



NIGERIA INFRASTRUCTURE DEBT FUND

A Chapel Hill Denham Fund

Quarterly Investor Report

For Q2 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 June 2022

	2017 [@]	2018	2019	2020	2021	2022
NIDF Total Return	116.1	142.3	168.7	188.5	206.9	219.3
Nigeria CPI	104.0	115.9	129.7	150.2	173.6	192.2

[@] Base value of 100, as on 1 July 2017

UPDATES FOR THE PERIOD

Portfolio summary

As of period ending 30 June 2022, NIDF was exposed to a diversified portfolio of 23 investments. The portfolio had a weighted average annualised yield of 16.3%, a weighted average tenor at disbursement of 9.20 years, and a weighted average remaining life of 4.24 years.

Investments

In Q2 2022, one new infrastructure loan of N16.38 billion was approved by the Investment Committee of the Fund. This new loan 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	726,181,198
Last traded unit price	N107.55
Par value	N100.00
Net Asset Value per unit	N107.59
NAV	N78.13 billion

Distribution

2Q22 interim distribution (paid) ¹	N2.74 per unit
Distribution yield	12.23%

¹An additional, final distribution for the quarter is expected to be announced before the end of the quarter, subject to the successful conclusion of change of control of a portfolio company of the Fund.



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INVESTMENT PORTFOLIO

100%	Naira loans
93%	Senior secured loans
93%	Floating rate loans
5.6%	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 and the looming political uncertainties have 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. The investment team will continue to intensify efforts towards ensuring timely deployment of available capital 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	Uche Orji
Stanbic IBTC Pension	Olumide Oyetan
AFDB	Wale Shonibare
Progress Trust	Joy Ojokavo
NPF Pensions	Dr. Hamza Sule Wuro Bokki, Ph.D.



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SUMMARY OF FINANCIAL PERFORMANCE

<i>Figures in million Naira</i>	Q1 2022 (Unaudited)	Q2 2022 (Unaudited)
Total income	2,531	2,368
Operating expenses	(340)	(350)
Net income	2,191	2,018
Distribution per Unit (Naira)	3.00	2.74 ¹
Cash flow from operations	1,853	1,821
(Investments made) / Amortisations received - Net	(6,750)	(1,357)
Cash flow from Financing - Issue of new units	49	45
Distributions paid	2,179	1,990 ¹
Net cash flow for the period	(6,560)	(1,668)
Net Assets	78,055	78,127
No. of units (million)	725.76	726.18
NAV per Unit (Naira)	107.55	107.59

¹ Interim distribution



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