



EDHEC Business School launches dedicated research unit to fill knowledge gap in private infrastructure investment

- *Credible investment benchmarks lacking amid trillion-dollar funding gap for infrastructure projects*
- *EDHECinfra to create the largest infrastructure investment database in the world*
- *Benchmarks of risk-adjusted performance of infrastructure investments to be developed using EDHECinfra's unique asset pricing technology*
- *Key partners include MAS, NATIXIS, LTIA and G20's GIH*

Singapore, 24 February 2016 – EDHEC Business School (EDHEC) has launched a new research unit, called the EDHEC Infrastructure Institute-Singapore (EDHEC*infra*), dedicated to reducing the knowledge gap that has been preventing the trillion-dollar infrastructure investment industry from becoming a major asset class for institutional investors.

EDHEC*infra* will produce equity and debt investment benchmarks, providing infrastructure investors with much sought-after risk-adjusted performance measurements. Such benchmarks are needed for asset allocation, prudential regulation and the design of new infrastructure investment solutions.

At the official launch of EDHEC*infra* in Singapore today, its Director, Dr Frédéric Blanc-Brude said, “EDHEC*infra* is a global repository of infrastructure investment knowledge. We will help investors, regulators, and policy makers better understand the risk-adjusted performance of private infrastructure, and design better investment solutions using infrastructure debt and equity.”

EDHEC*infra* is a multi-million dollar project supported by public and private institutions and by EDHEC Business School.

Ms Jacqueline Loh, Deputy Managing Director of Monetary Authority of Singapore (MAS), who was present at the launch ceremony said, “MAS is happy to be a partner of EDHEC*infra*. We hope that EDHEC*infra*'s benchmarks will enable institutional investors to better evaluate the performance and risk characteristics of unlisted infrastructure debt and



equity, and ultimately have the confidence to increase their infrastructure allocations. Infrastructure is vital for global growth and development.”

EDHEC is also pleased to announce the endowment of two EDHEC*infra* Research Chairs, one by French corporate and investment bank NATIXIS on benchmarking private infrastructure debt and the other by the Long-Term Infrastructure Investors Association (LTIIA) on benchmarks of privately-held equity investments in infrastructure.

Global Head of Infrastructure and Projects at Natixis, Ms Anne-Christine Champion said, “We welcome the creation of EDHEC*infra*, which is a good illustration of the progress made on research into infrastructure debt since the start of our research chair in 2012, for which we have recently renewed our support. Dr Blanc-Brude and his team have successfully established a reference centre for institutional investors, regulators and market players in the infrastructure debt asset class. We look forward to continuing our fruitful partnership with EDHEC*infra* to promote the transparency of this asset class.”

Mr Thierry Deau, Chairman of LTIIA and CEO of Meridiam Infrastructure, said, “Following several years of fruitful cooperation with EDHEC, we welcome the establishment of EDHEC*infra* and look forward to continuing our work with the team there. The creation of a long term infrastructure benchmark will mark an important milestone for our members that include some of the most active infrastructure investors globally.”

EDHEC*infra* was also recently mandated by the Global Infrastructure Hub (GI Hub), an entity created by the G20 to support new research on infrastructure investment, to survey institutional investors’ perceptions and expectations of infrastructure as an asset class.

CEO of GI Hub, Mr Chris Heathcote said, “The GI Hub is pleased to be partnering with EDHEC*infra* to provide important research. It will promote a better understanding of investor preferences and the pre-conditions that will free up the flows of capital within the infrastructure markets.”

Since 2012, EDHEC*infra*’s research team, which was previously housed within the EDHEC Risk Institute (Europe’s leading institute for applied research in finance and investments), has been collecting and analysing data on infrastructure projects, and



developing methodologies to benchmark them. Data contributors to EDHECinfra’s database include multilateral and commercial banks, pension plans, insurers and sovereign wealth funds.

Dr Blanc-Brude said, “EDHECinfra will continue to collect data globally for years to come.

“Our performance measurement technology can place private infrastructure investments, both debt and equity, on an equal footing with other asset classes and will greatly enhance the ability of investors to make allocation and investment decisions.”

Background:

The need for infrastructure investment benchmarks comes at a time when governments around the world are actively tapping private capital to plug massive infrastructure funding gaps, estimated by the World Economic Forum (WEF) to be US\$1 trillion short of the US\$2.7 trillion annual global spending on basic infrastructure including transport, power, water and communications.

Investment benchmarks are demanded by a growing group of institutional investors, including pension funds, sovereign wealth funds and insurance companies that have stepped up their investments in infrastructure assets, as they seek to diversify from traditional investment asset classes, which have revealed their limits to generate diversification benefits since 2008.

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About EDHEC Business School (EDHEC)

EDHEC Business School, founded in 1906 and among the select few institutions to have garnered international recognition through the triple crown of EQUIS, AACSB and Association of MBAs accreditations, offers management education at undergraduate, graduate, post-graduate and executive levels designed to meet the needs of companies. Its large range of international graduate programmes draws students from the world over. With its five campuses in Lille, Nice, Paris, London and Singapore, its 6,000 students, and its 134 full-time faculty and researchers, EDHEC has been ranked among the top international business schools for several years.

About EDHEC Infrastructure Institute – Singapore (EDHECinfra)

EDHECinfra was officially 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. EDHECinfra currently has the world's largest dedicated database of infrastructure investment cash flows, covering more than 15 years of data and hundreds of projects across the globe. EDHECinfra is headquartered in Singapore and has a team of 10 researchers.

edhec.infrastructure.institute