



SUMMIT AFRICA

NEWSBREAK

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Dear Reader,

The idea of investing to do good is not a new concept, but its evolution as a measurable outcome for business is more entrenched and in demand. Local Retirement and Pension Funds, are increasingly prioritising investments that will support the transformation of South Africa's social and economic landscape while delivering on sustainable goals that are relevant to local communities.

Investing in Ways that Matter

Summit Africa views the integration of ESG factors into our investment process as necessary to delivering long-term sustainable and desirable financial outcomes. A [report](#) published by McKinsey, October 26, states "sustainable investing has become a large and fast-growing major market segment" and that "explicit inclusion of ESG factors in financial analysis, has been growing at 17 percent per year. ESG accounted for \$22.89 trillion, or 26 percent, of professionally managed assets in Asia, Australia, New Zealand, Canada, Europe and the U.S."

Against the South African context, Summit Africa has taken ESG a step further by combining Transformation objectives within the application of ESG&T in our investment process. Our South African domiciled Summit Africa Private Equity Fund and Summit Africa Unlisted Real Estate Fund (classed according to Regulation 28 as a Property Company eligible for investment of up to 5% of the True Fair Value of a Fund), follows a South African centric approach to ESG&T. The funds focus primarily on redressing past injustices, narrowing the gap between the wealthy and the poor and creating permanent jobs thereby reducing the burden on government. The unemployment rate in the country is estimated at 23% while the youth rate is closer to 51%. The South African Social Security Authority pays out grants to 2.6 million beneficiaries, and it is estimated that government will pay about R175 billion in Social Grants by 2020.

In practical terms, Summit Africa will use ESG&T as a more integrated approach to creating opportunity in a diversified platform when selecting companies in which to invest by focusing on:

- creating jobs that are permanent and sustainable
- decreasing the gap between the wealthy and the poor through decent living wages.
- skills transfer through the development of staff in investee companies along the lines of academic, financial, and technical skills transfer.
- creation of jobs for youth and women
- supporting local entrepreneurs and suppliers
- investing in non-speculative accessible housing through Summit Real Estate
- targeting sectors where Transformation brings upliftment of historically disadvantaged communities such as healthcare, financial services, education and ICT

Summit Africa firmly believes we can enable real-world impact alongside positive financial growth. After all, it stands to reason a company that has established environmental, social, governance, and transformation structures will be more 'sustainable and economically efficient in long-term value creation'.



ESG&T IS THE NEW NORMAL

Both the Summit Private Equity and Summit Real Estate investment management teams believe **ESG** is **The New Normal** in sustainable value creation.

In collaboration with KudosAfrica, Summit Africa is growing its broader **IMPACT** philosophy, inclusive of transformation (**& T**), across all its investment processes as it relates to both its Private Equity Fund and Real Estate Fund.

Summit's unique approach embodies the application of **ESG&T**, evidenced in our fund investment mandates which focus on **Education, Healthcare, Financial Services, ICT** and **Real Estate**, as these serve as building blocks for a sound economic future for all.



Summit Africa Private Equity Welcomes a New Partner on Board



We are pleased to welcome Ms Thuto Skweyiya in December who joins us as a Partner in our Summit Africa Private Equity team. Thuto brings with her a wealth of experience in her areas of expertise. Her impressive resume includes working as part of the Mergers and Acquisitions Team at Tiger Brands, running the Vuwa Investments Generalist Private Equity Fund, the DBSA as a Senior Investment Officer for the SADC Region, and Barclays as a Manager in the Investment Banking Business. She has also served on the Boards of Afriglass, PA Group Media, Tradelink Textiles and Soul City Broadbased Empowerment Company where she was the Chairperson.

Thuto earned her MBA from the Owen Graduate School of Management of Vanderbilt University. Please visit Thuto's [profile](#) on our website.

SAVCA Training Sub Committee

Langa Madonko who is responsible for Investor Relations will now serve on the SAVCA Board Sub Committee for Training. This subcommittee is responsible for the development of knowledge hubs and also for facilitating member and investor training on Alternative Asset Classes of Private Equity and Venture Capital.

This development complements one of the key focus areas for Summit Africa which promotes the continued dissemination of information to all stakeholders on developments in the Alternative Asset Class space as well as affording training to Investors who are interested in the Asset Class.

Riscura Releases Report on Private Equity Performance

Once again Private Equity has continued to outperform listed Equities as the best performing Asset Class.

In the latest Riscura Private Equity Report for the Quarter ending 30 June 2017 where the Swix (Shareholder Weighted Index) over a ten-year period delivered a return of 10.3%, Private Equity has delivered a Pooled IRR of 13.8%.

Read the Riscura report [here](#).

Summit PE Investment Managers is a registered Financial services Provider with FSP Number 48417.

Summit Africa is a majority black owned and managed, specialist Alternatives Investment Manager with a focus on investing in Private Equity and unlisted Real Estate that delivers above-benchmark risk-adjusted financial returns and contributes meaningfully and measurably to the Social and Economic transformation and development of the local community and South Africa as a whole.



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