



**ASSET OWNERS FORUM**  
South Africa  
Convened by Batseta

## Asset Owners Forum South Africa

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Announcement of open solicitation and Request for Information (RFI) from Asset Managers and Project Sponsors investing in infrastructure and other alternatives including real assets.

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Regulation 28 defines **Infrastructure** as follows:

"Infrastructure means any asset that has or operates with a primary objective of developing, constructing and/or maintaining physical assets and technology structures and systems for the provision of utilities, services or facilities for the economy, businesses, or the public;"

REQUEST FOR INFORMATION

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# 1. Preamble

The Asset Owners Forum South Africa (“AOFSA”) mobilises South African retirement funds under the guardianship of Batseta who wishes to respond collectively to socio-economic development needs of its members and South Africa. The AOFSA consist of over 13 members with approximately R3 trillion in AUM.

Through desktop research, referral and engagements, the Forum explores and catalogues public and private investment opportunities with a particular focus on real assets and other alternatives/ opportunities for consideration by the AOFSA members.

This is done through direct or virtual engagements with government entities and private sector funds though a RFI process, respectively.

The purpose of this RFI process is to engage openly and transparently with all eligible asset managers and project sponsors as well as similar entities or parties in order to obtain information regarding their funds/projects with the objective for adding to the AOFSA project pipeline for further investment consideration by the AOFSA members.

# 2. Introduction

The Asset Owners Forum SA (“AOFSA”) is undertaking a Request for Information (“RFI”) with the intent to engage with asset managers or direct project sponsors as well as similar entities or parties based in South Africa that are seeking funding for investing in infrastructure and other alternatives such as real assets opportunities in South Africa (primary focus) and/or in other African countries.

The purpose of this solicitation is to engage openly and transparently with all eligible asset managers and project sponsors as well as similar entities or parties in order to obtain information regarding their funds/projects with the objective for adding to the AOFSA project pipeline for further investment consideration by the AOFSA members.

Please note, that this solicitation is not a commitment to invest. All eventual investment decisions will be made only by appropriate structures within the members/pension funds, based on their internal process and subject to availability of their resources.

This RFI is simply an opportunity offering to engage and obtain information about infrastructure funds/projects for investment consideration by AOFSA structures and its member pension funds.

This is an open solicitation that will be primarily focused on infrastructure related investment opportunities in South Africa but will also consider investment opportunities in other African markets provided that South Africa represents a minimum of 25% of the total capital allocation.

## 3. Scope of Service

**3.1 Asset Category:** Infrastructure and other real assets/alternatives

**3.2 Sectors Focus:** Renewable energy (natural gas), transport & logistics (seaports & roads, rails), telecom, digital infrastructure and ICT, water & sanitation, social infrastructure, (including; affordable/student housing, education, healthcare); agribusiness/distribution, and other development projects which are not publicly traded.

**3.3 Investment Instrument:** Debt, equity, quasi-equity, or mezzanine

**3.4 Project Time Frame:** Preferably, short term projects with financial close by December - 2022 that are shovel ready, bankable, and ready for investment. Longer term projects will be considered based on the type of project, structure, and level of interest from the AOFSA.

**3.5 Fund Closing Time Frame:** Preferably, funds with a target first close before December 2022, and a final close 18 months thereafter.

## 4. Eligibility Criteria

**In order for a project or investment to be considered, the following minimum eligibility criteria would apply.**

### 4.1 For funds:

- 4.1.1 Prefer South Africa focused funds that are currently capital raising
- 4.1.2 Africa focused funds will be considered based on minimum 25% investment allocation to South African assets and other key characteristics
- 4.1.3 Investment instrument can be a mix of debt and or equity
- 4.1.4 Preference for brownfield assets, but consideration given to greenfield with risk mitigation solutions to enhance the overall probability of success, and with good impact characteristics
- 4.1.5 Projected investment returns must be market related returns, commensurate with the investment instruments being used

## 4.2 For direct projects:

- 4.2.1 Prefer South Africa focused projects that are open for capital raising within the next 6 month.
- 4.2.2 Africa focused projects will be considered based on minimum 25% investment allocation to South Africa assets and other key characteristics
- 4.2.3 Operational and bankable assets preferred
- 4.2.4 Investment instrument can be a mix of debt and or equity
- 4.2.5 Preference for brownfield assets, but consideration given to greenfield with risk mitigation and good impact characteristics
- 4.2.6 There must be sufficient high-level data on a project and its viability
- 4.2.7 Projected investment returns must be market related returns, commensurate with the investment instruments being used
- 4.2.8 Debt must be ideally investment grade in local currency

## 5. RFI Submission Requirements

- 5.1 Interested fund managers/project sponsors will need to provide a PowerPoint presentation of no more than 15 slides- including the cover slide describing their fund, or project offering.
- 5.2 Respond to the standardised list of questions in short form to facilitate evaluation.
- 5.3 Acknowledgement that you have read the disclaimer in the annexure and all provisions of this RFI and that you are in full agreement.
- 5.4 Confirm whether you are acting as an agent or principal for the fund/project being submitted
- 5.5 Provide the following contact information: Name of the contact person; email address; mobile and office phone numbers, and office address
- 5.6 The RFI response package must be submitted to:

**The Secretariat of the AOFSA**

**E-Mail:** info@assetownersforumsa.org.za

**Subject (for fund managers):** AOFSA RFI Fund Manager - <name of fund>

**Subject (for direct projects):** AOFSA RFI Direct Project - <project name>

## 6. RFI Evaluation Process

- 6.1 Once an RFI is received, AOFSA and its affiliated partners/advisors will review the fund or project pitchbook or information and response to the RFI for its content, quality, and compliance with the RFI requirements and decide whether to proceed with a meeting.
- 6.2 AOFSA affiliated partners will conduct preliminary meetings with fund managers/project sponsors as well as similar entities or parties. Initial discussions with managers/sponsors will take place in a standardised format with no more than 45 minutes to present and questions and answers to follow.
- 6.3 Following review and evaluation, a list of the most qualified responses in meeting the required mandates will be added to the preliminary AOFSA pipeline for discussion and consideration by AOFSA's Investment Working Committee ("IWC").
- 6.4 The shortlisted managers/projects will be presented to the AOFSA Steering Committee ("SteerCo") for discussion and expression of interest and authorization to proceed with Non-Disclosure Agreements ("NDAs") as needed and further information gathering. Next will be gauging of interest from the AOFSA members, consultants' engagement, and due diligence determination.
- 6.5 Funds/Managers who were not shortlisted by the SteerCo will be informed, in writing.
- 6.6 SteerCo will determine the projects for comprehensive due diligence. This process to be managed by consultants, experts or project specialist.
- 6.7 *Shortlisted candidates may be required to present to the IWC and/or SteerCo.*
- 6.8 Following the outcome of the preliminary due diligence and evaluation process, SteerCo or AOFSA members will determine which projects to take to their internal investment committees and boards for final consideration.

## 7. Acknowledgement

*ALL RESPONDANTS MUST ACKNOWLEDGE IN WRITING BY AN AUTHORIZED REPRESENTATIVE OF AT THE PROJECT PROVIDERS HAVE READ THE AOFSA DISCLAIMER AND ARE IN FULL AGREEMENT WITH THE TERMS AND CONDITIONS SET OUT [IN ANNEXURE]*

## 8. Confidentiality Statement

All information, excluding any information within the public domain, provided in response to this RFI, shall be treated as confidential to the furthest extent possible. AOFSA will use all reasonable endeavours to keep such information confidential and it shall be used only for its intended purpose. Any information retained by AOFSA shall be for its exclusive use and records. A party that submits a response to the RFI to AOFSA thereby consents to AOFSA sharing such information with its members, advisors, consultants, staff, and affiliates, as may be necessary.

## 9. Asset Owners Forum South Africa agreement with terms and conditions

1. The completion and submission of the response to the RFI in accordance with the instructions in this RFI shall indicate the acceptance of the terms and conditions in this RFI as well as any attachments hereto.
2. Proposals that do not conform with the requisite submission of this RFI may not be accepted and/or evaluated, further, such proposals may be rejected and may not be engaged on for further consideration.
3. AOFSA reserves the right to advance a project without discussion and/or review; and further, reserves the right to conduct discussions and/or negotiations, which, among others, may require revision of respective proposals.
4. By submitting the evaluation, asset managers or direct project sponsors as well as similar entities or parties agree to comply with the general terms and conditions for consideration, including Representations and Certifications compliance.
5. Asset managers or direct project sponsors as well as similar entities or parties must provide full, accurate, and complete information in response to this solicitation. The issuance of this RFI in no way obligates AOFSA or their advisors, consultants, and affiliates to award a subcontract, nor does it hold AOFSA or their advisors, consultants, and affiliates liable for any costs incurred by the asset managers or direct project sponsors as well as similar entities or parties in preparing and submitting the evaluation.
6. AOFSA and their advisors, staff, consultants, and affiliates reserve the right to advance awards based on the results of their evaluation or to reject without prejudice or cause.
7. Asset managers or direct project sponsors as well as similar entities or parties agree to indemnify and hold AOFSA harmless from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees, arising out of their involvement in responding to the RFI, and to reimburse it for any such expenses incurred.
8. The completion of all RFI requirements in accordance with the instructions in this RFI and submission to the AOFSA/Investment Working Committee and its affiliated partners (AOFSA/IWC/AP) will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFI and any attachments hereto. (AOFSA/IWC/AP) are not required to accept and/or evaluate proposals that do not conform to the instructions of the RFI, and additionally, (AOFSA/IWC/AP) may reject all proposals and not respond or engage for further consideration. (AOFSA/IWC/AP) reserves the right to advance a project without discussion and/or review; however, (AOFSA/IWC/AP) also reserves the right to conduct discussions and/or negotiations, which among other things may require revision of respective proposals.
9. By submitting an offer, fund managers/sponsors (or offerors) agree to comply with the general terms and conditions for a consideration, including Representations and Certifications compliance. Fund managers/sponsors must provide full, accurate, and complete information in response to this solicitation. Issuance of this RFI in no way obligates (AOFSA/IWC/AP) to award a subcontract, nor does it commit (AOFSA/IWC/AP) to pay any costs incurred by the fund managers/sponsors in preparing and submitting the proposal. (AOFSA/IWC/AP) reserves the right to advance for awards based on the results of their evaluation.

# 10. Standardised list of questions for infrastructure asset managers/funds

**Please respond to the following questions and provide information requested as provided below as concisely as possible, in a word editable format and a PDF format.**

**A. Asset Manager/ Funds:** Please provide;

1. Investment thesis, fund structure and sector focus
2. Current Assets Under Management (“AUM”)
3. Funds to be raised and envisaged first and final close dates
4. Funds raised to date, soft and hard commitment.
5. Target return and benchmark, liquidity requirement and tenor
6. Investment instrument – debt/equity
7. Key terms such as tenor, fees, carry interest

**B. Strategy and Team:**

1. What is the broader investment strategy with regards to the deal size, sectors, financial instruments, and investment thesis?
2. What is the experience of their senior members of the team as individuals, and working together as a collective?
3. What is the current staff complement, and is there an intention to make any changes to the team?
4. If new team members are to be added, have the additional staff members been identified?
5. Please describe your fund track record.

**C. ESG Impact and Transformation:**

1. What is the BEE rating of the firm, and what portion of the business is owned and managed by black and/or female staff?
2. Please advise on the ESG reporting standards adopted by the fund.
3. Please advise on how these ESG standard will be enforced/monitored.



# 11. Standardised List of Questions for Direct Projects

**A. For Direct Projects:** Please respond to the following questions and provide information requested as provided below as concisely as possible.

1. Please provide a brief description of the project.
2. Geography: Where in South Africa or in Africa will the project be located?
3. What infrastructure sub-sector does the project fall within? (e.g., water and sanitation, waste, energy, telecoms, social infra, other)
4. What stage is the project at? (e.g., concept/pre-feasibility study/feasibility study/structuring/financial close/construction/operational)

**B. For Pre-operational Projects:**

1. If a bankable feasibility study has been done how recently was it completed and by whom? Please provide brief details.
2. What are the targeted financial close and commercial operation (COD) dates?
3. Does the project have all necessary licences/regulatory approvals to move forward? – if not, please share details of key outstanding items

**C. For Operational Projects:**

1. How many years has the project been operational for?
2. Does the project have all necessary licences/regulatory approvals to move forward? – if not, please share details of key outstanding items

**D. Transaction Details:**

1. Please provide: A synopsis of the envisaged transaction, including the overall transaction size; the targeted financial close date; and the role envisaged for AOFSA pension funds, including ticket size and type of capital sought.
2. Please indicate where in the organizational structure financing will be provided? E.g., project level, holding company level, platform level.

**E. For Investment instrument in Equity:**

1. Please share targeted returns, including cash yield if applicable
2. Please advise if the participation sought from AOFSA pension funds would require taking on any operational or monitoring role

**F. For Investment instrument in Mezzanine and Debt:**

1. Please share the return offered
2. Please share the tenor and amortization profile

3. Does the project benefit from any third-party credit support (e.g., sovereign guarantee / put or call option arrangement)?
4. What is the primary source of cash flow for the project? – (e.g., sale of electricity to Company X) - end users.
5. Is this cash flow source contractually secured? – (e.g. power purchase agreement)
6. Has any capital been raised to date for this deal?

**G. Team and Track Record:**

1. What is the relevant experience of the project development team or operational management team?
2. Please provide a summary of previous projects developed by the team.

**H. ESG Impact and Transformation:**

1. Please provide any BBBEE credentials of the project.
2. Please advise on the ESG reporting standards adopted by the project.
3. Please advise on how these ESG standard will be enforced/monitored.

# ANNEXURE A

## ASSET OWNERS FORUM SOUTH AFRICA AGREEMENT WITH TERMS AND CONDITIONS

1. The completion and submission of the response to the RFI in accordance with the instructions in this RFI shall indicate the acceptance of the terms and conditions in this RFI as well as any attachments hereto.
2. Proposals that do not conform with the requisite submission of this RFI may not be accepted and/or evaluated, further, such proposals may be rejected and may not be engaged on for further consideration.
3. AOFSA reserves the right to advance a project without discussion and/or review; and further, reserves the right to conduct discussions and/or negotiations, which, among others, may require revision of respective proposals.
4. By submitting the evaluation, asset managers or direct project sponsors as well as similar entities or parties agree to comply with the general terms and conditions for consideration, including Representations and Certifications compliance.
5. Asset managers or direct project sponsors as well as similar entities or parties must provide full, accurate, and complete information in response to this solicitation. The issuance of this RFI in no way obligates AOFSA or their advisors, consultants, and affiliates to award a subcontract, nor does it hold AOFSA or their advisors, consultants, and affiliates liable for any costs incurred by the asset managers or direct project sponsors as well as similar entities or parties in preparing and submitting the evaluation.
6. AOFSA and their advisors, staff, consultants, and affiliates reserve the right to advance awards based on the results of their evaluation or to reject without prejudice or cause.



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7. Asset managers or direct project sponsors as well as similar entities or parties agree to indemnify and hold AOFSA harmless from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees, arising out of their involvement in responding to the RFI, and to reimburse it for any such expenses incurred.
8. The completion of all RFI requirements in accordance with the instructions in this RFI and submission to the AOFSA/Investment Working Committee and its affiliated partners (AOFSA/IWC/AP) will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFI and any attachments hereto. (AOFSA/IWC/AP) are not required to accept and/or evaluate proposals that do not conform to the instructions of the RFI, and additionally, (AOFSA/IWC/AP) may reject all proposals and not respond or engage for further consideration. (AOFSA/IWC/AP) reserves the right to advance a project without discussion and/or review; however, (AOFSA/IWC/AP) also reserves the right to conduct discussions and/or negotiations, which among other things may require revision of respective proposals.
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**Please visit the Batseta website for the RFI Terms and Conditions**

## Contact Details

The RFI response package must be submitted to:

**The Secretariat**

**Asset Owners Forum South Africa**

**E-Mail:** [info@assetownersforumsa.org.za](mailto:info@assetownersforumsa.org.za)

**Tel:** 011 805 6340

**Website:** [www.batseta.org.za](http://www.batseta.org.za) (Click on Asset Owner Forum link)



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