



NIGERIA INFRASTRUCTURE DEBT FUND
A Chapel Hill Denham Fund

Quarterly Investor Report

For Q3 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 generates regular and predictable long-term cash flows.

PERFORMANCE

Cumulative performance to 30 September 2022

	2017 [@]	2018	2019	2020	2021	2022(YTD)
NIDF Total Return	116.1	142.3	168.7	188.5	206.9	227.1
Nigeria CPI	104.0	115.9	129.7	150.2	173.6	201.8

@ Base value of 100, as on 1 July 2017

UPDATES FOR THE PERIOD

Portfolio summary

As of period ending 30 September 2022, NIDF was exposed to a diversified portfolio of 22 investments. The portfolio had a weighted average annualised yield of 16.8%, a weighted average tenor at disbursement of 8.20 years, and a weighted average remaining life of 4.35 years.

Investments

In Q3 2022, four new infrastructure loans totalling N23.6 billion were approved by the Investment Committee of the Fund. One of these loans have been disbursed and the others will be disbursed on execution of definitive documentation and compliance with disbursement conditions by the borrower.

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

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	853,444,418
Last traded unit price	N107.59
Par value	N100.00
Net Asset Value per unit	N106.81
NAV	N91.2 billion

Distribution

3Q22 distribution ¹	N3.36 per unit
Distribution yield	13.4%
Par value	N100.00
Net Asset Value per unit	N106.81
NAV	N91.2 billion

¹ Supplementary distribution of N0.40 per unit for Q3 2022 was paid on 30th November 2022



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INVESTMENT PORTFOLIO

100%	Naira loans
88%	Senior secured loans
88%	Floating rate loans
5.1%	Construction Exposure
8	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.

Macroeconomic challenges still persists; rising inflation levels, continued volatility in the foreign exchange market and the uncertainties around the forthcoming elections have slowed down the projected levels of loan disbursements. The investment team will continue to intensify efforts towards improving the pace of capital deployment whilst ensuring high quality credit standard.

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	New Nominee ¹
Stanbic IBTC Pension	Olumide Oyetan
AFDB	Wale Shonibare
Progress Trust	Joy Ojokavo
NPF Pensions	Dr. Hamza Sule Wuro Bokki, Ph.D.

¹ In the process of being appointed on the Advisory Board



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SUMMARY OF FINANCIAL PERFORMANCE

<i>Figures in million Naira</i>	Q3 2022 (Unaudited)	YTD 2022 (Unaudited)	FY 2021 (Audited)
Total income	2,394	7,293	8,800
Operating expenses	(382)	(1,073)	(1,433)
Net income	2,012	6,220	7,366
Distribution per Unit (Naira)	3.36	9.10	11.15
Cash flow from operations	(8,596)	(4,922)	6,386
(Investments made) / Amortisations received - Net	15,927	(8,111)	1,412
Cash flow from Financing - Issue of new units	13,795	13,844	19,442
Distributions paid	2,612	6,781	7,114
Net cash flow for the period	18,978	10,750	17,302
Net Assets	91,160	91,160	77,995
No. of units (million)	853.44	853.44	725.31
NAV per Unit (Naira)	106.81	106.81	107.53



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