



Introduction to GAIA Infrastructure Capital Limited

October 2015

Your Investment Partner



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Proposed Investment Summary

Business overview

Gaia Infrastructure Partners (Pty) Ltd

- A **specialist investment manager** whose **primary business is managing investments in infrastructure** projects in Southern Africa
- Formed and incorporated in 2012
- Has managed segregated infrastructure funds

Initial focus on utility scale renewable energy

- Experience in secondary market participation in the SA REIPPP*
- **Strong pipeline** of infrastructure and renewable energy projects

Listing Gaia Infrastructure Capital Limited as Special Purpose Acquisition Company on main board JSE

- Identified opportunities for the public market to invest
- Targeted **minimum R500m capital raise**
- **Anchor investors** to contribute a majority (**up to 75%**)
- **Management to contribute 5%** of total capital raise

* REIPPP = Renewable Energy Independent Power Producer Program.

GAIA IC – Infrastructure Investment HoldCo

- Diversified investment directly in large scale ***energy, transport and water related infrastructure***
- Provide investors with ***predictable, inflation linked and long-term investment*** in a listed environment
- Open the investment channel of the SA Savings Industry to the infrastructure needs of South Africa
- Create sustainable solutions with strong corporate governance adherence



Investment proposition

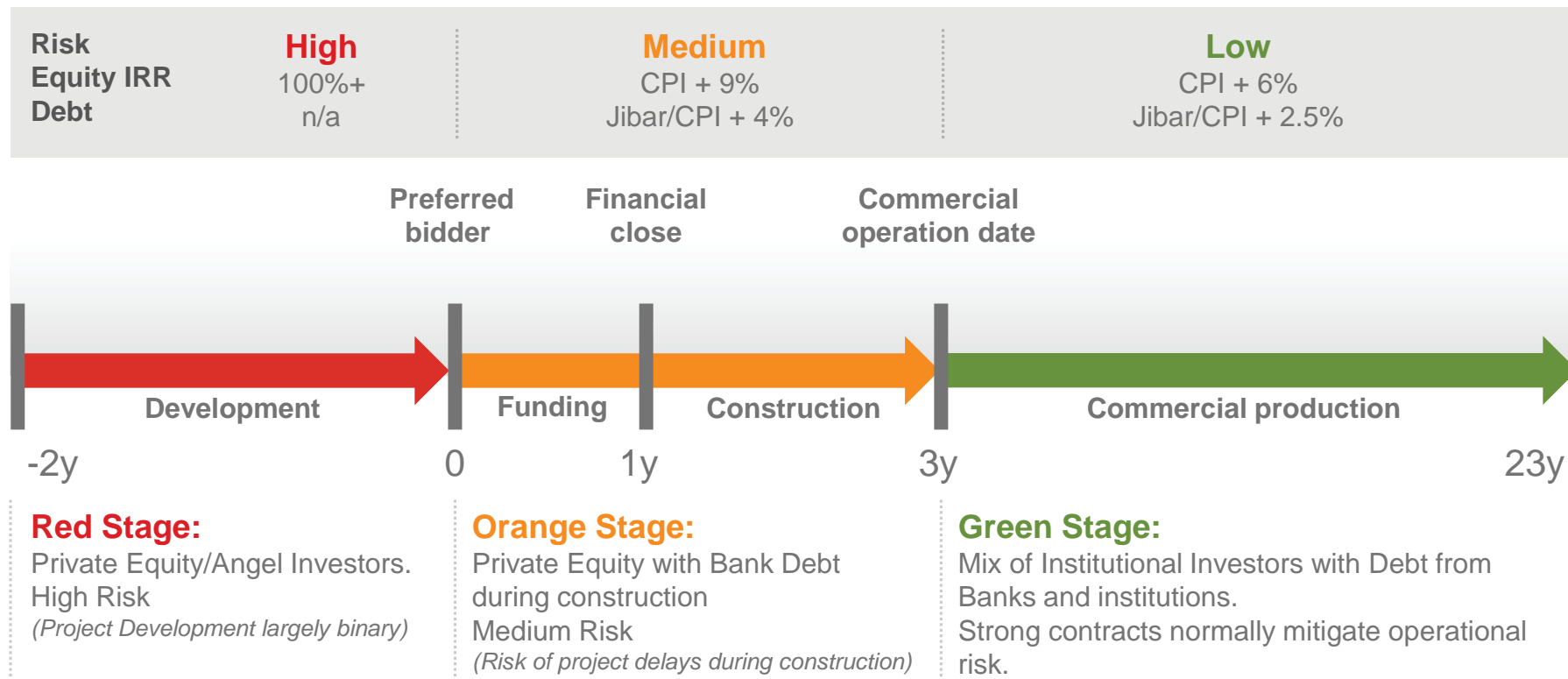
Investment opportunity set			
Sector	Opportunity	Investment characteristics	Deal flow
Utility scale renewable energy	Solar / Wind / Hydro power plants	<ul style="list-style-type: none"> Purchase of equity stakes in operational / near-operational assets (secondary market) 20 year Power Purchase Agreements (PPA), at inflation linked tariffs with Eskom, guaranteed by National Treasury Hold investments for duration of PPA 	<p>Access to REIPPP secondary market opportunities through existing expertise</p> <p>Past transactions</p> <p>Networks with developers and equity owners</p>

Investment proposition

Investment opportunity set			
Sector	Opportunity	Investment characteristics	Deal flow
Transportation infrastructure	Roads / Railways / Ports infrastructure	<ul style="list-style-type: none"> • Purchase of equity stakes in Private-Public-Partnerships (PPP) on economic infrastructure with contracted concessions • 20 – 30 year concession agreements 	<p><i>Access to opportunities through expertise and market knowledge</i></p> <p><i>Established relationships with leading advisors in the infrastructure investments sector</i></p>
Water & sanitation infrastructure	Piped water networks / water utility infrastructure	<ul style="list-style-type: none"> • Purchase of equity stakes in Private-Public-Partnerships (PPP) on economic infrastructure with contracted concessions • Concession agreements with Municipalities 	<p><i>Access to opportunities through expertise and market knowledge</i></p> <p><i>Established relationships with leading advisors in the infrastructure investments sector</i></p>

Investment return profile

Project investment stages



Investment criteria

Criteria for investment options

Operational criteria	<6 Months to Operational Infrastructure Project or Operational
Investment return target	> 6% Real Return (before fees)
	Long-term inflation-linked income profile
	Predictable and transparent cash flows positive projects
Size of opportunity	Target investment size of more than R200m per transaction
	Minimum 15% equity stakes with minority protection
	Experienced management team with clear operational strategies
	No 3rd party credit risk exposure
ESG appreciation	Visible and responsible ESG policy appreciation

Investment criteria *(continued)*

Investment strategy and criteria	
Sectors	Infrastructure including Renewable Energy, Transport, Water and sanitation
Geographies	Southern Africa
Investment size	R200m and above
Control	Management value add and directorships
Gearing	To be utilised on a case by case basis

Key offer indications *(continued)*

Proposed offer summary	
Listing	Primary listing of a SPAC on Main Board of JSE
Offer size	Min. R500m placement <ul style="list-style-type: none"> • <i>Anchors investors – up to 75%</i> • <i>Management – 5%</i>
Listing price	R10 per share
Target dividend yield	CPI + 2.5% on NAV
Estimated operating expenses (24 months)	R15,6m (Including listing costs)
Estimated market cap	c.R500m at listing

Dividend profiles of similar asset classes

GAIA Infrastructure Capital target Dividend Yield of CPI* + 2.5% (c.8%)

Proxy	Avg 5 year DY%	Current DY%
FTSE/JSE Industrials Index DY	CPI – 3.5%	CPI – 3.4%
FTSE/JSE Financials Index DY	CPI – 1.9%	CPI – 1.9%
Growthpoint Properties Limited	CPI – 0.1%	CPI – 0.8%
FTSE/JSE Property Index DY	CPI + 0.6%	CPI – 0.6%
FTSE/JSE Resources Index DY	CPI – 2.3%	CPI + 0.5%
Redefine Properties Limited	CPI + 1.6%	CPI + 0.9%
<i>GAIA Infrastructure Capital target yield</i>		<i>CPI +2.5%</i>

* CPI 20 year rolling average Post 1994 = 5.83%

Source: Inet BFA

Key listing dates

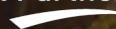
Anticipated listing timetable	
Formal roadshow	Monday, 26 October – Friday, 30 October 2015
Opening of book	Wednesday, 4 November 2015
Closing of book	Friday, 6 November 2015
Anticipated listing date on JSE and commencement of trading	Thursday, 12 November 2015

Note: Dates as indicated above are subject to timetable changes

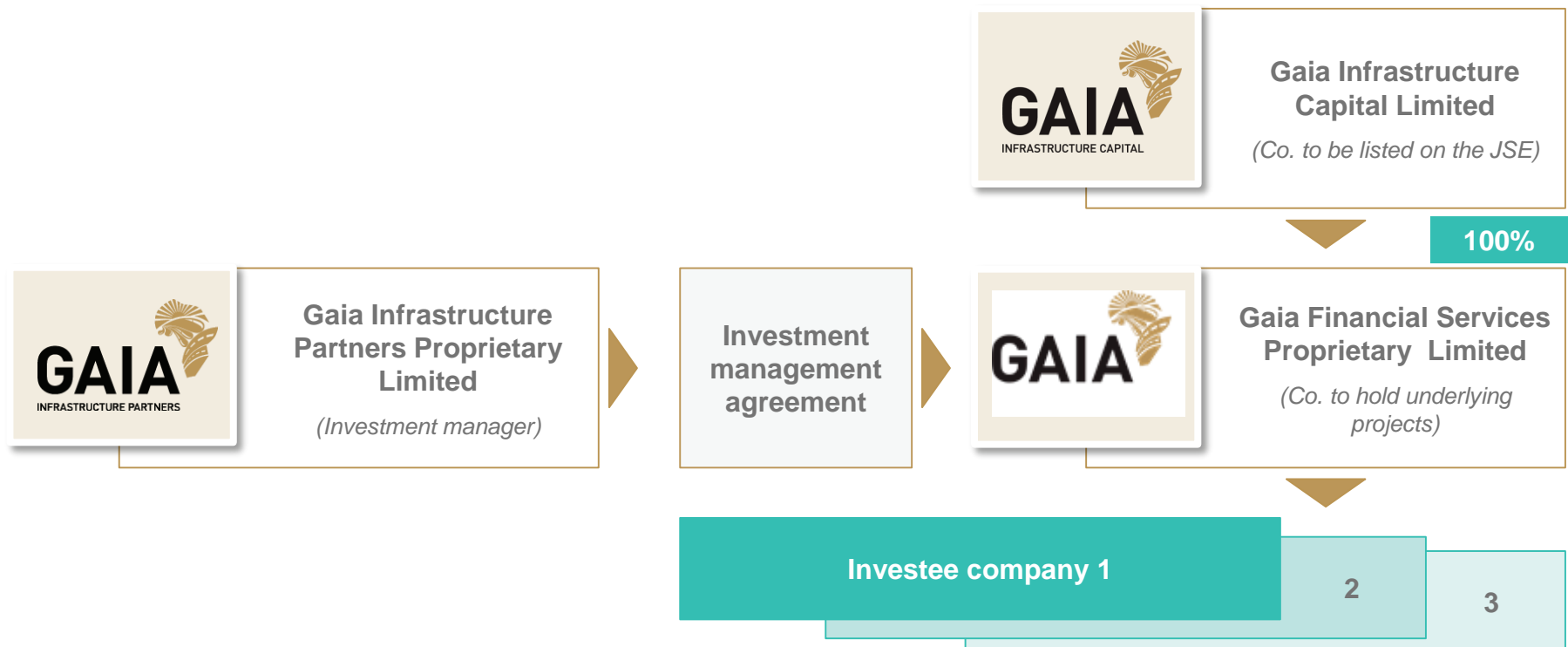


GAIA Infrastructure Capital Limited

Your Investment Partner



Listed investment structure



Strong management team

Directors	Role	Background	Years of experience
Leon de Wit <i>BCom, FIA, OPM (Harvard)</i>	Chairman (Founder)	Qualified actuary; Founder GAIA Infrastructure Partners; Life, pensions and savings industry expert	25 years
Botha Schabort <i>BEng Hons (Civil), Pr Eng, MBA</i>	Non-executive director (Founder)	Qualified engineer; Founder GAIA Infrastructure Partners; Renewable energy developer, investment banker	20 years
Clive Ferreira <i>BSc (Civil), BCom (Finance), MBA</i>	Non-executive director	Qualified engineer; Corporate and project finance expert; Lead advisor on energy and infrastructure related projects on the African continent	28 years
John Oliphant <i>BSc Actuarial Science, BSc (Hons)</i>	Managing Director	Investment and Pensions expert; former member of The PRI Advisory Council and Chairman of CRISA	11 years
Mich Nieuwoudt <i>BEng (Electronic), Pr Eng, MBA</i>	Chief Investment Officer	Qualified engineer; global engineering consulting experience; Renewable Energy Project Developer	12 years
Tamee Soudien-Witten <i>BCom (Hons.) Acc, CA (SA)</i>	Financial Director	Qualified chartered accountant; Renewable Energy sector experience; Project Management; Financial Management; Employee Benefits experience	12 years

Board of directors

EXECUTIVE DIRECTORS

John Oliphant

BSc Actuarial Science, BSc (Hons) – MD

Mich Nieuwoudt

BEng (Electronic), Pr Eng, MBA – CIO

Tamee Soudien-Witten

BCom (Hons) Accounting, CA (SA) – FD

NON-EXECUTIVE DIRECTORS

Leon de Wit

BCom, FIA, OPM (Harvard) – Chairman

Botha Schabort

BEng Hons (Civil), Pr Eng, MBA – Director

Clive Ferreira

BSc, BEng (Civil), BCom, MBA (Finance) – Director

Prudence Lebina

BCom (Hons) CA (SA) – Lead Independent Director

Romeo Makhubela

BCom, PDM, UED – Independent Director

Nathiera Kimber

BA, LLB, LLM, HDip (Tax) – Independent Director

Edward Mballo

BCom (Bus. Management) – Independent Director

Investment management agreement

Relevant provisions	
Investment manager	<ul style="list-style-type: none">GAIA Infrastructure Partners (Pty) Ltd
Duration and term	<ul style="list-style-type: none">A period of not less than 5 yearsThereafter the agreement may be terminated with 12 months' notice
Services	<ul style="list-style-type: none">originating, evaluating and investigating appropriate investment opportunities and exit strategies<ul style="list-style-type: none">advising the Group regarding structuring, managing and monitoring of investmentssupervising the negotiation, preparation and review of all documents required in connection with the acquisition and realisation of investments;monitoring the performance of investmentsappointing professional consultants required by the Groupreporting to the board of GAIA Financial Services in relation to the business of the Group and the status and performance of the investments

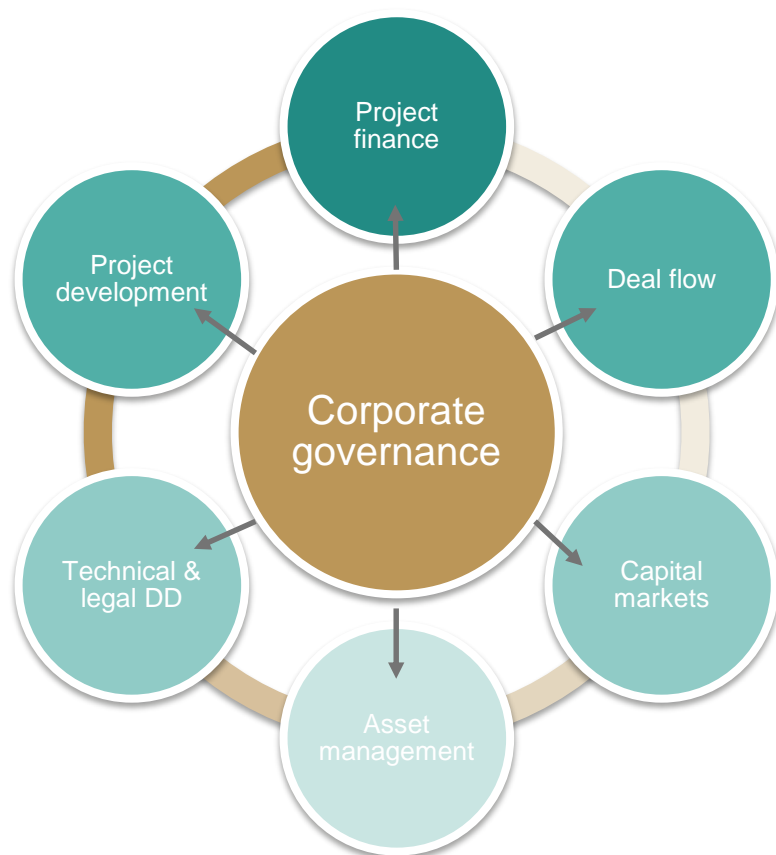
Investment management fees

Relevant provisions	
Fees payable	
Management fee* – SPAC stage	<ul style="list-style-type: none"> Annual management fee shall be 0.5% of the aggregate amount received from the subscription price of the shares
Management fee* – post SPAC stage	<ul style="list-style-type: none"> Annual management fee shall be 0.8% of the company's Enterprise Value**
Transaction fee	<ul style="list-style-type: none"> 1% fee will be paid on acquisition and/or disposal of investments, calculated on the aggregate cost of the acquisition (net of transaction fees) and the disposal proceeds respectively
Termination fee	<ul style="list-style-type: none"> Where the agreement is terminated without cause by shareholders (>50% votes), a termination fee will be payable to the manager equal to 5% of Enterprise Value at termination

*Management fees are payable in arrears in quarterly instalments

**Enterprise Value = Average market capitalisation + Average Debt balance

GAIA capabilities



No other “Buy-side” team in South Africa

- Current investors of infrastructure assets are developers and lending institutions
- Gaia is *pioneering the development of a platform for long-term investment for institutional investors, in the listed space*

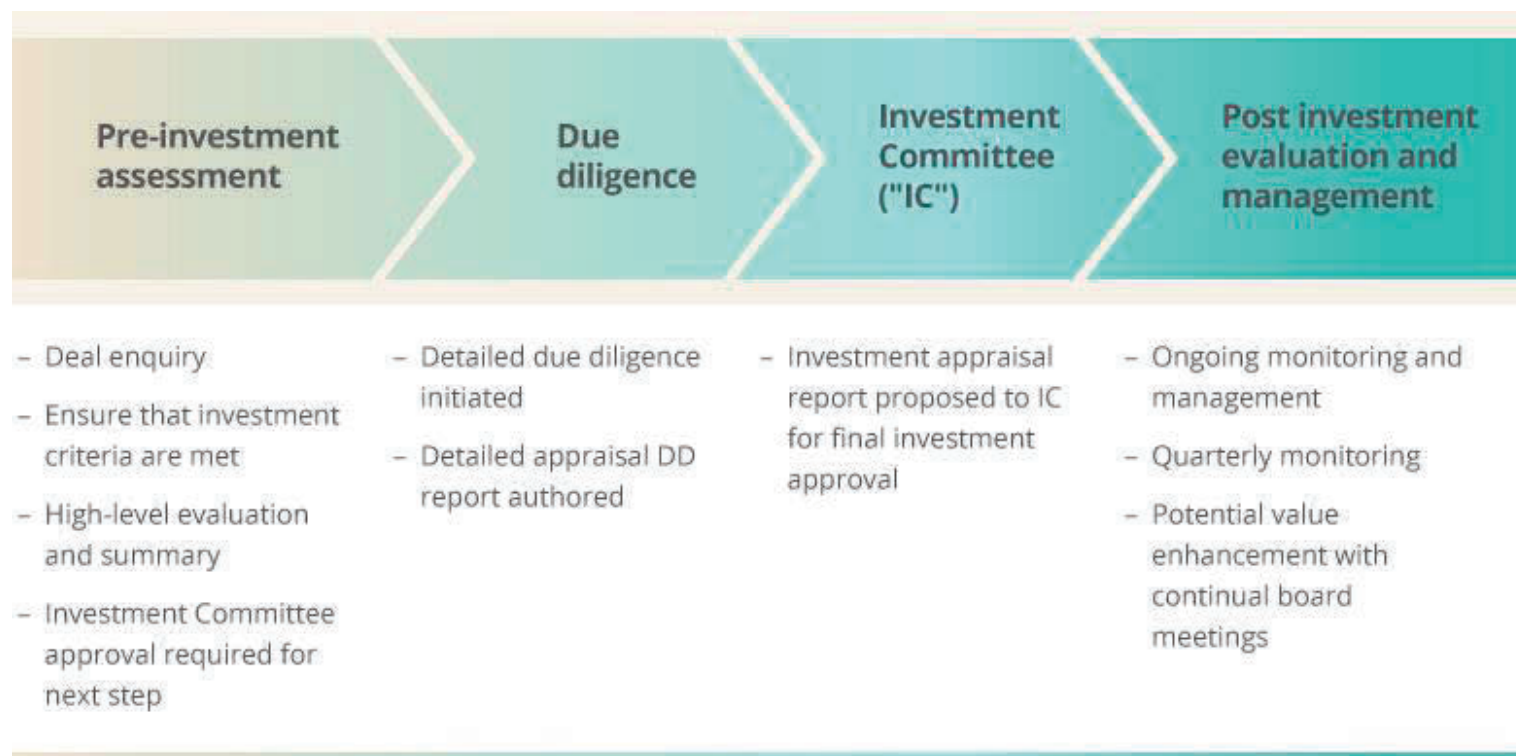
Deal flow/origination

- The *team’s market development experience* gives it a diverse network and reach into the sector and opportunities
- *In-house research* and identification of opportunities

Comprehensive range of in-house skills

- Engineers with real market development experience
- Combination of skills in project finance, technical and legal due diligence,

Four pillar investment process



➤ In-house multi-disciplined team

- Strong, sustainable infrastructure deal flow origination
- Dynamic, effective implementation processes
- Prudent, transparent investment management systems
- Execution of elegant exit strategies for institutional investment fund models

Key investment risks

- Inadequate capital raising mechanisms to take advantage of strategic assets
- Liquidity constraints
- Interest rate risks associated with high levels of leveraging
- Asset transfer pricing issues
- Regulatory uncertainty – as infrastructure funds grow in SA, so will oversight of the sector
- Political interference with key infrastructure assets through DoE policies
- Sub-contractor challenges experiences through the technical partners
- Bidding risk through competitive bidding processes
- Selection risk of infrastructure assets and projects

Outlook

- Expect to acquire viable assets of over the next 12 months
- Regulatory outlook for renewable energy remains stable and bodes well for other infrastructure sectors
- Remain active in the secondary market which is potential worth c.R40bn for operational South African assets
- Investment manager continues to identify and execute new acquisitions
- Bidding to remain competitive as utilities and developers continue to recycle their capital
- Stability of cash flow generation by assets will ensure stable dividend declarations to investors



Thank you!

Your Investment Partner



Appendix

Your Investment Partner



Infrastructure as an Asset Class

Your Investment Partner



South African macro-economic factors

- SA faces massive infrastructure requirements across energy, transport, water sectors (R3 trillion over 15 years)
- State initiatives are prioritising infrastructure development and investment into the sectors
- Establishment of the National Infrastructure Plan
 - Facilitates fast tracked government-led infrastructure
 - Planned state spending of ~R800bn
- State cannot fund all the required investment
- Little participation by institutional investors in infrastructure
 - Banks cannot be long-term holders of assets
 - Institutions only have sell-side expertise in infrastructure

Benefits of investing in infrastructure

Why infrastructure?

Potential for attractive equity-like returns, but with much lower risk

Manager return projections are in the mid to high teens, but even 8% to 10% would compete well with equities over the long term. Attractive premium (>4%) over bonds backed by tangible assets.

Reliable cash flow and less sensitive to economic downturns

Long-term investments in regulated and/or contracted industries with mostly inelastic user demand.

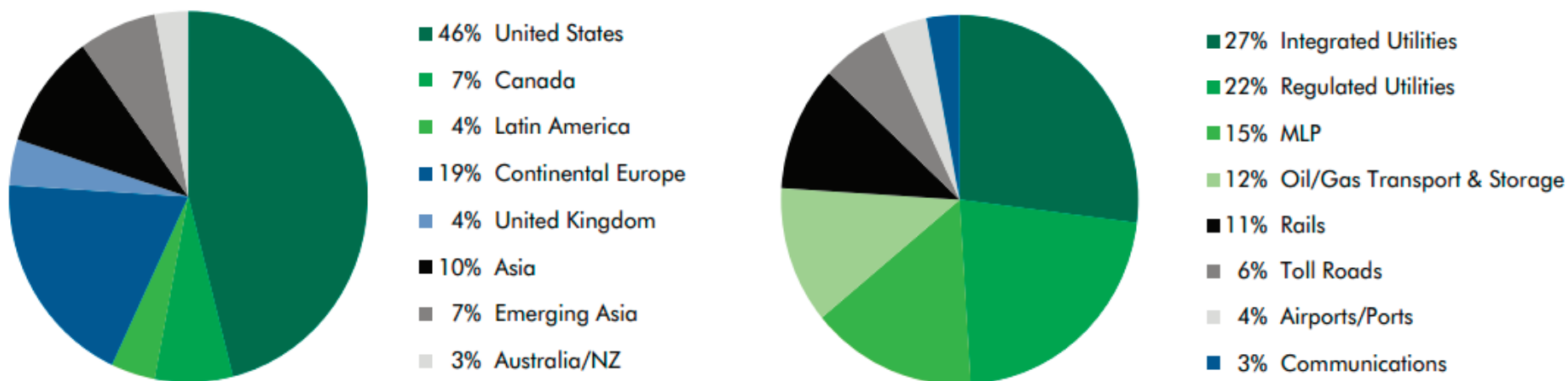
Inflation protection

Cash flows mostly insensitive to changes in expected inflation. Agreements allow general partner to raise user fees at a minimum to cover inflation increases.

Diversification

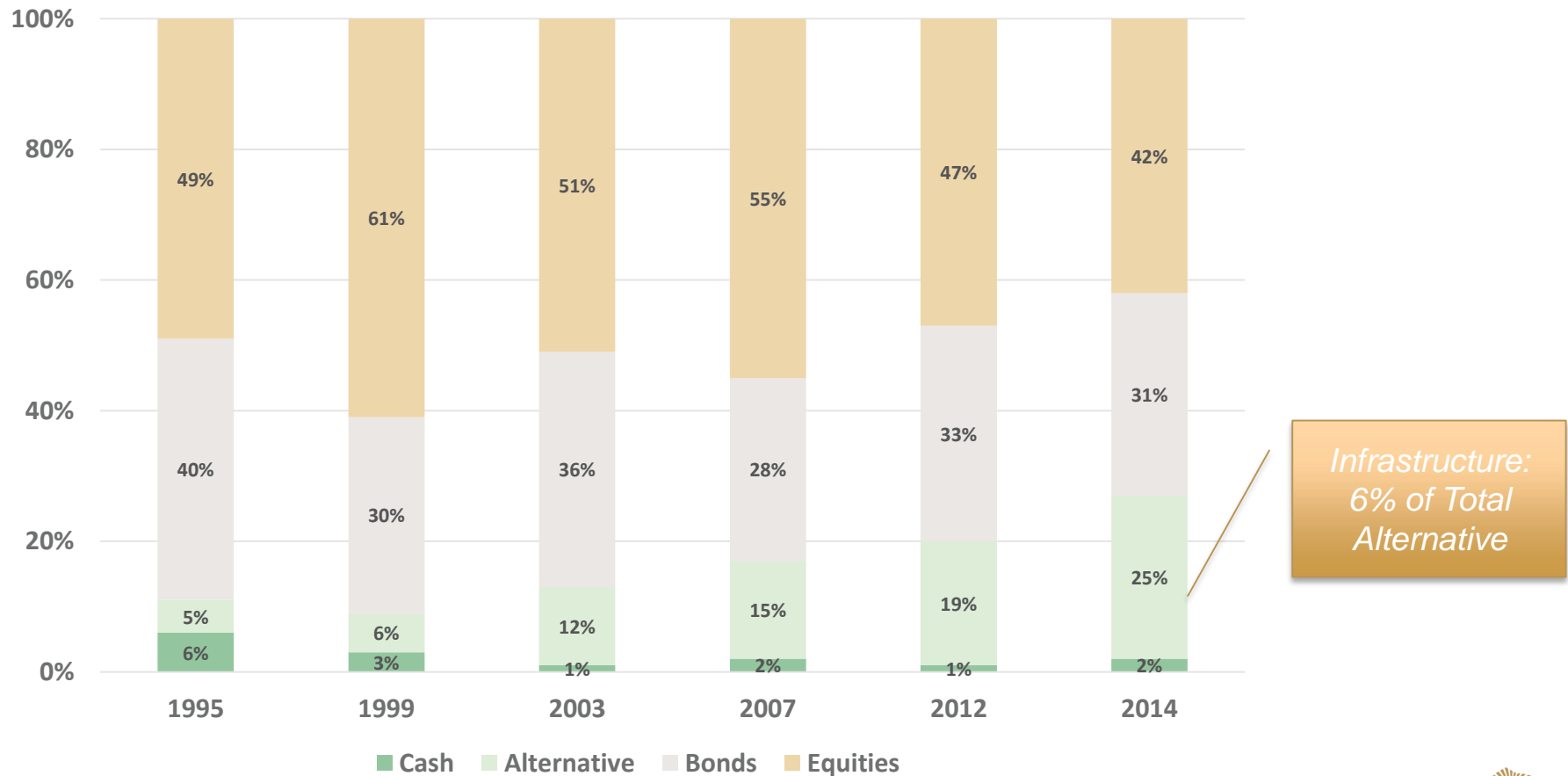
A real return asset with high correlation to inflation and low correlation with equities and nominal bonds. Complementary to real return bonds.

Listed infrastructure investment universe



- Over US\$12bn infrastructure listed instruments traded daily globally
- Broad and diversified liquid infrastructure global market
- Sectoral diversification

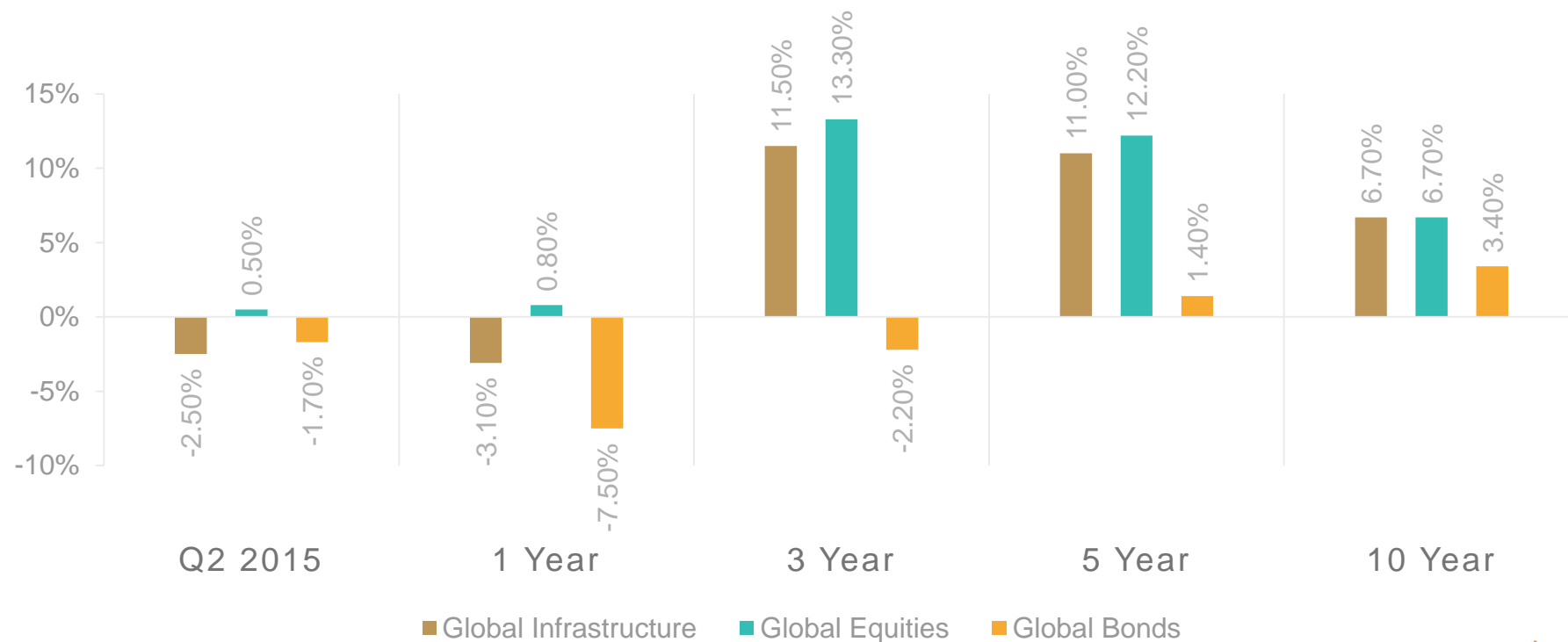
Pension fund allocations to infrastructure



Source: Global Pension Assets Study, Towers Watson, 2015

Global return profile of asset class

Nominal Returns of Global Listed Infrastructure Universe versus Global Equities and Global Bonds



Volatility levels of asset classes

	EAFE Infrastructure Index	EAFE Market Average	European Infrastructure Index	European Market Average	USA Infrastructure Index	USA Market Average
Average	0.54%	0.49%	0.60%	0.51%	0.33%	0.40%
Standard Deviation	4.48%	5.11%	5.26%	5.60%	4.24%	4.53%
Median	0.86%	0.92%	0.71%	0.89%	0.68%	0.98%
Sharpe Ratio	0.12	0.10	0.11	0.09	0.08	0.09
Minimum drawdown	-16%	-20%	-20%	-21%	-13%	-17%
Maximum drawdown	11%	13%	13%	14%	14%	11%

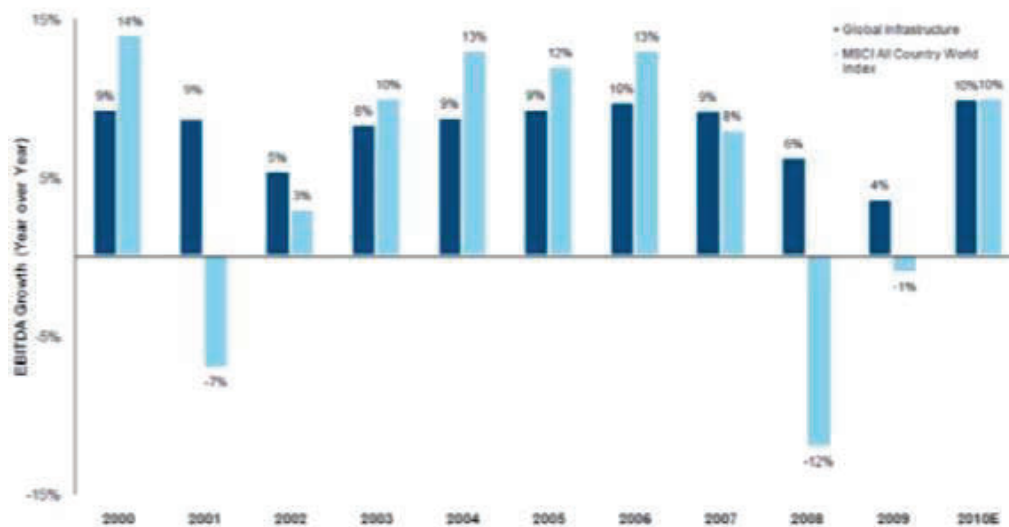
* EAFE = Developed markets outside of USA, Canada;
Europe, Australasia, Far East

Source: AG Consulting; * EAFE = Developed markets outside of USA, Canada;

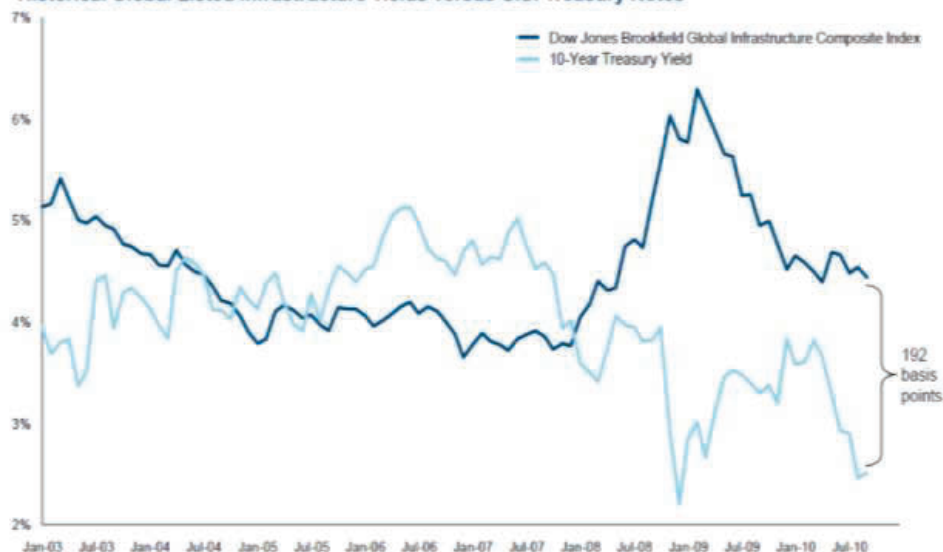
Infrastructure indices have:

- Lower volatility and higher average returns than regional averages - higher Sharpe ratio
- Defensive returns with lower negative drawdowns than the market
- Counter cyclical qualities
- Implied average risk free rate of 0.01% for the asset class

Infrastructure Yieldco's



Historical Global Listed Infrastructure Yields versus U.S. Treasury Notes



Source: Brookfield

- Stable, counter cyclical earnings
- Low correlation with bond yields
- Defensive qualities with lower drawdowns

Australian infrastructure correlations

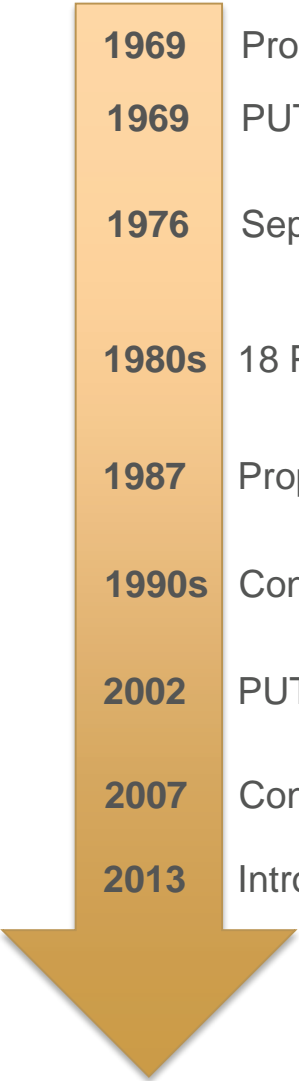
	Equities	Fixed Income	Unlisted Property	Listed Property	Listed Infrastructure	Unlisted Infrastructure
Equities	1	-0.23	0.00	0.62	0.51	0.10
Fixed Income		1	-0.09	-0.01	0.12	0.06
Unlisted Property			1	0.04	0.03	0.50
Listed Property				1	0.49	0.10
Listed Infrastructure					1	0.26
Unlisted Infrastructure						1

*September 1999 - September 2009

Data: Iress, MSCI, JP Morgan, Mercer. Source: Colonial First State GAM

- Australian market has similar characteristics to the South African market, we anticipate similar market performance from the infrastructure asset class locally
- Diversification through economic downturns
- Very low corrections with the Fixed Income asset class
- Studies suggest infrastructure assets have an underlying beta of 0.4, lowering the risk of portfolio drawdown

The evolution of listed property

- 
- 1969** Property unit trusts (PUTs) introduced in SA
 - 1969** PUTs listed on JSE
 - 1976** Separate PUTs sectors established on JSE
 - 1980s** 18 PUTs listed on JSE
 - 1987** Property loan stocks (PLS) listed on JSE
 - 1990s** Consolidation, 6 stocks remained listed
 - 2002** PUTs and PLS classified under Real Estate Sector
 - 2007** Consolidation, 35 stocks to 19
 - 2013** Introduction of REITs

SAPY index over R160bn, we anticipate a similar trend will materialise within the Infrastructure sector. As more vehicles are listed and liquidity is created in the sector, Infrastructure investing is set for real growth given the material need for infrastructure investment in SA.

Provides low-cost exposure to relatively high quality pools of real infrastructure assets.

Board of directors

Leon de Wit (Non-executive Chairman)

BCom, FIA, OPM (Harvard)

Life, pensions and savings industry veteran

- Leon qualified as an actuary whilst working for Sanlam Limited and is currently a director and shareholder of GAIA Infrastructure Partners
- In 1984, Leon relocated to Gauteng where he spent most of his professional career consulting to many of the largest retirement funds in South Africa. He joined PSG Group in its early years taking responsibility for the Channel group of companies
- After completing an Owner President Management Program at the Harvard Executive Business School in 2002, Leon decided to leave formal employment. He and his family moved to a boutique wine farm in Stellenbosch where he has since engaged in special projects and community development programs
- Leon and Botha Schabort have since 2011 been working on the funding of renewable energy projects by South African institutions, culminating in the establishment of GAIA Infrastructure Partners

Board of directors *(continued)*

Botha Schabort (Non-executive Director)

BEng Hons (Civil), Pr Eng, MBA

Renewable energy developer, investment banker

- Botha is a qualified Engineer and currently a director and shareholder of GAIA Infrastructure Partners
- Botha started his career in 1980 as a civil engineer where he specialised in project management. After obtaining an MBA from Wits in 1986 he joined stock broking firm Senekal Mouton & Kitshoff on the JSE where he specialised in the bond- and money markets. From 1987 he served as director with SMK and Anderson Wilson & Partners
- Botha was a founding shareholder and director of JSE listed PSG Group Limited (“**PSG Group**”) in 1996. He was a founding director of separately listed PSG Investment Bank Holdings Limited (“**PSG Investment Bank**”) where he served as Managing Director until 2000. He also served on the boards of a number of subsidiaries of PSG Group, including life insurance company Channel Life Limited (“**Channel**”)

Board of directors *(continued)*

Clive Ferreira (Non-executive Director)

BSc Civil Engineering, Bcomm (Finance), MBA

Corporate finance and project finance expert

- Clive joined Fieldstone in 1995, with more than twenty five years experience in corporate and project finance
- Regional lead advisor on energy and infrastructure related projects in Africa
- Lead advisor role on the restructuring of ownership of the 2 075 MW Cahora Bassa hydro-power
- Privatisation of Metrogas
- Privatisation of the 600 MW coal-fired Kelvin Power Station
- Concessioning of the Uganda generation and distribution assets
- Development of the 685MW Ibom Power plant in Nigeria
- Bio-ethanol Grownenergy project in Mozambique
- 360MW Kariba North Bank Power extension project in Zambia and the development of a new IPP in Ghana
- Key financial advisor to bidders for the new generation in South Africa

Board of directors *(continued)*

John Oliphant (Managing Director)

BSc Actuarial Science, BSc(Hons) Adv Mathematics of Finance

Investment and Pensions expert

- John is the MD and shareholder of GAIA Infrastructure Partners
- John is the former Principal Executive Officer (PEO) of the Government Employees Pension Fund (“**GEPF**”), the largest pension fund in Africa with assets of more than R1.2 trillion (US\$120billion). He was the key driver behind GEPF's leading investment policies and strategy. Together with the board, he managed to double GEPF's assets in less than five years, during the toughest economic environment in recent history
- John also served on a number of key strategic industry initiatives including being a former member of The PRI Advisory Council and Chairman of CRISA. John helped establish the Code for Responsible Investing in South Africa (CRISA) which is hailed as one of the best in the world, this lead him to winning an Industry Person of the year in financial services in 2012
- He was also recognised by the Mail & Guardian as one of the Top 200 young South Africans in 2012 for his contribution in the world of pensions. In 2013 he was named Africa's Top Emerging Leader by Africa Investor

Board of directors *(continued)*

Mich Nieuwoudt (Chief Investment Director)

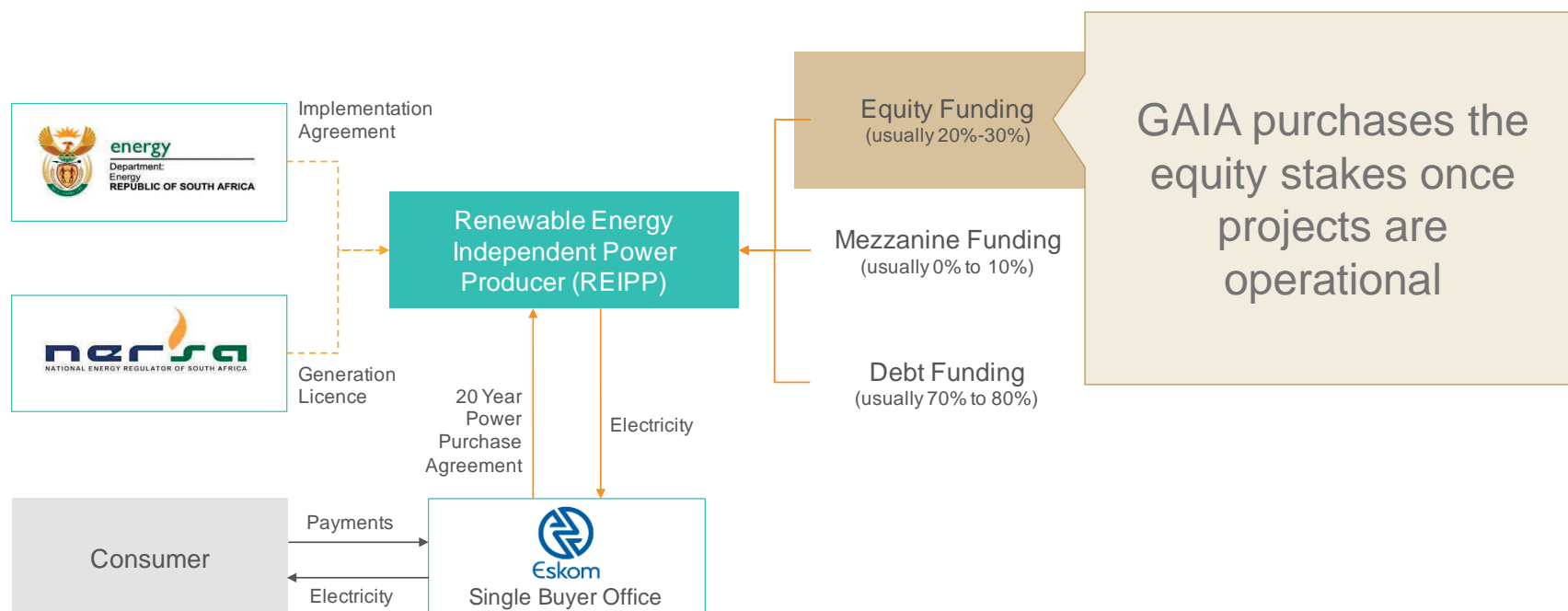
BEng (Electronic), Pr Eng, MBA

Infrastructure Development Expert

- Mich is a qualified engineer and currently the Chief Investment Officer and shareholder of GAIA Infrastructure Partners
- Mich graduated from the University of Pretoria in 1995, majoring in Microwave Field Theory, Computers and Bio-Engineering. After stints in the petrochemical industry with Polifin and defence industry with Thales, he joined PSG Investment Bank in 1999
- After completing his MBA at the University of Stellenbosch Business School in 2003, he joined Siemens Business Services. With Siemens, he gained international experience in Europe, consulting as far afield as Norway, the Netherlands and Germany. Mich joined the Square One Group in 2005 and was responsible for group operations
- In 2008, Mich teamed up with Botha Schabert and worked on the Eden Island Project, mining operations in West Africa alongside Chinese partners before focusing on the build out of (SAGIT Energy Ventures), a renewable energy developer

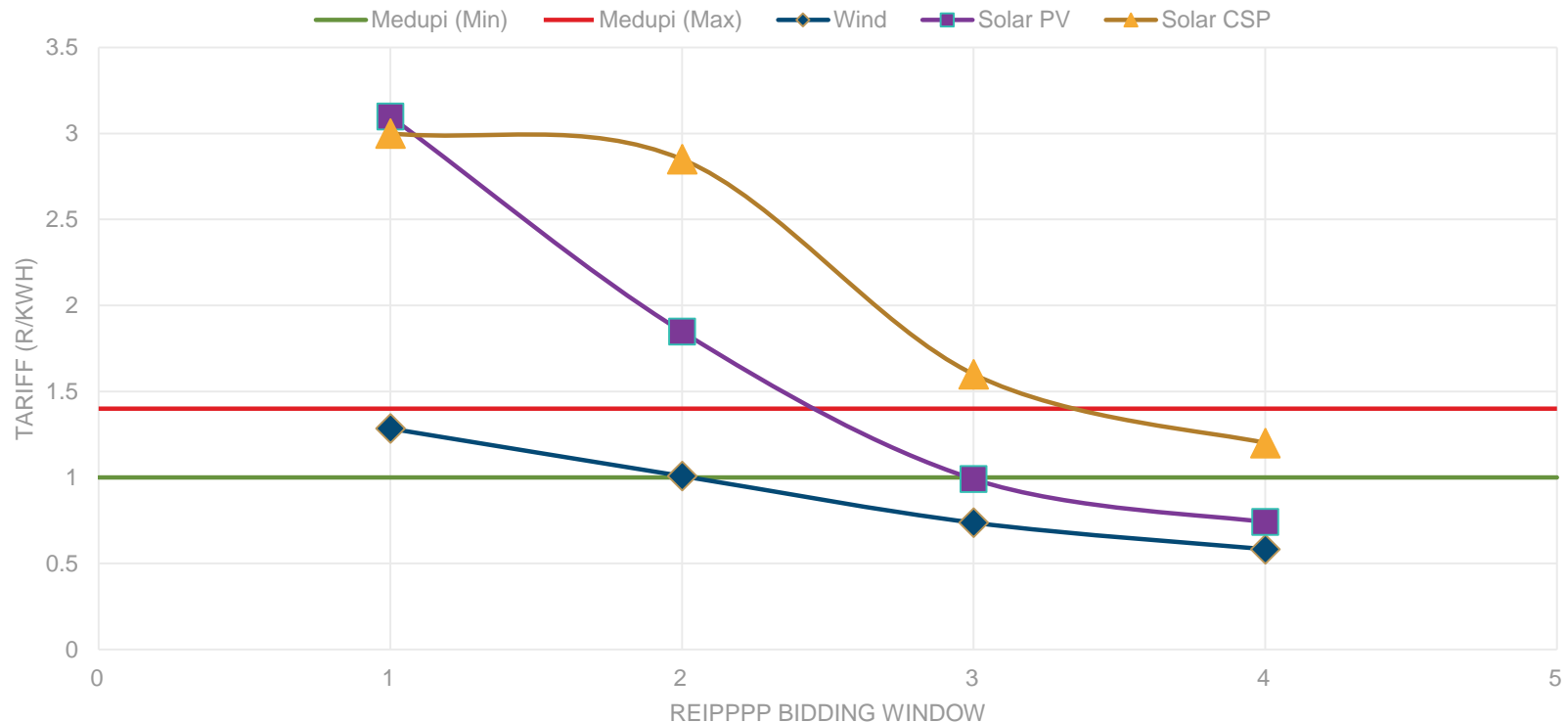
Business model

- GAIA Infrastructure Capital will initially invest in the secondary market of the REIPPP



Cost effective sustainability

TARIFF OF REIPPPP TECHNOLOGIES PER BIDDING ROUND (APRIL 2013 BASE)

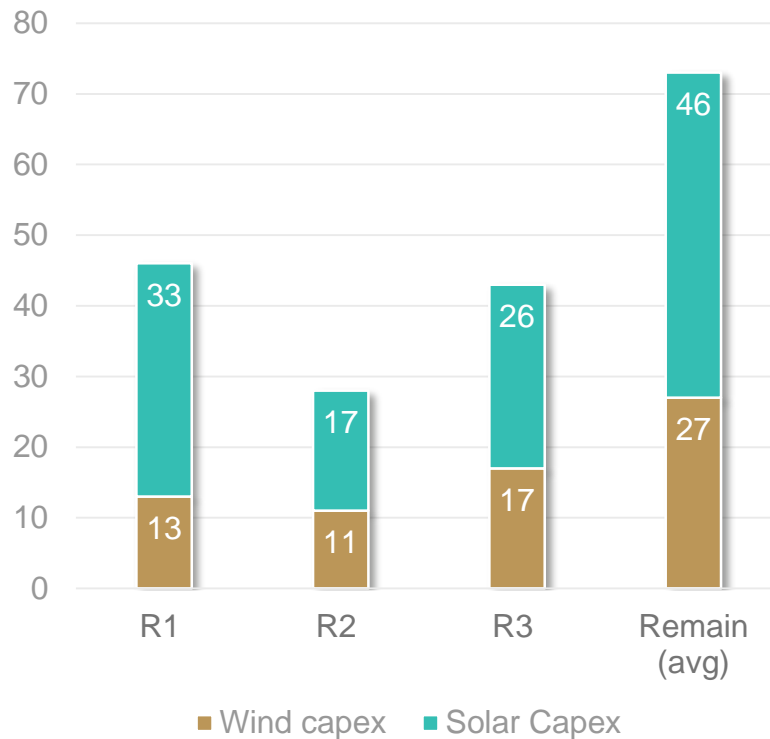


Source: DoE presentation (Round 3 Preferred Bidder announcement), SAGIT Medupi estimates

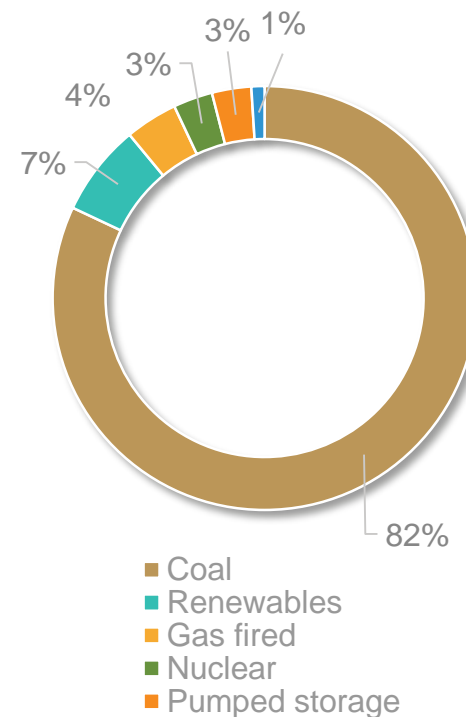
The REIPPP

Total expected REIPPPP investment of R190 billion in current determination

REIPPP capital expenditure R'bn



Eskom pipeline capacity incl. REIPPP 1-3



Source: The Department of Energy

REIPPP project capacity

Landscape of available projects

REIPPPP summary	Round 1	Round 2	Round 3	Round 4a	Round 4b (Est)	TOTAL
Total MW's	1 416	1 044	1 438	1 121	1 000	6 019
Total project spend (Rm)	47 792	28 059	43 324	23 077	20 000	162 252
Project Debt to Equity (%)	75%	75%	75%	75%	75%	75%
Total Project Equity (Rm)	11 948	7 015	10 831	5 769	5 000	40 563
Minimum BEE Ownership (12%)	1 434	842	1 300	692	600	4 868
"Maximum" BEE Ownership (40%)	4 779	2 806	4 332	2 308	2 000	16 225

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