

# INFRASTRUCTURE INVESTING WEBINAR SERIES



Investing in Infrastructure as a European Investor?

# Agenda

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**10am** – Opening remarks

**10.02am** – Market Trends & Focus on the European Market with Preqin

**10.15am** – Round Table Discussion

**10.50am** – Amundi Diversified Infrastructure Expertise

**11.10am** – Q&A session

# Speakers

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**Justin Beardon**

Vice President, EMEA  
Investor Research -  
Preqin



**Laurent Fayollas**

Deputy Head of Global  
Infrastructure – Ardian



**Vincent Policard**

Partner and co-Head of  
European Infrastructure  
– KKR



**Guy Lodewyckx**

Global Head of Private  
Markets Multimangement -  
Amundi Real Assets



**Olivier Paquier**

Head of Institutional Sales –  
Amundi Real Assets

Confidence  
must be earned

**Amundi**  
ASSET MANAGEMENT

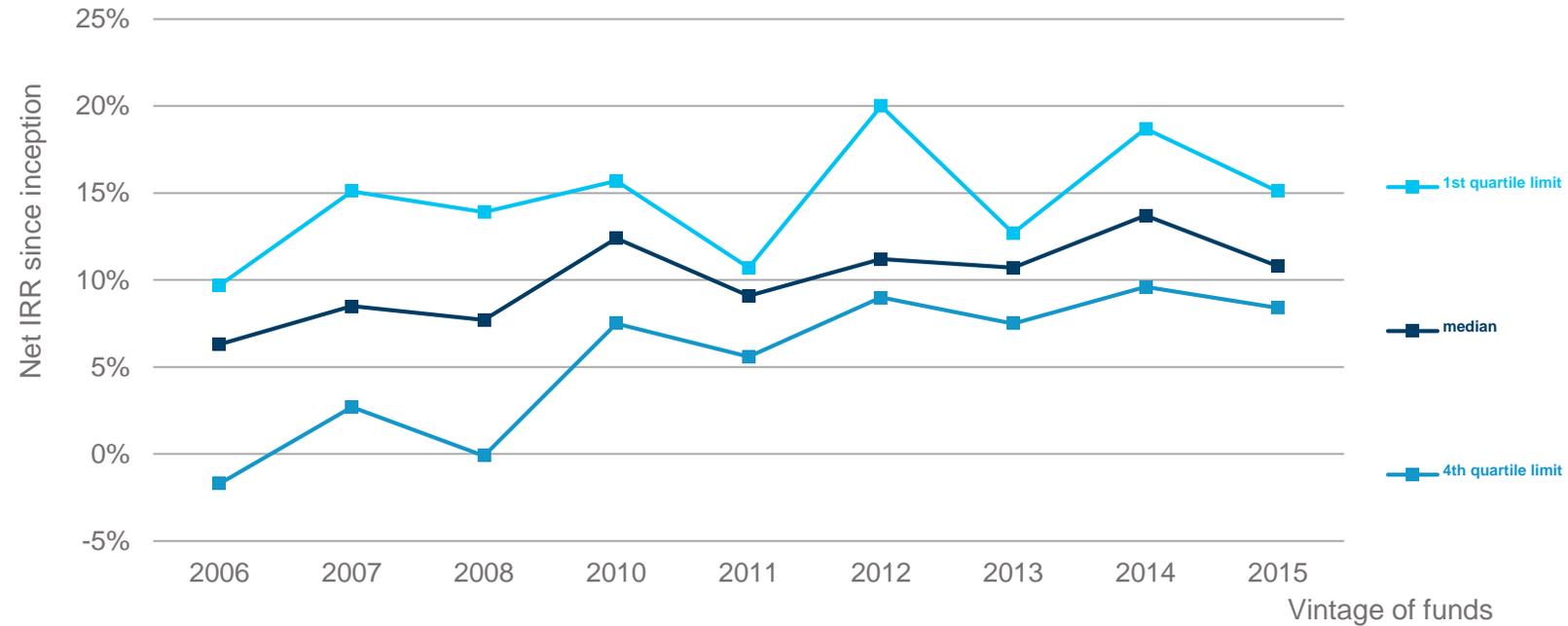
January 2021

# Amundi Diversified Infrastructure Expertise



## Infrastructure funds: solid but heterogeneous performance

- Resilient performance through crises
- A significant dispersion of performance among GPs



Source 2020 Preqin Global Infrastructure Report

## Infrastructure: an increasingly complex offering



### New types of assets

- Very broad definition of infrastructure for some GPs (data centers, social infrastructure)
- Technological development (smart meters, smart grid, 5G, ...)



### New ways to creating value

- Import of private equity techniques: carve-out, build-up, operational optimization, management reinforcement, AI, ...
- Increasing importance of the GP's capability to create value

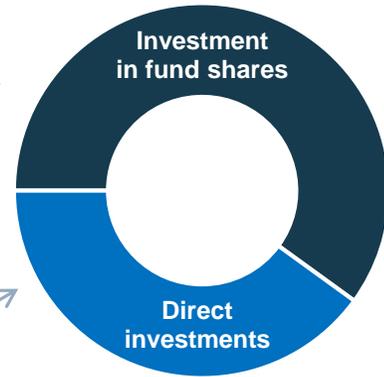


### More difficult and technical access to the market

- Development of co-investments and secondary transactions
- Rapid increase in fund size and minimum ticket size
- Use of equity bridge, specific carried interest formulas, etc.

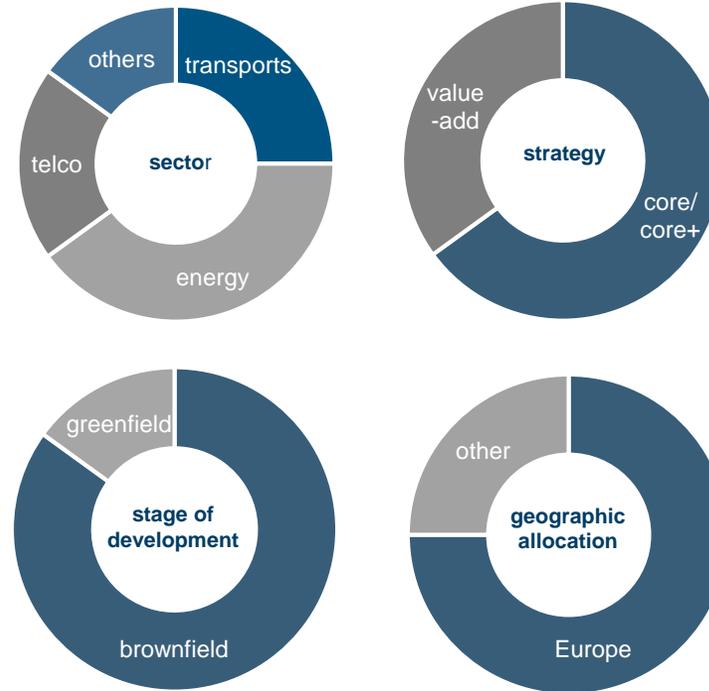
## A hybrid strategy offering strong diversification

**60% invested in funds <sup>(1)</sup>,**  
of which 10% in secondary transactions,  
with renowned managers selected by  
Amundi PEF



**40% invested in direct <sup>(1)</sup>,**  
through co-investment with GPs, with no  
carried interest nor management fees <sup>(2)</sup>  
from the underlying GPs

### Underlying asset diversification target



(1) Typical target allocation

(2) Co-investments generally bear neither costs nor carried interest. Co-investments with non-zero fees and/or carried but lower than those of the fund are not excluded. Investments are not guaranteed and present a risk of capital loss as well as a liquidity risk.

## Access to leading GPs within a proven framework

### Renowned managers, selected for the stability of their performance and their ability to create value

- **12 years of presence in the market** and historical relationships with major GPs
- **Significant tickets**, strengthening the relationship
- A **selection process** enriched by 20 years of experience
- Systematic requests for **access to co-investments, protection clauses, and advisory board positions**

### A combination of primary and secondary transactions to optimize portfolio construction

#### Primary subscriptions

Subscriptions in **primary funds** to diversify underlying exposures and feed the flow of co-investments

#### Secondary transactions

- Investments in funds already ramped up to **accelerate the deployment of the AIDF fund**
- A focus on **non-standard transactions**: pre-emptive rights, continuation funds, late primaries, ...

### Examples of investments made



These examples are given for illustrative purposes. It does not in any way constitute an investment recommendation and does not prejudice of any future investment in these funds. The companies' logos mentioned are registered trademarks which remain the property of the company. Exclusive property of each holder.

## Proven expertise in direct investment

### A significant contribution to the fund's performance

- Direct access to assets, alongside the underlying manager, without management fees nor carried interest
- Potential gain of 2% to 5% IRR compared to the same assets held in the underlying funds

### A strict intervention framework

- Alongside managers with whom Amundi PEF invests
- Analysis of assets, of the manager's sector and country capabilities and of the contribution to the portfolio construction as a whole
- Expertise of our investment teams in complex structuring and in risk management

### An appropriate scheme and a proven ability

- Nearly 100 opportunities received since 2012, €350M transactions completed <sup>(2)</sup>
- Access to the expertise of direct infrastructure managers from Amundi Energy Transition <sup>(3)</sup>

(1) Amundi 's estimate. This gain corresponds to the absence of costs and carried interest

(2) Source : Amundi as at 15/05/2020

(3) Amundi Energy Transition: an asset management company held in conjunction with EDF, one of the world leaders in electricity and N°1 in green energy production. Thanks to an innovative economic model, ATE structures diversified infrastructure assets over several segments of the energy transition market.

### Examples of direct investments made



Fibre network, France  
Ticket > 100M



Smart meters, UK  
Ticket > 30M



Highway, Portugal  
Ticket > 30M



Utility, Luxembourg  
Ticket > 50M

## Investing alongside the historical sponsor of the strategy

- All the funds of the strategy invest *pari passu* with the historical sponsor. They therefore benefit from the size effect :

Same  
deal flow

Same subscription  
conditions

Same access to  
co-investments

- Each vehicle in the strategy invests according to its investment policy under *pari passu* legal and financial conditions
- *Pro rata* allocations in case of a reduction in the claimed amounts

## Typical cumulative fee structure equivalent to that of a direct fund, but with a better diversification

### ❖ Controlled direct and indirect fees

- co-investments with no management fees nor carried interest charged by underlying GPs
- access to less loaded shares in the underlying funds

### ❖ Illustration

	Amundi Diversified Infrastructure Strategy (assuming 70bp fees)			Typical infrastructure fund
Management fees	Indirect (GPs)	Underlying funds	$1,4\% \times 60\% = 0,8\%$	1,5%
		Co-investissement	$0,0\% \times 40\% = 0,0\%$	
	Direct (Amundi)	Amundi fund	0,7%	
Carried interest	Indirect (GPs)	Underlying funds	$20\% \times 60\% = 12\%$	20%
		Co-investissement	$0\% \times 40\% = 0\%$	
	Direct (Amundi)	Amundi fund	8%	
Diversification	Total	Underlying funds	8 GP, i.e. 120 assets	1 GP ~10/12 assets
		Co-investissement	6 assets > 100 assets	

*Methodology: the characteristics of typical fund and co-investments are estimated on the basis of the investments made by Amundi in 2019. Indirect costs will depend in particular on the achievement of the 40% co-investment target. The calculated cumulative costs and carried interest are purely illustrative and include approximations...*

## An expertise successfully deployed for our historical clients

### Deployed amounts that guarantee our market access

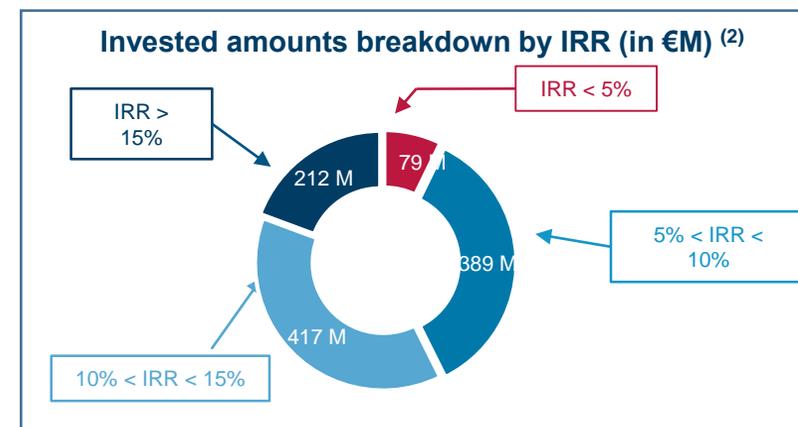
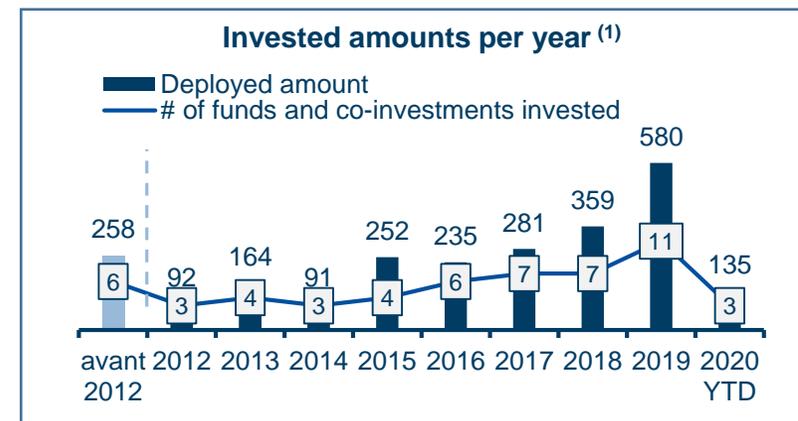
- A historical knowledge of GPs and a proximity that creates opportunities (access to information and to co-investments)
- Over **€2,400M deployed** since 2008 <sup>(1)</sup>
- Over **100 co-investment opportunities received** since 2012, of which **€350M** have been invested in transportation, energy et telecommunications

### Low performance dispersion in the invested mature assets <sup>(2)</sup>

- 93% of the deployed amounts have an IRR greater than 5%
- Only one asset representing €16M is in capital loss

### A long track record of recurring gross performance with an overall IRR of 10.3%<sup>(3)</sup>

Vintage	2008-10	2011-13	2014-16	2017-19
Performance	11,9%	9,7%	9,9%	4,7%



(1) Source : Amundi au 30/09/2020

(2) Gross performance of transactions carried out before the 01/01/2017, further investments being considered as immature. <sup>(4)</sup>Breakdown made on the committed amount.

(3) Investment performance made by subscription date as at 30/09/2020 on the basis of the last available net asset values for the underlying.

Past performance is no guarantee of future performance. Investments carry a risk of capital loss.

## A proven responsible investment policy

### Amundi, pioneer of ESG

- Amundi is a signatory of the UNPRI. Amundi benefits from the best grade (A+)
- €275Bn ESG assets under management, best asset management company for SRI/ESG according to Extel
- Creation of Amundi Energy Transition
- Launch of a green bond fund with IFC
- Amundi PEF, signatory of the *Initiative Climat International*



### A methodology adapted to multi management

- Focus on the GP's ESG practices in the asset selection and management
- ESG is **one of the pillars of our due-diligences**, alongside performance and operations
- Assessment of the integration of ESG criteria based on our **knowledge of the best practices** (more than 100 GPs met each year)
- Systematic meeting request with the ESG head of the GPs



### Focus on climate change and carbon footprint

- A **key objective**: promote the financing of the energy transition and the fight against global warming
- Systematic request of **carbon footprints**
- **Reporting on results** obtained from GPs



- (1) Source : Amundi

## An experienced multi-management team supported by recognized infrastructure specialists <sup>(1)</sup>



**Guy LODEWYCKX**  
CIO of Private Markets Multi-management



**Matthieu POISSON**  
CIO of Infrastructure

### Multimanagement



**Jérôme FREMAUX**  
Managing Director



**Nicolas TCHEN**  
Managing Director



**Viviane TING**  
Principal



**Sophie VERGEZ**  
Principal



**François PARMENTIER**  
Principal



**Fabio FEDELI**  
Analyst



**Maria TAFIDIS**  
Analyst

### Direct Investment



**Lelia RAYNARD**  
Managing Director



**Kawtar ZIYAT**  
Investment Analyst



**Clément MARTIN**  
Managing Director



**Malek GUERMIT**  
Investment Analyst



**Jean-Michel MAZALERAT**  
Senior Advisor

**14** years of  
average experience <sup>(2)</sup>

(1) The described strategy is managed by the multi-management team of Amundi Private Equity. For the analysis of co-investments, it can benefit from the expertise of the direct investment team of Amundi Energy Transition within the framework of a consulting contract.

(2) Management or private markets experience for the multi-management, experience in infrastructure for direct investment, except senior advisor

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