



PUBLIC INVESTMENT
CORPORATION®
Est. 1911



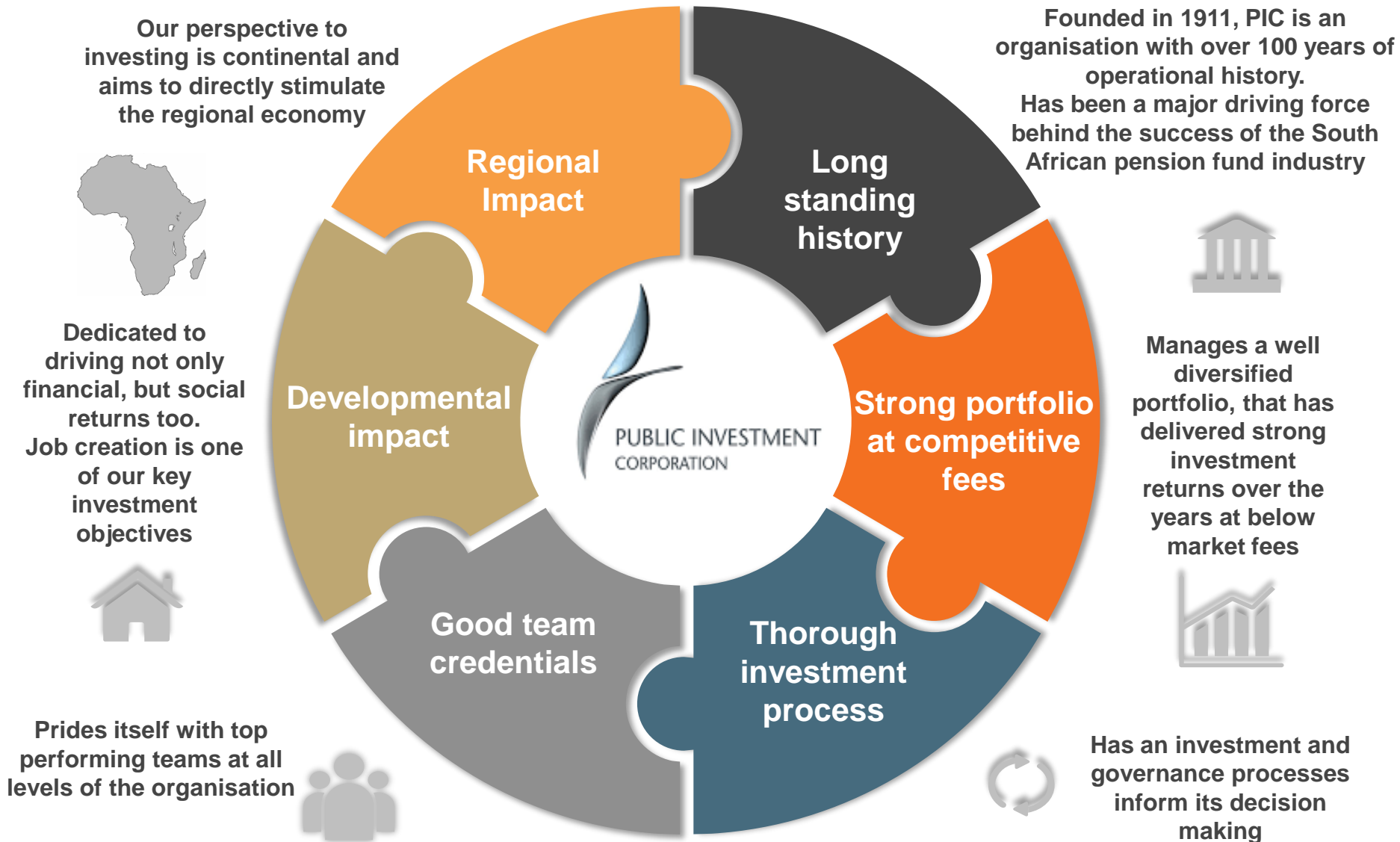
SUSTAINABLE
DEVELOPMENT

PRESENTATION TO Buffalo City Metropolitan Municipality

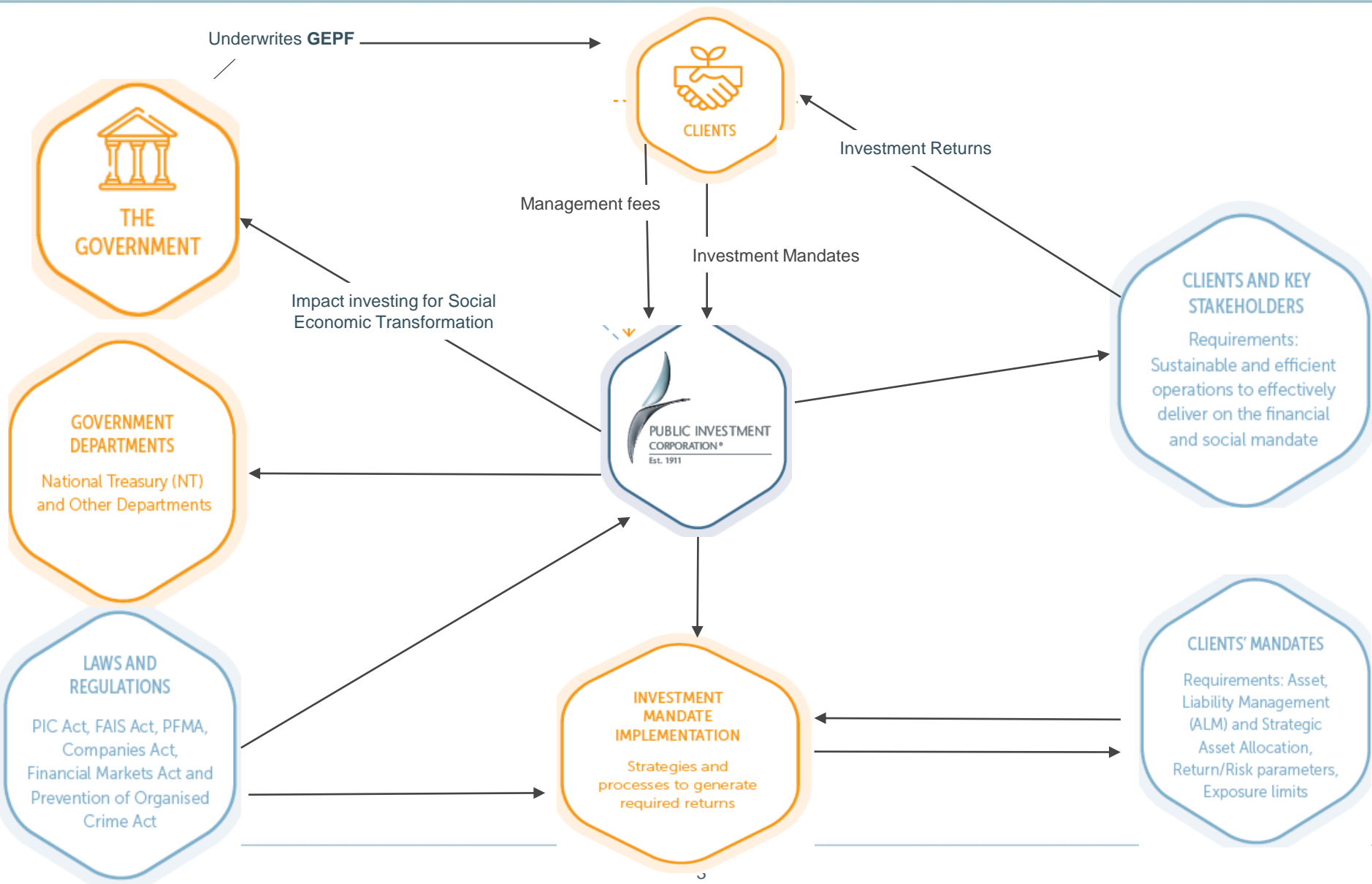
“FINANCING CATALECTIC PROPERTY PROJECTS IN SOUTH AFRICA'S METROS”



Who is the Public Investment Corporation?



GOVERNANCE AND REGULATORY ENVIRONMENT OF PIC CORPORATE AND PIC FUND MANAGER



PIC VISION AND MISSION - 2030

An organization built on Confidence and Trust

- Sound Ethical Principles in Everything we Do
- Transparency within our Ecosystem and with our Stakeholders
- Attraction and Retention of a Highly Skilled Workforce
- Solid Framework for Communication with our Broader Local and Global Community



PIC CLIENTS

As at 31 March 2019

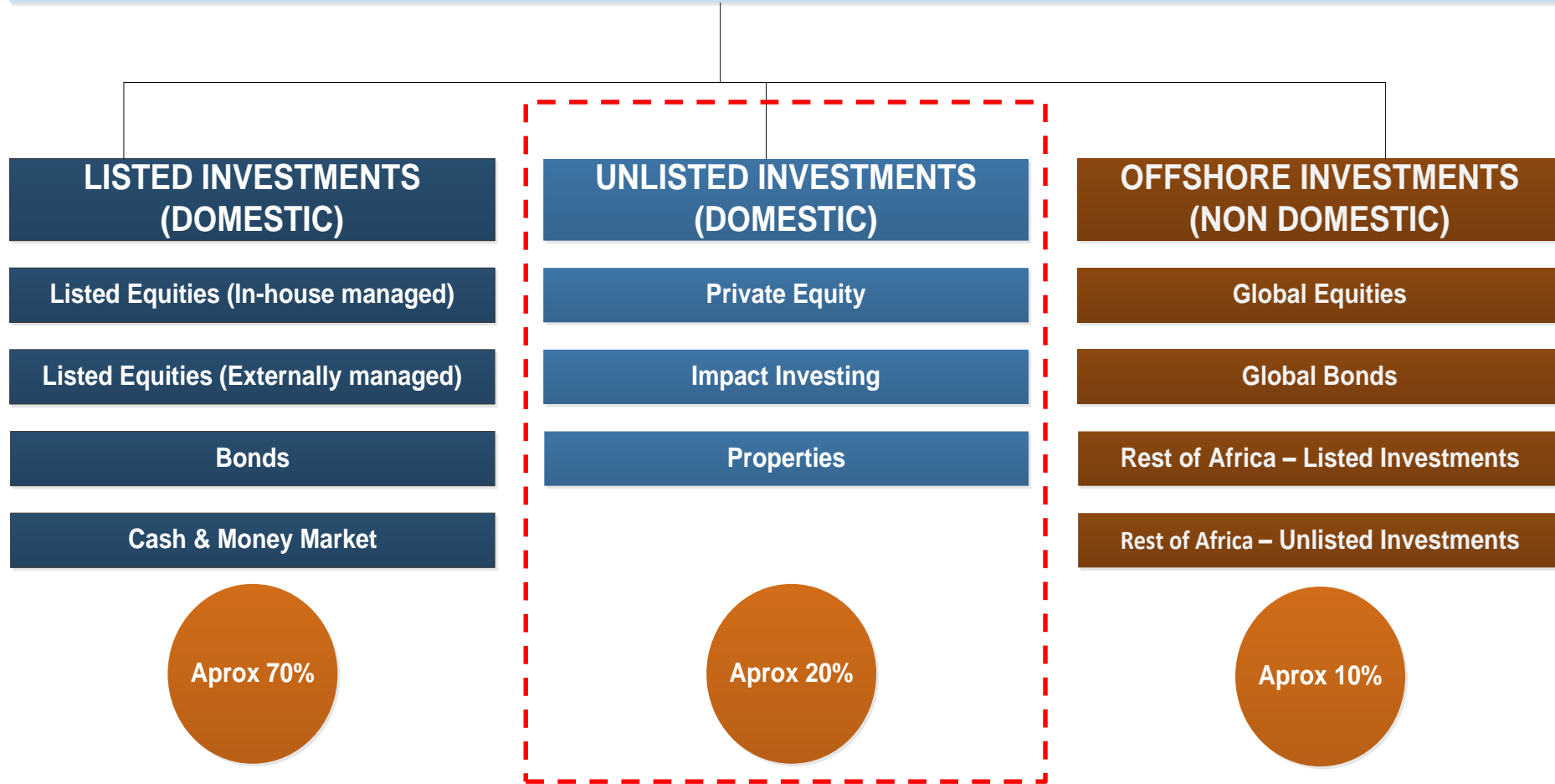


**Constitutes various clients with smaller portfolios*

STRATEGIC ASSET CLASSES

where we Invest

PIC Investments Asset Classes



Developmental investments principles are applied across all asset classes.

PIC ASSETS UNDER MANAGEMENT COMPOSITION: as at 31 March 2019, R2.131 trillion

LISTED INVESTMENTS (DOMESTIC)

33.43%

Listed Equities
(Managed In-house)

12.02%

Listed Equities
(Externally Managed)

32.26%

Bonds

6.38%

Cash and
Money Markets

2.52%

Listed
Properties

UNLISTED INVESTMENTS (DOMESTIC)

0.75%

Private Equity

2.75%

Impact Investing

2.24%

Unlisted Properties

OFFSHORE AND REST OF AFRICA INVESTMENTS

4.62%

Global Listed Equities

1.48%

Global Listed Bonds

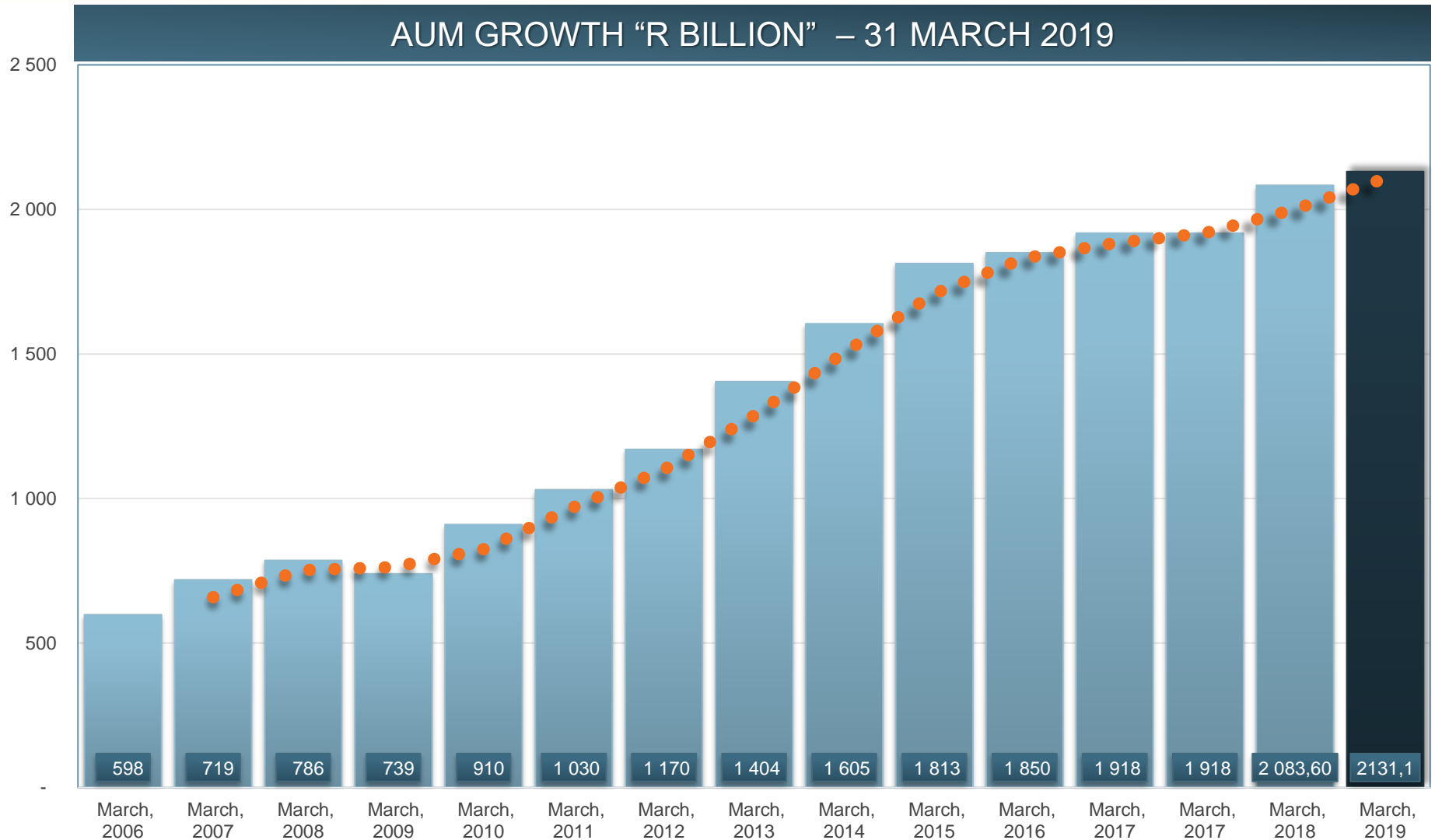
0.99%

Africa - Listed Investments

0.56%

Africa - Unlisted Investments

ASSETS UNDER MANAGEMENT GROWTH



TARGETED SECTORS FOR INVESTMENTS

Inclusive Growth Investments Focus Sectors

Social Infrastructure Investments

- Affordable Housing and end user financing
- Student Accommodation and financing
- Healthcare Academic Hospitals, Healthcare Fund and SPAC

Priority Sector Investments (high job creation sectors)

- Agriculture and Agro processing
- Manufacturing and industrialisation
- Mining and mining beneficiation
- SMMEs and Enterprise development
- Tourism
- Downstream industries
- Construction

Economic Infrastructure Investments

- Energy (coal, gas, hydro)
- Transport and logistics (roads, rail, air)
- Water
- Broadband and Telecoms
- Port (airports Harbours etc)

Renewable Energy and CleanTech

- Alternative Energy Investment
- Clean technology
- Recycling
- Green economy sectors
- Fuel cells

Real Estate Investments

- Rural Retail
- Industrial Parks (warehousing, logistics, light manufacturing)
- Offices (Outlying areas, Client use, Urban Renewal Projects, Tenant Driven)
- Specialised (Social Infrastructure, industrial and other specialised infrastructure)

Driving financial Inclusion

- Creation of Black Bank
- Creation of SPACs to allow the GEPP members and public to participate on JSE
- SMMEs to access funding
- Transforming the Asset Management sector

INITIATIVES BY PIC

- End user finance
- Investments in Housing development
- Scaling investment in student accommodation
- Health SPAC/Fund (advancing NHI)
- Academic Hospitals

- Direct investments in agri and agro processing projects
- Partnerships with Landbank
- Emerging farmers funding
- Focus on manufacturing and upstream technologies
- SMMEs funding – direct or wholesale

- Direct investments in energy projects (different mixes)
- Investments in airports, sea ports,
- Investments in roads, rail
- Telecoms and ICT

- Green energy (solar, biomass, gas hydro etc)
- Participation in renewable programs
- Rural electrification using the solar technology;
- Renewables SPAC

- Government offices, partnership with DPW;
- Rural mall development to foster rural development
- Industrial parks to support SMMEs
- Transformation of the JSE property sector

- Support SMMEs by creating a bank where SMMEs can access funding
- Creation of a "Black Bank"
- SMME funding technology platforms

SOCIAL IMPACT PERFORMANCE

Social returns since inception

TRANSFORMATION OF ASSET MANAGERS

+ R100 billion

allocated to transformed
BEE Asset Managers

60% of the Externally managed Listed Equities

+ 75%

of Brokerage business is allocated
to transformed BEE Brokerage firms

EMPLOYMENT

138,316 jobs created & supported



54,717 Permanent	16,870 Temporary
66,729 undisclosed	
36,314 FEMALE	61,387 MALE
40,615 undisclosed	
20,339 YOUTH	404 DISABILITY

EDUCATION

48 663 Loans
low to middle
income students

44 459
Students
Funded

R547
million
disbursed



18 Schools supported via
Education Focus Fund

18 600 Basic Education learners supported

AGRICULTURE

41 Farms 137 Emerging Farmers

750
Farmer workers with access to
healthcare facilities

1542
Farmer workers and children
with access to education
facilities

ENVIRONMENTAL



2097 MW

16 Projects

15 Community Trusts &
Employee Share Schemes

R14 542 428
Enterprise Supplier
Development

R47 365 096
CSI Spend

COMMUNITY UPLIFTMENT & ECONOMIC BENEFIT

307 SMEs funded –
118 Female Owned SMEs
15 Black Youth Owned SMEs
73 Black Owned SMEs



3,353 SMMEs
supported through
enterprise supplier
development

STUDENT ACCOMMODATION



Over **11 964**
beds
provided for
student
accommodation
at universities
across the
country

HEALTHCARE



24
Hospital
projects



2097
Licensed
beds

AFFORDABLE HOUSING



105
Housing
Projects

64 935
Houses
Constructed

PIC Properties Investment Approach

Unlisted Property Allocation

Direct Investments

Indirect Investments

Geography

Sector Type

Strategy

Strategy

Geography

Sector Type

Partner/Jockey

Sector Type

Strategy

Retail

Office

Industrial

Specialised/Other

Core

Value Add

Opportunistic

1. Strategy refers to risk level in terms of the asset life cycle
2. Core properties are quality income producing properties
3. Value Add properties are those where there is potential to enhance value through refurbishment, brownfield re-development or repositioning (leasing)
4. Opportunistic refers to new developments and land-banking assets where the risk is higher

PIC Properties Investment Approach

Directly Held Investments

- Direct ownership of property through title deed, wholly owned
- Active strategic and operational Asset Management
- Property Management outsourced to third party managers

Co-Investments

- Active participation in the day to day management and investment decisions via the governing structure of the investment vehicle
- Non controlling participation

Indirectly-Held Investments

- Control via shareholding and/or voting rights
- Non active participation in day to day management
- Ownership in property companies and strategic investment vehicles

Investment Criteria

RETAIL CENTRES

- Assets measuring minimum 10 000sqm
- At least 70% national tenants representation
- Preference will be given to townships and other under-developed areas
- 60% pre-let

OFFICE BUILDINGS

- Assets measuring 5 000sqm and more
- Avoid multi-tenanted buildings unless it's Government departments or agencies
- Preference will be given to Government and SOCs
- 60% pre-let

INDUSTRIAL BUILDINGS

- Assets measuring at least 3 000sqm or more in developing nodes and/or in industrial parks
- Avoid multi tenanted buildings
- 100% pre-let

SPECIALISED BUILDINGS

- Minimum investment size of approximately R100 million
- Direct investment or investment into a fund

PORTFOLIO OF BUILDINGS

- Buildings forming part of a single portfolio will be avoided, unless they meet investment criteria
- Thorough due diligence will be done to avoid unsuitable buildings, short-term leases or unfavourable expiry profile

Possible Areas of Partnership/ Co- Investments with Buffalo City Metropolitan Municipality



Affordable Residential Housing Development



Industrial properties, and Industrial Parks



Agriculture and Agro-processing



Healthcare Facilities, Academic Hospitals development

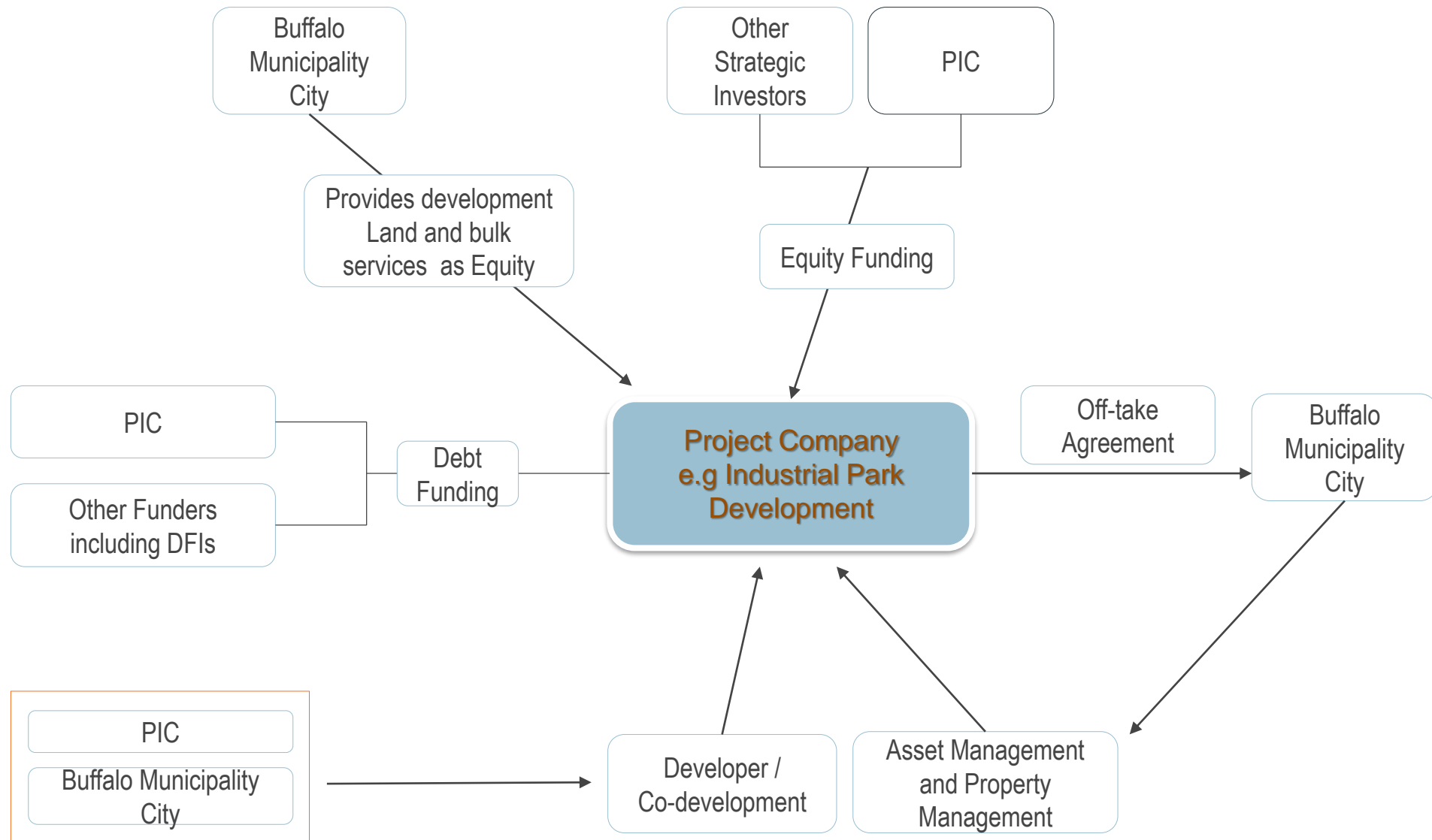


Student accommodation and Educational Facilities



Clean and Green city projects development

Possible Structures for Partnership and co-investments (Illustrative)



THANK YOU

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