



NIGERIA INFRASTRUCTURE DEBT FUND

A Chapel Hill Denham Fund

Quarterly Investor Report

For Q1 2022

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 March 2022

	2017 [@]	2018	2019	2020	2021	2022
NIDF Total Return	116.1	142.3	168.7	188.5	206.9	213.8
Nigeria CPI	104.0	115.9	129.7	150.2	173.6	182.2

@ Base value of 100, as on 1 July 2017

UPDATES FOR THE PERIOD

Portfolio summary

At 31 March 2022, NIDF was exposed to a diversified portfolio of 22 investments. The portfolio had a weighted average annualised yield of 14.4%, a weighted average tenor at disbursement of 9.17 years, and a weighted average remaining life of 3.45 years.

Investments

In Q1 2022, two new infrastructure loans aggregating N11.13 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 has been concluded and the financial results have since been provided to the unitholders.

NIDF Overview

IPO date	28-Jun-17
ISIN	NGCHDNIDF005
Ticker	CHD NIDF
Listing	FMDQ
Year-end	31 December
Distributions	Jan/Apr/Jul/Oct

Trading Information

Units in issue	725,764,701
Last traded unit price	N107.53
Par value	N100.00
Net Asset Value per unit	N107.55
NAV	N78.06 billion

Distribution

1Q22 distribution (paid)	N3.00 per unit
Distribution yield	12.65% (LTM)



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INVESTMENT PORTFOLIO

100%	Naira loans
93%	Senior secured loans
93%	Floating rate loans
5.1%	Construction Exposure
10	Sub-sectors represented in the portfolio
14 years	Longest tenor loan

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.

Macroeconomic challenges, particularly the non-availability of foreign exchange, has led to delay in new projects being implemented or refinancing transactions closing in a timely manner. This has led to some delay in disbursement of NIDF loans. Going forward, the pace of deployment is expected to pick up pace.

NIDF Parties

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

Investment Committee

Chair	Philip Southwell
CEO	Anshul Rai
CIO	Bolaji Balogun
Independent	Jeremy Dolphin

Advisory Board

Chair	Nominee of the Joint Trustees
NSIA	Uche Orji
Stanbic IBTC Pension	Olumide Oyetan
AFDB	Wale Shonibare
Progress Trust	Joy Ojokavo
AllCO Pensions	Eguarekhide Longe**

** In the process of being replaced



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SUMMARY OF FINANCIAL PERFORMANCE

<i>Figures in million Naira</i>	FY 2021 (Audited)	Q1 2022 (Unaudited)
Total income	8,800	2,531
Operating expenses	-1,433	-340
Net income	7,366	2,191
Distribution per Unit (Naira)	11.15	3.00
Cash flow from operations	6,386	2,145
(Investments made) / Amortisations received - Net	-1,412	-6,750
Cash flow from Financing - Issue of new units	19,443	49
Distributions paid	7,114	2,179
Net cash flow for the period	17,301	6,560
Net Assets	77,995	78,055
No. of units (million)	725.31	725.76
NAV per Unit (Naira)	107.53	107.55



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