



2012 European Sea Ports Conference on PORT FINANCING AND INVESTMENTS



Port Investor

‘tapping the global investment sector’

John P.M. Verschelden

**Connecting investors with port
infrastructure markets**

Port Investor is an activity of Hong Kong based **InduStreams Limited**

The Mission

- InduStreams' mission is to create a more transparent, connected and informed infrastructure market place
- Port Investor was launched as a specific sector pilot with focus on port infrastructure investing and the global port industry

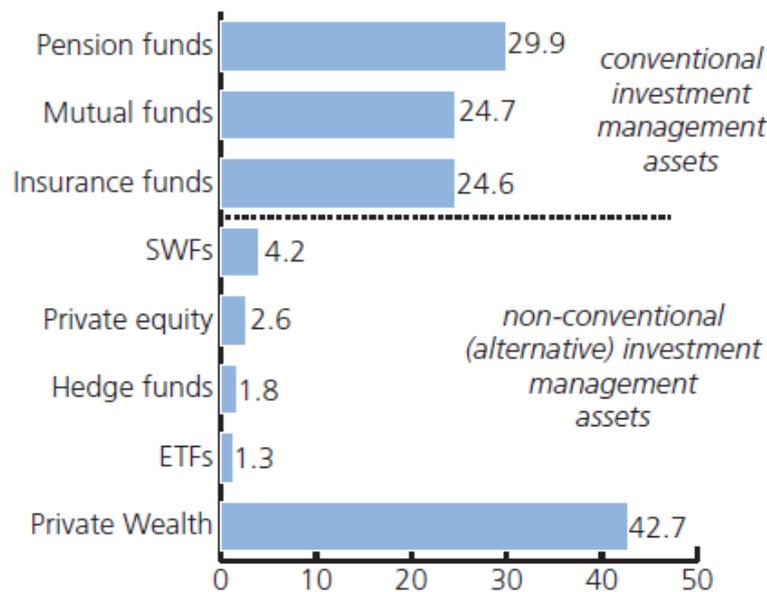
The Vision

- UNLEASH the full potential of each port group and market
- CONNECT all important port markets with investors and industry players
- EMPOWER the market by creating new ways and models for investors and ports to come together

Magnitude and appetite

Chart 1
Global fund management industry

assets under management, \$ trillion, end-2010



¹ Around one-third of private wealth is incorporate in conventional investment management

Source: TheCityUK estimates

- \$100+ trillion in the funds management sector
- big appetite for increased allocation to infrastructure investments
- pension and insurance funds may quadruple their infrastructure holdings
- no lack of cash in the funds sector
- public debt in EU and budget deficits push private financing

Investor diversity



Port Investor

Bulk *Financial investor*

\$10+ million *Containers* *Operator*

Greenfield *Brownfield*

Developer *Majority*

Acquisition *Oil & Liquids*

Logistic Zone *\$100+ million*

Seed investor *Free Zone*

Minority *\$1+ billion*

OPERATORS

Container terminal
Oil and liquid terminal
Bulk terminal
Free/logistic/property zones

DEVELOPERS

Construction
Marine infrastructure
Economic zones
Port industry/logistic zones

CARGO OWNERS

Container shipping
Oil shipping, Bulk shipping
Mineral companies
Energy companies
Agriculture companies

PARTNERS

South American, Asian,
Middle Eastern port groups

INVESTMENT FUNDS AND PRIVATE EQUITY

Macquarie Infrastructure Group
Brookfield Infrastructure Partners
JP Morgan Infrastructure Fund
Citi Capital Advisors

SOVEREIGN FUNDS

Abu Dhabi Investment Authority
China Investment Corporation
Government of Singapore Investment Corporation
Malaysia Mining Corporation

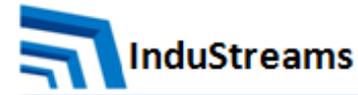
PENSION AND INSURANCE FUNDS

Ping An (2nd biggest Chinese insurance fund)
Ontario Teachers Pension Fund
ATP (biggest Danish fund)
APG (biggest Dutch fund, 3rd biggest globally)

DEVELOPMENT BANKS AND INSTITUTIONS

World Bank and IMF
EU related development banks and funds
IFU and other niche banks

The value creation chain



Port Investor

*Creating the product
– from greenfield to
operation*

*Scaling the
investment – from low
to high yield*



*Seeding the investment - from
idea, opportunity or need to
attractive proposition*

*Creating the market -
building the top line and
foundation for efficiencies*

*Continued value
creation...*

World views

Port Executive



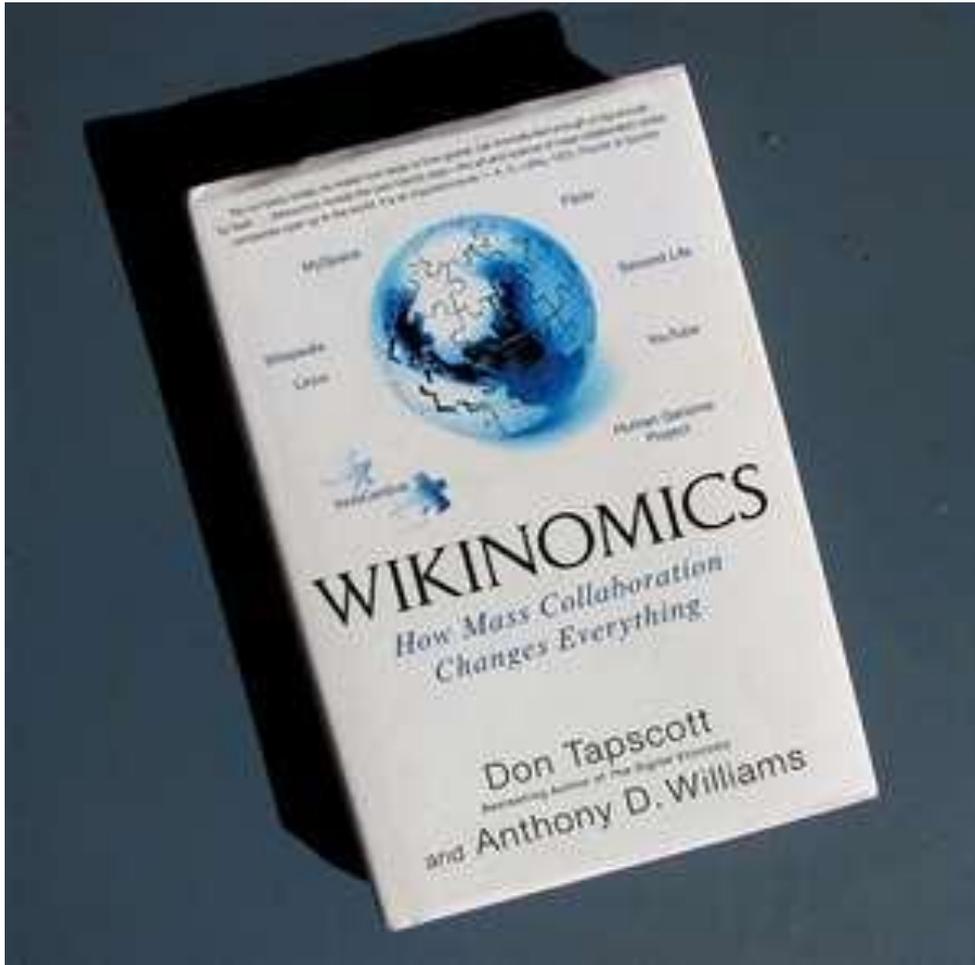
Investment Banker



Early engagement



Collaborative models



Messages from Asia

Some quotes recently picked up:

“ We fear authorization and approval procedures are complicated and difficult for a Chinese company to invest in Europe. **We are not sure how to proceed and hesitant to spend resources.**”

“ I’m not sure we are welcome. **Are European projects not mainly for European investors, developers and operators?**”

“ We have a strong name in China but fear that in Europe our competencies and **contributions as a company will not be valued in the same way as it is in China.**”

“ We would like to partner with a European port, **but don’t know who to engage.**”

“ Going international, including investing in Europe, is part of our long term vision, **however on we see very few real opportunities to invest.**”



And what is Europe's reality today...?

- Long term limitations on public funding due to budget constraints and the need to bring down public debt
- Need to stimulate Europe's economy with new initiatives and new investments for economic growth and reduction of unemployment
- A changed appetite and (often) ability with traditional parties like banks to fund port infrastructure projects

How to break the deadlock?

To create a more transparent, connected and informed ports infrastructure market place (= InduStreams' and Port Investor's vision)