

# South African SME Debt Fund:

## A partnership between the Eskom Pension & Provident Fund and Sanlam Investments

In partnership with Eskom Pension and Provident Fund, we developed the South African SME Debt fund with an explicit focus: to provide debt funding to established and reputable small to medium enterprises (SMEs) who require access to funding from traditional lenders. Our loans range from R10 million to R80 million and can be used to fund equipment, business growth and expansion, working capital and acquisitions. Through our funding we aim to assist SMEs to grow and contribute to our country's economic growth and development.

Sanlam Investments is administering the full end-to-end fund management process on behalf of the Eskom Pension and Provident Fund.

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## Investment criteria

- Track record of profitability;
- Minimum 3-year track record. We do not fund start-ups;
- High growth potential, stable and ability to repay the debt;
- Can demonstrate a creation of employment;
- The SME must employ at least 70% South Africans;
- We prioritise black-owned SMEs as well as those who operate within the manufacturing and agro-processing sectors.



## Exclusions

- We do not provide grant or equity funding.
- We do not fund start-ups.
- We do not fund SMEs involved in primary agriculture, primary mining, gambling, speculative property (including direct property), retail of alcoholic beverages and derivatives used for speculation.



## General loan terms

- Loan amount: R10 million to R80 million.
- Term: We structure the term based on your needs, however the maximum loan term is five years.
- Interest rate: Prime with an equity upside to yield a further 5% return.



## Initial documents required

- Most recent management accounts.
- Annual financial statements for the last three years.
- Business plan or information memorandum, if applicable.
- Shareholding structure.
- CVs of the management team and shareholders.



Sanlam Investments consists of the following authorised Financial Services Providers: Sanlam Investment Management (Pty) Ltd (“SIM”), Sanlam Multi Manager International (Pty) Ltd (“SMMI”), Satrix Managers (RF) (Pty) Ltd, Graviton Wealth Management (Pty) Ltd (“GWM”), Graviton Financial Partners (Pty) Ltd (“GFP”), Satrix Investments (Pty) Ltd, Amplify Investment Partners (Pty) Ltd (“Amplify”), Sanlam Africa Real Estate Advisor Pty Ltd (“SAREA”), Simeka Wealth (Pty) Ltd and Sanlam Asset Management Ireland (“SAMI”); and has the following approved Management Companies under the Collective Investment Schemes Control Act: Sanlam Collective Investments (RF) (Pty) Ltd (“SCI”) and Satrix Managers (RF) (Pty) Ltd (“Satrix”).