

MEDIA RELEASE

PIC discloses information of its unlisted investment portfolio

18 October 2016

PRETORIA - The Public Investment Corporation (PIC) today disclosed detailed information about its unlisted investment portfolio when it appeared before the Standing Committee on Finance (SCOF) to present its Integrated Annual Report for 2016. Information disclosed include the following: names of the investee companies, the date of investment, investment maturity date, the investment amount committed, the names of all company directors and, where applicable, members of the PIC's advisory board responsible for a specific investment.

The unlisted investment portfolio (commonly known as Isibaya) equates to 2.4%, of the entire portfolio value of R1.85 trillion.

Isibaya investments in South Africa were valued at R44.6 billion as at 31 March 2016 and are spread across the following sectors: manufacturing (29%), renewable energy (16%), housing, (9%), agriculture (7%), property (6%) and other sectors (33%).

The allocation for the rest of the African continent covers a broad range of sectors such as financial services (33%) investments through funds of funds (8%) manufacturing (32%) renewable energy (3%) and telecommunications (24%).

The PIC has a legal duty to treat client and investment information confidential. Being mindful of this obligation the PIC made these disclosures to the SCOF in order to demonstrate its commitment to transparency as a public institution, and with understanding that members of the committee will also observe the legal requirements for client confidentiality.

The PIC cannot have an investment approach based purely on short-term benchmarks with little focus on economic growth. Unlisted investments, specifically developmental investments, assist the PIC to achieve two important objectives: generating returns for our clients, whilst, at the same time, generating what we call social returns. Social returns are wide enough to include job creation, transformation of the different industries and ensuring that communities in which investments are made, benefit. Over the years, we have conducted research, which indicates that there is a direct correlation between the growth in assets under our management and the growth of the economy. Where the economy was sluggish, so was the growth in our assets and

vice versa. Based on this experience, it follows that investing towards economic growth is the preferred approach.

This approach is underpinned by robust risk management and ensures that the PIC promotes responsible investment and drives good corporate governance. The PIC understands that the task of creating jobs is mammoth and cannot be achieved by one organisation. The PIC is encouraged by initiatives such as the recently launched R1.5 billion private sector fund to stimulate entrepreneurship and support the growth of small and medium enterprises (SMEs) and encourages all stakeholders to come to continue to invest in industries that have high impact on the economy, particularly job creation.

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