

COVID-19 risks to our future are real - but the life lessons learned will help us navigate the times ahead

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We're in this together. Extraordinary times have required an extraordinary response.

Those who have stepped up during the COVID-19 crisis have highlighted the value of many behaviours and practices that have the potential to serve and support us as we move forward.

Earlier this year, in the blink of an eye, our life at work and at home was turned upside down – with different sectors of society and the economy impacted in varying degrees. In a situation reminiscent of the rise of the Berlin Wall, many found themselves on the 'wrong side' of the fallout through no fault of their own. This has affected - and should matter to - us all.

Futuregrowth has published a series of stories depicting how our people and partners have responded to the national lockdown in their distinct way. **A few themes have emerged** from these stories and may hold the key to how we can constructively approach the ongoing uncertainty and beyond.



Nothing is as simple as it seems

Many of our stories have represented one or other cliché being turned on its head. While, for example, "looking on the bright side" can be useful, recent experience has required us to move beyond the obvious and become aware of the subtleties and vagaries of the setting we find ourselves in.

Our story on the risks to entrepreneurial businesses speaks about the 'opportunity to re-set our lives' but also stresses the need to take a step back and ask some searching questions, in order to lay the appropriate groundwork. This may involve letting go of some hopes and dreams that were founded on the old reality, before the pain can be turned into opportunity.

In another account, one of our bursary recipients finds that learning under lockdown has its ups and downs, and concludes: "I urge students who will hopefully read this someday, to see this learning under lockdown experience as a taste of what the real world would be like if they do not work hard with their books today. They will be stuck in the same routine every day without moving forward".

Andrew Canter, Futuregrowth's Chief Investment Officer, sums up his personal view: "We've all had nearly six months of this new world. It's scary and different, but also liberating. The future will see us having more choice of work-arrangements and (happily) less business travel. We have learned that managing remote teams is a discipline unto itself. Some teams can adapt easily, but an investment team has outputs that are nuanced and fluid. It has decision processes that are as much interactive as internal, and that produce energy and creativity by interaction. It remains unclear whether a 'thinking team' can, or should, be run remotely. COVID will require the experiment to continue for a while and we are all finding a certain kind of freedom in working from home and having an in-your-face, enforced work-life balance."

The significance of relationships

If there is one thing that the global pandemic has taught us, it's that we are all interconnected. There are many kinds of relationships, and these have all been illuminated, ironically, during a time when 'isolation' has been the catchword of the day.

In our stories covering COVID-related social initiatives, it is evident that the effectiveness of these projects has been exponentially enhanced when built on a pre-existing association. The nature of the association may have changed in subtle or dramatic ways, but the historic ability to assess and respond to the needs of a specific community is immutable. For example, the 9Miles Project has been able to leverage off its youth surfing programme (running since 2013 in coastal informal settlements) to provide hunger relief to many who might otherwise have been easily overlooked. Similarly, the Kasi RC arts centre in Khayelitsha turned its theatre into a soup kitchen soon after the lockdown started, literally feeding body and soul by engaging and uplifting those queuing for food with music, movement and dance.

COVID-19 has put both the health of the workforce and the business at risk. The enforced protocols of working from home and other changes to working relationships have raised an irreversible appreciation of the importance of both the psychological and physical wellbeing of workers. This is amply illustrated in the stories about our farmworkers, where holistic practices have bolstered the resilience of the workforce in the face of unforeseen circumstances.

Turning to the investment industry, Paul Semple, Futuregrowth Portfolio Manager, states: "Although many questions about life in a post-COVID-19 world prevail, I think the enduring value of partnership is more critical than ever". He defines this particular relationship as "open, honest and dependable" and believes it will be "necessary to help navigate an uncertain future." The story about our investment team shows how a particular kind of synergy between lenders and borrowers has been required to protect our clients' long-term interests. Thanks to a relationship of said openness, honesty and dependability, crucial service providers have not only been able to weather the storm, but are now also well positioned for future growth opportunities.



The significance of relationships has extended beyond the human realm. Daphne Botha, Head of Risk Management at Futuregrowth, notes: “We are not only changing how we work, but within the world of investments we also need to reassess relationships between elements, as the way things used to work is not how they will work going forward” – suggesting that the links between people, processes and priorities will continue to need to be scrutinised, as has been accentuated during COVID-19.

Good governance and a positive track record prevail

As illustrated in many of our case studies, the importance of good controls, transparency and credibility cannot be overstated. This applies as much to the pre-COVID environment as it has done during the crisis - and may apply even more so post COVID-19.

Demonstrably sound policies and processes, and efficient expense and cash flow management, have been paramount in decisions to support borrowers in temporary distress, along with increased engagement and monitoring of the companies concerned. This principle has allowed us to fulfil our commitment to supporting our borrowers in good standing, and to play our role as partners in development in the South African economy in the past, and with greater urgency during COVID-19.

In the same vein, we have found that our responsible internal practices have set us up favourably to deal with the unexpected changes. As Reza Solomon, our Head of Information Technology, attests: “Futuregrowth's robust Business Continuity plans and regular testing ensured that we were better prepared than most companies to switch to a productive work-from-home environment at very short notice.”

Corporate governance has also informed our choice of causes to support. Unsurprisingly, the proceeds of our Futuregrowth COVID Solidarity Initiative must be disbursed to bona-fide organisations that will

deploy the money effectively and ethically. Our CSI Committee has been tasked with vetting potential beneficiaries, giving staff the comfort that their donations will be used in a judicious manner.

The need for this approach has been vindicated by recent investigations into corruption relating to the government’s relief programmes, with the head of the World Health Organisation condemning corrupt practices in South Africa around medical safety gear for COVID-19 health workers, as tantamount to murder.

Prompt action is required

Much has been said about innovation and the value of a fast response. This has now started to become the norm and, due to the devastating impact of the pandemic, is unlikely to change any time soon.

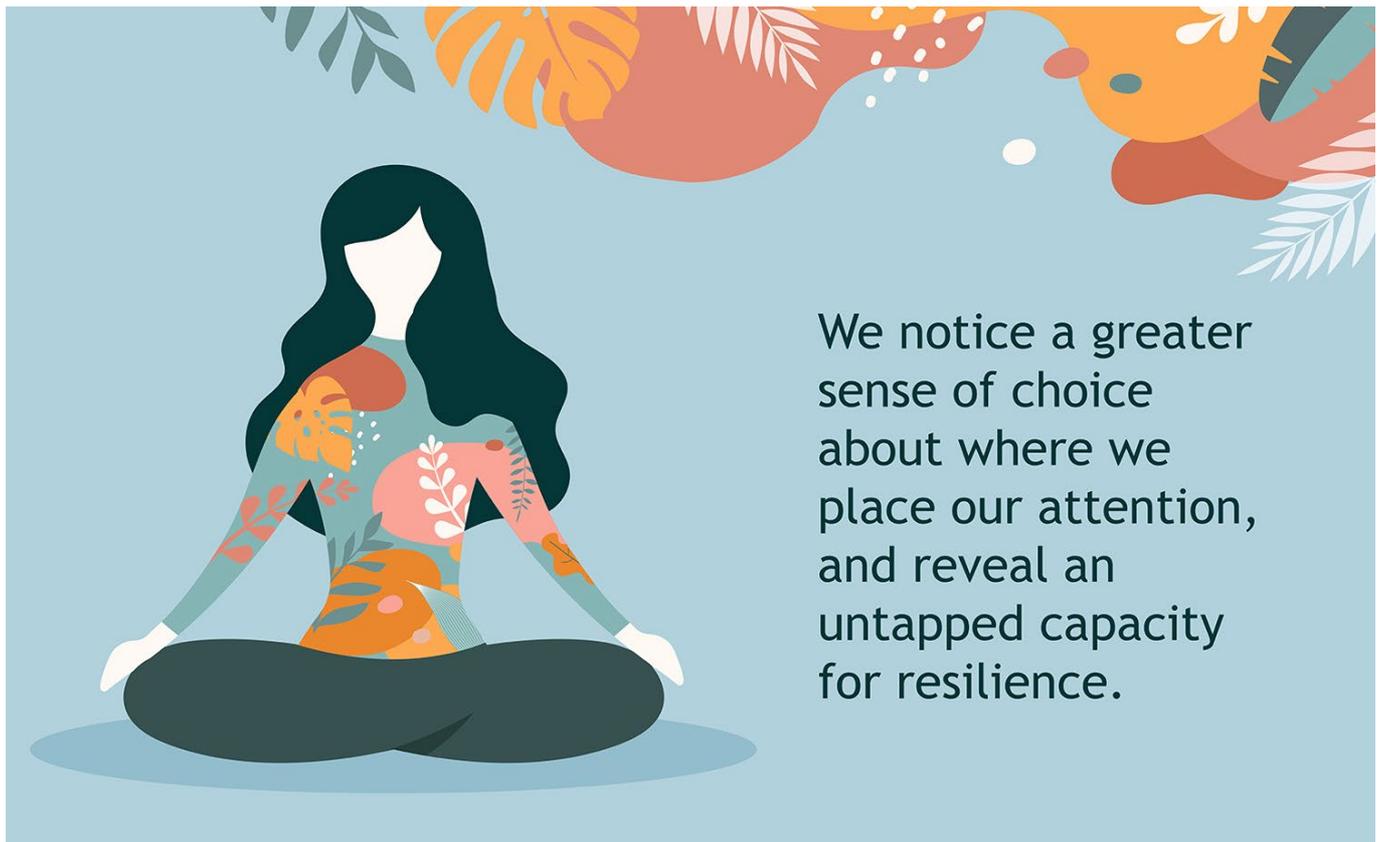
The immediate fallout of the lockdown, particularly where hunger and potential infection were involved, demanded an instant response. Where government has failed to address the situation, ordinary citizens have had to move in swiftly to provide solutions. This is no more evident than in our story on Joanie Fredericks, self-named ‘activist on the ground’. Likewise, in supporting our deal companies over the worst of the crisis, we have had to accelerate our turnaround times in assessing and approving applications for assistance.



The timing of the pandemic and existing state of our national economy has also piled pressure on the need for prompt and decisive action. This is captured by the Head of Futuregrowth’s Interest Rate Process, Wikus Furstenberg: “The events of the past few months have had an unprecedented impact on global economic activity, with an impact even more devastating on small, open and structurally vulnerable economies like South Africa. Yes, some recovery will follow simply because of the current low base, but the urgency with which the country has to respond in addressing its well-telegraphed structural weaknesses, to avoid it slipping deeper into the low growth trap of the last decade, cannot be overemphasised.”

Mindfulness matters

Reflecting on the way forward, Nicola Graham, who runs mindfulness practice sessions for Futuregrowth staff, suggests: "We are unlikely to be able to predict the exact nature of change, or how it will impact us, but certainly it seems that this is not a good time to be asleep at the wheel... on autopilot, or relying on rote behaviours. If nothing else, the uncertainty of this time invites us to sit up, wake up and tune in to our lives in real and practical ways, so that we can respond wisely to what comes across our path." A regular attendee of the mindfulness sessions observes that this is important "not just in times of calm and quiet, but in the midst of chaos too".



We notice a greater sense of choice about where we place our attention, and reveal an untapped capacity for resilience.

We have seen how mindfulness can build our capacity to separate our triggers and our actions, allowing us to respond with choice rather than reacting automatically – and how this reveals an untapped capacity for resilience.

Yusuf Chothia, Futuregrowth Manager of Enterprise Solutions, expresses one way in which this may manifest: "The pandemic has taught me, when you look at things with an 'infinite' mind-set it's easier to distinguish what's really important from the 'noise'. Pausing to consider how relevant an action will be next week, month, year or decade creates a greater perspective on what really matters. This will create meaningful change instead wasting time on what may shortly be inconsequential."

Communication is key

Needless to say, COVID-19 has thrown the need for meaningful communication into stark relief. At the start, we were bombarded by a mass of information, misinformation and anecdotes, with very little hard evidence on which to base decisions. Due to the novelty of the virus and its unprecedented impact, this is likely to continue for some time. However, in addressing this concern, many ground-breaking innovations and collaborations have come about. Our story on Yoco is one of the best examples of this.

The success of the government's emergency regulations is inherently dependent on society's willingness to implement them, and the need for education and communication that brings about understanding and compliance rather than panic and resistance has been showcased markedly in the stories relating to our farms.

The pandemic has also forced us to look at the importance of inclusivity in our world view and has hopefully reinforced how much we can learn from each other - as well as the value of care and compassion, a theme that traverses our collection of stories as a whole. These show that anyone can make a difference, and, no matter how small the gesture, this can enrich someone's life. We hope that this is something everyone will take with them into the future forevermore.

Some impressions on the next six to twelve months

Several Futuregrowth people describe what springs to mind when considering our near-term future:

- "Looking forward, the only certainty is uncertainty. Therefore, as a business, one has to ensure one is resilient and incredibly agile to appropriately respond quickly to a continually radically changing environment." *Paul Rackstraw, Managing Director*
- "The world post-COVID-19 is filled with themes of uncertainty and murkiness but with both obvious and not so obvious opportunities, allowing those who are able to adapt to make the most of an unpredictable future." *Jason Lightfoot, Portfolio Manager*
- "Staff will need to adjust to working in the office again while dealing with the anxiety of a potential second surge of COVID-19 infections, and the organisation will need to define its strategy and approach to a hybrid model of staff working in the office and from home." *Carmelita Pastor, Head of Human Resources*
- "Given the current state of the pandemic, the future is going to continue see a 'blended' work environment, with some people continuing to work from home while others will be returning to the office. In order to extend the security measures we have at the office to everyone's home-office, a rapid transition to the cloud will become a priority for most companies." *Reza Solomon, Head of Information Technology*
- "COVID has resulted in the clear distinction between true leadership and just managing people. Our duty as responsible investors has already been, and will truly be tested over the coming months." *Smital Rambhai, Portfolio Manager*
- "Be considerate of others by taking simple precautions and, in turn, you will protect yourself. Life could then start returning to 'normal' and becoming more enjoyable - through acting responsibly." *Gianpaolo Gazzilli, Head of Finance*

To read the rest of the campaign stories, please see:

1. [COVID-19 risks to food security are real - but farmers step up to the plate with pre-emptive action and aid](#)
2. [COVID-19 risks to entrepreneurs are real - but mentee Ntombi steps up to the plate with family-friendly masks](#)
3. [COVID-19 risks to shopping malls are real - but rural and township centres step up to the plate with safety measures and food parcels](#)
4. [COVID-19 risks to new ventures are real - but Yoco has stepped up to the plate with an innovative response to the lockdown](#)

5. COVID-19 risks to business survival are real - but there may be a way to step up with a new approach
 6. COVID-19 risks to subsistence are real - but Futuregrowth steps up to the plate with a COVID Solidarity Initiative
 7. COVID-19 risks to staff wellbeing are real - but mindfulness can help us to step up to the plate with new ways of coping
 8. COVID-19 risks to farming communities are real - but a remarkable couple has stepped up to the plate with leadership and support
 9. COVID-19 risks to scholars are real - but Rialto Project's Joshua Mbana steps up to the plate with an award-winning essay on learning under lockdown
 10. COVID-19 risks to vulnerable communities are real - but one activist steps up and makes a vital difference
 11. COVID-19 risks to investments are real - but lenders and borrowers have stepped up together in meaningful ways
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