

SANLAM
BENCHMARK 2024

ACCELERATING
A BETTER WORKING
SOUTH AFRICA





Investing in infrastructure

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Infrastructure Investment: Infrastructure



Economic

Electricity generation,
transmission
infrastructure & related
services



Commuter transport
infrastructure & related
services



Liquid fuels
infrastructure & related
services



Social

Affordable housing
infrastructure & related
services



Healthcare
infrastructure & related
services

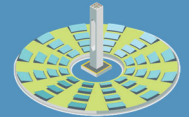


Education infrastructure
& related services



Environmental

Energy



Waste

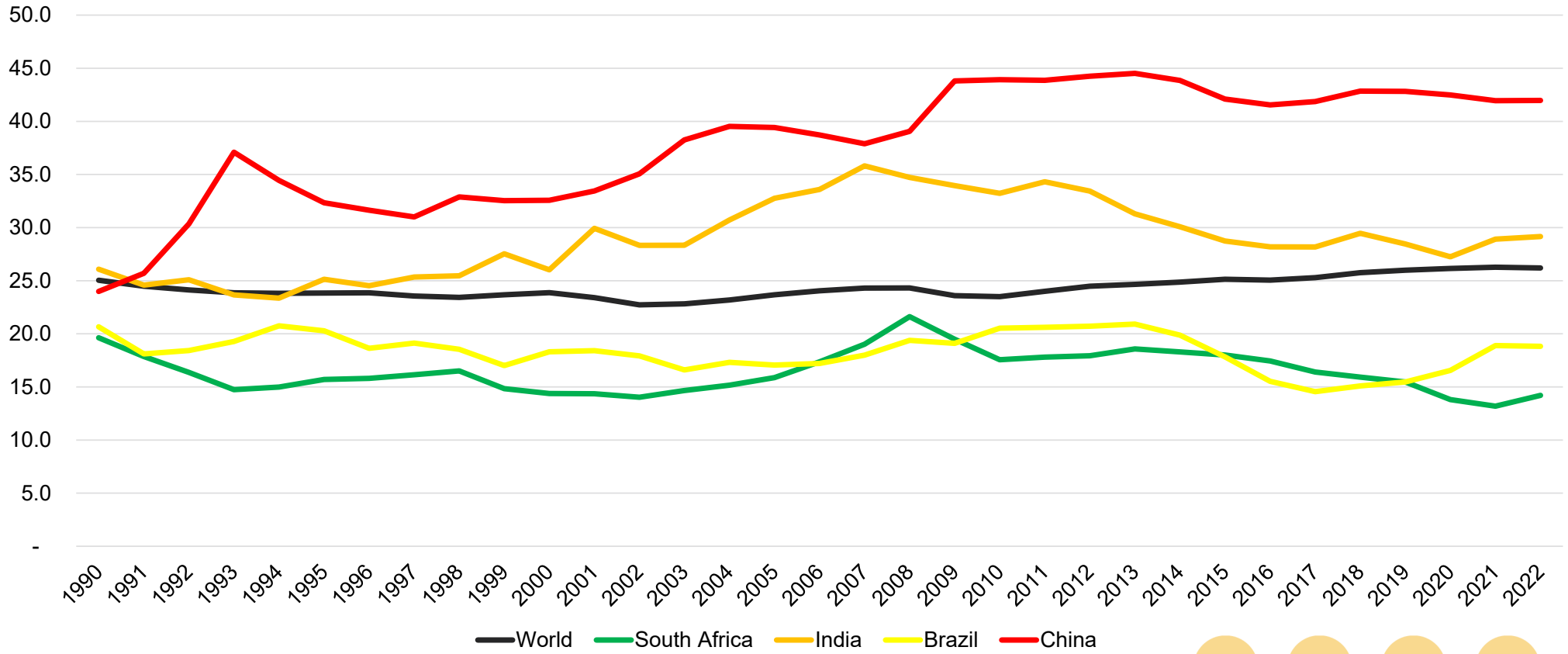


Agriculture, food
systems and food
security





Infrastructure Investment: Gross fixed capital formation (% of GDP)



Source: World Bank national accounts data, and OECD National Accounts data files.



Prescribed Assets in SA



2024

ANC Manifesto

“engage and direct financial institutions to invest a portion of their funds in industrialization, infrastructure development and the economy, through prescribed assets”.

2019

ANC Manifesto

“the investigation of the introduction of prescribed assets to mobilize funds from financial institutions for socially productive assets”

1958 to 1989

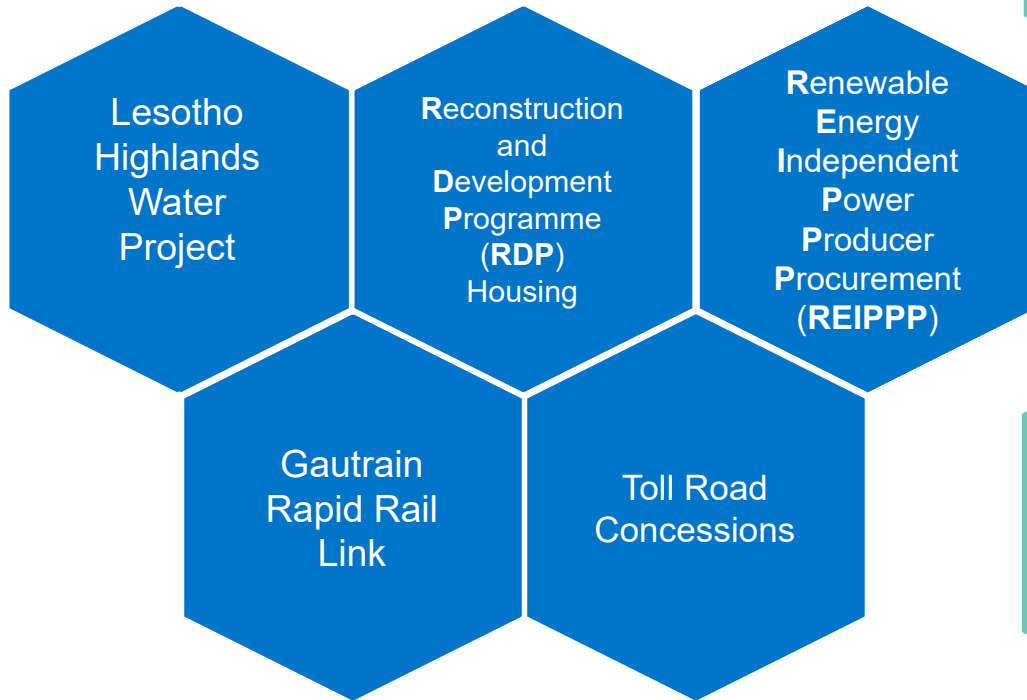
	Real returns (%)		Opportunity cost to Equities
	Equities	Prescribed	Real
1960s	8.3	1.9	-6.4
1970s	13.2	-4.0	-17.2
1980s	5.7	-1.0	-6.7

Section 19(1) of Pension Funds Act % Prescribed Assets (at book value)

Government, Government-guaranteed and Specified approved bonds

Pension Funds	53%
Life Companies	33%
PIC	75%

Public-Private Partnership in SA



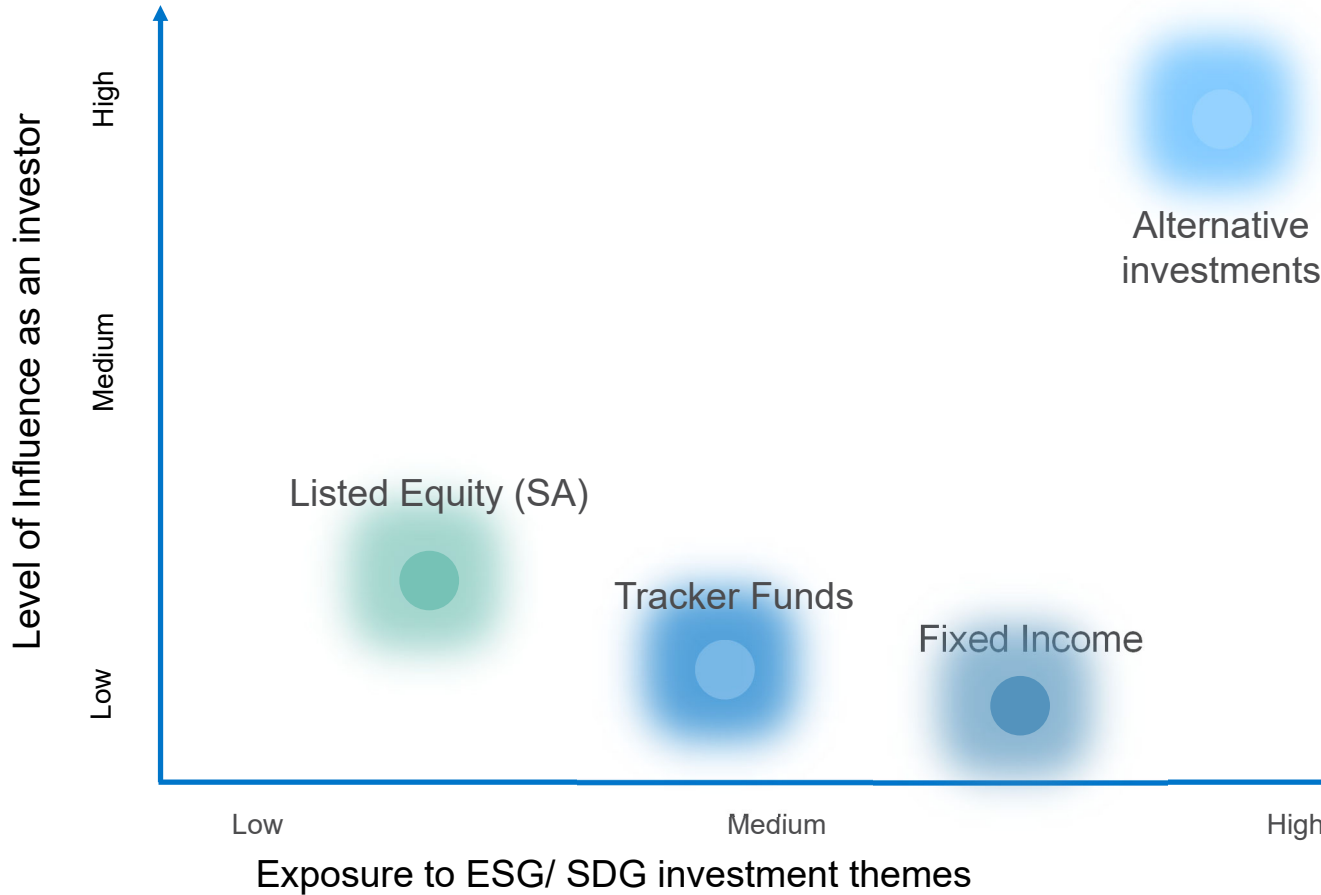


Global Investment into Infrastructure

Type	Average Balanced Fund	SA Public Pension	U.S. Public Pension Plans	Sovereign Wealth Fund	University Endowment	Family Offices
Example		PIC	California (PERS)	GIC (Singapore)	Yale University	Sample of 121 family offices
Size (\$bn)	Various	>160bn	>400	>700	>30	1.6 (average)
Alternatives as a % of total portfolio	2,8%	8%	40%	30%	73%	35%
Private Equity (PE)	0.1%	3%	17%	17%	38%	16%
Private Debt (PD)	-	-	8%	-	-	-
Real assets	-	5%	15%	13%	9%	14%
Natural Resources	0.6%	-	-	-	4%	-
Hedge Funds	0.5%	-	-	-	22%	5%
Other	1.6%	-	-	-	-	-

Source: Alex Forbes Effective Asset Allocation survey (Best Investment View), Sanlam Corporate, UBS

Investment Opportunity Set



Key SDG's that Alternative Investment can be directed



* Examples of ESG/SDG themed assets include quality education, low carbon products, inclusion, renewable energy and sustainable cities.





SA Retirement Fund Approach

MEGA FUNDS



- Very large asset size.
- Allows for direct investment in infrastructure.
- Making minimum investment requirements manageable within the regulation 28 limits.

LARGE FUNDS



- Large asset size.
- Limited ability to invest directly in infrastructure
- Minimum investment requirements require significant portion of AUM. Occasionally exceeding regulation 28 limits or not allowing for diversification in alternative investments.

MEDIUM TO SMALL FUNDS




- Small to medium asset size
- Does not allow for direct investment in infrastructure
- Minimum investment requirements require significant portion of AUM. This is not feasible on an individual fund level.
- Access infrastructure investments through pooling mechanisms or multi-managed portfolios.

Infrastructure Investment


Sanlam's impact through infrastructure



SANLAM FUNDS



ZAR 7bn+
Economic
infrastructure



**SUSTAINABLE
INFRASTRUCTURE
FUND**



ZAR 1bn+
Sustainable
infrastructure




**PROPERTY IMPACT
FUND**




Target size
ZAR 4bn
Social Infrastructure



**SANLAM WEALTH
CREATION**




4.8% Alternative
allocation
(Incl. Infrastructure)



**CLIMATE
FUND MANAGERS**

CLIMATE INVESTOR 1


USD 930m
Renewable
Energy



**Sanlam
FMO**


CLIMATE INVESTOR 2

USD 1bn
Water, Sanitation,
Oceans




**Sanlam
FMO**

**SA-H2
FUND**



USD 1bn
Green hydrogen,
Power to X



**Sanlam
FMO Invest International**
D&SA IDC
Industrial Development Corporation



Impact Fund Seed Assets | Township/Rural Retail

KWAGGA MALL



scope for additions



public transport location



quality retail space



Affordability

Access

Additionality

Fund Contribution

Valuation

- Average rental p/sqm of R153/sqm is in line with rural retail average of R154/sqm
- Majority tenants are local brands with national retails anchoring mall
- Supports large catchment area
- Preferred location for public transport providers
- Over 50% of tenants are local SMEs
- Eg: Nizams & Thakanyane Pharmacy
- Scope for additionality is available and is dependent on the demographic changes of catchment area
- Provision of quality retail space to local SMEs and national retails
- Providing access to staple goods and services
- Assets externally valued at point of transfer into Property Impact Fund or Exit

Sanlam's commitment to impact through Infrastructure Investment

Making a difference in the economies in which we operate.

Focusing particularly on
JOBS | REDUCING INEQUALITY | CLIMATE





Recap

Investing in Infrastructure: Building a Better Working South Africa, Together



Significant investments into infrastructure will lead to a better working South Africa



Public and Private partnerships create an enabling environment and opportunities for investment.



Infrastructure investment opportunities have provided good risk adjusted returns, diversification and impactful outcomes for retirement funds.



Sanlam is one of the providers democratizing investment into infrastructure