



SANLAM ALLIANZ INVESTMENTS

# INFRASTRUCTURE & ALTERNATIVE INVESTMENTS

A Pension Fund Perspective in a Changing Global Economy

April 21, 2026 | Finnet Training, Naivasha



# RETHINKING PORTFOLIO DESIGN



## IF PENSION FUNDS WERE DESIGNED TODAY...

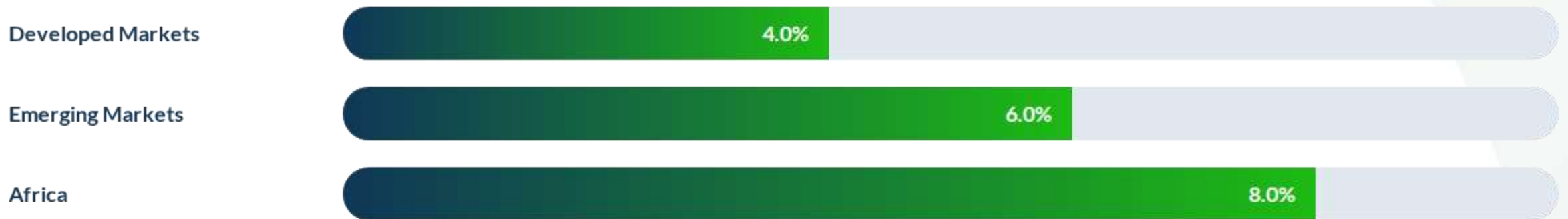
Would asset allocation look the same?

- ✓ **Long-dated liabilities:** Mismatch risks are increasing.
- ✓ **Inflation-sensitive benefits:** Traditional bonds failing to protect.
- ✓ **Macro Dominance:** Macro now dominates asset returns.
- ✓ **Fiduciary Risk:** Ignoring macro trends is no longer a neutral stance.

# THE NEW MACRO REGIME

Persistent inflation and higher-for-longer interest rates represent a structural shift.

## AVERAGE CPI COMPARISON (%)



Source: Sanlam Allianz Research 2026

# ALTERNATIVES HAVE MOVED TO THE CORE



## PRIVATE EQUITY

Focused on Growth. Capturing value in non-public markets.



## PRIVATE CREDIT

Focused on Yield. Income stability in a high-rate environment.



## INFRASTRUCTURE

Focused on Stability. Portfolio resilience through real assets.

Alternatives are not just for return enhancement—they are for portfolio resilience.

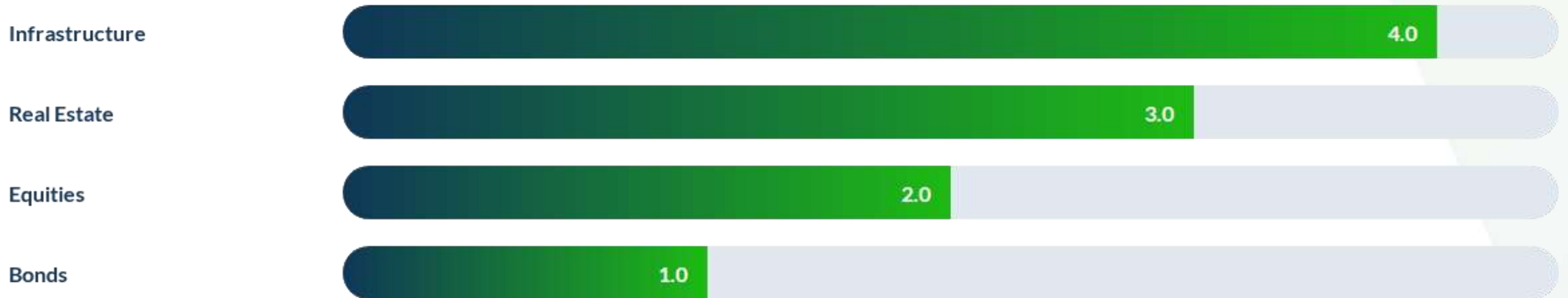
# WHY INFRASTRUCTURE IS DIFFERENT

- ✓ **Essential Services:** Utility-like demand that persists through cycles.
- ✓ **Long Asset Life:** Matches the 30-50 year horizon of pension liabilities.
- ✓ **Contracted Cashflows:** Predictable distributions and lower funded-status volatility.
- ✓ **Low Downside:** Monopoly-like characteristics reduce competitive risks.

 Infrastructure Assets

# INFRASTRUCTURE AS AN INFLATION HEDGE

## RELATIVE ASSET STRENGTH INDEX



**Mechanisms of Protection:** Tariff indexation, cash flows linked to real activity, and replacement-cost economics.

# WHY AFRICA MATTERS

- ✔ **Demographics:** Youngest and fastest-growing population globally.
- ✔ **Urbanization:** Rapid shift requiring massive energy and transport hubs.
- ✔ **Domestic Capital:** Growth in local pension assets seeks domestic deployment.
- ✔ **DFI Support:** Blended finance de-risks early stages for private capital.



# THE "G" THAT MATTERS MOST

 Governance and ESG

## GOVERNANCE AS CAPITAL PROTECTION

- ✔ **Independent Boards:** Essential for avoiding political interference.
- ✔ **Transparency:** Audited financials and robust reporting standards.
- ✔ **Continuity:** Stability across political cycles is non-negotiable.
- ✔ **ESG Pricing:** Risks are now being priced into the cost of capital.

**Governance failures are the fastest way to lose pension capital in infrastructure.**

# REGIONAL CASE STUDIES & LANDSCAPE

Asset / Region	Status	Strategic Value
Lake Turkana Wind	Operational	Contracted revenues, Institutional grade.
Bujagali Hydropower	Restructured	Stable baseload power, DFI support.
Dar es Salaam Port	Concessioned	Operational efficiency, trade-linked income.
Regional Corridors	Critical	System-critical logistics and trade.

# SECTOR PARTICIPATION MODELS

## ENERGY INFRASTRUCTURE

Renewables, Gas, Transmission. Post-COD equity and project bonds are preferred for yield.

## ROADS & TRANSPORT

Toll roads and availability-payment debt. Pensions enter once traffic risk is reduced.

## HOUSING & SOCIAL

Affordable rental portfolios and social PPPs. Focus on institutional platforms and REITs.

## LOGISTICS & TRADE

Ports, terminals, and core warehouses. Trade-linked revenues with throughput risk mitigation.

# STRATEGY: A SENSIBLE ENTRY PATH

## WHAT TO AVOID

- ✓ Greenfield traffic/construction risk.
- ✓ Chasing IRR over income stability.
- ✓ Opaque governance structures.
- ✓ Assets requiring rescue capital.

## BEST PRACTICES

- ✓ Start with Brownfield assets.
- ✓ Use diversified infrastructure funds.
- ✓ Prioritize contract durability.
- ✓ Think in decades, not quarters.

# SUMMARY: THE MACRO CASE



## Resilience First

- ✓ **Volatility is structural:** Public markets are insufficient alone.
- ✓ **Inflation matters:** Infrastructure provides real protection.
- ✓ **Income Stability:** predictable distributions for long-dated liabilities.
- ✓ **Societal Relevance:** Infrastructure delivers lasting value across generations.

Right Capital | Right Stage | Right Structure

# THANK YOU

Questions & Discussion

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# IMAGE SOURCES



[https://static.vecteezy.com/system/resources/previews/045/373/772/non\\_2x/global-economic-web-concept-in-flat-2d-design-men-and-women-researching-market-trends-making-economic-analysis-developing-international-business-and-investing-illustration-with-people-scene-vector.jpg](https://static.vecteezy.com/system/resources/previews/045/373/772/non_2x/global-economic-web-concept-in-flat-2d-design-men-and-women-researching-market-trends-making-economic-analysis-developing-international-business-and-investing-illustration-with-people-scene-vector.jpg)

Source: [www.vecteezy.com](http://www.vecteezy.com)

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<https://ltpw.co.ke/main/wp-content/uploads/2022/03/Three-full-years-of-uninterrupted-operations-768x480.jpg>

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