



Introduction to Infrastructure Investing for Institutional Investors

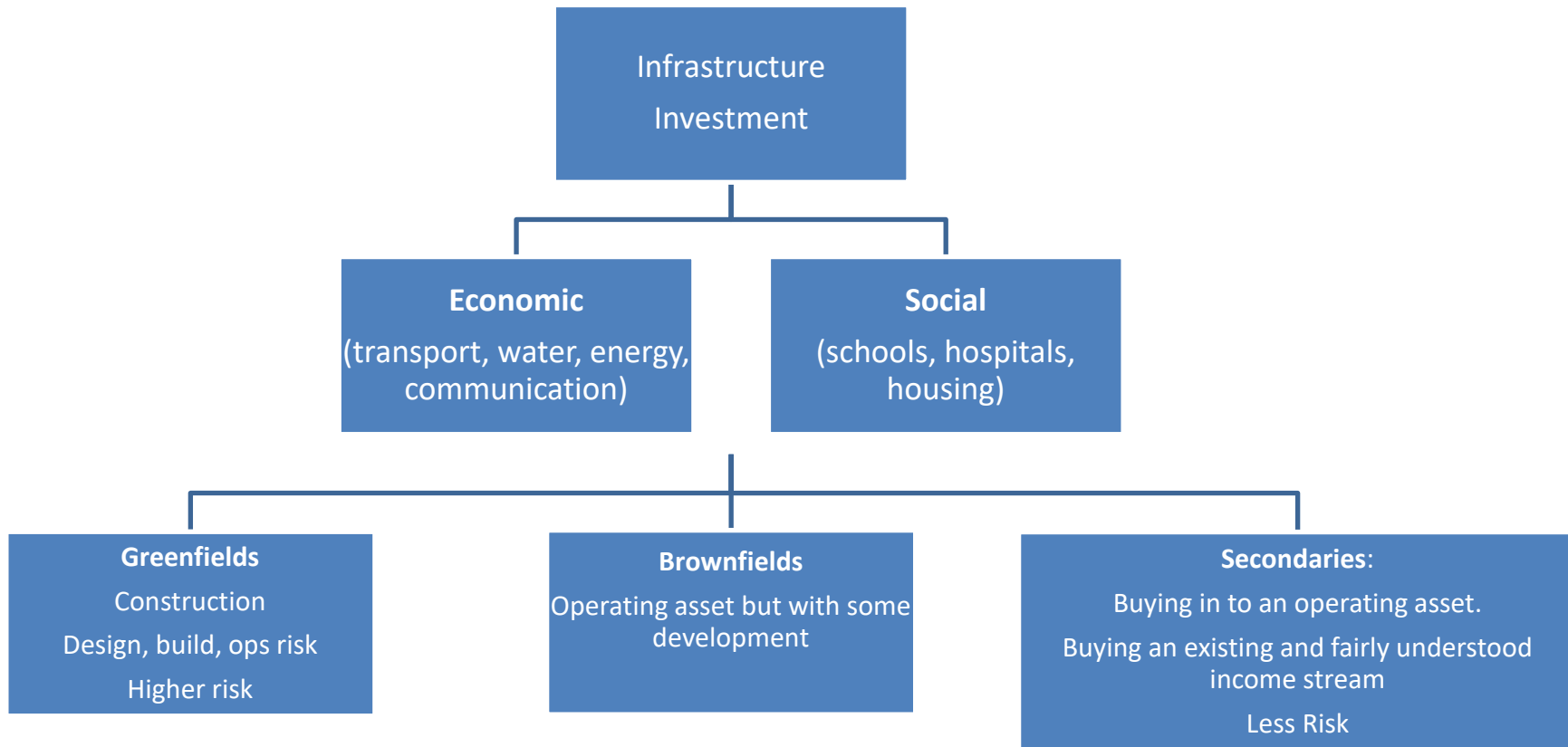
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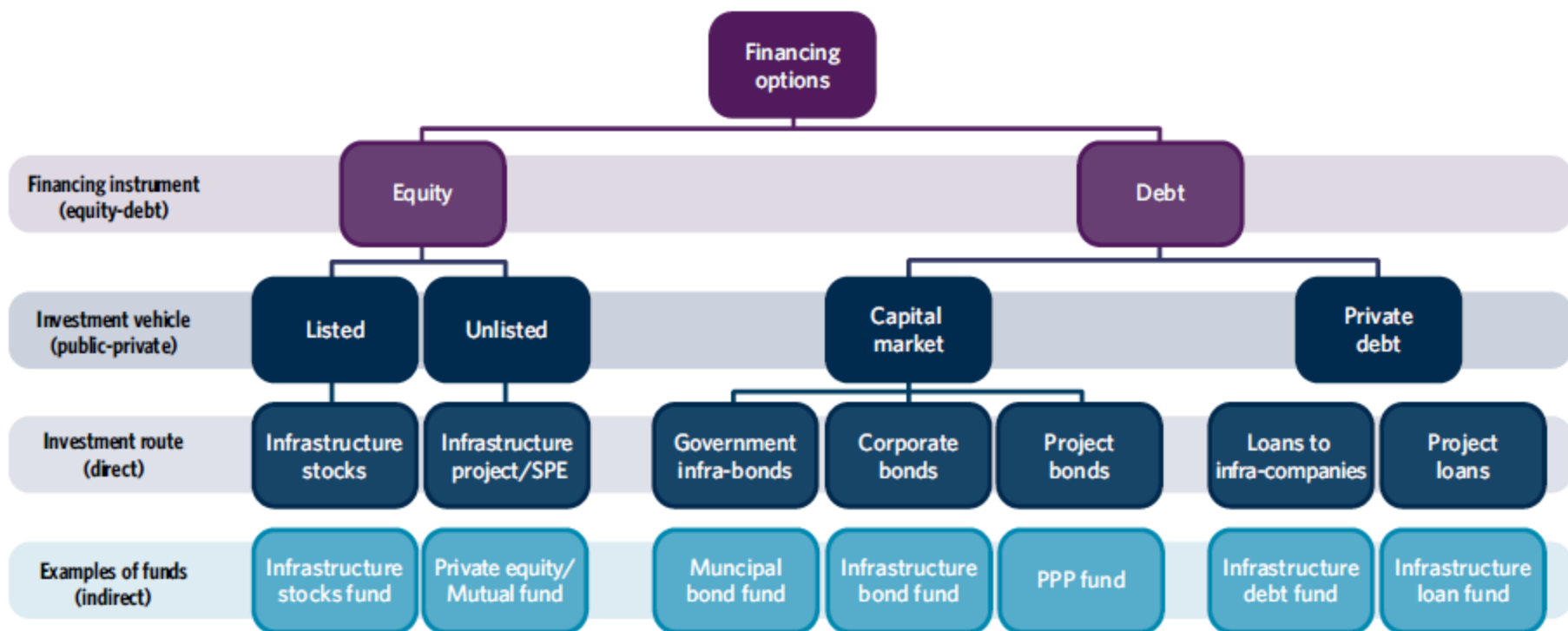
Introduction

Types of Infrastructure





Introduction Infrastructure Structures (Globally)





Introduction Typical Infrastructure Investors

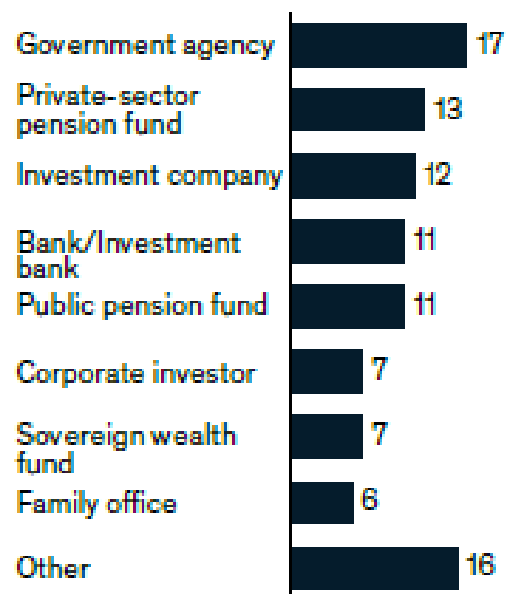
- Governments
- Developmental Finance Institutions
- Institutional investors
 - Retirement Funds
 - Insurance Entities
 - Other Impact Investors
- Individuals



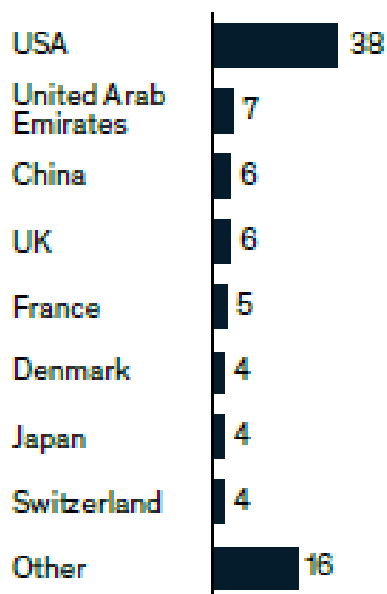
Introduction

Global Investor Appetite (Africa)

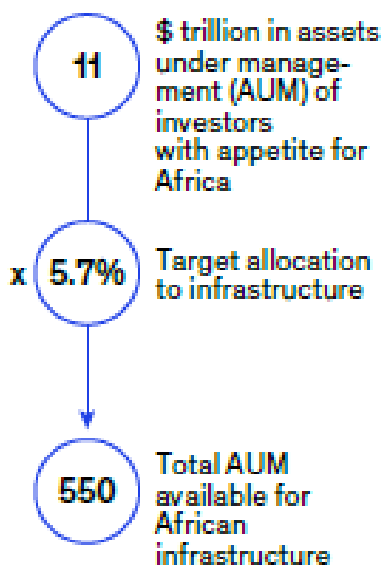
Investors with appetite for Africa by type, %



Investors with appetite for Africa by location, %



Funds available to invest in African infrastructure





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?

