



Public Infrastructure Partners LP:

Manager's presentation to NZ SIF – August 2015



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Fund Activities Year End 31 March 2015

- Fund Manager assessed 20 investment opportunities during period
- Successfully invested in University Of Wollongong Student Accommodation PPP
- Secured Preferred Bidder Status for Auckland Prison PPP and NZ Schools PPP 2
- Total Fund distributions NZ\$8.7 million representing a yield of 11.7% on cost (distributions now quarterly)
- Outperformance vs benchmark of 1.95% this year
- Australian investment values rose by 1.5%, NZ\$ investment values rose by 0.8%
- Portfolio revaluation loss of NZ\$1.9 million due to weak NZ\$/A\$ exchange rate
- Secured a pipeline of projects that should see the Fund fully invested in 2015/16



Potential Fund Return Scenarios

Scenario	Current investments plus Auckland Prison PPP	Fully committed by the end of the investment period
Total Capital Drawn	\$157m	\$175m
Investment Return (after all fees)	12.4%	12.2%
Money Multiple (after all fees)	2.5x	2.5x

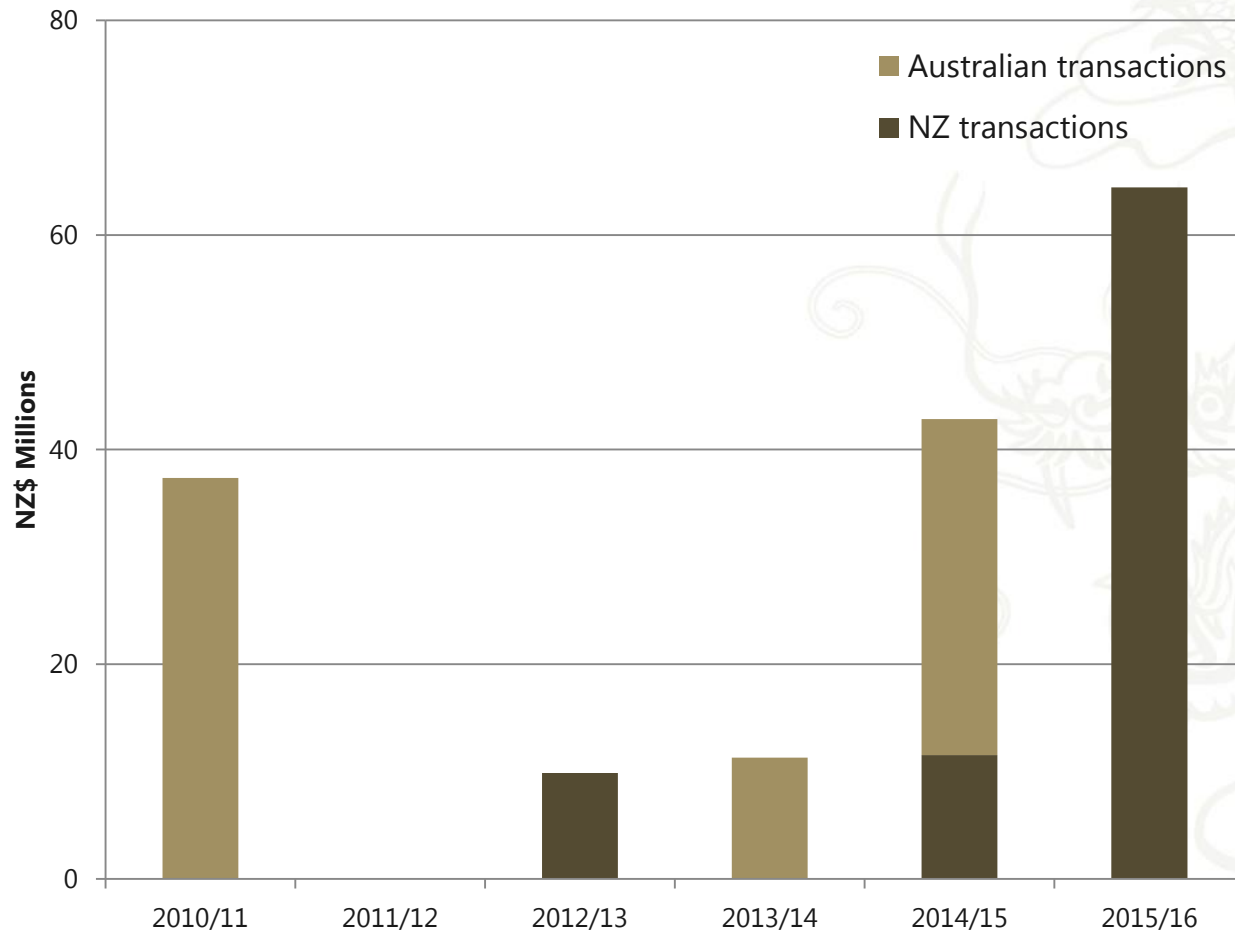
Investment Assumptions:

- Sale in September 2024 assuming a purchaser's required return of 8.0%.
- 'Fully committed' assumes an investment is made into the current exclusive investment opportunity described in this presentation.
- Fund Returns as measured by Management Agreement.

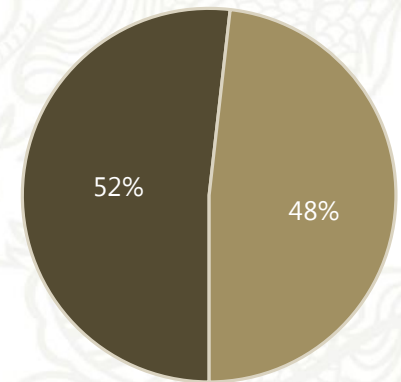


Investment Portfolio Outlook

Commitments by Country



Resulting Country Concentration

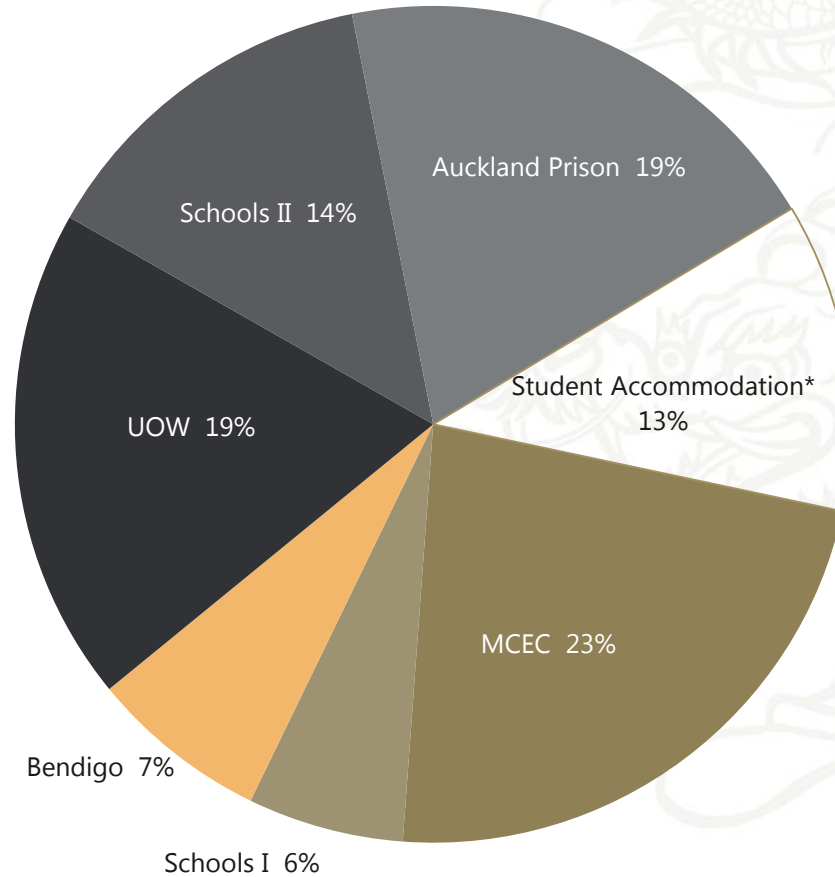


■ New Zealand ■ Australia



Likely Investment Concentration

Pie Chart



**To be confirmed, Follow-on investment in MCEC may be substituted dependent on timing*



MCEC Investment Review

Operational PPP in 2 parts

- Melbourne Convention Centre (constructed as part of PPP) 5,000 seat hall, meeting and banquet rooms, six-star Green Star rated building
- Melbourne Exhibition Centre (pre-existing facility taken over) 30,000m² facility on adjacent site

State of Victoria as counterparty

- Revenue streams based upon asset availability
- No revenue is derived from use of the facility

Services included in the contract

- General services, helpdesk, building management, utilities management, cleaning, security, car parking, grounds and garden maintenance, and pest control
- The primary service provider for both facilities is Brookfield Multiplex Services
- Some general services (eg, reporting, interface obligations) are retained by Project Co

Project may be extended

- State of Victoria have approved an extension to the facility



Hobsonville Schools Investment Review

Investment summary

- Financial Close: 5th April 2012
- Commitment: \$9.8 million
- Investment date: October 2013

New build PPP on 2 sites

- Completed the construction of 2 schools and commenced all facility management of the schools under contract with PFM
- Hobsonville Point Primary School opened in 2013 and the Hobsonville Point Secondary School on 14th February 2014

Ministry of Education as counterparty

- 25 year operating period
- Revenue streams based upon asset availability
- MoE provides teaching services and staff

Services included in the contract

- General services, helpdesk, building management, utilities management, cleaning, security, car parking, grounds and garden maintenance, and pest control
- The primary service provider for both facilities is Programmed Facilities Management
- Some general services (e.g., reporting, interface obligations) are carried out by Morrison & Co
- Concession ends in 2039



Bendigo Health Village Investment Review

Investment summary

- Financial Close: 12th April 2013
- Commitment: \$12 million
- Operational Commencement: March 2014

New build on a single site

- 120 new build units of nurses' and doctors' accommodation located 700m from Bendigo Hospital
- 30 year lease with minor maintenance obligations
- Effectively "triple net" lease
- Lease payment 100% linked to CPI
- Zero occupancy risk
- Investor takes residual value risk on the site and buildings

Bendigo Health Care Group as counterparty

- Provider of state sponsored healthcare for the region
- Incorporated under the Health Services Act 1988 (Vic.)
- Currently building a new \$600 million hospital at Bendigo
- Lease ends in 2044



University Of Wollongong (UOW) Investment Review

Investment summary

- Financial Close: 4 December 2014
- Commitment: \$15.8m, with further \$15.6m in late 2016 and 2017
- Operational Commencement: 1 January 2015

Existing & new build student accommodation PPP

- Living & Learning Partners (LLP) has the concession to operate 1,906 existing student accommodation beds across 9 facilities at UOW
- LLP will design and build 1,063 new accommodation beds in two facilities, with Stage 1 (261 beds) to be completed by December 2016, and Stage 2 (802 beds) to be completed by December 2017
- 273 existing beds will be decommissioned as a result of the new build programme

University of Wollongong counterparty

- 39 year operating period, ending in 2053
- Revenue streams based on room occupancy rate, with an 85% base case occupancy underwrite from UOW
- UOW to provide student marketing and 'pastoral care'

Services included in the contract

- General services, helpdesk, building management, utilities management, exterior cleaning, exterior security, grounds and garden maintenance, pest control and life-cycle maintenance
- The primary service provider is Programmed Facilities Management



NZ PPP Schools 2 Investment Review

Investment summary

- Financial Close: 30th April 2015
- Commitment: \$22 million
- Investment date: March 17- Nov 17

New build PPP on 4 sites

- Commenced the construction of three schools
 - Aranui Community High – Christchurch
 - Ormiston Junior College – Auckland
 - Rolleston – Christchurch
- All to be completed January 2017
- School number 4 Wakatipu, Queenstown, commences April 2016 to be completed January 2018

Ministry of Education as counterparty

- 25 year operating period
- Revenue streams based upon asset availability
- MoE provides teaching services and staff

Services included in the contract

- General services, helpdesk, building management, utilities management, cleaning, security, car parking, grounds and garden maintenance, and pest control
- The primary service provider for both facilities is Programmed Facilities Management
- Some general services (e.g., reporting, interface obligations) are carried out by Morrison & Co
- Concession ends in 2039



Other Investment Review

SkyPath

- Financial Close: May 2014
- Commitment: ~\$1.0m
- Investment date: June 2014 to August 2015
- Counterparty: Auckland Council
- Services / risks: Resource consent management



Auckland Prison Early Works

- Financial Close: August 2014
- Commitment: ~\$11m
- Investment date: September 2014 to September 2015
- Counterparty: Department Of Corrections
- Services / risks: Earthworks and demolitions



Future Investment: Auckland Prison PPP (Non Custodial)

Target Financial Close Date

- September 2016

New Build PPP on existing Crown land

- The bulk earthworks for the site has been undertaken under an Early Works Agreement allowing the vertical built to commence following Financial Close
- Construction to be completed December 2017

Department of Corrections as counterparty

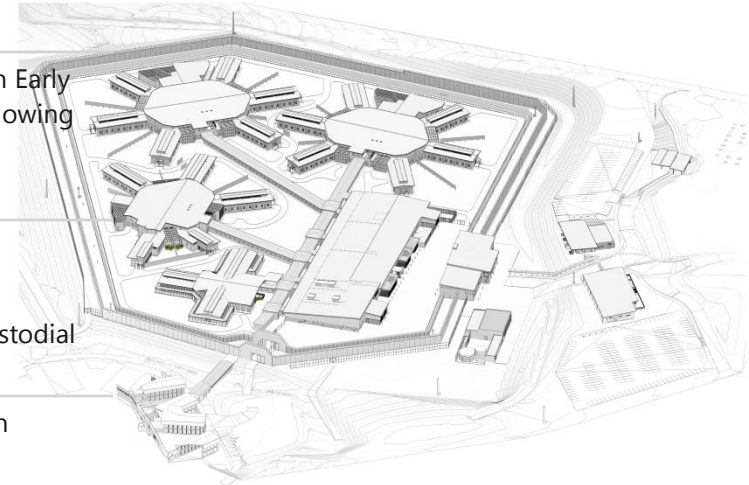
- 25 year operating period from works completion
- Revenue streams based upon asset availability
- Department of Corrections provides prison operational and custodial services

Services included in the contract

- Asset and Facilities Management of the existing 240 bed prison (Auckland West)
- Design and construction of a new 260 bed maximum security prison (Auckland East)
- Asset and Facilities Management of the new Auckland East (from Dec 2017)

Consortium

- Design and construction – Fletcher Construction Company
- AM/FM Services – DTZ
- Debt – Westpac
- SPV services – Morrison & Co



Future Investment: Student Accommodation Project

Target Financial Close Date

- September 2016

Transaction overview

- Purchase of 50% of Leasehold interest and all associated plant and equipment for on campus student accommodation
- Includes associated contractual rights to operate student accommodation as the University's preferred supplier of accommodation
- Long history of high occupancy
- Leases end on 31 December 2040
- The existing assets would be transferred into a new investment vehicle owned 50:50 with the existing owner and the PIP Fund
- Existing operator will continue to operate the student accommodation as part of the transaction.

Asset overview

- The Village holds a mixture of 1-6 bedroom apartments and dormitory style rooms.
- In total the village holds 1,539 beds
- Buildings of mixed age 1998 - 2006.
- Includes the first refusal for any future development or operation of existing or new student accommodation proposed by the University



Conclusion

Fund prospects good

- 2014/15 has been a busy year
 - 2015/16 will be busier, expect to make commitments of ~\$64m
 - Pipeline of opportunities flourishing
- Value enhancement/protection activity is underway
- PIP Fund prospects looking good overall
 - Investments performing at or above expectations
 - Return expectations from current assets remain attractive



Questions?

