Source: Infra News, online

Date: 20 July 2010

**UK's First Infra Debt Fund Raises GBP40m Via IPO**

GCP Infrastructure Investments Limited, the UK's first listed infrastructure debt fund, raised GBP40m at a price of GBP1 per share through a public offering. The amount raised was GBP10m less than the fund's initial target.

The company has applied for admission of 40,000,000 ordinary shares to trading on the London Stock Exchange's main market for listed shares, which is expected to take place on July 22.

Commenting on the fundraising, GCP's Managing Partner Stephen Ellis said the projected 8% net yield (after costs, expenses and related carry) and inflation protection appealed to the company's core target investors among institutions and private client stockbrokers. The nominal yield is 10%.

He added: "The future growth prospects for the sector remain buoyant – despite the current review of some areas of government spending on new projects, the private finance Initiative remains a key mechanism for central and local government commitments to deliver social infrastructure efficiently."

**Fund Details**

GCP Infrastructure Investments Limited will invest the proceeds from the listing into a master fund, which in turn will invest in subordinated debt instruments issued by UK PFI infrastructure project companies.

The master fund has already invested GBP24m and is expected to have made a further investment of about GBP9.25m by the end of July 2010. Its pipeline of potential investments total GBP65m.

GCP Infrastructure Investments will pay dividends of 8% per annum on all income it receives from the master fund. The company expects to receive a dividend of approximately 2.75 pence per ordinary share from the master fund for the fund's financial period ending Sept. 30, 2010 and expects to declare its first dividend in November 2010. Dividends thereafter will be semi-annual.

Gravis Capital Partners (GCP), the fund's investment adviser, receives a fee equal to 0.9% per annum of the net asset value of the master fund. It also receives an acquisition fee of 1% of the cost of each asset acquired. No performance fee is charged.

The estimated initial NAV per ordinary share is about 98 pence.

Oriel Securities is acting as financial adviser, sponsor and bookrunner.