

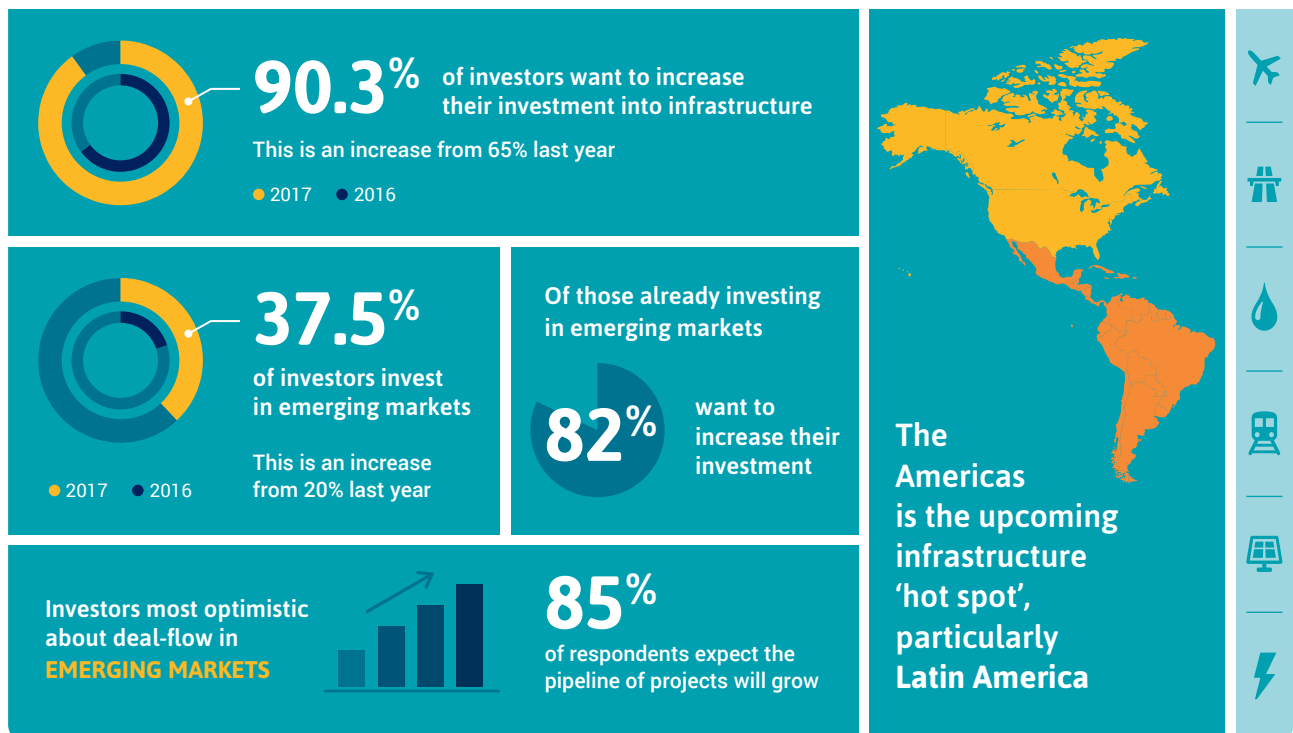
ANNUAL GLOBAL INFRASTRUCTURE INVESTOR SURVEY:

Insights into infrastructure markets

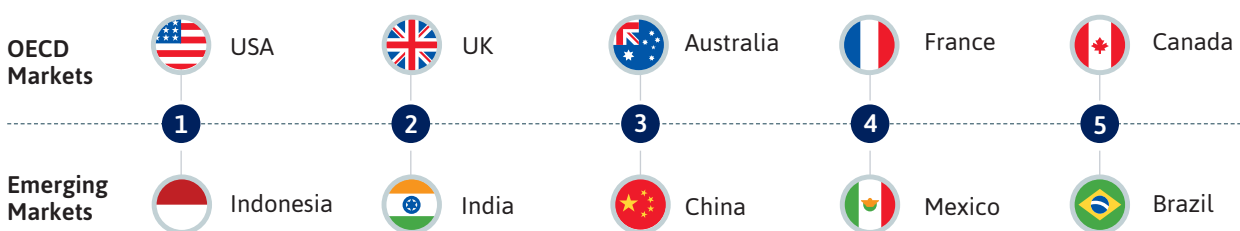
A global study, launched by the Global Infrastructure Hub (GI Hub) and EDHEC Infrastructure Institute, reveals investor preferences and trends in infrastructure markets.

Now in its second year, the Annual Global Infrastructure Investor survey is the largest of its kind. This factsheet outlines key insights from our updated study to help infrastructure leaders better understand how markets are changing. This information can help policy makers and investors to meet future infrastructure investment needs.

REPORT HIGHLIGHTS



MOST 'ACTIVE' INFRASTRUCTURE MARKETS



What investors say about infrastructure

Infrastructure plans are well known, but not all are effective

Infrastructure plans are generally well known by investors. We asked respondents:

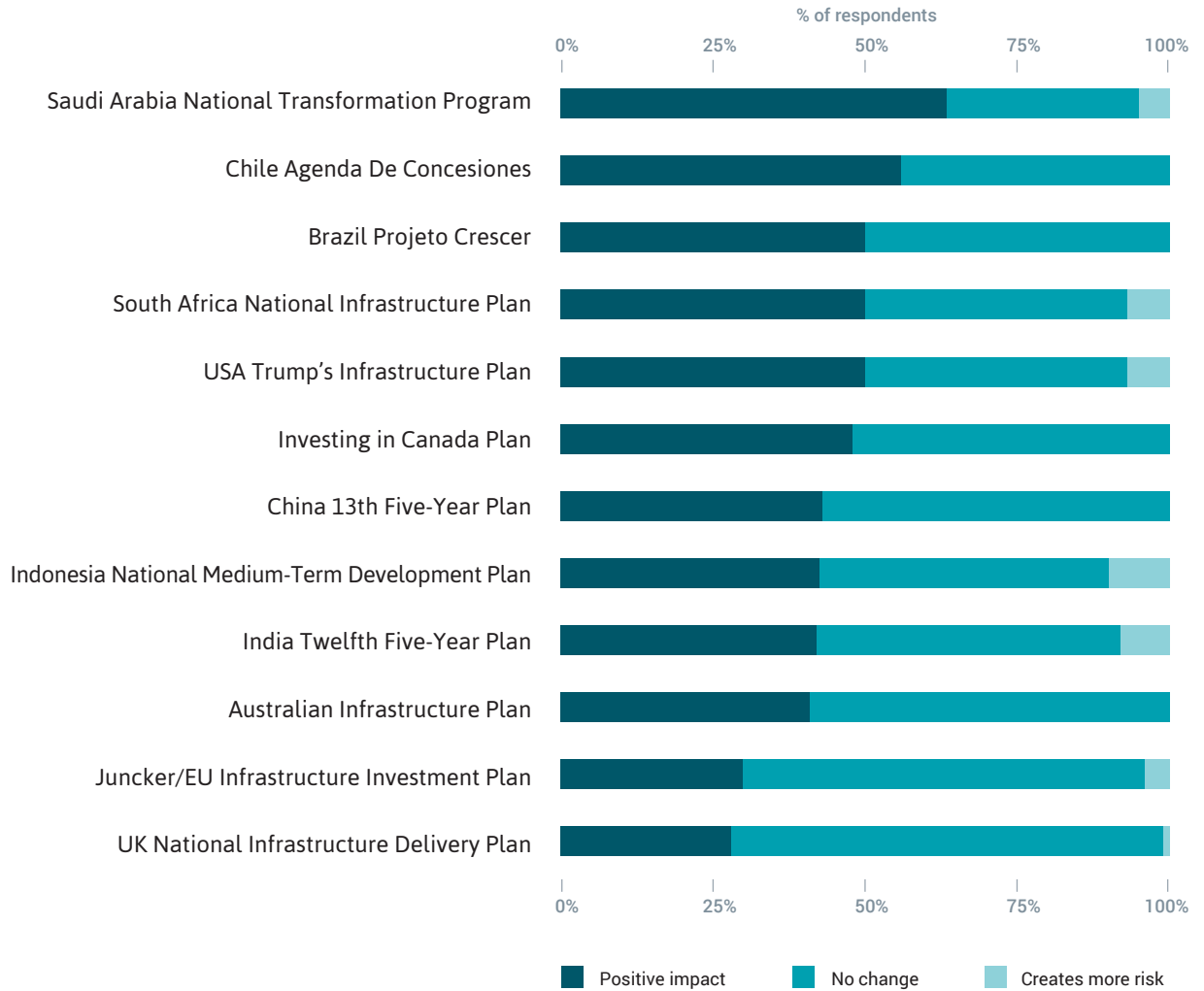
- whether they are **aware of 12 infrastructure plans around the world** (familiarity)
- whether they **had an impact on investment opportunities** (effective).



The survey found that **85%** of respondents have heard of infrastructure plans from OECD markets.
And over **50%** have heard of infrastructure plans from Emerging Markets.

There is also a difference between infrastructure plans which are most effective.

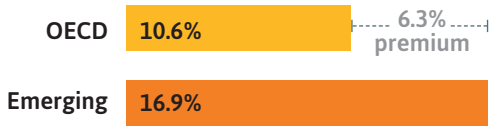
RESPONDENT'S VIEWS ON THE IMPACT OF INFRASTRUCTURE PLANS



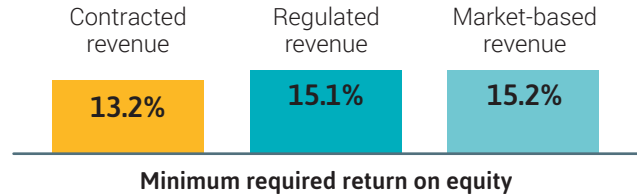
Significant return on equity premium for emerging markets and riskier business models

On average, there is a 6.3% premium for emerging markets

MINIMUM REQUIRED RETURN ON EQUITY

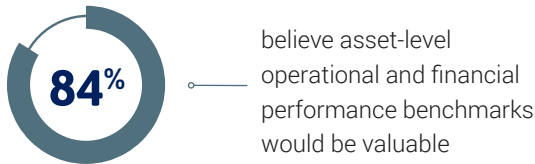


RISKIER BUSINESS MODELS ADDS A 2% PREMIUM FOR ALL MARKETS



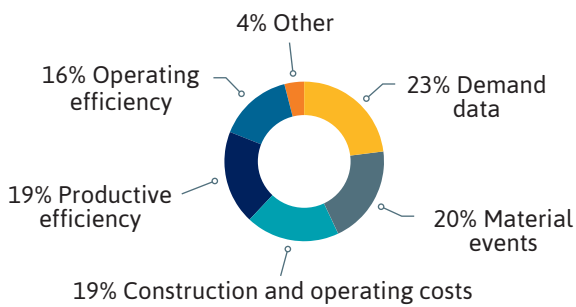
The need for more asset-level benchmark data

There is a strong reported need for asset-level operational and financial performance benchmarks:

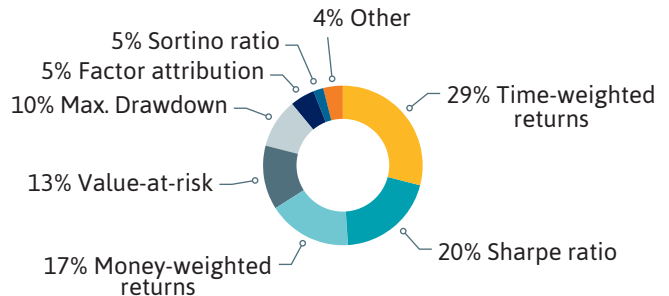


The type of operational and financial performance data required, by order of importance, are:

OPERATIONAL DATA REQUIRED



FINANCIAL PREFERENCE DATA REQUIRED



Project preparation facilities add value

38% of respondents have worked with a project preparation facility.

These respondents said the following about working with project preparation facilities:

+ BENEFITS:

- Provision of risk-mitigation
- Fill gaps in project preparation capability

- AREAS FOR IMPROVEMENT:

- Tailor assistance to local context
- Ability of MDB to influence central government

Context of research

Investor interest in infrastructure continues to increase. However there remains significant gaps in infrastructure provision in many countries. GI Hub's research found that from now to 2040, there is a global \$94 trillion need in infrastructure investment and a forecast 16% investment gap.

Governments and the private sector have important roles in addressing those gaps.

Last year, we surveyed investors to understand what they want from infrastructure. While we continue that theme this year, we also sought to understand the effectiveness of infrastructure plans, and the data gaps that are constraining investment.

GI Hub's aim was to work with EDHEC Infrastructure Institute-Singapore to provide robust, comprehensive and detailed data for reform, which will lead to a greater pipeline of bankable infrastructure projects. Understanding investor expectations is an important step to identify what needs to change to develop a more mature asset class.

Who responded?

- **186** infrastructure leaders took part in the survey. This is one of the largest of such surveys, involving C-level executives, investment directors and senior advisers in the infrastructure sector.

- Survey respondents are from all over the world:



- Survey respondents represented **USD7 trillion** in assets under management.
 - This accounts for approximately **10%** of global assets under management.
- A broad range of institutions are represented, including defined benefit and contribution pension funds, insurance companies, sovereign wealth funds, endowments and others.

About Global Infrastructure Hub

Launched by the G20 in 2014, the GI Hub has a mandate to grow the global pipeline of quality, bankable infrastructure projects. By facilitating knowledge sharing, highlighting reform opportunities and connecting the public and private sectors, our ambitious goal is to increase the flow and quality of private and public infrastructure investment opportunities. All countries, regardless of whether or not they are members of the G20, are able to work with the GI Hub.

About EDHEC Infrastructure Institute – Singapore (EDHECinfra)

EDHECinfra was launched on 24 February 2016 by the EDHEC Business School to address the profound knowledge gap faced by infrastructure investors, by collecting and standardising private investment and cash flow data and running state-of-the-art asset pricing and risk models to create the performance benchmarks that are needed for asset allocation, prudential regulation and the design of new infrastructure investment solutions.

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