



NIGERIA INFRASTRUCTURE DEBT FUND
A Chapel Hill Denham Fund

Quarterly Investor Report

As at 31 December 2021

OVERVIEW

The Nigeria Infrastructure Debt Fund (NIDF) is the first listed infrastructure debt fund in Nigeria registered with and regulated by the Securities and Exchange Commission, Nigeria, and listed on the FMDQ Exchange, Lagos. Its objective is to provide investors with regular, sustained, long-term distributions and to preserve capital over the long-term by generating exposure to Naira-denominated infrastructure debt in Nigeria, which generate regular and predictable long-term cash flows.

PERFORMANCE

Cumulative performance to 31 December 2021

	2017	2018	2019	2020	2021
NIDF Total Return*	116.1	142.3	168.7	188.5	206.9
Nigeria CPI	104.0	115.9	129.7	150.2	173.6

*1 July 2017 = 100

UPDATES FOR THE PERIOD

Portfolio summary

At 31 December 2021, NIDF was exposed to a diversified portfolio of 20 investments. The portfolio had a weighted average annualised yield of 16.17%, a weighted average tenor at disbursement of 9.24 years, and a weighted average remaining life of 4.14 years.

Investments

In Q4 2021, four new infrastructure loans aggregating N53.4 billion were approved by the Investment Committee of the Fund. These new loans would be disbursed on execution of definitive documentation and compliance with disbursement conditions by the borrowers.

Performance

NIDF continues to consistently outperform its benchmark: the 10-Year FGN bond. The loans are typically priced at 300-450bps over the benchmark on a floating rate basis

Annual results

The audit of NIDF accounts for the year ended 31 December 2021 is currently underway and audited financial statements for the Fund will be available in due course.

All previous financial statements can be accessed via the NIDF website at: <https://www.chapelhilldenham.com/what-we-do/investment-management>

NIDF Overview

<i>IPO date</i>	28 June 2017
<i>ISIN</i>	NGCHDNIDF005
<i>Ticker</i>	CHD NIDF
<i>Listing</i>	FMDQ
<i>Year-end</i>	31 December
<i>Distributions</i>	Jan/Apr/Jul/Oct

Trading Information

<i>Units in issue</i>	725,311,218
<i>Last traded unit price</i>	N111.68
<i>Capitalisation</i>	N81.0 billion
<i>NAV per unit</i>	N106.94
<i>NAV</i>	N77.6 billion
<i>Premium to NAV</i>	4.2%

Distribution Information

<i>Latest distribution paid</i>	N3.35 per unit (for Q4 2021)
<i>Annualised distribution yield</i>	13.13%



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INVESTMENT PORTFOLIO

93%	Senior secured loans
10	Sub-sectors represented in the portfolio
93%	Floating rate loans
14 years	Longest tenor loan
100%	Naira loans
4.7%	Construction exposure
0%	Non-Performing Loans (NPL)

OTHER UPDATES

Outperformance

NIDF continues to consistently outperform its benchmark: the FGN10Y. Loans are typically priced at 300-450bps over the FGN10Y and are floating rate.

Market conditions

NIDF invests principally in asset-backed, project finance loans. This type of financing provides NIDF with:

- Security over the underlying assets;
- Security over the shares of the asset-owning SPV (special purpose vehicle);
- Step-in rights;
- Comprehensive insurance;
- Restrictions on shareholder distributions;
- Debt service reserve account (DSRA); and,

Financial covenants relating to cash flows and leverage.

NIDF addresses two key challenges in Project Finance in Nigeria: providing financing in Naira, not USD, to projects with Naira income streams; and, providing long-term loans to spread the debt repayment over a longer period of time than banks will typically be able to offer.

The infrastructure financing market is growing in Nigeria with the introduction of InfraCorp and various other infrastructure funds. This is a positive development for the market and for NIDF.

NIDF has the strongest pipeline of loans than at any time in its history and NIDF has no non-performing loans (NPLs).

NIDF Parties

<i>Fund Manager</i>	Chapel Hill Denham Management
<i>Joint Trustees</i>	Stanbic IBTC Trustees Limited STL Trustees Limited
<i>Custodian</i>	Citi Nigeria Limited
<i>Registrar</i>	Coronation Registrars Limited
<i>Auditor</i>	PWC Nigeria
<i>Valuation Adviser</i>	KPMG Nigeria

Investment Committee

<i>Chair</i>	Philip Southwell
<i>CEO</i>	Anshul Rai
<i>CIO</i>	Bolaji Balogun
<i>Independent</i>	Jeremy Dolphin

Advisory Board

<i>Chair</i>	Nominee of the Joint Trustees
<i>NSIA</i>	Uche Orji
<i>Stanbic IBTC Pension</i>	Olumide Oyetan
<i>AFDB</i>	Wale Shonibare
<i>Progress Trust</i>	Joy Ojokavo
<i>AIICO</i>	Eguarekhide Longe** ** In the process of being replaced



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Investor base

NIDF have received the support of 22 pension funds (PFAs) in Nigeria (out of the 26 eligible PFAs), a number of insurance companies, the NSIA, the African Development Bank and a growing number of foundations and individuals.

SUMMARY OF FINANCIAL PERFORMANCE

Figures in million Naira

	FY 2020 (Audited)	FY 2021 (Unaudited)
Total income	6,526	8,800
Operating expenses	(999)	(1,433)
Net income	5,526	7,366
Distribution per Unit (Naira)	11.83	11.15
Cash flow from operations	6,598	6,386
(Investments made) / Amortisations received - Net	(18,377)	(1,412)
Cash flow from Financing (Issue of new units)	17,854	19,576
Distributions paid	6,445	8,030
Net cash flow for the period	(226)	17,301
Net Assets	58,452	77,568
No. of units (million)	544.73	725.31
NAV per Unit (Naira)	107.30	106.94



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