



AIM TAKES THE LEAD IN CLEAN ENERGY

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ABOUT THE AUTHOR

Sean is the portfolio manager for the IDEAS Managed Fund, which is one of South Africa's largest domestic infrastructure equity fund, with R13.6 billion in assets under management. Sean is responsible for portfolio strategy and transaction organisation. He has overseen the fund's more than five-fold increase in size over his nine years as portfolio manager.

KEY TAKEOUTS

- **2425** GWH ADDITIONAL RENEWABLE ENERGY CAPACITY GENERATED ANNUALLY
- **2.4** MILLION TONNES THE AMOUNT OF CARBON EMISSIONS BEING PREVENTED
- **522 730** MEDIUM-SIZED HOMES BEING POWERED

African Infrastructure Investment Managers (AIIM) has, through its IDEAS Managed Fund, acquired stakes in nine new solar and wind power plants in South Africa. These deals cement AIIM's position as the largest equity investor in Government's Renewable Energy Independent Power Producer Procurement (REIPPP) programme, with its assets generating 25% of the total clean energy on the SA grid in 2017.

All nine power facilities are expected to be fully operational at the end of 2020, at which point they will provide an additional 800 MW of renewable energy capacity into South Africa's national power grid. The power facilities will deliver about 2 425 GWh annually, preventing around 2.4 million tonnes of carbon emissions from traditional fossil fuel power plants a year. When operating at full capacity, they are expected to supply enough green electricity to power about 522 730 medium-sized South African homes.

This additional clean power capacity has been added under Round 4 of the REIPPP programme, which is committed to securing 2 300 MW of new renewable electricity for South Africa's national grid over the next five years.

AIIM's IDEAS Managed Fund, which is one of South Africa's largest domestic infrastructure equity funds, has acquired a 50.01% equity stake in the following solar farms:

1. Bokamoso 67.9 MW, near Leeudoringstad
2. Waterloo 75 MW, near Vryburg
3. Droogfontein II 75 MW, near Kimberley
4. Zeerust 75 MW, near Zeerust
5. Greefspan II 55 MW, near Douglas
6. De Wildt 50 MW, near Brits

Through IDEAS' position as the lead sponsor of the projects, AIIM facilitated social and economic benefits which include 100% SA ownership, 50% direct black ownership, greater than 65% black ownership including indirect black ownership, and 40% black participation in engineering, procurement and construction (EPC) contracts, and the transition to majority black-owned operations and maintenance contractors. We are looking at almost R9 billion in total capital expenditure across these power projects, where the IDEAS Managed Fund is the main sponsor.

The fund has also acquired stakes in three wind farm projects:

1. Roggeveld 147 MW, near Sutherland
2. Perdekraal 110 MW, near Matjiesfontein
3. Kangnas 140 MW, near Springbok



Being able to successfully conclude deals of this scale reflects the strength and depth of AIIM's team, which has the expertise necessary to handle a sponsorship role of this magnitude.

Since its foundation in 1999, AIIM's IDEAS Managed Fund has completed 35 investments in infrastructure projects that are vital for economic growth, produce tangible social and environmental benefits and are capable of delivering strong long-term returns to investors. ■

ABOUT AIIM

African Infrastructure Investment Managers (AIIM) is a member of Old Mutual Alternative Investments and has been investing in the African infrastructure sector since 2000. AIIM currently manages US\$2.1 billion in assets across the power, telecommunications and transport sectors with operations in 15 countries across East, West and Southern Africa.

As a leading infrastructure manager across Africa, central to AIIM's investment objectives and processes is its commitment to responsible investments. AIIM is committed to fulfilling fiduciary duties as the custodian of shareholders' and beneficiaries' long-term interests. In this regard, AIIM considers the incorporation of environmental, social and governance (ESG) factors into its investment and ownership processes to support the pursuit of creating positive futures and obtaining sustainable, superior risk-adjusted returns for its clients.

