

— OUT OF THE ORDINARY

# Investec Charity Portfolios

START



The portfolio aims to provide favourable risk adjusted returns for charitable and tax exempt entities. There is an enhanced focus on ESG (environmental, social and governance) integration and the concept of dual materiality is core to our philosophy. We are not only conscious of how a company's ESG risks can impact their valuation but also how their products, services and/or operations can positively or negatively impact the environment and society. Companies that consider these risks and their external impact are more likely to have sustainable cost of capital beating returns.

“Our purpose is to create enduring worth living in, not off, society”

---

FANI TITI  
INVESTEC GROUP CHIEF EXECUTIVE

## Table of contents

- 02 About Investec Wealth & Investment
  - Sustainability at the heart of what we do
- 03 Who is this offering best suited to?
  - Why our charitable offering is appropriate for your tax-exempt organisation
- 04 Portfolio facts
  - Objective of the portfolios
  - Investment process
- 05 Integrated global investment process
  - Portfolio characteristics
- 06 Our values
- 07 About strategic philanthropy
  - Philanthropy beneficiary spend
- 08 Business impact | sustainable development goals (SDG)
- 09 Investec group sustainability progress
- 10 Contact details

Click on the numbers to jump straight to the section

## About Investec Wealth & Investment

Investec Wealth & Investment is one of the only truly global investment houses in South Africa. Our rigorous global investments process draws on the expertise of the finest financial minds in South Africa, the UK, Switzerland, Mauritius and Guernsey to specialise in partnering with high-net-worth individuals, their families, charitable trusts, and pension funds.

- The largest manager of private client wealth in South Africa
- One of the largest wealth managers in the United Kingdom

We have established investment operations in the United Kingdom, 15 offices. This gives you access to local markets and offshore markets. Whether you want to grow or preserve your wealth, you will benefit from international, multi-faceted, in-depth global investment processes, as well as comfort in scale, augmented by our global reach and continuous growth.



## Sustainability – a transformative mindset at the heart of what we do

Our commitment to sustainability recognises that our business, the economy, the environment and society are all interconnected. That is why we subscribe to the Code for Responsible Investing in South Africa (CRISA) and we are a signatory to the United Nations Principles for Responsible Investment (PRI).

With sustainability at the core of our fundamental investment approach, we integrate ESG considerations into our investment decision making and broader investment process.

Our research team also incorporates ESG factors into our investment analysis across all asset classes, strengthened using Sustainalytics, a global leader in ESG research and risk metrics. Clarity AI and ISS.

By focusing on sustainability and responsible investing, we believe that we will not only achieve consistently above average returns over time, but that we will also support the changes that we need to see in society to create a more sustainable future.

### Investec Wealth & Investment's commitment to sustainability means that we

- Publicly make our responsible investment framework available
- Report on the results and progress of our ESG processes and policy
- Continue to support long-term sustainability by integrating, engaging and reporting material ESG.
- Continue to exercise our and our clients' ownership rights responsibly



INVESTEC CHARITY PORTFOLIOS

## Who is this offering best suited to?

Our offering is suitable for a broad range of entities, including charitable organisations and trusts, family foundations, large university endowments, labour unions, business and agricultural organisations, trade associations and other non-profit organisations that qualify as tax-exempt entities.

## Why our charitable offering is appropriate for your tax-exempt organisation

- No limit to offshore exposure
- Asset allocation specifically tailored for tax-exempt entities
- Enhanced focus on sustainability and ESG integration
- Specialised service at a reduced cost

[Return to contents page](#)

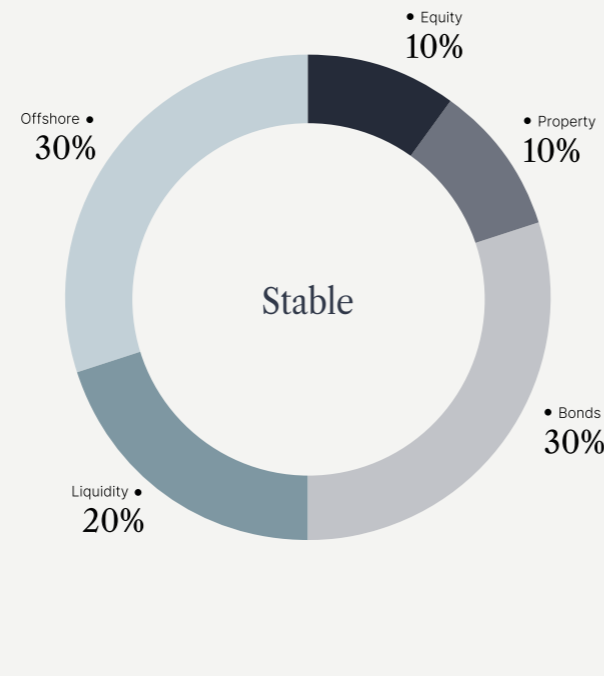
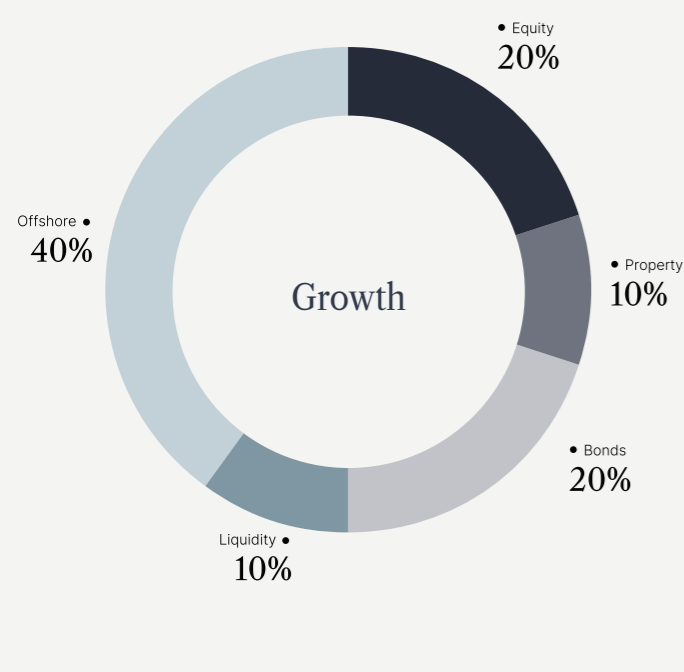
# Portfolio facts

## Investec growth portfolio for charities

- Medium to high equity (60%) balanced portfolio
- Target of inflation + 4% over the medium to long term
- Flexibility to asset allocate tactically

## Investec stable portfolio for charities

- Low to medium equity (40%) balanced portfolio
- Target of inflation + 2% over the medium to long term
- Flexibility to asset allocate tactically



# Portfolio objectives

## 01. Investec growth portfolio for charities

The Investec Growth Portfolio for Charities aims to deliver consistent growth of capital and income over the long term with a bias towards equity and therefore growth.

## 02. Investec stable portfolio for charities

Investec Stable Portfolio for Charities aims to deliver consistent growth of capital and income over the long term with a greater bias towards fixed income.

# Investment process

## 01. Global strategy

Our Global Investment Strategy Group assesses the macroeconomic outlook to determine our preference for various asset classes and geographies.

## 02. Local asset allocation

Our local asset allocation committee takes its lead from our Global Investment Strategy Group and further evaluates the macroeconomic outlook through a local lens and determines our preference for various local asset classes.

## 03. Portfolio investment committee

Our charity Portfolio Investment Committee focuses on portfolio construction that is tailored for non-tax paying entities, following a flexible multi-asset class mandate to achieve the set investment objectives.

## 04. Research expertise

Our global research analysts determine what they

consider to be the best-in-class companies, with an emphasis on sustainable return on capital. The team will incorporate ESG characteristics when making investment decisions. Our scale enables us to incorporate sell-side research alongside our own internal analysis, which we get from multiple external research houses.

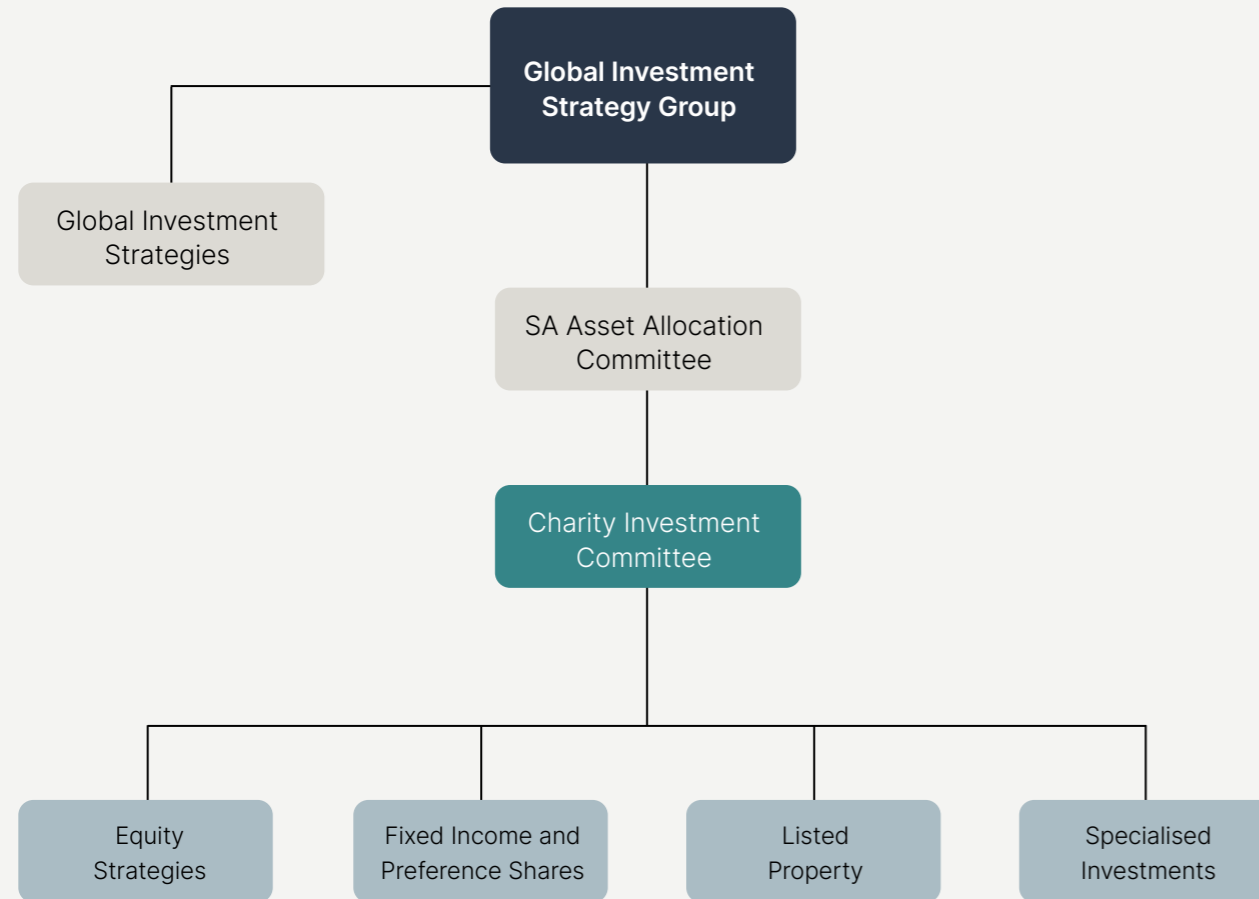
## 05. Active management

The portfolio is constantly monitored to ensure holdings continue to meet the investment criteria. From an asset allocation perspective, the team will continuously manage the strategy in line with the best tactical asset allocation views from the asset allocation committee.

## 06. Your voice

We are active owners and engage and vote in line with best corporate governance practice. We engage both directly and collaboratively through our association with the UN PRI, Climate Action 100+ and the CDP.

# Integrated global investment process



# Portfolio characteristics

Investec growth portfolio for charities	
<b>Launched</b>	1 April 2021
<b>Benchmark</b>	40% MSCI World Net TR Index 20% JSE Capped Swix TR index 20% JSE All Bond TR Index 10% JSE SA Listed Property TR Index 10% STEFI Index
<b>Internal Target</b>	CPI + 4%
<b>Base Currency</b>	SA Rand
<b>Minimum Investment</b>	R10 000 000
<b>Risk Profile</b>	Moderate-High
<b>Portfolio Type</b>	Segregated Multi-Asset Including Offshore
<b>Account size</b>	<b>Management fee</b>
<b>Less than R50m</b>	0.85%
<b>Between R50m and R150m</b>	0.70%
<b>Greater than R150m</b>	0.60%

Investec stable portfolio for charities	
<b>Launched</b>	1 April 2021
<b>Benchmark</b>	30% MSCI World Net TR Index 10% JSE Capped Swix TR index 30% JSE All Bond TR Index 10% JSE SA Listed Property TR Index 20% STEFI Index
<b>Internal Target</b>	CPI + 2%
<b>Base Currency</b>	SA Rand
<b>Minimum Investment</b>	R10 000 000
<b>Risk Profile</b>	Low-Moderate
<b>Portfolio Type</b>	Segregated multi-asset including offshore
<b>Account size</b>	<b>Management fee</b>
<b>Less than R50m</b>	0.85%
<b>Between R50m and R150m</b>	0.70%
<b>Greater than R150m</b>	0.60%

## Our values

Investec exists to create lasting worth for all our stakeholders: our clients, our people, and the communities in which we operate. This purpose is expressed in four core values that shape the way that we work and live within society.

### **Integrity**

We believe in long-term relationships built on mutual trust, open and honest dialogue, and cast-iron integrity.

### **Distinctive performance**

We thrive on energy, ambition, and outstanding talent. We are open to fresh thinking. We believe in diversity and respect for others.

### **Client focus**

We are committed to genuine collaboration and unwavering dedication to our clients' needs and goals.

### **Dedicated partnership**

We respect others, open and honest dialogue. We embrace diversity and unselfish contribution towards colleagues, clients and society.



## Strategic philanthropy

In addition to portfolio management, Investec Wealth & Investment's strategic philanthropy offering helps you to maximise your philanthropic goals. This includes developing strategy, structuring your charitable foundation and administration. Our goal is to enable you to achieve your sustainable giving goals, supported by good governance, in order to build your legacy and help you make a meaningful impact on society.

The philanthropic foundations we work with invested R1.2 billion in 2021, distributing much-needed funds to the following sectors: food security, education, welfare and humanitarian, healthcare, social justice and animal welfare.

# About strategic philanthropy

## And the role charitable foundations play

Philanthropy is a journey that allows individuals, families and organisations to exercise their charitable objectives and desires. This journey should be guided by values, passion, intended family legacy and a desired broader societal impact.

Over the years, philanthropy has evolved from immediate short-term giving towards strategic philanthropy, which focuses on sustainable, impact-driven societal change. This is supported by the increasing trends showing a growing number of private charitable foundations being formed.

**A charitable foundation provides an effective way of formalising your philanthropic plan and creating a meaningful legacy that has a sustained societal impact. The investments held within a charitable foundation are intended to grow over the long-term. Income generated by these investments is paid annually (or ad-hoc) to various chosen charitable organisations.**

**The goal is to ensure the foundation is sustainable so that it can continue in perpetuity.**

**Charitable foundations are set up as Public Benefit Organisations with SARS and donations to these foundations are exempt from capital gains tax, donations tax, securities transfer tax and estate duty. Should the foundation be Section 18A approved, then Section 18A receipts may be issued in order for the donor to claim a tax deduction from SARS. However, consultation with a qualified tax practitioner will be required.**

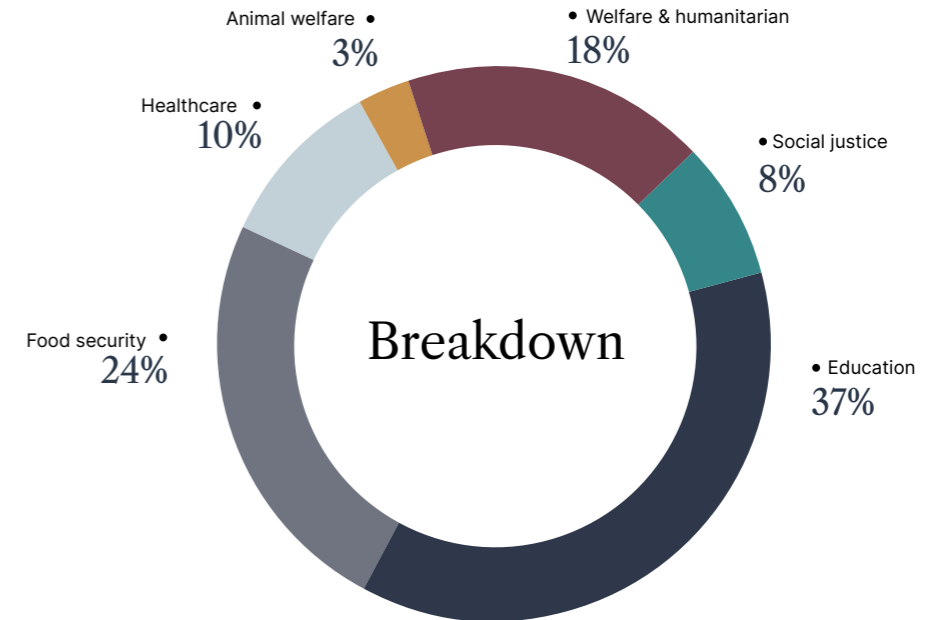
“Not only did you make my own dream come true, but you’ve also made my mother’s dream come true.”

N NTULI  
BURSARY RECIPIENT

# Philanthropy beneficiary spend

## Your impact

The total managed philanthropy foundation investments, for 2021, is R1.3 billion. For 2020, we managed R1 billion which enabled the distribution of approximately R52,775,276.00 to charities on behalf of our clients. These funds, distributed by Investec Charitable Trusts, are in accordance with the decisions made by the respective foundation trustees. The funds were allocated to the following sectors; 24% to food security, 37% to education, 18% to welfare and humanitarian, 10% to healthcare, 8% to social justice and 3% to animal welfare.



\*Stats are based on 2021 figures



# Business impact | Sustainable Development Goals (SDG)



## Our two core SDG priorities



### Reduced inequalities

Reduce inequality within and among countries



### Climate action

Take urgent action to combat climate change and its impacts

## Our six secondary SDG priorities

We have six secondary SDG priorities that are globally aligned yet locally relevant to our core geographies and which reflect our current business model and growth strategy.



### Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



### Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all



### Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all



### Decent work and economic growth

Promote inclusive and sustainable economic growth, full and productive employment and decent work for all



### Industry innovation and infrastructure

Build resilient infrastructure, promote sustainable industrialisation and foster innovation



### Sustainable cities and communities

Make cities inclusive, safe, resilient and sustainable

[Read more about our Sustainable Development Goals](#)

# Investec group sustainability progress

Investec focuses on delivering profitable, impactful and sustainable solutions to our clients. To make the One Investec philosophy real, we will focus on collaboration between

the Private Banking and Wealth & Investment businesses and continue to invest in and support these franchises. This will position Investec for sustainable long-term growth.

Our commitment to incorporating sustainability and climate change considerations is evident from the many organisations that we support and engage with.

## These include the following

- Participant in the UN Global Compact’s 10 principles on human rights, labour, environment and anti-corruption
- Publicly support the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and commit to enhancing our TCFD disclosures
- Commitment to the UN’s Sustainable Development Goals (SDGs)
- Our CEO, Fani Titi, was one of 30 CEOs from financial institutions around the world invited to join the UN GISD Alliance

- Hosted members of 30 international banks and financial institutions driving the UN GISD Alliance agenda
- Active participant in the GISD Alliance working groups
- Participant in various climate committees including the Climate Risk Forum Steering Committee of BASA
- Participant in the TCFD and Sustainable Finance Working Groups supporting the implementations released on Financing a Sustainable Economy by National Treasury
- Member of the Sustainable Finance Committee of BASA

- Member of the Positive Impact Finance Committee of BASA
- Participant in the Partnership for Carbon Accounting Financials (PCAF) and involved in a PCAF working group on climate disclosure specific to financial institutions in South Africa (learning from European best practice)
- Chosen to feature as a case study in South Africa’s 2019 Voluntary National Review on SDGs
- Chris Mitman (founder and head of Export and Agency Finance, UK) is a founding member of the ICC Export Finance Committee which was established to represent the global export finance banking industry in its engagement with the Berne Union, regulators, and the OECD. He is also co-chair of the ICC Sustainability Working Group focused on growing the sustainable funding activities of the export credit market
- Signatory to United for Wildlife’s Financial Taskforce to combat illegal wildlife trade (part of the Royal Foundation).

## Rating and rankings in the sustainability indices

We have maintained our inclusion in a number of world-leading indices



Top 15% in the global diversified financial services sector



Top 30 in the FTSE/ JSE Responsible Investment Index



Included in the FTSE UK 100 ESG Select Index (out of 641 companies)



1 of 43 banks and financial services in the Global ESG Leaders (total of 439 components)



Top 6% scoring AAA in the financial services sector in the MSCI ESG Research



Score B against an industry average of C



Top 20% of globally assessed companies in the Global Sustainability Leaders Index



Top 20% of the ISS ESG global universe and Top 14% of diversified financial services

# Contact details

 [w&icharitymandates@investec.co.za](mailto:w&icharitymandates@investec.co.za)

A proud participant of:



*Signatory of:*



Investec Wealth & Investment International (Pty) Ltd, registration number 1972/008905/07. A member of the JSE Equity, Equity Derivatives, Currency Derivatives, Bond Derivatives and Interest Rate Derivatives Markets. An authorised financial services provider, license number 15886. A registered credit provider, registration number NCRCP262. The disclaimer is deemed to form part of this message in terms of Section 11 of the Electronic Communications and Transactions Act 25 of 2002.