcomes that were generated from the investments: ○ Impact: "Your investment helps create jobs and enables the farmers to produce healthy food while creating shared wealth." ○ Great Returns: "The returns on farming are competitive compared to conventional investment options. Re-investing these returns, compounds your earnings." ○ Tangible Assets: "You are investing in living, breathing livestock and growing crops, not invisible shares. These types of assets are always in demand." Critically, Livestock Wealth recognised the barriers that both investors and farmers faced in finding one another. Through this platform, these barriers were breached and skillsets/ assets were shared to reach mutual objectives. Livestock Wealth supported organic and free-range farming, which has positive externalities for the natural environment and human impact upon the climate.	Under the bundles section, Easy Equities identified issues that could be addressed through retail investment activity (such as investing in companies who fall under a sustainability theme). One of the baskets directed investors toward the work of an organisation that supported cancer identification in under privileged communities. The companies that constituted the basket were related to cancer research. The fee structure of the basket directed funds toward the identified NGO. Beyond providing exposure to companies who worked within certain sectors, dual return outcomes were not publicised by Easy Equities. Investment rationale was primarily upon the return of financial equity. The narrative provided by Easy Equities was that, via the platform, investors were enabled with choice that they might not otherwise have had. Its assumed that the 'bundles' were changed regularly by Easy Equities fund managers; a bundle of companies delivering on sustainable development objectives had previously been on offer though this appeared to have been withdrawn.	Sun exchange and Livestock Wealth offered very obvious dual return outcomes that formed part of the investment rationale. For both companies, dual return outcomes were promoted as a matter of primary function. The websites did not re-inforce this rationale repeatedly - though it was clear that inclusive investment opportunities was a cornerstone of their business model. The dual return outcomes were less obvious with Easy Equities - though the rationale of lowering barriers to entry, improving investor education and well-being have direct implications for financial health and resilience in South Africa.
➢ **Ease of use for retail investor**	The website was easy to utilise, and the language offering was straightforward. A dedicated tab explained the Sun Exchange investment process across four relatively easy to understand steps. Additionally, an embedded video was available to explain how Sun Exchange functioned. A "FAQ" tab was also available to users, which	The website was very easy to utilise with simple procedural steps and easy to interpret graphics. Amateur investors were unlikely to have an issue interpreting the logic and rational behind the investment practice. A "how it works" tab as well as "FAQ" tab addressed most questions concerning the investment	The website was relatively easy to navigate. Easy Equities placed a premium on investor education. As such, investors were expected to undertake research and consider their investment options beyond the graph charts and brief investment summaries that were provided by Easy Equities. The graphics on the website were	It is notable that all of the RI options appeared geared toward amateur investors. It may be that these funds/ investment facilitators saw their future market growth as expanding upon amateur investor interest as well as appealing to more seasoned investors.

	addressed additional investor detail. On the projects page, the "return calculator" gave investors an estimation of the monthly income they were liable to receive (depending upon the extent of cells purchased).	process, the risk to the investor, and methods of mitigating risk. The guaranteed return on investment range made the investment reward very easy to understand, providing the investor with relatively straightforward projections for future wealth.	easy to follow and interpret, and the process of buying shares was very simple to undertake. Utility of the website was certainly geared toward the amateur investor.	Alternatively, it could have been that they shared a common ethos that investing need not be jargon heavy and exclusionary. All of the platforms focused on ease of access, ease of use, emphasis on visual reporting, and reduced complexity around investment narratives.
➢ **Co-production of investment outcomes**	Investors had a very limited scope to co-produce outcomes. The greatest degree of choice for the investor lay in selecting between solar power projects.	Investors had limited scope to co-produce outcomes. Ultimately, Livestock Wealth (alongside the farmers) would determine inputs and outcomes to the investment process. Investor choice lay with the type of asset they wish to invest into.	Investors were unable to co-produce outcomes. They were able to build their own portfolios by buying equity into a range of companies across sectors, but the outcomes of these investments were not determined by the investor. The investor had no direct contact with the company into which they purchase equity.	Co-production of outcomes was not possible across any of the platforms. Investors were provided with a choice of products across platforms, which supported some level of interaction for desired outcomes. However, investors wee not able to influence the impact theme of the outcome. In the alternative investment provider space, however, it appeared that co-production was represented in the explicit dual return outcome offered by the investment product. It may also have been that dual return outcomes were co-produced by participants within the investment nexus that excluded the retail investor. For example, Livestock Wealth worked with farmers to co-produces a more sustainable business practice, which was ultimately enabled by the investor. As such, the investor co-produced upon the propositions put forward by the farmers in collaboration with Livestock Wealth. Co-production is, therefore, multifaceted and is offered across diverse perspectives.
➢ **Retail investors engagement with the impact of the investment**	On the investor's online profile, a dashboard engaged them on the ·solar project status updates; · the earnings of their solar cells (in Rands and bitcoin); · the clean energy the solar cells have generated (kWh); · the amount of carbon the solar cells had offset (kg CO2);	Once the investor signs up and invests into a product, an investor dashboard would be established. The dashboard disclosed the name of the farm where the investment was focused and when the dividend would be due to the investor. General updates as well as farm specific updates were intended to be provided at regular intervals within the dashboard.	Investors were held at arms-length from investment outcomes. Outcomes were depicted as share price movement within the companies in which the investor had procured equity. This felt like the primary focus: to be able to observe how well your investment had done in relation to a graphic depiction of company share price. The performance of the company	The dashboard on Solar Exchange was arguably more detailed and immersive than that of Livestock Wealth; where a more engaging platform with opportunities to see regular updates on the crops, on the farmers who work them, and stories from those stakeholders may support a more recursive process for the investor. The dashboard on Easy Equities focused

	· Sun Exchange wallet balance, payments and withdrawals. The projects were geographically depicted and investors were able to support businesses or sector for which they have an affinity. Thus, there was a clear understanding of what was being invested into and where the benefit wiould be derived.		subsequent to the investment did not appear to be relative. Investors were able to view market fact sheets (tier sheets) and latest news articles on companies ahead of making an investment. Post investment, investors were notified of any dividend pay-outs, if appropriate. Companies contacted investors directly to inform them of AGM notices or financial year-end performance. However, there was no correlation between investment outcome (impact) and the investor, facilitated by either Easy Equities or the investee company.	on easy reporting, graphic displays of share performance, colour displays of positive or negative investment yields. Across all platforms, better ability to engage with outcomes may support increased investor practice. The narratives on Sun Exchange and Livestock Wealth were obvious. Progress on investment yields and challenges/ successes experienced by farmers may have increased the investor experience on Livestock Wealth. This line of consideration suggested that engagements with investment outcomes were a feedback loop that reinforces the narrative of RI investing.
➢ **ESG, Overseas RI, or SMME investment options**	The majority of the projects took place in South Africa, though some were located elsewhere in Africa. The investments were into solar panel installation, though the beneficiaries/ users of the solar power wee schools, communities, small businesses, and large estates. There was, thus, an indirect investment into SMMEs that was corroborated by the investment into the solar project. The Sun Exchange offering was premised upon a positive developmental impact upon environmental sustainability and would represent an environmentally conscious investment.	The investments took place within the borders of South Africa. However, they supported farmers and farming operations, which were representative of SMMEs. The Livestock Wealth offering supported conscious agricultural practice and thereby represents an environmentally conscious investment.	Investors could invest locally or internationally. Investments were not graded according to an ESG score. It was not possible to compare investments for their RI commitment. Overseas investment were typically into funds rather than companies. There was not a RI grouping for overseas investment options. Investors could not invest into SMMEs. Investors could purchase shares into properties via the Easy Properties platform. This expanded the asset ownership opportunities of investors to housing assets without needing to afford a house (or a bond). This represented a significant innovation in enabling access to wider investment opportunities amongst investors.	All of all the alternative investment offerings represented support for local economic development. This upstream and downstream contribution toward local economic growth was likely calculable if supported by an appropriate analytical framework. Two of the offerings represented environmentally conscious investments, as natural eco-system sustainability is an objective of the dual return impact.
➢ **Opportunities for investor education**	The website directed users toward a Sun Exchange 'Youtube' channel, which outlined the sun exchange model. A number of video diary entries discussed various Sun Exchange projects as well as other topics related to solar power installation. Several videos were dedicated to more detailed Sun Exchange 'FAQ's': from how projects were chosen	Opportunities for investor education dealt primarily with the investment process as facilitated by Livestock Wealth. However, investors were able to peruse a fairly detailed 'FAQ' page and could request a call-back from Livestock Wealth to discuss further questions in detail. There was no obvious education on how Livestock Wealth was able to guarantee	Easy Equities facilitated extensive information on investee companies in order to inform investor decision making. This was primarily through links to 'Yahoo Finance', 'Business Day Live', and 'Easy Equity research'. At times, the information for select companies was incomplete. Easy Equities appeared to assume a large	All of the platforms placed an emphasis on the investor experience and investor education (particularly in their product offering). Given that the platforms were appealing to new or inexperienced retail investors, there appeared to be an obvious attempt to support education and financial well-being.

	to how solar power worked, to how income was generated for users. Bitcoin and Blockchain were also discussed in video entries. Return on investment varied across projects (and across seasons where sun exposure might be reduced); investors were expected to research the projects to understand what their projected return might be.	the financial return for the investors, or how the famers utilised the investment to sustain their practice (beyond the knowledge that the investment was used to pay for operational costs), but this was arguably surplus to the extent of education required.	degree of responsibility in educating their clientele. Under a tab called 'Thrive', the platforms offered the accumulation of badges in 4 areas: "investor education", "financial health", "donate for good", and "community and social". Investors were incentivised to collect 'badges' to reduce brokerage fees for stocks associated with the 'Thrive portfolio'. It appeared that the platform believed that member proficiency supported the sustainability of its business model. Learning was facilitated by the 'Easy Equity Academy'. Easy Equities also had a robust 'FAQ' section to address investor queries. For the motivated investor, significant opportunity existed to engage with the investment model and the investment platform. The education addressed investor practice and financial wealth, as well as some of the technical components of share investing. Effective utility of the platform was also instructed. Education was not directed at dual return or RI. Outcomes of investments and the impacts of investing were not covered either.	
➢ **Does RI or dual return feature on the platform**	Dual return appeared throughout the website. The investment offering was framed as delivering financial return as well as generating positive dual return within the societies where the investments took place.	Financial return was the primary selling point for investors. However, the website addressed how the investment supported sustainable farming practice, which created economic opportunity, re-invested into critical food systems, and provided positive externalities beyond the potential financial reward. The investment was framed as one that delivers dual return.	Dual return was not discussed on the website. Investors were encouraged to make returns and enjoy profits from their investments. This outcome directly enabled growth within the Easy Equities business model and one assumes that pecuniary investing was part of this financial plan. This did not suggest that dual return was intentionally disregarded. Easy Equities offered baskets, curated by Easy Equity fund managers, intended to address specific outcomes. Previously, a basket of environmentally orientated businesses was established though this was no longer available on the platform. Companies represented on the Easy Equities platform may have accelerated	Dual return narrative was much more obvious on Sun Exchange and Livestock Wealth. Easy Equities refrained from articulating a dual return narrative. A common narrative around RI terminology did appear to be missing across the platforms. Livestock Wealth and Sun Exchange described the very real dual return that the investments yielded but this was not cased within the terminology of this thesis. It questioned whether terms such as RI are currently relevant in South Africa. Consistency around terminology supports repeat application and common understanding.

			dual return but this was not promoted by the platform. Investors were required to make personal decisions and undertake personal research around dual return investments.	
➢ **The nature of communication between the investment platform and the investor**	The information was engaging and didn't require extensive investing experience to interpret. Communication appeared targeted at amateur investors. A logical investment argument was made to investors on the basis of financial return and positive socio-economic impact. The 'projected returns' calculator was easy to use and made it clear to investors what their financial return would amount to. The project info pack was incredibly detailed: it discussed environmental impact, rate of return, technical details around the infrastructure installation, the full extent of role-players involved in the project, and a detailed breakdown of project risks.	The information was straightforward and easy to interpret. The investment process was equally direct. Communication appeared targeted at amateur investors; one did not require extensive investment experience to participate in the process. The investor dashboard was relatively sparse and lacked some details relating to the investment. It wasn't possible to understand how the investment finance was being utilised or what it is was spent on. An investment calculator allowed the would-be investor to consider the number of assets they wanted to invest in and project potential return in an easy to use fashion.	Easy Equities sought to engage at the level of the amateur investor. Several tabs were there to support investor confidence in utilising the platform (Easy Equities had developed a number of subsidiary products to support this outcome). The communication was straightforward to interpret. The investment process was equally easy to utilise and interpret. Success and failure were visually displayed in graphs and colours that were emphatic. It felt like Easy Equities had taken considerable care to create an easy-to-use platform.	All three platforms focused on straightforward, easy to navigate communication. Overly complex language or heavy jargon was stripped from the communication. Information was intended to upskill investors and provide them with the most useable information possible to make an investment decision.
➢ **Use of narratives and stories to talk to investment impact**	A project info pack for projects told stories around how the investment would positively impact the business, school, or community, as well as the environment. It was easy for the investor to relate tangible experience relative to their potential investment; as a result of being informed via narrative.	Despite the opportunity to utilise stories around individual farmers, the website did not make use of narrative to describe investment outcomes.	Easy Equity felt very much like it targeted the individual. Narratives were not obvious in relating stories of success or RI.	Narratives were potentially under-represented across all 3 platforms. This may have been due to immaturity within the products and may evolve over time. Indeed, Sun Exchange had the most evidence of narrative use and their product was amongst the oldest/ most mature.
➢ **Focus on women or minority groups?**	No. The investment did not make mention of benefitting women farmers or minority groups.	No. The investment did not make mention of benefitting women farmers or minority groups.	Easy Equities used to offer a basket investment opportunity geared toward investments into women owned or led businesses. This basket was no longer available. .	Investments did not specifically target impact on women or minority groups as investment outcomes. This was likely due to the impact of the 3 platforms being clearly defined within the investment design.

Table 8: Alternative investment providers within the RI supply database

Summary of Alternative Investment provider conclusions:

The three assessed alternative investment providers offered diverse departure points for retail investors. Each offering aimed to be simple in its logic and relatively simple in its execution. This appeared to be a notable characteristic of successful RI initiatives - they shared a penchant for simplicity. In terms of return on investment, Easy Equities offered the most immediate product pay out. Sun Exchange was a long-term investment commitment for the investor, paying out over a 20-year period. Receipt of “rent” in bitcoin was highly novel. The variety in these investment offerings should appeal to the different investment needs of investors. Though the investment offerings are similar on each platform, they were not homogenous. Each investment offering attempted to lower barriers to entry for retail investors whilst none of the offerings necessarily priced investors out of the market. All of the platforms placed an emphasis on the investor experience and investor education (particularly in their product offering).

All of all the alternative investment offerings represented support for local economic development. Sun exchange and Livestock Wealth offered very obvious dual return outcomes that formed part of the investment rationale. For both companies, dual return outcomes are promoted as a matter of primary function. With that said, the websites did not re-inforce this rationale repeatedly. As such, a common narrative around RI terminology did not appear to be missing across the platforms. It questions whether terms such as RI were relevant in South Africa. Consistency around terminology supported repeat application and common understanding. A line of communication with the investment outcomes acted as a feedback loop that stands to reinforce repeat investment practice.

It is notable that all of the RI options appeared geared toward amateur investors. All of the platforms focused on ease of access, ease of use, emphasis on visual reporting, and reduced complexity around investment narratives. Co-production of outcomes was not strictly possible across any of the platforms. In the alternative investment provider space, however, it appeared that co-production was represented in the explicit dual return outcome offered by the investment product. It might also have been that dual return outcomes were co-produced by participants within the investment nexus that excluded the retail investor. As such, the investor co-produced upon the propositions put forward by the farmers in collaboration with Livestock Wealth, as an example. Co-production is, therefore, multifaceted and is offered across diverse perspectives.

These conclusions are addressed in detail in the, proceeding, “Discussion” chapter.

Discussion

The intention of the findings was not to assess which company provided for the greatest degree of RI opportunity or co-production, but rather to support a more holistic understanding of the supply of RI directed at retail investors in South Africa. As such, the reflections within this chapter are sectorial and consider inclusive opportunities for greater RI exposure/ provision. Reflections emanating from the interviews are included within the discussions concerning the findings for the asset management and alternative investment provider sub-sectors, respectively. Recommendations are made within each sub-section, drawn from the primary findings.

DISCUSSION EMANATING FROM EACH SUB-SECTOR

Commercial Banks

- **General**: the offering provided for by the considered commercial banks is relatively generic with small differentiators discernible in accessing more dynamic investment opportunities.
- **Barriers to entry for retail investors:** Accessing retail investment accounts is of little financial cost to the retail investor. However, none of these accounts concepts which are related to RI, thus, suggesting that whilst barriers to saving are low, barriers to investing into RI aligned investments are high.
- **Alternative investment offerings**: The majority of commercial banks offer a retail investment product outside of their fixed savings accounts. Accordingly, the majority of commercial banks have linkages with asset management companies (via unit trust funds) or with share trading platforms. This may represent a natural extension of their services or an intentional symbiosis with organisations capable of connecting banking clients to share trading, equity purchasing, and ETF investing. None of the banks provide alternative investment products within the framework of RI. Though RI is not a factor of decision making at this point, it does not preclude it from being considered in the future. In order for this to transpire, commercial banks will need to grow the supply of investment offerings that they affiliate with, particularly seeking out RI opportunities, and will need to enable investor education around RI. Equally, significant investor demand amongst retail investors may raise the groundswell of support for RI offering at the first point of investment contact: those being banks.

  Commercial banks provide a service offering which appears to have clear boundaries to its product. These boundaries help to service the asset management sector, which offers an adjacent product at a different fee and at a different level of acumen. The distinction of services is likely rational and resource based, but it reduces inclusivity within the investment process and cauterises the concept of investing; making it difficult for retail investors to request integrated investment products which support dual return outcomes. Authors (Viviers et al 2011) confirm that disconnect within the investment process undermines investor participation and serves to reduce investor engagement and suppress demand for RI. This disconnect between investment provider and investor appears active within the commercial banking sector. Conversely, Boyle and Harris (2009) state that the benefit of a co-productive approach is that responsibility for achieving dual return shifts toward the individual investor and the household. Effective utilisation of co-production creates trust between the investor and the investment platform. Jackson and Harij (2014) express that co-production, whereby investment providers and investors develop knowledge products together, binds the actors within the system. Capitec’s partnership with Easy Equities shows that it is possible to connect retail investors with an alternative investment provider via their bank accounts. It confirms that inclusivity and co-production are not entirely dormant concepts within the banking sector. Indeed, future iterations of this product offering may include RI opportunities. Ultimately, as acknowledged by Morkel (2012), RI is becoming mainstream and retail investors should be able to invest in RI opportunity providers via their bank accounts in order to create greater purpose and intentionality in the investment process (Evans, 2015; ABN: AMRO, 2016; Klapper et al 2016; DFID, 2018). Commercial banks should consider these positive externalities in considering a more inclusive and diversified investment practice.

- **Extent to which alternative investment outcomes are promoted:** RI and dual return are not common discourse in what is presented to retail investors. The impact of this is that neither retail investors nor commercial banks engage in investment concepts that might address RI outcomes, as there appears to be no dialogue or awareness around the subject. None of the banks include RI within the lexicon reflected on their website. Freundlich (2010 as cited in Viviers et al 2011), Jackson (2013), and Urban & George (2018), highlight the importance of supporting inclusive investment practice in order to grow demand for RI amongst investors. In this instance, for supply of investment opportunity, utilising the language of RI and dual return is a crucial step in bringing about greater consciousness of RI and creating connection between an investment provider and investor. If commercial banks were to note or measure levels of RI demand, it would represent a relatively straightforward and immediate step with which to engage the RI market (and retail investors).
- **Extent to which retail investors can co-produce investment outcomes**: Co-production is partially evident under a different guise within the commercial banking sector: retail investors are able to co-produce personal savings plans whereby they are connected to various funds that should facilitate savings goal, based on a risk allocation. Whilst this is a form of co-production that focuses on the financial well-being of the individual, exclusively, it appears that the concept and infrastructure for some degree of co-production are proven within the subsector. Jackson’s (2013) conceptualisation of a theory of change suggests that heightened engagement between retail investors and commercial banks enables mutual beneficial outcomes. Aziz (2017) and Auh et al (2007) outline how the iterative nature of co-production transforms customers into assets for

commercial banks. Along these lines, including RI opportunities for retail investors within their savings plans (grouped according to theme or social outcome) would increase the level of co-production possible for commercial banking clientele, create greater intentionality for the banking product and ensure a more engaged clientele base (Klapper et al 2016; Freundlich, 2010, as cited in Viviers et al, 2011).

- **Extent to which retail investors can engage with investment outcome:** within the commercial banking sector, retail investors never engage with the RI outcomes of their investment or savings. Pecuniary performance is the only metric that is measured. This ensures a highly passive retail investor profile wherein demand is suppressed and therefore never measured by the banks. Clientele engagement is reduced to marketing strategies. It is to the detriment the of both supply and demand to be in this position as a lack of engagement, process transparency, and demand data stymies opportunities for innovation within the sub-sector. Visram (2022) confirms that unengaged investors can unwittingly support companies that negatively impact upon investor wellbeing. Equally, several authors note that investor demand for RI is growing rapidly (Morkel, 2012; Evans, 2015; DFID, 2018; Moody's, 2020). It is, therefore, vital that banks start to pay attention to the force of retail investor demand. One might assume that banks, in general, believe that pecuniary performance is the primary interest of their clientele, and reason for clientele approach in the first place. However, in light of the demand survey undertaken in this research where retail investors have an overwhelming desire for co-production, an responsiveness toward dual return investing and a variety of investing interests (ESG, SMME, overseas) this narrative arc implies that clientele expectations are underestimated by commercial banks. Instead, introducing language around investment impact and co-production of investment outcomes would better espouse supply and demand for commercial banks and retail investors. Boyle and Harris (2009) contemplate that co-production across complex subjects is possible by transferring the point of authority from the institution to the individual, thereby empowering the retail investor. If customers have the wherewithal to engage with an investment product on the basis of how it grows personal wealth, they should have the dexterity to engage with investment outcomes which talk to growing community well-being.
- **Offering of ESG, Overseas RI, or SMME investment options:** None of the commercial banks articulate ESG, overseas RI, or SMME investment opportunities as these don't support the singular metric of finance first. The overseas investment opportunities provided for by FNB (in comparison to other commercial banks) is an indication that some banks believe that their clientele have more expansive investment desires thank simple savings accounts. This should be viewed as a pathway to expanded investment offerings that might include RI opportunities. Indeed, retail investor demand is growing globally (DFID, 2018; Moody's, 2020) and should be considered locally, in South Africa (Herringer et al, 2009; Morkel, 2012; Viviers & Firer, 2013).

- **Opportunities for investor education**: investor education opportunities are largely limited via commercial banks. With regard to RI, information and upskilling is non-existent. The limited nature of the education achieves a level of engagement with retail investors but paradoxically establishes barriers to further inclusive investment practice or alternative investment product supply. Education deficit is widely acknowledge as a barrier to RI practice and maturing RI demand. Regrettably, this practice continues in South Africa and thus limits the opportunity for augmented RI supply (Viviers et al, 2011; Urban & George, 2018).
- **The use of stories or narratives to talk to investment outcomes**: Its notable that banks don't use narratives to engage customers or to support their financial education efforts.

Recommendations for commercial banks to better connect with retail investor demand and enable augmented RI supply:

- RI requires exposure and discussion on the websites of commercial banks. As such, banks should find digital means of initiating conversations about RI, introduce the language into their websites, start promoting ways in which clientele can connect with RI opportunities (in the same way that Capitec enables access to the Easy Equities product offering), and utilise partnerships to broaden the RI supply base; a recommendation that is well supported by Viviers et al's (2011) study into overcoming the barriers to RI supply in South Africa.
- Based on the FNB supply offering where clientele have access to overseas investment opportunities, the bank could enable a more diverse investment product by connecting their customers with ETN or ETFs that are RI based and available on foreign stock markets. As these are already in existence, the ETNs/ ETFs don't need require establishment by FNB and would merely necessitate the utilisation of already built transactional infrastructure as well as research and promotion of RI by FNB. Several authors (Auh et al, 2007; Fenwick, 2012; Jackson, 2013; Jackson & Harij, 2014; Aziz, 2017) confirm that co-production is an iterative learning model that is built over time. That the foundation for a co-productive approach toward facilitating RI is already in place for Commercial Banks serves to reinforce this recommendation.
- Education infrastructure is well established on the websites of most of the commercial banks. FNB and Capitec, in particular, appear to place a premium on it. If banks were to align themselves with the promotion of RI and if they were to respond to RI demand (such as that displayed within this research's sample survey), their education portals would be an excellent avenue through which to engage their retail investors. As already outlined, above, education is fundamental to growing RI amongst both supply and demand (Viviers et al, 2011; Giamporcaro & Viviers, 2014).
- Narratives are an excellent way to engage clientele and to talk to RI impact. Additionally, the language of story-telling lends itself to dynamic interaction (Urban & George, 2018). If commercial

banks were to offer RI opportunities to retail investors, the use of stories would be an important means of enabling client uptake. Equally, it would empower retail investors by removing the disenfranchisement that occurs when deference to an asset manager is routinely promoted. When engaging South African retail investors on matters of RI, banks should consider presenting this in a variety of languages rather than English, alone. Hochstadter and Scheck (2015) note the use of single language to discuss RI as global concern for the spread of RI knowledge

Asset Managers

- **General:** Whilst the majority of asset managers state that their clientele shapes their services, none of the firms consider investor demand or co-production within the product description. The clientele commitment made by the asset managers sub-sector, thus, feels insincere as retail investor demand is not considered and all retail investors are assumed to be homogenous. It seems assumed that clientele needs primarily concern return on investment. Clients are provided with investment options rather than inputting into investment outcomes that might align to their values, such as RI. Morkel (2012) and Hickson-Mahoney (2017) recognise that South Africa retail investors as heterogeneous rather than homogenous. This is re-affirmed by the survey within this research; retail investor needs are varied and diverse. D'hondt et al (2022) suggests that they are possibly context driven too, though the authors call for a richer analysis of retail investor profiling. Indeed, why South Africa retail investors would opt for certain RI options is presently unknown.
- **Investment offering**: Only one of the asset managers offered unit trusts with an ESG rating associated to them. However, the rating is not explained and, thus, feels arbitrary. As the 14 demand indicators suggest, investors would want to connect with the meaning behind the rating – and what the company does in order to attain that rating. Viviers et al (2008) come to a similar conclusion in their evaluation of pension funds, asset managers, and advisory services: context is important within the investment process. For the retail investor, context orientates the investment within time and space. As denoted by Jackson (2013) contexts enables a more mindful, connected and responsible investor geared toward repeat investment practice; an inclination which is supported by the RI demand survey.

The interview respondent from the asset management sub-sector lamented that ESG ratings that are not comparable and that do not have relevant data underpinning them, are a form of window dressing for funds. For the retail investor, this information is ruefully worthless with respect to making an informed RI investment decision. With that said, the interviewee had indicated that sentiment and brand awareness had become central in directing the manner in which retail investors commit their disposable income. Whenever they enter into a supermarket, as an example, retail investors are making a short-term investment choice by selecting specific brands who claim to more sustainable. To the interviewee, though not widely reflected in fund options, brands appeal to retail investors (who might be defined as 'consumers' in this sense) on a sentimental level; asking them to make a short-term consumption choice that is based on supporting eco-system longevity. The ESG allocation within funds, if not grounded within comparable data or more contextual information on how the rating is formed, is the equivalent of a branding exercise within funds, a point that is addressed within Jackson's (2013) theory of change. It infers why asset managers might offer a host of funds that have varying levels of return (such as emerging market funds). The funds are brands that have emotive connotations associated to them. This same logic might apply to the savings funds offered by commercial banks. This also intones that retail investors are viewed as amateurs who make decisions based on personal association (i.e. personal wealth accumulation) rather than dual return intentionality.

In discussing why so few South African asset managers have adopted the mantel of ESG alignment when compared to asset managers based in Europe and the US, the interviewee noted that very few funds are established locally with an attached ESG mandate. Funds with mandates also tend to have comparable benchmarks that inform performance. Mandates tend to come from a willing investment community, suggesting that a disconnect exists between investment supply and investor demand; thereby disabling the creation of retail investment funds focused on delivering intentional dual return. Several authors intimate a general incongruence between demand for RI and supply of RI (Mckinsey,2017; Dottling & Kim; 2021; Visram, 2022) but Viviers and Firer (2013) and Mogapi et al (2019) intone that mandates RI remain the directive of asset managers rather than retail investors within South African investment practice. In the end, the RI demand survey confirms the demand-supply disconnect, which is to the detriment of RI practice as well as aspirations for an engaged investor community. This point underlines the importance of an investment nexus; that stimulating supply and demand are often two sides of the same coin, and that driving change within investment practice requires that all stakeholders participate within an investment ecosystem.

- **Barriers to entry for retail investors**: Financial barriers to entry are not high for engaging with unit trust accounts via asset managers, yet barriers around lexicon, lack of narrative, representation of financial inputs, lack of focus on fund outcomes, and under-representation of RI are abound. These types of barriers are confirmed by several local studies (Herringer et al, 2009; Viviers et al 2011; Mogapi et al, 2019). Websites are also only in English suggesting a barrier for many retail investors in South Africa. Observing these barriers and how they shape retail investor demand is a good starting point for asset managers who wish to expand their supply to include RI opportunities. Doing so would also build a bridge over which to engage retail investors on the potential dual return outcomes of their investments. The RI demand survey confirms retail investor interest in dual return investment opportunities, subject to conditions (rate of return, cause-based investing etc.) which are within the framing ambit of asset managers.

- **Ease of use for the retail investor**: Generally, the asset management firms analysed direct the user to the fund options, education options, and advisory options in a very efficient manner. However, the acumen and lexicon prevalent within this space acts as a barrier to entry for retail investors and to RI opportunities. The 14 demand indicators outline that ease of use and functionality are proxies for inclusion within the investment process. Both Herringer et al (2009) and Brijaj (2012) confirm the disconnect that occurs between investors and investment practice when exclusionary barriers exist within the investment process.
- **Opportunities for investor education**: Investor education is present across most asset managers, however, its focus is not upon RI, investment outcome, the companies that are invested into, or the way in which these companies generate profits for investors. Ultimately, education is a means of reinforcing connection (Fenwick, 2012). Specifically within the asset management space, education deficit curtails RI engagement in South Africa (Giamporcaro & Viviers, 2014). A disconnect presently exists between the investor, the investment mechanism (the fund) and the investment outcome. Per the inclusionary objectives of an investment nexus, this is unlikely to stimulate re-investment practice or attract new participants to the investment market. Fund names are generic and don't address retail investor demand (or investment impact), and thus don't create a connection with the investor. Ultimately, education around RI is non-existent amongst South Africa's biggest assets manager; a similar finding to that of Viviers et al (2012) and Giamporcaro and Viviers (2014). This departure point is in stark contrast to the overwhelming support for RI and the desire to know about RI opportunities as indicated by the RI demand sample of this dissertation (37% said that RI is significantly under-represented in their portfolios whilst 31% strongly wanted to know more about RI opportunities). It suggests that asset managers are not considering retail investor demand for RI (Viviers et al, 2012). Establishing fora to discuss RI and stimulating mutual learning engagements with their clientele would present asset managers with an opportunity for co-production and the reinforcing of an investment nexus.

The asset management sub-sector interviewee reflected upon a lack of education amongst retail investors as a significant barrier to entry. Internationally, D'Hondt (2022) acknowledge the education deficit that prevents a distending RI demand. Indeed, as explained within the interview, a lack of education amongst retail investors curtails supply amongst asset managers as retail investors aren't empowered to seek impact with their investments or demand investment products with alternative mandates associated to them. As such, dual return is under-represented as a concept at the nadir of supply and demand, where asset management products are directed toward retail investors. Greater education on the nature of dual return is required amongst the stakeholders, as confirmed by Mogapi et al (2019). Education is complicated by the prominence of jargon within the investment landscape. As suggested by, both, the survey and the case study, jargon plays an exclusionary role within the investment nexus for a retail investor, and is widely acknowledged as an exclusionary barrier (Freundlich, 2010, in Viviers et al, 2011; Urban & George, 2018).

Beyond education on dual return, the interviewee highlighted the importance of product relevance to inspire greater voice and choice amongst retail investors. Relevance, as a concept, is closely aligned to context: which is an output of a co-productive dynamic between the investor and the investment facilitator. Viviers et al (2008) and Hickson-Mahoney (2017) confirm the importance of context as an enabler of repeat investment practice. The interviewee reflected upon the idea of brand creation to stimulate relevance amongst investors; to align investment products with companies that have dual return aims that are enabled by their business processes. The case study reveals that all the considered retail investment providers engage in brand creation via the manner in which they look to appeal to clientele. The interviewee suggests that asset managers need to take this a step further and align to investment opportunities that project a ‘conscious commercial spirit’. As the interviewee notes, this is already happening at the level of disposable income, where retail shoppers are committing themselves to brands that suggest greater sustainability within their supply chains.

The interviewee stated that funds should be upfront about their investment mandates. This is an important method for establishing connection with retail investors; demand is capable of being driven by clear investment rationale and objectives. Dual return objectives amongst asset managers are, by implication, largely unclear. This underscores the importance of creating context within the asset management space (Viviers et al, 2008; Hickson-Mahoney, 2017).

Ultimately, the interviewee notes that barriers to entry are a wicked problem to overcome as supply and demand maintain a level of co-dependency within an investment nexus; they are part of the same eco-system. This important insight confirms what is outlined in the literature review (Viviers et al, 2008; Brijaj, 2012; Viviers and Firer, 2013; Hickson-Mahoney, 2017; Mogapi et al, 2019; Dottling & Kim, 2021). It recognises that supply of RI and demand for RI are part of a system and it underlines the complexity of influences that stand to shape supply and demand within this system. With that said the interviewee notes that the system is open in places and can be influenced by factors outside of the investor or the investment opportunity. Retail funds that are able to appeal to investors on the basis of a certain brand category will generate investment interest, spurring demand, which will hopefully, in turn, affect supply and thereby enable the creation of further retail funds.

- **Extent to which retail investors can co-produce investment outcomes:** Co-production is a concept that appears practiced within the asset management sector. However, much like with commercial banks, the design is for personal wealth gain rather than being broader to focus on RI outcomes. Whilst the infrastructure for engaging with clientele and co-producing investment packages exists, the practice maintains an old-fashioned narrative reliant on pecuniary and risk mitigation metrics. Via exclusionary jargon, retail investors disconnect with the investment process and are unlikely to consciously engage with their investments. Website communication is generic to the point where funds names are non-descript. This establishes barriers to retail investor engagement and makes it nearly impossible to engage with RI outcomes. In the literature review, Jackson (2013) reflects upon the disjuncture that occurs between investor and investment platform when information fails to effectively feed-back from to the investor, and how this stymies repeat investment practice. The inclusionary ambitions of an investment nexus would suggest these actions would be limiting to the clientele expansion objectives of asset managers. Conversely, due to the sophisticated engagement infrastructure, should asset managers wish to transition toward greater RI supply, the foundation for co-producing dual return outcomes with retail investors exists. Amendments to lexicon and feedback loops, a focus on investment outcomes to support, both, RI and alignment of investor values, and an underlying intent to empower investors within the investment process would serve as crucial departure points.

The interviewee confirmed that co-production is not a novel term or a peripheral one. It is established within South African investment culture. However, the manner in which it is framed is not targeted at the level of retail investors – largely due to a lack of education and access. It exists at an institutional investor level, whereby investor purchasing power is higher, and indeed at a disposal income spending level where brands appeal to consumers on the basis of dual return. However, the application is yet to target retail investment funds in a meaningful way. Opportunities for co-production within this space, leveraged largely via investor education, are under-explored. Boyle and Harris (2009) present that co-production is a continual learning experience and that education is embedded within a co-productive process. This suggests that inclusion of retail investors via RI education reform is an important next step within the evolution of RI demand.

- **Extent to which retail investors can engage with investment outcome**: The departure point for investment practice in unit trusts is assumed from a perspective of risk and reward. There is no focus on investment outcomes or investment impact. More specifically, there is no consideration for the eco-system of how finance stimulates economic practice beyond the point of making the investment or referring to the factsheet. This is a significant barrier to RI and repeated investment practice within an investment nexus, as posited by several authors (Herringer et al, 2009; Viviers et al, 2011).
- **The use of stories or narratives to talk to investment outcomes:** Narrative and stories are not utilised at all by asset managers in order to connect with clients or to sell their products.

Jackson (2013) posits that narrative is an important but complex component of engaging RI demand, where-as Urban and George (2018) underscore the relevance of narrative for facilitating active and stimulated investors. The interviewee confirmed the lack of observable narrative in the way that asset managers engage with retail investors. Investment jargon is the default means of communication. A disconnect between the investor and the investment outcome further curtails narrative. This can be overcome through the application of inclusionary practices: the use of investor-relevant language, and clear investment outcomes based on clear investment principles. Arguably, co-production has a role to play in facilitating this type of inclusion; principles of co-production would serve as an important foundation in undertaking steps toward retail investor friendly jargon and RI-based fund objectives.

- **Whether investment mechanisms explicitly appeal to men or women when promoting investment outcomes**: None of the investment offerings specifically target women or focus on women or minority businesses.

Whilst investment products are not specifically geared toward men or women, the interviewee was optimistic that funds would begin to appeal to future generations on a broader dual return scale given the level of sustainability consciousness that is evident amongst today's youth. Both Herringer et al (2009) and Viviers et al (2011) confirm the prominence of RI amongst the future cause-seeking generation of investors. According to the interviewee, 'Generation Z' (born between 1995 and 2012) appear more aware of their purchasing power and withholding of support for products that short-circuit sustainable supply chains. The source for optimism is that appreciation for purchasing power translates into demand for dual return retail funds. Viewed alternatively, 'Generation Z' present asset managers with an opportunity for renewed engagement and investment practice; one that takes retail investor demand into account and the inclusionary objectives of an investment nexus.

Recommendations for assets managers to better connect with retail investor demand and enable augmented RI supply:

- The ESG rating system provided by Old Mutual is a good initiative and is an active supply opportunity for retail investors seeking RI. Old Mutual should build context around the rating system, and use narrative arcs to connect with retail investor demand, as intimated by Viviers et al (2008), Jackson (2013), and Hickson-Mahoney (2017). As implied by the demand survey whereby 31% of retail investors said that they would seek dual return unequivocally and nearly 30% said that they would invest into ESG RI opportunities if available, increased narrative and context around the rating system will support increased customer growth and RI uptake for Old Mutual.
- Investor education, in general, and RI education, specifically, appears to be a double-edged sword for asset managers. They want clients to defer to the asset management skillset but they also require a more informed clientele to facilitate a shift in their own RI supply. Education around RI is a cornerstone of RI demand, confirmed by Viviers et al (2008), Brijaj (2012), and D'hondt et al (2022). Asset managers should do more to discuss concepts of RI and dual return, give context to RI return on investment in relation to pecuniary investments, and support greater product awareness

amongst retail investors. Disenfranchising a retail investor by withholding information or avoiding indicators of investor demand only serves to narrow the opportunities for repeat investment practice, as outlined by Herringer et al (2009), Viviers et al (2011), Morkel (2012), and Hickson-Mahoney (2017).

- The RI demand survey indicated that retail investors hold varying degree of investment experience but that most are engaged investors. As proven by Herringer et al (2009) and Morkel (2012), RI investors aren't and therefore shouldn't be treated as homogenous. Asset managers need to find means of recognising their diverse needs.
- RI supply opportunities need to be viewed as brand creation opportunities, whereby their appeal is generated by connecting with an impact driven retail investor. As consumers, South Africans are already making choices around sustainability and community impact. The leap to do the same as investors is not out of reach. However, it requires that retail investors are able to connect with their investment offerings on a richer level than pecuniary investing. Asset managers should support brand creation amongst RI funds to stimulate RI demand. Aiding this objective would be a review of the jargon that prohibits investors from being able to talk about investments, or about their impact (Hochstadter & Scheck, 2015; Urban & Georges, 2018). Utilising language that is inclusive and more attuned to the profile of retail investors would significantly fast-track the development of informed investors capable of co-producing investment outcomes alongside asset managers. Asset managers should consider reviewing their websites for exclusionary jargon.

Alternative investment providers

- **General:** An emphasis upon simplicity in explaining the investment logic and the investment process is common across the three platforms. Likely, this is due to the investments being alternative to the norm and therefore requiring evident rationale to satisfy investor concerns. Nevertheless, it impresses that investing can be more direct than what the retail investor market is accustomed to via institutions. It also aligns to the heterogeneous nature of investors as confirmed by the RI demand survey and D'Hondt (2022), complexity need not lie in the product offering but rather in the diversity of impacts that retail investments can have. As such, simplicity might also underscore the uncomplicated nature of the inclusive investment practice.

On the theme of simplicity, Livestock Wealth confirmed that the emphasis upon simplicity within the investment logic is intentional. "We have a saying that cows are easy, people are complex". Whilst simplicity can have detrimental impacts, by-and-large the externalities are more positive than negative. For the investment platform, simplicity is a conscious means of lowering the barriers to entry for retail investors. In the future, Livestock Wealth aims to focus on simplicity within their management model, acknowledging that other existent alternative investment platforms are capable of trading in a variety of resources that are less management intensive than their own (such as solar energy). This intended iteration represents a kind of evolution for the sector, whereby greater efficiencies within the back-end facilitation of alternative investments allow for greater asset diversification and ease of access to investment markets.

The interviewee further acknowledged that in order for alternative investment offerings to be sustainable the investment undertaking should be long-term. This supports the entire eco-system, enabling the investor, the investment facilitator and, indeed, the investment beneficiary to have greater predictability with respect to capital allocation. Viviers et al (2008), who speak to the pitfalls "short-terminism" and chasing quick-wins, intone the importance of long-term investing reflecting as sustainable investment practice. There is inherent value in the investor staying within the market and not exiting intermittently. As articulated by Livestock Wealth, for the investor "long-term investing creates wealth". This reveals the importance of certainty for alternative investment platforms to support the continuity of their offering, and expands upon the value of feedback loops to sustain investment practice (Jackson, 2013).

- **Investment offering:** There appears to be an element of innovation inherent within each investment offering. These innovations are unlike anything offered within the asset management space. The diverse pay-out terms and immediate dual return opportunities would address diverse investor needs and accommodate investors heterogeneity; a characteristic that should serve as a departure point when engaging retail investors (Viviers et al, 2011). The RI demand survey conveyed a variety of dual return desires amongst retail investors; relatively evenly shared between causes that addressed ESG, overseas RI opportunities, and local SMMEs. The ability to own physical assets via shared portfolios (either with other investors, organisations, or beneficiaries) reflects as highly inclusive practice.
- **Dual return:** For two of the alternative investment platforms, supporting local economic growth, sustainable business practice, and environmental protection are inherent within the business models. At the same time, their business models compete with market returns experienced by pecuniary investors. They prove that dual return is possible in South Africa; the same level or financial return being experienced across a variety of investment offerings. This finding aligns to previous academic investigation into the ability of dual return to equate to market return (Viviers et al, 2008; Mogapi et al, 2019). Jacksons (2013) theory of change, furthermore, outlines the purposefulness that is transferred to investors when dual return becomes evident. By demonstrating that this outcome is possible, these alternative investment providers stand to increase repeat investor activity.
- **Reduction of barriers:** Each investment offering attempts to lower barriers to entry for retail investors. None of the offerings necessarily price investors out of the market, though differentiated price offerings exist. All three platforms (including Easy Equities via its Easy Properties platform) create access to RI opportunities for retail investors. This is unlike anything displayed in the other two financial sectors. It is significant because it confirms the possibility of dual return and greater

inclusion within the investment process, the importance of which is reflected in the work of Herrigner et al (2009) and Viviers et al (2011). It transfers some of the responsibility for enabling RI to the investor and ensures that the investor is also held to account for the outcomes of their investment practice as prescribed by Boyle and Harris in their framework of co-production (2009). It confirms the investment nexus as a useful framework to conceptualise repeat investment practice. These companies are a carrion call to other market RI supply actors, indicating that positive social development can be achieved with private sector capital allocation via a method that is based on inclusion.

- **Alternative investment offering:** Despite the three platforms being established as an alternative investment opportunity (beyond the traditional banks and asset managers), they all have a variety of investment offerings within their scope. Though the investment offerings are similar on each platform, they are not homogenous. The application of a geographical or lived context (where the investment is physically located) is in-and-of itself an alternative offering; even if the same investment product were being offered. Context and geography, thus, represent investment differentiators and may prove a powerful tool for retail investors and repeat investor practice. They serve as the feedback loops advocated for by Jackson (2013) and expound the role of context elevated by Hickson-Mahoney (2017). This context is missing from commercial banks and asset manager retail investment offerings, denying retail investors a lived-experience of their investment outcome. The geographical and contextual lens which serves as part of the investment offering by the alternative investment providers is a built-in feedback loop which enables repeat investment practice. This connection is missing from the supply offering of commercial banks and assets managers.

In discussing barriers to entry for investors and reflecting on the barriers that alternative investment offerings face when attempting to facilitate ease of access, Livestock Wealth reflected that one has to consider the entire investment eco-system when thinking about barriers to access. Within their business model, and which would be a similar characteristic for other alternative investment providers, the quality of the "asset custodians" affects the ability to build a sustainable investment framework. If the asset custodians (the farmers) do not maintain integrity within their function, the investment cannot prosper. This dynamic will, in turn, depress available investment supply.

In this sense, the issue for Livestock Wealth was not in finding willing investors (demand is active and proven) but rather ensuring that the quality of supply was able to match the demand. This insight speaks to the complexity of providing alternative investment products in South Africa; the ecosystem must enable diversified and quality supply. Trelstad's (2016) work identifies the complexity of investment ecosystems, underscoring how eco-system resilience is dependent on a diversity of RI opportunity. For Livestock Wealth, their role as an investment facilitator has amalgamated with one of trainer and educator; enabling the asset custodians to create an investment ready product. According to the interviewees, the government or other sector support structures should assume this responsibility (which has not occurred for a variety of reasons that sit outside of the scope of this dissertation). This insight appears to underline the importance of an investment nexus, which attempts to highlight the interdependencies of the investor, investment facilitator, and investment outcome within the RI ecosystem. Within a co-productive system, Boyle and Harris (2009) and Fenwick (2012) reflect that interdependency amongst actors is likely to emerge as co-production is embedded. The transfer of responsibility between actors ensures that a variety of components are reliant upon one-another for implementation success. Recognition of the system of supply and demand (and as occupied by an investment nexus) has facilitated growth within Livestock Wealth's offering to, both, the asset custodians and the investors. Observing the components that influence the system is part of their response to build resilience and competitiveness within their business model.

Further discussion on the barriers that an alternative investment provider faces in bringing investment ready products to market, highlights the challenge that facilitators face in competing with major institutions like banks and asset managers. Both of these latter sectors also provide funding to the same asset custodians that are targeted by the alternative investment provider. As a result, these institutions (and the institutional investor by proxy) are competitors of the alternative investment provider. An institution that can dispense funding at a low rate of interest or with easier access to capital is potentially more appealing to the farmer than an alternative investment provider. This, in some aspects, may represent one of South Africa's primary challenges to enabling greater RI opportunity for retail investors: the retail investor and the institutional investor compete for access to the same investment ready products. The asset custodian ('small business') would need to trust the ability of the retail investment market to support their business undertaking in the same way that an institutional investor or an institution, like a bank, would. This may represent a risk to asset custodians as institutional finance might appear more assured. For asset custodians to feel assured, greater evidence of active retail investor demand is necessary. As is education and knowledge on the propositions of alternative asset providers (as opposed to retail investors defaulting their investment needs to banks and asset managers). A number of authors (Viviers et al, 2008, Viviers et al, 2011, Viviers & Firer, 2013; Giamporcaro & Viviers, 2014; Roundy et al, 2017) reflect upon retail demand as a critical informant of RI supply.

Recognising the presence of this competition requires that the alternative investment provider is drawn into building the constructs of the investment nexus. Livestock Wealth acknowledged that their company is, thereby, obliged to participate in skills development amongst the asset custodians in order to grow their supply base. It appears that the ecosystems of retail investment and institutional investment thus co-exist in helix of risk, return, and the weighting of dual return as being a determinant of success. Developmental asset custodians are less attractive investment prospects to institutional investors, and so the work of creating investment ready asset custodians falls to the alternative investment provider. Thus, the investment has greater associated risk for the retail investor though it offers obvious reward, too, if the investment is self-sustaining. The investor is able to access greater return on the investment than if they invested via an institutional investor, and dual return is achieved via the local economic development attained because of the establishment of a successful developmental asset custodian. It may be true to say, thus, that RI opportunities for retail investors carry risk because they are developmental by nature. Whilst this is potentially more amplified in a country like South Africa where widespread inequality constrains the maturity of developmental business activities, as reflected upon by Livestock wealth, it also highlights the opportunity existent in a country such as this – development opportunities are likely to be abound. In a manner, RI is defined in its opposition to the traditional institutional investment model.

- **Ease of use for retail investor**: The simplicity with which the business models are conveyed gives the impression that the companies are targeted toward amateur investors. It may be that these investment facilitators see their future growth as expanding upon amateur investor interest as well as appealing to more seasoned investors. Alternatively, it could be that they share a common ethos that investing need not be jargon heavy or exclusionary in the same way that several authors do (Freudlinch, 2010 in Viviers et al, 2011; Hochstadter & Scheck, 2015; Jackson, 2013; Urban & George, 2018). Another assumption would be that, given the nascence of the investment offerings, the platforms need to prove the investment concept by being straightforward and easy to navigate in order to appeal to investor sensibilities, as underlined by Herringer et al (2009). All of the platforms focus on ease of access, ease of use, emphasis on visual reporting, and reduced complexity around investment narratives. This suggests far better alignment to the various profile of retail investors sampled in this survey; amateurs, those with significant interest, and those with professional investment experience constitute the make-up of retail investors in South Africa. When compared to commercial banks and asset managers, it appears that the considered alternative investment providers are more attuned to retail investor demand. This may confirm that these companies are closer to the pulse of demand than the big institutions assessed in the other two sub-sectors of the case study.
- **Extent to which retail investors can co-produce investment outcomes:** Co-production of outcomes is not strictly possible across any of the platforms. Investors are provided with a choice of products across platforms, which support some level of interaction for desired outcomes. However, investors are not able to influence the nature of the dual return that they would like to have. Fenwick (2012) outlines that co-production is a relatively nascent concept for considering methods of implementation. Additionally, co-production is an iterative process that occurs alongside growth. It may be that in the alternative investment sub-sector co-production is represented in the explicit dual return offered by the investment product. Observed from the investee perspective, dual return outcomes are co-produced by participants within the investment nexus that exclude the retail investor. The co-productive choice for the retail investor is to opt-in to

the explicit investment mandate. This aligns to the notion that co-production is multifaceted and can occur across diverse perspectives (Fenwick, 2012). It also suggests that in order to be truly effective, co-production needs greater clarity and practice within the alternative investment sub-sector.

Like the asset management industry, the idea of co-production is centrifugal to the alternative investment provider. Within their business, Livestock Wealth stated that co-production is something that they consider in bringing about greater interaction between the investor and the asset custodian. The interviewees believed that this is a means of enabling more engaging and, therefore, sustained investment practice. Within their own business, Livestock Wealth wants the investor to be able to rate their farmers as well as allow the farmers to have a view of their retails investors – the scale and regularity of their investment practice. In many ways, this confirms the hypothesis of the investment nexus; that interacting forces between supply and demand are crucial for repeat investor practice, and investment growth. It also suggests that not only is co-production a more mainstream undertaking than initially considered, it is also an evolving dynamic of how alternative investment providers are gearing their investment offering for retails investors. Given the reticence of asset managers to support co-productive mechanisms within their investment practice, it may also serve as a warning: that alternative investment providers are becoming more innovative.

- **Engagement with the RI outcome:** Engagement with outcomes is implicit across the majority of alternative investment provider platforms. Investors undertake the investment practice because they formulate a view of the outcome their contribution will affect. Greater recurrence of information relating to outcomes might support a more immersive investor experience and would address an important feedback loop within this investment process, as recognised as critical within RI investment practice by Jackson (2013), and within the co-productive paradigm by Boyle and Harris (2009). It also continually contextualises the investment in the mind of the investor. Because the outcomes are stated upfront, some investors might not want for repeat feedback.
- **ESG, Overseas RI, or SMME investment options:** All of all the alternative investment offerings represent direct support for SMME and local economic development. Likely, one could calculate the upstream and downstream contributions toward local economic growth if supported by an appropriate analytical framework. Two of the offerings represent environmentally conscious investments, as natural eco-system sustainability is an objective of the investment impact. Alternative investment providers appear to have an inherent and tangible connection to local economic growth, environmental sustainability, or social development. This is an enticing proposition as retail investors are attracted to responsible investment opportunities that deliver dual return, as confirmed by the literature (Morkel, 2012; Moody's, 2020; Bauer et al, 2021; Dottling & Kim, 2021) and by the RI demand survey.

- **Opportunities for investor education:** All of the platforms place an emphasis on the investor experience and investor education (particularly in their product offering). Given that the platforms may appeal to new or inexperienced retail investors, there appears to be an obvious attempt to support education and financial well-being. There also appears to be a common appreciation across the platforms that financial well-being and financial knowledge are shared benefits. Several authors elicit the importance of education around RI opportunities (Giamporcaro & Viviers, 2014; DFID, 2018, Moody's, 2020) and how that might contribute toward greater emergence of co-production (Jackson & Harij, 2014).

The interviewee confirmed that investor education is important, and should form the cornerstone of any alternative investment provider offering.

- **Does RI or dual return feature on the platform**: Two of the platforms talk directly to RI benefits without necessarily utilising RI as the terminology. It questions whether terms such as RI or dual return are currently relevant in South Africa, or if the this finance sector needs to define its own terms of use and how they might relate to dual return practice. Consistency around terminology supports repeat application and common understanding, as confirmed by Hochstadter & Scheck (2015).
- **Use of narrative or stories to talk to investment outcomes**: Narratives are potentially under-represented across all three alternative investment platforms; particularly given the contextual nature of these investments. Elements that reflect the investment impact upon society are not conveyed. This investment sub-sector is best positioned to intern narratives into its supply offering.
- **Focus on women or minority groups:** Investments do not specifically target impact on women or minority groups as investment outcomes. This is likely due to the impact of the three platforms being clearly defined within the investment design.

Recommendations for alternative investment providers to better connect with retail investor demand and enable augmented RI supply:

- ➢ The RI demand survey indicates strong levels of demand for co-production and dual return. Interest in dual return opportunities was emphatic by survey participants. Alternative investment providers should promote the dual return and co-productive nature of their supply opportunities to further engage retail investors. Other market actors have yet to even pick up on terminology of co-production, RI, or dual return (features that resonate with retail investors), whereas these characteristics are central to the offering of the majority of alternative investment providers. This is a market differentiator that should be leveraged by this investment sub-sector. Settling on consistently-used terminology will be important for alternative investment providers as the lexicon will need to grow with the retail investors.

- Co-production is a nascent concept within the financial world (Abd Aziz, 2017). The literature review confirms its existence but is hesitant as to the extent of its practical application. Yet, the case study confirms that co-production is mainstream and is something that takes place in different guises for retail investors. All three investment sub-sectors have the infrastructure in place to enable more inclusive co-productive praxis but only the alternative investment sub-sector appears to consider it as a tool for integrating investors with intentional investment outcomes. As intimated by Livestock Wealth, the sub-sector should interrogate further mechanisms of co-production. Relying on an investment nexus would be a useful departure point for actors in this regard whereby methods of reinforcing the investment nexus would suggest opportunities for leveraging co-production.
- Two of the companies assessed in this sub-sector have a direct touch-point with asset custodians. Lived stories associated with the benefit of the investment should be captured and communicated. The literature confirms the importance of enabling stories as feedback mechanisms alongside predetermined success metrics. Promoting narratives is an opportunity to connect with and influence retail investor demand.

Recommendations for retail investor demand

The literature review suggests that knowledge and education are primary drivers of retail investor demand, alongside perceptions of affordability and investment return. Access to education around RI and opportunities of RI supply are important enablers for retail investors in South Africa. Given the limited nature of immediate RI availability, its important that retail investors continue to search for, and engage with, RI concepts so that RI demand places pressure upon those involved in RI supply.

Conclusions

This dissertation considered the range of responsible investment opportunities available to retail investors in South Africa, based on a level of demand ascertained via survey. It undertook a literature review that reflected upon the importance of access to investment opportunities by retail investors and how, within developing countries in particular, this type of investment activity can act as a boon for local economic development. The literature review summarised the various forms of retail investment activity. The distinction between pecuniary investments and dual return investments was drawn, noting the scale upon which investment intentionality resides. Dual return investing is a key input into an investment nexus; a paradigm that is actualised through the application of co-production. Co-production is described as a proxy for inclusion within the retail investment process. The literature review reflects upon the origin of co-production and how it might be applied within the realm of investments made by retail investors, in order to enable the investment nexus.

In order to set about responding to the research question, the researcher established a short survey intended for local retail investors. The survey set out to measure investor demand amongst South Africa retail investors. It revealed significant interest amongst these investors for greater inclusion within the retail investment process. Respondents overwhelmingly opted for dual return investment opportunities as well as co-productive opportunities in establishing investment outcomes. Retail investors revealed their preference for dual return investment outcomes, indicating an even spread amongst ESG, local businesses, and overseas opportunities. The survey strongly intimated that co-production as a concept is a well-known one, and is not peripheral to the lexicon or intentionality of investor demand. The insight provided by this survey into retail investor demand is a contribution by this research to a largely under-represented field of academic study in South Africa.

To test the assumptions drawn from the survey, the researcher undertook a case study of retail investment opportunities in South Africa. In order to do this, the researcher established a framework of 14 demand indicators that were unilaterally applied to three different investment sub-sectors where retail investment opportunities are evident: commercial banks, asset managers, and alternative investment providers.

It became clear that, similar to when considered within the realm of retail investor demand, co-production is a concept that features within retail investor supply, regardless of the investment sub-sector. It is, further, evident, that co-production can mean different things within different investment contexts and so can be applied relatively liberally. However, its application is understated as a mechanism for facilitating inclusionary investment processes for retail investors. As such, distinct differences are evident between the inclusionary investment practices of the three investment sectors. Within the asset management sector, particularly, investment jargon is prominent and appears to establish an exclusionary barrier that prevents mass participation by retail investors. Additionally, within, both, the banking and asset management sectors, the retail investor is unable to engage with the outcome of their investment beyond personal financial return. This is in stark contrast to the alternative investment providers where simple investment rationale, engaging investment language, and a strong focus on the dual return outcomes of the retail investment are prominent characteristics of the investment offering. The alternative investment providers are also the only sector to place any emphasis on narrative as a means of engaging the retail investor and creating a context with the investment outcome.

All three investment sub-sectors appear to hold investor education in high regard, with the majority of the assessed companies promoting links to greater financial education for retail investors. Equally, the majority of the assessed companies have easy to navigate websites, though these are all in English and don’t offer the facility for translation. The investment offering for retail investors is most abundant amongst asset managers, however, little diversity exists with no connection to an investment outcome, particularly one aligned to RI. Only one of the asset management firms placed an emphasis on dual return outcomes, via a rating system that offered no context as to the impact of the investment. Banking investment products are largely homogenous with the exception of two banks who provide opportunities to access more widespread retail investments (overseas funds and shares in local companies). All of the banks utilised a partner asset management firm (or share-trading platform) to facilitate retail investments outside of savings account investments. Undoubtedly, the alternative investment providers offer the greatest degree of dual return choice for retail investors.

Several questions were extracted from the findings of the case study. These related to questions of clarity, observations around intentionality and barriers to entry, as well as pressure points within the investment process. Representatives of two of three sub-sectors analysed were approached to participate in semi-structured interviews, to respond the case study assumptions and corresponding questions. The asset management sub-sector and the alternative investment sub-sector were engaged with. The banking sector did not form part of the interview process.

Illuminations from the representative of the asset management sub-sector confirmed the ubiquity of ESG ratings for retail investment funds in South Africa. At this stage, dual return is a branding exercise for funds rather than a truly educational one for retail investors. It was suggested that funds and asset managers behave like brands that attempt to appeal to retail investors on the basis of what is recognisable rather than that which is truly impactful. However, creating greater impact through future retail-fund investment may reside at the point of greater brand diversity and awareness. To this end, opportunities for expanded retail investment supply and demand, in South Africa, depend on the diversity of actors who inhabit this investment eco-system; no single actor on either the supply or demand side can stimulate greater access to local RI. Education is critical to empower both investors and asset managers to diversify their offering and extend themselves toward dual return RI options. Co-production, whilst evident, is largely the domain of institutional investors. The dual return offerings are not yet mature enough to engage retail investors at the level of co-production. However, given co-production’s proxy as a tool of inclusivity, it has a potential role to play in stimulating greater narrative, and therefore context, within the asset management RI offering.

Assumptions around simplicity of the investment rationale and attempting to appeal to investors of all levels of proficiency were confirmed by the representative of the alternative investment sector. Equally, the emphasis upon dual return and RI is intentional rather than coincidental. Alternative investment providers who make investment opportunities available to retail investors compete with institutional investors to bring opportunities to market. However, alternative investment platforms are, arguably, more likely to assume greater risk and target more developmental investment opportunities than institutional investors who would focus on more established enterprises. This suggests that RI in South Africa is more risky than investing via an institutional investor. Additionally, RI is developmental in nature and is always likely to have greater dual return impact when measured from a low base of small to medium sized enterprise. Due to its developmental nature and concomitant risk exposure, alternative investment providers need to focus more intensively on eco-system development. This means that they have to work with investors, the investment custodians, and the investment process to bring the various dynamics into alignment. This describes the investment nexus outlined in this dissertation, intoning that alternative investment platforms are facilitating the investment nexus for RI in South Africa. It also suggests opportunities for other participants to influence the investment nexus to support expanded local RI opportunity. The researcher is of the opinion that the concept of co-production is burgeoning within the alternative investment space, with greater ingenuity on the horizon. As such, the investment process stands to become more inclusive and more accessible as the investment sector expands.

Opportunities for future research:

The level of understanding of retail investor demand in South Africa appears to be extremely limited. Further research into characteristics of retail investors, drivers of RI interest amongst retail investors, preferred methods of investing are amongst the rich topics of research required into retail investor behaviour as it relates to RI opportunity. Ideally, this research should be on-going ultimately resulting in a retail investor demand metric capable of holding levels of RI supply in the country to account (especially amongst large institutions) and illuminating those RI opportunities that are provided (especially amongst start-up and SMME undertakings).

Based on the innovation displayed by Capitec and Easy Equities, where Capitec clients can purchase ETNs, bundles, and shares in listed companies directly from their bank accounts, RI supply would benefit from a better understanding of the obstacles to connecting retail investors with RI opportunities via their bank accounts. Amongst asset managers, research into the factors that can stimulate supply and demand for RI whilst being observant of the complexity inherent within a RI demand and supply system, would assist innovation with RI supply: positioning ESG funds as brands or appealing to sustainability sentiment amongst Generation Z investors stands to deliver a dynamic new quantum of retail investors. However, research into how this might be achieved or what the potential gravity of this action would mean for RI uptake amongst retail investor augmentation is needed. Finally, as noted throughout the case study, narratives relating to RI are underrepresented within investment supply. Research into the narrative methods which can be applied to increase RI demand amongst retail investors would be beneficial to investment sector as a whole.

Annexures

Addendum A: Interview protocols and consent forms

Please refer to the attachment A1 for the consent form signed by Easy Equities, referenced as Quick Trader in the Methodology section.

Please refer to the attachment A2 for the consent form signed by the interview participant from the asset management investment sub-sector.

Please refer to the attachment A3 for the consent form signed by the interview participant from Livestock Wealth.

Addendum B: Narrative sent out by Easy Equities to their membership base

The below text details the email released by Easy Equities to their membership base advising of the retail investor demand survey.

The correspondence submitted to Easy Equities (EE) members was drafted by Easy Equities with input from the researcher. The correspondence read as follows:

*"**Your investor opinion counts***

Dear Easy user

One of our Easy users, Andre Roux, is doing research at the University of Cape Town into retail investing. Once complete he will share the research with the Easy community so that we can all benefit. As part of Andre's research, he is keen to get the views of a few amazing investors like you.

You have been randomly selected to complete a 2 minute survey to assist this research and anonymously lend your voice to the level of demand for alternative investment products. Responsible investments are broadly understood to deliver a measure of well-being alongside a financial return (often referred to as impact return).

Your insight can guide the way to a more inclusive investment market."

Addendum C: Guiding questions for semi-structured interviews

COMMERCIAL BANKS	**Question**
Alternative Investment offering	What is the relationship like between banks and asset managers? What degree of innovation and product development do they

	perform together? Are there significant barriers to seeing greater product integration for retail investors?
Co-production of investment outcomes	Can banks build a model whereby investors commit finance based on social or economic outcomes that they wish to see manifest via their investment, and whereby banks connect investors to the funds that drive these outcomes?
Use of narrative	Is there a reason for this? Would communication be more effective if it was more story orientated? Literature tells us that RI is dependent on stories. By proxy, increasing RI awareness requires increased story telling.
ASSET MANAGERS	**Question**
General	How do asset managers measure client demand? How does it shift the needle of supply?
Investment offering	Why are ESG ratings not more prevalent amongst asset managers? Are there other investment offerings beyond unit trusts that asset managers can offer? One wonders why asset manager offer emerging market funds if their returns are likely to be less attractive. Is it on the hope that they produce a unicorn or is there a dual income intentionality to the product? What are the barriers to providing more RI-linked funds for retail investors?
Barriers to entry for retail investors	Are these barriers unwitting or purposeful?
Co-production of investment outcomes	Does a dearth in co-production speak to a lack of RI supply, directing investors toward finance-first funds, or is this a function of a lack of investor demand within this space?
Extent to which retail investors can engage with the investment outcome	Is there a reason that asset managers provide clientele with such a limited of investment scope?
Opportunities for investor education	Is there a reason that Asset Managers choose to maintain a limited view on investor education? Are investors intended to behave as silent but willing participants in this business model?
Narrative	Is there a reason that narrative is so under-represented within the asset management retail investment offering?
Explicitly appealing to men or women	Should investments offerings make this kind of distinction or aim to leverage the presence of women investors, for example? Why or why not?

Alternative Investment Facilitator	Question
General	Is the emphasis on simplicity intentional? What's the thinking behind it?
Investment offering	What are the positive externalities that might come from such inclusive practice? What is next? Can people earn credit scores or tax benefits by being shared asset owners? How can the investment offering grow?
Dual return	Are there other companies out there doing something similar? Where do you think dual investment models can go?
Ease of use for retail investor	The platform appears to focus on ease of access, ease of use, emphasis on visual reporting, and reduced complexity around investment narratives. This is appealing to an amateur investor as its an easy logic to follow. Is there a reason the website is positioned in this way? Who are you looking to appeal to when thinking through how you present the product?
Co-production of investment outcomes	Is co-production a concept that resonates with you? How do you think investors can be invited to build a more conscious connection with the investment outcomes and therefore invest more frequently? Can you imagine a model whereby investors work with beneficiaries and yourselves to build a product offering?
Investor education	Why is there an apparent emphasis on investor educating and financial wealth? Who is the target market of the investment offering? Why is education so important within this investment space? Why is this so different from the offering of asset managers?
RI or dual return on the platform	Does RI or dual return mean anything to you? Do you classify this type of investment offering that you facilitate? Would it be better to have greater uniformity in defining investment opportunities or would this limit the scope of what can be achieved?
Role of narrative	What is the role of narrative in investment facilitation? Why don't we see more narratives emerging within the RI space (or investment space in general)?
Focus on women/ minority groups	Is there a role that investing can or should play in addressing gender inequality in SA as well as under-presentation of minority groups within mainstream economic activity

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