



2022

Development Impact Report





EPPF's 2021 Impact Highlights



10 964

affordable housing units delivered in
2021

Over

R3.9 billion

2021 loan book value



25 575

learners supported
through school enrolment, learning materials
and accommodation

1 738

educators employed

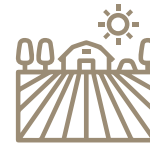


34 975

patients supported with quality
healthcare

2 652

medical staff employed



R 1.8 billion

loans disbursed to farmers

R 636 million

provided to previously disadvantaged
farmers



8 783

taxis acquired through funding provided to
SMEs

1 million

approximate commuters supported a day



991 760

in Gross Lettable Area provided to
township retailers and large-scale logistics
operators

Supporting over **1 255** retail tenants
and **10 653** local community members
with jobs



4 151 MW

installed energy capacity

1.8 million MWh

of energy produced



Over

R 2 billion

committed to supporting previously
disadvantaged fund managers



Indirect Economic
Stimulus

R 5.8 billion



Women Employed in the
Direct Workforce

3 157



PDI Employed in the Direct
Workforce

3 298



Total Indirect
Jobs Supported

4.1 million



Local
Procurement Spend

R 4.8 billion



Total Direct
Jobs Supported

16 483

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Scope of this report

The findings presented in this report are based on qualitative and quantitative impact-related information gathered across Eskom Pension and Provident Fund's (EPPF) Private Markets portfolio of investments.

The report is based on the analysis of data provided by portfolio companies and fund managers, with a considerable focus placed on South African-based investments and where possible, those on the rest of the African continent. Data reported is for the period between 1 January 2021 and 31 December 2021, as well as a longer time horizon where explicitly stated.

Portfolio companies are segmented into sectors across the report. Impact data is presented at a collated sector level and at an individual portfolio company level. Sector-specific fund managers are also segmented into sectors when feasible to do so, along with a stand-alone section for sector-agnostic fund managers.

Abbreviations

B-BBEE	Broad-Based Black Economic Empowerment
CARE	Customer-Centric Focus, Accountability, Resourcefulness, and Excellence
CEO	Chief Executive Officer
CRISA	Code for Responsible Investing in South Africa
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECD	Early Childhood Development
EPPF	Eskom Pension and Provident Fund
Fintech	Financial Technology
GLA	Gross Lettable Area
GWh	Gigawatt hours
LSM	Living Standards Measure
MW	Megawatt
MWh	Megawatt hours
NDP	National Development Plan
PDI	Previously Disadvantaged Individuals
PRI	Principles for Responsible Investing
PV	Photovoltaic
SDG	Sustainable Development Goals
SMEs	Small to Medium-Sized Entities
tCO₂	Total carbon dioxide
tCO₂e	Total carbon dioxide equivalent
TVET	Technical and Vocational Education and Training
USD	United States Dollar
ZAR	South African Rand

Definitions

Youth	Persons between the ages of 14 and 35 years of age as defined by South Africa's National Youth Policy.
Previously disadvantaged individuals	Individuals from groups that were discriminated against before the advent of South Africa's democracy. Specifically includes those of Black African, Coloured and Indian ethnicity in South Africa.
Direct investment	Direct investment is the purchase or acquisition of a controlling interest in a business by means other than the purchase of shares.
Fund managed investment	The purchase or acquisition of a controlling interest in a business by means other than the purchase of shares indirectly through a fund manager.
United Nations Sustainable Development Goals	The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.
Taking equity	Providing funding to a company which entitles the provider to a set value or shares in the company.
Provision of debt funding	The lending of money to a company with the expectation that the money will be paid back with interest.
SMEs	A separate or distinct business entity managed by one owner that satisfies the total full-time employees and total annual turnover defined by the South African Department of Small Business Development.
Impact Multipliers	The rates of change that describes how a given contribution in a particular company generates impacts in the overall economy, either through indirect or induced job creation or economic stimulus outside of the company.
Local Procurement	The purchase of goods and services from suppliers within the regions close to a company's operations.
Direct jobs	Actual full-time or temporary positions that are created directly as a result of a company or an investment into one.
Indirect jobs	Full-time or temporary positions that come into existence due to ancillary activities taking place in the economy, required to support the company's operations.

A Message From Our Chief Executive and Principal Officer



Mr Shafeeq Abrahams

Chief Executive and Principal Officer

It is my pleasure to present our 2021 Development Impact Report, a proud communication of the impact that we have created for society through our investments.

It is worth noting that South African society and the region more broadly is still navigating the complexities of a post Covid-19 world, a reality that has disrupted businesses and hampered livelihoods for the better part of three years. As the second-largest self-administered retirement fund in South Africa, we have a responsibility to our members to protect their livelihoods and futures through investments that generate sustainable returns and build stimulated and transformed communities.

Over the course of 2021, we strengthened our commitment to a three-dimensional investment reality that balances risk, return, and impact. Supported by our Developmental Impact Strategy, we made inroads in creating jobs, particularly for previously disadvantaged individuals, women, and young people, generating economic stimulus through the inclusion of small businesses in procurement spend and transforming the workforces and leadership teams in the companies we invest in.

In pursuing these objectives, we invested in several diversified, high-impact sectors that have a meaningful influence on the lives of ordinary South Africans. This includes considerable investments in quality education, affordable housing, renewable energy, healthcare, and township retail, among others. This saw us, through our investments support over 74 121¹ direct jobs and approximately 4.2 million² indirect jobs, generating over R 9.3 billion³ in local procurement, and R 13.5 billion⁴ in indirect economic stimulus, transforming workforces through Broad-Based Black Economic Empowerment (B-BBEE) and increasing the proportion of women in managerial positions across our portfolio.

Beyond this, we were fortunate to create sector-specific impacts that tapped into the heart of South Africa's National Development Goals. This includes the delivery of 10 964 affordable housing units across South Africa, over 25 500 learners supported through quality and affordable education, 35 000 patients treated through our investments in healthcare, and more than 1.8 million MWh of renewable energy produced by the various Solar Photovoltaic (PV) and Wind Farm assets we have invested in.

This year has been a testament to the impact that we can create as a fund by working together to serve our members, their families, and the communities they reside in. Moreover, as the world faces a future that is characterised by persistent gender, racial and economic inequalities, balancing the need to generate financial returns with creating tangible impact will remain central to everything we do.

¹ 16 483 directly linked to funds disbursed by EPPF

² 4.1 million directly linked to funds disbursed by EPPF

³ R 4.8 billion directly linked to funds disbursed by EPPF

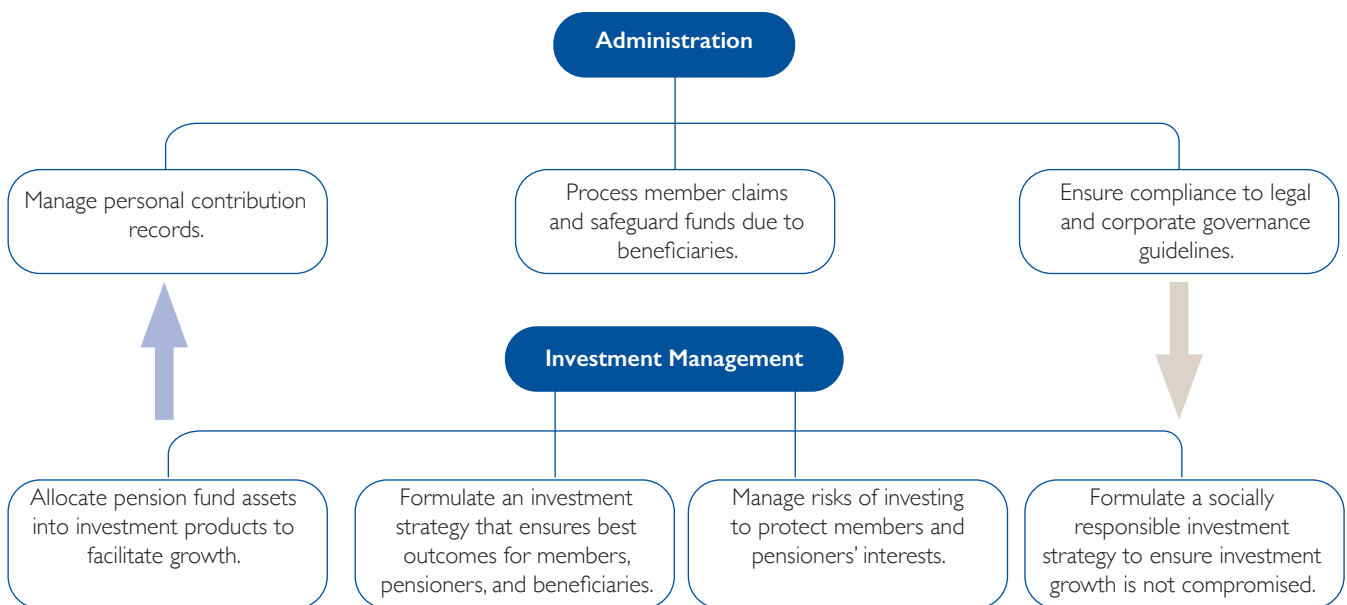
⁴ R 5.8 billion directly linked to funds disbursed by EPPF

Who We Are and What We Do

The Eskom Pension and Provident Fund (“EPPF”) is the second-largest self-administered retirement fund in South Africa. We are driven by the purpose of being a trusted retirement savings provider that safeguards the future of our members while catalysing a positive impact on society.



What We Offer to Members



Our Guiding Philosophy

Our vision, mission, and broader purpose are driven by a fund-wide philosophy that steers everything we do. Our philosophy is a Customer-Centric Focus, Accountability, Resourcefulness, and Excellence (CARE). This philosophy reiterates the awareness that our success is driven by human beings who form part of our internal and external communities.

CARE is the golden thread that weaves through our day-to-day actions, decisions, and interactions with our members, pensioners, and their beneficiaries.



Our Impact Framework

We are one of the leading institutional funds in South Africa, both in our approach to providing competitive benefits to our beneficiaries, as well as contributing to and supporting the country's social and economic development through our responsible investment strategy.

Our responsible investment strategy is inherent in everything we do across the private markets division, spanning our investments in developmental impact, real assets, and private equity. Ultimately, we look to achieve competitive returns for our members, as well as contributing to the upliftment of communities in which they live.

Private Markets Impact Mandate

Our responsible investment strategy is operationalised through our impact mandate, which directs our strategy through high-impact, targeted investments that look to achieve four key impact objectives:

Broad-Based Black Economic Empowerment	Job Creation	Economic Stimulus	Gender Equality
Objectives			
Contribute to the continued empowerment of previously disadvantaged South Africans by transforming workforces and leadership teams.	Increase the number of jobs supported in the South African economy, with a particular focus on the inclusion of previously disadvantaged individuals, women, youth, and people with disabilities.	Support Small to Medium-sized businesses (SMMs) through increased focus on supporting the broader supply chains and local procurement spending opportunities.	Improve gender equality within our portfolio companies across their workforces, leadership teams and supply chains.

To support in the delivery of our mandate, we are a signatory to the Principles for Responsible Investing (PRI), which is a set of global best practice guidelines for responsible investment. This is aligned to the Code for Responsible Investing in South Africa (CRISA) which we also subscribe to.

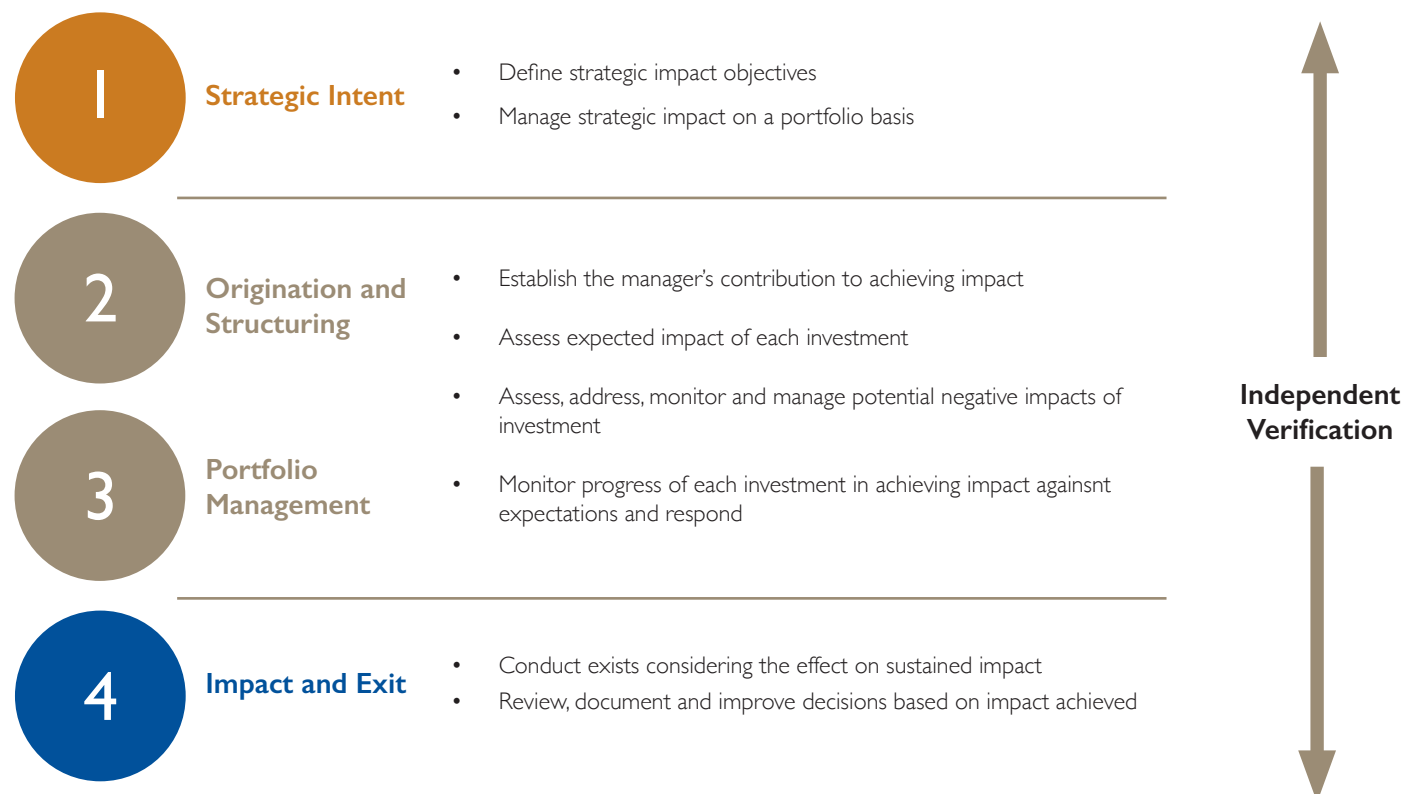


We have aligned our impact mandate to the United Nations Sustainable Development Goals (SDGs), a connected set of developmental goals and targets to guide national governments and private entities across the world in their impact activities and target setting.



Investment Process

Our investment process considers impact from as early as deal sourcing through to investment management and reporting. This is important as it ensures that we invest in a manner that fully maximises our ability to meet our impact mandate and contribute to impact requirements at a local and global level. Our Impact Investment Policy illustrated below sets out how impact considerations are practically applied across our investment process:



Sectors of Focus

Our Private Markets' mandate looks at high-impact sectors across the South African, African, and global economies. These sectors have been identified in accordance with their capacity to meet our defined impact mandate.

Affordable and Social Housing	Education	Healthcare	Agriculture – Secondary Beneficiation	Real Estate
<ul style="list-style-type: none"> Construction and management of residential housing 	<ul style="list-style-type: none"> Primary, secondary and tertiary institutions Student financing and accommodation 	<ul style="list-style-type: none"> Clinics and hospitals Laboratories Pharmaceutical companies 	<ul style="list-style-type: none"> Nurseries Plantations Fertiliser and production Fish farms 	<ul style="list-style-type: none"> Malls and shopping centres Warehousing and commercial office assets
Renewable and Clean Energy	ICT	Transportation – Logistics Infrastructure	Water and Sanitation	
<ul style="list-style-type: none"> Solar and wind energy Waste to energy 	<ul style="list-style-type: none"> Data centres Fibre infrastructure Cellular networks and towers 	<ul style="list-style-type: none"> Ports, rail, and road freight Toll roads 	<ul style="list-style-type: none"> Bulk reticulation pipelines Water and wastewater treatment works 	

Our Impact Framework













Private Markets Mandate's Alignment to the SDGs and South African National Development Plan (NDP)

Sector Invested in and Desired Impact	SDG Alignment	South African NDP Alignment I ⁵
Affordable and Social Housing <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Addressing the back log in infrastructure Promoting equal access for all Enhance ongoing economic activities Create decent jobs 	   	<ul style="list-style-type: none"> Promote mixed housing strategies and more compact urban development Aid with access to services Altering the spatial context of human settlements Upgrading informal settlements Closing supply gaps in the housing market Improve standards of living through low-income housing delivery in strategic urban locations, partnered with service delivery Alleviate challenges of housing shortages and informality Identification of land for housing
Education <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Addressing the back log in infrastructure Promoting equal access for all Facilitating economic mobility and access to quality jobs Introduction of feeding schemes enhancing educational outcomes Contributing to economic stimulus 	   	<ul style="list-style-type: none"> Promote higher quality and industry-relevant education and training Expand early childhood development programmes Focus on sectors through which employment and opportunities can be created Assist youth to find meaningful employment Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Increased access to quality infrastructure and functional services, particularly education in rural areas Invest in a quality post-school education and training beyond the university system Spatial development and provision of education to address Apartheid spatial inequalities of service provision Recognising the role of education, training, and innovation at all levels in eliminating poverty and reducing inequality, while emphasising education's impact on realising common citizenship and social upliftment Ongoing teacher development Increasing private-sector participation in the sector
Healthcare <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Addressing the back log in infrastructure Promoting equal access for all Enhance ongoing economic activities Create decent jobs 	  	<ul style="list-style-type: none"> Promote quality health care and universal health coverage Promote innovative and sustainable health financing Improve frontline health-care services Increased access to quality infrastructure and functional services, particularly in health care in rural areas Spatial development and provision of health care to address Apartheid spatial inequalities of service provision Reduce childhood mortality and improve maternal health Increasing access to reproductive health care Strengthen primary health care services Re-engineer primary health care, reduce health care costs, improve the management of health care institutions and improve infrastructure development Promote mental health and wellbeing Support the research and development of vaccines and medicines for communicable and non-communicable diseases

⁵ South Africa's SDG Country Report 2019, Available at URL: http://www.statssa.gov.za/MDG/SDGs_Country_Report_2019_South_Africa.pdf



Our Impact Framework

Private Markets Mandate's Alignment to the SDGs and South African National Development Plan (NDP) (continued)

Sector Invested in and Desired Impact	SDG Alignment	South African NDP Alignment I ⁵
Agriculture <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Focus on the development of the agro-processing value chain Improve levels of efficiency and productivity Improve the quality of production Enhance economic outputs including export quality product Promote the use of climate-smart agriculture Create decent jobs 	   	<ul style="list-style-type: none"> Increased agricultural productivity and sustainable agriculture Achieve food security and improved nutrition Promote resilient agricultural practices Ensure equal access to land, technology, and markets Foster international cooperation on investments in infrastructure and technology to boost agricultural productivity Support smallholder producers Promote climate-smart agriculture Protect indigenous genetic resources Redirect trade to sustainable markets Provide required support to this labour-intensive sector to protect existing jobs and promote new job creation Revitalising agriculture and the agro-processing value chain
Real Estate <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Build or adapt infrastructure to be resilient, resource efficient and inclusive Design and adapt infrastructure to mitigate and adapt to climate change Enhance ongoing economic activities Create decent jobs 	   	<ul style="list-style-type: none"> Overcome spatial fragmentation of South Africa's cities, for people to have easier access to jobs and infrastructure Make developments inclusive, safe, resilient, and sustainable Develop infrastructure that is resource efficiency, mitigated and adapted to climate change, and resilient to disasters
Renewable and Clean Energy <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Enhance access to clean energy Assist businesses in achieving carbon offsets Enhance ongoing economic activities Create decent jobs 	    	<ul style="list-style-type: none"> Increased investment in cleaner forms of technology Ensure access to affordable, reliable, sustainable, and modern energy for all Take urgent action to combat climate change and its impact Move to cleaner sources of power and address sustained electricity generation supply shortfalls that have been associated with intermittent load shedding Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes Create an efficient, competitive, and responsive economic infrastructure network Ensure access to affordable, reliable, sustainable, and modern energy for all Reduce carbon emissions

Our Impact Framework

Private Markets Mandate's Alignment to the SDGs and South African National Development Plan (NDP) (continued)

Sector Invested in and Desired Impact	SDG Alignment	South African NDP Alignment ¹⁵
ICT <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Increased access to reliable and affordable solutions Enhance ongoing economic activities Create decent jobs 	  	<ul style="list-style-type: none"> Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women Create an efficient, competitive, and responsive economic infrastructure network Increase access to information and communications technology and strive to provide universal and affordable access to the internet Stimulate growth in the economy and GDP
Transportation <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Invest in road freight, rail and port infrastructure including toll roads Enhance ongoing economic activities Create decent jobs 	   	<ul style="list-style-type: none"> Increase access to quality infrastructure and functional services, particularly in public transport in rural areas Promote lower carbon mobility Invest in public transport to benefit low-income households facilitating mobility Contribute to the development of safe and reliable public transport Create workable urban transit solutions Strengthen and optimise freight corridors Provide long-distance passenger transport options Address rural access and mobility Implement port productivity measures Increase the use of rail as a passenger transport alternative Reduce carbon emissions by shifting freight from road to rail Optimise the economic balance between rail, road, and other transport modes
Water and Sanitation <ul style="list-style-type: none"> Achieve transformation in the sector Direct investment undertaken and through investment in funds Investing in building reticulation, water and wastewater treatment Enhance ongoing economic activities Create decent jobs 	    	<ul style="list-style-type: none"> Ensure availability and sustainable management of water and sanitation for all Improved drinking-water sources Improved sanitation facilities Support economic growth and urbanisation Provide safely managed sanitation facilities that are both water-smart and sustainable to underserved areas

Portfolio Overview



Portfolio Overview

We have made investments directly into 11 companies as well as 276 companies indirectly through 27 fund managers across South Africa, the African continent, and internationally.

The investments that are made directly allow us to actively monitor and influence how value and impact is generated, while our fund managed investments look to leverage the deep sectoral expertise and research of individual fund managers to drive impact across a range of portfolio companies across varied sectors and geographies.

Direct Investments



Affordable Housing
Investment 2020



NOVA PIONEER
SCHOOLS FOR INNOVATORS & LEADERS

Education
Investment 2020



Student Accommodation
Investment 2021



Educational Materials
Investment 2013⁶



BUSAMED
Premium Care. Personal Touch.

Healthcare
Investment 2016



Agriculture
Investment



ICT
Investment 2021



ICT
Investment 2018



Real Estate
Investment 2019



Real Estate
Investment 2020

⁶ EPPF is currently in the process of exiting this investment. As such, no company profile has been provided in the report.

Portfolio Overview

Fund Managers

Fund Manager	Fund	Year EPPF Invested	EPPF Investment as % of Fund Size
EPPF Impact Investment Vehicle Portfolio			
	Old Mutual Schools Fund HIF SA	2016 2014	14% 1%
	Stanlib Infrastructure Private Equity	Fund I – 2014 Fund II – 2021	7%
	Future Growth Property Fund	2022	5.5%
	IHS Fund II	2016	5%
	SA SME Debt Fund	2022	87.5%
	Vantage Green X Note II	2018	7%
	Capitalworks Private Equity	Fund I – 2008 Fund II – 2013 Fund III – 2018	17%
	Old Mutual Private Equity Fund IV	Fund IV – 2016	3%
	Pan African Private Equity	Fund 3 – 2018	15%
	Kleoss Capital	Fund I – 2015	9%
	Trinitas Private Equity	2010	7.5%
	Vantage Mezzanine	Trust I – 2002 Fund I – 2006 Fund II – 2012 Fund III – 2016 Fund IV – 2021	13%
	Sphere Holdings	2016	100%

Portfolio Overview

Fund Manager	Fund	Year EPPF Invested	EPPF Investment as % of Fund Size
EPPF Private Equity Investment Portfolio in South Africa			
	Brait	Fund IV - 2006	1%
	Ethos	Private Equity Fund V – 2005 Fund IV - 2011 Mid Market Fund I - 2017	4%
	Lereko Matier Capital Growth Fund	2014	2%
	Medu Capital	Fund III - 2013	23%
	EMMF Wisdom Tree	2017	14%

Portfolio Overview

Fund Manager	Fund	Year EPPF Invested	EPPF Investment as % of Fund Size
EPPF Private Equity Fund Investment Portfolio in the Rest of Africa			
	Capital Alliance Private Equity	Fund III - 2009 Fund IV - 2016	0.1%
	Ninety One Africa Private Equity	Fund 2 - 2015	0.6%
	African Development Partners III Mauritius	2021	0.04%
	Helios	Fund II – 2010 Fund III - 2015	0.13%
	Vantage Mezzanine	Trust I - 2002 Fund I - 2006 Fund II - 2012 Fund III – 2016 Fund IV – 2021	3%
	Actis Neoma Africa Fund	Fund II - 2010 Fund III - 2015	4%
	Novare Africa Property	Fund II - 2016	1.4%
	Pan African Infrastructure Development Fund (Harith)	2009	0.05%
EPPF Private Equity investments in other Emerging Markets			
	Pantheon Asia SLP SICAV SIF	2021	0.03%

Portfolio Overview

Fund Manager	Fund	Year EPPF Invested	EPPF Investment as % of Fund Size
EPPF Private Equity investments in Developed Markets			
	AlpInvest	Co-investment fund VIII - 2021 Secondaries Fund VII - 2021	0.06% 0.09%
EPPF Real Assets Investment Portfolio			
	Eagle Crest Infrastructure Fund (Fiera Infrastructure)	2021	1%
	Mpande Property Fund	2021	37%
	Carlyle Property Fund	2021	7%
	Revego Fund	2021	24%
	Bentell Green Oak	2021	7%
EPPF Incubation Fund Portfolio			
	Thuso Private Markets Incubation Fund	Fund I - 2020	100%

Overview of Our Impact



Overview of Our Impact

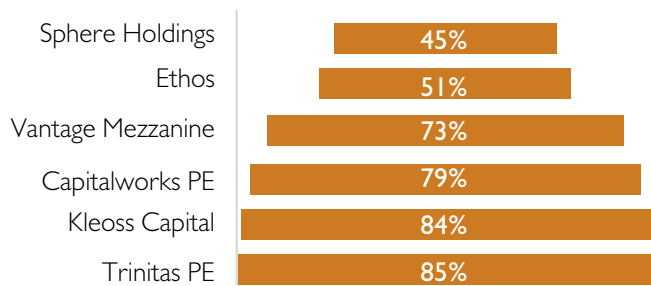
Highlighted Impacts Achieved Against Our Private Markets Mandate

B-BBEE	100% of our direct investments achieved B-BBEE compliance and averaged a level 4 B-BBEE contributor status	Sampled fund managed portfolio companies averaged a level 3 B-BBEE contributor status	64% of portfolio company managerial teams were comprised of previously disadvantaged people, a 5% increase from the previous year
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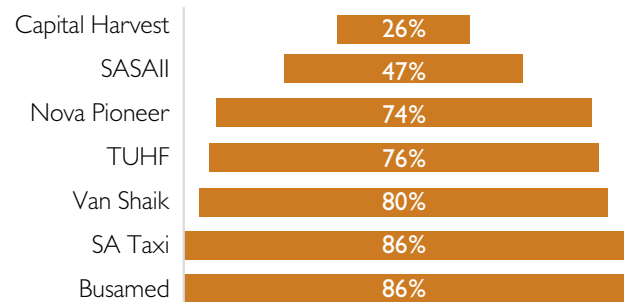
Our portfolio of direct and highlighted fund managed investments made important strides in empowering previously disadvantaged people both from an ownership and participatory perspective. In 2021, we were pleased with the fact that 100% of our direct investments were B-BBEE compliant, an increase of 17% from last year. Highlights included SA Taxi improving their B-BBEE status from a level 4 to a level 3. SASAII maintained their high contributor status, remaining at a level 1 for a second consecutive year, while Nova Pioneer and TUHF also maintained their scorecard levels of 2 and 4 respectively. Overall, our portfolio companies averaged a level 4 B-BBEE contributor status, with sampled fund manager portfolio companies averaging a level 3 B-BBEE contributor status.

To inform levels of transformation across our portfolio, we track the percentage of previously disadvantaged employees in the workforce, management, as well as board representation. Previously disadvantaged employees represented most employees across our portfolio. A focus on improving diversity in our Capital Harvest investment is underway. Previously disadvantaged representation in management positions across our direct investments indicates that there is still room for focused transformation, particularly in our investments in Capital Harvest and TUHF.

Previously Disadvantaged Individuals in the Workforce Across Companies Managed by Funds in South Africa

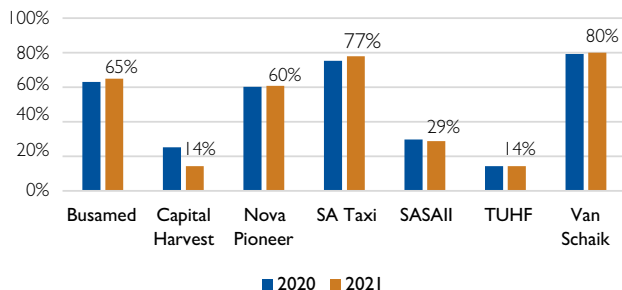


Previously Disadvantaged Individuals in the Workforce across Portfolio Companies Directly Invested in

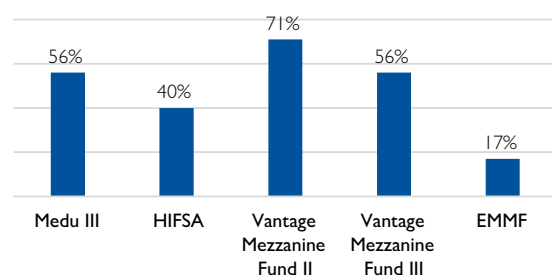


On average, previously disadvantaged people were represented at 21% of board-level positions in our portfolio companies, with Busamed leading the way with 100% previously disadvantaged representation on the board. In terms of our sampled funds, representation varied. Vantage's Mezzanine Fund II had the highest representation at 71%, while their Fund III and Medu Fund III both recorded 56%. HIFSA and EMMPF, however, require more focused interventions such as direct negotiations with management to achieve transformation at a managerial level.

Previously Disadvantaged Managers as a % Representation Across Direct Investments

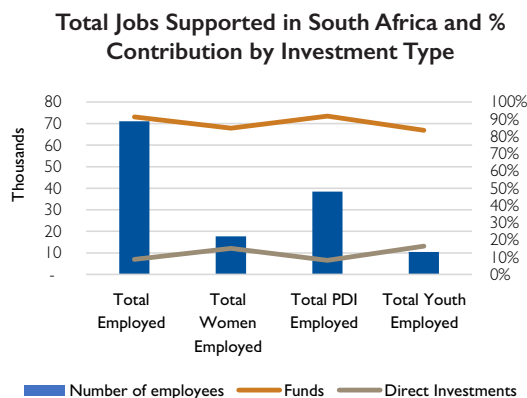


Previously Disadvantaged Managers as a % Representation Across Sampled Funds



Overview of Our Impact

Job Creation	Direct investments supported 6 671 direct jobs	2 678 were women	3 143 were previously disadvantaged (PDI)	1 716 were youth
	Sampled fund managed portfolio companies supported 67 450⁷ direct jobs	15 022⁸ were women	35 341⁹ were previously disadvantaged (PDI)	8 745¹⁰ were youth
	Using multipliers, it is estimated that 4.2 million¹¹ indirect jobs were supported throughout our investments	177 people with disabilities were supported through our direct investments	Disabled employees represented 2.5% of total employees in direct investments	5 451 employees in direct investments were local citizens



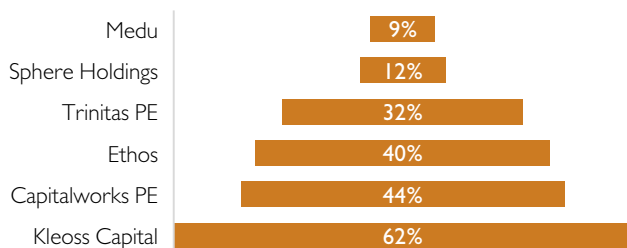
In terms of our portfolio companies, Nova Pioneer had the highest proportion of youth in their workforce at 65%, while Kleoss Capital, a fund we are invested in, achieved a 62% youth level of representation.

We were encouraged by the increase in the number of people with disabilities employed across our direct portfolio, growing by 48% since 2019.

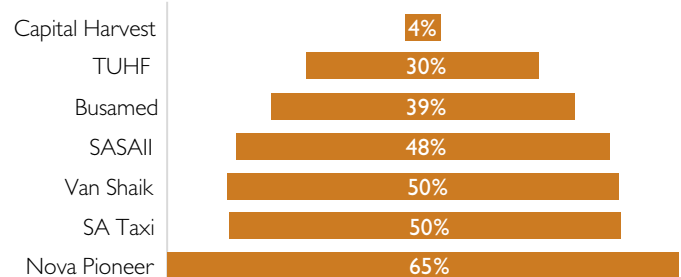
Our investments across our direct and indirect investments generated over R9.3 billion in local procurement spend with R4.8 billion attributed to the EPPF capital deployed. This economic stimulus is calculated, through the use of impact multipliers, to be able to catalyse the creation of approximately 4.2 million indirect jobs across various sectors of investment.

Our indirect investment in portfolio companies managed by funds remains the largest contributor to job creation opportunities from our investments; with the largest group of beneficiaries being previously disadvantaged South Africans, followed by women and youth.

Youth in the Workforce Across Companies by Funds in South Africa



Youth in the Workforce Across Direct Investments



⁷ Representative of 9 812 direct employees attributed to the support provided by EPPF funds invested in these funds

⁸ Representative of 2 312 direct Female employees attributed to the support provided by EPPF funds invested in these funds

⁹ Representative of 5 388 direct PDI employees attributed to the support provided by EPPF funds invested in these funds

¹⁰ Representative of 1 418 direct youth employed attributed to the support provided by EPPF funds invested in these funds

¹¹ Representative of 4.1 million indirectly employed attributed to the support provided by EPPF funds invested in these funds

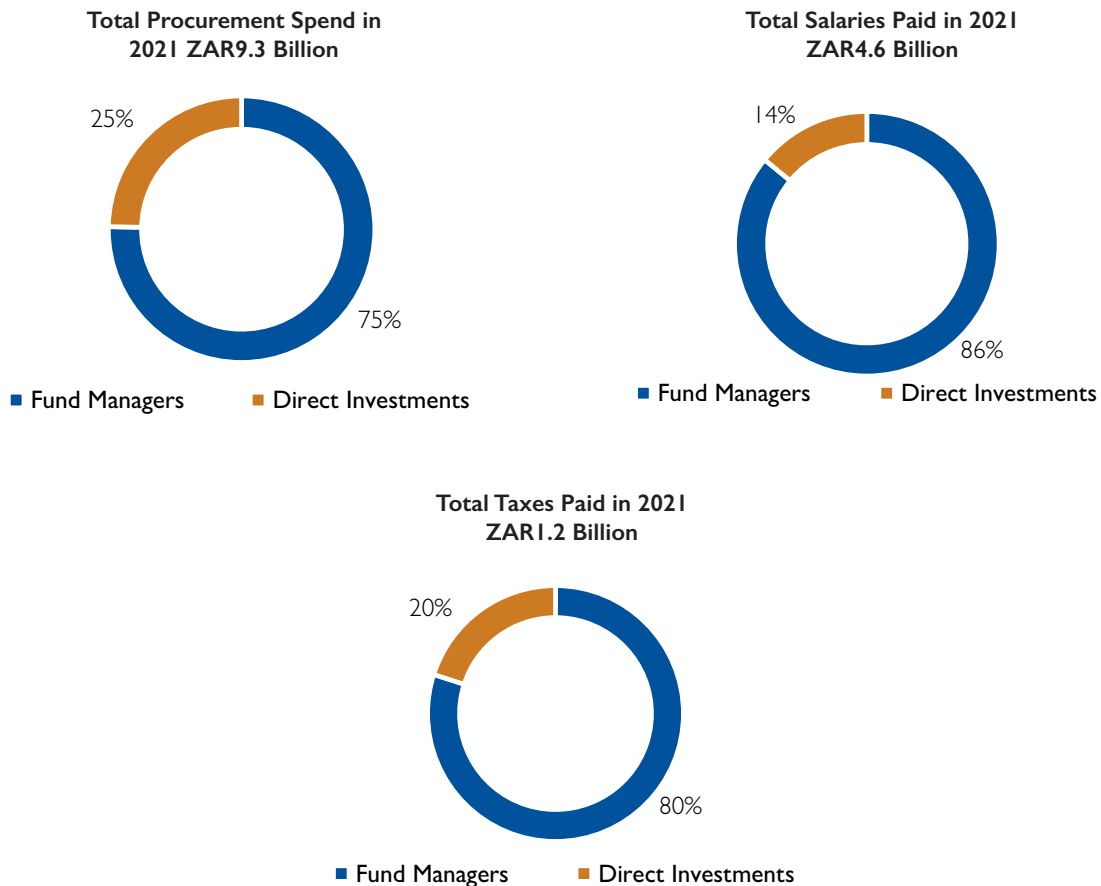
Overview of Our Impact

Economic Stimulus	R2.3 billion spent on local procurement across our direct investments	R232 million spent on taxes paid across our direct investments	R644 million spent on salaries across our direct investments
	R7 billion spent on local procurement by sampled fund managed portfolio companies	R926 million spent on taxes paid by sampled fund managed portfolio companies	R 3.9 billion spent on salaries by sampled fund managed portfolio companies
	Using multipliers, it is estimated that R13.5 billion in additional economic stimulus was created in the South African economy	R3.7 billion of this additional economic stimulus was from our direct investments	R4.3 billion of this additional economic stimulus was from EPPF investments in funds

In terms of economic stimulus, over R9 billion was spent on local procurement by our portfolio companies and fund managed portfolio companies. This translates into an approximate R13.5 billion¹² additional economic stimulus created across several sectors of the South African and surrounding economies. The largest contributors to this impact are our fund managed portfolio companies, at 75%. This significantly contributes to supporting small and medium sized businesses, the driving force behind further economic stimulus in a developing economy like South Africa.

From a tax perspective, our portfolio companies contributed over R232 million in company taxes to the state, while sampled fund managed portfolio companies paid over R926 million over the same period. This combined R1.2 billion has contributed to the government's ability to stimulate socioeconomic development in the country.

Our investments yielded significant benefits for workers with respect to salaries paid, with portfolio companies paying over R644 million and sampled fund managers spending over R2.9 billion. This equates to an annual aggregated salary of R55 903 per employee¹³ indicating these investments are generating entry-level jobs, which are much needed in the country.



¹² R 5.8 billion directly attributed to EPPF funds invested

¹³ R 104 400 for direct investments and R 50 745 for funds.

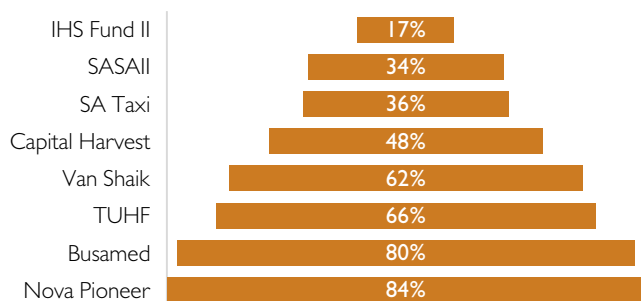
Overview of Our Impact

Gender Equality	Direct investments supported over 2 678 direct jobs for women	Sampled fund managed portfolio companies supported more than 15 022¹⁴ direct jobs for women	Women occupy 41% of all managerial roles in our direct investments and 35% of the total employees
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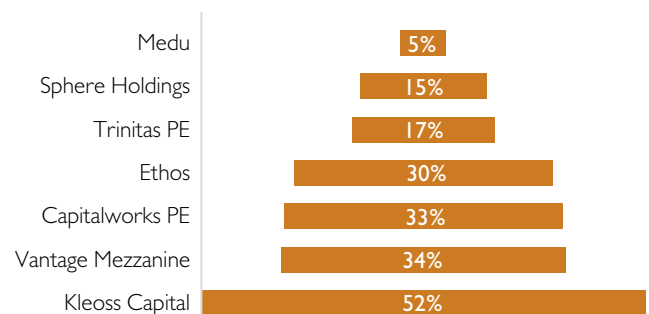
An assessment of our direct investments indicates that women are well represented in the medical, educational and agricultural investments making up 80% (Busamed), 84% (Nova Pioneer), 43% (SASAI), 69% (Van Schaik) and 48% (Capital Harvest) of those employed respectively. Two businesses providing bespoke financial services to the affordable housing sector (TUHF) and taxi industry (SA Taxi) achieved 65% and 36% female representation within the workforce. Across these direct investments, women represent 52% of the total workforce supported.

Women represented 33% of the total workforce supported in sampled fund-managed portfolio companies. The fund with the largest proportion of women in their workforce was Kleoss, who has invested significantly in the food and beverage sector, which includes light manufacturing activities, characterised by traditionally high female representation. The remaining funds assessed have a mixed portfolio, investing across various sectors including ICT, manufacturing, retail, financial services, construction, real estate and more.

Women in the Workforce across Portfolio Companies Directly Invested in



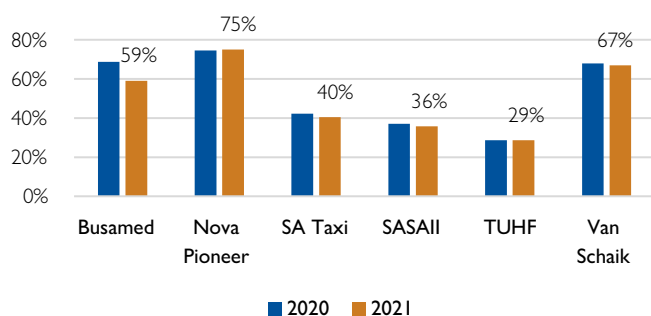
Women in the South African Workforce Across Companies Managed by Funds in South Africa



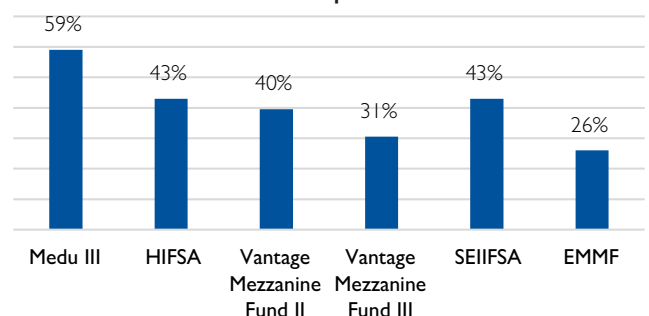
Female representation at management level is tracked across our direct investments and sampled funds. Gender parity has been achieved in part, with the exception of SASAI and TUHF, where focus is required to achieve a minimum of 50% gender parity to realise equality and inclusion targets across these businesses.

In our fund investments, Medu III performed well with 59% of total managerial positions occupied by women. However, the remaining sampled fund managers all recorded a female representation below 50%, with Vantage Mezzanine Fund III recording 31%. Ongoing efforts are being made to ensure that there is a greater share of women in management across all our fund managed investments.

Female Managers as a % Representation Across Direct Investments



Female Managers as a % Representation Across Sampled Funds





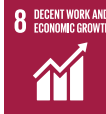

¹⁴ Representative of 2 312 direct Female employees attributed to the support provided by EPPF funds invested in these funds

Sector Specific Impact Outcomes Unpacked



Affordable Housing



Definition	Impact Drivers to be Addressed	Related SDGs
Affordable housing is defined as a residential building where the average rental is below the affordable housing threshold of R9 000 or less . ¹⁵ (Human Sciences Research Council)	<p>Affordable housing shortage of 3,7 million units in South Africa.</p> <p>Affordable housing demand increasing by 178 000 units annually.</p> <p>Rapid urbanisation and migration are placing strain on housing and services in the country.</p>	   

Context

South Africa has experienced a period of rapid urbanisation since the advent of its democracy in 1994. A concentration of economic activity and industry has led to the movement of people from underserved rural areas to urban centres such as Johannesburg, Cape Town, Pretoria, and Durban. The country has also experienced increasing migration from neighbouring countries such as Mozambique and Zimbabwe owing to its middle-income status, stable democratic institutions, and comparatively industrialised economy. Statistics South Africa estimated that a net 853 000 people migrated to the country over the 2016-2021 period, with Johannesburg and Cape Town receiving the bulk of local and international migration.¹⁶

This steep urbanisation and in-migration have resulted in a significant affordable housing challenge. South Africa has a housing shortage of approximately 3.7 million units, which is estimated to be growing by 178 000 annually.¹⁷ Despite the provision of services improving significantly post-democracy, 12% of South African households do not have access to piped or tap water; 18% have no access to adequate sanitation, and 15% are not connected to electricity networks.¹⁸ This rapid urbanisation is happening against the backdrop of record unemployment and poverty, with 34.4% of the working age population currently unemployed and over 30 million people living in poverty.¹⁹

The Importance of Affordable Housing

Housing is a significant component of the economy of any developing country, both as a mechanism to meet the basic demands of rising urbanisation and as a catalyst for the creation and storing of wealth. Local studies have indicated that investments into the housing construction and housing rental value chains create significant multiplier effects both in the creation of jobs and the stimulation of other sectors. For example, investment in affordable housing improves the employment of low-wage workers across the construction value chain while creating demand for locally based building material suppliers. For every direct full-time job created in housing construction, it is estimated that 3.5 additional full-time jobs are created; one in a high productivity sector; one in a medium productivity sector; and 1.5 in a low productivity sector.²⁰ Beyond employment, housing situated within proximity to economic centres, increases the ability of low-income earners to locate and access work. Given South Africa's significant housing shortage, increasing migration and ballooning unemployment and poverty levels, investing in affordable housing construction and rental value chains serve as a targeted contribution to improving economic and social outcomes in the country.

¹⁵ <https://hsr.ac.za/en/review/hsr-review-sept-2018/solving-affordable-housing-crisis>

¹⁶ South Africa Reckons with Its Status as a Top Immigration Destination, Apartheid History, and Economic Challenges - South Africa | ReliefWeb

¹⁷ South Africa - CAHF | Centre for Affordable Housing Finance Africa





¹⁸ South Africa - CAHF | Centre for Affordable Housing Finance Africa

¹⁹ South Africa's youth continues to bear the burden of unemployment. | Statistics South Africa (statssa.gov.za)

²⁰ <https://openknowledge.worldbank.org/bitstream/handle/10986/25801/WPS7902.pdf?sequence=1&isAllowed=y>

Affordable Housing

EPPF's Impact

Our Commitment			
Over R550 million in direct investment is committed toward affordable housing in South Africa.			
Intended Use of Funding Allocated			
IHS Fund II & IHS Social Housing Company Support in the construction, development, and management of affordable housing units.	TUHF Provide financing to affordable housing entrepreneurs.	Vantage Mezzanine Fund III Investment partner to construction group Alleyroads in the building of Kayalane Heights, an affordable housing complex in the Limpopo province.	
2021 Impact Dashboard			
2 342 total jobs supported 900 permanent jobs 1 442 temporary or contract jobs	R41 million spent on local procurement by investee companies R3.9 billion financing provided to affordable housing developers and entrepreneurs	429 direct jobs were provided to women 20 direct jobs were provided to youth 54 direct jobs were provided to previously disadvantaged people 5 jobs were provided to people with disabilities	10 964 affordable housing units delivered 9 739 affordable housing units occupied or leased 88% maintained occupancy rate
Our Desired Contribution to Targets Set Under the SDGs			
 Ensuring equal access to economic resources	 End gender-based discrimination Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making	 Focus on an increase in per capita growth and GDP Focused employment of marginalised groups The implementation of governance structures, policies, and procedures	 Ensure access for all to adequate, safe, and affordable housing and basic services Enhance inclusive and sustainable urbanisation and human settlement planning and management Strengthen national and regional development planning Support including financial and technical assistance, building sustainable and resilient buildings utilising local materials

As a fund, we have directly invested R550 million into two entities, IHS Social Housing Company and TUHF, as well as an additional investment of R250 million into two affordable housing funds in the form of Housing Impact Fund South Africa (HIFSA) and IHS Fund II. In addition, utilising our commitment of R86 million, Vantage Mezzanine Fund III, made an investment into Alleyroads, a construction group, for the construction of an affordable housing development in the town of Lebowaqomo.

These investments have provided us with a unique opportunity to contribute to affordable housing more holistically, ranging from financing, development, to the management of affordable housing for underserved demographics. Using impact multipliers provided by the World Bank we have, through our capital commitment to affordable housing, contributed approximately R13.4 million to South Africa's GDP per capita and up to R82.5 million to the national GDP.

In 2021, our investments into this sector together supported 2 342 direct jobs which include both permanent and temporary employment. They have also made a considerable contribution to economic stimulus, together spending R41 million in local procurement. Using our investments, our portfolio companies have delivered a total of 9 976 affordable housing units and disbursed funding of R3.9 billion in loans to entrepreneurs operating in South Africa's inner city residential property sector. This loan support in the affordable accommodation sector could translate into the creation of approximately 2 970²¹ indirect jobs in adjacent industries such as agriculture, mining, services, and manufacturing. While the affordable housing sector continues to grapple with the long-term effects of the Covid-19 pandemic, we are encouraged by the scale that our portfolio companies have reached with respect to their delivery and financing of affordable housing units for a range of markets including entrepreneurs, low- to middle-income professionals and students.

²¹ 208 indirect jobs can be directly attributed to the EPPFs investment provide to the sector

Affordable Housing

Challenges Overcome with Investing in the Sector

Investing in affordable housing in South Africa is essential to assist in meeting the housing shortage. Through investments in the sector, valuable lessons have been learnt.

Insufficient Municipal Budgets

A key challenge when investing in large housing developments, is limited municipal budgets and capacity to install bulk infrastructure.

This means either the developer needs to take the bulk infrastructure installation on themselves, or incur delays in implementation of projects which costs money.

Apartheid Spatial Planning

Apartheid spatial planning legacy remains. Investing in areas that offer economic opportunities to avoid perpetuating the current spatial planning model allows better access and uptake of units developed.


Investing in outlying areas supports the “broken society syndrome” (i.e., high cost of travelling, reduced time with family, spending a long time travelling to and from work).


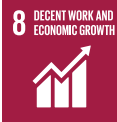

From an environmental impact perspective, high volumes of commuters using buses and taxis to access economic opportunities increases carbon emissions released to atmosphere.



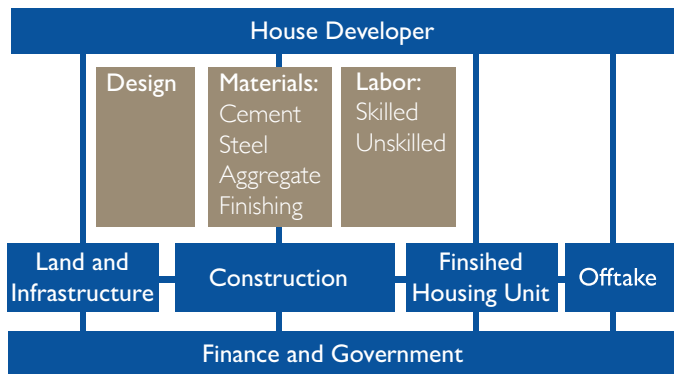
Affordable Housing

Direct Investment Spotlight: Trust for Urban Housing Finance

		The Trust for Urban Housing Finance (TUHF) is the leading provider of residential commercial property finance in the inner cities of South Africa through non-bank financial services	
EPPF commitment R250 million		Nature of Facility Debt	B-BBEE Scorecard 4
Key Activities			
Identify areas of urban regeneration	Provide financing to entrepreneurs to upgrade buildings	Focus on entrepreneurs previously unable to access finance	Support entrepreneurs in providing affordable housing

TUHF 2021 Impact Dashboard				
R 3.9 billion 2021 loan book value	55% were previously disadvantaged entrepreneurs financed in 2021 (percentage of total)	176 buildings financed	973 affordable housing units financed	919 units occupied or leased
 				

Affordable Housing Value Chain

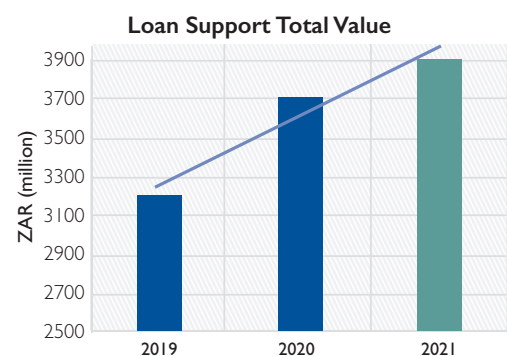


Our investment in TUHF has an impact beyond just the provision of affordable housing units in South Africa's inner cities. As a provider of finance for entrepreneurs in the property sector, the company enables the participation of both upstream and downstream service providers in the wider affordable housing value chain.

In addition, the company contributes to increased market activity in the inner city by placing residents within proximity to amenities and transport nodes, and as a result, strengthens markets for local retailers. Typically, to redevelop and manage a property, entrepreneurs will have to employ a construction company as well as various property management staff such as caretakers, cleaners, security guards, and a rental agency. Therefore, the finance provided by TUHF to entrepreneurs allows them to create value across a wide value chain of service providers and small businesses.

We invested in TUHF to support the company in achieving its long-term vision of scaling its provision of finance to property entrepreneurs to a national level, increasing the delivery of housing units and the support of small businesses in the process.

In 2021, our investment supported TUHF in delivering 973 affordable housing units. This brought the cumulative number of affordable housing units delivered since inception to 44 400. The units delivered were spread throughout five of South Africa's major metropolitan cities including Johannesburg, Bloemfontein, Port Elizabeth, Durban, and Cape Town. This was achieved through the provision of R10.8 billion in loans disbursed over the last three years to entrepreneurs and small to medium-sized property developers.



Reduced Inequality Highlights

R3.9 billion disbursed in loans during 2021 to entrepreneurs
55% of which are previously disadvantaged entrepreneurs



Affordable Housing


Through the loans disbursed in 2021, TUHF supported 71 direct jobs and approximately 1 350 indirect jobs in supporting industries, when translated through internationally recognised impact multipliers.



Despite the headwinds that the Covid-19 pandemic has created in the broader property sector, TUHF maintained a high level of support for previously disadvantaged and female entrepreneurs, supporting 204 previously disadvantaged entrepreneurs and 82 women entrepreneurs over the year, representing 55% and 22% of the entrepreneurs supported respectively.

Our investment into TUHF has seen the company progress into South Africa's foremost provider of inner-city residential financing, thus contributing to several of our impact objectives, particularly economic stimulus, and job creation. Moreover, it has offered a sustainable solution to South Africa's widespread urbanisation and housing requirements and serves as a model of how the country's inner cities can be harnessed for increased local economic development.



Affordable Housing

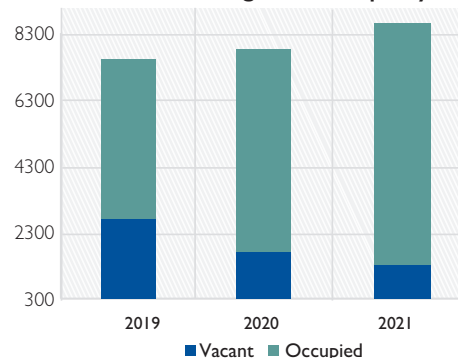
 <p>International Housing Solutions A HUNT COMPANY</p>	IHS Fund II is a affordable housing joint venture that develops, manages, and operates subsidy-funded affordable housing units	
EPPF Commitment R100 million	Nature of Facility 7% Equity	B-BBEE Scorecard 2
Key Activities		
Identify opportunities for the delivery and management of affordable housing in metropolitan and secondary cities	Focus on newly constructed walk-up apartment blocks comprising a mix of unit sizes (bachelor, 1-bedroom, 2-bedroom)	Build units to the EDGE green building specifications

IHS Fund II 2021 Impact Dashboard			
Average rental duration 1 year	Affordable housing delivery growth 20% between 2019 and 2021	9 003 affordable housing units delivered in 2021	89,1% occupancy rate
 			

As an extension of our focus on the affordable housing sector, EPPF has, as of the end of 2021, committed R300 million to International Housing Solutions Social Housing Company. The investment is primarily to strengthen IHS Fund II's capacity to deliver and manage affordable housing units across metropolitan and secondary cities in South Africa. With a demonstrated track record in financing affordable housing projects and building strong stakeholder relationships, IHS brings together the necessary elements for successful and impactful affordable housing investments.

An important consideration for EPPF when committing to IHS was its growing housing portfolio which has expanded by 20% between 2019 and 2021 to 9003 units. In 2021, IHS' occupancy rate reached 89,1%, translating into a total of 8 022 units leased or occupied.

Affordable Housing Unit Occupancy



Affordable Housing



Impact in Action Case Study

Creating opportunities through the construction of a first-of-its-kind affordable housing complex in rural Limpopo

Vantage Mezzanine Fund III, through a capital commitment made by EPPF, provided funding of R82 million to Alleyroads Group in May 2020 for the development of Kayalane, an affordable housing development located in the town of Lebowakgomo, south of Polokwane in Limpopo. The development, which is a first-of-its-kind property in the area, is set to offer 594 two-bedroom apartments, with 24-hour security-controlled access, covered parking and a common area for leisure activities. The development is also within proximity of a medical facility, as well as the regional economic hubs of Polokwane and Tzaneen.

To date, 256 units have been delivered as part of the first phase of the construction of Kayalane, enough to accommodate over 855 people. In addition, the development has so far supported 28 permanent jobs in Alleyroads Group and an additional 138 permanent jobs in the construction of the Kayalane Heights complex.

Warren Van Der Merwe, the managing partner of Vantage Capital, explained “Alleyroads Group, which is a level 2 B-BBEE contributor, is a very experienced developer in the affordable housing space and has found a way to deliver high-quality housing solutions at an affordable price”. The development’s broader impact was also underscored by Bongoletu Masilo, Project Manager at Alleyroads, “what I am proud of with Kayalane, is that we are able to feed families. From bricklayers to TLB machine drivers, their role is not minuscule, with the opportunity they can provide for their families.”

Kayalane’s location in the heart of Lebowakgomo, a collection of small to medium-sized villages is in an area historically referred to as a Bantustan and is well-positioned to become a central feature of the community’s economic development. The development is a good example of how investments in affordable housing can generate good returns with corresponding social impact for households and workers in previously disadvantaged areas of rural South Africa.

Education



Definition	Impact Drivers to be Addressed	Related SDGs
Basic education in South Africa encompasses early childhood development (ECD) programmes as well as primary and secondary education	<p>South Africa has a school dropout rate of over 40%, rising to just under 50% for previously disadvantaged learners</p> <p>The public schooling sector faces challenges relating to the provision of infrastructure such as laboratories, libraries, and internet connectivity</p> <p>Independent school pass rates are on average 22% higher than public schools</p>	<div>2 ZERO HUNGER</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>

Context

The country has nearly 25 000 schools and close to 13 million learners. The public-school sector makes up the lion's share of schools at 22 740 (91%), with the independent or private schooling sector making up the remaining share.²² However, the public schooling system, administered by the national Department of Education, has come under increasing scrutiny for its inability to build schooling capacity that accommodates South Africa's rising learner population, and to develop a competitive curriculum that produces learning outcomes consistent with a changing world of work.

The country also has one of the most unequal school systems in the world. The gap in test scores between the top 20% best performing learners and the rest is wider than almost every other country in the world. Infrastructurally, the country also faces mounting challenges, with over 85% of public schools having no laboratory, 76% no library, and 68% of schools with no internet.²³ These challenges hamper educational outcomes, with only approximately 50% of learners enrolling in grade 1 completing matric. Matric completion rates are especially lower for previously disadvantaged learners, who registered completion rates of 40,1% at the end of 2018.²⁴

This has led to increased investment in private or independent schools in the country. At the start of 2020, there were just under 2 000 independent schools in South Africa, representing just 7% of the country's pool of schools. These schools cater to around 400 000 learners or roughly 3% of the country's learners. This sub-sector, with comparatively higher school fees, provides significantly better infrastructure, smaller classroom sizes, and substantially higher matric pass rates, with the sector recording a 98% pass rate in 2021, compared to 76% recorded by the public schooling system.²⁵ These comparatively high fees coupled with smaller capacity and geographic distribution, see independent schools excluding poor, largely previously disadvantaged students from the system, perpetuating existing inequalities in educational outcomes.

²² South Africa: population, by age group 2021 | Statista

²³ Statistical Publications (education.gov.za)

²⁴ This is the school drop out rate in South Africa (businesstech.co.za)

²⁵ Pass Rate for Matric 2021 - All Bursaries SA

Education

Importance of Education

Education is, in every sense, one of the fundamental factors stimulating economic development. Education raises individual and collective productivity in an economy while promoting entrepreneurial and technological advancement. Since the start of the twentieth century, education, skills, and the acquisition of knowledge have become crucial determinants of individual and national productivity, and economic growth globally. Developed regions such as North America, Europe, and, more recently Asia, have achieved higher human developmental indexes and employment rates mainly due to having skilled and educated workforces that build industries with competitive advantages over other economies.

In addition, these regions have placed a greater emphasis on developing education systems that produce workers who can function in new industries, such as science and technology. This comes as older industries become less competitive due to advancements such as automation. In developing regions such as Africa, economies have struggled to become globally competitive due to challenges associated with education. A report by the United Nations Development Programme (UNDP) cited the unequal distribution of essential facilities such as schools as one of the primary drivers of the wide disparities in income, employment, and developmental outcomes between the region and developed countries.²⁶

Considering the global context, higher investments in education are a necessary intervention to improve wider socioeconomic outcomes in developing countries. Moreover, a focus on the nature and quality of education is important to ensure that the wider labour market is suited to a changing world of work that is increasingly centred around scientific and technological disciplines.

EPPF's Impact





Our Commitment		
R883 million in direct and fund investments committed towards education and supporting sectors; achieved through three direct investments and investments in a fund focused on educational outcomes		
Intended Use of Funding Allocated		
Nova Pioneer	SASAI	Van Schaik Bookstore
To facilitate the expansion of a network of high-quality, affordable schools	To support the development of central and affordable student accommodation units	To increase the provision of learning materials across secondary and tertiary education levels ²⁷
Sphere Holdings	Old Mutual Schools Fund	Medu Capital
Invested in Pearson SA, a level 1 BBBEE educational books and service provider with the aim of growing the local South African publishing business with the ability to boost delivery of quality educational solutions to learners	To fund the development of new and the refurbishment of existing schools to a high quality and competitive standard	Investment in Troupant Publishing, facilitating an increase in the provision of learning materials across secondary and tertiary education levels



²⁶ Africa grapples with huge disparities in education | Africa Renewal (un.org)

²⁷ No overview of Van Schaik Bookstore is provided as EPPF is currently exiting the investment.

Education

2021 Impact Dashboard			
871 total direct jobs supported 819 permanent jobs 1 738 educators employed	R2.1 million in bursary funding was offered to learners 25 575 learners supported with institutional enrolment through Nova Pioneer and SEILFSA and accommodation through SASAII	Previously disadvantaged employees make up 75% of total employees Women employees make up 70% of total employees Young employees (<35 years of age) make up 51% of total employees	R427 million spent on local procurement by investee companies R270.2 million in upgrades at various schools R701.8 million invested in new developments
Our Desired Contribution to Targets Set Under the SDGs			
 <p>Safe nutrition and sufficient food all year round – focus on poor and vulnerable groups</p> <p>End malnutrition – focus on stunting and wasting of children under 5 years of age and adolescent girls</p>	 <p>Improved access of young adults to technical and vocational and tertiary education, including universities</p> <p>Increased number of youth and adults with the required vocational and technical skills for employment, decent jobs, and entrepreneurship</p> <p>Eliminate gender disparity in education</p> <p>Contribute to youth and adults achieving literacy and numeracy</p> <p>Build or upgrade facilities to match education requirements</p> <p>Expand scholarship programs available</p> <p>Increase the supply of qualified teachers</p>	 <p>End gender-based discrimination</p> <p>Ensure women full and effective participation and equal opportunities for leadership in all levels of decision making</p>	 <p>Focus on an increase in per capita growth and GDP, achieved through increased pass rates of pupils, and increase in pupils completing secondary and tertiary education</p> <p>Promotion of fair labour practices</p>

As a fund, we have invested R883 million in companies and funds that operate within the broader educational value chain, ranging from schooling in the form of Nova Pioneer; schooling infrastructure through the Old Mutual Schools Fund, and learning materials by our investment into Van Schaik, Sphere Holdings and Medu Capital and student accommodation through our interest in SASAII. This approach is grounded on the belief that education is a multifaceted process that involves equipped classrooms and high-quality curriculums, but also the support of sustainable and affordable infrastructure and materials. Broadly, education generates increases in GDP that outstrip the cost of investments while building an equipped workforce that can be absorbed into a modern economy while increasing the country's tax base.²⁸

In 2021, our investments together supported 25 575 learners through direct school enrolment, accommodation, and support through a fund. In addition, over R709 million worth of academic books and materials were sold by Van Schaik, our direct investment, and Pearson SA, a subsidiary of Sphere Holdings. Learners were also supported through the provision of over R2 million worth of bursaries and financial aid by Nova Pioneer and the Old Mutual Schools Fund. SASAII supported 798 students with accommodation at its 988 Unit Park development in Hatfield, Pretoria.

Academically, our portfolio once again created a significant impact. Together, the Old Mutual Schools Fund's 15 schools recorded a matric pass rate of 93.8%, with Nova Pioneer and its group of schools recording a 100% matric pass rate. The Old Mutual Schools fund exceeded the national public school matric pass rate of 76% with Nova Pioneer exceeding the private schooling sector's matrix pass rate of 98%.

Through our investments as a fund, we supported the employment of 1 738 educators, 75% of whom were previously disadvantaged. Beyond this, our investments in the educational sector supported over 701 direct jobs. In terms of economic stimulus, SASAII, Nova Pioneer, and Van Schaik together spent R426.6 million on local procurement, supporting forward-linking and backwards-linked service providers in the sector.

²⁸ Public investments in education can spur equitable growth, pay for themselves, and create jobs for a stronger economic recovery - Equitable Growth

Education

Challenges Overcome with Investing in the Sector






Investing in the local education sector poses challenges as the sector is becoming increasingly fragmented with various role players (particularly independent operators) engaging in education related activities. The fragmentation of the sector makes it challenging to enhance access and control the quality of education being provided.

Enhancing Access	Ensuring Provision of Quality Education
<p>The shift to online and digital platforms for education increases the accessibility and affordability of education.</p> <p>When extending these tools it is not feasible to own one or two schools due to the costs associated with implementing these additional added value systems.</p> <p>Increasingly parents are enrolling their children into private schools attracted by smaller classes and higher quality of education. To respond to this need, more should be done to enhance the level of affordability and quality of education to enhance levels of access.</p>	<p>It is more expensive for schools and investors to adopt the required technology without critical mass.</p> <p>The deployment of technology options can however extend a facilities reach and enhance levels of education being provided.</p> <p><i>"If you have a good maths teacher in one school, you can only impact the children in the classroom. If you can offer online classes with that same teacher, it is more impactful and cheaper to roll out than trying to employ the same quality teachers in each school. Leveraging these online learning platforms in this way, allows an investor and institution to streamline the quality of education being offered through thier investments."</i></p>



Education

Direct Investment Spotlight: Nova Pioneer

<div></div> <div>NOVA PIONEER SCHOOLS FOR INNOVATORS & LEADERS</div>		Nova Pioneer is a Pan-African independent school network that builds and operates world-class, affordable education, accommodating students from preschool through to secondary school	
EPPF Commitment R300 million		Nature of Facility Debt	B-BBEE Scorecard 2
Key Activities			
Offers preschool and secondary school education across 10 operational schools		Provides quality education at an affordable rate with a school curriculum based on the Cambridge Education System	Offers education at a school fee range that is most in need in South Africa and supports the rising previously disadvantaged middle class
Nova Pioneer 2021 Impact Dashboard			
2 539 students enrolled 99.3% pass rate across all secondary school grades R2.1 million bursary fund deployed for learners enrolled		340 direct jobs supported R80 million spent on local procurement 233 educators employed 77% of all educators are previously disadvantaged individuals	83% of direct jobs supported were occupied by women Women occupied 75% of managerial positions
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>		<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>

Nova Pioneer is an emerging provider of quality, affordable education to South Africa's preschool, primary school, and secondary school markets. The company has 10 operational schools in residential areas populated with middle-income previously disadvantaged families, and charges school fees that range between the middle plus (between R 25 000 and R 60 000 a year) and middle minus (between R 10 000 and R 25 000) school fee brackets. This directly fills a need for affordable and middle-income schooling, where the bulk of investment is required in the country.



EPPF invested in Nova Pioneer to help the company expand its operations and widen access to affordable, quality education at more sites across South Africa. In 2021, the company employed a total of 340 employees of which 68% were their academic staff or educators. Women made up a large segment of their total staff complement at 83%. From a transformation perspective, the company recorded a B-BBEE level 2 scorecard with 77% of its total staff contingent made up of previously disadvantaged employees.

This strong presence of women and previously disadvantaged employees was also reflected at a managerial level, with women occupying 75% of positions and previously disadvantaged employees 60% of these positions in the company.

The company had 2 539 students enrolled across their campuses in 2021 with Grade 1 accounting for the largest number of learners

enrolled at 433, an increase of 20% from 2020. There was a total of 233 educators employed by the company, the majority of whom were previously disadvantaged employees. The learner-to-educator ratio (LER) was registered at 11:1, substantially lower than the national average of 30:1 for public schools and 18:1 for the country's biggest independent schooling group.^{29 30} This comparatively low LER in Nova Pioneer's group of schools ensured that enrolled learners received individualised attention and support, and intensified socialisation with other learners.³¹

Through investments such as the one made by us as a Fund, the company grew its total bursary fund by 45% from 2020 to over R2 million in 2021. Over half of these funds were allocated to previously disadvantaged students across the company's different campuses. This growing pool of funding makes inroads in preventing some of the root causes associated with primary and secondary school dropouts, the biggest of which has been attributed to affordability due to falling household incomes.³²

Educational Output	
100% pass rate for grades 11 and 12 in 2021	
	
Over R 1 million was allocated in bursary funding to previously disadvantaged students	
	

Education

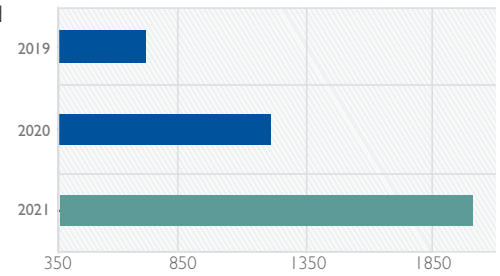
The company's world-class curriculum, bursary funding pool, and comparatively smaller classrooms have also contributed to educational outcomes for learners. The company registered an impressive 97% pass rate among all learners across grades 8-12 over the period between 2019 to 2021. In 2021, the company registered a 100% grade 12 pass rate for the second consecutive year. This matric pass rate was above both national averages for public schools (76%) and independent schools (98%).³³ This is a commendable achievement given that Nova Pioneer's fee structures are largely below that of leading independent private school groups in the country.

Nova Pioneer's education results also spanned beyond just primary and secondary schooling. For example, learners at Nova Pioneer's Ormonde Secondary campus recorded a 100% pass rate for their Cambridge A-Levels examinations. This qualification is the equivalent of Grade 13 secondary school level and provides learners with a world-recognised exit qualification.

The A-level year strengthens a learner's prospects of gaining access to the tertiary schooling qualification of their choice, as well as gaining access to institutions and opportunities in developed countries, allowing for the accumulation of skills that can be brought back into the local economy.

The impact of these results should be looked at in the context of employment prospects for learners with a matric qualification and those with a tertiary qualification. Unemployment rates among learners with tertiary qualifications is 22% lower than the national average, whereas learners with a matric qualification have an unemployment rate that is around 2% higher than the national average.³⁴ It is therefore crucial that learners obtain a primary and secondary school education that increases their chances of accessing tertiary education and ultimately reduces national unemployment.

Total Bursary Fund Size



²⁹ Curro (psggroup.co.za)

³⁰ Pupil-teacher ratio, primary - South Africa | Data (worldbank.org)

³¹ Benefits of a low Student-teacher ratio | TheHigherEducationReview


³² Here's what Contributes To Learners Dropping Out Of School (careersportal.co.za)


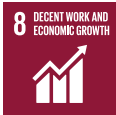

³³ Matric 2021: IEB schools score 98% pass rate after 'mentally, emotionally tough' year | News24

³⁴ Here are your chances of employment in South Africa – based on your level of education (businesstech.co.za)

Education

Fund Manager Spotlight: Pearson South Africa, Through Sphere Holdings

 Pearson	Pearson South Africa (Pearson SA), a subsidiary of Sphere Holdings, an EPPF investee company, provides trusted CAPS-approved academic material to make learning more engaging and effective for teachers and learners in South African schools	
Fund Invested Sphere Holdings	Nature of Facility 22.5% Equity held by Sphere Holdings	B-BBEE Scorecard I
Activities		
Provide textbooks, digital and supplementary resources, services, and support	Outlets across all of South Africa's nine provinces	Produce academic content in 11 official languages

Pearson 2021 Impact Dashboard			
R366 million in academic and learning materials sold	R600 million local procurement spend R104 million paid in company tax	170 employees 76% of the workforce is made up of previously disadvantaged employees	68% of the workforce is made up of female employees
			


Pearson SA is a South African subsidiary of Pearson PLC, the world's leading provider of educational books and services. The company's services include learning materials for learners from preschool to grade 12 through their Maskey Miller Longman and Heinemann publications, digital technologies for use in technical and vocational education and training (TVET) institutions, as well as learning material and online resources for General Business and Finance professionals.

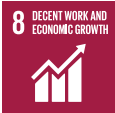



The contribution to Pearson SA comes through a landmark empowerment deal with Sphere Holdings, which acquired a stake in the company. Pearson SA has a strong track record of transformation in its workforce and strong sales of academic material. In 2021, the company was a level 1 B-BBEE contributor, with 76% of its workforce made up of previously disadvantaged employees. In addition, the company achieved a high level of gender diversity with 68% of its workforce made up of female employees. The company registered EBIDTA of R366 million, spending a total of R600 million on local procurement.



Education

Direct Investment Spotlight: SASAII

	South African Student Impact Investments (SASAII) is mandated to invest in and develop scaled and densified student housing projects that are affordable and targeted at the National Student Financial Aid Scheme (NSFAS) student affordability bracket	
EPPF Commitment R350 million	Nature of Facility 40.4% Equity	B-BBEE Scorecard I
Key Activities		
Identify areas and properties applicable for student accommodation	Provide financing for the construction and development of new build properties	Purchase of existing buildings for refurbishment

SASAII 2021 Impact Dashboard				
R41 million spent on local procurement	788 affordable student housing units occupied by previously disadvantaged students funded by NSFAS	530 affordable student housing units occupied by female students	988 affordable student housing units delivered	80.8% occupancy rate
				

Our investment into SASAII comes at a time when South Africa's student population grows year on year with 28 established universities with 108 campuses, and 50 Technical and Vocational Education and Training (TVET) colleges with more than 264 campuses. The need for affordable student accommodation is rising. The International Finance Corporation (IFC) estimates that bed shortages at South African tertiary institutions are around 500 000.³⁵

In response, EPPF, along with a consortium of investors committed R350 million towards SASAII, a student impact company established by Eris Property Group. SASAII's flagship development is Units on Park, in Hatfield, Pretoria. Situated a stone's throw away from the University of Pretoria, the building has accommodated a total of 1 672 students since opening, achieving an occupancy rate of 80,8% in 2021. With over 75% of occupants funded through NSFAS, the development has largely accommodated students from previously disadvantaged backgrounds. Previously disadvantaged students represented a significant majority of residents at 98% in 2021, with female students making up 66,4% of students supported. Moving forward, SASAII will be using funding such as that provided by EPPF to develop several more student accommodation buildings, with two, namely Units on Jorissen in Johannesburg and Units on Station Square in Cape Town, formally approved for development at the end of 2021. Together, these two new developments will have a capacity of 4 145 beds covering 74 892 square meters.

It is also worth noting that NSFAS-funded students tend to be first-generation university students hailing from rural areas and townships, and the provision of affordable and accessible accommodation allows for the completion of their tertiary studies and ultimately breaks the cycle of poverty in their families and communities.


Beyond accommodation, the development supported the SME sector with a total of R41 million in the procurement of services related to the ongoing maintenance and management of the building.





³⁵ Student accommodation in South Africa gets R150 million boost from the World Bank Group | Business insider

Education

Fund Manager Spotlight: Old Mutual Schools and Education Investment Impact Fund South Africa

 OLDMUTUAL		<p>The Old Mutual Schools and Education Investment Impact Fund (Old Mutual Schools Fund or The Schools Fund) is the largest education-focused impact fund in South Africa</p> <p>The Schools Fund's primary focus is on the upgrading of existing or building new independent schools in the affordable market segment</p>	
Established 2011	Fund Size R1.4 billion	EPPF Commitment R200 million	Nature of Facility Debt

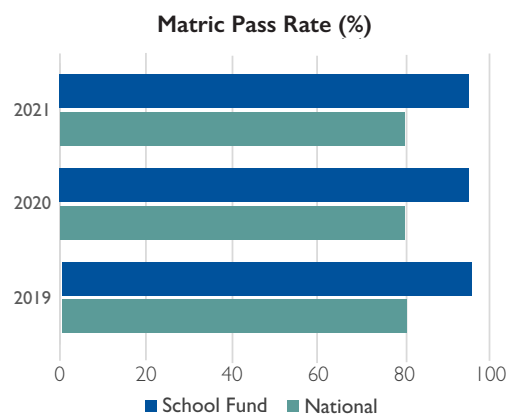
Old Mutual Schools Fund's 2021 Impact Dashboard		
22 248 learners enrolled across the portfolio Matric pass rate of 92% across the portfolio	1 505 educators employed 60% of senior teaching staff are previously disadvantaged South Africans	R1.1 billion invested in the development and upgrading of schools Financed and invested in 39 schools
<div>   </div>		

Since our initial investment into SEILFSA in 2016, we have been encouraged by the progress that has been made in improving schooling infrastructure as well as the outcomes achieved by learners. To date, Schools Fund has financed and invested in 39 schools. Over 90% of its portfolio operates in the affordable market segment, which is defined as learners from households with an income of no more than R530 000 a year.

To date, the Schools Fund has invested R1 billion into school infrastructure with 60% of that funding allocated to schools in townships, the majority of which has been utilised to develop new schools. In 2021, the Schools Fund's portfolio accommodated 22 248 learners, with previously disadvantaged learners making up 97% of all learners enrolled. In the matric cohort, the fund recorded a 94% pass rate, with just over 52% of matriculants who wrote examinations passing with a university entrance qualification. Both the portfolio's matric pass rate and university entrance pass rates exceeded the national averages of 76% and 36% respectively.

This strong academic performance was strengthened through R2 million allocated to bursaries, from which 160 learners benefitted through either full or partial funding for their studies.

A total of 1 505 educators were employed across the Schools Fund's portfolio, of which 70% were previously disadvantaged. This sizable contingent of previously disadvantaged educators is also seen in higher positions, with 60% of senior teaching positions occupied by previously disadvantaged educators.



Education



Impact in Action Case Study

How a local school in Umlazi, KwaZulu Natal is shaping the leaders of tomorrow

Township schools are possibly the hardest hit by the education sector's poor infrastructure, limited access to learning materials, and vacant teacher posts. Despite this, the Schools Fund, through investments made by the EPPF, has made a substantive impact through its acquisition of Canaan College, the first school in the Edinvest transaction, in partnership with Edinvest Schools education.

Canaan College is a school situated in Umlazi Kwa-Zulu Natal, the fourth largest township in South Africa. Following the refurbishment of an old financial corporation head office, the school first opened its doors in 2019 with an initial enrolment of 299 learners from Grade R to 9. Since then, the school has increased its enrolment rate by 297%, welcoming 889 learners and expanding its offering to include up to Grade 11 classes in 2021.

The school's education model is premised on the belief that education should also serve to develop leaders who are inspired to innovate and act in the local and global economies. Apart from a traditional curriculum, the schools offer modules in entrepreneurship, robotics,

and coding – skills that are essential to remaining competitive globally and embracing the Fourth Industrial Revolution. In addition, the entrepreneurship sessions are presented by on-the-ground business leaders who share their lived experiences to guide the development of social and technical skills.

Nthlanhla Khambule, CEO of Edinvest Schools, explained that the “key to our entrepreneurial offering is encouraging learners to See, Think, and Innovate. This essentially means that learners should see a problem or issue, think about solutions, and innovate to overcome that challenge”.

The school supports learners in this process by assigning them to a mentor who is also an entrepreneur. Canaan College's growth, made possible by the debt and equity investment from SEIFSA and by extension EPPF, has seen it redefine the role that schooling plays in the lives of young people in and around the township of Umlazi.

Healthcare



Definition	Impact Drivers to be Addressed	Related SDGs
<p>Primary Health Care is essential health care based on practical, scientifically sound, and socially acceptable methods and technology, universally accessible to individuals and families at a cost that is affordable to the community and country</p>	<p>Covid-19, low medical aid memberships, and a rising population are reducing bed capacity in public health facilities</p> <p>Private healthcare has high occupancy rates due to only a handful of entities operating in the sector</p> <p>Affordability is a significant barrier for South Africans accessing quality healthcare</p>	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> </div>

Context

South Africa has a two-tier healthcare system, with the private and public sector healthcare providers operating in tandem. The government-subsidised public health care system caters to 71% of South Africa's population.³⁶ The remaining share of the population is serviced through the private healthcare system, which is funded primarily through medical aid schemes and other forms of private contributions.

There are, however, discrepancies in both cost and quality of healthcare between the two sectors. In 2020, the country's nine provincial governments spent a combined R206 billion on the public healthcare system, making it the second biggest expenditure item behind education.³⁷ Despite this, challenges relating to bed capacity and adequate staffing have placed the public healthcare system under increasing strain. This has precipitated the rise of private healthcare in the country, which is considered to provide better quality care when compared to the public sector. However, they do so at comparatively higher prices than the public sector, with three dominant hospital groups occupying an 83% market share in the private healthcare sector.³⁸

For the public healthcare sector, bed capacity has become a profound challenge amid a rising population, low medical aid membership, and the Covid-19 pandemic. In the case of the private healthcare sector, the superior quality offered has placed a strain on the sector's bed capacity as investments into new medical facilities struggle to keep pace with rising demand not just from South Africa's growing middle-class but that of most of the continent, who visit the country for medical care. Therefore, additional investments are required to ensure that healthcare facilities in the country become affordable and continue to provide a high standard of quality services.

³⁶ <http://www.statssa.gov.za/publications/P0318/P03182018.pdf#page=37>

³⁷ Healthcare and education spending: GP and VWC the odd ones out | Statistics South Africa (statssa.gov.za)

³⁸ Executive-Summary.pdf (compcom.co.za)

³⁹ <https://widgets.weforum.org/outlook15/10.html>

Healthcare

Importance of Quality Healthcare

Ensuring the health and well-being of all is essential to poverty eradication efforts, achieving sustainable development, and stimulating economic development. The World Bank estimates that 50% of the economic growth differentials between developing and developed countries are attributed to poor health and low life expectancy.³⁹ There is evidence to suggest that the healthier the citizens of a country, the more effective the workforce, the better the health of their children, the fewer births, and hence fewer dependents.

In addition, vaccination and preventative strategies for childhood diseases are also of key importance to the health of an economy. In South Africa, unequal access to quality healthcare is among several strong contributors to income and asset inequality in the country. This is while the country grapples with high rates of HIV/AIDS and Tuberculosis (TB), which affect the country's poor and majority black population in larger numbers. Drawing on evidence globally, strengthening the provision of affordable and quality health care is an important way of reducing unemployment, increasing workforce productivity, and ultimately curbing income and asset inequality in the country.

EPPF's Impact

Our Commitment		
Over R541 million in a single direct investment and five funds further invested in health care and supporting sectors		
Intended Use of Funding Allocated		
Busamed To expand a growing network of private hospitals in urban and peri-urban locations across South Africa	Old Mutual Private Equity Fund IV Investment in Medhold with a focus on expanding the provision of critical medical devices in the Southern African region	Kleoss Fund I Investment in the Centre for Diabetes and Endocrinology in support of the provision of care for persons with diabetes mellitus in South Africa
Ethos Invested in Vertice MedTech Group , a South African based medical technology company with a focus on expanding their footprint into Africa through strategic acquisitions and partnerships	Sphere Holdings Provided funding to hearX a start-up which strives to increase access to hearing healthcare through smart digital solutions	Neoma Africa Fund III Investment in Joint Medical Holding in support of the provision of healthcare and Oncology services

2021 Impact Dashboard			
2 652 total jobs supported 1 644 beds provided	R799 million spent on local procurement	Previously disadvantaged employees make up 79% of total employees Women employees make up 80% of total employees Young employees (<35 years of age) make up 37% of total employees	60% of patients treated were women 52% of nurses have specialised

Our Desired Contribution to Targets Set Under the SDGs		
 <p>Facilitate the achievement of universal health coverage, including financial risk protection</p> <p>Health financing, recruitment, development, training, and retention of the health workforce in developing countries</p>	 <p>End gender-based discrimination</p> <p>Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making</p> <p>Ensure universal access to sexual and reproductive health and reproductive rights</p>	 <p>Focus on an increase in per capita growth and GDP, achieved through improved access to quality affordable health care, and increase in employment opportunities</p> <p>Though implementation of governance structures, policies and procedures which cover fair labour practices and policies focused on equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace</p>

Healthcare

As a fund, we have invested over R541 million in companies and funds that operate within the broader healthcare sector, ranging from private hospitals through our investment in Busamed, specialised patient care provided by the CDE through our investment in Kleoss Capital, and medical technology and products through our investments in Sphere Holdings, Ethos, Old Mutual Private Equity Fund IV, and Neoma Africa Fund III. The healthcare sector is fast moving, with an increasing amount of medical technology, digital services and products and continued research and development. Through our various healthcare related investment, we contribute to improved access to affordable, quality and innovative healthcare.

In 2021, through our investments as a fund, we supported the employment of 2 652 individuals, 79% of whom were previously disadvantaged. In addition to this, Busamed and the CDE provided 1 644 beds for patients. In addition, over R799 million was spent on local procurement by our healthcare investments, indicating the valuable contribution of both our direct investment and funds to the development of the local economy and supporting forward-linking and backwards-linked service providers in the sector.

Challenges Overcome with Investing in the Sector

Investing in healthcare poses several challenges in South Africa, particularly with the uncertainty of the proposed implementation of the National Health Insurance.

Start Small

Investing in hospitals is capital intensive and requires careful planning and implementation.

It is advisable to start small (below the maximum bed capacity) and build up from there. This allows the hospitals to determine the health and medical needs of the community they are operating in and test the foot traffic.

Allowing informed decisions to be made on the specialised services and equipment required. Important as once the capital expenditure has been made, changing approach or being able to introduce new services needed by a community can be difficult, as costs associated with the initial investment made will need to be recovered first.

Opportunities in Primary Health Care

When investing, aim to invest in opportunities not reliant on medical aid to maximise reach as only a small section of the South African population has access.

Health screenings, and clinics provide accessible and quality care at lower costs. Improved screening and prevention, can circumvent conditions that would require more expensive treatment, requiring long waiting times for services to be provided at public facilities or patients to have medical aid to access treatment from private service providers.

Advancing Access and Quality Of Health Care



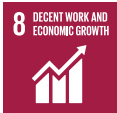
Localisation of health care science and medication can enhance access and levels of affordability. There are opportunities for investors to support development of facilities and companies that are responsible for the research and development of medication (including vaccines) and those responsible for manufacturing, filling, and finishing of medication.

It has already been demonstrated during the Covid-19 pandemic that the skills and knowledge are available in South Africa. The pandemic also highlighted the need for local production due to the unequal distribution of vaccines, medication and medical equipment in developing countries.



Healthcare

Fund Managed Investment: Joint Medical Holdings

	Joint Medical Holdings (“JMH”) is a group of four tertiary hospitals, two day-clinics and an oncology centre offering multi-disciplinary services across 14 specialities	
Fund Invested Neoma Africa Fund III	Nature of Facility 51% Equity held by Neoma Africa Fund III	B-BBEE Scorecard
Key Activities Offer services including general surgery, gynaecology, orthopaedic, paediatric, psychiatric, urology among others		
Services the predominantly insured market in the greater Durban area of South Africa		The company has a 16% market share in the Kwa-Zulu Natal Province
Joint Medical Holdings 2021 Impact Dashboard		
987 medical staff employed	77% of which are previously disadvantaged employees	R6.7 million spent on employee training
750 beds across 4 medical facilities		 


Joint Medical Holdings is one of two hospital groups Neoma are invested in. Through our commitment to Neoma Africa Fund III, Joint Medical Holdings is a strategic provider of private, specialised medical care that is well established in the Kwa-Zulu Natal Province. Founded by a consortium of doctors in the 1990s, the company has now grown its network to over 750 beds offered across four tertiary hospitals and two-day clinics.



In 2021, the company employed 987 medical staff, the lion's share of which were women. In addition, the company doubled the number of staff that were trained from 63 in 2020 to 120 in 2021. This translated into a training spend increase of 83% to R6.7 million in 2021. In addition, the company spent a total of R285 000 on community activities such as discounted cataract surgery, mammograms during breast cancer awareness month, and Covid-19 support activities.



Healthcare

Fund Managed Investment: Centre for Diabetes and Endocrinology (CDE)

	Centre for Diabetes and Endocrinology (CDE) through Kleoss Fund I To support the provision of care for persons with diabetes mellitus in South Africa	
Fund Invested Kleoss Capital	Nature of Facility 96.3% Equity Held by Kleoss	B-BBEE Scorecard Non-compliant
Key Activities		
The CDE is the leading diabetes management solutions enterprise in South Africa with the mandate to improve the health and the lives of people with diabetes	The CDE is the only truly doctor-based managed healthcare programme in South Africa and is considered the premier diabetes programme in the country	Founded a preferred provider network of 14 centres across South Africa

Centre for Diabetes and Endocrinology 2021 Impact Dashboard		
60 staff employed	37% of which are previously disadvantaged employees	R19 million spent on local procurement
<div>   </div>		

The CDE (Centre for Diabetes and Endocrinology) was established in 1994, with the view to introduce much needed higher levels of care for persons with diabetes mellitus in South Africa. At that time, diabetes care resources available to South Africans were inadequate, and in addition, diabetes care in the private sector was not appropriately funded by medical aids (medical insurers). As a result, diabetes care in general was sub-optimal. The concept of the CDE "Diabetes Management Programme" was developed and introduced into the South African private healthcare market in 1995. To provide good diabetes care across South Africa, it was soon recognised that more than one "Diabetes Centre of Excellence" would be required. The "Centres of Excellence" principle needed to be expanded.

As a result, a network of 14 centres were established. At the helm at each of these "Centres of Excellence", was either an Endocrinologist or a specialist Diabetologist. Over the years, the number of patients under CDE management has risen steadily; many thousands of patients with diabetes benefit from CDE diabetes management programmes. The CDE is the only truly doctor-based managed healthcare programme in South Africa and is considered the premier diabetes programme in the country. In addition, the number of "Diabetes Centres of Excellence" across South Africa has increased.

73% of employees are women







In 2021, the company employed 60 staff, 73% of which were women. CDE did not incur training expenses in 2021 as it is in a recovery phase.



Healthcare

Fund Managed Investment: The Medhold Group

		The Medhold Group through Old Mutual Private Equity Fund IV To expand the provision of critical medical devices in the Southern African region	
Fund Invested Old Mutual Private Equity Fund IV		Nature of Facility 15.2% Equity Held by Old Mutual Private Equity Fund IV	B-BBEE Scorecard 2
Key Activities			
Offer services including general surgery, gynaecology, orthopaedic, paediatric, psychiatric, urology among others		Services the predominantly insured market in the greater Durban area of South Africa	The company has a 16% market share in the Kwa-Zulu Natal Province
Medhold Group 2021 Impact Dashboard			
254 total staff compliment 77 clinical engineers employed		53% of which are previously disadvantaged employees	Systems ISO 13485:2016 certified
			

The Medhold Group is a leading provider of world-class medical technology, software, and devices across Southern Africa. The Medhold Group has 13 care divisions (theatre, ICU/high care, orthopaedic solutions, emergency & trauma, Central Sterile Supply Department (CSSD), digital solutions, maternal infant care, diagnostic cardiology, private practice and general ward) that offer patient-orientated healthcare products, services and supplies.





The provision of health care products is made possible through international acquisitions and by maintaining financial stability. The Medhold Group aim to achieve sustained long-term growth by expanding into new geographies, leveraging existing and new partnerships (for distribution and manufacturing) to offer the latest products to an underserved African market.

They provide custom build turnkey solutions ensuring optimised layout based on room dimensions and area flows. This is supported through support centres located in Johannesburg, Cape Town, Durban, Gqeberha, Bloemfontein and East London.



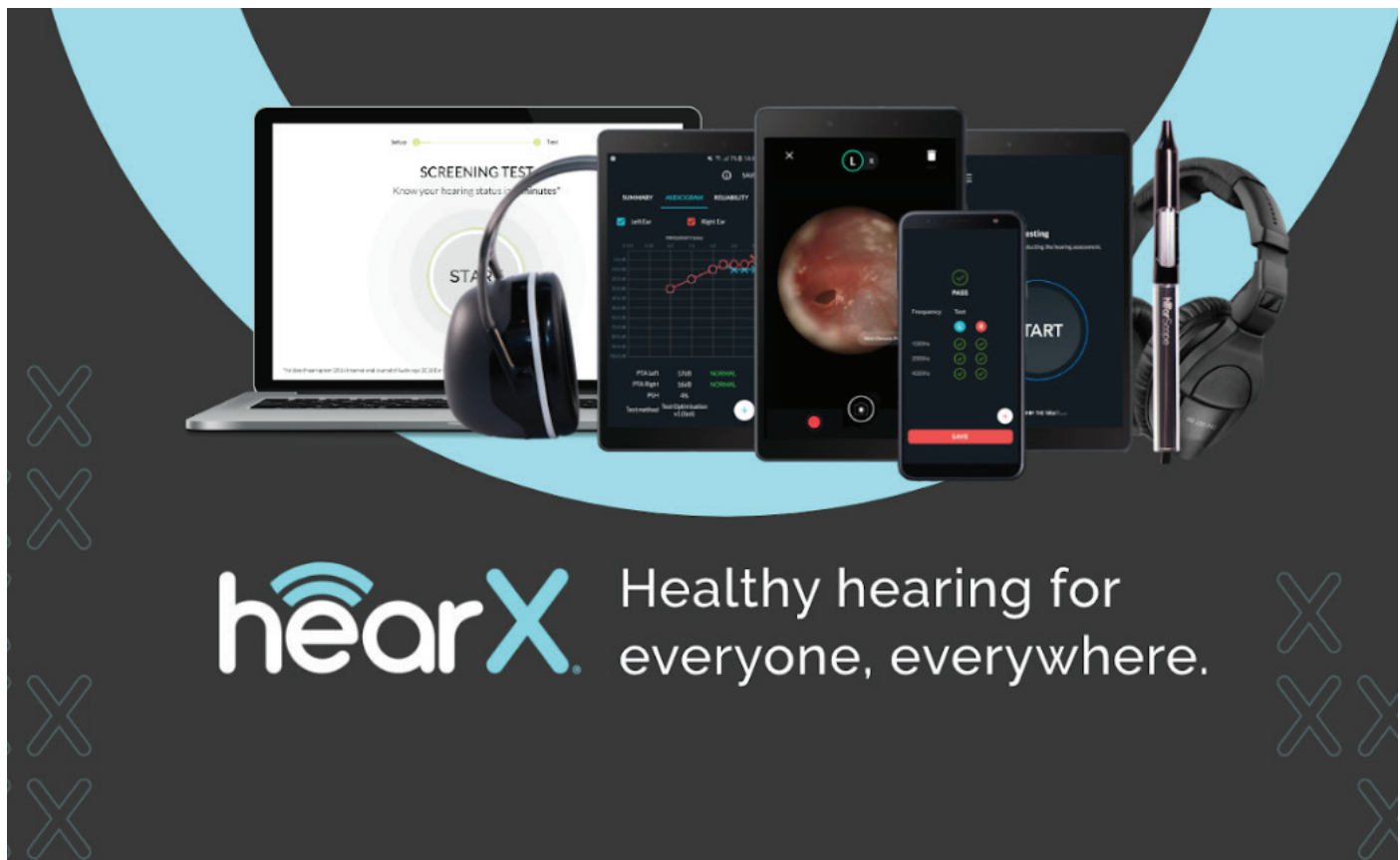
Healthcare

Fund Managed Investment: The hearX Group

		The hearX Group through Sphere Holdings hearX is an impact-driven digital health company with a passion to provide affordable access to healthy hearing	
Fund Invested Sphere Holdings		Nature of Facility 2.04% Equity Held by Sphere Holdings	B-BBEE Scorecard 4
Key Activities			
Provide screening tests, clinical tests, self-test solutions and occupational health audiometry services		Develop smart, evidence based digital tools that ensure clinical, screening, and self-test solutions are efficient, simple and cost-effective hearing care	
hearX 2021 Impact Dashboard			
127 staff employed		75% of which are previously disadvantaged employees	1.4 million hearing tests completed
<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>			


The hearX Group was established in 2015 with the core passion and vision being 'healthy hearing for everyone, everywhere'. The company has pioneered digital hearing solutions to detect, diagnose and treat hearing loss around the globe, and as of 2021, has reached 191 countries.

In South Africa, hearX launched the hearZA initiative in 2016 as part of the World Health Organisations initiatives on highlighting hearing loss as the most common chronic disability. hearZA is a clinically valid hearing test that can be done on a smartphone in less than three minutes and is free of charge. To date, more than 44 336 South Africa's have tested their hearing with hearZA.



Healthcare

Fund Managed Investment: The Vertice MedTech Group

	The Vertice MedTech Group through Ethos Private Equity Vertice MedTech is a medical technology company that provides turnkey medical solutions across several healthcare sectors	
Fund Invested Ethos Fund VI	Nature of Facility Equity (Ethos Fund IV holds 53.5%)	B-BBEE Scorecard 3
Key Activities		
Provide turnkey medical solutions across several healthcare sector to deliver high quality healthcare	Positioned themselves as a leading medical distributor and service provider in Africa, with a footprint in 22 countries	Create synergies between healthcare expertise and digital ecosystems to build ecosystem of integrated medical solutions

Joint Medical Holdings 2021 Impact Dashboard			
589 staff employed	Products cover 11 medical specialisations	80 health care products launched to market	Youth make up 76% of the workforce
			


Vertice was established by the Ethos Fund VI in May 2018 with the aim of building a diverse MedTech group operating in Southern Africa. Through the buy and build strategy, the initial acquisition of the Amayeza Group was undertaken. Amayeza was established in 1998, marketing and distributing medical devices, products, and instrumentation across 11 medical specialisations including cardiology, spine, and neurology. Since then, Vertice has closed and integrated eight bolt-on acquisitions with two of the acquired businesses playing a significant role in African health care – LTE (acquired in March 2019) and Qode (part of the PSS Group acquired in December 2019).

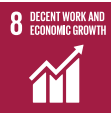

The company employs 589 staff members, of which 450 are youth. Since its inception, the company has achieved 25 acquisitions and inaugurations, and launched more than 80 products related to healthcare.



Healthcare

Direct Investment Spotlight: The Busamed Hospital Group

 <div>BUSAMED <small>Premium Care. Personal Touch.</small></div>		The Busamed Hospital Group (Busamed) is a South African private hospital group providing quality, cost-effective services using a combination of high clinical standards and innovative technology at seven hospitals across the country	
EPPF Commitment R541 million		Nature of Facility 19% Equity	B-BBEE Scorecard 8
Key Activities			
Provide a platform to medical professionals in highly specialised disciplines to offer care to patients		Specialises in cardiothoracic, orthopaedic, and paediatric surgery	Look to increase access and availability of quality, affordable healthcare services by increasing bed capacity to meet high demands

Busamed 2021 Impact Dashboard					
1 528 medical staff employed	86% of which are previously disadvantaged employees	R781 million spent on local procurement	944 beds across 7 medical facilities	34 975 patients treated	20 932 procedures or surgeries carried out
					

Our investment in Busamed has been made with the recognition that healthcare plays a crucial role in South Africa's socio-economic development and that of previously disadvantaged South Africans in particular. Busamed is one of the first black-owned private hospital groups in the country, with seven state-of-the-art hospital facilities in five of the country's provinces.

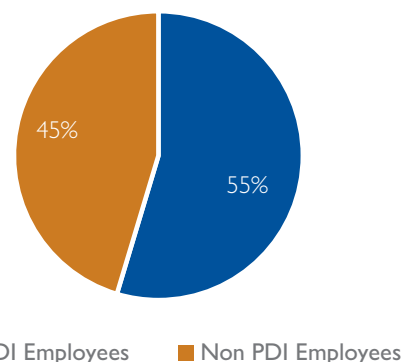
The company offers healthcare services across several medical disciplines including cardiology, gynaecology, neurology, paediatrics, and psychiatry among others. With 79% of medical practitioners operating in the private healthcare sector, the company offers an additional avenue for emerging doctors and nurses to ply their trade in a well-resourced healthcare environment.

In 2021, Busamed recorded an encouraging contribution towards the empowerment of previously disadvantaged medical professionals and the provision of healthcare at scale. Of the 1 528 medical staff that the company employed, 88% are based on the B-BBEE codes classified as previously disadvantaged medical staff, this represented an increase of 5% from 2020. The company's year-on-year increase in medical staff aligns with the SDG 3 target of increasing the recruitment, training, and retention of the health care workforce in developing countries. Moreover, the company employed 702 previously disadvantaged nurses, who constituted 46% of the company's total medical staff workforce. A considerable number of these previously disadvantaged nurses, 328 (47%), entered specialisations across the hospital group's various units.

In 2021, there was a total of 133 previously disadvantaged doctors operating their private practices across the company's 7 hospitals, making up 47% of all doctors operating across the company. A particular highlight was the company's Modderfontein facility, which had a 94% previously disadvantaged doctor representation, followed by the Harrismith facility with a 65% previously disadvantaged doctor representation. This, when looked at in the context of previously disadvantaged doctors only making up 25% of all registered medical practitioners in South Africa, is an important step in transforming the industry and empowering young and emerging doctors of colour.⁴⁰

The company treated a total of 34 975 patients throughout the year, conducting 20 932 medical procedures and surgeries in the process.

Just under 60% of the patients treated were women. This was made possible through the provision of 944 beds, up 5% from 2020. Busamed has, through our investment, positioned itself as the leading, black-founded private hospital group in South Africa.



⁴⁰ Tiwari, R. Wildschut-February, A. Nkonki, L. English, R. Karangwa, I. & Chikte, U. 2021. Reflecting on the current scenario and forecasting the future demand of medical doctors in South Africa up to 2030. Human Resources for Health. ResearchGate

Healthcare



Impact in Action Case Study

Busamed's Modderfontein Hospital Pioneers the Use of Advanced Orthopaedic Technology

Technology is playing a larger role in medical and surgical patient interventions. Globally, hospital groups are increasing investments in the research and development of innovative solutions that can improve a patient's care and recovery, and ultimately lead to less time spent in hospital.

Busamed, supported by the investment made by EPPF, became the first hospital group in South Africa to acquire the Rosa Robotic Knee system, an innovation in orthopaedic robotics. The advanced system offers precision mapping for patients needing partial or total knee replacements. The technology is designed to collect and assemble thousands of data points on each patient's knee anatomy, providing a 3D model of a patient's knee and giving surgeons a higher definition of the route to repair.

The technology allows precise incisions to be made around a patient's knee, which significantly improves recovery time and reduces pain. Dr. Lipalo Mokete, a robotics surgical assistant, explained that "the technology ultimately optimises accuracy and precision. Most importantly, it reduces human error during surgical procedures."

Busamed's investment in leading technologies has improved its ability to serve its patients more efficiently. As a result, the hospital group has maintained an impressive patient satisfaction rate of over 90% for two consecutive years, recording a 94% satisfaction rate in 2021.

Agriculture



Definition	Impact Drivers to be Addressed	Related SDGs
Agriculture is the art and science of cultivating the soil, growing crops, and raising livestock. It includes the preparation of plant and animal products for people to use and their distribution to markets	<p>70% of South Africa's rural population relies on agriculture for their livelihood</p> <p>Smallholder and developing farmers have limited access to credit and insurance services</p> <p>Stagnant growth and liquidity challenges are hampering public sector funding in the sector</p>	   

Context

South Africa's agricultural sector is globally competitive and diversified, comprising corporate and private intensive and extensive crop farming systems, including vegetable, fruit, nuts, and grain production. The commercial farming sector is central to the country's agricultural economy, and in 2020 showed the best growth rate of all economic sectors, expanding by 13%.⁴¹ There are roughly 32 000 commercial farmers in the country, of which around 7 000 produce approximately 80% of all agricultural output.⁴² However, the country's agricultural sector is also dualistic. The commercial farming sector consists of over 35 000 largely white and highly capitalised farmers who own approximately 87% of agricultural land in South Africa. In contrast, the smallholder sector consists of around 4 million previously disadvantaged farmers who operate on 13% of the country's agricultural land.⁴³

The smallholder farming sector is finding it increasingly challenging to participate in a modernising agricultural sector; with limited access to credit and insurance impeding their growth. While developing farmers do have access to grants, concessional loans, and commercial funding from various government institutions, liquidity challenges emanating from a plateauing tax base, poor coordination between public and private institutions and stagnant growth mean that the state is struggling to fund smallholder and developing farmers in the country.

Importance of Agriculture

The agriculture sector is an important instrument for fostering economic growth, reducing poverty, and improving food security in South Africa. More than 70% of the country's rural population depends on agriculture for their livelihoods, making it a critical sector of the rural economy.⁴⁴ Agriculture has also been identified by policymakers in the country as one of the sectors to drive economic recovery and job creation as post-Covid-19 recovery continues. To harness agriculture as a source of economic growth and continued food security, financing and developing smallholder and developing farmers will be critical.

⁴¹ South Africa - Agricultural Sector (trade.gov)

⁴² South Africa - Agricultural Sector (trade.gov)

⁴³ Frontiers | Optimizing Smallholder Farmers' Productivity Through Crop Selection, Targeting and Prioritization Framework in the Limpopo and Free State Provinces, South Africa (frontiersin.org)

⁴⁴ Agriculture and Food Security | Southern Africa Regional | U.S. Agency for International Development (usaid.gov)

Agriculture

EPPF's Impact

Our Commitment	
R675 million direct investment committed towards agricultural financing and two funds focused on investments in agro-processing, and the food and beverages sector	
Intended Use of Funding Allocated	
Capital Harvest	Kleoss Capital
To finance small to medium agricultural businesses not able to access finance from traditional banking institutions	Targets medium-sized businesses which are well-run in pivotal sectors of the South African economy

2021 Impact Dashboard		
I 688 direct jobs supported	Using multipliers, it is estimated that	R464 million spent on local procurement
I 151 direct jobs provided to women	70 470 indirect jobs are supported in the local economy	R47 million spent on taxes
I 393 direct jobs provided to previously disadvantaged people		

Our Desired Contribution to Targets Set Under the SDGs			
 <p>Ensure equal access to economic resources</p>	 <p>Sustainable food production – implement climate smart and resilient agricultural practices, which increases productivity and production</p>	 <p>Ending gender-based discrimination Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making</p>	 <p>Focus on an increase in per capita growth and GDP, achieved through improved levels of food security, and improved levels of exports of agricultural products Focused employment of, women, youth and persons with disabilities Implementation of governance structures, policies and procedures which cover, fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace</p>

In 2021, we concluded a debt transaction with niche agriculture financier Capital Harvest. This is in response to agriculture's growing importance as a source of jobs and economic upliftment opportunities, particularly in rural communities in South Africa. In addition, we continued to invest in several funds that have interests in businesses that promote good quality health foods, either through primary production or beneficiation.

Capital Harvest has a demonstrated track record in financing emerging and previously disadvantaged farmers, with over R800 million disbursed to date and a total loan book of R1 783 million. The company also extended over R635 million in revolving credit facilities to farmers in 2021, assisting farmers who may not ordinarily access funding through traditional banks.

One of the funds we are invested in, Kleoss Capital's Fund I, has made 18 investments in the food and beverages sector. Through these investments, they have progressed in transforming South Africa's workforce. 83% of the total workforce is comprised of previously disadvantaged people, with women making up 69% respectively. Investments made are quite diverse, focused on the whole foods markets, from bee farming, manufacture of food supplements, and development of natural whole products for retail distribution, to retail activities focused on the sale of whole foods.

Agriculture

Challenges Overcome with Investing in the Sector

We have recently started investing in the agricultural sector in South Africa which has been guided by focused research; a key factor that is often neglected by investors and fund managers.

Climate Change Risks

In South Africa, the agricultural sector is a key economic sector that is already being affected by climate change.

This poses a challenge when structuring deals as a lender needs to take into consideration how climate change will impact specific agriculture commodities and the seasonality of the sector.

Long Term Horizon

Agriculture is typically avoided by fund managers, particularly by private equity as it doesn't lend to their short investment horizons.

The sector requires investors who are willing to commit to 20 or more years to see a return.

Value Chains

To invest in this sector, you need to understand the full value chain and where, as investors you can add value. In so doing this also drives enhanced access to affordable food.

Creating a pathway from farm to fork is possible by linking producers with active players and ensure the investments focus on the end goal of getting the product to market.

Focus on Food Security

In South Africa, government has made significant progress in managing food security, particularly with the provision of grants to improve access to basic food products.

As an investor in the agricultural sector there should be a focus on food security and its contribution to poverty alleviation, which facilitates access to quality and affordable food.

Transformation

There are several barriers to entry that impact investment in the sector in South Africa, the most significant are availability of agricultural land, limited market access for previously disadvantaged individuals, access to capital for farmers, and the fact that the agricultural sector is one of the least transformed economic sectors in the country.

To improve the participation of previously disadvantaged individuals in the sector, targeted investment is required to link farmers to markets and develop post-harvest infrastructure like cold storage.

Contribution to improved transformation in the sector by investors will require growth of small and medium scale farmers to commercial scale.

Strategic Partnerships

Finding the right investment partner can be difficult but it is not impossible.


Typically fundraising for agricultural investments can be challenging and majority of investments rely on debt finance.



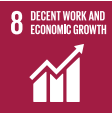

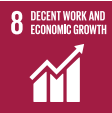
To create an impact in the agricultural sector an investor need to do things differently, and not always look to equity or senior debt finance mechanisms when developing a project.



Agriculture

New Investment Spotlight: Capital Harvest

	Capital Harvest is a niche agriculture finance company that offers financial solutions to the primary and secondary agriculture markets. Founded in 2006, the company was the first independent financier to focus solely on agriculture	
EPPF Commitment R250 million	Nature of Facility Debt	B-BBEE Scorecard 7
Key Activities		
Offer financial products similar to the products offered by commercial banks including term loans, revolving credit facilities, and instalment sale agreements	Process tailored to agriculture including relationship management, credit, and compliance	Through a management and leadership team with experience in agriculture, which approaches risk in a way that is differentiated from commercial banks

Capital Harvest's 2021 Impact Dashboard			
R1.8 million in loans disbursed to farmers in 2021	R634 million worth of revolving credit facilities extended to farmers in 2021	R800 million disbursed to previously disadvantaged farmers to date	358 farming customers supported between 2019 and 2021
	 	 	

Recognising the significant developmental impact of agriculture and agricultural financing on South Africa's economic development, food security, and creation of jobs in rural areas, EPPF has committed R250 million to Capital Harvest. As the first independent and black-empowered agriculture financier in South Africa, the company has positioned itself as an integral part of the country's agriculture sector. Founded in 2006, the company has built a team with extensive backgrounds in agricultural finance and created a suite of products that meet the needs of a modernising agricultural sector in the country.

In 2013, the company launched Capital Harvest Emerging Finance, a special vehicle providing finance solutions to previously disadvantaged farmers through bespoke financial products. This placed Capital Harvest at the forefront of emerging farmer finance, and in turn assisted in stimulating the growth of a modernised and inclusive agriculture sector in South Africa.

In 2021, Capital Harvest provided financial products to 107 farming customers, with a total of R1.7 billion disbursed in loans. This equates to the potential support extended to 177 480 indirect workers in adjacent sectors of the economy. Capital Harvest, through Capital Harvest Emerging Finance, has disbursed R800 million in loans to emerging or previously disadvantaged farmers to date. This would equate to a total of 83 520 total indirect jobs supported directly linked to their farming activities.

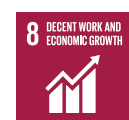
Farmers, both commercial and small-scale, white or previously disadvantaged, are a critical pillar of the agriculture sector. The financial products provided by Capital Harvest have a far-reaching impact not just on the agricultural sector itself, but the sectors that support it up and downstream. Emerging previously disadvantaged farmers supported through facilities provided are also provided with an opportunity to grow their operations and create a significant number of indirect jobs, particularly for previously disadvantaged Africans and women, two groups who have been disproportionately affected by an unequal distribution of economic opportunities. As a fund, EPPF is encouraged by these outcomes and hopes that the investment that has been committed to Capital Harvest will accelerate and scale this impact even further.

Approximate Impact of Capital Harvest's Loan Book

A potential increase of up to
R2 032 million
 in output for providers of agricultural inputs (fertilizers, agrochemicals, seed producers)




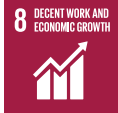
54 960
 potential indirect jobs supported through loan disbursements made to previously disadvantaged farmers



Agriculture

Fund Manager Spotlight: Kleoss Fund I

	<p>Kleoss Capital is a South African mid-capital private equity investment manager that targets medium-sized businesses across the South African economic landscape. Kleoss' investment focus is on well-run businesses in pivotal sectors of the South African economy, that also generate sustainable, healthy profits and deliver sustainable growth</p>	
<p>EPPF Commitment R75 million</p>	<p>Nature of Facility 17% Equity Held by Kleoss in Real Foods</p>	<p>B-BBEE Scorecard 1</p>
<p>Key Activities</p>		
<p>18 investments in SMEs focused on providing services in the food and beverages sector or restaurants</p>	<p>Focus with investments made is on businesses that promote good quality healthy foods, either through primary production or beneficiation</p>	<p>Included in investments are food supplements</p>

Kleoss Capital's 2021 Impact Dashboard			
<p>1 366 permanently employed individuals</p> <p>299 additional temporary employees</p> <p>Using multipliers, it is estimated that 5 191 indirect jobs are supported elsewhere in the economy</p>	<p>84% of which are previously disadvantaged employees</p> <p>69% of which are women</p> <p>73% of which are youth</p>	<p>R456 million in local procurement spend</p> <p>R205.5 million in additional economic stimulus elsewhere in the economy</p>	<p>R128 million paid in employee salaries</p>
<div> <div> 5 GENDER EQUALITY  </div> <div> 8 DECENT WORK AND ECONOMIC GROWTH  </div> </div>			

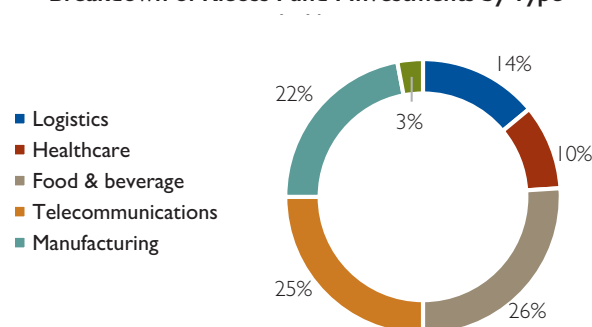
Our investment in Kleoss Capital's Fund I is one of a range of sector agnostic fund manager investments in our portfolio. Fund I, however, has considerable interest in businesses that promote good quality healthy foods through primary production and beneficiation. Key portfolio companies in the sector include Real Foods (Pty) Ltd, a multi-brand health-focused food group that includes Kauai Group and Nu, leading honey producer Highveld Honey Farms, and diversified nutritional food producer Uber Nutrition.

Kleoss Capital's Fund I portfolio companies all made significant contributions towards economic stimulus in the food and beverage and adjacent sectors in 2021, with a collective local procurement spend of R457 million. Kauai Wholefoods Franchise (Pty) Ltd contributed 30% of this total with R135 million. In addition, Fund I's portfolio companies were among the most transformed of all our investments. This is assessed through 1 398 jobs supporting previously disadvantaged employees, 1 146 supporting women, and 1 214 young people.

'I Love the Dough (Pty) Ltd' had the highest proportion of young people in their workforce with 82%, followed by Kloof Street Emporium with 78%. Crispy Chick (Pty) Ltd had a previously disadvantaged employee representation of 89%, followed by Schoon Restaurants with 78%. Overall, this was a significant impetus in Kleoss Capital achieving a level 1 B-BBEE contributor status.

Kleoss Fund I's portfolio of investments offers us the opportunity to make tangible inroads into heightening employment for target groups such as previously disadvantaged people and women and as well as strengthening food supply chains.

Breakdown of Kleoss Fund I Investments by Type



Transportation



Definition	Impact Drivers to be Addressed	Related SDGs
The transportation sector is a category of companies that provide services to move people or goods, as well as transportation infrastructure	The majority of the African population does not have access to formal road and rail infrastructure Over 80% of workers in South Africa rely on taxis (public transport) to get to work	<div>1 NO POVERTY</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>

Context

Transport systems form the backbone of South Africa's socio-economic activities by enabling the movement of products and people. However, the Apartheid urban planning system has left a legacy of poorly integrated transport networks, and as a result, most citizens live outside of urban centres and away from their places of work. Most people don't have access to the existing and extensive formal road infrastructure and are reliant on public transport⁴⁵. Currently, there are three main modes of transport available to the majority of South Africans: buses, trains, and minibus taxis.

The 2020 National Travel Household Survey (NTHS) revealed that the general usage patterns of public transport have changed significantly between 2013 and 2020. There has been a general increase in households that used a taxi (from 9.8 million to 11.4 million). However, a significant decrease was recorded in the number of households that used a bus (from 2.9 million to 2.1 million) and a train (1.4 million to 0.5 million) as their preferred mode of transport.

The estimated total number of trips made by workers using public transport decreased significantly from 5.4 million in 2013 to 4.7 million in 2020, which can also be linked to the Covid-19 national lockdown in South Africa. Despite this, taxis accounted for the vast majority of public transport users at 80% of workers, a 12% increase from values reported in 2013 (68%)⁴⁶.

Importance of the Transport Sector

Transport has major implications for sustainable development, particularly atmospheric pollution and development of human settlements including urban sprawl. Access to sustainable transport is also critical for ensuring poverty alleviation and improving access to markets, employment opportunities, and education.

The transportation sector is a critical engine to drive socio-economic development and growth and drives a country's competitiveness in global markets. Investment in transport infrastructure can further accelerate developmental impacts such as job creation and access to basic services and products.





⁴⁵ https://sustainabledevelopment.un.org/dsd_aofw_ni/ni_pdfs/NationalReports/south_africa/Transport.pdf

⁴⁶ <https://www.gcis.gov.za/sites/default/files/docs/gcis/20.2020Transport.pdf>

Transportation

EPPF's Impact

Our Commitment		
R175 million in one direct investment committed towards financial provision to the transportation sector; additional support provided to funds investing in the sector		
Intended Use of Funding Allocated		
SA Taxi	Medu Capital	Harith
To finance small to medium taxi owners, not able to access finance from traditional banking institutions	Investment in Elite , a company which leases trucks to business to cater to their various transportation needs	Investment in Lanseria International Airport , the second international airport in Gauteng catering to an ever-increasing demand for transport of passengers and goods
2021 Impact Dashboard		
19% increase in spending on local suppliers since 2019	1 460 direct people employed 17% increase in people directly employed over three years Using multipliers, it is estimated that 15 809 indirect jobs are supported in adjacent sectors	Funding provided to acquire 8 783 taxis

Our Desired Contribution to Targets Set Under the SDGs			
			
Ensure equal access to economic resources	End gender-based discrimination Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making	Focus on an increase in per capita growth and GDP, achieved through improved levels of market access Focused employment of women, youth, and persons with disabilities Though implementation of governance structures, policies, and procedures which cover fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace	Provide access to safe, affordable, accessible, and sustainable transport systems for all Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated, and sustainable human settlement planning and management Reduce per capita environmental impact of cities – focus on air quality and waste management Support positive economic, social, and environmental links between urban, peri-urban and rural areas Strengthen national and regional development planning

As a fund, we have invested R175 million in one company and funds that operate within the broader transportation value chain, ranging from the financing of mini bus taxis in the form of SA Taxi, an international airport through the Harith Pan Africa Infrastructure Development Fund, and a logistics company through our investment into Medu Capital.

In 2021, our investment in SA Taxi contributed to the funding of 8 783 mini bus taxis in South Africa, a vital source of transportation for many commuters in the country. Through our investments as a fund, we supported the employment of 1 460 individuals, 17% of whom were employed within the last three years. Beyond this, our investments in the transport sector are estimated to support over 15 800 indirect jobs across various economic sectors. In terms of economic stimulus, the respective companies recorded a 19% increase in spending on local suppliers since 2019.

Transportation

Challenges Overcome with Investing in the Sector

There are several negative impacts to consider when investing in the transportation sector

Climate Change

Focus on reducing energy burden in infrastructure projects is necessitating the review of alternative material use for physical infrastructure. It is noted that this may increase initial capital expenditure on projects but in the long term reducing maintenance costs.

Ongoing initiative to reduce greenhouse gas emissions from vehicles fleets is expected to require higher specification vehicles (road, rail, air and ship). Access to these vehicles and the costs associated with procurement and maintenance need to be carefully considered to ensure the long-term viability of a companies business model.

Safety

Safety of transport systems and infrastructure in the South African context is important to assess when investing in the sector.

These risks carry liabilities for investors. When managing a vehicle fleet this is usually associated with inadequate driver training and long hours leading to fatigue, slowing down a drivers reaction time, and increasing chances of driver error. This impacts on other road users and pedestrians, further exacerbated during inclement weather and undulating or steep terrain.

Poorly maintained road infrastructure can cause damage to vehicles further causing accidents, and damage to associated infrastructure.

Access and Affordability


When considering the need for public transport in South Africa, investors need to ensure investments in private companies are not to the detriment of the public bus and train services.


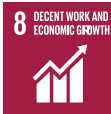

The current challenges experienced by the public bus and train systems, include vandalism, lack of maintenance and aging infrastructure, which is affecting many South Africans who rely on these systems to get to work and school. As a result, people are becoming more reliant on the minibus taxi industry, which in some instances is more expensive than the public train and bus system.



Transportation

Direct Investment Spotlight: SA Taxi

		SA Taxi is a specialist SME financier. The company primarily focuses on entrepreneurs who operate within South Africa's extensive minibus industry and may not otherwise have access to credit from traditional banks	
EPPF Commitment R175 million		Nature of Facility Debt	B-BBEE Scorecard 3
Key Activities			
Offer financial products similar to the products offered by commercial banks including term loans, revolving credit facilities, and instalment sale agreements		Finance the purchase of minibus taxis from third parties or sell directly to entrepreneurs	Leveraging deep expertise in the taxi industry, develop an accurate understanding of the risk profile of taxi operators

SA Taxi's 2021 Impact Dashboard					
B-BBEE level 3 scorecard an improvement from the level 8 recorded in 2019		R1 billion was spent on local procurement R228.4 million spent on taxes		1 460 direct jobs supported 86% of which were for previously disadvantaged people	
				R4.2 billion in financing provided for taxi entrepreneurs Translating into 8 783 minibus taxis acquired by taxi entrepreneurs	
				Taxi insurance provided to 30 119 taxi entrepreneurs R 410 million paid out in taxi insurance claims	
				 	

SA Taxi plays a crucial role in South Africa's minibus taxi industry. The minibus taxi industry is the dominant mode of public transport in the country. Historically, the sector has served as a core pillar of the South African economy, responsible for connecting millions of people to centres of economic activity and residential districts.

Taxi operators transport 80% of commuters in the country, translating into more than 15 million commuters daily.⁴⁷ However, due to the historic informalisation of the sector, taxi entrepreneurs have faced the challenge of accessing capital through traditional finance providers.

Through our investment, SA Taxi has scaled its provision of financial products to taxi entrepreneurs. The company has developed a comprehensive service offering and crafted an innovative risk mitigation approach and positioned itself as a strategic partner for taxi entrepreneurs, developing a rich insight into their actual risk profile and capital requirements.

In 2021, SA Taxi employed 1 460 people, an increase of 17% over three years. Most people employed by the company were previously disadvantaged employees, which as of 2021 comprise 87% of the total staff contingent. Just under half the company's employees were young people (under the age of 35 years). There was over R464 million spent on supporting employees through salaries.

In terms of economic stimulus, the company cleared the R1 billion mark for local procurement, increasing its spending on local suppliers by 19% since 2019. Moreover, the company improved its B-BBEE

Scorecard from a level 8 in 2019 to a level 3 in 2021. This was achieved through the focus on the development of skills in their workforce, empowerment of small, black-owned companies in their supply chain and procurement, as well as an increase in corporate social investment initiatives.

The total value of minibus taxi finance offered to entrepreneurs increased in 2021 to R4.2 billion. This translated into the acquisition of 8 783 taxis throughout the year. Looking at this funding through taxi-specific multipliers, the financing provided could generate up to approximately 15 809 indirect jobs in adjacent industries such as mechanics, automotive parts suppliers, vehicle manufacturers, hawkers, car washers, and other industries.⁴⁸

The facilitation of the purchase of new taxis through the provision of this finance increases the level of safety for commuters who are now transported in more comfort and vehicles with better safety features.

The South African transport ministry has estimated that there are approximately 130 000 taxis in South Africa with approved operating licenses.⁴⁹ This means that a single taxi in South Africa is responsible for transporting approximately 115 commuters a day. Based on these estimates, over a million commuters a day could be supported by the taxis acquired through SA Taxi's finance products in 2021.

This is an important contribution as the taxi industry creates important linkages between the formal and informal sectors, carrying many people living within informal settlements to places of work in the formal sector.

⁴⁷ https://www.transactioncapital.co.za/downloads/HY18_SA%20Taxi%20Funder%20Prospectus.pdf

⁴⁸ Here's how many taxis are now on South Africa's roads – and how much they earn (businesstech.co.za)

Transportation

Direct Investment Spotlight: SA Taxi

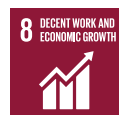


Approximate Impact of SA Taxi's Finance Products

Over **1 million South African commuters** could be supported by the taxis acquired through SA Taxi in 2021


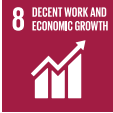



Over **15 809 indirect jobs** are supported in adjacent industries such as mechanics, automotive parts suppliers, and hawkers



Transportation

Direct Investment Spotlight: Elite Group

		Elite Group through our investment in Medu Capital	
Fund Invested Medu Capital		Nature of Facility 68% Equity Held by Medu	B-BBEE Scorecard 2
Key Activities			
Providing daily, weekly or monthly truck hiring options		Provide drivers and insurance if required	Provide closed van bodies, dropside bodies, truck mounted cranes, insulated van bodies, refrigerated bodies, curtain side bodies, trailers and forklifts
Elite Group 2021 Impact Dashboard			
447 Staff employed	16.6% of which are women 18.7% of which were youth	1 300 vehicles across 10 branches	R121.2 million spent on employee Salaries
 			

Leopard Transport t/a Elite Truck Hire is an established and highly reputable vehicle rental company with a long-standing track record for delivering exceptional service. Subsidiary companies operating under Elite Truck Hire include Elite Forklifts, Centenary Tanker Hire and Local Bulk Haulage (LBH).

The provision of trucks on an 'as and when needed' basis to businesses assists with working capital management, avoiding having to purchase expensive vehicles which are not utilised regularly. Rental of vehicles is cost effective, with the further outsourcing of vehicle maintenance as well as trained drivers ensuring delivery of raw materials or product takes place efficiently, on time and to specifications. This is achieved through the deployment of the correct vehicle type drawn from the 1 300 vehicle fleet maintained and managed by Elite.


Elite understands the risks associated with trucking, and ensures that adequately trained staff are deployed which reduces vehicle accidents and loss of product. Reducing damage to product during transit is achieved through use of correct procedures during loading and offloading. The reduction of accidents is achieved through ongoing driver training, implementation of emergency preparedness plans, and reducing the impact of driver fatigue by being able to switch out drivers with equally qualified drivers based on scheduled requirements.

Elite has a total staff compliment of 447, 17% of whom are women, and 19% persons between the age of 18 and 35 years.



Transportation

Fund Managed Investment: Lanseria International Airport

	Lanseria International Airport through our investment in the Pan African Infrastructure Development Fund (PAIDF), managed by Harith	
Fund Invested Harith – Pan African Development Infrastructure Fund	Nature of Facility 37.5% Equity Held by PAIDF	B-BBEE Scorecard 4
Key Activities		
Facilitates the transport of goods both domestically and internationally as cargo	International transport hub, bringing in tourists and business people into the economic hub of South Africa Gauteng	Is a pivotal node for regional development in the municipality, supporting ancillary businesses in the airfreight, warehousing and other transportation mechanisms

Lanseria International Airport 2021 Impact Dashboard			
252 staff employed 70% are female employees	1.9 million passengers in 2021	4 000 parking bays	2 runways
<div>   </div>			





Lanseria International Airport (LIA) was established in 1974, and in 2012 was purchased by a group including the Pan African Infrastructure Development Fund (PAIDF), Nozala and the Government Employee Pension Fund. LIA is the second largest airport, located in Gauteng, and the fourth largest airport in South Africa by passenger numbers. This is one of a few privately-owned, infrastructure assets in South Africa. LIA is also the only private airport to offer commercial services. The majority of corporate aircrafts in Gauteng are either based at or operate from LIA.

The company employed 252 staff in 2021, 70% of which were women.



Real Estate



Definition	Impact Drivers to be Addressed	Related SDGs
<p>Infrastructure refers to a set of facilities and systems that are necessary for an economy, households, and firms to function</p> <p>Township retail refers to retail shopping centres that are located within township settlements</p>	<p>South Africa has an unequal distribution of quality core infrastructure between suburban and township areas</p> <p>Township dwellers are progressing into the middle-income group, increasing consumer spending</p> <p>B-BBEE (as defined) Ownership in the Real estate remains a challenge. While REITS have decent BEE scores through institutional ownership, unlisted property groups are not</p>	   

Context

Throughout South Africa's democracy, there has been a widespread decentralisation of retail space from large metropolitan areas to suburban areas. Historically, the restructuring of suburban retail space has largely excluded township areas. However, since the late 1990s, township inhabitants have experienced a substantial economic uplift with many township consumers progressing into the middle-income grouping resulting in a significant increase in consumer spending.

This is causing a disjuncture between the location of retail spaces and the rising demand. Beyond retail shopping spaces, core infrastructure such as transport, power, communications networks, and warehousing have also been largely underdeveloped in previously disadvantaged areas. This has perpetuated historical inequalities both in access to core infrastructure, but also in access to employment, connectivity, and access to everyday goods and services.

Importance of Infrastructure and Real Estate Sector

Infrastructure development will play a key role in ensuring fast economic growth and alleviating poverty in South Africa. With the bulk of the economy relying on low-skilled to semi-skilled workers, infrastructure and retail projects offer employment opportunities both during the construction and operational phases of a facility.

In the retail sector, for example, the emergence of township retail enables people to work and shop in proximity to where they live instead of having to commute to distant metropolitan areas. Not only does this improve access to much-needed services, but there is also a reduction in the cost of accessing these services by reducing the distance of travel required. These savings achieved can be redeployed by households into more productive activities such as education, improving the overall wellbeing of families, and further supporting job creation and economic stimulus in these areas.

Real Estate

EPPF's Impact

Our Commitment		
Over R1.5 billion in a direct investment and in supporting four funds providing finance to the real estate sector		
Intended Use of Funding Allocated		
DSV Campus To build an integrated facility that will contribute to a strengthened and more efficient logistics network in South Africa	Futuregrowth Community Property Fund To develop and manage commercial shopping centres that cater to rural and township economies throughout South Africa	Mpande Property Fund An empowered asset management company with a focus on unlisted property in South Africa
One Eighty Holdings (in partnership with Trinitas) and Serica Investments To increase the portfolio size and improve the environmental sustainability and efficiency of the portfolio	Lango Real Estate To acquire and manage prime commercial real estate in key gateway cities across the African continent	

2021 Impact Dashboard		
Over 11.7 GWh of energy is generated through Solar PV technology installed in buildings	10 653 jobs supported 76% of jobs created for local communities	Over 992 000 square meters GLA
12.3 thousand tCO₂ Equivalent offset from the Eskom grid ⁵⁰	R26.8 million local procurement spend	Over 1 255 retail tenants
		96% average occupancy rate

Our Desired Contribution to Targets Set Under the SDGs			
			
End gender-based discrimination Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making	Increase sustainably the share of renewable energy in the global energy mix Double global rate of improvement in energy efficiency	Focused employment of women, youth, and persons with disabilities Though implementation of governance structures, policies and procedures which cover fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace	Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated, and sustainable human settlement planning and management Support positive economic, social, and environmental links between urban, peri-urban, and rural areas Strengthen national and regional development planning Support including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials

As a fund, we have committed just over R 1 billion into commercial property spaces, and more recently, township retail spaces. In 2021, we concluded a transaction in partnership with Equities Property Fund to purchase the DSV Campus, Africa's largest integrated logistics facility. Spanning over 269 000 square meters, the facility will serve as an important contributor to developing the logistics industry in South Africa and the region more broadly. Our investment in Futuregrowth Community Property Fund continued to positively impact township entrepreneurs and workers. The fund's portfolio of retail shopping spaces increased to 22, with centres in 8 of South Africa's provinces. Over 10 000 people were supported with employment, the vast majority of whom were from local township communities. Both the DSV Campus and Futuregrowth's portfolio of retail centres had Solar PV technology installed at their premises, together generating over 11.7 GWh of energy and offsetting 12.3 thousand tCO₂E from the national power grid. In addition, local communities saved a total of R13.8 million in data charges from the free Wi-Fi zones that were implemented in seven of Futuregrowth Community Property Fund's shopping centres.

Infrastructure, particularly in previously disadvantaged communities, is an important lever in driving local economic development, and we are pleased with the impact that our investments are making in this area. Moving forward, we will continue to support and invest in physical infrastructure that bridges the income and asset inequalities that have historically blighted South African society.

⁵⁰ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

Real Estate

Challenges Overcome with Investing in the Sector

Investing in real estate, particularly infrastructure and township retail, presents several opportunities for investors.

Functioning Ecosystem

The key to successful investments is ensuring a functioning ecosystem exists to allow for synergies.

Township retail centres become a hub for the distribution of the monthly social grants no longer solely distributed by the Post Office. It is noted the introduction of banks and SASSA offices in malls provide additional grant distribution points.

Malls are ideal as they offer a safe environment where the elderly or disabled grant recipients can collect their grants and do their shopping.

Promoting Foot Traffic

When investing in shopping malls, there is a need to develop alternative retail spaces in townships that accommodate shoppers and commuters outside of traditional shopping malls.

Township retail investments rely on community engagement and relationship building with key stakeholders including minibus taxi operators, and informal traders.

Encourage minibus taxis to stop at a shopping centre or retail outlet by providing well lit, safe stopping points, can guarantee foot traffic.

Township retail proved to be resilient and continued to perform during Covid-19 lockdowns as the necessities (food, building supplies etc.) were readily available to shoppers.




Lack of Municipal Capacity

Despite the opportunities and growth in this sector, there are challenges as infrastructure projects can be difficult to manage, particularly in peri-urban municipalities which are often dysfunctional. This impacts on project approvals and the implementation and maintenance of bulk services which causes time delays to the investment process.



Real Estate

Direct Investment Spotlight: DSV Campus

		DSV Campus is Africa's largest integrated logistics centre. With this centralised facility, DSV will be able to provide more seamless service to customers which is an integral part of creating a strengthened and more efficient logistics network in South Africa	
EPPF Commitment R703.5 million	Nature of Facility 49% Equity	B-BBEE Scorecard 3	
Key Activities			
A prime-grade distribution facility housing the four largest transport and logistics companies in the world	Features logistics warehousing, cross dock warehousing and office space	Self-sustainable and energy efficient, capable of producing 1 MW of electricity	
DSV Campus's 2021 Impact Dashboard			
142 000 square meters of Gross Lettable Area (GLA)	87 000 square meters of logistics Warehousing 40 000 square meters of cross-dock warehousing Processes 12 000 parcels an hour	Features 5 boreholes Solar PV technology producing 1 489 MWh of energy	1 549 tCO₂ Equivalent offset from the Eskom Grid
			

EPPF invested in DSV Campus as a joint venture with Equities Property Fund in 2021. Constructed in 2020, the new state-of-the-art logistics campus is in the burgeoning Pama Industrial node, a sought-after commercial logistics hub situated within a stone's throw of O.R Tambo International Airport. The campus' sole anchor tenant, Danish transport, and logistics company DSV employ over 56 000 people globally, transporting over 1.3 million tons of airfreight and 30 million road shipments a year. Our investment in this campus is premised on the facility strengthening South Africa's growing logistics industry. The building is already recognised as Africa's largest integrated logistics facility, consolidating the company's smaller offices and warehouses around Gauteng into one modern 142 000 square meter facility servicing the country's entire north-eastern region.

The building features 87 000 square meters of temperature-controlled warehousing space, and 40 000 square meters of cross-docking facilities, allowing for the processing of over 12 000 parcels an hour. From a sustainable infrastructure perspective, the facility has solar PV technology, electrical energy storage capacity, LED lights throughout both the offices and warehousing facilities, and light occupancy detection.

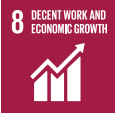


The DSV Campus investment is a unique investment that allows us to support the creation of a more streamlined logistics value chain that eases the way in which goods are transported from businesses to households while stewarding precious environmental resources through sustainable business practices.



Real Estate

Fund Manager Spotlight: Futuregrowth Community Property Fund

		The Futuregrowth Community Property Fund (the Community Property Fund) invests in new and existing shopping centres which cater to the needs of underserved communities in rural areas and townships throughout South Africa	
Established 1996	Fund Size R4.6 billion	EPPF Commitment R250 million	Nature of Facility Equity

Futuregrowth Community Property Fund's 2021 Impact Dashboard			
95% of portfolio supports segments of society with the least access to wealth (LSM 3 and LSM 4) ⁵¹		16 791 square meters of Gross Lettable Area (GLA) made available	
10 541 people employed within shopping centre management or retail outlets		94% of buildings in the portfolio have energy and water-saving technology implemented	
		 	

The informal or 'township economy' is a growing component of the South African economy, with the sector accounting for upwards of 17% of South Africa's total employment. The sector provides livelihoods, employment, and income to approximately 2 million workers in the country, adding an estimated 6% to the national GDP. This makes it an important vehicle to address systematic challenges such as poverty and unemployment.⁵² In response, we have invested in Futuregrowth's Community Property Fund. The investment presents a unique opportunity to support businesses and livelihoods of people who are situated in the heart of township economies across the country, from Tembisa in Gauteng to KwaMashu in Kwa-Zulu Natal. Over 20 years, the Community Property Fund has purchased and developed over 34 shopping centres in various rural and township areas countrywide.

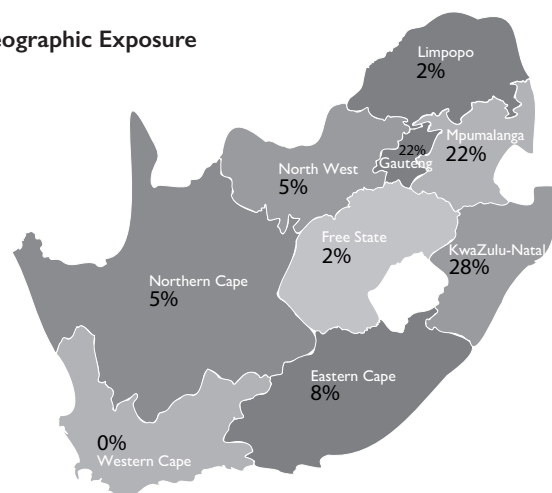
As of 2021, the Community Property Fund had a portfolio of 22 different shopping centres across 8 provinces in the country. This translated to a total of 16 791 square meters of GLA, of which 96% is occupied by tenants. Large, listed clients represented 66% of tenants, followed by franchises who made up 17% of tenants.

The Bridge City Shopping Centre in Kwa-Zulu Natal had the largest GLA in the portfolio, with 39 158 square meters, 99% of which was occupied. Six shopping centres in the Fund's portfolio achieved 100% occupancy, including Motherwell Centre and Kuyasa Centre in the Eastern Cape, Opera Place in the Western Cape, and Setsing Centre in the Free State among others.

The extensive GLA and occupancy rates across the fund's portfolio provide the opportunity to employ people from the local community. Of the 10 541 people that were employed either directly by the shopping centres themselves or the retail outlets leasing space, 8 013 of them were employed directly from the local community, representing 76% of all people.

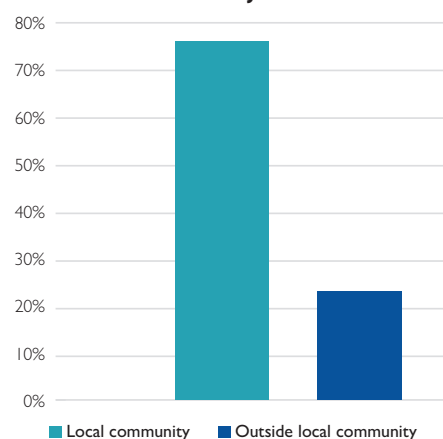
The fund has also installed solar power technology at several of its shopping centres including Alexandra Plaza and Diepsloot Mall in Gauteng, Kamaqhekeza Plaza in Mpumalanga, Kuyasa Centre in the Eastern Cape, and Setsing IV Centre in the Free State. Together the installed solar PV technology at these sites generated 10 254 MWh of power throughout the year, contributing indirectly to a 10 700 tCO₂ equivalent reduction in GHG emissions released in South Africa due to energy use.

Geographic Exposure



Calculated based on the property market value as at 31 December 2021
Valuations are based biannually

Beneficiaries of Jobs Created



⁵¹ The Living Standards Measure classifies South Africans according to their access to amenities and disposable income on a scale of 1 to 10. South Africa: Understanding the Living Standards Measure Segmentation in South Africa | USDA Foreign Agricultural Service

⁵² Thriving township economy vital to SA's economic revival (investec.com)

Real Estate


The Community Property Fund's shopping centres are creating an enabling environment that supports small businesses and local entrepreneurs to start, grow, and create decent employment opportunities. This ranges from SMEs who lease shops in the centres to entrepreneurs who display and sell their wares from tables in the non-GLA spaces, right down to informal traders who typically trade outside of centres that border taxi ranks. In terms of informal traders, there have been designated trading spaces made available to them in five of the shopping centres in the Fund's portfolio, namely Thulamahashe Plaza, Maxwell Centre, Heidelberg Mall, Kamaqhekeza Plaza, and Motherwell Shopping Centre. To stimulate local trade and improve the livelihoods of traders, they are not charged a monthly rental and are only required to operate and adhere to the operational policies and protocols of the shopping centres.

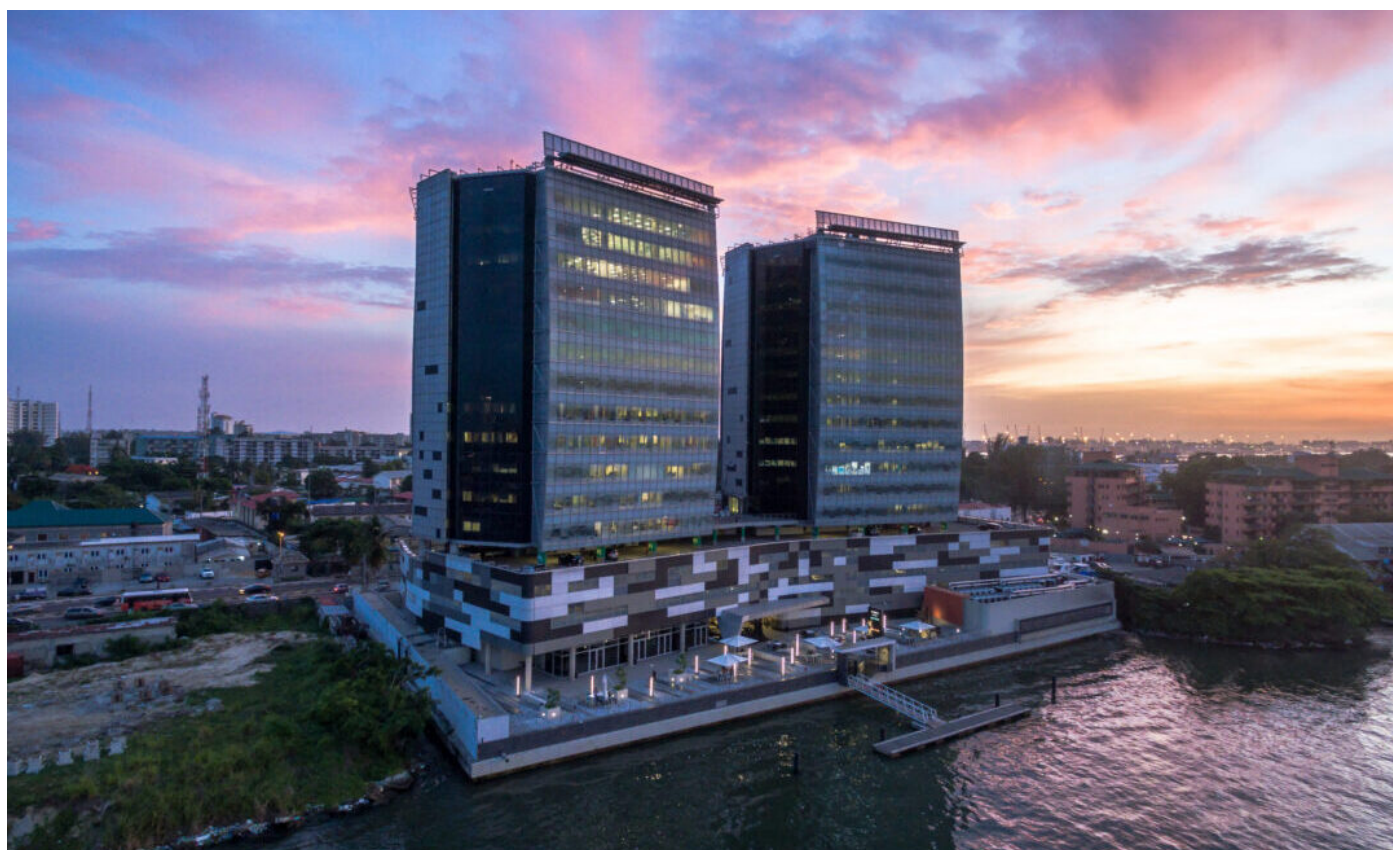


Real Estate

Fund Manager Spotlight: Lango Real Estate

		Lango is an Africa-focused real estate that acquires and manages prime commercial real estate assets in key gateway cities across the African continent.	
Established 2018	Fund Size R4.5 billion	EPPF Commitment R540 million	Nature of Facility Equity

Lango Real Estate 2021 Impact Dashboard		
11 properties Spread across 4 developing African economies	215 tenants 4 years average lease period	155 077 square meters of GLA made available
<div>   </div>		




Lango Real Estate was jointly established between Ninety-One (previously Investec Asset Management) and Growthpoint Properties in March 2018. Since then, it has demonstrated significant growth and has positioned itself as a leader in the real estate asset class in Africa, with assets on its balance sheet of approximately \$600 million (R9 billion). We made a commitment of R540 million into Lango in 2020, recognising the role that commercial real estate can play in stimulating local economic development and propelling entrepreneurship in emerging African economies.

To date, Lango has built up a portfolio of 11 underlying properties situated in Angola, Ghana, Nigeria, and Zambia. There is a total of 155 077 square meters of GLA available, with over 215 commercial tenants taking up leases across the fund's properties. Tenants include retailers such as Shoprite and Game, as well as banking institutions FNB and Standard Chartered, and Stanbic Bank. A key value proposition to Lango's portfolio is the proximity that its properties are to communities and economic nodes such as inner cities, and airports. In addition, properties also have sustainable infrastructure, with Stanbic Heights, and Junction Mall with installed boreholes, the Wings Property with a fully-fledged waste recycling initiative, and Achimota and Circle Mall equipped with water treatment plants.

Real Estate

Fund Manager Spotlight: Mpande Property Fund

		Mpande Property Fund An empowered asset management company with a focus on unlisted property in South Africa	
Established 2019	Fund Size R1.7 billion	EPPF Commitment R350 million	Nature of Facility Equity

Lango Real Estate 2021 Impact Dashboard		
4 properties under Mpande management	3 commercial tenants 1 residential property	518 429 square meters of GLA made available
 		



Mpande Property Fund is 66% black owned, and 51.3% black female owned, with a 100% black management team. The fund closed in September 2021 with R 1.66 billion assets under management. The aim of the fund is to provide investors with long term capital growth through exposure to a focused unlisted property fund. This is to be achieved by targeting a 5-year investment return, through focused gearing, escalations, re-development aspects and yield compression. There is an expected varied level of returns due to different investments, dependent on sector, development stage/ status and risk aspects.

The fund has a diversified property portfolio with meaningful participation in major property asset classes including retail, residential, industrial/ distribution centres and offices. The exposure to single property asset classes will however be restricted to 50% of the total commitment. ESG, Eco and Green investing principles are adhered to, with co-investment opportunities pursued with LPs in large investments.

Mpande currently has four assets under management, namely Mpande Clayville with 34 606 GLA, Trinitas Property Partners (Pty) Ltd (One Eight Holdings Two (Pty) Ltd) at 363 317 GLA, Live Easy, which manages two residential properties namely Bathopele House (Pty) Ltd and Blue Mergence (Pty) Ltd, with 14 200, and 13 517 GLA respectively, and Mpande Simmonds (Pty) Ltd with 92 789 GLA.

The One Eighty Holdings Two currently employs 8 people, with Live Easy Development projects employing on average 60 people during each construction project, with 19 permanent jobs created across their portfolio to date, 60% of which are black females.

Real Estate

Fund Managed Investment: One Eighty Holdings

	One Eighty Holdings (OEH) through our investment in Trinitas	
EPPF Commitment through Trinitas R 150 million	Nature of Facility 20% Equity	B-BBEE Scorecard 3
Key Activities		
25 Retail properties and 24 Office properties and one mixed use residential and retail property through One Eight Holdings and Trinitas JV	Expanding residential portfolio into Europe, with an established portfolio in Germany	Managing assets worth R6.2 billion across two funds

One Eight Holdings 2021 Impact Dashboard		
R 715.5 million GAV (Fund 1 and 2)		528 525 m ² GLA (Fund 1 and 2)
<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div></div>		

OneEighty Holdings (Pty) Ltd (OEH) is a property investment joint venture (JV) between Trinitas and Operation Network Enterprises Property Holdings (Pty) Ltd (OPH). The multidisciplinary group has the capability for property management, property development, leasing management and property asset management. In 2012, Trinitas invested alongside OEH to form the JV company, Serica Investments (Pty) Ltd (Serica), which purchased Southdale Shopping Centre (Southdale). This first investment was part of a broader retail property investment strategy with OEH.

OEH currently oversee a portfolio of 35 multi-tenanted shopping centres in South Africa, covering 308 000 m² as well as a residential and commercial portfolio. OEH also has a residential portfolio in the North Rhine-Westphalia area of Germany. The assets are worth a cumulative R6.2 billion, with investment capital managed via two funds (Fund 1 and Fund 2).

The Fund 1 is the OEH retail portfolio comprised of nine shopping centres across Gauteng worth R1.8 billion. The portfolio offers a total GLA of 151 759 m². Trinitas invested R155 million in Fund 1.

The Fund 2 property portfolio consists of the Retail Portfolio (Enyuka Property Fund and Hatfield Plaza), Offshore Portfolio (residential units in Germany), Residential Portfolio (Central Park Phase 1 and 2) and the Office Portfolio (Inani Prop Holdings). The Fund 2 portfolio offers a total GLA of 378 000 m².



Real Estate



Impact in Action Case Study

Servica Investments (Pty) Ltd – Southdale Shopping Centre

Southdale Shopping Centre is a large community shopping centre comprising 33,000m² of mainly retail shopping area, with some office and residential accommodation. The centre is located 4km south of the Johannesburg CBD, in an established residential area bordered by industrial and commercial areas. The mall has 99 tenants including a healthy mix of long-standing national retailers and banks, including Pick n Pay, Shoprite, the big four banks, African Bank, Capitec Bank, Ackermans, Mr Price, Pep Stores, Truworths, Clicks, Jet, Wimpy, KFC and SA Post Office.



Southdale Shopping Centre was developed over 30 years ago, and at the time of acquisition by the consortium in 2012, was dated, and had been neglected to a certain extent with limited investment over the years. Subsequently, the consortium has engaged on a refurbishment exercise which will include alterations to the parking, entrances, mall areas, tenant mix and a general refresh of the centre.

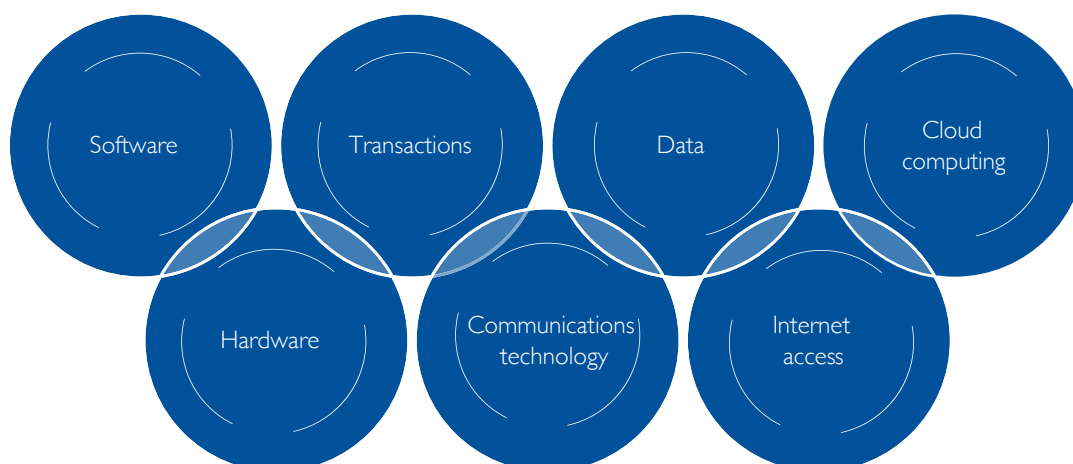
Information and Communications Technology



Definition	Impact Drivers to be Addressed	Related SDGs
Information and communication technologies (ICT) is defined as a diverse set of technological tools and resources used to transmit, store, create, share or exchange information	ICT is a key contributor to the national GDP in South Africa ICT can contribute to reducing poverty, unemployment and inequality	<div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div>

Context

Information and Communications Technology (ICT) is a blanket term that includes all services and technology involved in computing, data management, telecommunications, and the internet. These technologies are all responsible for the transmission and reception of various types and formats of information. ICT is becoming increasingly integrated in all aspects of our lives, providing improved, new and quicker ways for individuals to interact, work, study, network, seek support and assistance and gain access to information. Key components of ICT include⁵³:



South Africa has one of the largest ICT markets in Africa which is largely driven by the technological leadership in the mobile software field, security software and electronic banking services. The ICT sector has become an increasingly important contributor to the national GDP which was demonstrated by the continued (and growing) growth of the sector during the Covid-19 pandemic. The sector recorded a 0.3% increase in total sector revenue in 2021, compared to 2020; with the telecommunications sub-sector generating more revenue than other sub-sectors in the sector (including broadcasting and postal services)⁵⁴.

⁵³ ICT Components

⁵⁴ SA's ICT sector grows despite economic slowdown

Information and Communications Technology





Importance of the ICT Sector

The ICT sector is crucial for South Africa to grow, develop and compete on an international scale. In addition to being a key contributor to the national GDP, it also plays a key role in demolishing the triple threat of poverty, unemployment and inequality that plagues South Africa. Access to the internet is key to bridging the digital divide in the country to not only improve access to online services but also to support the development of a digitally driven economy. As of January 2021, it was estimated that 38.13 million South Africans⁵⁵ were active internet users, indicating the large proportion of South Africans that do not have access to the internet as yet.

EPPF's Impact

Our Commitment	
R150 million made in a direct investment with additional funding deployed to four funds focused on the provision of finance to the ICT sector	
Intended Use of Funding Allocated	
Kleoss Capital Targets medium-sized businesses which are well-run in pivotal sectors of the South African economy	Sphere Holdings Invested in BBD , an independent custom software development company
GammaTech (Pty) Ltd To support the growth and expansion of the business, regaining strategic clients and supporting the introduction of new products	Crossfin Technology Holdings A leading independent fintech platform. Crossfin aims to create an ecosystem of complementary businesses

2021 Impact Dashboard	
5 682 people directly employed in the ICT sector across 12 funds	Using multipliers, it is estimated that 11 534 indirect jobs were also supported by these funds 2 972 of these indirect jobs are attributed to the EPPF funding provided

Our Desired Contribution to Targets Set Under the SDGs			
<div></div> <p>Improved access for young adults to technical and vocational and tertiary education, including universities</p> <p>Increased number of youth and adults with the required vocational and technical skills for employment, decent jobs, and entrepreneurship</p> <p>Eliminate gender disparity in education</p> <p>Contribute to youth and adults achieving literacy and numeracy</p>	<div></div> <p>End gender-based discrimination</p> <p>Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making</p>	<div></div> <p>Focused employment of women, youth, and persons with disabilities</p> <p>Though implementation of governance structures, policies and procedures which cover fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace</p>	<div></div> <p>Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated, and sustainable human settlement planning and management</p> <p>Support positive economic, social, and environmental links between urban, peri-urban, and rural areas</p> <p>Strengthen national and regional development planning</p> <p>Support including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials</p>

As a fund, we have committed directly and indirectly funds in support of the ICT sector, and more recently, the fintech sector. We have made one direct investment in Crossfin Technology Holdings (Crossfin) and have invested in 12 funds, three of which are discussed in more detail here. These investments have supported the growth and development in the ICT sector, including the provision of wireless and fibre internet and software solutions.

Through Medu's investment in Herotel, rural towns and communities across South Africa have benefitted from improved access to fast, affordable internet. It is estimated that over 135 000 home and business clients across 400 towns in South Africa have benefitted from Herotel's service offering.

⁵⁵ The Challenges in getting Internet Access to all South Africans

Information and Communications Technology

Importance of the ICT Sector (continued)

By investing in ICT, we are contributing to the knock-on effects of increased connectivity which range from improved access to finance and economic opportunities, increased competitiveness of small and medium enterprises (SMEs) and improved access to education which can result in higher levels of literacy. Improved connectivity for individuals and organisations has a multisectoral impact and makes a significant contribution to South Africa's economic and social growth and development.

Challenges Overcome with Investing in the Sector

ICT can be grouped into information, controls and communication systems challenges associated with investing in these areas are nuanced.

Redundent Technologies and Software

With the fast moving evolution in digitisation it is important to assess platforms, software solutions and enabling infrastructure for potential redundancies.

This can be assured through the assessment of programming language being utilised, and the ability of the hardware and software in use to be easily upgraded and integrated into other systems.

This level of flexibility extends the life of the product and ensures long term adaptability in this evolving environment.

Enabling Infrastructure and Replacement Parts

Localisation of supply with respect to hardware required to maintain equipment is critical for the long term viability of the sector:

There are opportunities for investors to develop ancillary sectors, which provide support to the ICT sector: These investments broaden market access, building a more reliable and robust services network.

Opportunities also exist in the manufacturing and distribution sectors in support of ICT infrastructure development.

Leverage the Ecosystem to Maximise Value

Investing in ICT is noted to accelerate the transformation of vertical industries such as energy, transportation, agriculture, health and manufacturing. This opens up additional opportunities for investors to maximise returns if aligned to direct objectives linked to economic drivers in the economy.



Information and Communications Technology



Impact in Action Case Study

Project Isizwe: Connecting Communities Through Free Internet Connectivity

Futuregrowth Community Property Fund, through EPPF's investment, has built a property portfolio that not only generates positive returns for shareholders but also plays a part in providing basic services for local communities. According to Stats SA, an estimated 90% of South Africans do not have access to the internet at home amid limitations in reach and household budgets. This especially affects the people in the communities that surround the Community Property Fund's retail shopping centres.

In response, the fund partnered with connectivity company Project Isizwe to roll out Wi-Fi zones at seven of the fund's 22 shopping centres. The Wi-Fi zones provide users with 500MB of free data a day, as well as free access to 'on-net' content including learning platform Siyavula, mobile library service Fundza, as well as various jobs portals. In 2021, the free Wi-Fi zones across the Fund's shopping centres were used by 75 thousand people from local communities resulting in a combined data saving of over R 13,8 million.⁵⁶


Highlights



Centre	 Eyethu Orange Farm Mall Gauteng	 Bridge City Kwa-Zulu Natal	 Diepsloot Mall (Gauteng)	 The Crossing Shopping Centre (North West)
Total Users in 2021	13 179	15 000	13 511	7 998
Community Saving	R2.6 million	R2.3 million	R2.2 million	R2.1 million

⁵⁶ The calculation of the data saving is based on the rates in the ICASA State of the ICT sector report (R200 per GB)

Information and Communications Technology

Fund Managed Investment: Dartcom South Africa

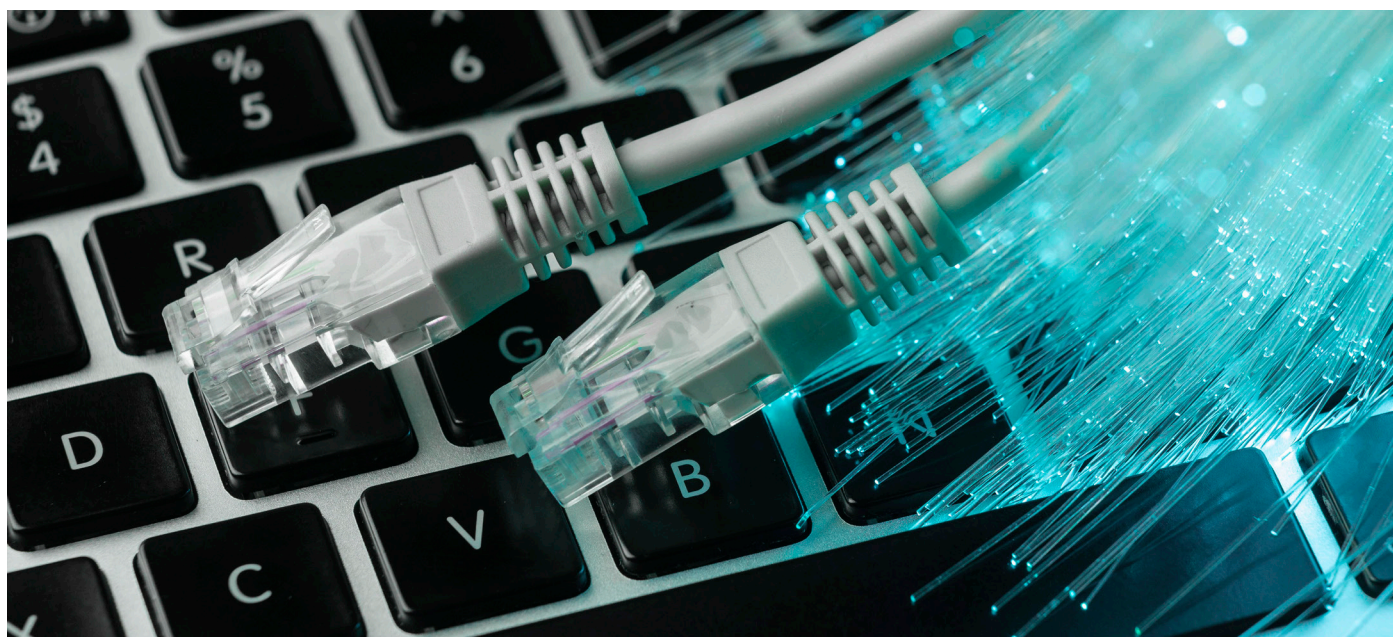
 Dartcom (Dartcom SA) through our investment in Kleoss		
EPPF Disbursed R75 million to Kleoss	Nature of Facility 19.63% Equity through investment by Kleoss	B-BBEE Scorecard I
Key Activities		
Distribute fibre optic, radio frequency, specialised cabling, outside plant and standby battery solutions to the telecommunications sector	Leading end-to-end solutions provider for communications and energy solutions in South Africa	Dartcom SA subsidiaries include Dartcom Fibre Solutions (DFS) and Gbitel

Dartcom SA 2021 Impact Dashboard			
171 staff employed 85 are female employees 80 are PDI employees 6 are disabled employees	Using multipliers, it is estimated that an additional 329 indirect jobs were created in the economy	Of these indirect jobs 29 are attributed to the funding provided by EPPF	ISO 9001/ISO 14001 and ISO 45001 accredited
<div>   </div>			

Dartcom SA (Pty) Ltd ("Dartcom") is a distributor of fibre optic ("FO"), radio frequency ("RF") and RF related products, communications products, specialised cabling, outside plant ("OSP") and standby-battery solutions to the telecommunication sector OEMs, infrastructure providers and their turnkey contractors. Dartcom buys and sells products which it procures from principal vendors, both locally and internationally, distributed to various telecommunication market sectors players and customers. Dartcom has a local assembly facility for FO and RF cable that serves as a value-added service/product to complement its existing product range.


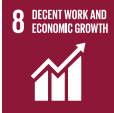

Established as a network components distributor more than two decades ago, Dartcom has become a leading end-to-end solutions provider for communications and energy solutions in South Africa. The company boasts an extensive network of international and local partners, two factories and three warehouses, present both in South Africa and Tanzania.

Dartcom is regarded as one of the top specialist distributors, importers, and installers of value-added services in the ICT and energy sectors and is South Africa's premier specialist distributor of RF, energy solutions and fibre optic communications technologies. Dartcom is also one of the largest suppliers of Lithium-ion batteries in South Africa.



Information and Communications Technology

Fund Managed Investment: Dartcom Fibre Solutions

 Dartcom Fibre Solutions (Dartcom) through our investment in Kleoss		
EPPF Disbursed R75 million to Kleoss	Nature of Facility 19.63% Equity through investment by Kleoss	B-BBEE Scorecard 2
Key Activities		
South African based manufacturer of world class fibre optic cables	Import raw fibre and manufacture fibre cable for distribution	Distribute fibre products across Africa
Dartcom Fibre 2021 Impact Dashboard		
51 staff employed	Using multipliers, it is estimated that an additional 104 indirect jobs were created in the economy	Of these indirect jobs 9 are attributed to the funding provided by EPPF
 		


Dartcom Fibre Solutions is a South African based manufacturer of world class fibre optic cables produced under licence to OFS Fitel, LLC. Dartcom Fibre Solutions is a B-BBEE Level 2 contributor and distributes their products throughout Africa.

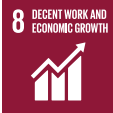

Dartcom, through its subsidiary Dartcom Fibre Solutions ("DFS"), operates a fibre cable manufacturing plant which was commissioned in November 2017. DFS imports raw fibre and manufactures fibre cable, which it sells to Dartcom SA, the distribution company.



Information and Communications Technology

Fund Managed Investment: Gbitel

		Gbitel through our investment in Kleoss	
EPPF Disbursed R75 million to Kleoss		Nature of Facility 19.63% Equity through investment by Kleoss	B-BBEE Scorecard I
Key Activities			
Build and/or operate and transfer fibre projects to fibre operators such as Vumatel and SADV	Specialise in the design, build and transfer of fibre, tower and power infrastructure projects across South Africa	Provide various bespoke funding and operating models that ensure projects are delivered on time, to specification and with budget	

Gbitel 2021 Impact Dashboard			
20 staff employed	Using multipliers, it is estimated that an additional 41 indirect jobs were created in the economy	Of these indirect jobs 4 are attributed to the funding provided by EPPF	Over 256 559 homes connected
 			




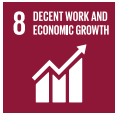
In 2020, Dartcom created a new subsidiary, Gbitel to build and/or operate and transfer fibre projects to fibre operators such as Vumatel and SADV (Dartcom, DFS and Gbitel are together referred to as the “Group”).

Gbitel is a fully certified installation and deployment company specialising in the design, build and transfer of fibre, tower and power infrastructure projects across South Africa. Gbitel is an 86% black owned, SME company specialising in the design, build and transfer of fibre, tower and power infrastructure projects.

Their service delivery framework is diverse and includes various bespoke funding and operating models that ensure projects are delivered on time, to specification and with budget. Gbitel has a track record of exceptional quality and service delivery is evident in its compliance and certification to statutory and regulatory health, safety and environmental (HSE) requirements including ISO 9001, 14000 and 45000.

Information and Communications Technology

Fund Managed Investment: BBD Holdings

		BBD Holdings through our investment in Sphere Holdings	
EPPF Disbursed R245 million to Sphere Holdings		Nature of Facility 49.9% Equity	B-BBEE Scorecard 1
Key Activities			
Service the financial services, telecommunications and allied industries, and the public sector with software solutions		Create value by drawing on extensive experience to deliver transformation solutions in various economic sectors	Growing a global presence in all regions with a keen focus on Europe
BBD 2021 Impact Dashboard			
964 technology experts employed	24% of which are previously disadvantaged employees	Using multipliers, it is estimated that an additional 1 957 indirect jobs were created in the economy	Of these indirect jobs 100% are attributed to the funding provided by EPPF
			

BBD is South Africa's oldest and largest independent custom software development company, servicing the financial services, telecommunications and allied industries, and the public sector. BBD was established in 1984, with Sphere Holdings acquiring 35.75% in 2007, which later increased to 49.9% ownership in 2016. BBD has offices in five countries across the globe and has partnered with several global brands including Apple, IBM, Oracle and Microsoft. BBD Holdings has 26% share in Fusion Software, 49% share in Illion Management and 30% in Xpertek Management.



BBD employs over 964 tech experts, 24% of which are previously disadvantaged individuals. BBD prides itself on its community engagement initiatives⁵⁷ which includes industry events, knowledge sharing, tech talks and hosted technology focused meetups. To address the shortage of skilled female coders, BBD offers a learnership in partnership with Umuzi to support un- and under- employed young women become junior full-stack engineers. BBD is also one of the GirlCode partners, a registered Non-Profit Organisation (NPO) that aims to empower girls through technology and address the shortage of skills and lack of women in tech. BBD assists GirlCode with fundraising and workshops with the aim of bridging the gender gap in the sector, with the long-term vision of creating a thriving, inclusive tech sector.



⁵⁷ The calculation of the data saving is based on the rates in the ICASA State of the ICT sector report (R200 per GB)

Information and Communications Technology

New Direct Investment Spotlight: Gammatek

		Gammatek (Pty) Ltd. strives to be the leading distributor of branded technology accessories within the South African Market. They aim to provide branded accessories that offer an added value proposition in terms of brand value and range to their customers	
EPPF Commitment R90 million		Nature of Facility Equity	B-BBEE Scorecard 4
Key Activities			
Importing, distributing and manufacturing of mobile device accessories and low technology consumer products		The existing exclusive distributor agreements create opportunities to increase their market share and consumer base	As a market leader, the company can explore new products and technology to increase their product line
Gbitel 2021 Impact Dashboard			
112 Employees	Largest digital accessories sales force and merchandising team in South Africa	Control +/-50% of the market share	Exclusive distribution agreements with 6 premium brands
			

As a fund, EPPF have made a strategic investment into Gammatek, which is a leader in its market, controlling an approximately 50% of market share. Gammatek is an importer, distributor, and manufacture of mobile accessories and low technology consumer products under exclusive distribution agreements. Key brands include Bodyglove, Snug, Speck and UAG. The majority of the revenue generated is from mobile phone accessories (phone cases, screen protectors, charging and audio devices etc.).

Our co-investment with Ethos was aimed at supporting the growth and expansion of the business, regaining strategic clients and supporting the introduction of new products. Through this investment, we also envision improved management capacity, an increase in targeted marketing and product development and improved business performance.

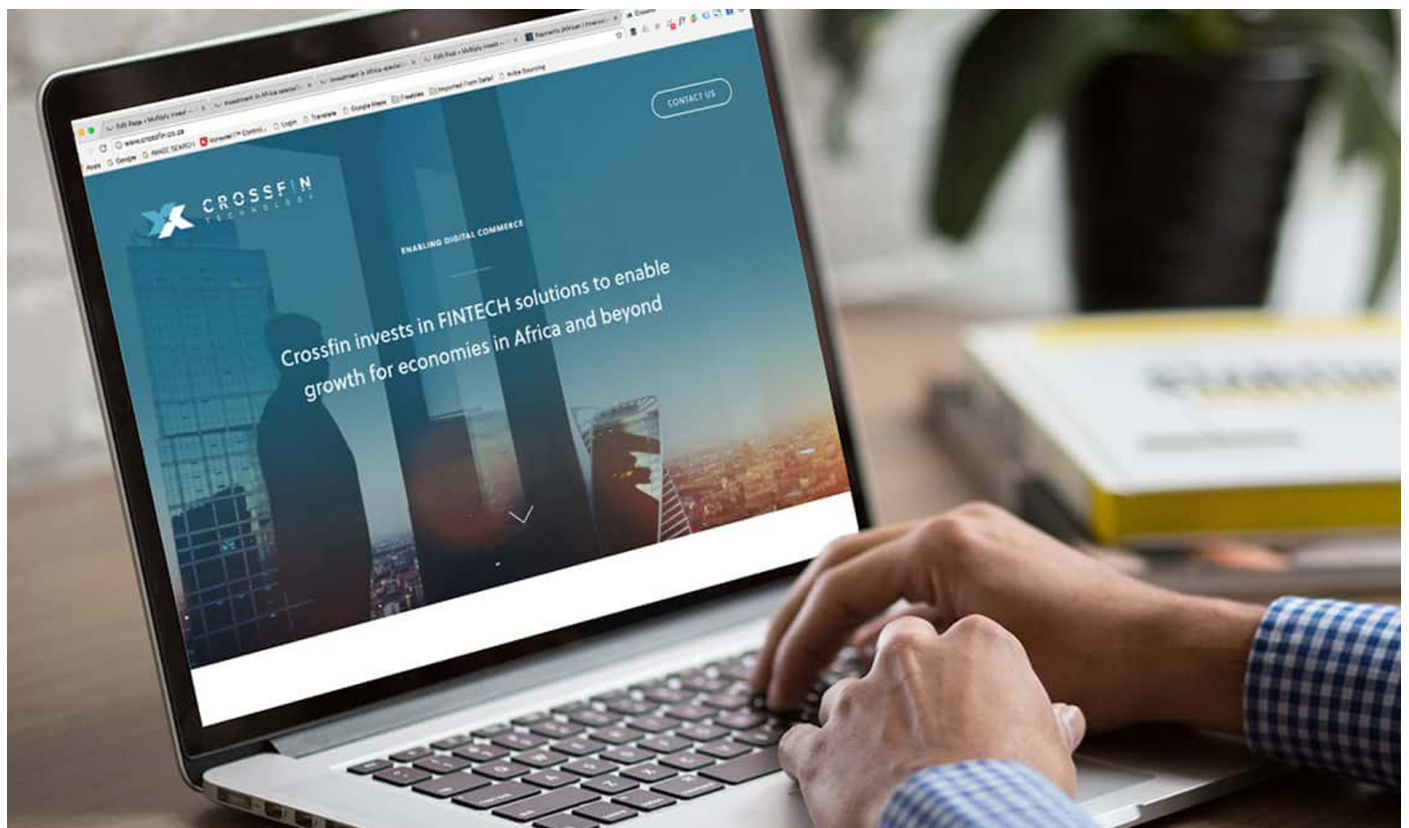


Information and Communications Technology

New Direct Investment Spotlight: Crossfin Technology Holdings

		Crossfin Technology Holdings (“Crossfin”) is a leading independent fintech platform operating predominantly in South Africa. Crossfin aims to invest and build highly synergetic platforms thus creating an ecosystem of complementary businesses	
EPPF Commitment R150 million		Nature of Facility 9.5% Equity	B-BBEE Scorecard 8
Key Activities			
Crossfin back innovative companies that focus on solving specific everyday pain points		The company's portfolio and healthy partner ecosystem create opportunities to integrate a broad suite of financial products	Crossfin influences technology across the value chain from point of processing to point of fulfilment

Crossfin 2021 Impact Dashboard			
50 000 clients serviced	R8 billion in mobile transactions processed	23 African countries reached	18 portfolio companies
<div>   </div>			



As a fund, we have made a strategic investment into emerging FinTech company Crossfin Holdings, which brings together a set of underlying technology platforms that operate across the full value chain of digital transactions. Given the growing importance of digitisation in fostering increased financial inclusion, particularly on the African continent, Crossfin provides us with the opportunity to support the rolling out of digital payment and financial platform capabilities to a cross-section of South African and African society.

The Crossfin business is categorised into four main strategic pillars; Adumo, which brings together market-leading payment businesses; Retail Capital, which provides SME financing solutions; Cross Gate, a card issuance business targeted at corporate reward programmes; and Sybrin, a global enterprise software solutions provider.

The investment in Crossfin enables us to both stimulate small-scale FinTech business entrepreneurs and also scale the provision of financial services to a broader segment of society. To date, Crossfin has serviced over 50 000 clients through its underlying platform companies, processing over R8 billion in mobile transactions. The company's platforms have spread across 23 countries across Africa.

Renewable and Clean Energy



Definition	Impact Drivers to be Addressed	Related SDGs
Energy that is collected from renewable resources that are naturally replenished on a human timescale	<p>Coal is the primary fuel source used in South Africa</p> <p>There is a need to diversify the country energy mix away from coal, reduce harmful carbon emissions</p> <p>To support the Just-transition programs which migrates employees from coal to renewable energy</p>	<div> <div>1 NO POVERTY</div> <div>5 GENDER EQUALITY</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> </div>

Context

In 2021, it was reported that South Africa was the world's 12th largest source of Greenhouse Gases (GHGs)⁵⁸. Coal continues to fuel the country's energy supply and the economy at large. The ageing, unreliable coal-powered fleet delivering expensive electricity is forcing a transition toward alternative power sources⁵⁹. South Africa's climate makes it ideal for the use of wind and solar energy. By promoting and developing the renewables sector, South Africa can use this opportunity to provide improved access to sustainable and affordable energy for all citizens in line with SDG 7.

The development of the renewables sector will also contribute to social and economic development. Despite South Africa's significant renewable energy potential, inadequate investment in renewables has prevented the maximisation of the sector⁶⁰ even though South Africa, as signatories of the Paris Agreement, has pledged to reduce its carbon emissions to net-zero by 2050. Eskom the South African energy utility provider, in addition to producing coal-based power, purchases a significant amount of renewable 'green' energy and also owns renewable energy assets. Eskom is aiming to further develop renewable energy solutions to support sustainable development, expand their servicing offering and drive energy efficiency and productivity in South Africa.

Importance of the Renewable and Clean Energy Sector

The renewable and clean energy sector has the potential to assist in reaching climate change mitigation targets, reduce the dependence on coal-fired energy sources, provide access to affordable energy for South Africans, reduce power outages resulting from national rolling blackouts, and stimulate local job creation⁶¹.

Improved stability in the electricity grid will also facilitate economic development as it was estimated that the Stage 6 load-shedding implemented in July 2022 cost the country approximately R4 billion per day, affecting the national GDP and economic outlook⁶².

⁵⁸ South Africa the 12th biggest source of greenhouse gases

⁵⁹ A new dawn for South Africa's energy sector

⁶⁰ 5 Barriers Hindering Renewable Energy Expansion in South Africa

⁶¹ A new dawn for South Africa's energy sector



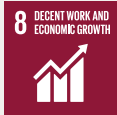

⁶² Stage 6 load shedding costs South Africa R 4 billion a day

Renewable and Clean Energy

EPPF's Impact

Our Commitment		
R1.05 billion in four funds committed towards financial provision to the Renewable and Clean Energy sector		
Intended Use of Funding Allocated		
Vantage Green X	Stanlib Infrastructure Fund I & II	Revego Fund
To construct and manage renewable energy projects with a focus on solar PV and wind technology	To invest in renewable energy projects	To invest in renewable energy projects

2021 Impact Dashboard				
More than 4 151 MW installed capacity across the portfolio	Generating more than 1.8 million MWh of energy	1.9 million tCO₂ equivalent offset from the Eskom grid ⁶³	53 renewable energy projects	Enough to supply approximately 2 million households

Our Desired Contribution to Targets Set Under the SDGs			
 <p>Ensure equal access to economic resources</p>	 <p>Universal access to affordable and reliable and modern energy services</p> <p>Increase sustainably the share of renewable energy in the global energy mix</p> <p>Double global rate of improvement in energy efficiency</p>	 <p>Focus on an increase in per capita growth and GDP, achieved through Improved access to electricity</p> <p>Focused employment of women, youth and persons with disabilities</p> <p>Though implementation of governance structures, policies and procedures which cover fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace</p>	 <p>Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management</p> <p>Reduce per capita environmental impact of cities – focus on air quality and waste management</p> <p>Support positive economic, social and environmental links between urban, peri-urban and rural areas</p> <p>Strengthen national and regional development planning</p> <p>Support including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials</p>

As a fund we committed over R1.5 billion to more than 53 renewable energy projects to date, contributing more than 4 151 MW of installed capacity across our portfolio. In 2021, more than 1.8 million MWh of energy was produced across our portfolio, translating into 1.9 million tCO₂ offsets from the Eskom grid. Our investment in Vantage Capital's Green X Note II fund, generated 1.1 million MWh of energy, with the Fund's solar assets contributing 61% of total reported production.

Our investment in Stanlib Infrastructure Fund I and II translated into a total of 1 859 installed capacity across 26 different plants across the country. TREH, an investment made from Stanlib Infrastructure Fund II, generated an impressive 245 000 MWh of energy, diversified between seven wind and five solar PV assets. Another fund we are invested in, Revego, produced 278 000 MWh of energy, enough to power over 309 000 households. Given South Africa's precarious energy system, our continued investment in renewable and clean energy looks to supplement and support the country's economic recovery while navigating the complex realities of climate change.

Internationally, our investment in Feira Infrastructure Fund translated into a total of 15 renewable energy projects spread across various international markets, with 797 MW of installed solar capacity and 450 MW of installed wind capacity.

⁶³ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

Renewable and Clean Energy

Challenges Overcome with Investing in the Sector

Despite the increasing demand for renewable and clean energy sources in South Africa, as investors we face several challenges.

Value Chains

Even though the policy and regulatory environment has progressed in South Africa, the local production and value chain remains relatively underdeveloped. To drive the renewable and clean energy sector, investment is needed in the production of local components to reduce reliance on imports.

The local value chain for renewable energy (i.e., wind and solar) presents several investment opportunities, while other alternative energy sources like batteries and green hydrogen present interesting investment cases, although this technology still needs to be commercialised in South Africa.

Waste Management

A challenge emerging is how to manage waste generated through the maintenance and disposal of wind and solar farms. Often containing hazardous components, when investing it is important to engage with suppliers on this issue to ensure liabilities for disposal are correctly allocated.

Just Transition

Renewable energy has been around for more than a decade, and as we prepare for the just transition additional unforeseen challenges are likely to emerge.

The impacts of climate change are being felt across Africa and can no longer be ignored, so investing in renewable energy is important to reduce carbon emissions and consequently reducing the extent of this impact by creating much needed alternative jobs across the value chain to absorb employees currently in the thermal power energy sector.

Alternative Investment Channels

Exploring alternative energy sources may require investors to look beyond the Renewable Independent Power Producer Programme (REIPPP) to consider other opportunities like waste to energy plants.

Investment in waste to energy may be viewed as venture capital, and as a result pension funds steer clear as there is no demarcated path on how to recover deployed capital. Research is required to unpack these risks and develop solutions allowing larger scale investments.



Renewable and Clean Energy



Impact in Action Case Study

The Kouga Wind Farm: Investing in Shared Value to Build a Resilient Community

Since being commissioned in 2015, the Kouga Wind Farm has become an important part of the surrounding Kouga Municipality, just north of Gqeberha in the Eastern Cape. Over five years, the wind farm has formulated a four-investment pillar model which looks to manage the overheads of the windfarm alongside creating shared value for the surrounding community.

The model includes education, skills development, recreation, health and welfare and direct overheads, and provides a framework that guides the wind farm in improving the quality of life for residents and equipping them with the skills required to build more resilient communities.

To date, the wind farm has invested over R25 million rand per its four investment pillars. In education, a total of R11 million has been invested in the construction of the Sea Vista Community Library, the

Nkqubela Creche, a computer laboratory at Sandwater Primary School and the launch of the NSRI Water Safety Programme. From a skills development perspective, the wind farm has invested over R6 million on a school bursary programme for underprivileged children, and a range of skills development programmes with a focus on computer competencies. An additional investment of close to R3 million has been made in health programmes including a Mother and Baby clinic, mobile cancer testing and food security programmes.


Moving forward, the Kouga Wind Farm will continue to identify opportunities that safeguard the economic and social mobility of residents around the area. The Wind Farm illustrates the community-centred multiplier effects that can be created through the investment of sustainable infrastructure in disadvantaged and underserved communities.

Kouga Wind Farm's 5 Investment Pillars

Education	Skills Development	Recreation	Health & Welfare	Direct Overheads
R11 million	R6 million	R829 000	R2 million	R3 million


Renewable and Clean Energy

Fund Manager Spotlight: Vantage Green X Note II


		Vantage GreenX Note II (GreenX Note II) invests in renewable energy projects, with a focus on solar PV and wind plants situated across South Africa	
Established 2018	Fund Size R3 billion	EPPF Commitment R200 million	Nature of Facility Debt

Vantage GreenX Note II's 2021 Impact Dashboard		
6 renewable energy projects across 4 South African provinces	281 MW of installed Solar PV capacity	Total production of 1.1 million MWh
	153 MW of installed Wind power capacity	1.15 million tCO ₂ equivalent offset from the Eskom grid ⁶⁴


7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



South Africa faces a severe energy crisis, while the international community grapples with a global climate crisis. Locally, South Africa has experienced an ongoing period of widespread rolling blackouts as electricity supply has fallen behind electricity demand, threatening to destabilise the national power grid.

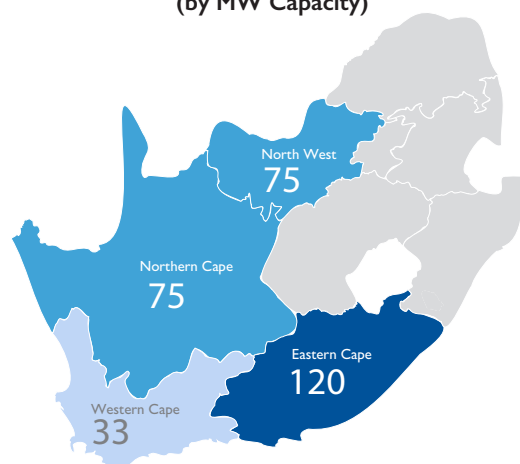
On a global level, the energy sector is recognised as a key driver of rising temperatures, with the sector accounting for more than two-thirds of global greenhouse gas emissions.⁶⁵ Both these challenges have shone a spotlight on renewable energy, which offers a sustainable solution to depleting energy generation capacity in South Africa due to ageing infrastructure, as well as the country's reliance on heavy-emitting non-renewable energy sources.

In response, we invested in Vantage Capital's GreenX Note II Fund, a renewable energy fund that was established off the back of the successful GreenX Note I fund closed in 2018. Our investment has enabled the Green X Note II fund to develop and construct a portfolio of six renewable energy projects in four provinces across South Africa. In 2021, the Fund's portfolio had a combined capacity of 434 MW, with 64% of that capacity coming from its solar PV assets. The total production across the portfolio was just over 1.1 million MWh, with the solar PV plants recording just over 680 000 MWh of energy, representing over 60% of the portfolio's total production.

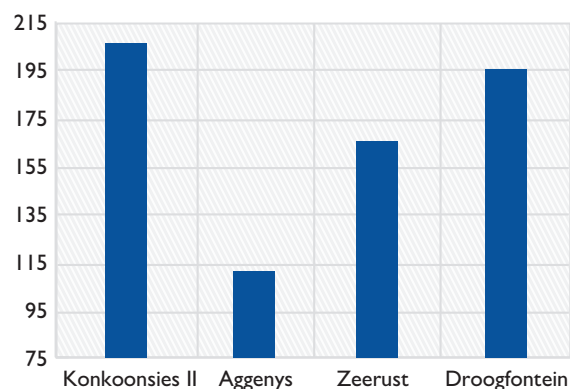
In terms of the wind assets, the Golden Valley plant located in the Eastern Cape produced the most energy at 312 000 MWh, this is despite the plant only coming into operation in May of 2021. The Excelsior Wind plant in the Western Cape generated an impressive 111 000 MWh of energy despite having the lowest generating capacity in the wind portfolio at 33 MWs. The highest generation recorded among the solar PV plants was Konkoonies II in the Northern Cape, generating just over 200 00 MWh. The only plant located in the North West Province, Zeerust's solar PV plant, generated 161 000 MWh of energy, with the Droogfontein solar PV plant in the Northern Cape generating 196 000 MWh of energy, both with a capacity of 75 MW.

Our investment in Vantage Capital's Green X Note II fund has bolstered the country's reserves of renewable energy while contributing toward a climate-resilient world. We are also pleased that this investment aligns with SDG 7's (Affordable and Clean Energy) target of substantially increasing the share of renewable energy in the global energy mix.

GreenX Note II's Geographic Footprint (by MW Capacity)



Total Solar PV Production

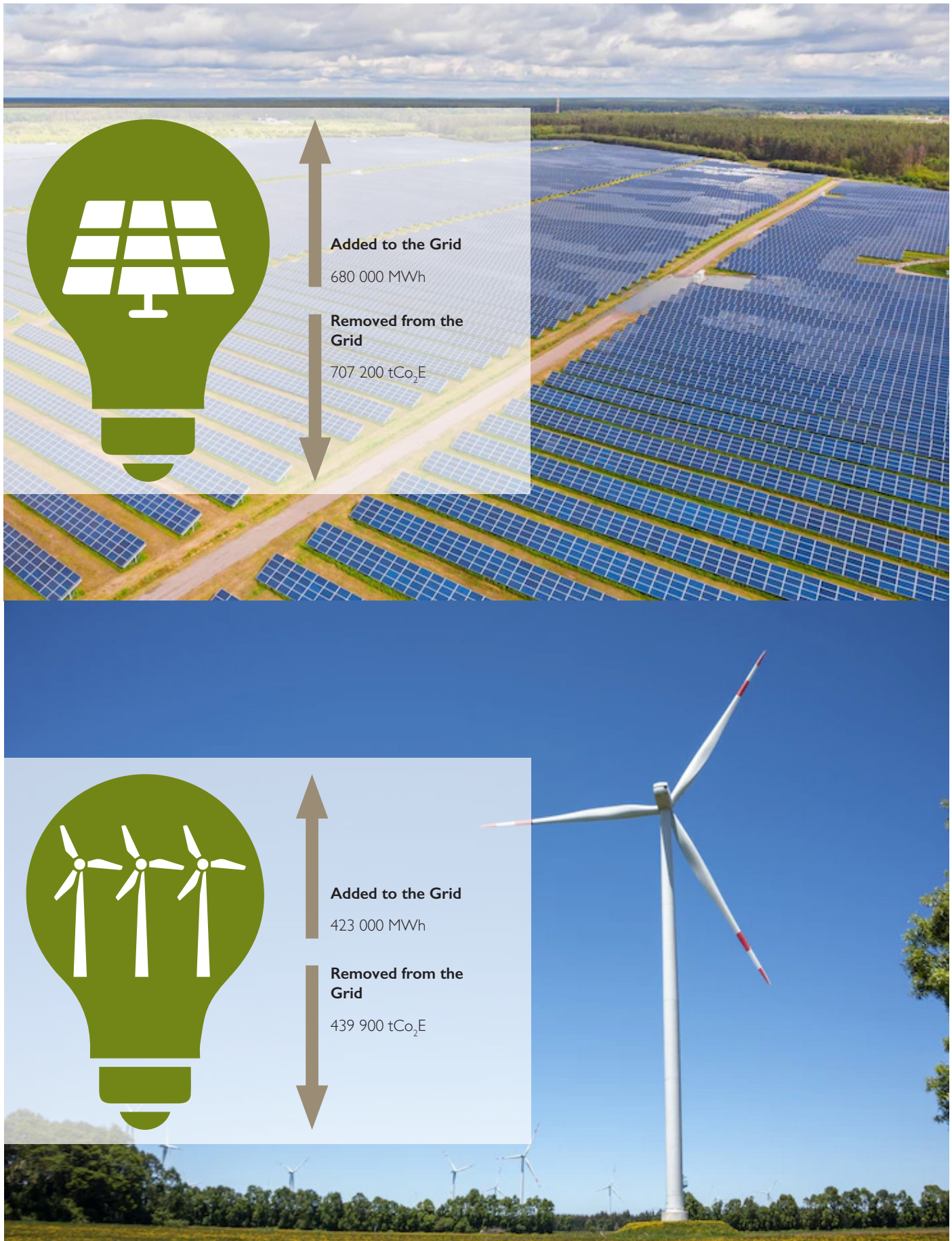


⁶⁴ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

⁶⁵ If the energy sector is to tackle climate change, it must also think about water – Analysis - IEA

Renewable and Clean Energy

Fund Manager Spotlight: Vantage Green X Note Li



Renewable and Clean Energy

Fund Manager Spotlight: Stanlib Infrastructure Fund I & II

STANLIB				Stanlib Infrastructure Funds I and II are two funds focused on investing in high-impact renewable energy and infrastructure projects in South Africa and across the African continent
Established 2013 (Fund I) 2021 (Fund II)	Fund Size R10 billion (collective)	EPPF Commitment R100 million (Fund I) R400 million (Fund II)	Nature of Facility Equity	

Stanlib Infrastructure Fund 2021 Impact Dashboard				
1 866 MW of installed solar PV and wind capacity across both funds	Over 305 000 MWh of energy produced	317 200 tCO₂ Equivalent offset from the Eskom grid ⁶⁶	Investments in 26 renewable energy projects	Enough to support 338 000 households
<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> </div>				

Over time, we have invested a total R500 million into two of Stanlib's Infrastructure Funds. Both funds have acquired a series of renewable energy, telecommunications, and road infrastructure assets.

Through Infrastructure fund I, our investment has facilitated the construction of 3 solar PV plants in the Northern Cape, namely Projects Kathu, Kalkbult, and Linde, and 1 solar PV plant in the Eastern Cape in the form of Project Druenbery. The portfolio's wind farm, Project Kouga, is in the Eastern Cape. Together, these assets have a combined capacity of 347 MW. Moreover, we are invested in 21 renewable energy assets through Stanlib's Infrastructure Fund II. This includes 10 solar PV plants and 11 wind farms spread across the South-Eastern and Western regions of South Africa, all with a combined capacity of 1 519 MW.

In 2021, the renewable energy assets across Stanlib's two infrastructure funds generated over 305 000 MWh of power. This energy generation is enough to power approximately 338 000 households. Further, it can also be estimated that our investment in these renewable energy assets could generate an approximate GDP increase of R261 million and R357 million when using the economic multipliers published by the International Monetary Fund.⁶⁷



⁶⁶ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

⁶⁷ The International Monetary Fund has estimated an economic multiplier of 1,1 to 1,5 for every dollar invested into renewable energy Building Back Better: How Big Are Green Spending Multipliers? (imf.org)

Renewable and Clean Energy

Fund Manager Spotlight: Revego Renewable Energy Fund

REVEGO		Revego Fund Managers is a majority black-owned fund manager, with significant expertise in the renewable energy sector and is the fund manager of the Revego Africa Energy Fund		
Established 2019	Fund Size R1.5 billion	EPPF Commitment R350 million	Nature of Facility Equity	

Revego Fund Managers 2021 Impact Dashboard				
504 MW of installed wind capacity	100 MW of installed solar PV capacity	278 000 MWh produced	289.6 thousand tCO₂ Equivalent offset from the Eskom grid ⁶⁸	309 000 households supported
<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>1 NO POVERTY</div> </div>				

Working alongside Investec Bank Limited and UK Climate Investments, we made a R350 million commitment to Revego Renewable Energy Fund. The Fund has six projects across South Africa with a combined installed capacity of 604 MW of power, enough to provide clean, affordable, and reliable electricity to the equivalent of approximately 309 000 homes.

In 2021, the Fund's projects generated a combined 278 000 MWh of electricity, translating into 286 000 tCO₂E offset from the national energy grid. With our investment, Revego's portfolio is expected to grow at pace over the 12-18 months as it pursues an attractive pipeline of investment opportunities across the region.



⁶⁸ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

Investments in Funds



Definition	Impact Drivers to be Addressed	Related SDGs
Private equity typically refers to investment funds, generally organised as limited partnerships that buy and restructure companies to generate financial and non-financial returns	R205 billion in total funds under management in South Africa Play a key role in supporting private companies with financing, skills and expertise to generate jobs and economic stimulus	<div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>

Context

Private equity is an asset class that differs in nature from most other assets, including listed equity. Typically, private equity fund investments show a low correlation to quoted equity markets and are relatively illiquid, particularly in the early years. Typically, private equity shows a drop in net asset value before showing significant gains. Private equity funds in South Africa typically follow a commitment and draw-down model, which means that investors commit a certain total of capital at the start of the fund but are only requested to transfer cash to the private equity manager as investments are identified and/or costs are incurred.

Total funds under management in South Africa are estimated to be over R205 billion, this is amid a 22% decrease in fundraising during the Covid-19 period. The value of new investments was estimated to be around R6 billion in 2021, infrastructure and real estate representing more than 40% of total investments made between 2020 and 2021, whilst manufacturing and services were the most popular sectors by number. In addition, there is a renewed focus on impact investing in the country, a rising practice that sits between social response investing (SRI) and investments focused on the Environmental, Social, and Governance (ESG) pillars.


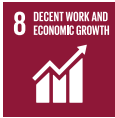
Importance of Private Equity Funds

Private equity investments generate financial returns for investors and play a role in stimulating the economy and job creation. In addition, they also act as strategic partners to portfolio companies and aid in their development through funding provided for talent, skills, infrastructure, and technology. Moreover, private equity funds tend to develop deep sectoral expertise that portfolio companies can leverage to expand their operations and manage challenges that are unique to specific markets and industries.

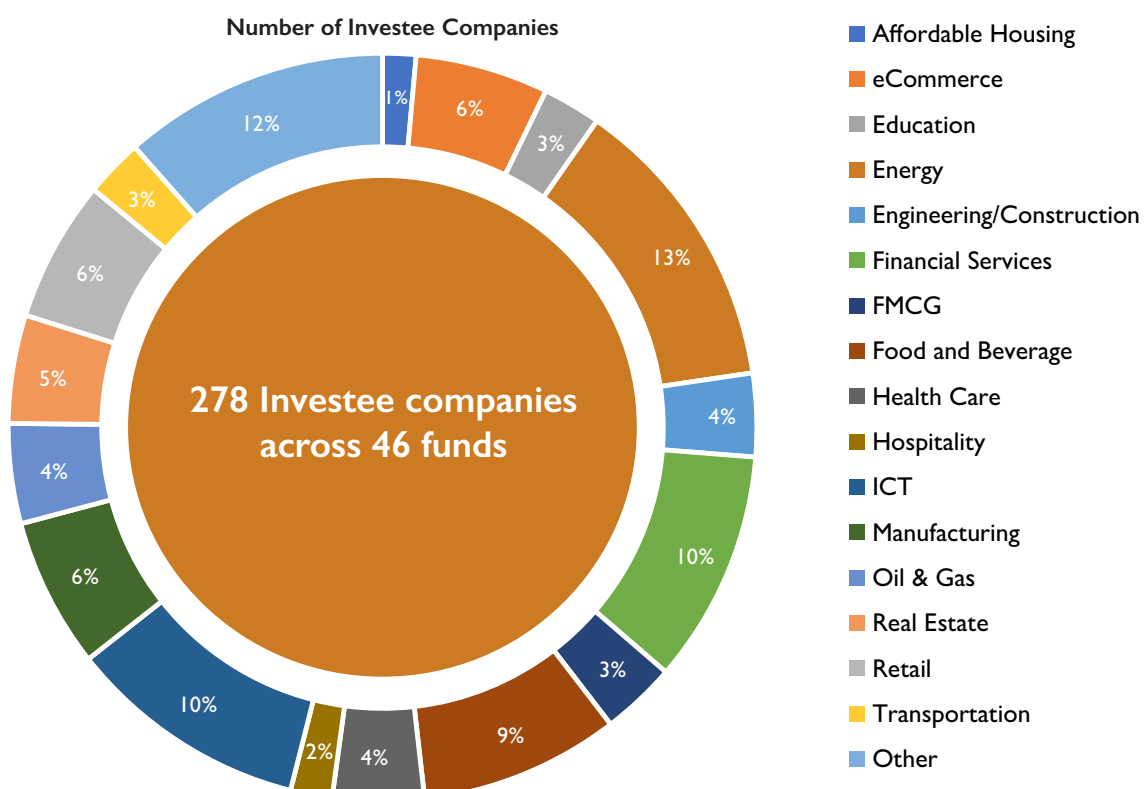
Investments in Funds

EPPF's Impact

Our Commitment	
R6.9 billion in 46 funds committed	
Intended Use of Funding Allocated	
R7 billion in local procurement spend	67 450 people employed
R926 million in tax paid	15 022 were women
R4 billion spend on employee salaries	35 341 were previously disadvantaged people
	8 745 were youth

Our Desired Contribution to Targets Set Under the SDGs	
 <p>5 GENDER EQUALITY</p> <p>End gender-based discrimination</p> <p>Ensure women full and effective participation and equal opportunities for leadership at all levels of decision making</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Focus on an increase in per capital growth and GDP, achieved through increased economic activity</p> <p>Focused employment of women, youth and persons with disabilities</p> <p>Though implementation of governance structures, policies and procedures which cover fair labour practices, equal pay for equal work, gender equality, no forced labour, no child labour and employee safety in the workplace</p>



As the second-largest self-administered retirement fund in South Africa, our investment universe spans several sectors and geographies. Beyond the direct investments, we also have a significant investment made through fund manager vehicles which give us exposure to sectors such as food and beverage, manufacturing, financial services, ICT, and retail.



Investments in Funds

Job Creation Across Funds Primarily Investing in South Africa

Of the 59 166 jobs supported in South Africa by sampled portfolio companies, Vantage Capital's Mezzanine Fund III contributed a significant portion with 43% of jobs supported. The fund has a diversified interest in South Africa and the African continent and has invested in oil & gas, facilities management, and property portfolio companies. Capitalworks' Private Equity Partnership II and III collectively supported over 12 972 jobs, with previously disadvantaged employees representing close to 80% of that total.

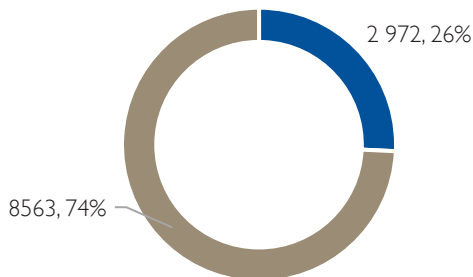
Fund Manager	Total jobs Supported	Total Previously Disadvantaged Employees	Total Women Employed	Total Youth Employed
	12 972	10 285	4 271	5 647
	4 399	2 251	1 341	1 745
	2 606	2 184	1 262	1 615
	6 940	Not reported	1 597	2 594
	863	Not reported	Not reported	Not reported
	2 533	1 588	422	Not reported
	1 921	865	287	226
	1 620	1 373	272	524
	25 312	18 383	8 480	Not reported

Investments in Funds

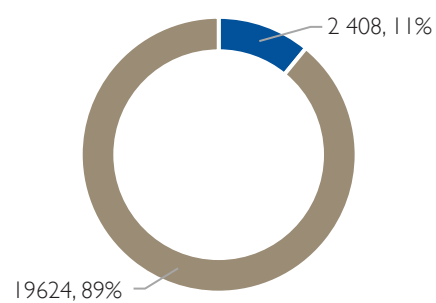
Job Creation Across Funds by Sector

Of the 67 450 direct jobs created, the largest proportion was created by manufacturing/food and beverages sector (55%), followed by the ICT (23%) and retail/real estate (13%) sectors respectively. EPPFs contribution to these jobs created is variable, dependent on the proportion of their capital invested in individual fund managers and in turn the selected sectors those fund managers decide to invest in.

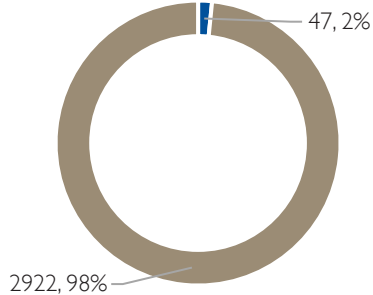
**Investment by Funds
ICT Indirect Jobs**



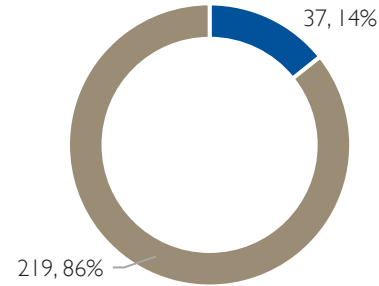
**Investment by Funds
Manufacturing Indirect Jobs**



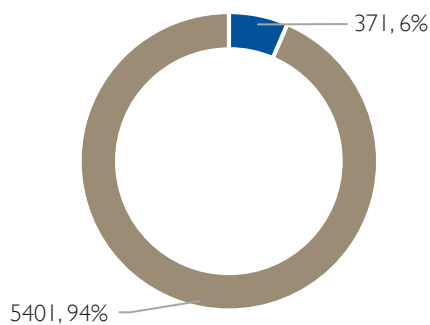
**Investment by Funds
Health Care Indirect Jobs**



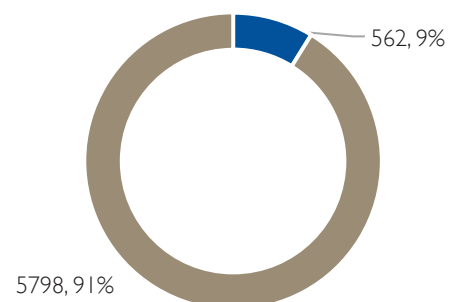
**Investment by Funds
Education Indirect Jobs**



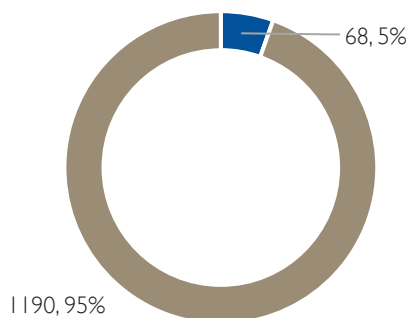
**Investment by Funds
Real Estate Indirect Jobs**



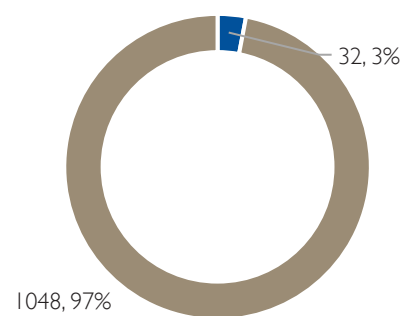
**Investment by Funds
Food and Beverage Sector Indirect Jobs**



**Investment by Funds
Retail Indirect Jobs**



**Investment by Funds
Affordable Housing Indirect Jobs**



■ Jobs Attributed to EPPF







■ Additional Indirect Jobs Due to Fund Investment

Investments in Funds

Economic Stimulus Across Funds Primarily Investing in South Africa

Our investments into fund-managed portfolio companies yielded a positive impact with respect to the local procurement spend and contributions made to the state in taxes. Ethos Capital and Sphere Holdings investee companies paid over R2.2 billion to supply chain partners, followed by Trinitas Private Equity investee companies who paid R1.8 billion on local procurement spend.

The highest proportion of taxes among sampled portfolio companies was paid across the Trinitas Private Equity portfolio at R334 million, with Sphere Holdings, and the Kleoss Capital Portfolios paying a combined R390 million in company taxes over the course of 2021.

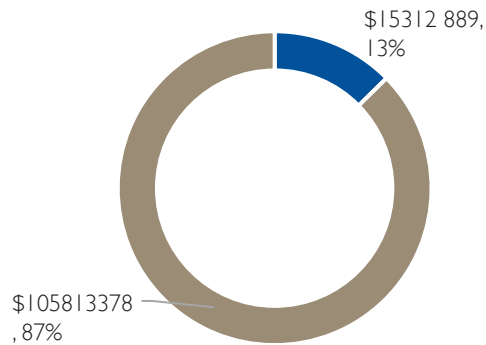
Fund Manager	Local Procurement Spend	Total Paid In Company Tax	Employee Salary Spend
	R6.3 million	R169 000	Not Reported
	R2.2 billion	R334 million	Not Reported
	R731 million	R116 million	R166 million
	Not Reported	Not reported	R998 million
	Not Reported	R96 million	Not Reported
	Not Reported	Not Reported	Not Reported
	R2.2 billion	R232 million	Not Reported
	R1.8 billion	R75 million	Not Reported
	Not Reported	R24 million	Not Reported

Investments in Funds

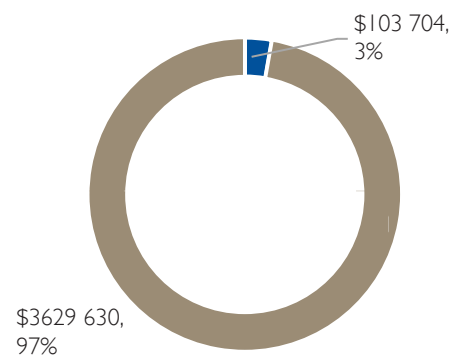
Economic Stimulus Across Funds by Sector

\$653 million (R9.8 billion) in additional indirect economic stimulus can be attributed to the investments made through funds, 43% of which can be attributed to the capital disbursed by EPPF to fund managers. The largest contributor to this economic stimulus was the manufacturing sector at 19% followed by real estate at 16%, the energy sector at 8% and retail sector at 7% respectively.

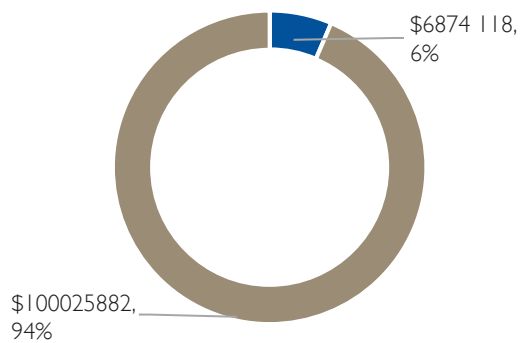
**Investment by Funds
Manufacturing Economic Stimulus**



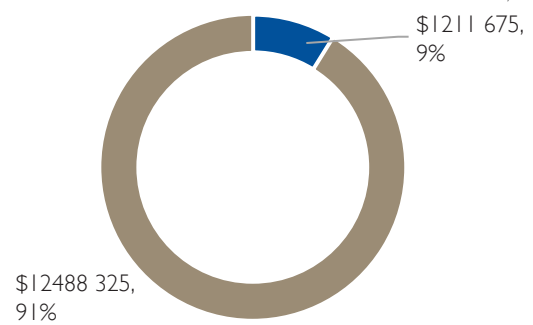
**Investment by Funds
Health Care Economic Stimulus**



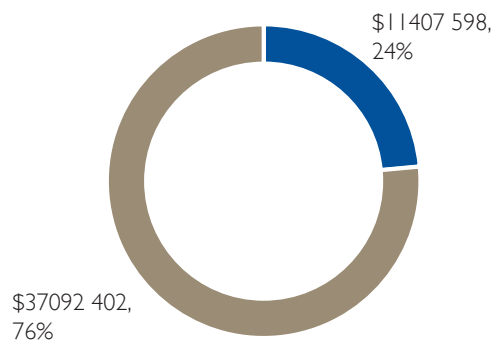
**Investment by Funds
Real Estate Economic Stimulus**



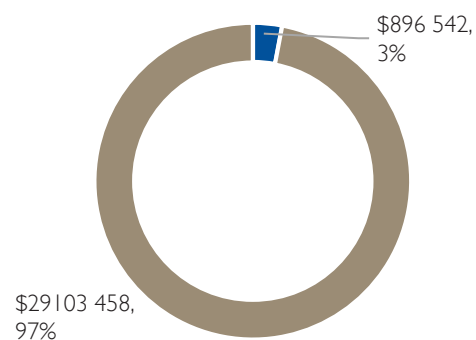
**Investment by Funds
Food and Beverage Sector Economic Stimulus**



**Investment by Funds
Retail Economic Stimulus**



**Investment by Funds
Affordable Housing Economic Stimulus**




■ Economic stimulus Due to Investment by EPPF

■ Additional Indirect Economic Stimulus Due to Fund Investment

Investments in Funds

Impact Summary for South African Funds Supported

Direct Jobs Supported	Local Procurement Spend
59 386 9 781 linked to funds disbursed by EPPF	R9.953 billion R2.468 billion linked to funds disbursed by EPPF
Indirect Jobs Stimulated	Taxes Paid
4.04 million 4.01 million linked to funds disbursed by EPPF	R877 million R267 million linked to funds disbursed by EPPF
	Additional Economic Stimulus
205 investee companies across 16 funds 	R563.6 million R278.8 million linked to funds disbursed by EPPF

Year EPPF Invested ⁶⁹	Portfolio Companies	Sector
Old Mutual Schools Fund		
2016	39 schools across South Africa managed by 6 operators with 3 being 100% black owned	Education
Stanlib Infrastructure Private Equity		
Fund I – 2014, Fund II – 2021	26 renewable energy projects	Energy
Vantage Green X Note II		
2018	A 75MW solar PV plant in the Northern Cape	Energy
	A 75MW solar PV plant in the North-West	Energy
	A 120MW wind plant in the Eastern Cape	Energy
	A 33MW wind plant in the Western Cape	Energy
	A 45MW solar PV plant in the Northern Cape - Aggeneys II Solar Power Plant	Energy
	An 86MW solar PV plant in the Northern Cape - Konkoonsie II Solar Power Plant	Energy
Future Growth Property Fund		
2022	21 different shopping centres across 8 provinces in the country	Retail
SA SME Debt Fund		
2022	SA SME Debt Fund	SMEs

⁶⁸ Eskom overall GHG intensity is 1.04 tCO₂e/MWh as published in the Eskom carbon footprint report 2020 available at URL: <https://www.eskom.co.za/wp-content/uploads/2021/09/CarbonFootprintReport2020.pdf>

⁶⁹ No information available prior to the issuing of this report for inclusion for the Women private equity fund I, Wisdom Tree EMMF fund, Lereko Matier Capital Growth Fund, and Re-Imaging Social Impact Fund.

Investments in Funds

Impact Summary for South African Funds Supported (continued)

Year EPPF Invested ⁶⁹	Portfolio Companies	Sector
Capitalworks Private Equity		
Fund I - 2008, Fund II - 2013, Fund III - 2018	Much Asphalt (Pty) Ltd	Retail
	Infrastructure Specialist Group (Pty) Ltd	Retail
	Robertson and Caine (Pty) Ltd	Leisure
	IQ Business (Pty) Ltd	Consulting
	Petmin Holdings (Pty) Ltd	Mining
	Minet Holdings Africa (Pty) Ltd	Financial Services
	Sovereign Food Investments (Pty) Ltd	Food and Bev
	Rosond Holdings (Pty) Ltd	Consulting
	DGB (Pty) Ltd	Retail
	Peregrine Holdings (Pty) Ltd	Financial Services
Old Mutual Private Equity Fund IV		
Fund IV - 2016	Medhold	Health Care
	Primedia	Media
	TiAuto	Retail
	Morecorp	Retail
	I0x	Financial Services
	In2Food	Manufacturing
	Footgear	Retail
PAPE		
Fund 3 - 2018	Laser Group (Pty) Ltd	FMCG
	Singular Systems (Pty) Ltd	ICT
	Angelo Kater (Pty) Ltd	Manufacturing
	Drinks Dispense Services (DDS) (Pty) Ltd	Food and Bev
	Entersekt	ICT
Kleoss Capital		
Fund I - 2015	Real Foods (Pty) Ltd	Food and Bev
	Highveld Honey (Pty) Ltd	Food and Bev
	Nu Health Café (Pty) Ltd	Food and Bev
	Schoon Manufactory (Pty) Ltd	Food and Bev
	Schoon Restaurants (Pty) Ltd	Food and Bev
	Uber Nutrition (Pty) Ltd	Food and Bev
	Crispy Chick (Pty) Ltd	Food and Bev
	Kloof Street Emporium (Pty) Ltd	Food and Bev
	Kauai Smart Meals (Pty) Ltd	Food and Bev
	I Love The Dough (Pty) Ltd	Food and Bev
	Kauai Juice (Pty) Ltd	Food and Bev
	Kauai Wholefoods Franchise (Pty) Ltd	Food and Bev
	Kauai Kloof Street (Pty) Ltd	Food and Bev

Investments in Funds

Impact Summary for South African Funds Supported (continued)

Year EPPF Invested ⁶⁹	Portfolio Companies	Sector
Kleoss Capital (continued)		
Fund I - 2015	Kauai Greenmarket Juice (Pty) Ltd	Food and Bev
	Kauai Retail (Pty) Ltd	Food and Bev
	Nectar Investments (Pty) Ltd	Food and Bev
	Q Bee Honey (Pty) Ltd	Food and Bev
	Brother Bees Honey (Pty) Ltd	Food and Bev
	Dartcom SA (Pty) Ltd	ICT
	Dartcom Fibre Solutions (Pty) Ltd	ICT
	Gbitel (Pty) Ltd	ICT
	TrenStar (Pty) Ltd	Manufacturing
	CDE	Health Care
	Bandag Southern Africa (Pty) Ltd	Manufacturing
	Debt rescue	Financial Services
Trinitas Private Equity		
2010	AutoX Group	Manufacturing
	Main Street Holdings (Pty) Ltd	FMCG
	OneEighty Holdings (Pty) Ltd - Ekukhanyeni Shopping Centre	Retail
	OneEighty Holdings (Pty) Ltd - Sasolburg Junxion	Retail
	OneEighty Holdings (Pty) Ltd - Valley Shopping Centre	Retail
	OneEighty Holdings (Pty) Ltd - Northmead Mall	Retail
	Serica Investments Pty Ltd - southdale shopping centre	Retail
	Auto Industrial Group (Pty) Ltd	Manufacturing
	Trudon	ICT
	Le-Sel Research	Manufacturing
Vantage Mezzanine		
Trust I - 2002, Fund I - 2006, Fund II - 2012, Fund III - 2016, Fund IV - 2021	Dynamic Bedding	Manufacturing
	Afrisam	Manufacturing
	Servest	Consulting
	Pretoria Towers	Real Estate
	Kgoro Central	FMCG
	Collins residential	Real Estate
Sphere Holdings		
2016	Babcock Ntuthuko Engineering	Engineering/Construction
	Babcock Plant Services	Engineering/Construction
	BBD	ICT
	Honeywell	Engineering/Construction

Investments in Funds

Impact Summary for South African Funds Supported (continued)

Year EPPF Invested ⁶⁹	Portfolio Companies	Sector
Sphere Holdings (continued)		
2016	Pandrol	Manufacturing
	Pearson SA	Education
	Endeavor South Africa	SMEs
	hearX	Health Care
Brait		
Fund IV - 2006	Virgin Active	Wellness
	Premier	FMCG
	New Look	Apparel
Ethos		
Private Equity Fund V – 2005, Fund IV - 2011, Mid Market Fund I - 2017	AutoZone	Retail
	CrossFin Technology	ICT
	Easzi Group	Engineering/Construction
	Echo Service provider	ICT
	GammaTek SA (Pty) Ltd	Retail
	Kevro	Apparel
	MTN	ICT
	Synerlytic	Engineering/Construction
	Twinsaver Group	Retail
	Eaton Towers	ICT
	Neopak	Manufacturing
	Primedia	Media
	RTT	FMCG
	The Beverage Company	Food and Bev
	Vertice MedTech Group	Health Care
	WACO International	Engineering/Construction
Medu Capital		
Fund III - 2013	Stratafin Financial Services	Financial Services
	Jaccana Capital	Financial Services
	Copper Tubing Africa	Manufacturing
	South African Roll Company	Manufacturing
	Weir Minerals South Africa	Engineering/Construction
	Universal Coating	Retail
	PBES	Services
	HeloTel	ICT
	VO Connect	ICT
	Mount Carmel Farms	Food and Bev
	ThoroughTec	Technology
	Secutel Technologies	Technology


Investments in Funds

Impact Summary for South African Funds Supported (continued)

Year EPPF Invested ⁶⁹	Portfolio Companies	Sector
Medu Capital (continued)		
Fund III - 2013	Elite Group	Transportation
	Van Schaik Bookstores	Education
	Troupant Publishing	Education
Revego Fund		
2021	Six projects across South Africa with a combined installed capacity of 604 MW of power	Energy

Investments in Funds

Impact Summary for Funds Investing in the Rest of Africa

Direct Jobs Supported	Local Procurement Spend
6941 18 linked to funds disbursed by EPPF	R15.3 million R8 000 linked to funds disbursed by EPPF
Indirect Jobs Stimulated	Taxes Paid
9 442 42 linked to funds disbursed by EPPF	R48.4 million R45 500 linked to funds disbursed by EPPF
	Additional Economic Stimulus
115 investee companies across 7 funds 	R12 million R258 000 linked to funds disbursed by EPPF

Year EPPF Invested ⁷⁰	Portfolio Companies	Sector
Capital Alliance Private Equity		
Fund III - 2009, Fund IV - 2016	Ashwah Holdings Ltd	Manufacturing
	First Hydrocarbon Nigeria Limited	Oil & Gas
	Global Accelerex Limited	Financial Services
	Niger Delta Exploration & Production	Oil & Gas
	Adaba Limited (WOICC)	ICT
	Beloxxi & Company Limited	Manufacturing
	Continental Re-Insurance Plc	Financial Services
	Food Concepts Plc	Food and Bev
	Petra Trust	Financial Services
	Union Bank Plc	Financial Services
	Cornerstone Insurance	Financial Services
	MTN Nigeria	ICT
	etranzact	Financial Services
	Filmhouse Cinemas	Leisure
	Protea Hotels Ikeja	Hospitality
	Protea Hotels Owerri	Hospitality
	Protea Hotels Benin	Hospitality
	Protea Hotels Takoradi	Hospitality
	Blue water Lagos	Real Estate
	ManSard Place	Real Estate
	Bevpak	Manufacturing

⁷⁰ No information available prior to the issuing of this report for inclusion for the Actis Neoma Africa Fund II & III, Carlyle property fund and Bentell Green Oak fund.

Investments in Funds

Impact Summary for Funds Investing in the Rest of Africa (continued)

Year EPPF Invested ⁷⁰	Portfolio Companies	Sector
Ninety One Africa Private Equity		
Fund 2 - 2015	Spinneys	Retail
	Richfield	ICT
	Custodian & Allied Insurance	Financial Services
	SJL	FMCG
	WiGroup	ICT
	IDM	Consulting
	IHS Towers	ICT
	Mobisol	Energy
African Development Partners III Mauritius		
2021	Channel VAS	Financial Services
	SICAM	Agriculture
	Keli x Bio	Health Care
	MNT - Halan	Financial Services
	Letshego	Financial Services
	Touax Industrial building Designer	Engineering/Construction
	Food Concepts	Food and Bev
	Biopharm	Health Care
	KMR Holding Pédagogique	Education
	RTT	FMCG
	Home Choice	Financial Services
	B.Tech	Financial Services
	General Emballage	Retail
	Egyptian German Industrial Corporation	Retail
	Atlantic Business International	Financial Services
	CMGP-CAS	Engineering/Construction
	Dolidol	Retail
	International Facilities Services	Engineering/Construction
Helios		
Fund II – 2010, Fund III - 2015	Acorn Group	Retail
	Africa Oil	Oil & Gas
	Continental Outdoor Media	Media
	GBfoods Africa	FMCG
	Africa Specialty Risks	Financial Services
	ARM pension managers	Financial Services
	Axxela	Oil & Gas
	Bayport Management	Financial Services
	BIM Morocco	Retail

Investments in Funds

Impact Summary for Funds Investing in the Rest of Africa (continued)

Year EPPF Invested ⁷⁰	Portfolio Companies	Sector
Helios (continued)		
Fund II – 2010, Fund III – 2015 2021	Bayport Management	Financial Services
	BIM Morocco	Retail
	Crown Agents Bank and Investment Management	Financial Services
	Eland Oil & Gas	Oil & Gas
	Equity Bank	Financial Services
	Fawry	Financial Services
	First City Monument Bank	Financial Services
	Helios Towers	ICT
	HTN Towers	ICT
	Impact Oil & Gas	Oil & Gas
	Link Commerce (formerly Mall for Africa)	ICT
	Interswitch	Financial Services
	Misr Hytech	Manufacturing
	MK Holding	Education
	OVH Energy	Oil & Gas
	Prime	Oil & Gas
	Solevo	Manufacturing
	Starsight	Energy
	T2S Group	Health Care
	Tema LNG Terminal Company	Oil & Gas
	Telkom Kenya	ICT
	Thunes	Financial Services
	TPAY	Financial Services
	Vivo Energy	Oil & Gas
	Wananchi Group	Media
	ZOLA Electric	Energy
	Africatel	ICT
Vantage Mezzanine		
Trust I – 2002, Fund I – 2006, Fund II – 2012, Fund III – 2016, Fund IV – 2021	Simba Group	Real Estate
	Bay Developers and Realty	Real Estate
	Surflin	ICT
	United Africa Group	Real Estate
	Landmark	Real Estate
	My Land Mall	Retail
	Pédro Ivoire	Oil & Gas
	Cape Tamarin Smart & Happy Village	Real Estate
	Rosslyn Riviera	Retail
	Cim Santé	Health Care

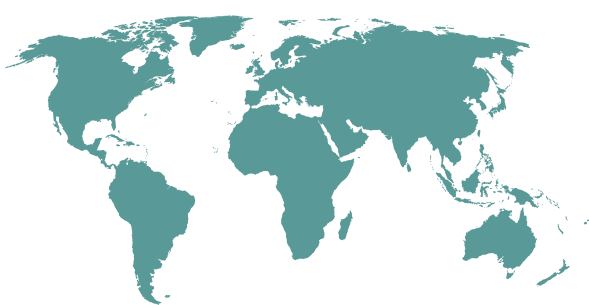
Investments in Funds

Impact Summary for Funds Investing in the Rest of Africa (continued)

Year EPPF Invested ⁷⁰	Portfolio Companies	Sector
Vantage Mezzanine (continued)		
Trust I - 2002, Fund I - 2006, Fund II - 2012, Fund III - 2016, Fund IV - 2021	Equity invest	Technology
	Bonyan Development and Trade	Real Estate
	Pick Albatross Hotels and Resorts	Hospitality
Novare Africa Property		
Fund II - 2016	Novare central	Retail
	Novare Gateway centre	Retail
	Novare Lekki mall	Retail
	Novare Matol 19500a mall	Retail
	Novare Great North mall	Retail
	Novare Pinnacle mall	Retail
	Novare Twin Palms mall	Retail
	Central Lusaka office block	Real Estate
Pan African Infrastructure Development Fund (Harith)		
2009	Lake Turkana	Energy
	Azure-Edo Power Station	Energy
	Kelvin power station	Energy
	Rabai Power	Energy
	Twin City Energy	Energy
	Community Investment Ventures Holdings	ICT
	Bongwe Investments	Real Estate
	Socoprism (HKB Bridge)	Transportation
	Lanseria International Airport	Transportation
	Novo Energy	Oil & Gas
	Traxtion	Transportation
	Open Connect Limited	ICT
	Zimborders (Beitbridge Border Post)	Transportation

Investments in Funds

Impact Summary for Funds Investing Outside of Africa

Direct Jobs Supported	Local Procurement Spend
1 125 12 linked to funds disbursed by EPPF	R105 million R6.7 million linked to funds disbursed by EPPF
Indirect Jobs Stimulated	
8 040 389 linked to funds disbursed by EPPF	42 investee companies across 2 funds 

Year EPPF Invested ⁷¹	Portfolio Companies	Sector
AlpInvest		
Co-investment fund VIII - 2021	325+ Equity co-investments completed	Diversified
Secondaries Fund VII - 2021	175+ Investments 6-8 per year	Diversified
Eagle Crest Infrastructure Fund (Fiera Infrastructure)		
2021	Captis energy	Energy
	Cory	Energy
	Augean	Waste
	Aegletes (Solar)	Energy
	Alta Luna Solar Farm	Energy
	Airport Solar	Energy
	Marion Solar Farm	Energy
	Mississippi II Solar Farm	Energy
	North Star Solar Farm	Energy
	Portal Ridge Solar Farm	Energy
	Red Horse II Combined Solar and Wind Farm	Energy
	Red Horse III Solar Farm	Energy
	Springbok I Solar Farm	Energy
	Springbok II Solar Farm	Energy
	Tobacco Valley Solar Farm	Energy
	Willow Springs Solar Farm	Energy
	Balko Wind Farm	Energy
	Cedar Point II Wind Facility	Energy
	Huntington Wind Farm	Energy
	Dorena Hydroelectric Facility	Energy
	Raging River Hydroelectric Facility	Energy
	Billy Bishop Pedestrian Tunnel	Transportation

⁷¹ No information available prior to the issuing of this report for inclusion for the Pantheon Asia SLP SICAV SIF

Investments in Funds


Impact Summary for Funds Investing Outside of Africa

Year EPPF Invested ⁷¹	Portfolio Companies	Sector
Eagle Crest Infrastructure Fund (Fiera Infrastructure) (continued)		
2021	Domus Social Housing	Affordable Housing
	Emily Carr University of Art + Design	Education
	Enterprise Data Centre Borden	ICT
	New Oakville Hospital	Health Care
	Providence Care Hospital	Health Care
	Quinte Courthouse	Social Services
	Royal Ottawa Hospital	Health Care
	Saint John Safe Clean Drinking Water Project	Water
	Saskatoon Civic Operations Centre	Social Services
	Single Room Occupancy	Affordable Housing
	Sarel-Tracy Detention Centre	Social Services
	Southwest Detention Centre	Social Services
	Surry Detention Centre	Social Services
	Inalan	ICT
	Conterra Networks	ICT
	IslaLink	ICT
	Thames Water	Water
	Whitelink	Transportation



Investments in Funds

Fund Manager Spotlight: Thuso Private Markets Incubation Fund

	Thuso Private Markets Incubation Fund (Thuso) was established to promote and foster transformation within the South African private markets industry		
Established 2020	Fund Size R2 billion	EPPF Commitment R2 billion	Nature of Facility Equity

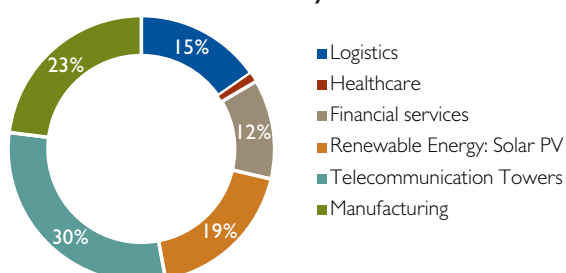
Thuso Private Markets Incubation Fund 2021 Impact Dashboard	
<p>9</p> <p>Underlying funds with a focus on managers from previously disadvantaged groups</p> <p>R378 million committed</p>	<p>15</p> <p>portfolio companies</p> <p>Exposure to 5 sectors</p>
<div> <div>5 GENDER EQUALITY</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> </div>	

The Thuso Private Markets Incubation Fund was created to transform South Africa's private markets industry through the creation, support, mentoring of and investment into first-time majority black-owned private market investment managers, which in turn make investments into South African private market transactions. We invested over R2 billion into Thuso as we believe that such a vehicle is critical to our impact agenda and taps into the heart of our impact ambitions of empowerment, job creation and economic stimulus.

Thuso currently has nine underlying, primarily black-owned funds with a total of R378 million invested in 15 portfolio companies. Tamela Mezzanine Debt Fund I's portfolio companies make up 33% of total portfolio companies, followed by Summit Private Equity Fund and Vuna Partners Fund I with 27% and 13% respectively.

Together, Thuso's underlying funds have just over R113 million invested into telecommunication towers, R87 million in manufacturing, R70 million in renewable energy and the balance spread across logistics, healthcare, and financial services. SA Steelpack, a manufacturing portfolio company under Vuna Partners, increased its tin sales by 18,6% in 2021, achieving total revenue of just under R260 million. Retail Capital, a leading Merchant Cash Provider under Tamela Capital Partners, grew its client reach by 7,4%, recording revenues of just over R452 million. Mahlako Energy Fund I, which already has a 10 MW solar PV asset in the Northern Cape, received final approval to acquire 26% equity in three solar PV projects that are anticipated to have an installed capacity of 29 MW.

Total Investments by Sector



Governance Approach



Governance Approach

As a long-term investor EPPF strives to manage assets and risks in a prudent, timely and cost-effective manner within its investment objectives in the interests of its members and beneficiaries. EPPF aims to protect and enhance investment returns of its assets by effectively voting its proxies and responsibly participating in associated corporate governance activities.

EPPF as a fiduciary, exercises its shareholder rights solely in the economic interests of the Fund's members and beneficiaries. Good corporate governance can significantly contribute to the long-term financial performance of a company. This belief serves as a basis for guiding EPPF proxy voting and supporting its corporate engagement strategies.

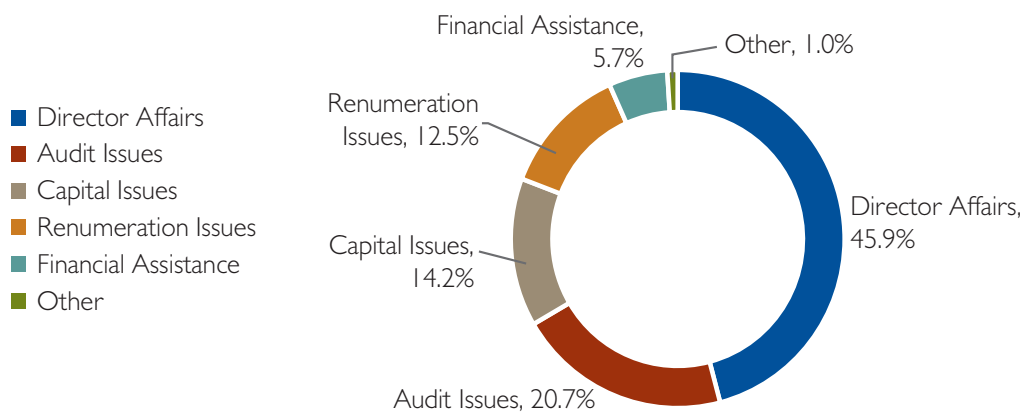
Corporate engagement by EPPF is underpinned by 6 engagement principles:



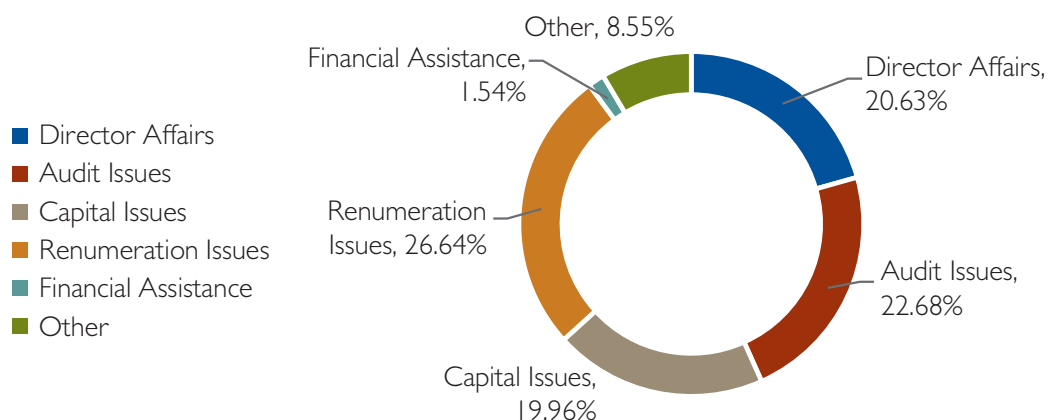
Proxy Voting

4330 resolutions were voted on during 191 meetings during the financial year ending 30 June 2022. Close to two thirds (65%) of EPPF proxy votes were for acceptance of proposals presented. Voting themes and a breakdown of areas where EPPF votes against proposals presented as summarised as follows:

Voting Themes

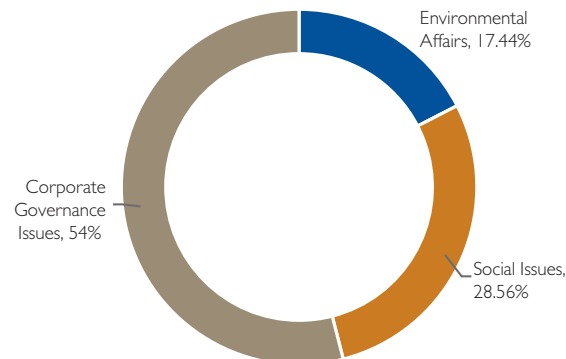


Against Vote Breakdown

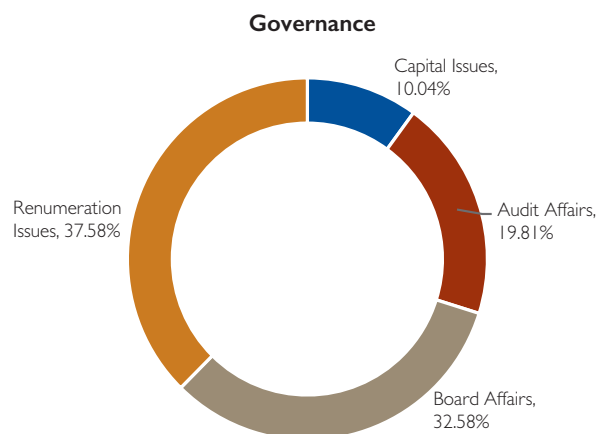
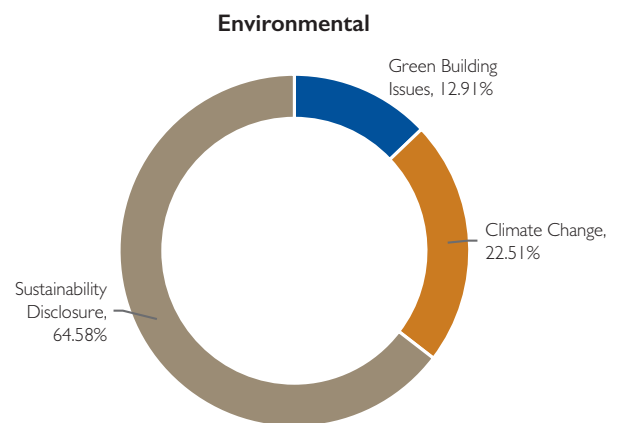
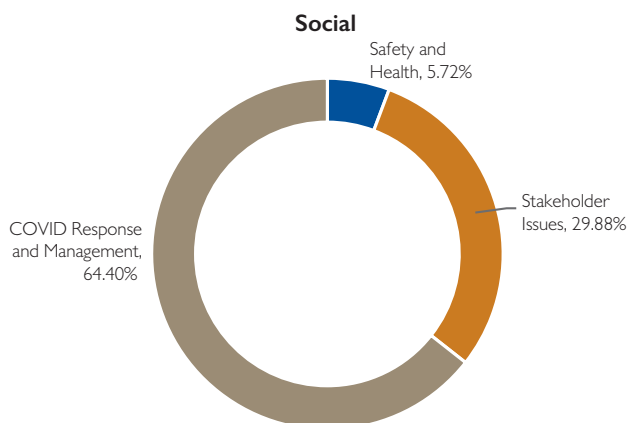


Engagement

60 engagement sessions were held during the financial year ending 30 June 2022, 98% during annual general meetings, and 2% during general meetings with funds and direct investments. ESG engagement included related to resource efficiencies, climate change, health and safety, Covid-19 response, remuneration, and responses to audit findings these are aspects are grouped by ESG theme as follows:



Breakdown of these aspects by specific issues is summarise as follows:





Eskom

Pension and Provident Fund

www.eppf.co.za

