

Survey 2020 - Sustainable finance practices of South African pension funds

Survey Achievables

- Fund asset class disclosure
- Regional disclosure
- ESG integration within IPS
- Private Market allocation
- Fund support for ESG
- Fund understanding of green finance
- Fund and trustee training on RI matters

Survey Challenges

- Fund appreciation for climate risks
- Environmental risk = Social Risk ?
- Reg. 28 – not considered
- Listed market appreciation for green & social finance is weak
- Listed opportunity set extremely limited
- No taxonomy for disclosure
- Pension industry reporting is weak
- No standardization of RI reporting

MARKET STRUCTURE | Observations and opportunities



**Global
Green Bond
Market**

*AUM \$200bn
and growing*



**Investment
Industry**

*allocation
decisions vs.
green bond
without liquidity
premium*



**Government
Issuance**

*State energy
transition is prime
for green finance
and liquidity
creation*

**Local Green
Bond Market**



*Considered niche
despite several
fully subscribed
issuances*

**Corporate
Issuance**



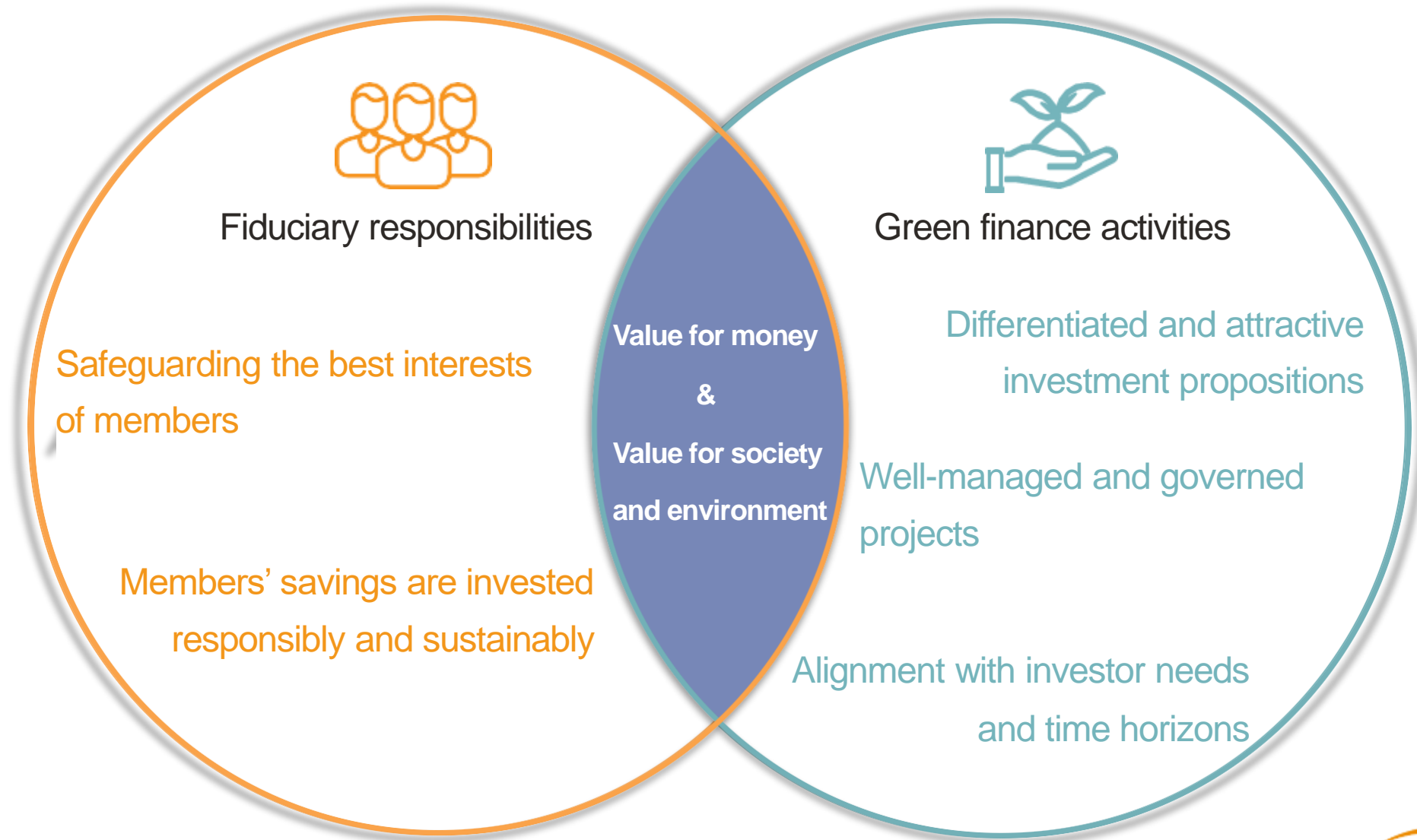
*The intent to
transition to green
economy is
necessary*

Regulation



*Regulation,
definitions,
taxonomy and
reporting is
needed*

THE PIPELINE DILEMMA | Maximize the overlap



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