

“SHARING THE PAIN WITH US”

Address to the National Press Club, Cape Town

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- “A burden shared, is a burden well managed” - uMagogo
- We cannot do it alone
- Media has a role to play

- This feels like a rendezvous.
 - I was here same time last year (November 4), to talk about our plans for the rest of the continent, under the theme “Is it Africa’s time”
 - We can be confident today to confirm that the path is being blazed
 - Three big deals already, Banking, Cement & manufacturing
 - Many lessons have already been learnt in this short period of time

- Understanding what we do is critical for easing our work
 - We have been confused, by many South Africans, even in government
 - R1.3 trillion obligation
 - Not about the zeros
 - Dual objective
 - Now a global organisation

- Unique position of PIC
 - Owned by government
 - Mandated by clients
 - Expectation from public vs private sectors
 - Criticism (Eskom, Education, Roads)
 - What is our role (Policy involvement)

- Context within which we deliver on our mandate?
 - Global context
 - Economic slowdown
 - Originated by the global financial crisis... Greed/Lack of accountability
 - ESG has become key in our thinking
 - Long termism characterizes our investment philosophy
 - Increasing reliance on our own resources... Dependency from the west no longer a choice
 - Domestic context
 - Export based growth has exposed us to global performance... decoupling is merely academic
 - Socio-economic imbalances
 - We need to be ready for the next upswing
- How do we prepare ourselves?
 - Investing right ... growth, employment and poverty reduction
 - Returns alone are not sustainable
 - We can do this because of our mandate – dual mandate
 - Owners of capital need to take the leadership, as the GEPI has done
 - DI Policy ... Four pillar framework
 - Economic - 40
 - Social infrastructure - 20
 - Greening the economy – 20
 - SME development - 20
- Extension of our mandate
 - Offshore investments
 - Africa and ROW
 - Jury is still out on this decision
 - Imbalances observed in South Africa obtain in the rest of the continent
 - Replication of DI Policy
 - We also need to be careful about the potential price distorting effects of Africa advance –
 - The South African private equity market is approximately R 116 billion, if we add another approx.. R55 billion commitment by GEPI, the PIC will account for approx. 45%)
 - Asset allocation is by need and circumstance
 - Equities (both Listed and Private Equity) – 3%
 - Bonds (Fixed income) 1%
 - Properties (1%)
- What challenges have we set for ourselves?

- Contributing to increasing economic productivity and efficiency
- Contributing to economic infrastructure
- Increase access to good quality education for all South Africans, in particular low income households
- Increasing access to health services
- Increasing access to decent housing and close to places of work
- Being a part of the social security reform by influencing access through low costs in the industry
- Engage more in policy debate and influence
- Supporting SAinc wherever it is

- Challenges we do not choose
 - Criticism for some of our noble causes ... nationalisation!
 - Low levels of trust amongst some partners
 - Slow traction in empowerment programme

- Conclusion and management of expectations
 - We cannot invest the economy out of trouble
 - We do not have all the answers
 - We cannot optimally deliver on our own
 - We need dependable partnerships ... the media being part of this!

I trust you better appreciate the theme of today and why you should share the pain with us.

I thank you.