

13th UIC Sustainability Conference



Institutional Investors- Challenges &
Opportunities for the rail sector
Does GRI Reporting help?

Robert Rubinstein
Chairman TBLI Group



12, 13, 14 October 2016



Who is TBLI GROUP?

VISION: "We will benefit when economy creates well being"

MISSION: Building A Community Of ESG And Impact Investors

TBLI Conference is the world's largest annual international education and networking event on ESG (Environmental, Social and Governance) Investment and Impact Investing.



GRI-Hype or Reality



Internal benefits for companies and organizations can include:

- Increased understanding of risks and opportunities
- Emphasizing the link between financial and non-financial performance
- Influencing long term management strategy and policy, and business plans
- Streamlining processes, reducing costs and improving efficiency
- Benchmarking and assessing sustainability performance with respect to laws, norms, codes, performance standards, and voluntary initiatives
- Avoiding being implicated in publicized environmental, social and governance failures
- Comparing performance internally, and between organizations and sectors

External benefits of sustainability reporting can include:

- Mitigating – or reversing – negative environmental, social and governance impacts
- Improving reputation and brand loyalty
- Enabling external stakeholders to understand the organization's true value, and tangible and intangible assets
- Demonstrating how the organization influences, and is influenced by, expectations about sustainable development



Why are you making GRI Report?

- Improved management control
- Stakeholder reporting
- Ticking Box
- Reputation
- Stakeholder pressure
- Relevance?



Reality Check



Reporting or Investment-Where to allocated resources?



CARBON





Reducing Carbon Emissions from Transport



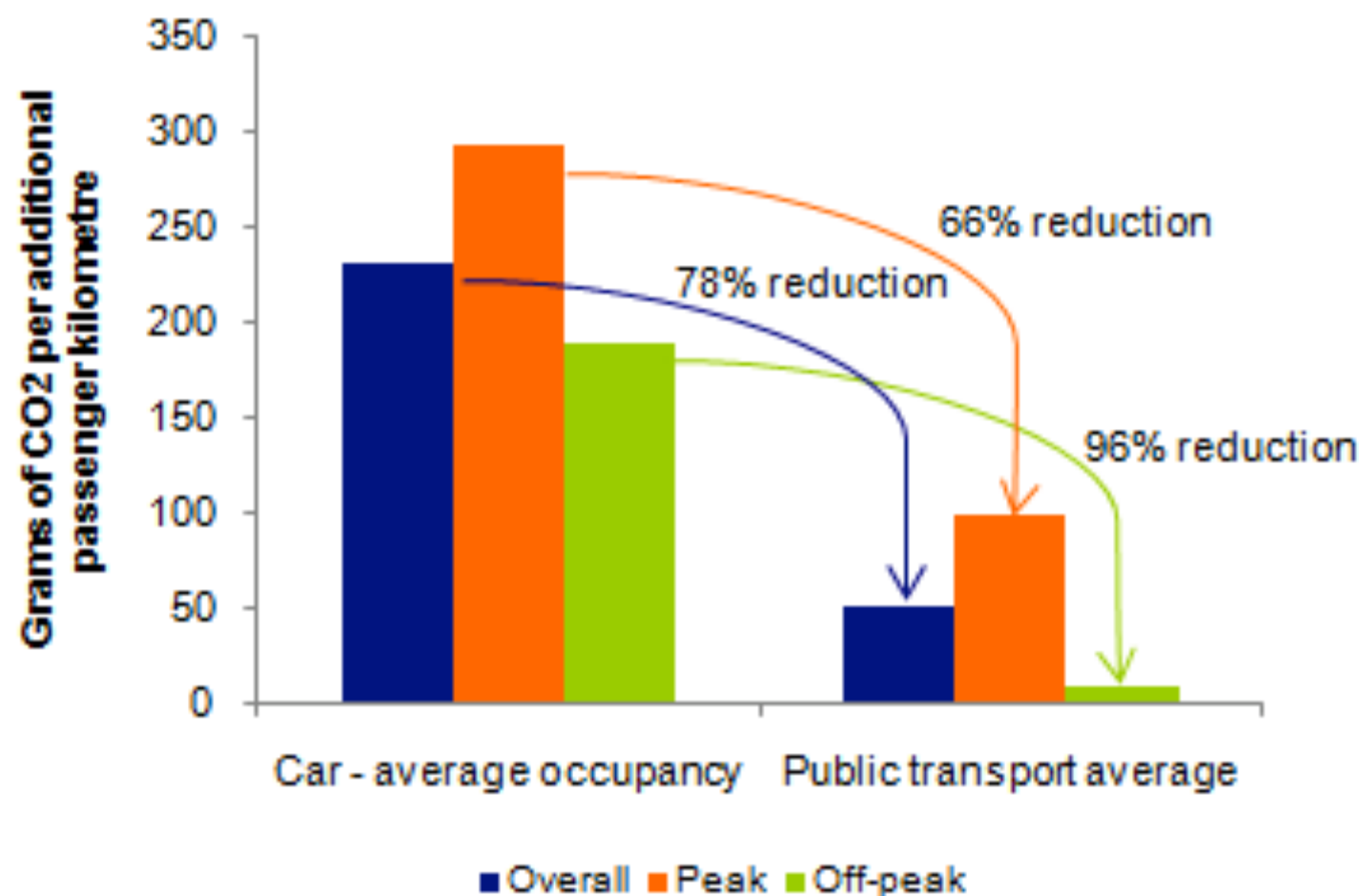
Shifting from cars to public transport can deliver a 65 per cent emissions reduction during peak times and a 95 per cent reduction in emissions during off peak times from the commuters that make the shift

Bureau of Infrastructure, Transport and Regional Economics, 2010, *Long Term Projections of Australian Transport Emissions*, Report for the Department of Climate Change and Energy Efficiency, Canberra.





Chart: Greenhouse gas emissions from cars and public transport



Note: Using public transport instead of driving can dramatically reduce carbon emissions.



Personal Carbon Trading



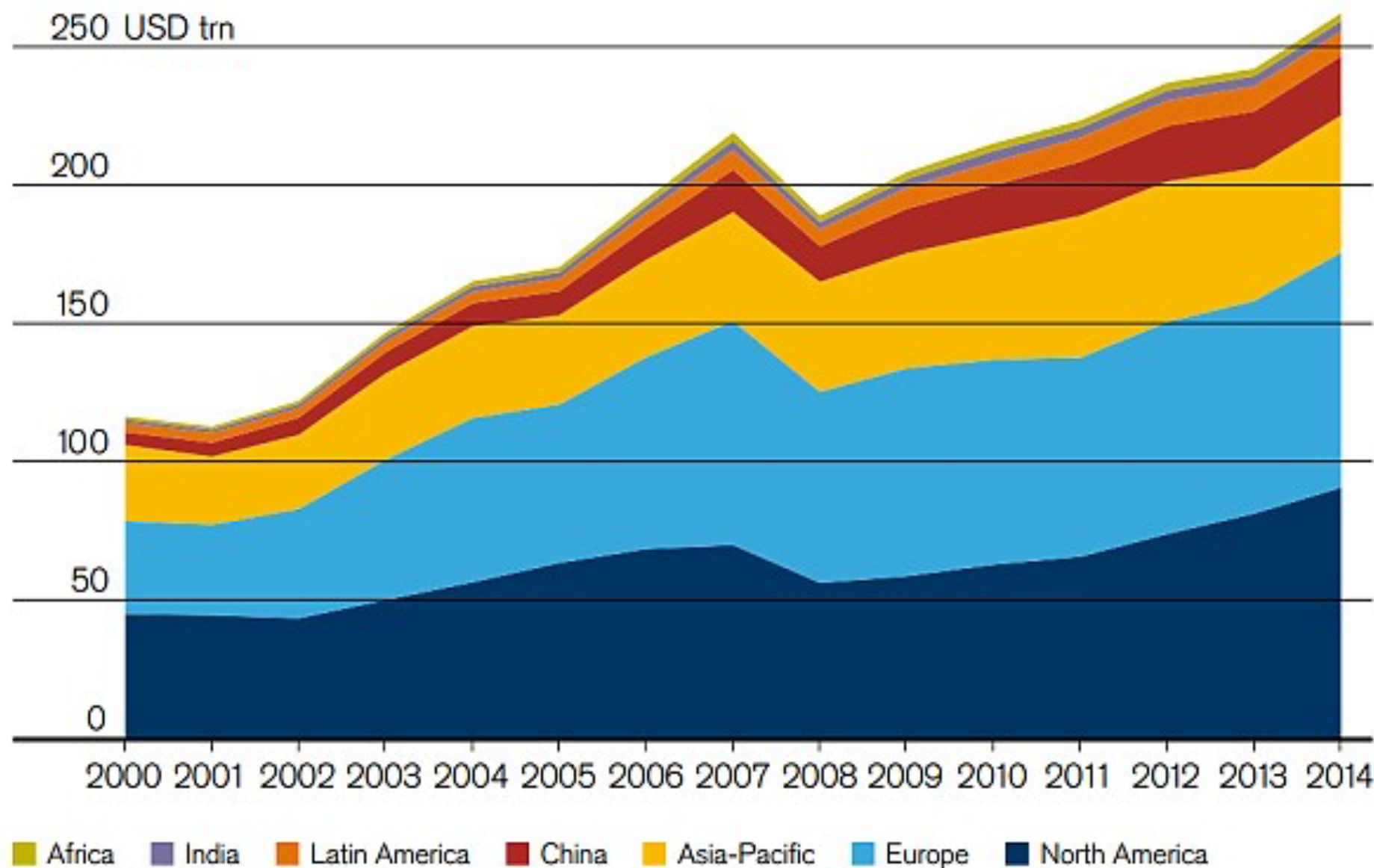
PT & BIG DATA- CARBON REVENUE



MONEY

Total global wealth 2000–2014, by region

Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2014



Global Pension Assets Study 2015

Key findings - figures



	Total Assets 2014 (USD billion)	% GDP in USD billion ⁶
Australia	1,675	113.0%
Brazil¹	268	12.0%
Canada	1,526	85.1%
France	171	5.9%
Germany²	520	13.6%
Hong Kong	120	41.2%
Ireland	132	53.7%
Japan³	2,862	60.0%
Malaysia	205	60.7%
Mexico	190	14.6%
Netherlands	1,457	165.5%
South Africa	234	68.6%
South Korea	511	35.3%
Switzerland⁴	823	121.2%
UK	3,309	116.2%
US⁵	22,117	127.0%
Total	36,119	84.4%

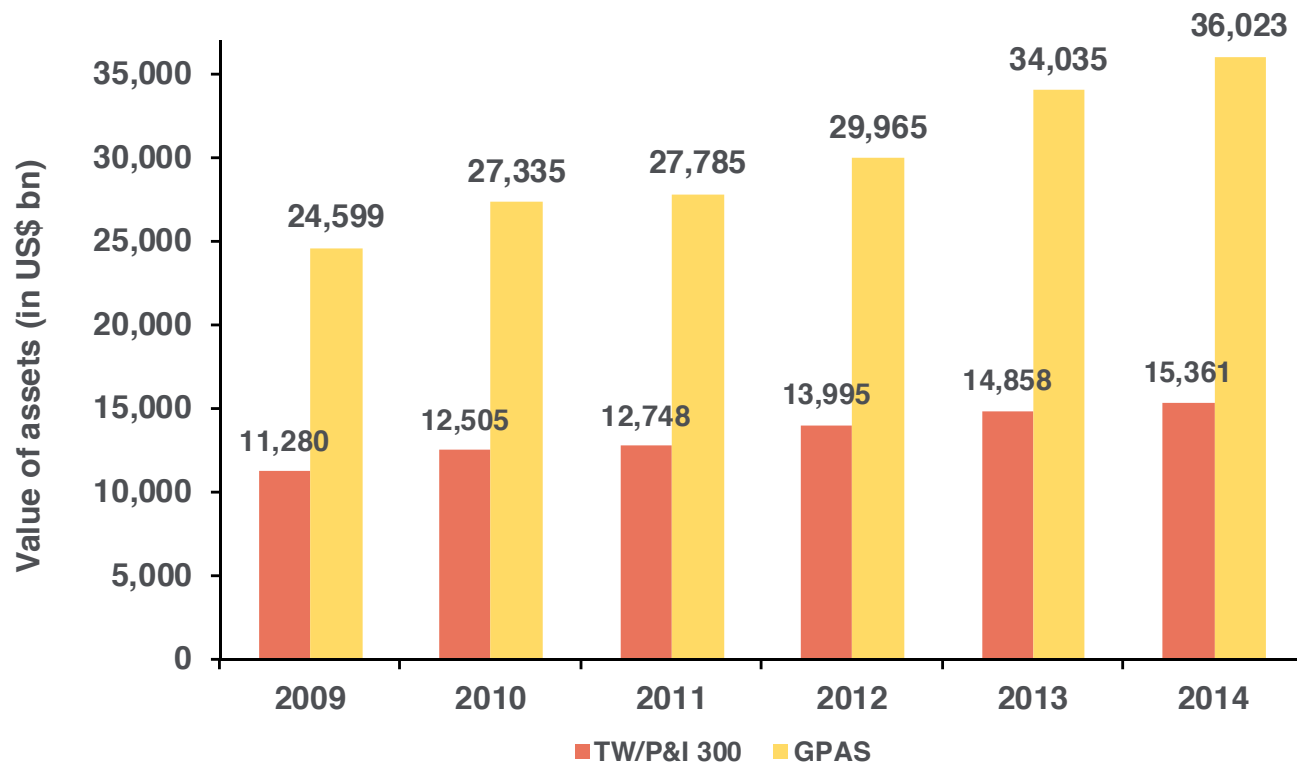
Global Pension Asset Study
Towers Watson Feb 2015



Total Assets PF



Total value of assets 2009 to 2014



**The Global Pension Asset Study (GPAS) is a Towers Watson study which gathers yearly data on total assets, asset allocation, and plan structure for occupational pension plans in Australia, Brazil, Canada, France, Germany, Hong Kong, Ireland, Japan, Malaysia, Mexico Netherlands, South Africa, South Korea, Switzerland, UK and US.*

Global Pension Asset Study
Towers Watson Feb 2015



Pension Fund Ranking



P&I/TW 300 ranking (in US\$ million)

Rank Fund	Market	Total Assets	Rank Fund	Market	Total Assets
1. Government Pension Investment	Japan	\$1,143,838	21. Boeing	U.S.	\$106,042
2. Government Pension Fund	Norway	\$884,031	22. New York State Teachers	U.S.	\$103,648
3. National Pension	South Korea	\$429,794	23. IBM	U.S.	\$101,855
4. Federal Retirement Thrift	U.S.	\$422,200	24. Wisconsin Investment Board	U.S.	\$100,214
5. ABP	Netherlands	\$418,745	25. Pension Fund Association	Japan	\$98,094 ¹
6. California Public Employees	U.S.	\$296,744	26. North Carolina	U.S.	\$97,178
7. National Social Security	China	\$247,361	27. Ohio Public Employees	U.S.	\$90,942
8. Canada Pension	Canada	\$228,431 ¹	28. AT&T	U.S.	\$89,248
9. PFZW	Netherlands	\$215,006 ¹	29. Future Fund	Australia	\$89,170
10. Central Provident Fund	Singapore	\$207,872	30. Alecta	Sweden	\$88,271
11. Local Government Officials	Japan	\$194,696	31. General Motors	U.S.	\$85,598
12. California State Teachers	U.S.	\$186,954	32. Washington State Board	U.S.	\$85,498
13. Employees Provident Fund	Malaysia	\$184,697	33. New Jersey	U.S.	\$81,884
14. New York State Common	U.S.	\$178,252	34. Employees' Provident	India	\$80,741 ^{2, 3}
15. New York City Retirement	U.S.	\$158,702	35. National Wealth Fund	Russia	\$75,344 ⁴
16. Florida State Board	U.S.	\$154,657	36. Bayerische Versorgungskammer	Germany	\$75,020
17. Ontario Teachers	Canada	\$133,282	37. General Electric	U.S.	\$74,821
18. Texas Teachers	U.S.	\$128,933	38. Royal Dutch Shell	Netherlands	\$73,990 ⁵
19. GEPP	South Africa	\$123,204 ²	39. Ohio State Teachers	U.S.	\$73,380
20. ATP	Denmark	\$122,028	40. California University	U.S.	\$71,801

Towers Watson Sept. 2015



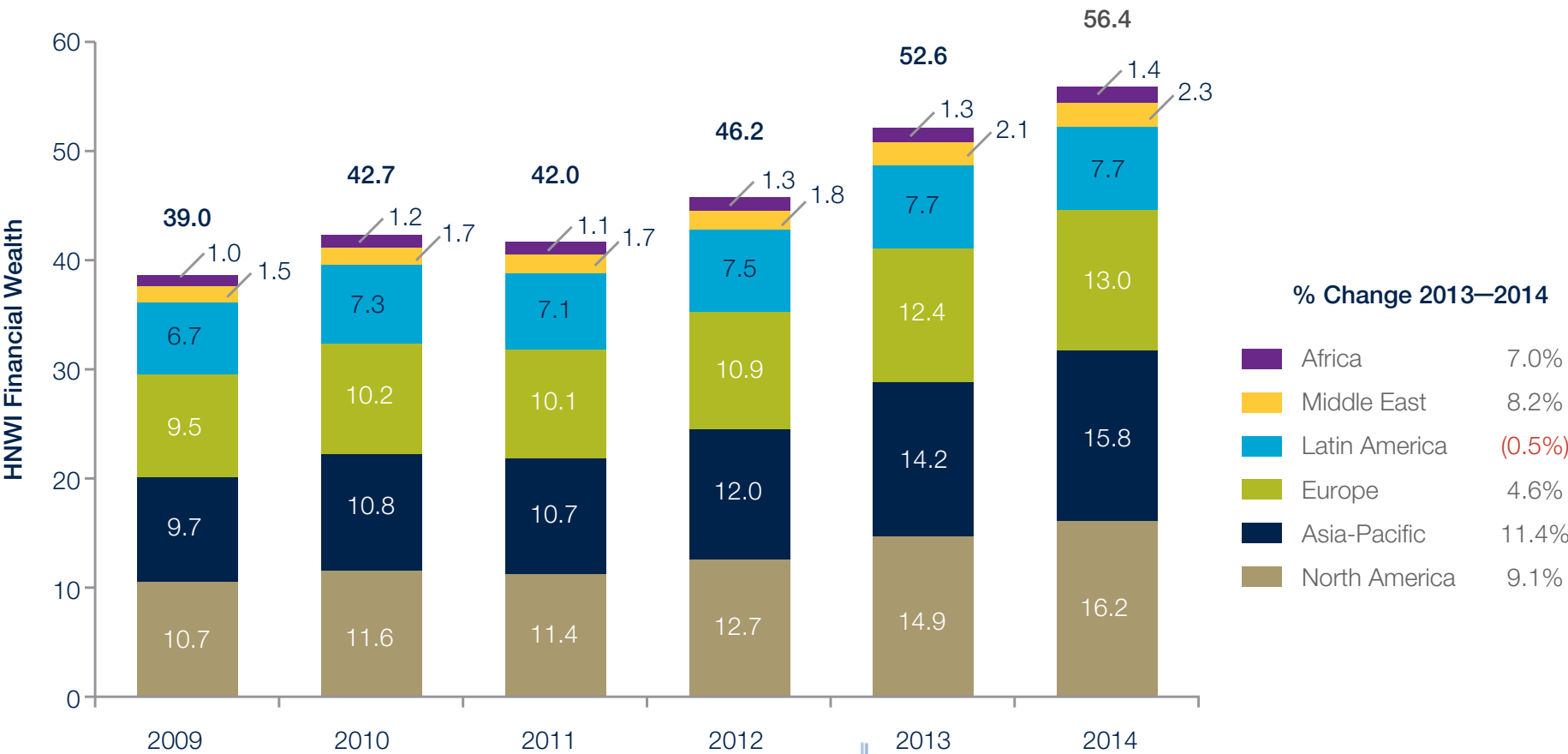


Figure 2. HNWI Wealth Distribution, 2009–2014 (by Region)

(\$US Trillions)

CAGR 2009–2014: 7.7%

Annual Growth 2013–2014: 7.2%



% Change 2013–2014	
Africa	7.0%
Middle East	8.2%
Latin America	(0.5%)
Europe	4.6%
Asia-Pacific	11.4%
North America	9.1%





Figure 1: Proportion of Global SRI Assets by Region

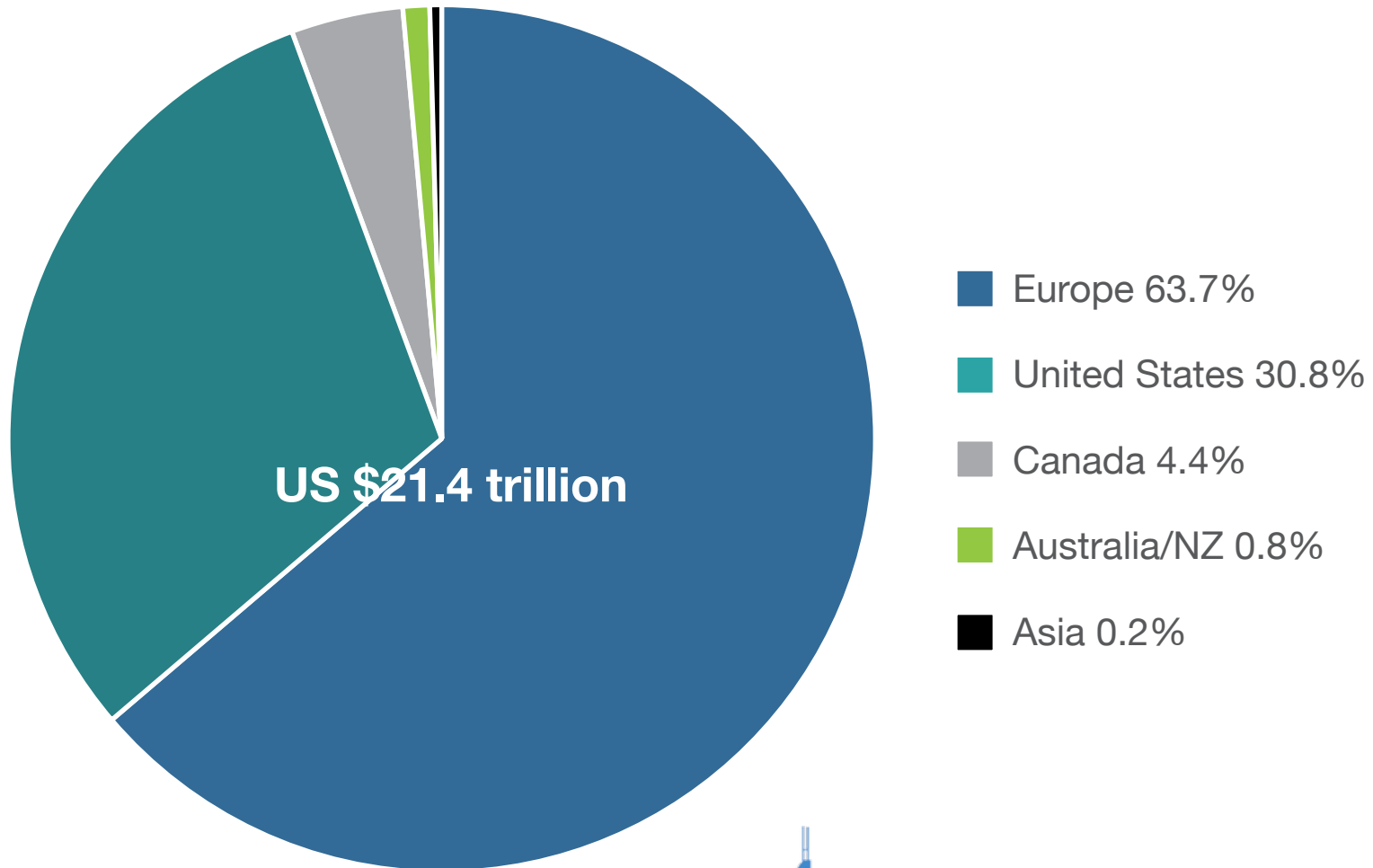
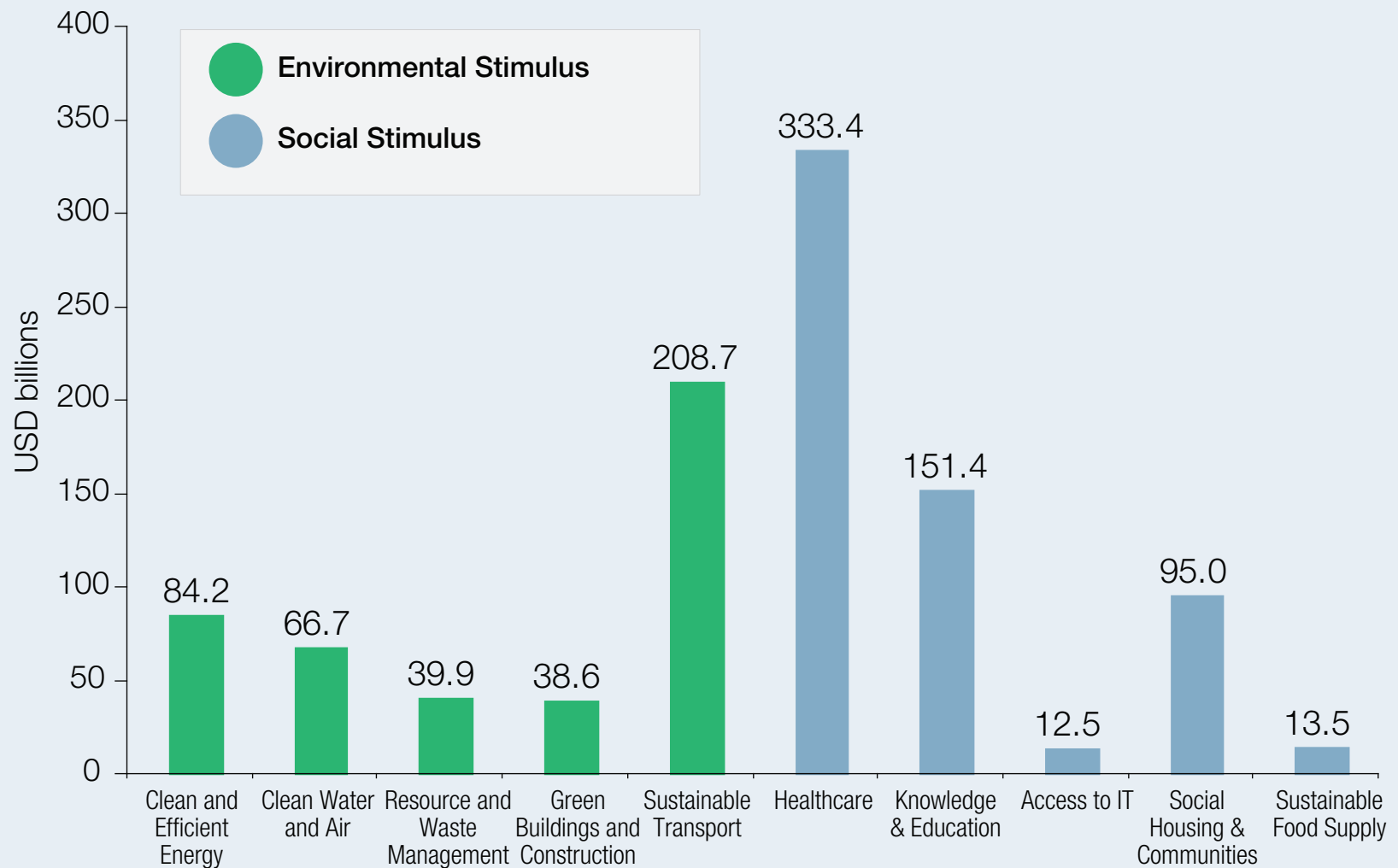


Figure 2: Breakdown of G-20 sustainable stimulus packages by strategy



Source: Fortis Investments, 2009

ESG Growth



Table 2: Growth of SRI Assets by Region 2012–2014

	2012	2014	Growth
Europe	\$8,758	\$13,608	55%
United States	\$3,740	\$6,572	76%
Canada	\$589	\$945	60%
Australia/NZ	\$134	\$180	34%
Asia	\$40	\$53	32%
Total	\$13,261	\$21,358	61%

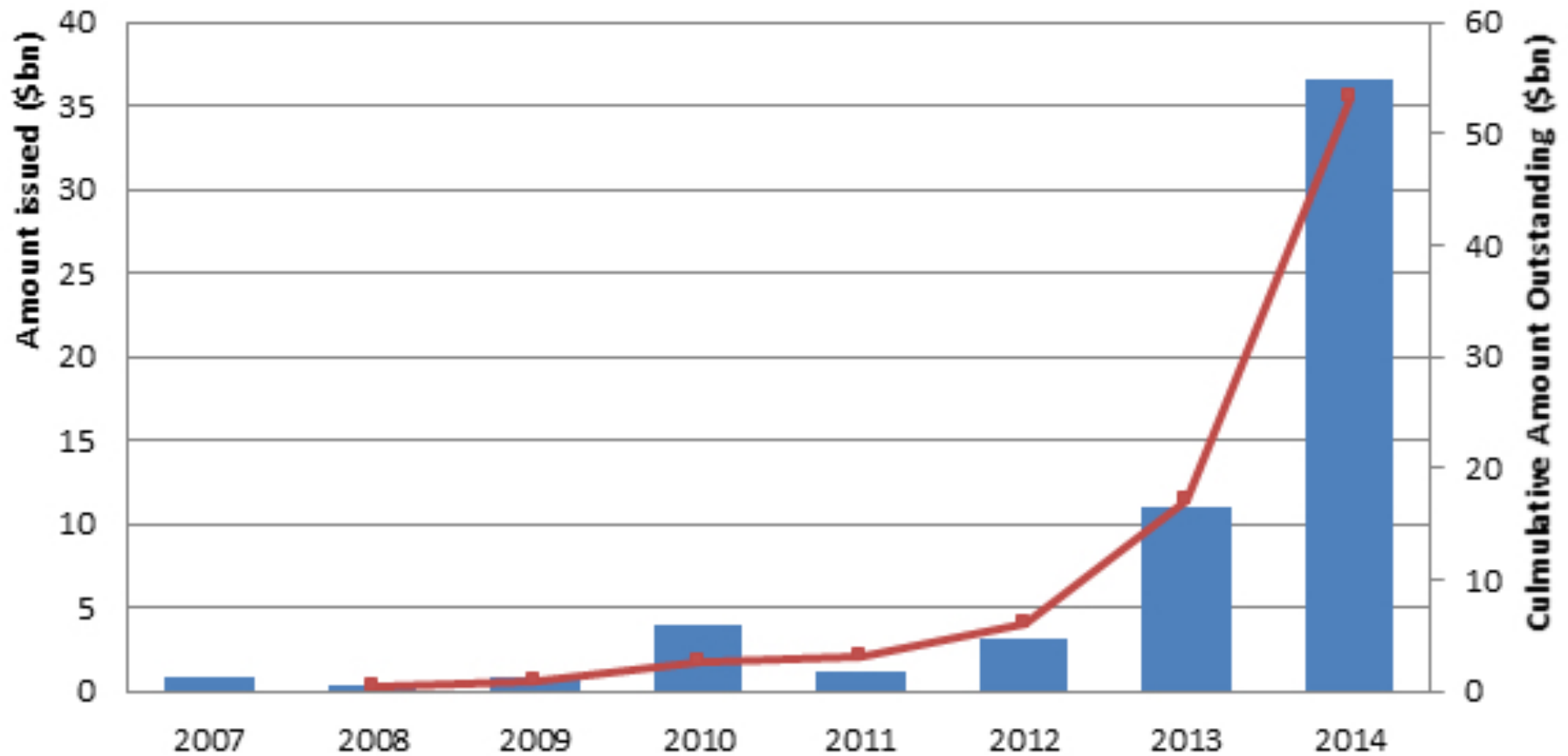
Note: Asset values are expressed in billions.



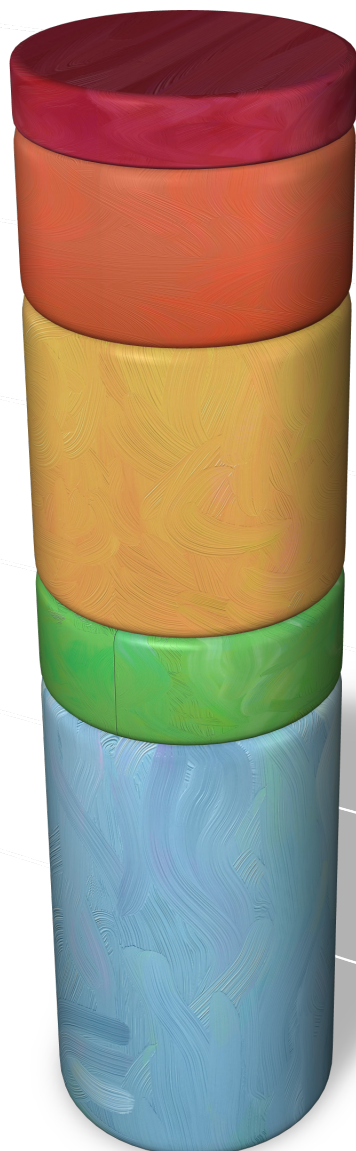
Green Bonds 100B



Green Bond Issuance by Year



Green Transition Scoreboard™



- Corporate R&D
- Life Systems
- Energy Efficiency
- Green Constuction, Water
- Renewable Energy

2007-2015



PARADIGM SHIFT

SUSTAINABLE INVESTMENTS

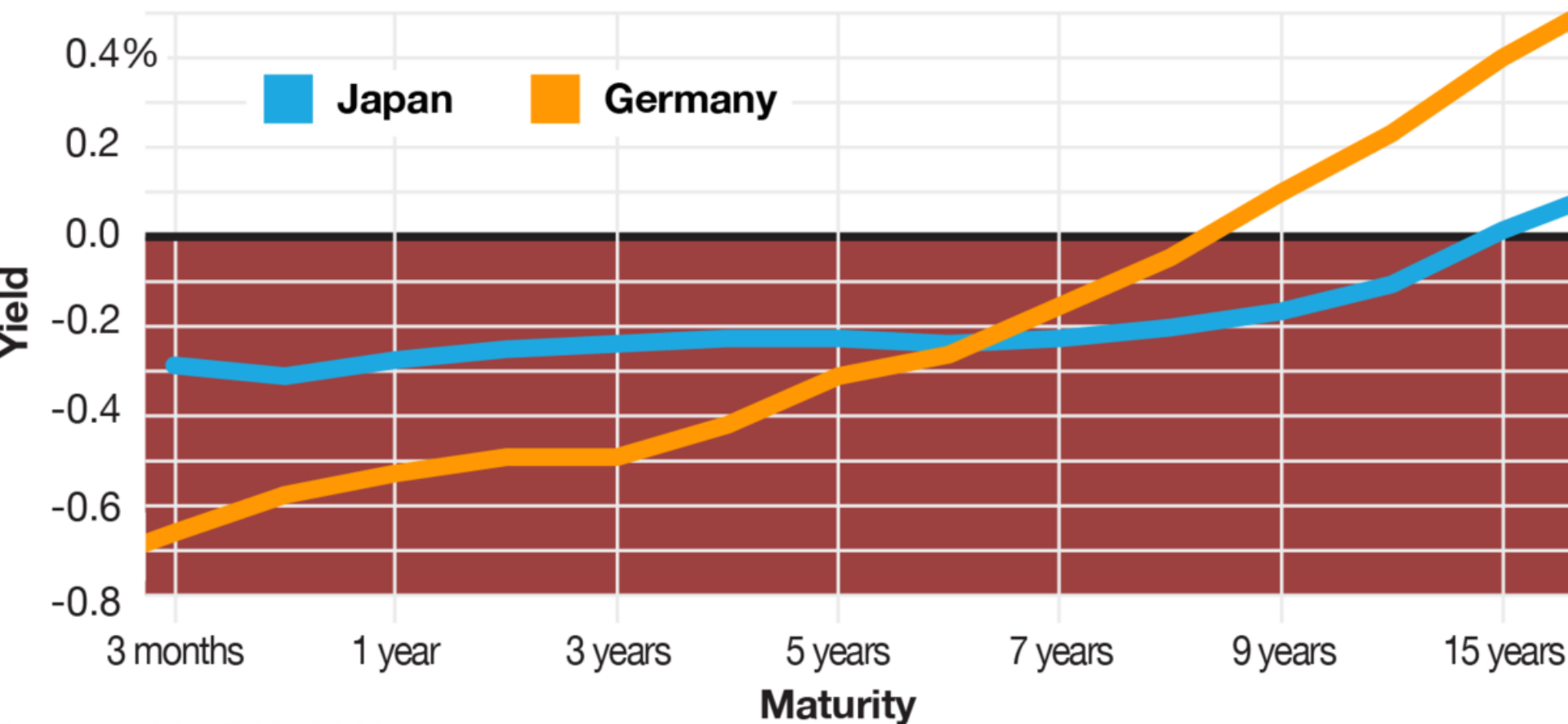




Negative Interest Rates

Paying to Save

Government bonds in Japan and Germany pay a negative yield, so investors holding to maturity won't get all their money back



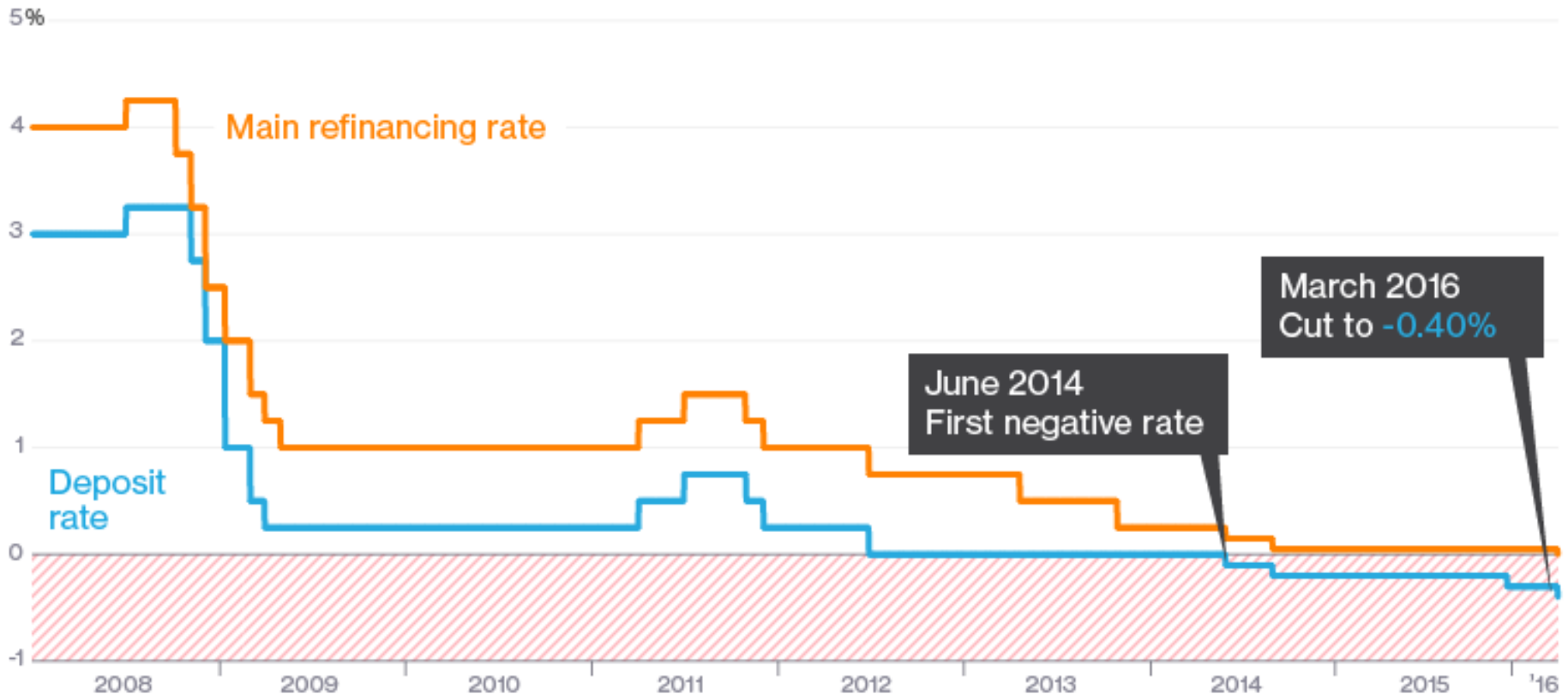
Data as of April 29, 2016

Negative Interest Rates



Europe Dives Below Zero

European Central Bank rates



"SRI is not a niche market, but a big party - we are just early."

Robert Rubinstein, TBLI Group



PT Ticks all the boxes

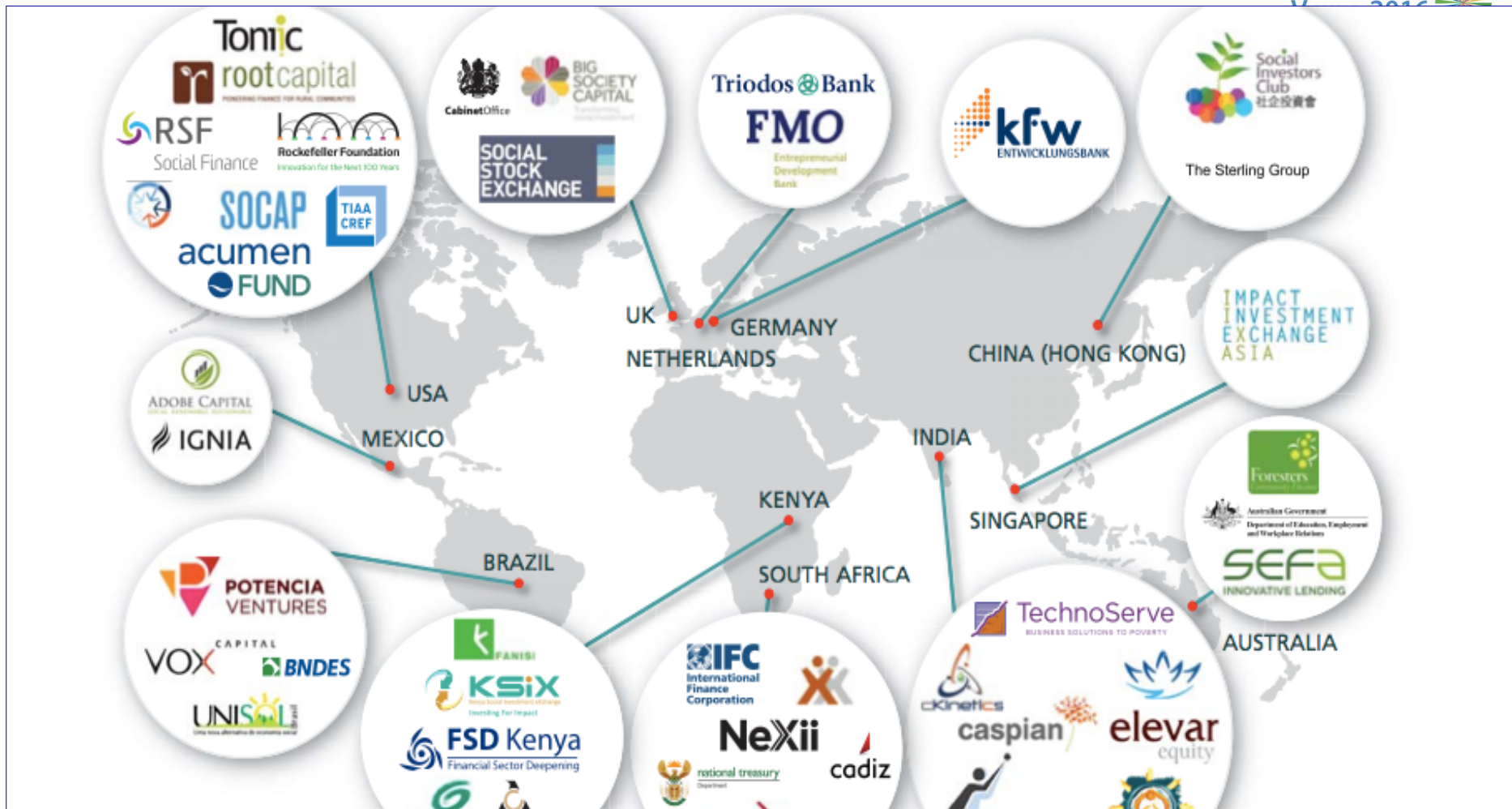
- Low carbon
- De-carbonize portfolios
- Steady Cash flow
- Offering Yield
- Low Technology Risk
- PPPs
- Scale
- Long Track Record



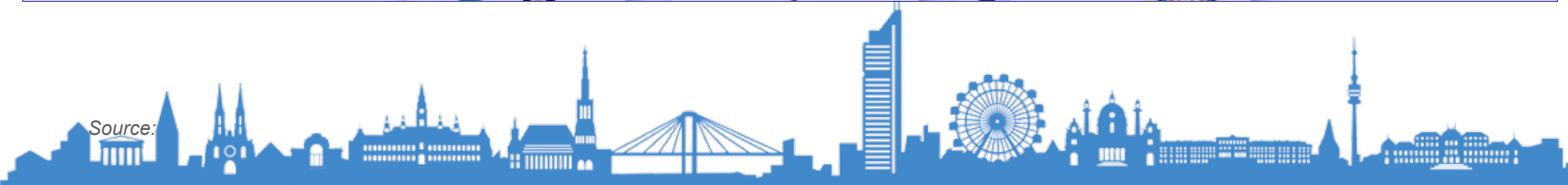
PLATFORMS



Billions going into Social capital exchanges



Source:

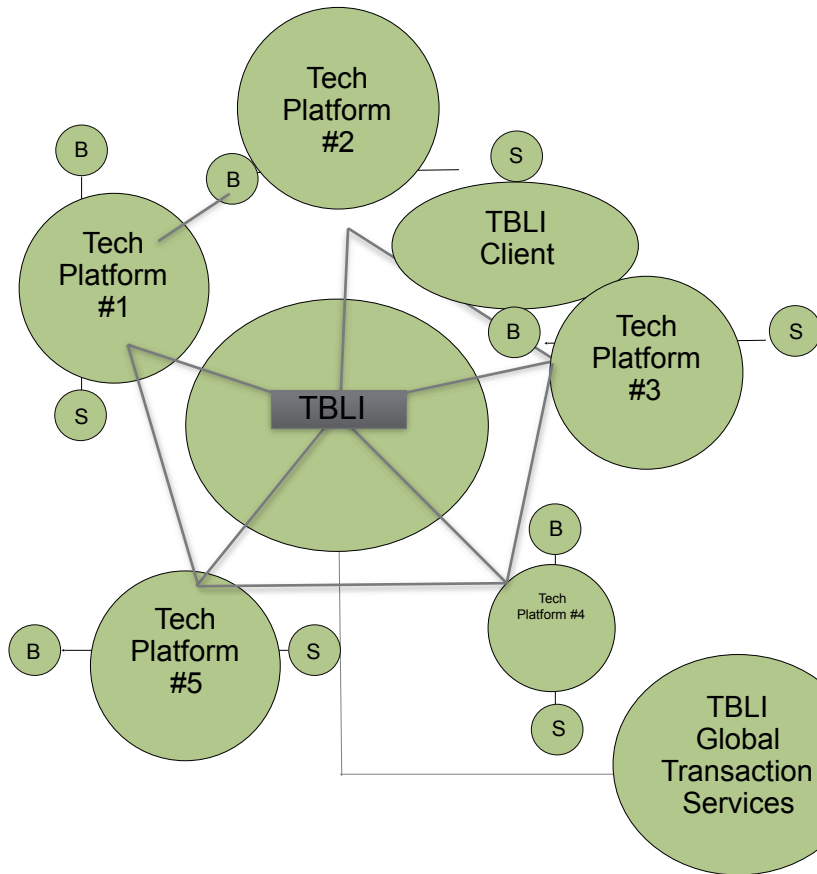




TBLI Connectivity Technology Platform



Matrix Connectivity Model



TECHNOLOGY PLATFORMS

- Infrastructure Technology Platforms can be an open or closed architecture models
- Technology platforms operate under local market regulatory bodies
- Technology platforms are fluid and will run hot and cold with investors or deal flow
- Participation in multiple exchanges drives up costs for issuers

TBLI BENEFITS

- Client members will have the opportunity to connect to multiple platforms instead of one
- Client members will have global representation and participation
- Client members will have local back office support

Back Office Support



"Never look down to test the ground before taking your next step; only they who keep their eye fixed on the far horizon will find their right road."

Dag Hammarskjöld



Barriers



Why are you not approaching asset owners?

What are ratings of Public Transport Agencies ?

How to tap into these assets?



Next Steps



- Review the market for institutional investors in transport infrastructure
- Identify funding vehicles, project companies and other structures used by institutional investors
- Review the market for debt finance in transport infrastructure
- Conduct a series of interviews / consultations with major institutional equity and debt providers.
- Securitise Capital commitments by Govt.
- Start listing on capital on zero-low carbon platforms







TBLI GROUP™



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