

# Bridging the Infrastructure Gap: Facilitating institutional investment in Infrastructure

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Oxford Global Infrastructure  
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**Allianz**   
Global Investors

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# Bridging the Infrastructure Gap: Facilitating institutional investment in Infrastructure

## Agenda

- 1 Illiquid Alternative investments – Infrastructure Investments at AllianzGI
- 2 Case Example Infrastructure Equity: Facilitating institutional investment in infrastructure projects
- 3 The „*One Belt One Road*“ Initiative: Observations on investment challenges

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## Illiquid Alternative investments – Infrastructure Investments at AllianzGI

# Allianz Global Investors - a diversified active investment manager with a strong parent company and a culture of risk management

**Assets under management: EUR 435 billion\***

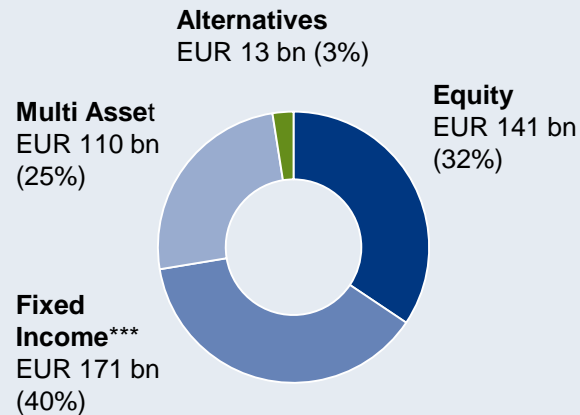
## Owned by Allianz SE



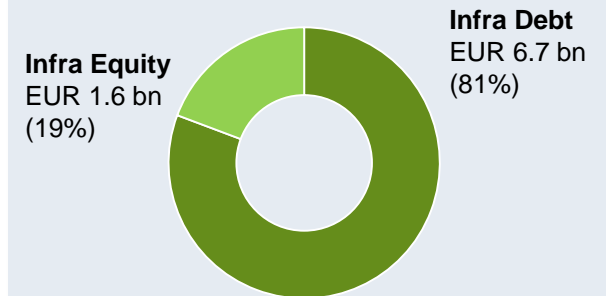
### Strong ratings\*\*

- Standard & Poor's AA
- Moody's Aa3
- A.M. Best A+

## AuM by asset class



## AuM Infrastructure (illiquid) Assets



Our clients benefit from our global resources and deep understanding of investments

\* Allianz.com Fact Sheet, as per 19 February 2016. A ranking, rating or an award is no indicator for future development and changes in time. \*\* As at 31 March 2016. Source: Allianz Global Investors. Any differences in totals are due to rounding. \*\*\* Includes money market.

# Infrastructure Debt – Track record

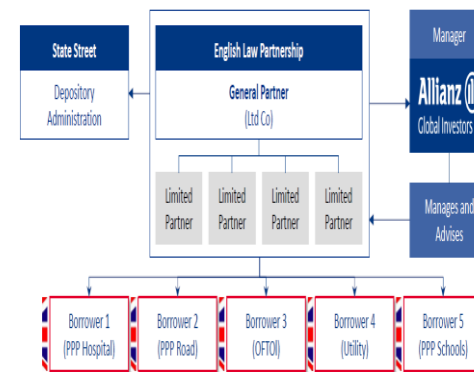
## Sample Transaction overview

Project	Sector	Country
EUR 504mn Investment in the expansion of French Harbour	Sea Port	France
EUR 350mn Investment in a natural gas transmission and storage operator	Energy Infrastructure	France
EUR 405mn + USD 100mn Investment in the second largest electricity distribution operator	Energy Infrastructure	Sweden
USD 58mn Investment in the development of a state-wide fibre optic network	Telecom	US

## Overview Infra Debt Fund range

Total AuM:	~ approx. EUR 6.7 bn. <sup>1</sup>
Mandates/Fund types:	<ul style="list-style-type: none"> <li>Investment advisory</li> <li>Pooled vehicle</li> </ul>
Number of countries	12
Number of transactions	25 transactions since 2012

## Allianz UK Infrastructure Debt Fund

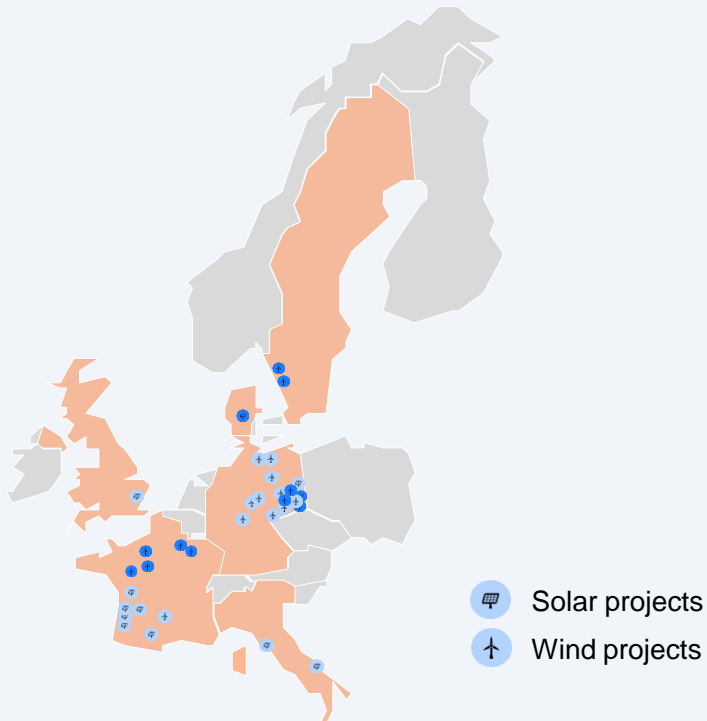


- Fund type: pooled vehicle
- Strategy:
  - GBP denominated infra debt investments
- Investor base: Institutional
- Total inflation linked: 70%
- AuM: GBP 137 mn.

1) AuM incl. commitments as of 30 May 2016. Note: Past performance is not a reliable indicator of future results. There is no warranty or guarantee, that the target return or target distributions will be achieved. Success of the strategy can not be warranted, and losses can not be precluded. The investment strategy of the Infrastructure Debt fund range may differ from the investment strategy of any potential future fund(s).

# Infrastructure Equity – Track Record

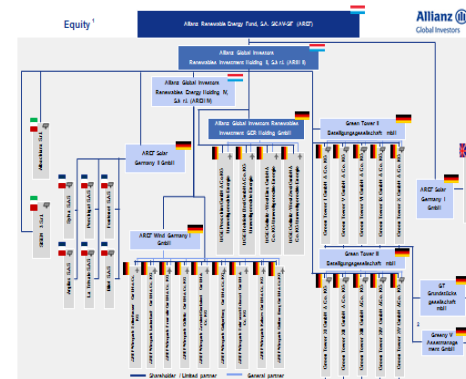
## Transaction overview <sup>1)</sup>



## Overview Infra Equity Fund range

Total AuM Fund range:	approx. EUR 1.6 bn. <sup>2)</sup>
Mandates/Fund types:	<ul style="list-style-type: none"> <li>▪ Pooled vehicle</li> <li>▪ Segregated Account</li> </ul>
Number of countries:	6 (EU/OECD)
Number of transactions:	16 transactions since 2013
Number of portfolio companies:	71

## Allianz Renewable Energy Fund



- Fund type: pooled vehicle
- Strategy:
  - Renewable Energy
  - Energy Infrastructure
- Investor base: Institutional
- Fully invested: end of 2014
- AuM: > EUR 400 mn.<sup>3)</sup>

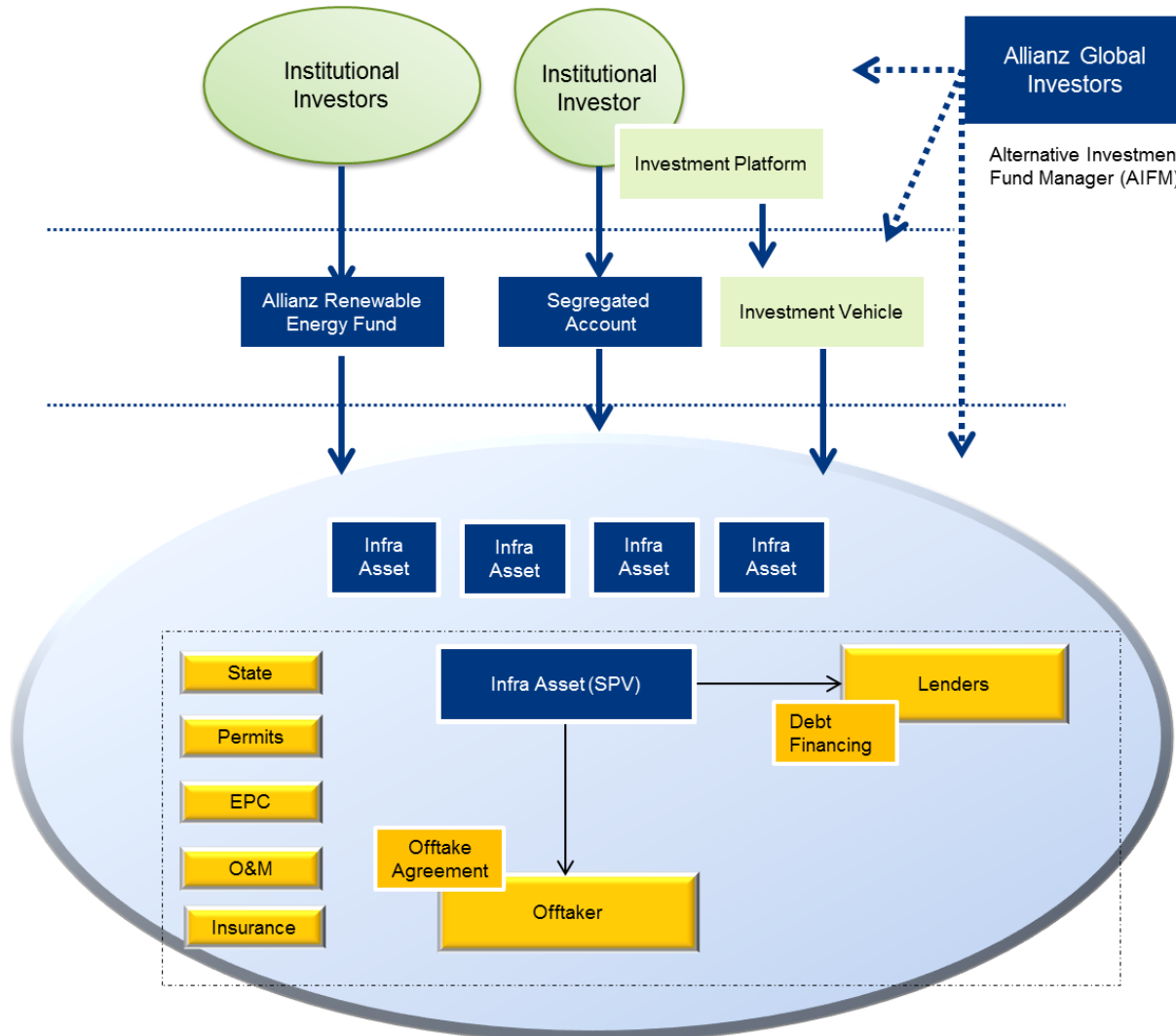
1) As of December 2015 – including running transactions. 2) AuM incl. estimate for new renewable energy fund as of 30 May 2016. 3) AuM as of 31.12.2015. Note: Past performance is not a reliable indicator of future results. There is no warranty or guarantee, that the target return or target distributions will be achieved. Success of the strategy can not be warranted, and losses can not be precluded. The investment strategy of Allianz Renewable Energy Funds may differ from the investment strategy of any potential future fund(s).

# 2



Case example Infrastructure Equity:  
Facilitating institutional investment in infrastructure projects

## Case Example Infrastructure Equity: Facilitating institutional investment in infrastructure



### Facilitating access to infrastructure assets

- Understanding target markets
- Building deal pipelines
- Structuring the investment
- Dealing with regulatory complexity
- Safeguarding stable, predictable cashflows
- Managing infra assets over the lifecycle



# 3



## The „One Belt One Road“ Initiative: Observations on opportunities & challenges

# Global Integration and the „One Belt One Road (OBOR)“ Initiative: Opportunities & challenges for institutional investors

## OBOR Initiative

- „*Economic vision*“\* for 2/3 of world population and 67 countries
- Infrastructure & Energy key sectors
- New Financial Architecture (AIIB, Silk Road Fund etc.)

## Opportunities

- New Financial Architecture as catalyst for new investment schemes and new instruments
- Catalyst for infrastructure capacity building
- Catalyst for green/low-carbon infrastructure

## Challenges

- Overall Country Risk profile of destination countries
- Market access and investment framework in destination countries
- Building markets for infrastructure assets

\* „Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road“ (NDRC, 2015).

## Contact



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