

Catalysing economic growth

Sanlam is investing R2.25 billion to support the recovery of established companies affected by the lockdown. This committed investment aims to mobilise further capital from like-minded investors who want to accelerate the much-needed growth of the economy, post-lockdown.

In doing so, our aim is to be part of the drive to preserve value in businesses to which our investment community is currently exposed.



How we're responding to the impact of Covid-19: We're giving back

Investments



People matter. Every job counts.

We're investing in three new strategies which share a common goal: supporting businesses with a strong likelihood of producing sustainable long-term cashflows, should they receive financial support.

These strategies aim to strengthen companies across the spectrum – from SMEs to large caps – and are aligned with the core impact theme of job preservation and creation.

The Investors' Legacy range

| | CREDIT | | EQUITY |
|---------------------------------------|---|---|--|
| Market segment | SME | Mid & large cap | Mid-market |
| Instrument | Predominantly senior secured debt; may include subordinated debt & some unsecured debt. | Predominantly senior debt; may allow some subordinated debt | Private equity, mezzanine finance & listed equity. |
| Total targeted investment size | R1bn | R3bn | R3bn |
| Sanlam commitment | R250m (25%) | R1bn (33%) | R1bn (33%) |
| Targeted return (p.a.) | 3-month Jibar plus 6% | 3-month Jibar plus 3% | 25% IRR |
| Vehicle structure | En commandite partnership | Linked policy | En commandite partnership |
| Structure type | Closed-ended | Open-ended | Closed-ended |
| Investment term | 5 years | 5 years | 10 years |

Key benefits of our differentiated value-creation strategy

- Ability to leverage Sanlam's commitment to make a meaningful, positive impact on society, while meeting fiduciary obligations to beneficiaries.
- Ability to preserve and create value in businesses of all sizes, accessing investment opportunities not readily available in the market.
- Flexibility to access pillars individually or collectively, to accommodate any restrictions in your investment mandate.
- We delegate to specialist teams with a deep understanding of their respective asset classes and a long track record of creating value for stakeholders.

Making a real difference; targeting sustainable transformation

The capital will be invested with the intention of generating a social impact, while also looking to deliver returns that allow investors to achieve their financial objectives. We focus on investment opportunities that:

- Promote economic growth
- Preserve and create jobs
- Create a more sustainable and inclusive society.

We will actively pursue investments that support black economic empowerment.

THESE INVESTMENTS ARE ALIGNED WITH THE FOLLOWING:



ESG considerations are embedded into the process and we commit to reporting on the extent to which impact objectives are met.

Investment approach and governance

We position ourselves as a 'trusted partner' to the management team of each company in which we invest, particularly those businesses that require our active support and strategic guidance. We place significant emphasis on actively managing and monitoring the key elements of the transaction that impact the value of the investment for our investors.

We prefer proactive deal origination, rather than sourcing through competitive processes where businesses can more easily access the capital required. Sanlam uses its broad origination network to source proprietary transactions, focusing on businesses where we can add value.

Investment credentials

- Debt structuring unit originating over R100 billion in assets since establishment in 2004.
- 10-year track record in SME lending by female-led team, successfully delivering on their funds' investment objectives (and with no negative months).
- Over 20 years' institutional experience in private equity, with a seasoned deals team and a unique network of commercial experts that partner with us to execute on our unique value creation strategy.

CONTACT



JASON LITTLE
Head of Distribution
Sanlam Investments
Tel: +27 73 196 1909
jasonl@sanlaminvestments.com



MERVYN SHANMUGAM
Chief Executive: Alternatives
Sanlam Investments
Tel: +27 83 327 4930
mervyns@sanlaminvestments.com