

Taking action today for a new generation of investors

South Africa, 23 November 2021:

In the next two decades, US\$50 trillion will move from the baby boomer generation to a new generation of investors. This new generation of investors are discerning; they want transparency, accountability, traceability, and, most of all, purpose. As we move to the 'productivity revolution' with millennials and Gen Z taking the reins, we need to ensure we're meeting the expectations of two generations that are as concerned with making an impact as they are about making robust returns?

Sanlam Investments' third Critical Conversations event focused on the future of sustainability. Host **Lerato Mbele**, a Business and News Presenter and panellists **Nersan Naidoo**, Chief Executive Officer at Sanlam Investments; **Dr Roze Phillips**, African Futurist and Executive Director at GIBS Business School; **Glenn Silverman**, Director and Investment Strategist at RisCura; and **Nancy Giordano**, Strategic Futurist debated

the actions we must take today to ensure we're ready for the investors of tomorrow. The following views were obtained from the panel discussion.

We must deploy capital more meaningfully:

In public markets, it's about using ESG (environmental, social and governance) frameworks to engage with companies to shift their behaviours. Asset managers need to be active owners – or stewards – that work with the companies they're investing in to set sustainability agendas and measures. In the private market, it's about actively deploying capital into high impact areas like affordable housing, renewables, infrastructure, private equity to create jobs, and SME debt funding. Again, the focus must shift from just generating returns to delivering on impact as well.

We must recognise we're all responsible:

At a household level, there's a material difference each of us can make by controlling our energy and water

consumption, for example. Each day, about 2 billion people go hungry in South Africa, yet we waste about 30% of our food. A lot of this wastage occurs in homes. We need to address these issues head-on to make headway.

We need to mobilise the broader industry:

Sanlam has invested capital in its Legacy Range of Funds to create and preserve jobs. Importantly, it hopes to catalyse similar initiatives across the broader industry to develop models that incentivise capital inflow to address shared challenges collectively. We need to inspire each other to answer investors' calls to do more.

We need to look at wealth differently:

We underestimate how much climate change disrupts us. Just think of the recent 'snowpocalypse' in Texas. We're currently sitting on 14 'internet-size' potential revolutions, like cryptocurrency, which are prompting us to reimagine ways we generate and distribute value. Our young people

are frustrated that they haven't been able to participate in economic structures as much as Boomers have. They're racing to catch up. It's time to reassess priorities and get more creative.

We need to invest in job creation:

In 2017, 24% of South Africans lived in households with an income of less than R3 500. Now, it's 42%. The challenge is that we cannot lift people out of poverty without job growth. Similarly, we can't just focus on growth for the sake of growth. It's not sustainable to support 28 million people on social grants when South Africa's debt is R4 trillion. We need young people to keep putting pressure on us to catalyse systemic change.

The next Critical Conversation will be on 21 February 2022.

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