





	
PIC Attendees	
Non – Executive Board Members	
Mr. Nhlanhla Nene, MP	Chairman
Mr. Zakhile Sithole	Non-executive Director
Mr. Sebenzile Mngconkola	Non-executive Director
Mr. Veli Ntombela	Non-executive Director
Management	
Mr. Elias Masilela	Chief Executive Officer
Dr. Daniel Matjila	Chief Investment Officer
Ms. Petro Dekker	Acting Chief Operating Officer
Ms. Kameshni Naidoo	Chief Financial Officer
Ms. Wilna Louw	Corporate Secretary
Mr. Martin Sehlapelo	Corporate Strategy
Ms. Penny Motsamai	Stakeholder Relations
Mr. Deon Botha	Corporate Governance



Content

- Key elements of the corporate plan
- Developments since the submission of the corporate plan
- Implications for the long term

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CORPORATE PLAN OVERVIEW

Committed to serving our clients



Vision and Mission Statement

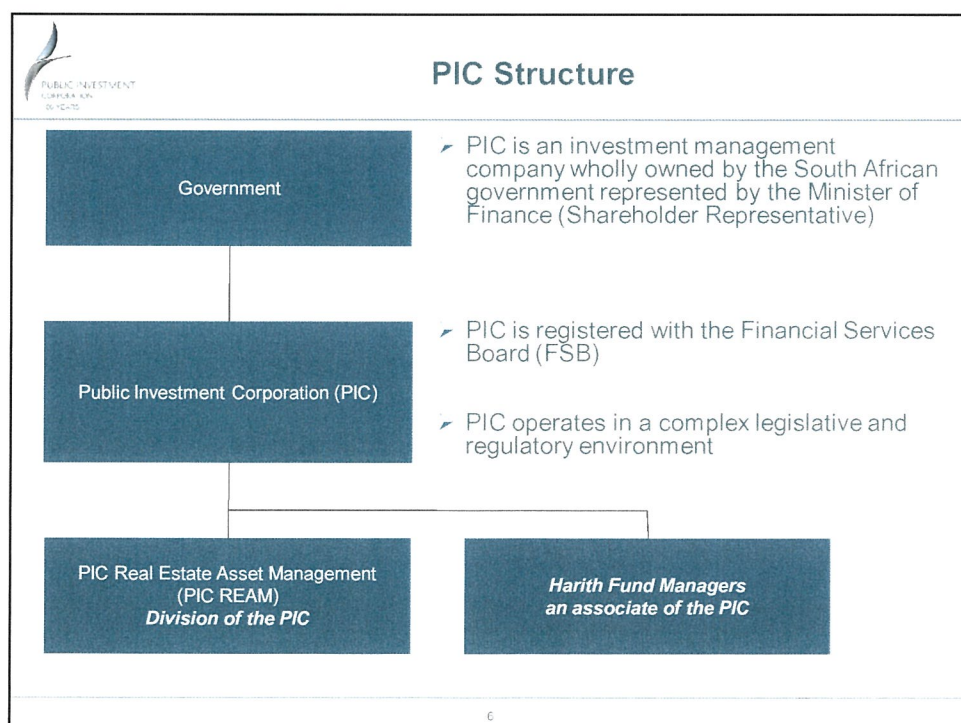
Vision

- To *meet or exceed* our clients' investment objectives and commitments to stakeholders

Mission

- The PIC – having been established by an Act of Parliament to provide for the investment by the Corporation of certain monies received or held by, for or on behalf of the Government of the Republic and certain bodies, councils, fund and accounts – will:
 - Deliver investment returns in line with client mandates
 - Create a working environment that will ensure that the best skills are attracted and retained
 - Be a beacon of good corporate governance
 - Contribute positively to South Africa's development

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Overview of PIC clients

(The figures for 2011 are unaudited)

- PIC's clients are 23 public sector pension, provident, social security, development and guardian funds in South Africa.
- Collectively, the assets under PIC management as at 31 March 2011 were R1.032 trillion.
- GEPPF is PIC's largest client and as at 31 March 2011 had entrusted assets worth R923 billion to the Corporation.

Top Five Portfolios	Assets under Management 2011 Rand Value (R bn)	Assets under Management 2011 (%)	Assets under Management 2010 (%)
Government Employee Pension Fund (GEPPF)	923	89%	90%
Unemployment Insurance Fund (UIF)	53	5%	5%
Associated Institution Pension Fund (AIPF)	13	1%	1%
Compensation Commissioner (CC)	15	2%	1%
Compensation Commissioner Pension Fund (CC:PF)	11	1%	1%
Other*	17	2%	2%
Total	1 032	100%	100%

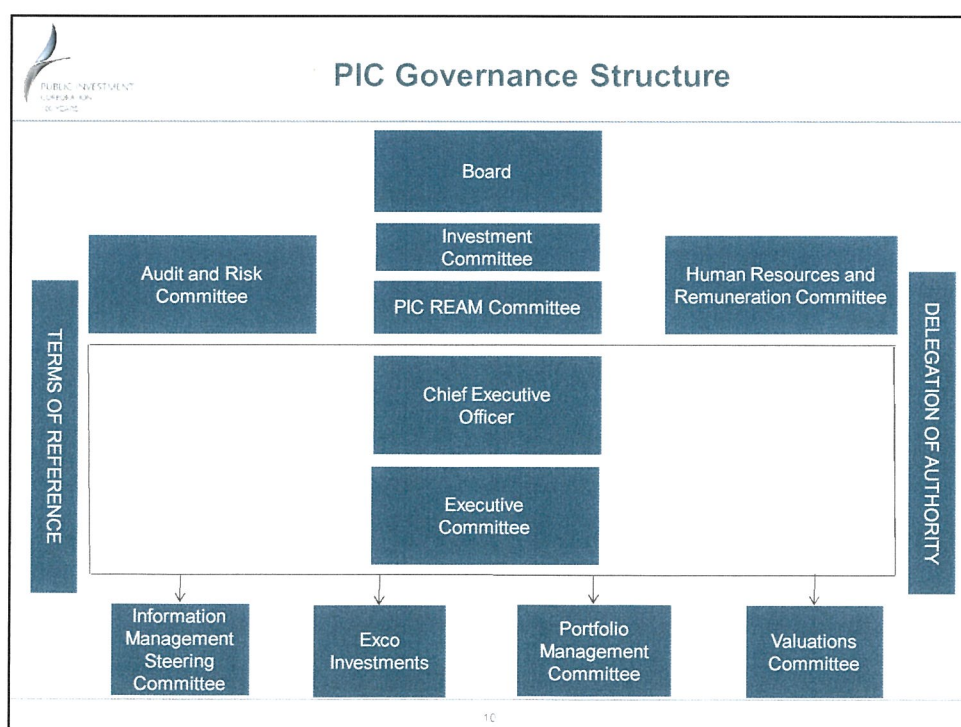
* Constitutes a number of smaller clients




Assets under Management as at 31 March 2011


(The figures are unaudited)

Asset Class	Assets under Management Rand Value (R bn)	%
Local Equity	495	47.97%
Bonds	381	36.90%
Cash & Money Market	91	8.79%
Property	34	3.31%
Offshore Equity	26	2.49%
Isibaya	5	0.54%
SIPs	0	0%
Total	1 032	100%



 Corporate Goals, Objectives and Initiatives			
Goals	Deliver investment performance which meets or exceeds the set benchmarks (80-100% of top 5 clients exceed benchmark)	Conduct sustainable and efficient PIC Operations (Net profit = 10% of sustainable revenue)	Contribute positively to the development of South Africa (25% of mandated AUM Invested or committed in Isibaya Fund)
Objectives	<ul style="list-style-type: none"> Conduct Portfolio Analytics/ Risk-Return attribution regularly (Monthly reports & reviews) 	<ul style="list-style-type: none"> Practice effective Enterprise Risk Management (Reduce residual risk of Top 10 risks) Improve Client and Customer Collaboration (Improve customer satisfaction) 	<ul style="list-style-type: none"> Be a leader in developmental investments & promote ESG (PIC REAM & PIC Mngmt) Contribute to enterprise development in the asset management sector (R16.7 bn through incubation mngrs)
Initiatives	<ul style="list-style-type: none"> Africa and off-shore investments Isibaya Fund Strategy 	<ul style="list-style-type: none"> GLPS reporting Client relations management system New Clients Project Integration of the CBS Property Management Business into PIC REAM 	<ul style="list-style-type: none"> Measure the impact of ESG/ development contribution of PIC investments annually


 HR and IT Support Plans	
➤ Human Resources	<ul style="list-style-type: none"> Employee Attraction, Recruitment and Retention Talent Management <ul style="list-style-type: none"> Skills development programme Mentoring and Coaching and Executive Coaching Programme PICeeds constitutes 19 graduates (5.1% of staff as at May 2011)
➤ Information Technology	<ul style="list-style-type: none"> IT systems to enhance investment performance Alignment to IT Governance IT Risk Management (Security, Disaster Recovery & Business Continuity)



Financial Sustainability [1]

	2010 R m	2011 R m * unaudited	% Change	Budgeted 2012 R m	% Change	Budgeted 2013 R m	% Change	Budgeted 2014 R m	% Change
Revenue	310	347	11.94%	424	22.19%	470	10.85%	522	11.06%
Operating Expenses	229	246	7.42%	343	39.43%	370	7.87%	408	10.27%
Net profit after tax	72	111	54.17%	58	-47.75%	72	24.14%	82	13.89%

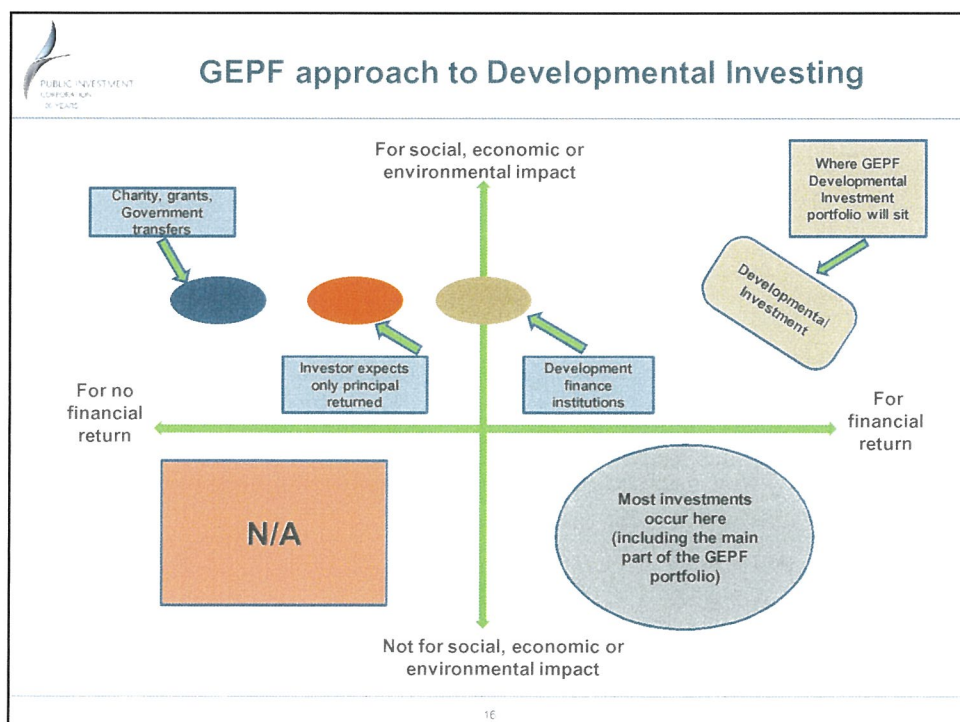
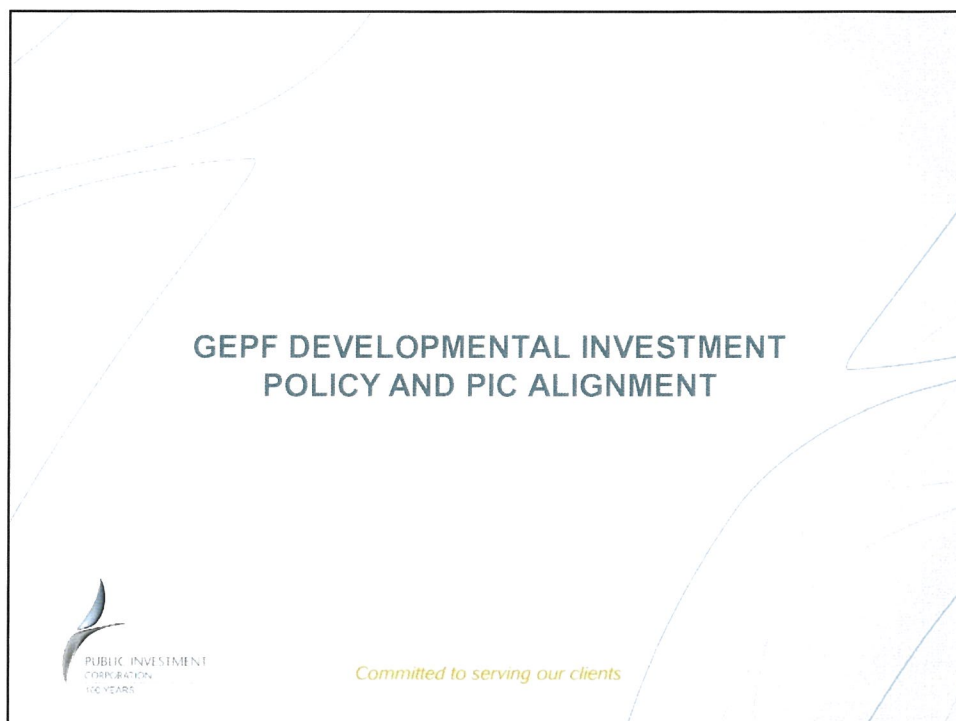
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Financial Sustainability [2]

- Revenue – increasing in line with the economic growth of SA (AUM opening base for 2012 is R1,035 billion)
- Operating expenses – impacted by the acquisition of CBS - high cost low margin business, substantially increased the number of graduates in PIC's training programme
- Net profit declining as PIC builds up its operations
- Ability to generate investment income reduces as we complete new building – internally funded no debt financial model
- Based on financial position and declining ROE of PIC, no dividends to the shareholder are forecasted due to capital commitments for the new building

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Developmental Investments

- Isibaya Fund focusing on implementing the GEPP developmental investment policy framework.
- GEPP policy is aligned with the priorities set out in the MTSF and the IPAP
 - Allocation of 5% of GEPP AUM (R40 bn)

Economic Infrastructure	Social Infrastructure	Environmental Sustainability	Job Creation & New Enterprise
<ul style="list-style-type: none"> ▪ Energy ▪ Logistics Network ▪ Water ▪ Commuter Transport ▪ Liquid Fuels ▪ Broadband 	<ul style="list-style-type: none"> ▪ Affordable Housing ▪ Healthcare ▪ Education 	<ul style="list-style-type: none"> ▪ Renewable energy ▪ Green buildings ▪ Energy Efficiency ▪ Recycling ▪ Clean Technology 	<ul style="list-style-type: none"> ▪ SMMEs ▪ Small cap stock Exchanges ▪ High Job Creation Section ▪ BBBEE
Allocation: R20 bn Percentage: 50%	Allocation: R12 bn Percentage: 30%	Allocation: R4 bn Percentage: 10%	Allocation: R4 bn Percentage: 10%


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Isibaya

- Isibaya functional structure has been aligned with the four investment pillars with Portfolio Managers appointed to each area
- Recently concluded transactions have mainly been in social infrastructure space. However, we expect significant investments in the next 12 months in the renewable energy space (REFIT) (Environmental Sustainability)
- BBBEE has been embedded in investment decision making process both in respect of investment made directly by Isibaya as well as through fund managers.
- Isibaya has moved to taking lead investor role in third party managed funds in order to crowd in other investors

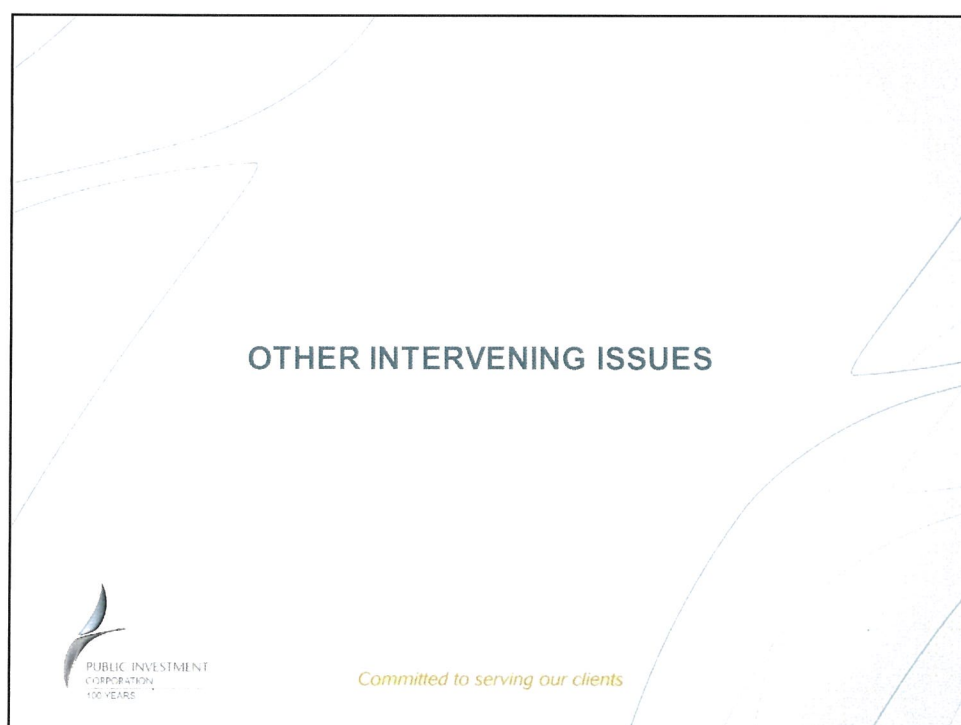
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Developmental Investments

ECONOMIC INFRASTRUCTURE		SOCIAL INFRASTRUCTURE		ECONOMIC GROWTH		ENVIRONMENTAL SUSTAINABILITY INVESTMENT	
Investment	Sector	Investment	Sector	Investment	Sector	Investment	Sector
Bakwena Platinum	Toll road	Fedlife Sechaba Trust	General fund	LA Crusher	Industrial	Lereko Sustainable Fund	Clean Technology
N3TC	Toll road	Sanlam Community Builder	General fund	MTN Zakhele	Communication /BBBEE		
AIIF	General	SA Workforce House Fund	Affordable Housing	Spartan Technologies	ICT/ SME		
SAIF	General	Housing Impact Fund SA	Affordable Housing	Women's Development Finance	Micro finance		
		Johannesburg Housing	Affordable Housing	Resultant Finance	Financial/ SME		
		Edu-Loan	Finance	Mazwe Financial Services	Financial/ SME		
		Trust for Urban Housing Fund	Affordable Housing	Small Enterprise Foundation	Micro-enterprise finance		
		Education and Schools Fund	Education & Infrastructure	Vantage Mezzanine	BBBEE Fund		

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Intervening Issues

- Institutional Consolidation (Properties)
- 100 Year Celebration
- Acquisition of the Waterfront

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LONG TERM INITIATIVES


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Initiatives

- Identification of partners
- Capacity building
 - Investing
 - Risk management
 - Footprint
- System further development

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CLOSING REMARKS

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