



Introduction to Infrastructure Investing for Institutional Investors

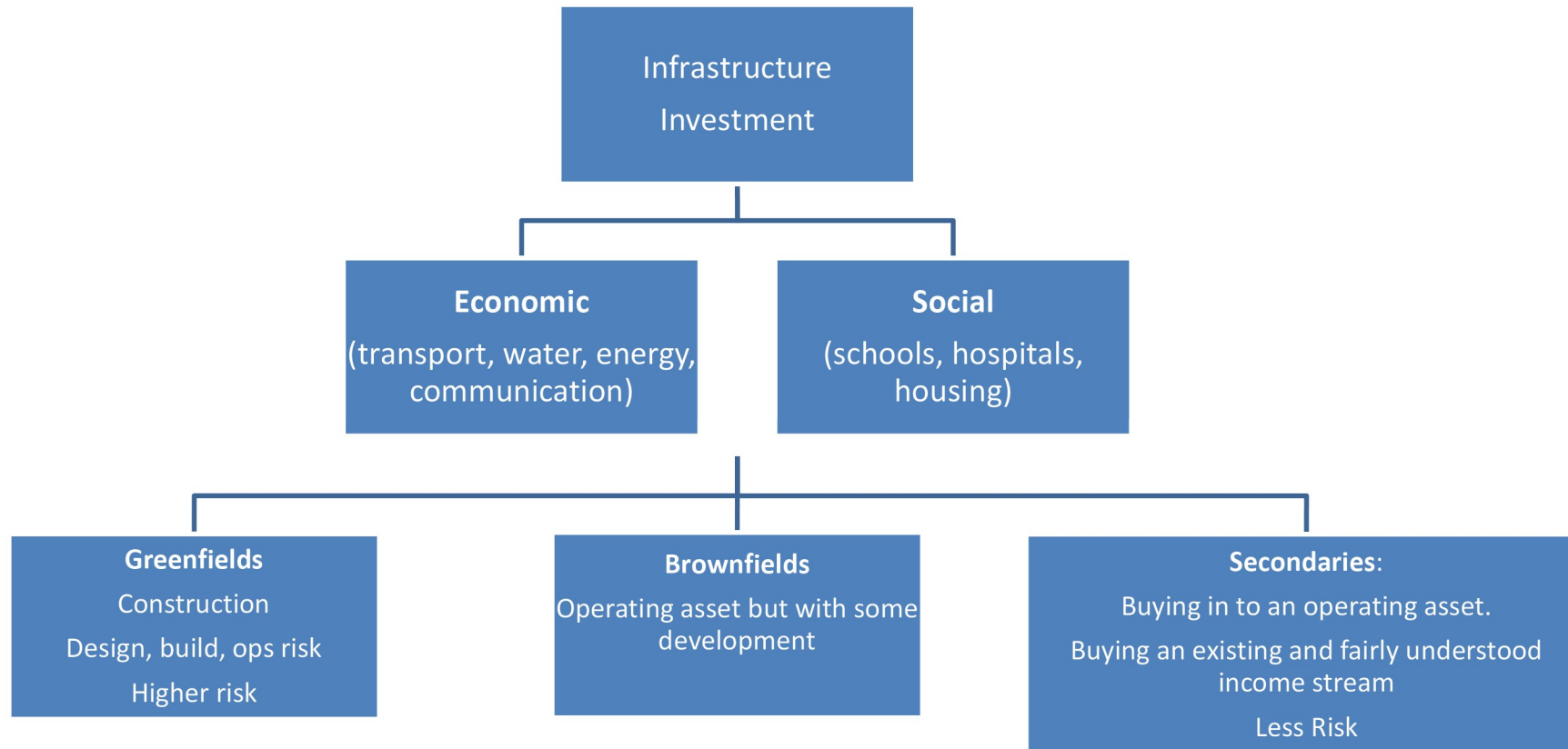
Asim Gani BBuscSc, FASSA, FIA
Managing Director, IAC





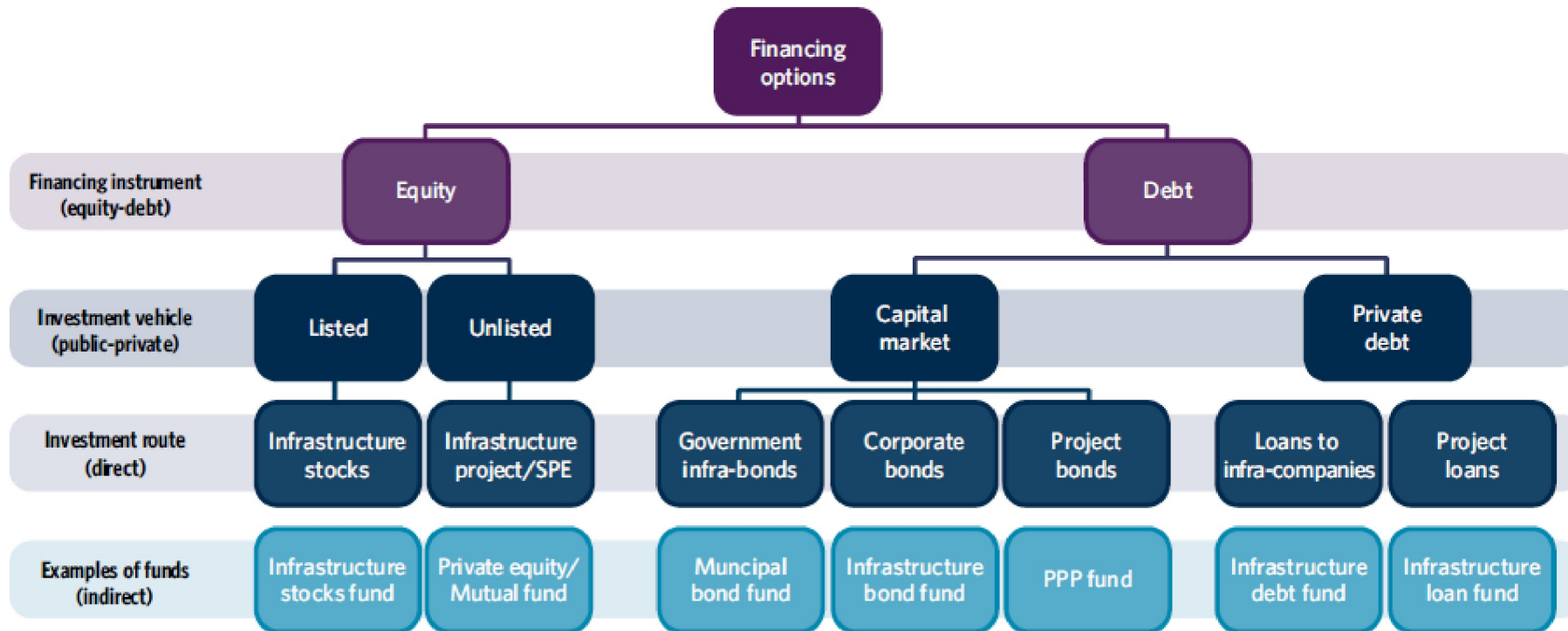
Introduction

Types of Infrastructure





Introduction Infrastructure Structures (Globally)



Source: Public Private Infrastructure Advisory Facility



Introduction Typical Infrastructure Investors

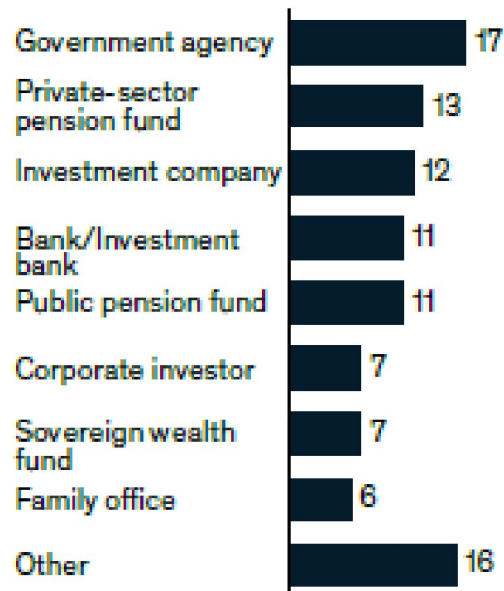
- Governments
- Developmental Finance Institutions
- Institutional investors
 - Retirement Funds
 - Insurance Entities
 - Other Impact Investors
- Individuals



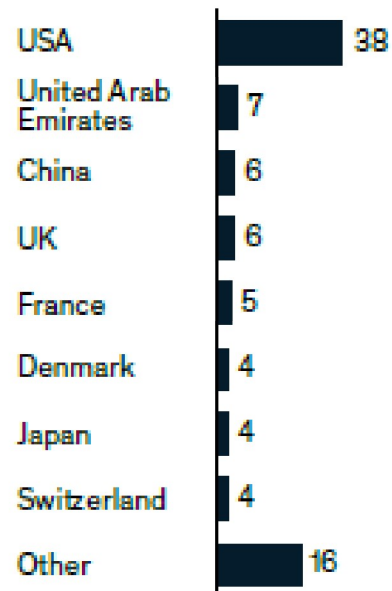
Introduction

Global Investor Appetite (Africa)

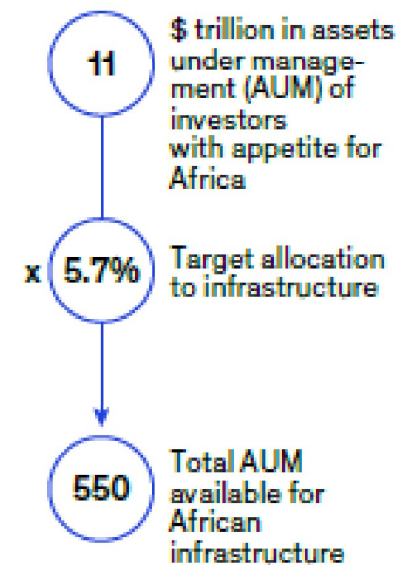
Investors with appetite for Africa
by type, %



Investors with appetite for Africa
by location, %



Funds available to invest in
African infrastructure





Introduction Current Regulation 28 (extract)

Unlisted Assets

- | | |
|----------------------------------|---------------------|
| • Debt instruments | 15% (5% per issuer) |
| • Debt issued/guaranteed by PFMA | 25% (5%) |
| • Equity | 10% (2.5%) |
| • Private Equity | 10% (2.5%, 5% FoF) |
| • Collectively PE, HF, Other | 15% |
| • Direct property | 15% (5%) |

Listed Equity instruments	75%
---------------------------	-----

Listed Debt (guaranteed by SA Bank)	75%
-------------------------------------	-----

Debt with RSA Guarantee:	100%
--------------------------	------



Similar to other investment decisions:

1. Accessible via more than one asset class (theme)
2. Term and Duration for matching of liabilities
3. Return (reward for credit and liquidity)
4. Social return (sustainability)
5. Social return (investor specific)



Infrastructure for Institutional Investors Concerns and Challenges

1. Perceived and actual riskiness
2. Long-term projects: Cost overruns, project skills? PPP Trust risks and issues
3. Cost of due diligence
4. Explicit and Implicit cost of the structures
5. Liquidity
 - Actual structures
 - Is it fair to my members (retirement fund), what about the J Curve?
 - Suitability for type of investor (and within an institutional investor)
 - Valuations of assets for regular unit pricing (DC retirement funds)
6. How does Social return relate to financial return for decision making?
7. Challenging the Culture of chasing short-term returns
8. Capacity for Investor to unpack the above



| Questions?

