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Investing for a
world of change

Building bridges: The story behind the SA Infrastructure Credit Fund

The fast view

- Conceived to help bridge South Africa's infrastructure gap, the Ninety One SA Infrastructure Credit Fund channels private capital into essential infrastructure projects.
- Built in partnership with our clients and grounded in our global expertise, the Fund has grown into a R2 billion dedicated infrastructure portfolio.
- Financing projects across energy, water, transport, housing and digital infrastructure, the Fund supports economic growth and community development throughout South Africa, while providing investors with competitive, risk-adjusted returns.



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It began, as many meaningful ideas do, with a question: *What is our infrastructure return signature?*

For a firm with a long-standing track record in managing infrastructure investments across Europe and Africa, the question was less about capability and more about context. South Africa's infrastructure had been under pressure for many years. Power supply was limited, ports were congested, and transport networks were struggling. Policymakers were calling for greater private-sector involvement, recognising that rebuilding the country's infrastructure required collaboration. Yet few practical channels existed to mobilise private capital at scale.

In response, our investment team set out to develop a commercially viable investment vehicle that leveraged our infrastructure expertise and that could be utilised to channel capital into high-quality South African infrastructure. The result was the first iteration, or 'pilot,' of the SA Infrastructure Credit Fund.

Two years on, the Fund has evolved into a R2 billion dedicated infrastructure portfolio. While we are exceptionally proud of this achievement, we believe that the journey that brought us here is of equal importance. It is a story of collaboration, persistence, and purpose, which we believe is well worth telling.

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Trial, error, and the art of construction

Our first attempt at constructing the portfolio was more of an academic exercise than anything else. We took one of our existing South African funds and divided it into 'infrastructure' and 'non-infrastructure' segments to study the characteristics of each. It was an interesting exercise, but did not result in an investable portfolio.

We went back to the drawing board and rebuilt the Fund from the ground up with a deliberate focus on portfolio construction. We introduced position sizing limits, risk diversification, and a graduated return profile. We avoided concentration by capping single counterparties, ensuring a balance between yield and stability. We debated the right level of liquidity, questioned whether low-yield, low-risk assets were appropriate, and tested multiple configurations. Over time, we developed a more cohesive portfolio that blended essential service providers, strong credits, and a clear investment objective.

Building with our clients

From the outset, we wanted the Fund to be a collaborative effort, built in partnership with our clients. We shared our thinking, tested our structures, and invited feedback. Our clients helped us understand what they needed, not just in terms of return and liquidity, but also in terms of broader investment outcomes and reporting. Together, we refined the structure, debated evergreen versus closed-ended designs, and balanced long-term objectives with flexibility. It took time and collaboration, but eventually we were able to build a Fund that was not only reflective of our vision and infrastructure expertise, but also our clients' needs.

A shifting landscape for infrastructure investment

At the time, South Africa's regulatory environment was beginning to evolve. The amendments to Regulation 28 of the Pension Funds Act formally recognised infrastructure as a distinct and necessary investment category for institutional investors. There was similarly a philosophical shift within government. Years of constrained state capacity had brought a new sense of pragmatism – the private sector would finally have a role to play in delivering national infrastructure. What was once a politically sensitive topic became a national imperative. The alignment between public need and private capability created the perfect environment for our Fund to take root.

Returns that resonate beyond numbers

Infrastructure investing, by its very nature, is intertwined with national development. While the Fund is not regarded as an 'impact fund' in the formal sense of the word (i.e. it does not include any impact targets as part of its investment objective), we recognise that infrastructure investing, when done right, creates real-world benefits. We therefore built the Fund to deliver strong, risk-adjusted returns, but with the understanding that its effects would reach further than just performance tables.

When a renewable power plant goes live, when a pipeline delivers clean water, when a logistics hub expands capacity, the financial return is matched by a real, measurable benefit to society. We've seen this unfold firsthand. When conducting site visits to projects in rural and peri-urban areas, we have witnessed the indirect benefit of capital investment: improved roads, new small businesses, increased local employment, and the gradual upliftment that comes from sustained economic activity.

Financing what matters

The Fund is defined by assets that keep South Africa functioning, connected, and supplied. These are not abstract investments; they are the physical and social systems that enable everyday life, especially within communities that need it most, where basic infrastructure and support are otherwise lacking.

Energy

We've supported renewable energy projects under the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), helping to stabilise the grid and advance South Africa's energy transition. Our exposure includes solar and wind projects, such as the two De Aar Wind Projects and Matla A Bokone Solar, which now feed clean energy directly into the national system.

Water

We've invested in Rand Water and the Trans-Caledon Tunnel Authority (TCTA), institutions that underpin South Africa's water security. These projects ensure a reliable supply for households, industries, and cities, particularly across Gauteng and the Vaal catchment area. While historically delivered via public institutions, we are also assessing private proposals for Wastewater Treatment Works in eThekweni and bulk transfer schemes in Limpopo.

Transport and logistics

Our exposure to SANRAL and Transnet supports the roads, ports, and rail networks that connect our economic centres. These are the arteries of commerce, the infrastructure that allows goods and people to move efficiently across the country. The liberalisation of rail access has provided numerous opportunities to finance private rolling stock and rail operators with whom we are discussing novel funding solutions.

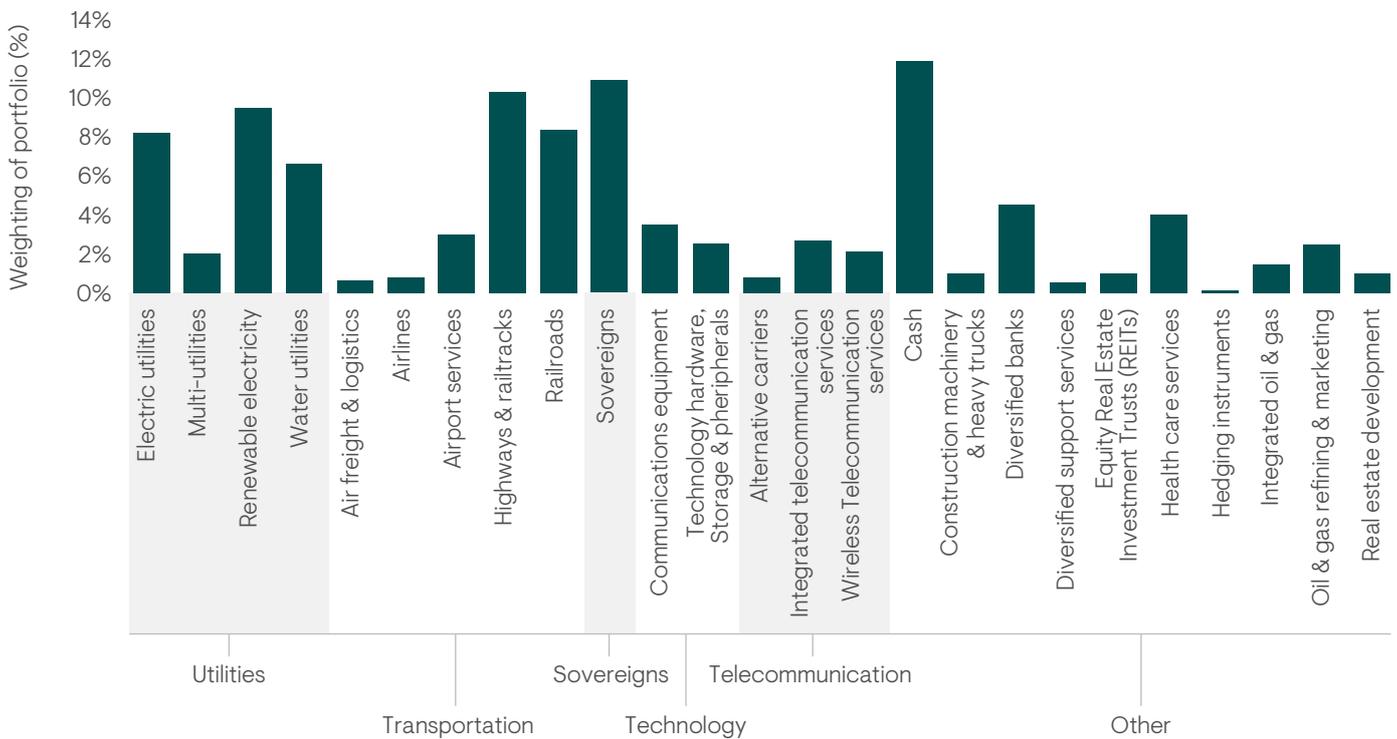
Social infrastructure

We've backed organisations like Balwin Properties and Netcare, which contribute to South Africa's housing and healthcare sectors. These are investments in the social foundations of our economy, in homes, hospitals, and communities.

Digital infrastructure

More recently, we've added exposure to Teraco Data Centres, a key player in South Africa's digital economy. As data connectivity becomes as critical as electricity or water, supporting operators like Teraco ensures the country has the necessary infrastructure to thrive in the digital era.

Figure 1: Sector exposure



Source: Ninety One, 30 September 2025.

Balancing risks and returns

Infrastructure projects create valuable long-term benefits for the environment and society, but when poorly managed or inappropriately implemented, they can lead to lasting detrimental effects and financial loss. To help mitigate these risks, all our investments are assessed from an Environmental, Social, and Governance (ESG) perspective by a dedicated team of specialists, who provide input into our analysis and decision-making process. Additionally, our investment team maintains regular engagements on ESG-related matters with the projects in which we invest.

Positioned for South Africa's future

We invest where we can earn competitive returns¹ for our clients while contributing to national development. We believe that when infrastructure works, economies grow, and when economies grow, investors prosper. South Africa's infrastructure needs remain vast and are continually evolving. The shift toward renewable energy, the modernisation of transport corridors, and the digitisation of the economy all require patient, capable capital. Our SA Infrastructure Credit Fund is positioned to play a vital role in that evolution. Our approach combines our global infrastructure expertise with deep local understanding, blending the rigour of institutional investment with the agility to respond to South Africa's realities.

Reflections on the journey

Looking back, the evolution of the Fund tells a story of partnership, perseverance, and belief. It started with an idea, matured through trial and error, and grew through trust and collaboration. Today, it stands as evidence that thoughtful capital can drive both financial and social value, and that the private sector can play a constructive role in addressing public challenges without compromising returns. Our ambition is to continue expanding the Fund's reach, building the networks and systems that support the real economy, and demonstrating that infrastructure investing can be both commercially rewarding and socially transformative.

1. Investments involve risk; losses may be made.

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