

GCP Infrastructure Investments Limited

Quarterly Fact Sheet 31.12.12

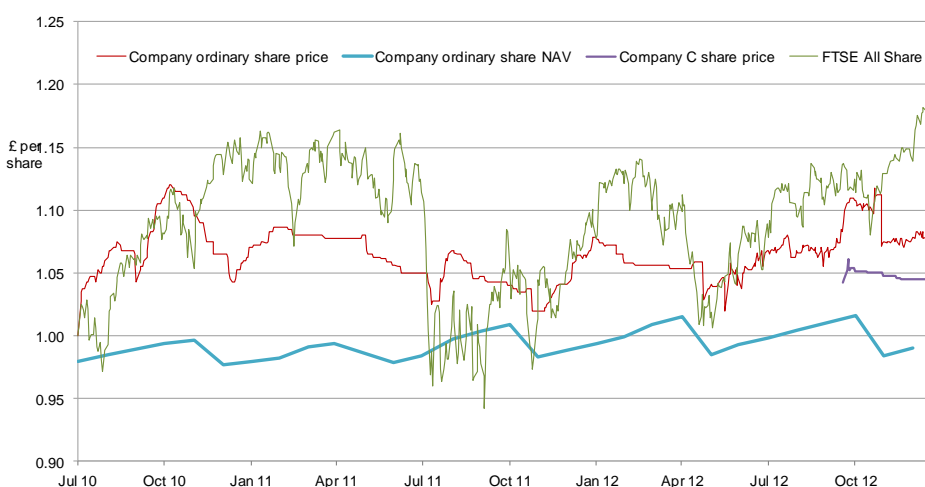
Overview

GCP Infrastructure Investments Limited (the "Company") is a Jersey-incorporated, closed-ended investment company whose shares are traded on the main market of the London Stock Exchange. The Company is a feeder fund that invests substantially all of its capital in GCP Infrastructure Fund Limited (the "Master Fund"), a Jersey open-ended investment company.

Company objectives

The Company's investment strategy is to provide shareholders with long term distributions by generating exposure (through its investment in the Master Fund) to debt issued by UK infrastructure project companies and related or similar assets. The target net annual return of the Company is 8% (based on the offer price at IPO of £1 per share). The Master Fund primarily targets investments in completed infrastructure projects with long term, public sector-backed, availability-based revenues. Where possible investments are structured to benefit from partial inflation protection.

Company share performance



As at close of business on 31 December 2012, the unaudited net asset value per Ordinary Share of the Company was 99.06 pence and the unaudited net asset value per C Share of the Company was 98.38 pence.

The unaudited net asset value per Ordinary Share of the Company is based on the latest unaudited net asset value per Income Share of the Master Fund of 102.72 pence, taking into account cash, other assets, accrued liabilities and expenses and leverage (if any) of the Company attributable to the Ordinary Share class.

The unaudited net asset value per C Share of the Company is based on the latest unaudited net asset value per C Share of the Master Fund of 100.07 pence but taking into account cash, other assets, accrued liabilities and expenses and leverage (if any) of the Company attributable to the C Share class.

Company overview

Listing date	22 July 2010
SEDOL	B6173J1
Registered number	105775
Ticker	GCP.L
Expected dividend	June / Dec
Financial y/e	September

<http://gcpuk.com/gcp-infrastructure-investments-ltd>

Ordinary Share Class

Shares in issue	132.8m
Share price	107.88p
Market cap	£143.3m
NAV per share	99.06p
NAV	£131.6m
Share price premium to NAV	8.9%

Ordinary Share Class NAV*

Investments	£129.7m
Net current liabilities	-£0.2m
Cash	<u>£2.1m</u>
NAV	£131.6m

C Share Class

Shares in issue	132.3m
Share price	104.50p
Market cap	£138.3m
NAV per share	98.38p
NAV	£130.2m
Share price premium to NAV	6.2%

C Share Class NAV *

Investments	£12.1m
Net current assets	£0.0m
Cash	<u>£118.1m</u>
NAV	£130.2m

* Consolidation of the Company's balance sheet and the Company's share of the Master Fund's balance sheet

GCP Infrastructure Investments Limited

Quarterly Fact Sheet 31.12.12

Company update

C Share

The Company successfully raised gross proceeds of £144.4 million, with £132.3 million raised through the Placing and Offer for Subscription of C Shares and £12.1 million raised through the arrangements for Switching. The issue was considerably oversubscribed and accordingly scaling back was applied. The Company acquired 129.9 million Master Fund C Shares.

Dividend payment

The Company announced a final dividend of 3.8 pence per Ordinary Share for the period from 1 April 2012 to 30 September 2012. The final dividend was paid on 28 December 2012 to holders of Ordinary Shares recorded on the register as at the close of business on 30 November 2012.

Portfolio overview and performance

As at 31 December 2012, the Master Fund was exposed to a portfolio of 26 infrastructure loans (the "Loans"), two of which are allocated to the C Share Class. The Loans have been made against the performance of a number of availability based UK PFI projects and solar photovoltaic installations (the "Projects").

34% of the Loans are exposed to solar installations, 25% to the education sector, 21% to the healthcare sector, 7% to the leisure sector, 5% to accommodation assets and the remainder to custodial, emergency services, street lighting and housing projects. The weighted average term of the Loans is twenty one years and the weighted average yield is 9.6%. The valuation of the Loans is £175.6 million (based on a valuation carried out by Mazars LLP, the Valuations Agent, as at 31 December 2012). The valuation reflects a weighted average discount rate across the portfolio of Loans of c. 9.6%. None of the Projects has reported any material operational performance issues during the period.

Transactions completed in the quarter

During the quarter, the Master Fund advanced loans with a total value of £17.4 million.

The Master Fund advanced a loan of £2.35 million to Civic PFI. The loan has a term of c. 14 years and is expected to produce a return of 9.20% p.a. annual equivalent. The loan is secured on a subordinated basis against the cash flows associated with an operational UK PFI project.

The Master Fund committed to subscribe for loan notes (in two tranches) secured on a senior basis against a portfolio of domestic solar photovoltaic installations with an aggregate value of up to £30.8 million. During the period, the Master Fund subscribed for loan notes with an aggregate value of £15.1 million. The loan notes have an annualised yield of 9.31%. The installations have been, and will continue to be, effected by A Shade Greener Ltd.

Pipeline

In offering the market long-term debt, the Master Fund is providing a highly sought-after product and the Investment Adviser is considering potential deals across a variety of projects in the PFI and renewable energy sectors.

Pricing in the secondary PFI market seems to be rising steadily, particularly for larger (>£10m) transactions, although we continue to seek out smaller off market transactions that attract fewer investors and as such are not priced as keenly.

We are exploring projects in the renewable energy sector (solar installations, anaerobic digestion plants, woodchip boilers and onshore wind) that are supported by government subsidies in one form or another. Many such projects are struggling to find providers of long-term debt. In these transactions we are seeking to provide senior debt.

Historic dividend payment dates

23 December 2010	2.15p
24 June 2011	2.30p
23 December 2011	3.00p
29 June 2012	3.70p
28 December 2012	3.80p

Corporate calendar

Dividend declaration	May 2013
Ex dividend date	May 2013
Dividend payment date	June 2013

GCP Infrastructure Investments Limited

Quarterly Fact Sheet 31.12.12

Market developments in last quarter

Private Finance 2

In his autumn statement on 5 December 2012, the Rt. Hon George Osborne MP, the Chancellor of the Exchequer, outlined the government's vision for the future of UK infrastructure in the form of Private Finance 2 ("PF2"), the long awaited replacement of PFI. PF2 is, as expected, substantially based on PFI with a few significant changes.

On the financing side, projects will be less geared, capped at an expected 80% compared to the 90% gearing for PFI deals. The much larger equity capital is to be provided by three distinct sources: developer equity, public sector equity (up to 49%), and so called "third party equity". The third party equity will be procured through a funding competition, and is an attempt to attract long term institutional investors. The provision of public sector equity will come with project company board representation, and is an attempt to align the interests of the public and private sectors and to ensure the public sector has greater visibility of, and control over, project performance.

Two of the most vehemently criticised aspects of PFI, the inflexibility of operational maintenance contracts and the cost and time associated with procurement, have also been addressed directly. The government is introducing flexible soft facilities management contracts, meaning the public sector will be able to change service providers at any point during the PF2 contract and choose cheaper options. The government has also stated that procurement times for PF2 deals can last no longer than 18 months.

How the market reacts to PF2 is yet to be seen. It will be crucial that the private sector debt and equity markets get comfortable with the new structure given the enormous private sector funding requirement for the proposed infrastructure development.

Debt Markets

The National Infrastructure Plan outlined the government's aim to raise £150 billion from the private sector, the majority of which would be debt finance. The high capital cost of infrastructure assets means they are best financed by long dated debt, and it remains the case that there are currently relatively few providers of long dated debt.

Banks continue to retreat from long-term lending due to Basel II / III and concerns regarding their own liquidity. The bond markets are still predominantly shut to new issuances following the collapse of monoline insurers, and the involvement of pension funds and insurers is hampered by impending regulation in the form of Solvency II. Those entities that are lending, a few of the Japanese banks and some insurers and pension funds, are more focused on larger value transactions.

It is the pension funds in particular that the government has turned to in the hope that they will play a key role in funding the planned infrastructure expenditure. It was announced in September 2012 that seven pension funds had given soft commitments to the government to allocate approximately £2 billion to a platform to invest in UK infrastructure projects, although it remains unclear at what stage in the development of an infrastructure asset the pension funds will invest, and whether they will provide debt or equity.

A clear indication of the government's concern surrounding the constrained credit environment was their announcement in mid-July 2012 regarding the roll out of a £40 billion loan guarantee programme designed to assist in the financing of infrastructure projects that had stalled specifically due to adverse credit conditions. It is hoped that this will help progress what is a relatively limited infrastructure development pipeline.

The Company

GCP Infrastructure Investments Limited
12 Castle Street, St. Helier,
Jersey JE2 3RT

The Company management, administration & advisory

Directors

Trevor Hunt
David Pirouet
Ian Reeves CBE (Chairman)

Custodian

Capita Trust Company (Jersey) Ltd

Advisers on English Law

Berwin Leighton Paisner LLP

Advisers on Jersey Law

Carey Olsen

Auditor of the Company

Ernst & Young LLP

Brokers

Oriel Securities Limited

Valuation Agent

Mazars LLP

GCP Infrastructure Investments Limited

Quarterly Fact Sheet 31.12.12

Ordinary Share exposure to investment portfolio

Asset	Asset type	Sector	Value ¹ (£m)	% of Portfolio	Annualised yield	Exp Remaining Term
Infra Inter 3	Senior loan	Feed-in tariff	11.87	9.2%	9.5%	24
Infra Inter 4	Senior loan	Feed-in tariff	11.81	9.1%	9.5%	24
GEM1	Senior loan g'tee	Various ²	11.47	8.8%	9.8%	7
GEM2	Senior loan g'tee	Various ³	11.04	8.5%	9.8%	14
Infra Inter 2	Senior loan	Feed-in-tariff	9.41	7.3%	9.5%	23
Civic PFI	Sub loan	Education & Custodial	9.24	7.1%	9.3%	17
Infra Inter 1 C	Sub loan	Various ⁴	9.05	7.0%	9.6%	26
Education PFI	Sub loan	Education	8.54	6.6%	9.2%	23
Infra Inter 1 B	Sub loan	Healthcare	6.66	5.1%	9.6%	20
Infra Inter 1 A	Sub loan	Healthcare	6.39	4.9%	9.6%	27
Infra Inter 5	Senior loan	Feed-in-tariff	4.94	3.8%	9.3%	24
Cardale	Sub loan	Various ⁵	3.52	2.7%	9.7%	23
LIL Amber Valley	Sub loan	Leisure	3.37	2.6%	10.5%	26
LIL Rotherham	Sub loan	Leisure	2.56	2.0%	10.5%	28
GPFI Braintree	Sub loan	Healthcare	2.44	1.9%	9.6%	26
GPFI Lanchester	Sub loan	Healthcare	2.44	1.9%	9.6%	26
GPFI Runwell	Sub loan	Healthcare	2.44	1.9%	9.6%	26
GPFI Stanley	Sub loan	Healthcare	2.44	1.9%	9.6%	26
LIL Wolverhampton	Sub loan	Leisure	2.00	1.5%	10.5%	23
Civic PFI II	Sub loan	Blue Light	1.88	1.4%	9.2%	17
Kirklees	Sub loan	Education	1.88	1.4%	9.6%	19
Infra Inter 1 D	Sub loan	Education	1.76	1.4%	9.3%	27
GPFI N Yorks Schools	Sub loan	Education	1.45	1.1%	9.6%	26
Infra Inter 1 E	Sub loan	Healthcare	1.14	0.9%	9.5%	26
Total			129.7	100.0%	9.6%	21

C Share exposure investment portfolio

Asset	Asset type	Sector	Value ¹ (£m)	% of Portfolio	Annualised yield	Exp Remaining Term
Infra Inter 5 B	Senior loan	Feed-in tariff	10.06	83.4%	9.3%	19
Infra Inter 6	Senior loan	Feed-in tariff	2.00	16.6%	9.3%	20
Total			12.1	100.0%	9.3%	19

Overview of the Company's Ordinary Share investment portfolio

Number of holdings *	24
Value Company's exposure **	£160.9m
Weighted average yield ***	9.6%
Weighted average expected life	21 yrs

* GEM1 and GEM2 investments are split into several separate notes

** Based on the Valuations Agent's valuation reflecting a weighted average discount rate across the portfolio of c. 9.6%

*** Weighted average annualised yield on principal amount of investment assets

- 1 Company's share of Valuation Agent's valuation as at 31 December 2012
- 2 1 leisure, 1 street lighting, 1 housing, 1 health and 10 education PFI projects
- 3 1 leisure, 2 emergency services, 1 custodial, 1 accommodation, 3 health and 12 education PFI projects
- 4 1 healthcare and 2 accommodation PFI projects
- 5 A variety of leisure, healthcare and education PF projects

Overview of the Company's C Share investment portfolio

Number of holdings	2
Value of holdings **	£12.06m
Weighted average yield ***	9.3%
Weighted average expected life	19 yrs

** Based on the Valuations Agent's valuation reflecting a weighted average discount rate across the portfolio of c. 9.3%

*** Weighted average annualised yield on principal amount of investment assets

GCP Infrastructure Investments Limited

Quarterly Fact Sheet 31.12.12

Infrastructure projects underlying Master Fund investment portfolio as at 31 Dec 2012

	% of Portfolio	Loan asset
Feed-in tariff	34.2%	
A Shade Greener residential solar 2	8.5%	Infra Inter 3
Llancayo solar farm	8.5%	Infra Inter 4
A Shade Greener residential solar 1	6.7%	Infra Inter 2
A Shade Greener residential solar 3	3.5%	Infra Inter 5
A Shade Greener residential solar 4	5.8%	Infra Inter 5B
A Shade Greener residential solar 5	1.2%	Infra Inter 6
Education	24.6%	
Slough Schools	6.1%	Education PFI
Various UK PFI senior debt	5.5%	GEM1
Highland Schools	4.7%	Civic PFI
Various UK PFI senior debt	4.6%	GEM2
Kirklees PFI	1.3%	Kirklees
Dumfries and Galloway Schools	1.3%	Infra Inter 1 D
North Yorkshire Schools	1.0%	GPFI N Yorks Schools
Healthcare	21.3%	
Healthsource Bromley	4.8%	Infra Inter 1 B
Stobhill Hospital	4.6%	Infra Inter 1 A
Hull LIFT	2.1%	Infra Inter 1 C
Braintree Community Hospital	1.7%	GPFI Braintree
Lanchester Road Children's Unit	1.7%	GPFI Lanchester
Runwell Community Hospital	1.7%	GPFI Runwell
Stanley Primary Care Centre	1.7%	GPFI Stanley
Various UK PFI senior debt	1.0%	GEM1
Various UK PFI senior debt	1.0%	GEM2
Cockermouth & Cleator LIFT	0.8%	Infra Inter 1 E
Leisure	7.3%	
Amber Valley PFI	2.4%	LIL Amber Valley
Rotherham PFI	1.8%	LIL Rotherham
Wolverhampton PFI	1.4%	LIL Wolverhampton
Various UK PFI senior debt	1.0%	GEM1
Various UK PFI senior debt	0.7%	GEM2
Accommodation	5.1%	
Young Herts Accommodation	2.8%	Infra Inter 1 C
Caring 4 Croydon	1.6%	Infra Inter 1 C
Various UK PFI senior debt	0.8%	GEM2
Custodial	2.1%	
Sheffield Family Courts	1.9%	Civic PFI
Various UK PFI senior debt	0.1%	GEM2
Other	5.4%	
Various UK PFI	2.5%	Cardale
Emergency Services	0.8%	GEM2
Nottingham Police PFI	1.3%	Civic PFI II
Street Lighting	0.3%	GEM1
Housing	0.4%	GEM1

Note 1: The potential exposure of GEM1 and GEM2 to each sector is up to £14.3m and £13.8m respectively. The exposures shown are weighted by value of underlying senior loan

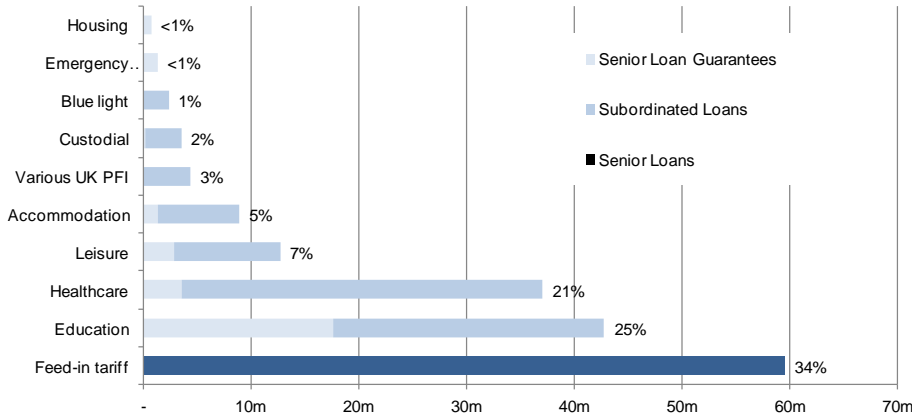
Note 2: The exposures do not take into account cash holdings

GCP Infrastructure Investments Limited

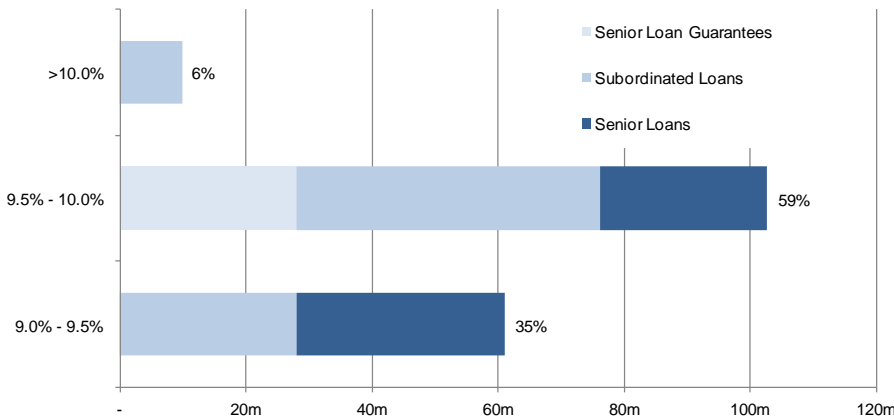
Quarterly Fact Sheet 31.12.12

Master Fund investment portfolio analysis

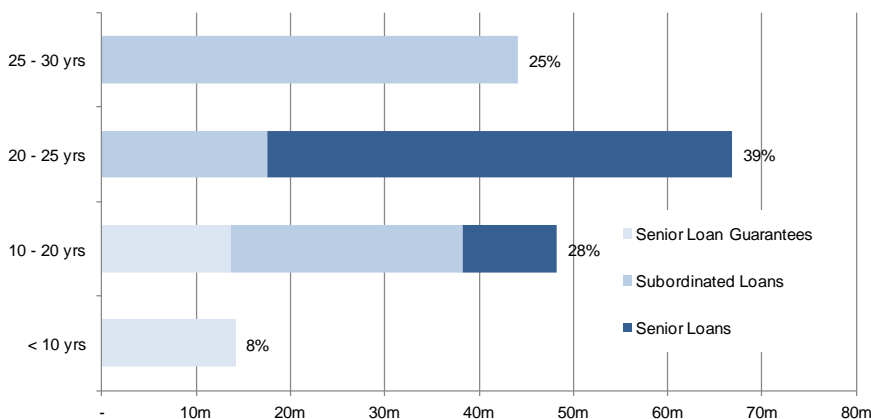
Portfolio by sector



Portfolio by annualised yield



Portfolio by expected remaining term



This Report is intended solely for the information of the person to whom it is provided by the Company, the Investment Adviser or the Administrator. It should not be relied on by any person for the purpose of making an investment decision. The payment of dividends and the repayment of capital are not guaranteed by the Company. Past performance is not a reliable indicator of future performance, and investors may not get back the original amount invested. Unless otherwise stated the sources for all information contained in this report are the Investment Adviser and the Administrator. This report does not contain and is not to be taken as containing any financial product advice or financial product recommendation.

Gravis Capital Partners LLP, registered in England (Registered Number: OC332060, Registered Office: 53 – 54 Grosvenor Street London W1K 3HU), is authorised and regulated in the UK by the Financial Services Authority.

Contacts

Investment Adviser

Gravis Capital Partners LLP (“GCP”)*
53 / 54 Grosvenor Street
London W1K 3HU

Stephen Ellis / Rollo Wright

Email: infrastructure@gcpuk.com

Tel: +44 20 7518 1490

Administrator, Secretary and Registrar

Capita Financial Administrators (Jersey) Limited

Clare McIntosh

Email: gcpcosec@capita.co.uk

Tel: +44 1534 847060

*GCP is authorised and regulated by the Financial Services Authority