
Expression of Interest:

Provision of groupwide investment management services

Background

The Private Infrastructure Development Group encourages and mobilises private sector investment in infrastructure in the frontier markets of sub-Saharan Africa and South and South-East Asia, with a particular focus on poor and fragile countries. PIDG develops innovative solutions to help promote economic development and combat poverty. PIDG is an organisation that supports infrastructure development in the world's poorer countries through a variety of companies including the Emerging Africa Infrastructure Fund ("EAIF"), GuarantCo Limited ("GuarantCo"), InfraCo Africa Limited ("InfraCo Africa"), InfraCo Africa Investment Limited ("InfraCo Africa Investment"), InfraCo Asia Development Pte. Ltd ("InfraCo Asia"), InfraCo Asia Investments Pte. Ltd ("InfraCo Asia Investments"), The Private Infrastructure Development Group Limited ("PIDG Ltd") and the Technical Assistance Fund ("TAF"), together known as the "PIDG Companies".

PIDG is funded by the governments of the UK, the Netherlands, Switzerland, Australia, Sweden, Germany and the IFC. In addition, PIDG Companies have certain loans and stand-by facilities with other governmental and private entities.

Further information about PIDG and the PIDG Companies, including the work we do and how we do it, can be found at <https://www.pidg.org>.

Requirement

GuarantCo currently has two investment managers managing a portfolio of investments (currently fixed income and cash funds to a total value of US\$260m), a service which it is seeking to re-procure. Owing to the nature of their business models, some of the other PIDG companies have cash balances which may be available for investment over short or medium terms.

PIDG is seeking one or more investment manager to undertake investment management for the PIDG Companies, offering funds/investment mandates which have been approved centrally (by PIDG Limited) for each of the PIDG companies to invest in following PIDG's risk appetite. These investments will need to operate within the broader mandate of capital preservation whilst conforming to PIDG's investment policy that includes stipulations around sectors and geographies that may be invested in. The investments will also be subject to the PIDG risk appetite framework that outlines the approach to, and limits around, credit and market risks. As such, with a view to managing these risks, the Group would like the option of periodically reviewing the constitution of its investment portfolio should the macroeconomic environment evolve.

The reporting of each company's investment performance should be to that company and to PIDG Limited, for whom consolidated reporting is also required (Note: PIDG Limited acts as the 'de facto' holding company for the group but all PIDG companies are owned by the PIDG Trust).

Due consideration will also be given to an investment manager(s) with a strong background in environmental, social and governance (ESG) investing and who demonstrably operates in a manner consistent with our values.

To qualify, the investment manager(s) must be able to demonstrate the following:

- Authorisation and regulation in a major jurisdiction(s) and licensed to provide investment services to UK, Singapore and Mauritian entities and with appropriate custody and depository arrangements in place.
- Track record of operating for minimum 10 years (which may include time under other ownership or business combinations).
- Minimum AUM of \$10bn.
- Able to hold and report on investments in USD or GBP (at choice of each PIDG Company).
- Provision of satisfactory AAF 01/06 and ISAE 3402 reports (or equivalent) for the most recent 3 financial years available and a commitment to providing these annually for the duration of the contract.
- Within all entities that will support PIDG, demonstrate compliance with PIDG's code of conduct and have in place reasonable/appropriate policies in the following areas:
 - Modern slavery;
 - Human rights;
 - Gender based violence and harassment;
 - Equal opportunities;
 - Minimum wage (where applicable), health and safety, and labour laws and regulations;
 - Not to undertake or facilitate tax evasion, or participating in corporate structures created for the sole purpose of shifting taxable profits away from the developing countries.
- Provision of satisfactory references from 3 organisations similar to PIDG that are current clients. These will only be requested of those IMs reaching the second round of the tender process.

We are particularly interested in expressions of interest from firms who are able to:

- assist with obtaining local credit lines and liquidity facilities for PIDG Companies probably secured against collateral/guarantees; and
- manage local liquidity (also local currency) in the jurisdictions in which we operate (in addition to the portfolio referred to above), including those where currency controls may mean we cannot repatriate cash.

The tender process will include a presentation by the selected shortlisted investment managers, which is expected to be virtual. Further information will be released with the tender documentation.

Funds available for management

US\$200,000,000 to US\$400,000,000.

Market Engagement

PIDG Ltd intend to hold market engagement discussions during January/early February 2022 with investment managers who express an interest in this opportunity. If you are interested in taking part in the market engagement sessions, please express your interest, along with your availability to participate in a MS Teams call (during the period indicated above; please state UK times) by emailing procurement@pidg.org by 4 February 2022.