



SOUTHERN AFRICA PRIVATE EQUITY ROUNDTABLE

Building an Institutional Framework
for Private Equity

Botswana Public Officers Pension
Fund (BPOPF) Experience

20 October 2010

Brief History and Fund Outline



- Botswana Public Officers Pension Fund (Defined Contribution) was established in 2001
- Pool of collective savings by citizens of Botswana accessible for investment in appropriate asset classes
- Assets managed on behalf of both active and pensioner members of the Fund
- The Fund has had an exposure to private equity investments as early as 2004

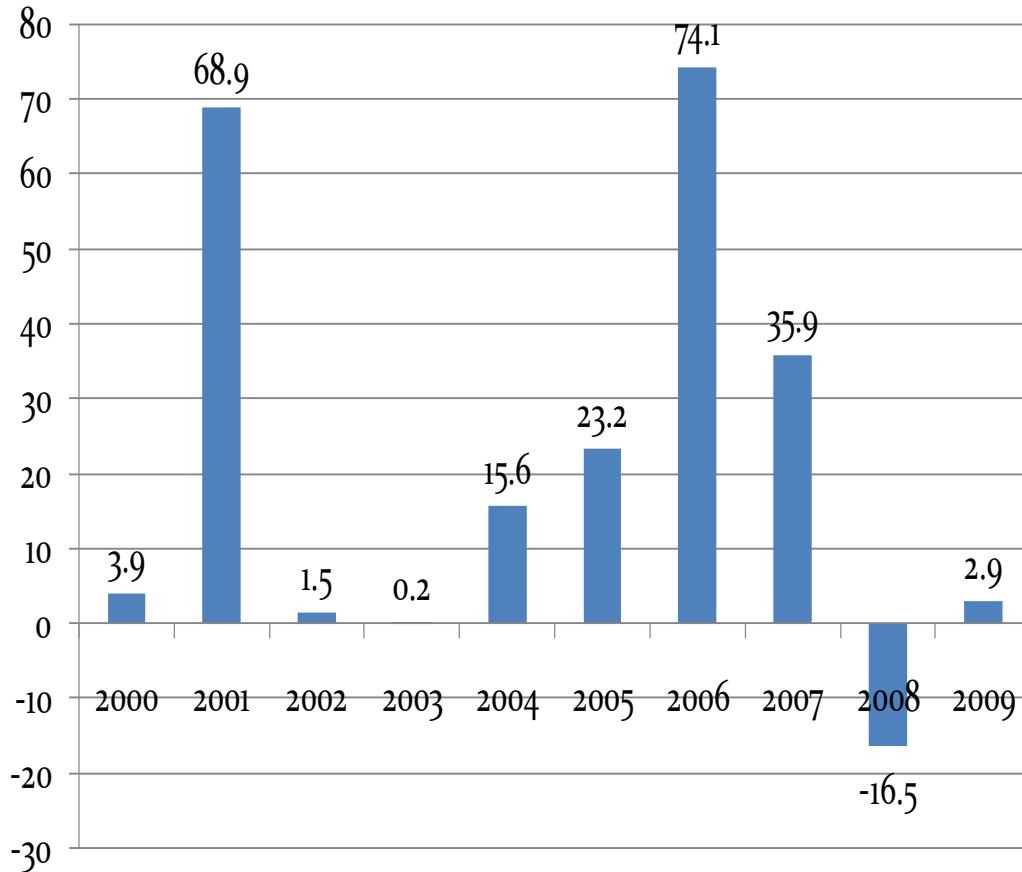
The Fund's Strategic Allocation To Alternative investments



- 2.5% of total fund assets may be held in private equity investments
- 2.5% of total fund assets may be invested in infrastructure projects
- The Fund remains a keen player within local and regional alternative investment markets
- In a bid to support and develop the local market, the Fund encourages appropriate exit strategies that would present an opportunity for broader participation by citizens

The Need For Local Diversification Avenues

Domestic listed equity market returns



Sector representation

Sector	Weight (Market Cap)
Financials	78%
Tourism	4.2%
Others	17.8%

As at 19 October 2010

Source: Botswana Stock Exchange

Local economic contribution by industry/economic sector

Sector	
Agriculture	19.3%
Mining	8%
Manufacturing	-2.7%
Water and Electricity	-1.2%
Construction	6.4%
Transport and Communication	3.3%
Finance and Business Services	4.2%

Local Bourse - Sector Representation

Sector	Weight (Market Cap)
Financials	78%
Tourism	4.2%
Others	17.8%

Source: Botswana Stock Exchange, Central Statistics Office

BPOPF – Experience and Participation In Private Equity Markets



- Direct private equity investments in strategic economic sectors
- Indirect investments via local private equity funds
- Skills transfer and citizen economic empowerment

BPOPF - Past experience



- Transparency issues
- Limited domestic bias, owing to domestic market dynamics
- Restricted deal pipelines

Conclusion



- The case for private equity as part of the Fund's portfolio assets embraced by the Fund
- The Fund continues to support appropriate investments in private equity investment vehicles
- The Fund recognises the potential economic and capital market benefits that could be derived through private equity investment participation