



المجموعة المالية هيرميس
EFGHERMES

The InfraMed Fund

- **The Union for the Mediterranean's first financing facility**, InfraMed is an infrastructure investment fund jointly created by Caisse des Dépôts (CDC) and Cassa depositi e prestiti (Cdp).
- **The biggest infrastructure fund in the MENA¹ region**, InfraMed is designed to promote, in a market environment, equity investment in **urban, energy and transport infrastructure** projects, in a region in which urban growth rates are among the highest in the world.
- It meets the goal of the **Club of Long-Term Investors²** – founded by the EIB, CDC, Cdp and KfW in April 2009 – of fostering long-term investment in order to generate a return for investors while strengthening sustainable growth and global economic stability.

Main features:

1. A package based on North/South partnership

- InfraMed's target size is between EUR 500 million and EUR 1 billion. **CDC** and **Cdp** are the original and main sponsors of the fund, contributing EUR 150 million each. The **EIB** has also committed EUR 50 million.
- The innovative feature of this operation is that is based on a partnership with financial institutions in the southern Mediterranean. Thus, **Caisse de dépôt et de gestion du Maroc (CDG)**, also a member of the Club of Long-Term Investors, and the Egyptian bank **EFG Hermes**, are set to invest between EUR 15 million and EUR 20 million in the fund and will encourage contributions from local investors wishing to prioritise investment in Moroccan and Egyptian projects.

2. An investment strategy promoting sustainable development

- InfraMed's goal is to contribute to the Union for the Mediterranean by providing the necessary finance to develop infrastructure with an exemplary low environmental impact.
- The fund will mainly invest in *greenfield* projects (construction and development phase) and to a lesser extent in *brownfield* projects.
- InfraMed's strategy is based on direct or indirect equity or quasi-equity investment in companies whose principal business consists of the development, operation, construction and/or holding of infrastructure assets – investing in the long term with a view to fostering sustainable development.
- The InfraMed fund will seek to provide investors with an annual return of between 12% and 16%. The life of the fund will be 14 years.

¹ MENA : Middle East North Africa

² www.ltic.org

3. A regional fund

- The target regions are the Southern and Eastern shores of the Mediterranean.
- The partnership with CDG (Morocco) and EFG Hermes will take the form of **advisory and coinvestment agreements** with funds that these institutions will create in their respective countries (“InfraMaroc” and “InfraEgypte”), whose investment strategies will be similar to that of InfraMed. These coinvestments in local projects will be made on an equal basis, for a minimum amount of EUR 100 million or 20% of InfraMed’s total commitment in Morocco and Egypt respectively during the investment period.

4. A governance structure combining an independent management team with the long-term approach of the main institutional sponsors

- ‘**InfraMed Infrastructure**’ (the Fund) will be established in the form of a simplified joint stock company (SAS) under French law, in which the sponsors will invest directly.
- It will have two boards:
 - *The **Investors Board***, composed of representatives of each sponsor and up to three representatives of future large investors, will be responsible for ensuring that investments comply with the company’s objectives and investment strategy. It will be chaired by Mr Franco Bassanini, President of *Cassa depositi e prestiti*;
 - *The **Strategic Board***, composed of high-level experts, will be tasked with giving strategic advice to InfraMed Management SAS (the Manager). It will be chaired by the Egyptian Minister of Trade and Industry, Mr Rachid Mohammed Rachid;
- The fund will be managed by ‘**InfraMed Management SAS**’, consisting entirely of an **independent management team** led by Mr Frédéric Ottavy, the future CEO. This will be responsible for identifying, evaluating, selecting and implementing all investments and disinvestments on the company’s behalf. Investment and disinvestment decisions will be taken by the **Investment Committee**, composed of three independent persons and two representatives of the management team.

5. Timetable

- **First closing of the fund in Paris on 26 May 2010**, shortly before the Union for the Mediterranean Forum in Barcelona (7 June 2010).
- **Creation of local funds (*InfraMaroc* and *InfraEgypte*)** by 26 February 2011 at the latest.
- **Final closing of InfraMed Infrastructure:** 18 months after launch date at the latest.