



Key benefits

- Ability to make a positive impact on society, while benefiting from compelling financial returns driven by investment opportunities not readily available in the market.
- Downside protection resulting from seniority of loans, security backing the transactions and robust covenants.
- Our fund is managed by a specialist team with a strong track record, a deep understanding of this asset class and an extensive deal origination network.

Objective

This strategy invests capital with the intention of generating a social and environmental impact, while looking to deliver positive returns for investors in ordinary market conditions. This strategy is closely aligned with the United Nations' Sustainable Development Goals (SDGs) for job creation, preservation and inclusion.

Investment strategy

We provide capital to entrepreneurs and commercially viable businesses that are well positioned to address some of South Africa's most pressing challenges.

Our investment strategy has a broad mandate, allowing us to capitalise on ever-changing credit markets and industry dynamics. We aim to identify opportunities to fund businesses that operate in growing or mature markets. Strict ESG and impact criteria are applied to all potential investee companies in order to support businesses that play a meaningful role in sustainable development.

Investment approach

We place significant emphasis on actively managing the process – from extensive desktop due diligence and on-site evaluations – to stringent ongoing monitoring of the key elements of the transaction that impact the borrower's ability to repay the loan.

Fund Information

Manager	Sanlam Investment Management
Portfolio Managers	Vukile Themba Denver Bruintjies Erica Nell
Asset Class	Private Debt
Fund Structure	<i>En commandite</i> partnership
Domicile	South Africa
Base Currency	ZAR
Performance Target	JIBAR plus 6% p.a.
Hurdle	JIBAR plus 3% p.a.
Benchmark	JIBAR plus 3% p.a.
Launch Date	September 2020
Minimum Investment	ZAR 50 Million
Fees	1% annual management fee and 0% performance fee, or; 0.75% annual management fee and 20% performance fee (above hurdle)
Distribution	Semi-annually
Termination Period	6-month notice period for redemption on best efforts basis
Applicable Regulations	Regulation 28 of the Pensions Fund Act: The underlying assets are deemed to be unlisted debt instruments of which a pension fund may have up to 15% exposure.

Social impact



The case for private debt

- Direct lending funds aim to deliver positive returns for investors in ordinary market conditions.
- The positive correlation with interest rates helps mitigate the effect of rising rates, providing an implicit protection against inflation.
- Private debt offers a stable cash yield, contributing meaningfully to an investor's overall liquidity pool.
- The low correlation with listed fixed income and equity markets implies positive diversification benefits for the broader portfolio.



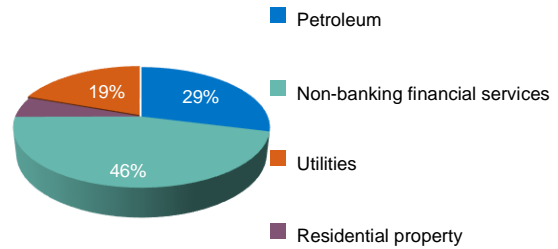
Cumulative performance

Sanlam Investors' Legacy SME Debt Fund Cumulative Performance (since inception)



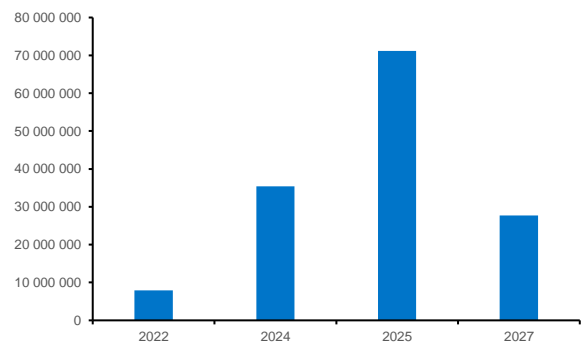
Sector exposure

30 September 2022



Maturity profile

30 September 2022



	Fund	Jibar + 3%
3 months	2.54%	2.14%
6 months	5.11%	4.05%
12 Months	9.78%	7.63%
Since Inception (p.a.)	8.28%	6.84%

	Since Inception (p.a.)
Standard Deviation	0.7%
Benchmark Volatility	0.2%
Number of Negative Months	0.0%

Fund manager information

Our fund is managed by a specialist team with a strong track record and a deep understanding of this asset class. The team is supported by a Credit Committee, which includes independent (non-executive) members with extensive relevant experience, and the ability to leverage Sanlam's central function of highly experienced credit professionals.



Vukile Themba
Portfolio Manager

Vukile Themba
Tel: +27 (21) 950 4607
vukilet@sanlaminvestments.com

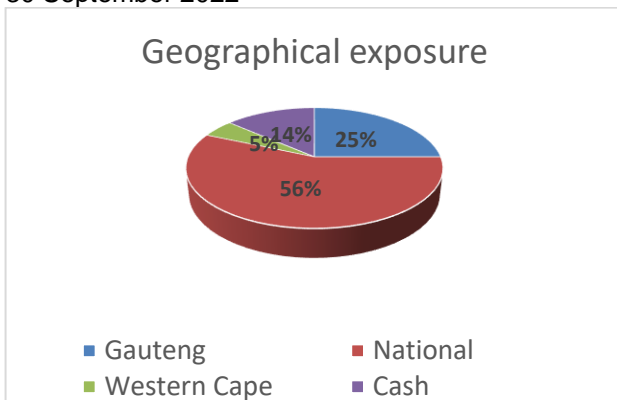


Erica Nell
Head of Private Debt

Erica Nell
Tel: +27 (21) 950 2669
erican@sanlaminvestments.com

Geographical exposure

30 September 2022



Sanlam Privacy Statement:

<https://www.sanlaminvestments.com/Documents/sig-privacy-statement.pdf>

Investments

connect with Sanlam Investments LinkedIn

follow us @sanlamintel

FAIS disclaimer: Sanlam Investments disclaimer

The Sanlam Investors' Legacy SME Debt Fund ("Fund") is managed by Sanlam Investment Management (Pty) Limited, registration number 1967/011965/07 ("SIM"). SIM is a Discretionary Financial Services Provider, licensed in terms of the provisions of the Financial Advisory and Intermediary Services Act, 2002 (FSP No 579). The Fund is a hedge fund as defined in the Notice on Codes of Conduct for Administrative and Discretionary and Discretionary FSPs Amendment Notice, 2007, published in Government Gazette Number 30228 of 29 August 2007. Neither hedge funds nor the activities of the managers of hedge funds are regulated in terms of any act, regulation, code of conduct, or practice. Accordingly, none of the consumer protection measures provided for in terms of the Financial Advisory and Intermediary Services Act, 2002 and the regulations issued there under are available to investors in the Fund. Investors invest in the Fund entirely at their own risk. Nothing contained in this document or any other document pertaining to the Fund should be construed by an investor or a prospective investor in the Fund as advice or representation by SIM on the suitability of an investment in the Fund for that investor or prospective investor.