



momentum
investments

INVESTMENT MATTERS

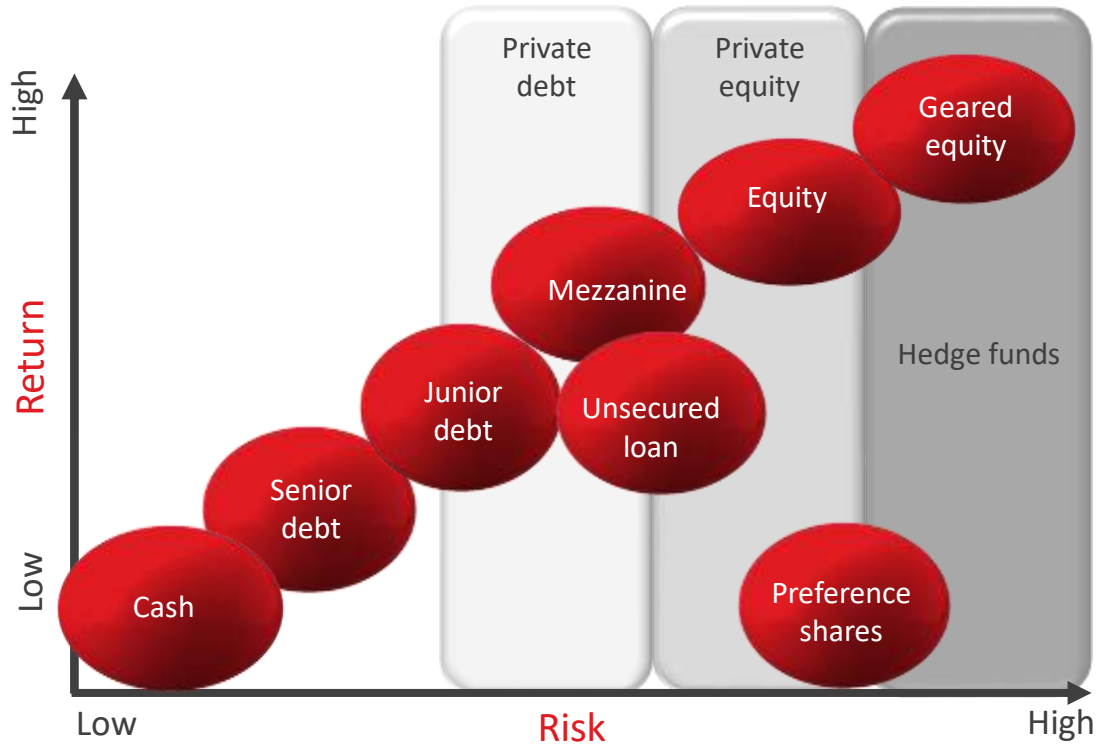
Alternative premias – the way of the future

Presented by Kamini Naidoo and Sudesh Moodley

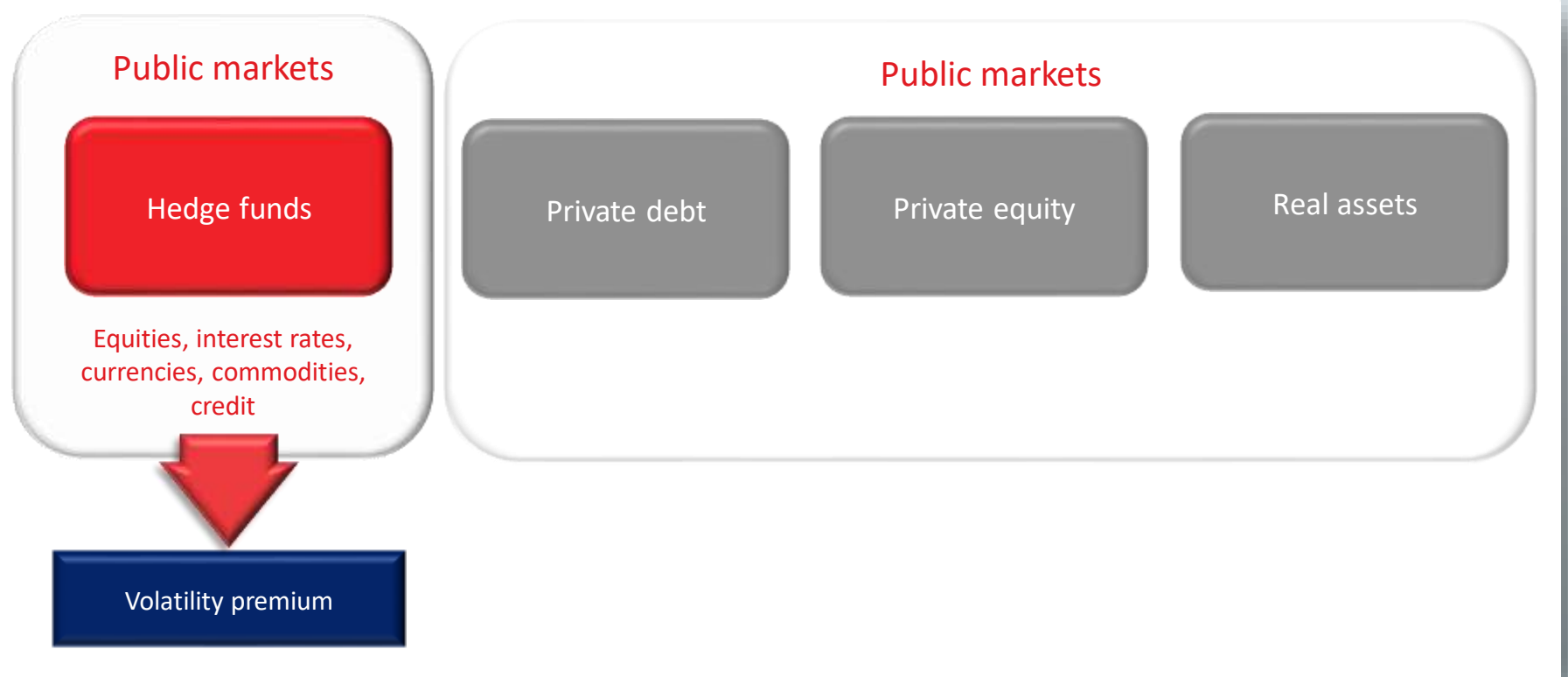
9 November 2020

Across the capital structure

Diversifying return sources across the capital structure



Alternative investments



Alternative investments



Liquidity premium

Complexity premium

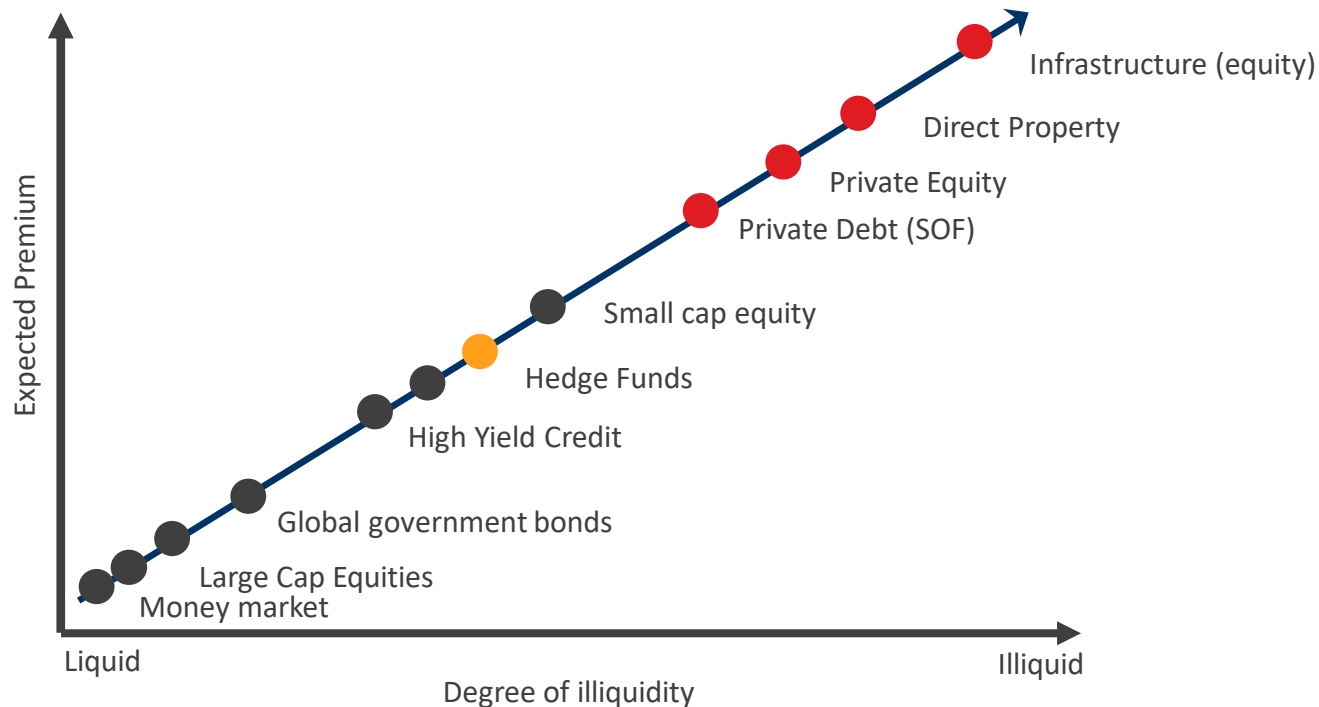
Control premium



Liquidity premium



Across asset classes: Investment returns typically increase with the degree of illiquidity



Alternative investments



Liquidity premium



Complexity premium



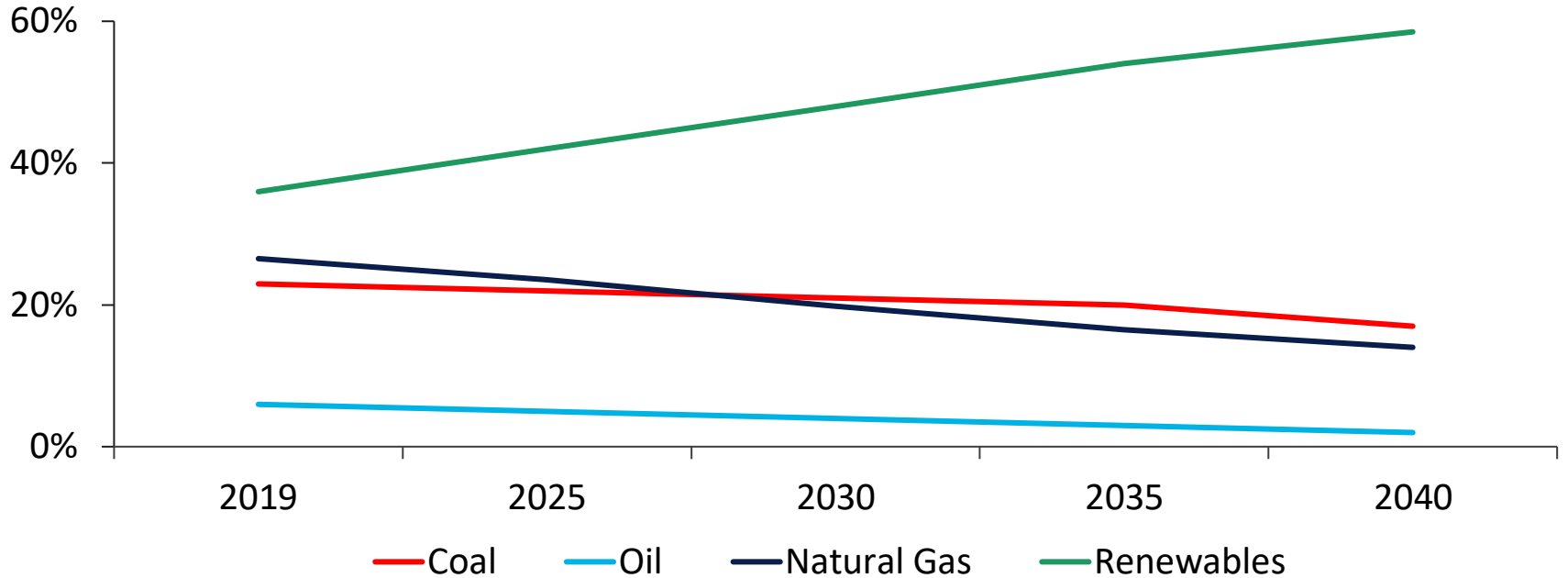
Control premium



Renewables: The way of the future



Global energy production: Renewable power will make up an increasing amount of global electricity



Source: International Energy Agency, Note: Stated policies scenario

Renewables: The way of the future



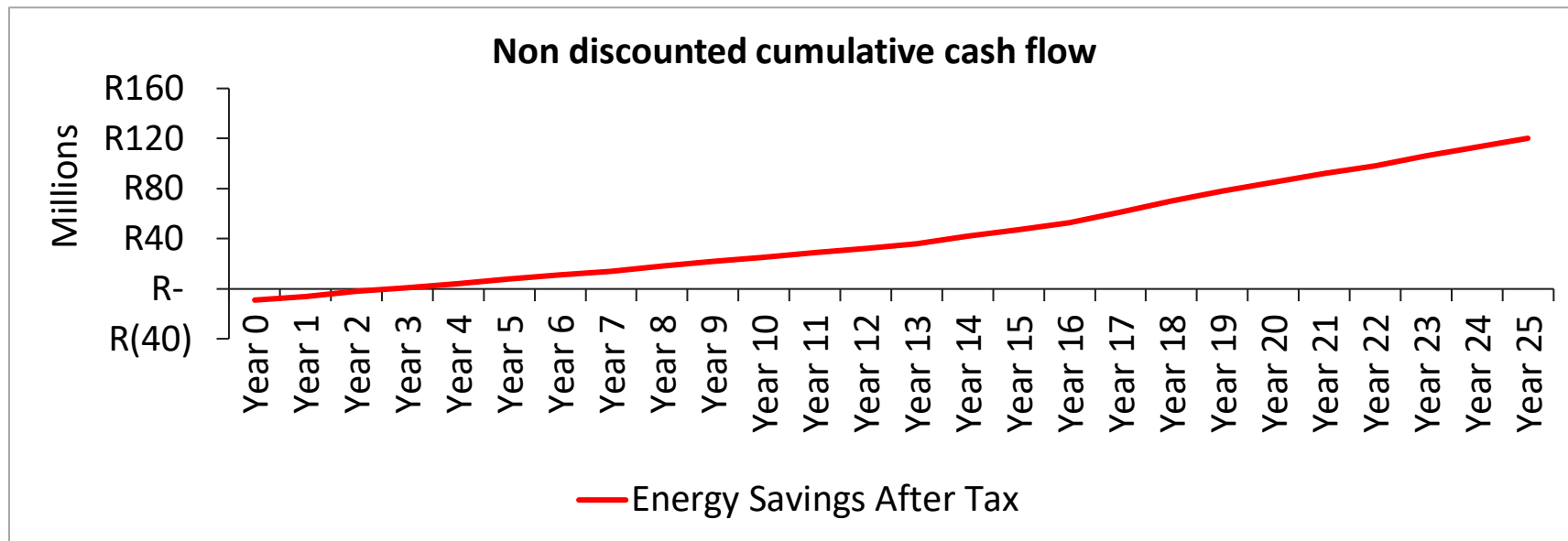
SA energy production

<u>Power source</u>	<u>Current</u>	<u>Technology</u>	<u>Average build time</u>	<u>LCOE¹ 2020 (Cost/kWh)</u>
Coal Stations	37,745	Solar PV	18-24 months	62.0
Nuclear	1,910	Wind	24-36 months	70.6
Hydro-Stations	600	New coal	10-12 years	117.0
Pumped Storage	1,400	Nuclear	12-15 years	128.5
Gas Fired Stations	2,426			
Windfarm	3			
Total production	44,084 MW			

Investment merits of solar PV

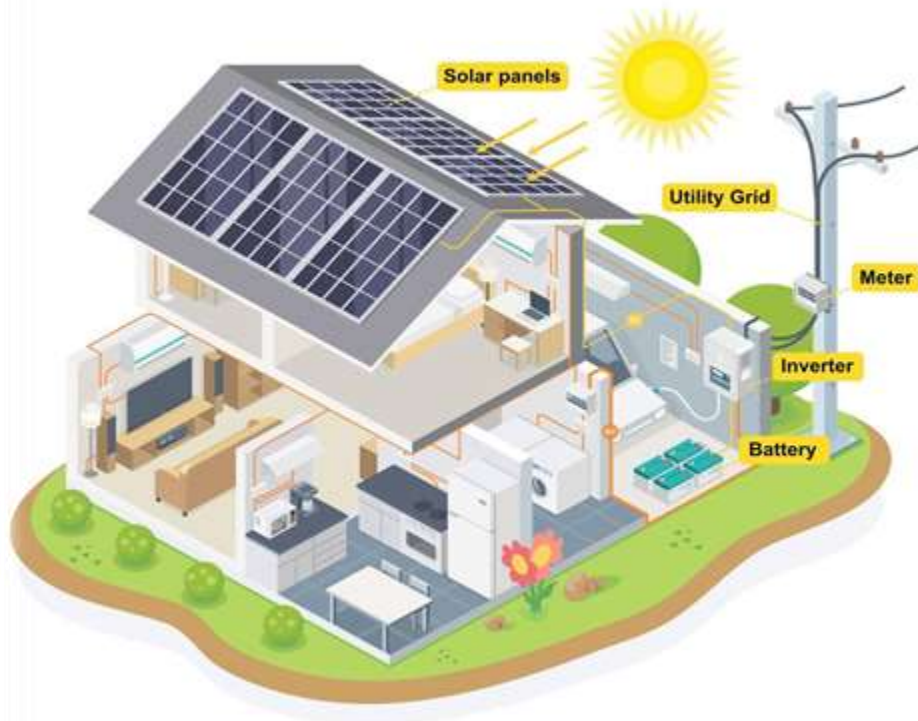


Scenario	Simple payback (years)	Year 1 ROI	25 Year IRR
Energy savings after tax	2.6	41.9%	38.4%



Sources: Terraforma feasibility on solar plants implemented at seven Momentum properties

The effect of solar on the environment



One MW of solar = 300 households' energy for a year

One MW of solar = 1,664 tonnes of CO₂e reduced for a year

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