



Master Release

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PIC and Eduloan enter into a mutually beneficial strategic transaction

Date 11 March 2015; Johannesburg - The Public Investment Corporation (PIC), the State-owned asset manager, together with the leading education finance and bursary management specialist Eduloan, today announced that they have entered into a mutually beneficial strategic partnership, to increase affordable funding focused on social upliftment through education.

The PIC invests funds on behalf of public sector entities, based on investment mandates set by each of these clients and approved by the Financial Services Board (FSB). In terms of the partnership, the PIC has now purchased a 40% strategic equity stake in Eduloan on behalf of the Government Employees Pension Fund (GEPF).

As part of this transaction, the PIC, also effected the direct investment of the Unemployment Insurance Fund (UIF) and the Compensation Commission (CC) funds, through a debenture subscription. The invested funds from the UIF and CC will help fund Eduloan's educational loan book, enabling funding to be made available for education loans.

Eduloan has issued new shares to PIC in order to achieve this strategic transaction. Eduloan's current shareholders, including Open Learning Holdings (OLH) and Standard Bank, will not be selling their shares to facilitate the investment of the PIC in the education finance specialist. The Board will continue to have a pivotal role in the strategic guidance of Eduloan, mandated by the Shareholders.

This strategic investment is to help as many South Africans as possible to unlock their potential through access to affordable education finance solutions at affordable interest rates, and continuing to ensure effective management of bursary funds.

"We are entering into this strategic alliance with the PIC as a like-minded long-term partner," said Eduloan CEO Totsie Memela. "Our efforts and finances directly impact economic development and enhance quality of life. Therefore, partnering with the PIC is a move to benefit all South Africans through access to finance."



Eduloan has a good reputation and performance track record in the market, specifically underlying their specialised education finance and bursary fund management solutions, and it intends to leverage this experience of over 19 years in the equity investment with the PIC.

This equity transaction will allow Eduloan the opportunity to work with Isibaya, a PIC Fund, which is targeted at providing finance for projects that support the long-term economic, social and environmental growth of South Africa.

“We believe that the strategic alliance with Eduloan helps the PIC to realise its developmental investment mandate, part of which focuses on investment in education.,” said PIC’s CFO Matshepo More.

“We are excited about our partnership with Eduloan. Eduloan is a leader in education finance and bursary fund management in our country and by working with them, the PIC will be able to capitalise on value creation.”

The PIC has strong boardroom representation in Eduloan and will not be a passive investor.

The investment by PIC into Eduloan will also fuel further organic growth and possible expansion into new markets.

“Education is one of the most important investments a country can make in its people and its future, and is critical to creating sustainable economic growth and reducing poverty and inequality. That is why an equity transaction with PIC will enable Eduloan to make these goals real,” said Memela.

About the PIC

The Public Investment Corporation (PIC) is a public asset management firm wholly owned by the South African government, with the Minister of Finance as the sole shareholder representative of the government. PIC’s clients are mostly public sector entities including the Government Employees Pension Fund, which contribute 90% of the funds that PIC manages. Other clients include Unemployment Insurance Fund, Associated Institutions Pension Fund, Compensation Commissioner Pension Fund and Compensation Commissioner Fund.

The PIC is a hybrid of a single asset manager and a multi-manager with emphasis on providing its clients with value at a low cost and invests in established names with strong management requiring little oversight. PIC is a world class asset management company, and it boasts more than 100-year reputation of delivering excellent results. It is the largest and most successful asset manager on the African continent with assets under management in excess of R1.6 trillion as at 31 March 2014.



The PIC invests in a variety of asset classes and has a clear developmental investment programme. The developmental investments focus on the following areas: Economic Infrastructure (Roads, Rail, Transport & Logistics, Energy, Ports (air, sea, and rail); Social Infrastructure (Affordable Housing, Health, Education); Priority Sector Investments (Agriculture, Agro- processing, Manufacturing and beneficiation Tourism); Environmental & Sustainability (Renewable energy, Clean technology Green buildings, Sustainable environments);and SMEs across all sectors.

About Eduloan

Eduloan is the leading education finance specialist in Southern Africa. In keeping with our emphasis on empowerment and access to education, Eduloan's operations throughout the subcontinent ensure that we offer study opportunities as widely as possible and also cater for all levels of tuition.

We were founded in 1996 and our current shareholders are the Public Investment Corporation, Open Learning Holdings (Pty) Ltd, which includes Futuregrowth and Kopane Investments (Pty) Ltd, The Standard Bank of South Africa Ltd, and management and staff.

We have so far extended more than R4 billion in study loans helping more than 760 000 people across Southern Africa unlock their true potential, build their own and their children's futures and contribute to their nation's growth.

Recognising that critical cash-flow and budgeting issues can make the difference between completing a course and dropping out, we launched our pioneering bursary fund-management product, Eduxtras. This is aimed at assisting both students and bursars alike. It enables effective budgeting and ensures control of spend on crucial elements of the broad study package, including tuition fees, books, food and accommodation needs.

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