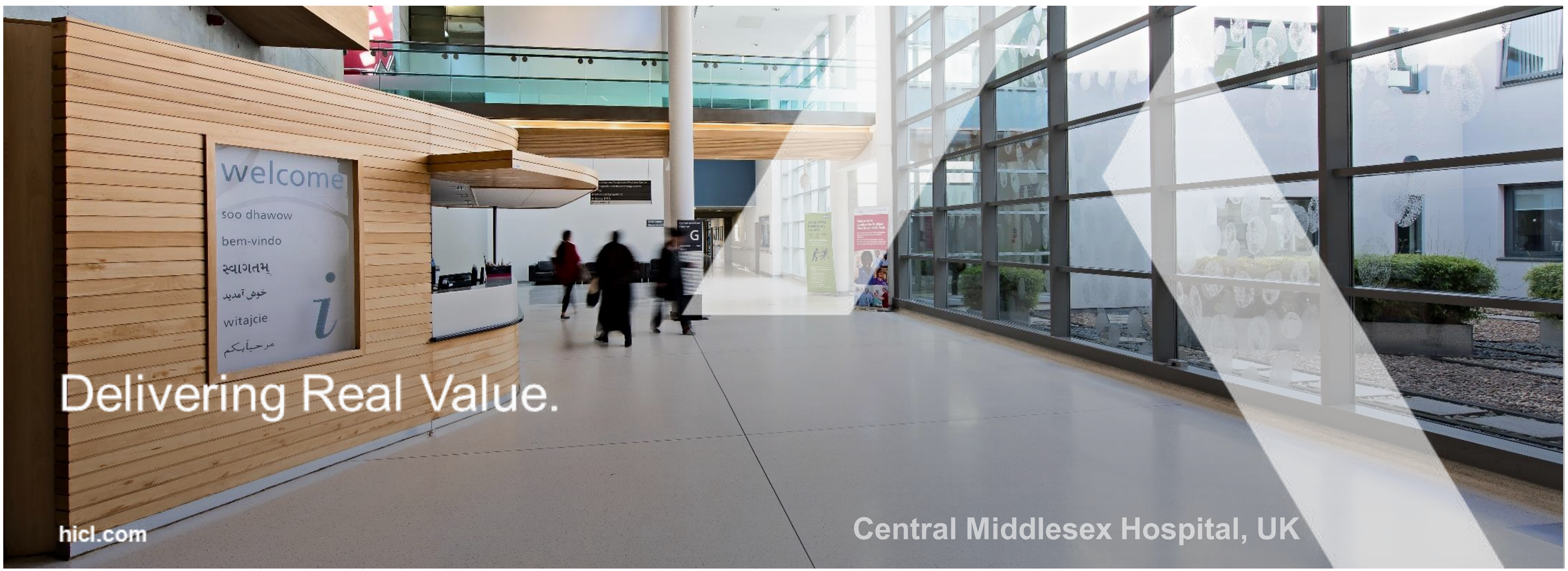
HICL Infrastructure Company Limited

Introductory Presentation - the Investment Adviser, HICL Overview & Recent Performance

Spring 2019



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Unless otherwise stated, the facts contained herein are accurate as at **30 September 2018**.

Contents

Investment Adviser

Birmingham Acute Hospital, UK

Overview of InfraRed Capital Partners Ltd ('InfraRed')

InfraRed is the Investment Adviser and Operator

- Strong, 25+ year track record of launching 19 infrastructure and real estate funds (including HICL and TRIG)
- Currently over US$10bn of equity under management
- Independent manager owned by senior management team[1]
- London based, with offices in Hong Kong, New York, Seoul and Sydney, with over 140 partners and staff
- InfraRed is a signatory of the Principles for Responsible Investment (PRI). These principles provide a voluntary framework to help institutional investors incorporate ESG issues into investment analysis, decision-making and ownership practices. In the annual assessment by PRI, InfraRed has achieved top ratings, standing well above industry standards for the last three consecutive years.

Infrastructure funds	Strategy	Amount (m)	Years	Status
Fund I	Unlisted, capital growth	£125	2001-2006	Realised
Fund II	Unlisted, capital growth	£300	2004-2015	Realised
HICL Infrastructure Company Limited ("HICL")	Listed, income yield	£2,973[2]	Since 2006	Evergreen
Environmental Fund	Unlisted, capital growth	€235	Since 2009	Divesting
Fund III	Unlisted, capital growth	US$1,000	Since 2011	Divesting
Yield Fund	Unlisted, income yield	£500	Since 2012	Invested
The Renewables Infrastructure Group ("TRIG")	Listed, income yield	£1,390[2]	Since 2013	Evergreen
Fund V	Unlisted, capital growth	US$1,390	Since 2017	Investing

Source: InfraRed
1. InfraRed is an indirect subsidiary of InfraRed Partners LLP which is owned by its partners
2. Market capitalisation as at 31 January 2019

InfraRed – Infrastructure Team Skills and Experience

- Proven track record in target markets of UK, Europe, North America, Latin America and Australia / New Zealand
- Focused teams including:
  - Origination and Transaction team responsible for sourcing, diligencing and acquiring new investment opportunities;
  - Asset Management team responsible for managing the portfolio;
  - Portfolio Management team responsible for financial reporting and management;
  - With support from Finance, Compliance and Risk
- Strong sector and geographic experience with in-depth technical, operational and investment knowledge

80+	4	20+
infrastructure professionals	continent coverage	spoken languages

InfraRed Capital Partners

Infrastructure as an Asset Class

Northwest Parkway, USA

Infrastructure Market Map

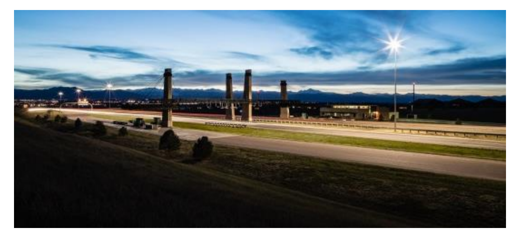
Schematic showing HICL's target markets and Investment Policy[1] Scope

Examples: hospitals, schools, government accommodation and availability transport (e.g. road / rail)

Examples: gas and electricity transmission and distribution; water utilities; district heating

Examples: rolling stock

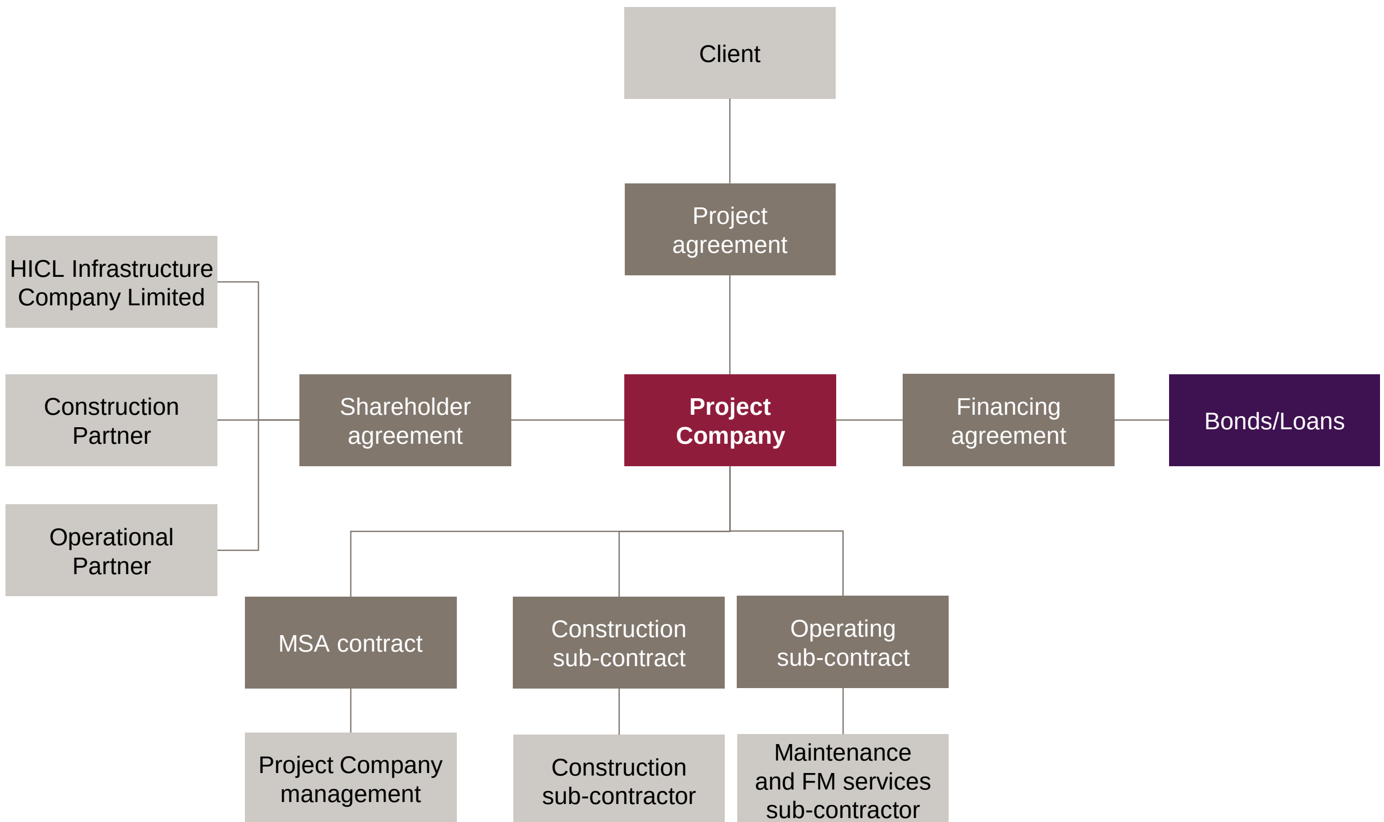
Examples: operational toll roads, tunnels, bridges; student accommodation



1. The Investment Policy can be found on the HICL website

Diagram: The relative valuations attributed to the investments are illustrated in the size of the bubbles, and these are positioned relative to each other, within the relevant market segment, along an increasing risk / reward scale by reference to their prevailing discount rates as at 30 September 2018 with the risk / reward axis denoting increasing discount rates as one moves further from the centre of the diagram

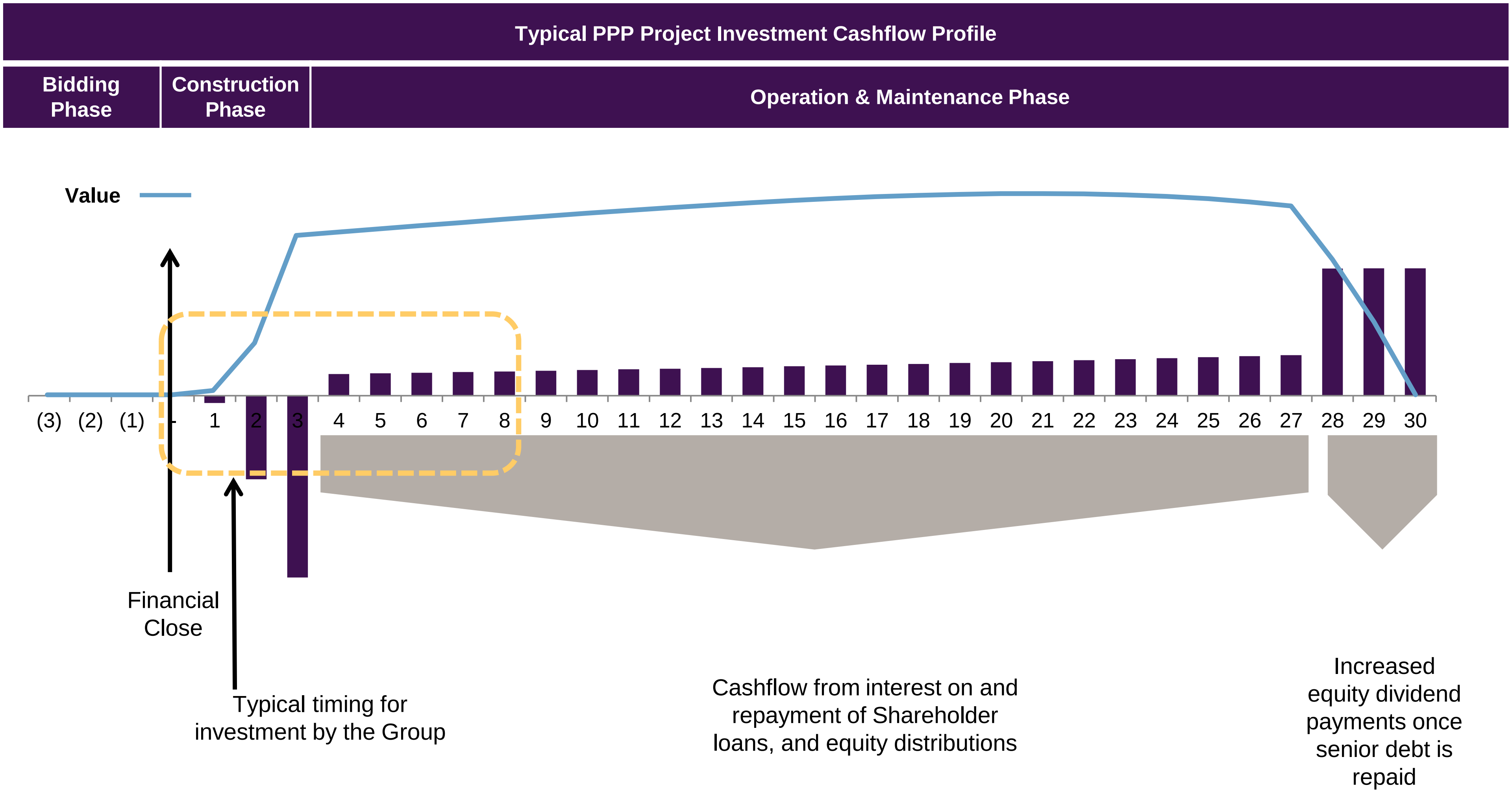
Typical PPP Project Structure



Source: InfraRed

Illustrative Investment Cashflow Profile – PPP Project

Example: Social infrastructure return derived from an 'availability' revenue stream

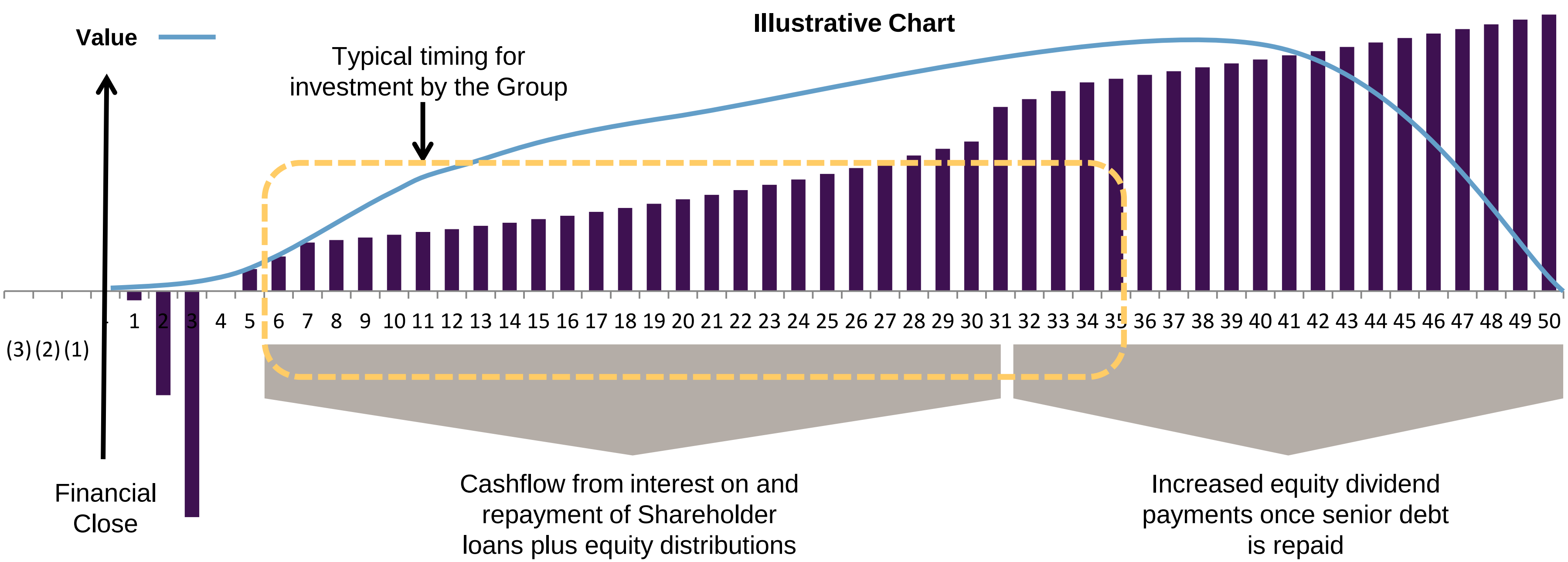


Source: InfraRed

Illustrative Investment Cashflow Profile – Demand-based Asset

Example: Toll road return derived from a demand-based asset revenue stream

Typical Toll Road Investment Cashflow Profile			
Bidding Phase	Construction Phase	Ramp-Up	Operation & Maintenance (Steady State)

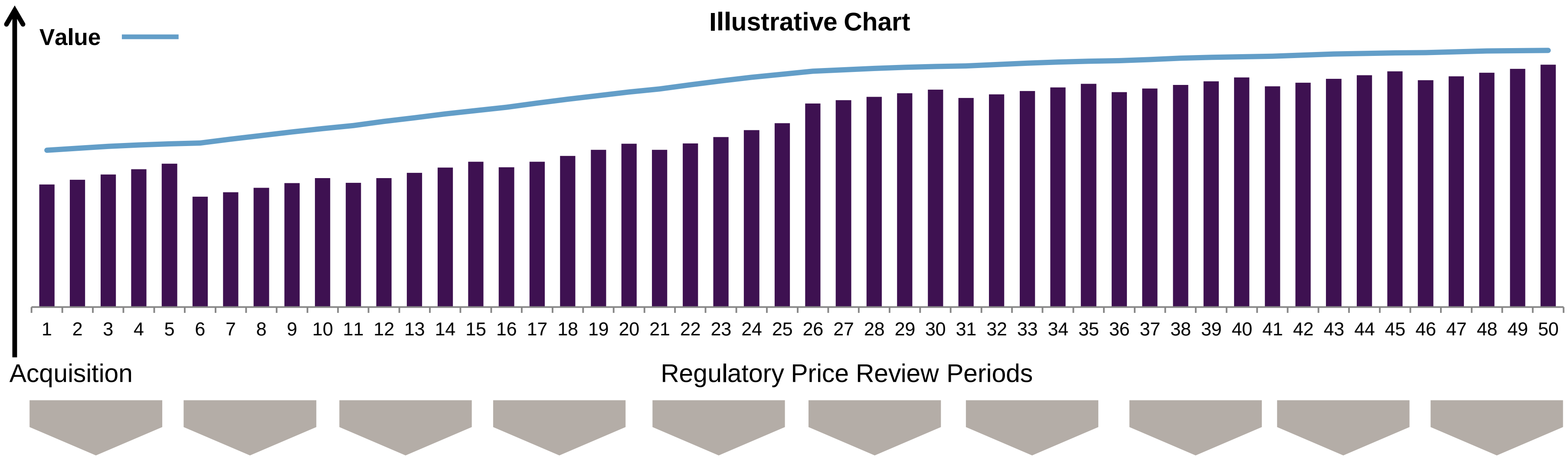


Illustrative Investment Cashflow Profile – Regulated Asset

Example: Utility company return derived from a regulated revenue stream

Typical Regulated Asset Investment Cashflow Profile

Operational Network

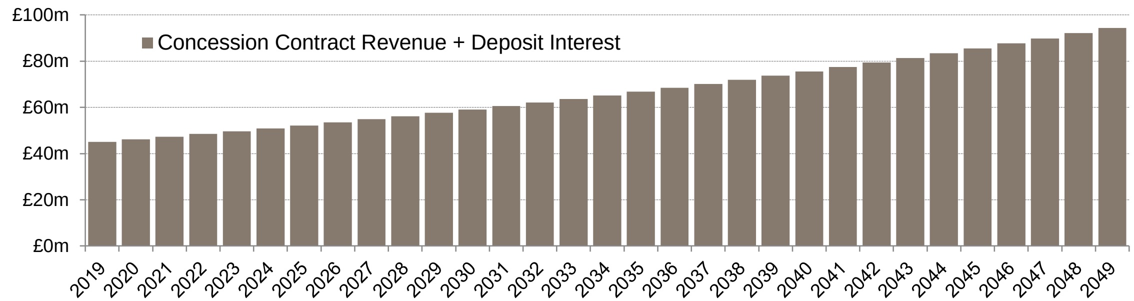


Source: InfraRed

Valuation – Methodology

Determining the Net Asset Value of the portfolio and the Group (PPP project example)

Forecast Project Inflows



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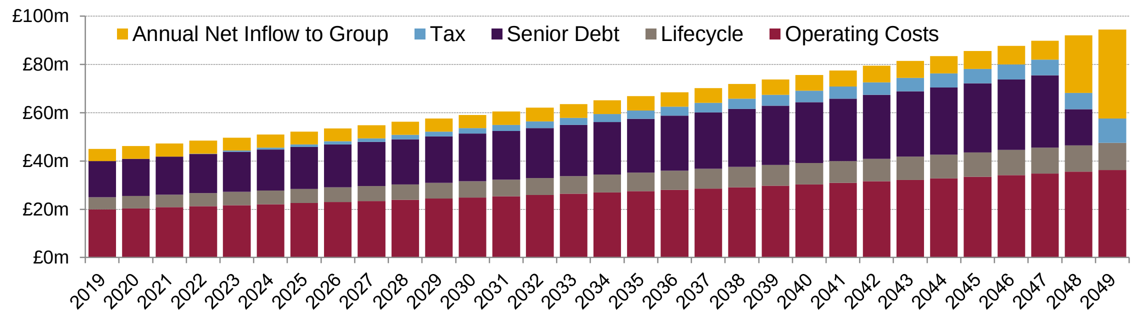
Forecast Project Outflows



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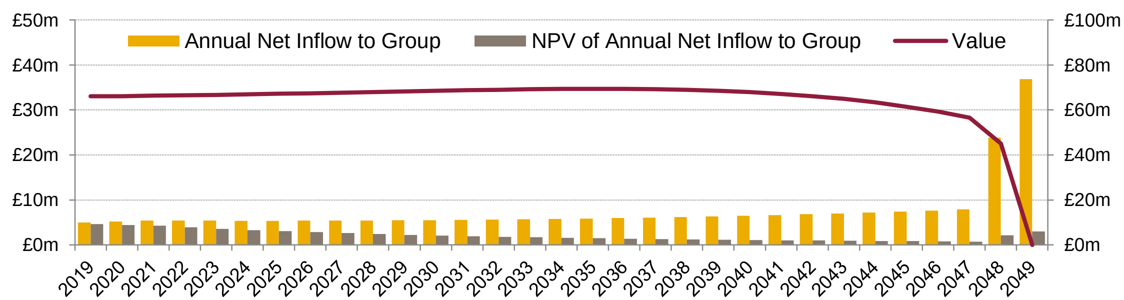
Net Inflow from Project to HICL



Key Variables / Assumptions

- ▲ Long-term Inflation Rates
- ▲ Interest Rates

- Whole-of-life concession revenue linked to inflation
- Interest income from cash reserves at individual project level

- ▲ Tax Rates

- Whole-of-life operating contracts fixed or linked to inflation
- Whole-of-life debt is fixed or inflation-linked
- Net Inflows to HICL in form of dividends, shareholder loan service & portfolio company directors' fees

- ▲ Discount Rates
- ▲ FX Rates

- Net cashflows discounted to derive project valuation
- All project cashflows aggregated to give overall portfolio valuation
- Adjust for other Group net assets / liabilities to get Group NAV

Source: InfraRed

HICL - Overview

Croydon Schools, UK

HICL Infrastructure

Delivering Income from a Portfolio of Infrastructure Investments

Investment Proposition and Business Model

HICL Infrastructure

DELIVERING LONG-TERM, STABLE INCOME FROM A DIVERSIFIED PORTFOLIO OF INFRASTRUCTURE INVESTMENTS AT THE LOWER END OF THE RISK SPECTRUM

VALUE PRESERVATION

Active management of the underlying investments

VALUE ENHANCEMENT

Outperforming the base case, delivering upside to shareholders

ACCRETIVE INVESTMENT

Purchasing assets that enhance the delivery of the investment proposition

Relatively low single asset concentration risk

47%

Ten largest assets as a proportion of the portfolio at 30 September 2018

Strong inflation correlation

0.8

Correlation of portfolio returns to inflation[1] at 30 September 2018

Good cashflow longevity

30.0yrs

Weighted avg asset life at 30 September 2018

1. If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the portfolio (before Group expenses) would increase by 0.8%

HICL's Characteristics

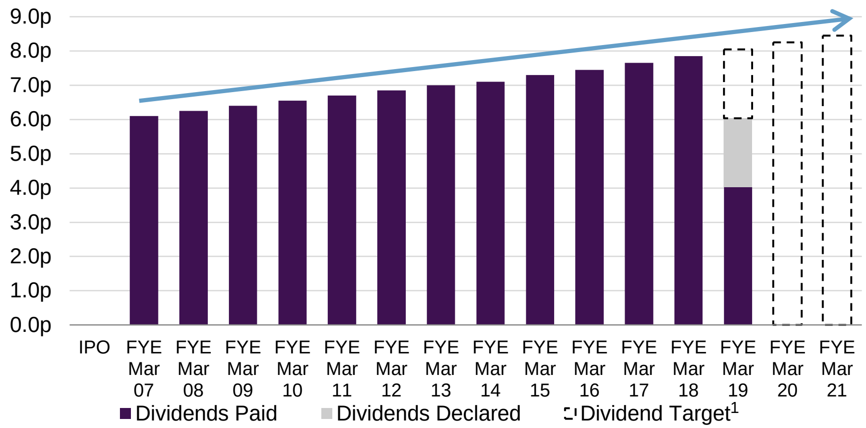
Objective	▲ To generate long-term, stable income from a diversified portfolio of infrastructure investments ▲ Focused on assets at the lower end of the risk spectrum, which generate inflation-correlated returns
History	▲ 12 successive years of dividend growth since IPO in 2006 ▲ First infrastructure investment company to list on the main market of the London Stock Exchange ▲ Member of the FTSE 250 index
Portfolio	▲ 117 investments as at 30 September 2018[1] (115 operational and two under construction) ▲ Assets spread across multiple sectors and countries
Net Asset Value	▲ Directors' Valuation of £2,904.9m[1] at September 2018 (March 2018: £2,836.5m) ▲ NAV/share of 156.4p at September 2018 (March 2018: 149.6p) ▲ Directors' Valuation based on a weighted average discount rate of 7.2% (March 2018: 7.4%)
Board and Governance	▲ Board comprises seven independent, non-executive Directors ▲ Investment Adviser and Operator is InfraRed, a leading international investment manager focused on infrastructure and real estate
Fees and Ongoing Charges	▲ Tapered annual management fee based on portfolio's Adjusted Gross Asset Value (GAV)[2] ▲ Ongoing charges percentage (as defined by the Association of Investment Companies) of 1.09% for the six months to September 2018 (September 2017: 1.06%)
Liquidity[3]	▲ Good daily liquidity – average daily trading volume of c. 4m shares[3] ▲ Tight bid / offer spread of ~0.2p

1. Excluding AquaSure Desalination PPP project that was sold post-period end
2. Annually: 1.1% on GAV up to £750m, 1.0% thereafter up to GAV of £1.5bn, 0.9% thereafter up to GAV of £2.25bn, 0.8% thereafter up to GAV of £3.0bn, and 0.65% thereafter; plus a £0.1m investment advisory fee. In addition, a one-off 1.0% acquisition fee on new investments
3. Source: Thomson Reuters Datastream, six months to 30 September 2018

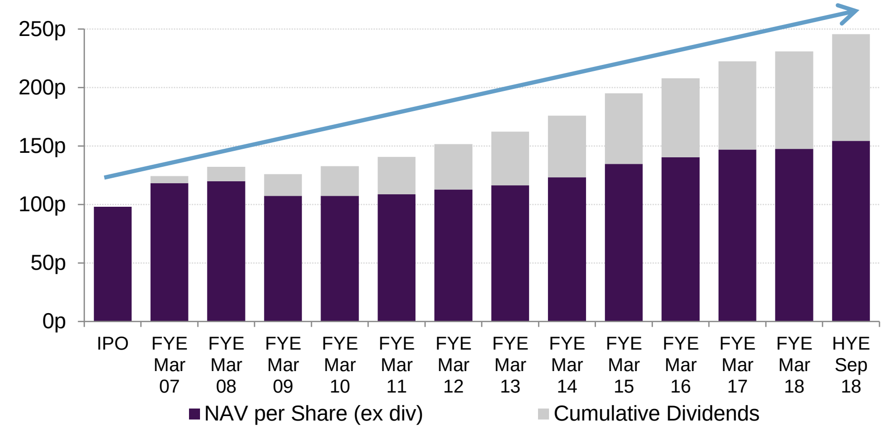
Track Record

Consistent and steady delivery over 12 years

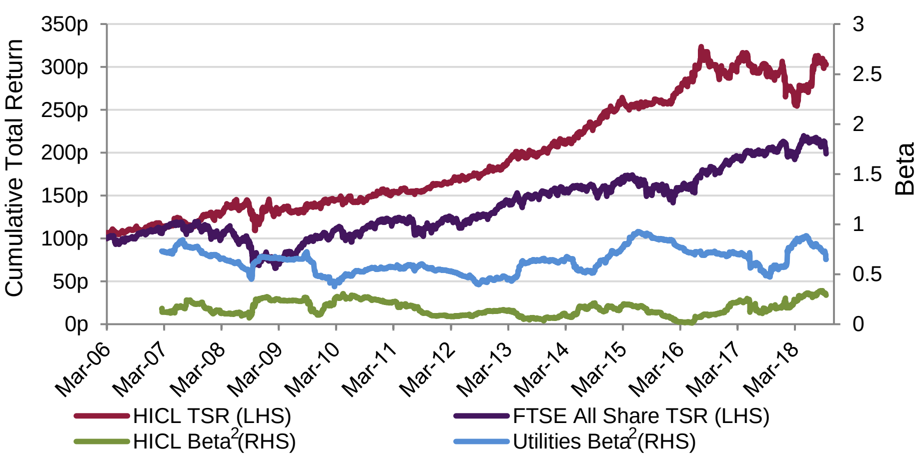
Dividend increased by 32% over 12 years



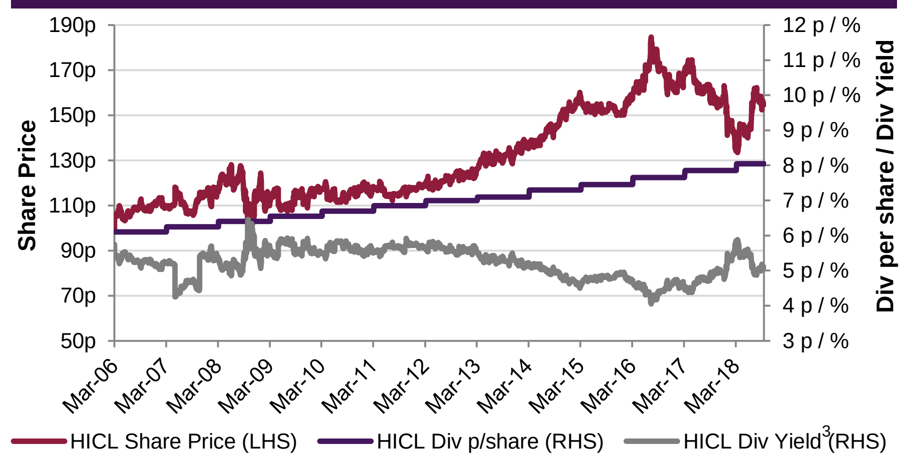
Total Return (NAV growth and dividends) of 9.5% p.a. since IPO



HICL has outperformed FTSE All Share while offering a low beta



Growing dividend has maintained a 4 - 6% yield



Source: InfraRed, Thomson Reuters Datastream. Past performance is not a reliable indicator of future performance. Investments can fluctuate in value and there can be no assurance of future returns

1. This is a target only and not a profit forecast. There can be no assurance that this target will be met
2. 250 day rolling beta
3. Dividend yield calculated based on historic dividend paid (shown on the graph in purple) dividend by prevailing share price (shown on the graph in red)

Governance

Independent board of non-executive Directors

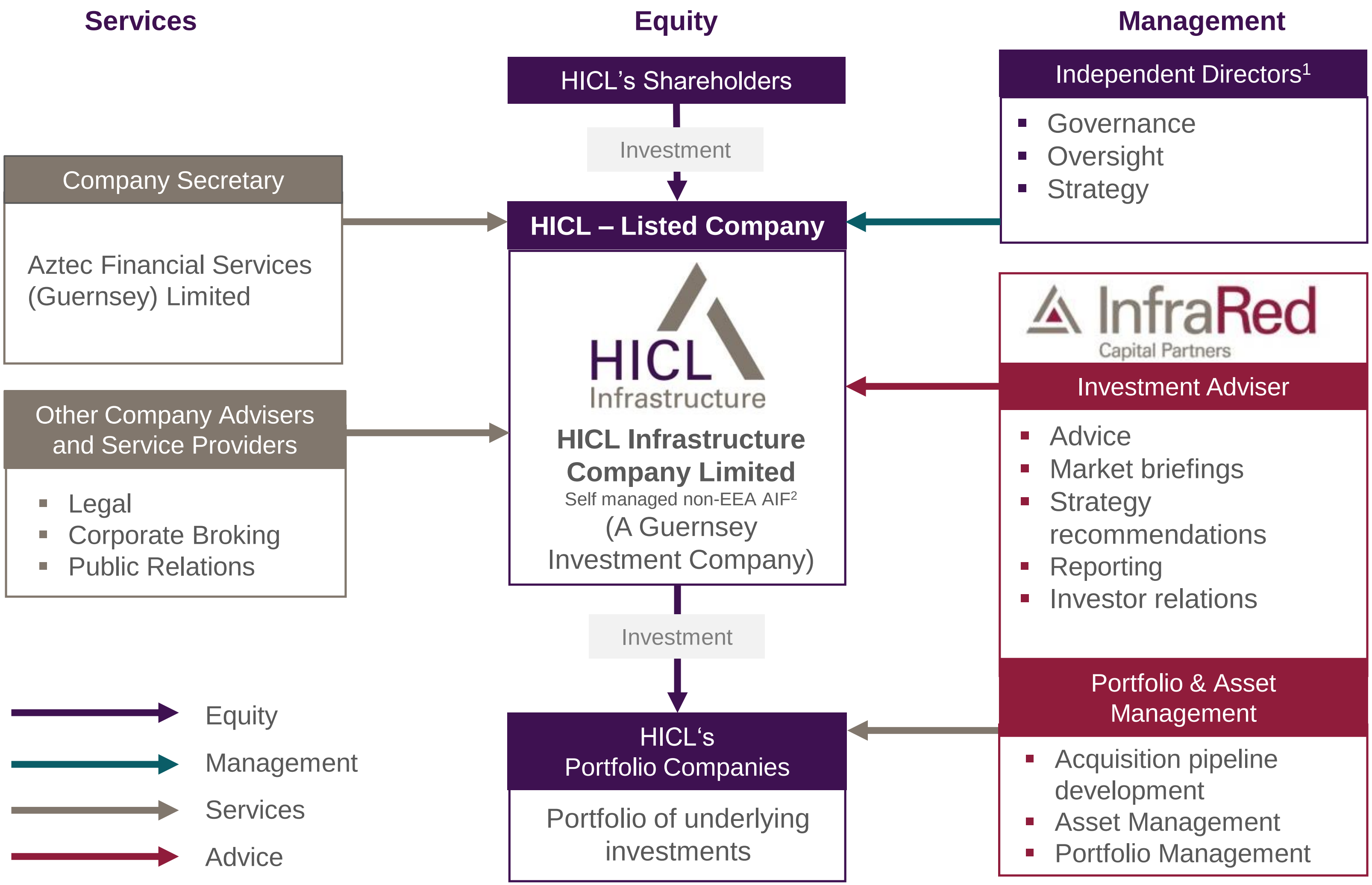
- Approves and monitors adherence to strategy
- Fulfils Company's AIFM[1] responsibilities under the European Commission's Alternative Investment Fund Managers Directive
- Monitors risk through Risk Committee
- Additional committees in respect of Audit, Remuneration, Management Engagement, Nomination and Market Disclosure
- Monitors compliance with, and implementation of actions to address, regulation impacting HICL
- Sets Group's policies
- Monitors performance against objectives
- Oversees capital raising (equity or debt) and deployment of cash proceeds
- Appoints service providers and auditors

Investment Adviser / Operator: InfraRed

- Day-to-day management of portfolio within agreed parameters
- Utilisation of cash proceeds
- Full discretion within strategy determined by Board over acquisitions and disposals (through Investment Committee)
- Authorised and regulated by the Financial Conduct Authority

1. Alternative Investment Fund Manager

Group Structure Diagram



1. Independent of the Investment Adviser
2. Alternative Investment Fund, as defined by the EU's Alternative Investment Fund Managers Directive

Board of Directors I

Non-executive Directors with a broad range of relevant experience and qualifications

Ian Russell, CBE
Chairman

Ian, HICL's Chairman, is resident in the UK and is a qualified accountant. He worked for Scottish Power plc between 1994 and 2006, initially as Finance Director and, from 2001, as its CEO. Prior to this, he spent eight years as Finance Director at HSBC Asset Management, in Hong Kong and London.

Ian is also chairman of Scottish Futures Trust and a director of Herald Investment Trust.

Frank Nelson
Senior Independent Director

Frank, a UK resident, is a qualified accountant. He was Finance Director of the construction and house-building group Galliford Try plc from 2000 until October 2012, having held the position at Try Group plc from 1987.

After Galliford Try, he took on the role of interim CFO of Lamprell plc in the UAE.

Following his return from the Middle East, Frank was appointed as the Senior Independent Director of McCarthy and Stone, as well as Eurocell.

Susie Farnon
Audit Committee Chair

Sally-Ann (known as Susie), a Guernsey resident, is a Fellow of the Institute of Chartered Accountants in England and Wales, and is a non-executive director of a number of property and investment companies.

Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as Vice-Chairman of The Guernsey Financial Services Commission, and is a director of The Association of Investment Companies, Bailiwick Investments, Real Estate Credit Investments and BH Global.

Board of Directors II

Non-executive Directors with a broad range of relevant experience and qualifications

Mike Bane
Director

Mike, a Guernsey resident, is a chartered accountant with over 35 years of audit and advisory experience in the asset management industry including in relation to infrastructure investment companies. He led EY's services to the asset management industry in the Channel Islands and was a member of EY's EMEIA Wealth and Asset Management Board. Prior to EY, Mike was at PwC.

Mike graduated with a BA in Mathematics from the University of Oxford and is a long-standing member of the Institute of Chartered Accountants in England and Wales as well as a director of Apax Global Alpha.

Simon Holden
Risk Committee Chair

Simon, a Guernsey resident, brings Board experience from both private equity and portfolio company operations roles at Candover Investments then Terra Firma Capital Partners. Since 2015, Simon has become an active independent director to listed investment company, private equity fund and trading company Boards.

Simon holds the DipIoD in Company Direction from the Institute of Directors, graduated from the University of Cambridge and is an active member of Guernsey's GIFA, NED Forum and IP Commercial Group as well as a director of Merian Chrysalis Investment Company, Trian Investors 1 and Hipgnosis Songs Fund.

Kenneth D. Reid
Director

Kenneth, a Singapore resident, has more than 30 years international experience in infrastructure development, construction and investment. Initially with Kier Group, and then from 1990 with Bilfinger Berger AG, Ken served globally in various senior management roles, including as a member of the main PLC Board of Bilfinger between 2007 and 2010.

Ken graduated in Civil Engineering from Heriot-Watt University with First Class Honours and then from Edinburgh Business School with an MBA. He is a Chartered Engineer and a member of the Singapore Institute of Directors.

Chris Russell
Director

Chris, a Guernsey resident, is a non-executive director of investment and financial companies in the UK, Hong Kong and Guernsey. He is the Chairman of F&C Commercial Property Trust Limited. Chris was a director of Gartmore Investment Management plc, where he was Head of Gartmore's business in the US and Japan. Before that he was a holding board director of the Jardine Fleming Group in Asia.

Chris is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

Chris is approaching nine years as a Director and will be stepping down from the Board on 31 March 2019.

Acquisition Strategy

Investment Policy unchanged since IPO in 2006

- Origination activity continued across all core market segments during the six months
- Infrastructure market dynamics continue (principally competition for assets) - pricing discipline remains fundamentally important
- Will consider opportunities to enhance shareholder value through strategic disposals facilitating pursuit of opportunities to redeploy capital into more accretive acquisitions or managing funding

GEOGRAPHY

Located in target markets

- Europe / UK
- North America
- Australia / NZ

MARKET SEGMENT

Generates long-term revenues

- Principal focus:
  - PPP projects, e.g. availability payments
  - Regulated assets supported by clear robust regulatory framework
  - Demand-based assets with a track record of usage, downside protection or other mitigation of cashflow volatility
- Opportunistic approach:
  - Corporate assets with contracted revenues and acceptable covenant

ASSET QUALITY

At the lower end of the risk spectrum

- Monopoly or essential asset / concession
- Long-term, stable cashflows built on:
  - Revenues with good visibility
  - Where relevant, good quality counterparties
  - Where possible, long-term debt financing at asset level

OPPORTUNITY TO ADD VALUE

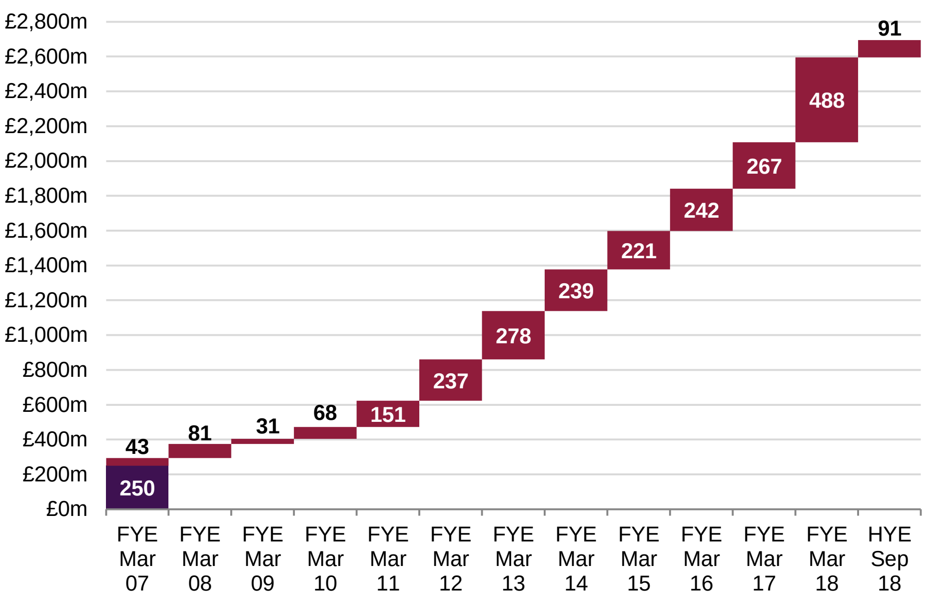
Enhances existing portfolio

- Accretive on one or more metric:
  - Total return
  - Yield
  - Inflation-linkage
  - Asset life
- Pricing discipline
- Potential for upside
- Sustains prudent portfolio construction and diversification

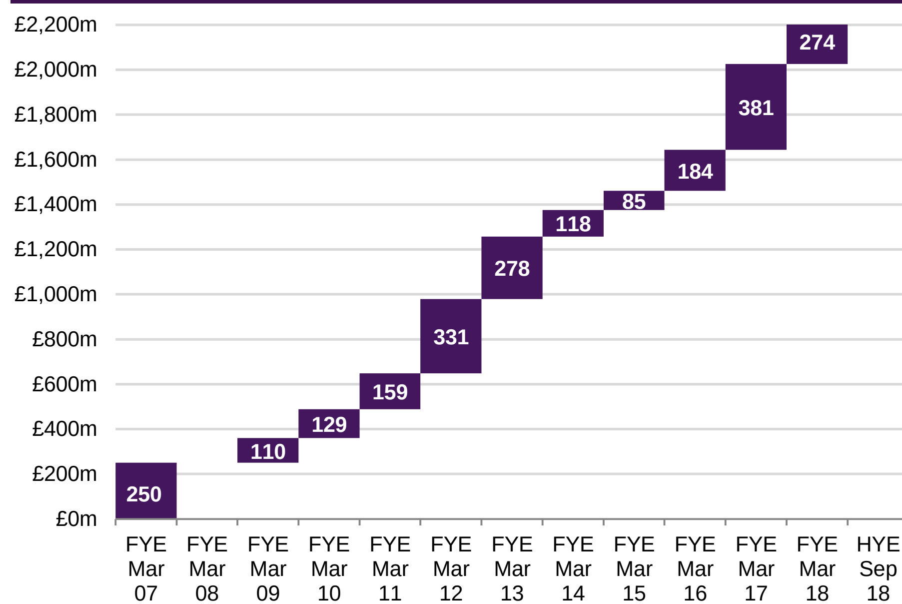
Investment and Capital Raising

- Acquisitions driven by demand for HICL shares and availability of further investments which fit the Investment Strategy
- Acquisitions are initially debt-funded (using £400m committed Revolving Credit Facility at Group level), to avoid cash drag and to give shareholders visibility over the new investments, and then refinanced through equity issuance (subject to market conditions)
- HICL raised £250m at IPO and c. £2.0bn through subsequent share issues

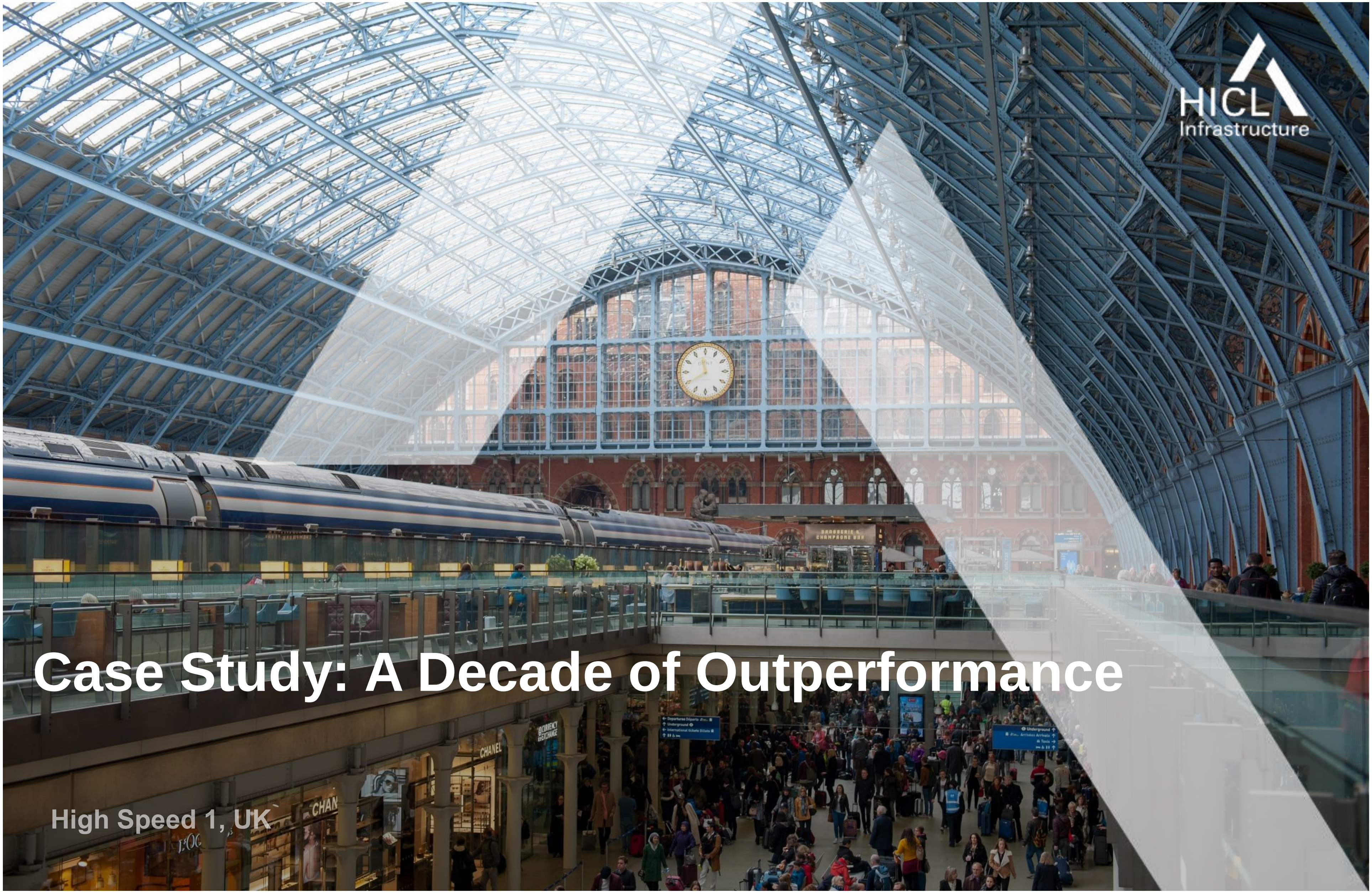
191 Acquisitions[1] since IPO to 30 September 2018 totaling £2.7bn



Over £2.2bn of Equity Issuance from IPO to 30 September 2018[2]



1. Split into 117 investments as at 30 September 2018. Excludes disposals, the proceeds of which have been reinvested or used to repay drawings under the Group's Revolving Credit Facility
2. Includes primary and secondary issuance by way of tap and scrip issues



Case Study: A Decade of Outperformance

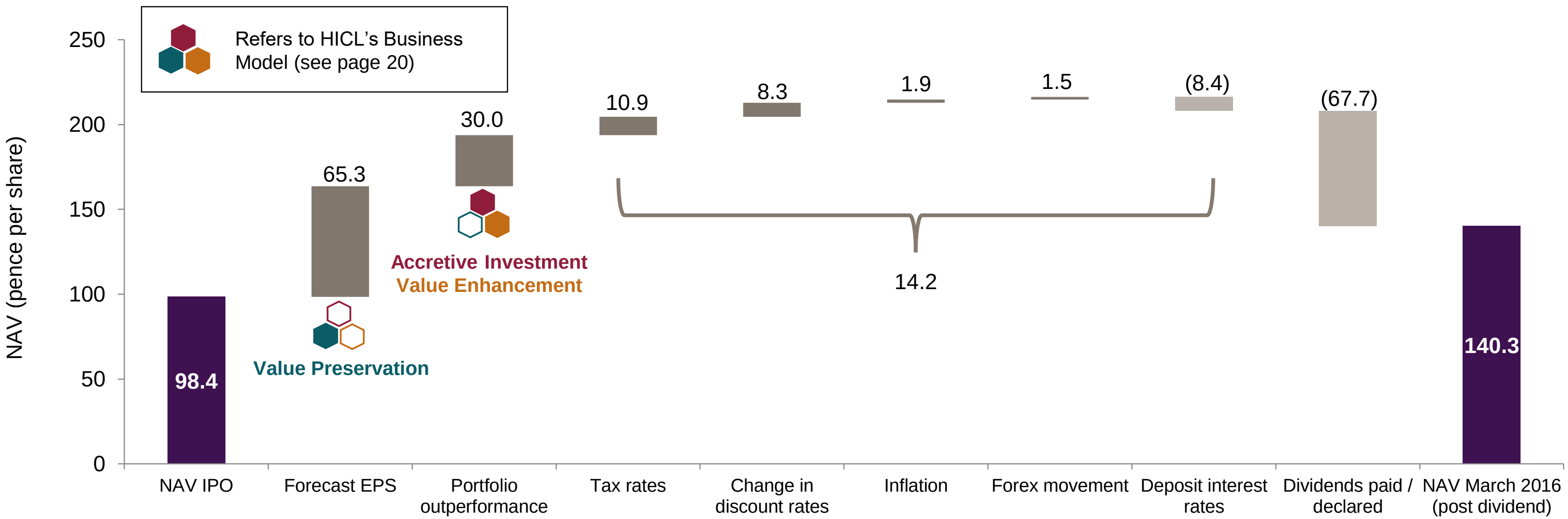
High Speed 1, UK

A Decade of Outperformance I

Significant NAV growth – IPO to 31 March 2016

- NAV growth to 31 March 2016 of 44.2p per share higher than expected at IPO
- NAV growth comprised of 30.0p due to Portfolio Outperformance and 14.2p due to economic factors and discount rates
- Economic factors largely driven by UK tax rate reduction from 30% at IPO to 18% in 2020 (as at March 2016)
- Effects of reduced discount rates have been offset by reduced deposit interest rates

Drivers of Cumulative Change in NAV – IPO to March 2016[1]



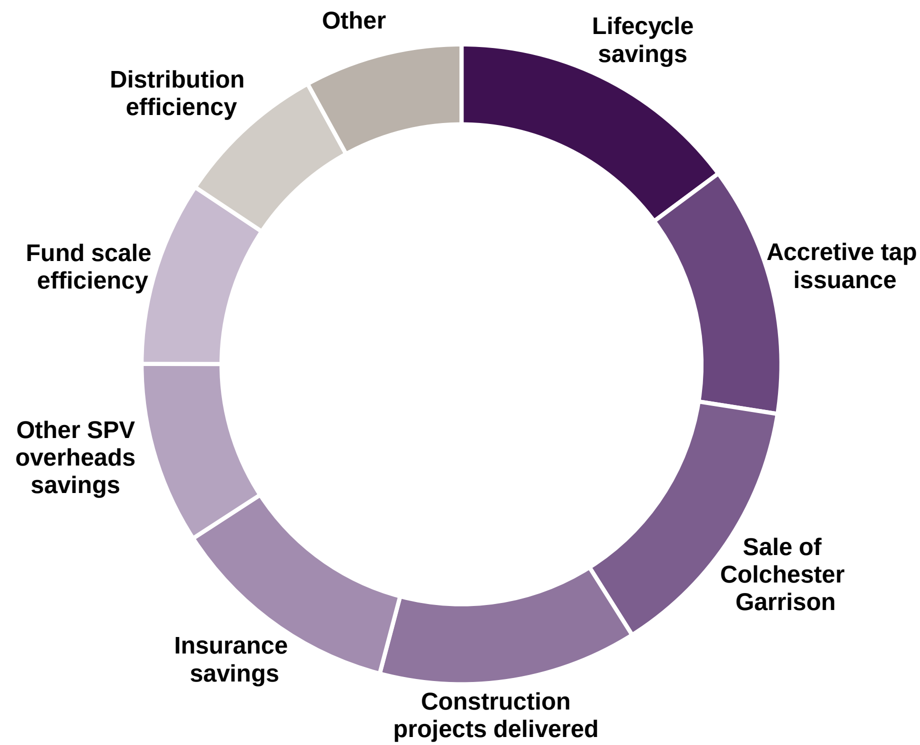
1. Source: InfraRed Capital Partners

A Decade of Outperformance II

Total return[1] of 9.5% p.a. vs. IPO target of 7-8% p.a. (IPO to 31 March 2016)

- 30.0p per share of NAV outperformance
- Delivered by the Investment Adviser's team
- Wide range of small incremental initiatives (see chart right) contributing to significant outperformance
- Acquisitions accretive to the existing portfolio
- Confident of opportunities to outperform in the future albeit potentially less than delivered historically

Portfolio Outperformance[1]



Source: InfraRed Capital Partners
Past performance is no indication of future performance.
1. On a NAV per share appreciation plus dividend paid basis for 10 years to 31 March 2016.

Portfolio, Asset Management and Risk

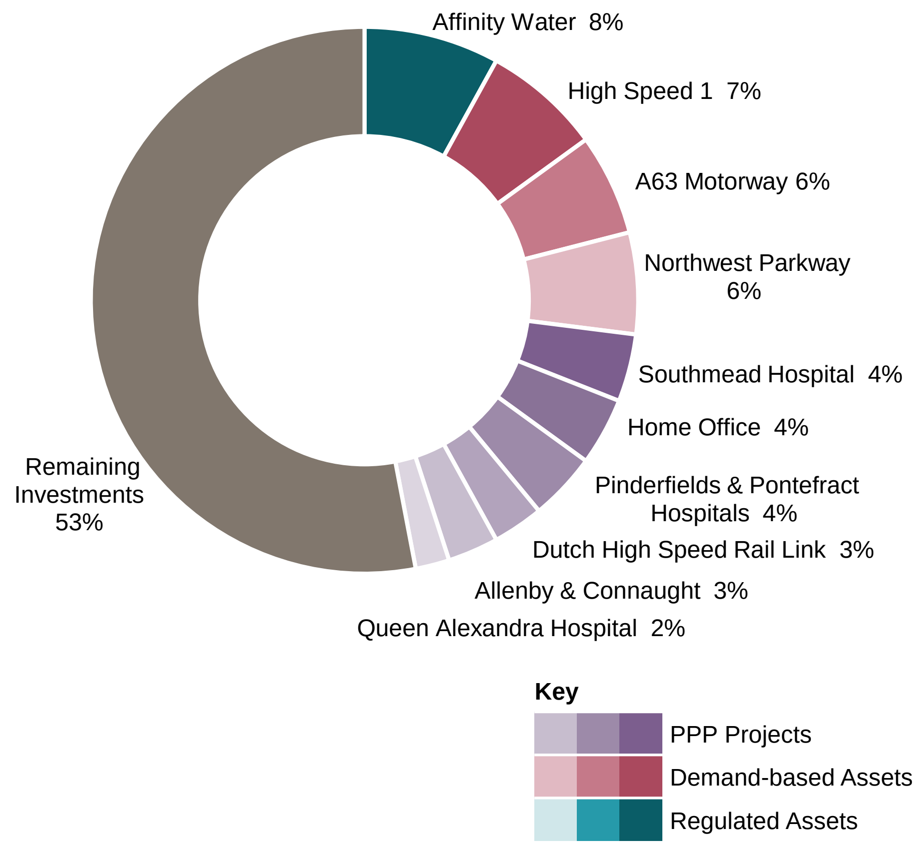
Affinity Water, UK

Portfolio Metrics

Ten largest assets account for c. 47% of the portfolio[1]

	30 September 2018[1]	31 March 2018
Number of investments	117	116
Percentage of portfolio by value – 10 largest assets	47%	45%
Weighted average asset life[2]	30.0 years	29.5 years
Average remaining maturity of long-term debt financing[3]	17.9 years	17.6 years

10 Largest Investments[1]



1. By value using Directors' Valuation of £2,904.9m as at 30 September 2018, which excludes the AquaSure Desalination PPP. Colours in the chart reflect those used to differentiate the market segments in the Infrastructure Market Map (page 8)
2. Assumes a 100-year asset life for Affinity Water
3. Excludes investment in A13 Senior Bonds. Excluding the two assets with refinancing risk (Affinity Water and Northwest Parkway) the average remaining maturity of long-term debt financing would be 18.3 years

Portfolio Performance I

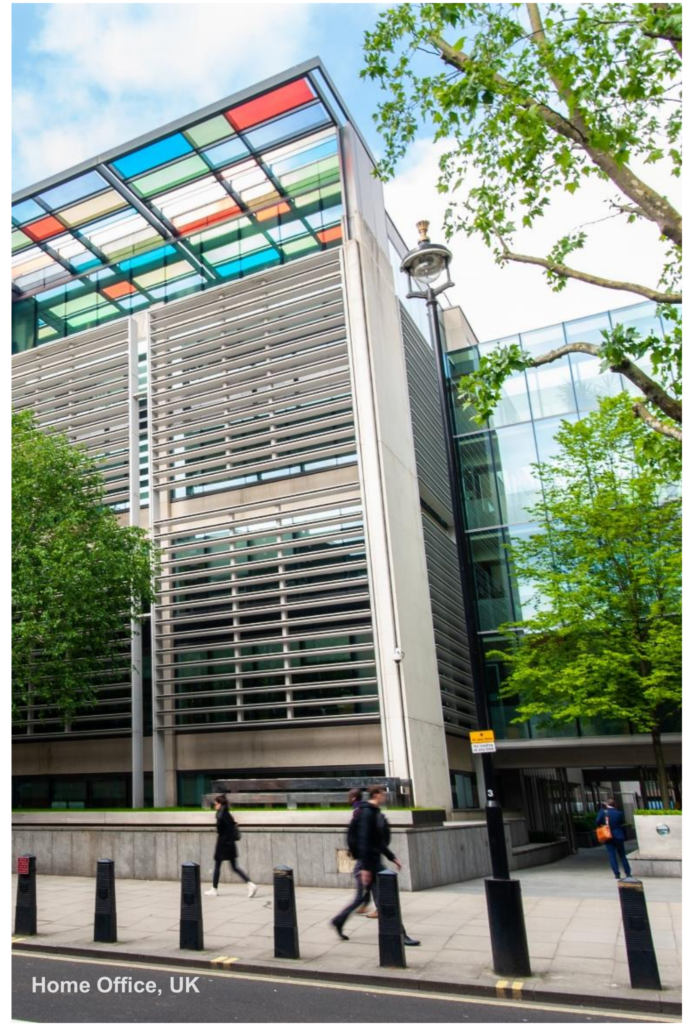
PPP projects

Investment rationale

- Long-term contracts with strong public sector clients
- Availability-based revenue mechanisms
- Long-term funding arrangements and maintenance contracts, which allocate risk to those parties that are best placed to manage it

Value preservation and enhancement activities

- Carillion[1]: Six projects transferred to new facilities management arrangements with client-approved, experienced and financially-robust contractors
  - Four projects on stable interim arrangements, of which two proceeding through the full consenting process
  - On track to deliver transition of all affected projects within budget
  - Expect substantially all projects to be out of lock-up by March 2019
- Voluntary termination by project's client[2]: Compensation agreed in principle with public sector client based on a market value calculation
- Construction defects[3]: Settlement agreed with contractor and funds to make repairs received by the project
- Construction: Two projects made available on budget and on time for client use
- Retail leases: Agreed at two hospitals on improved terms
- Lifecycle reviews: Six completed in the period providing further value enhancement



Home Office, UK

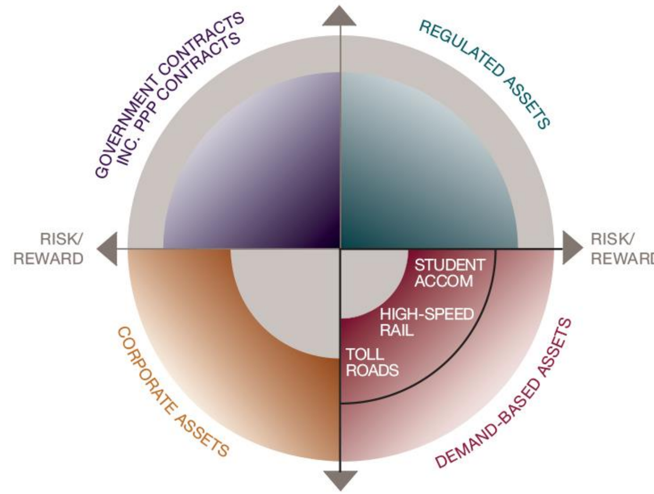
1. Carillion project data as at 30 September 2018
2. Relating to a previously reported school PPP project which was voluntarily terminated by the local authority client in 2016
3. Relating to a previously reported road PPP project that has suffered from operational issues and construction defects

Portfolio Performance II

Demand-based assets

Investment rationale

- Operational assets are at the lower end of the risk spectrum when accompanied by strong usage history or limited uncertainty in forecast demand
- Long-dated, good inflation correlation and returns at a premium to PPP projects
- Generally less sensitive to political and regulatory risks compared to PPP projects and regulated assets



HICL's portfolio

- Six[1] accretive demand-based assets:
  - 22% of the portfolio, by value, at 30 September 2018
  - Weighted average remaining asset life of 42.3 years (portfolio: 30.0 years)
  - Inflation correlation of 1.0[2] (portfolio: 0.8)
  - Weighted average discount rate of 7.7% (portfolio: 7.2%)
- Provide diversification; portfolio returns remain relatively uncorrelated to GDP[3]
- Medium-term performance since acquisition:
  - High Speed 1, UK (7%[4]): Total train paths broadly in line with 2017 acquisition assumptions; EBITDA in line with expectations; operational since 2009
  - A63 Motorway, France (6%[4]): Cumulative traffic volumes have exceeded the 2016 acquisition assumptions by 5%; operational since 2013
  - Northwest Parkway, USA (6%[4]): Cumulative traffic volumes have exceeded the 2017 acquisition assumptions by 4%; operational since 2007

A63 Motorway, France: Promoting sustainability by trialling a solar electricity generating road surface

1. High Speed 1, UK; A63 Motorway, France; Northwest Parkway, USA; Sheffield University Student Accommodation, UK; Helicopter Training Facility, UK; M1-A1 Road, UK
2. If outturn inflation was 1% p.a. higher than the valuation assumption in each and every forecast period, the expected return from the assets would increase by 1%
3. GDP sensitivity provided on page 14. A 0.5% increase / decrease in the rate of GDP growth for every future period would increase / decrease the expected return from the portfolio by 0.2%
4. Percentage of the portfolio, by value, at 30 September 2018, which excludes the AquaSure Desalination PPP that was sold post-period end

Portfolio Performance III

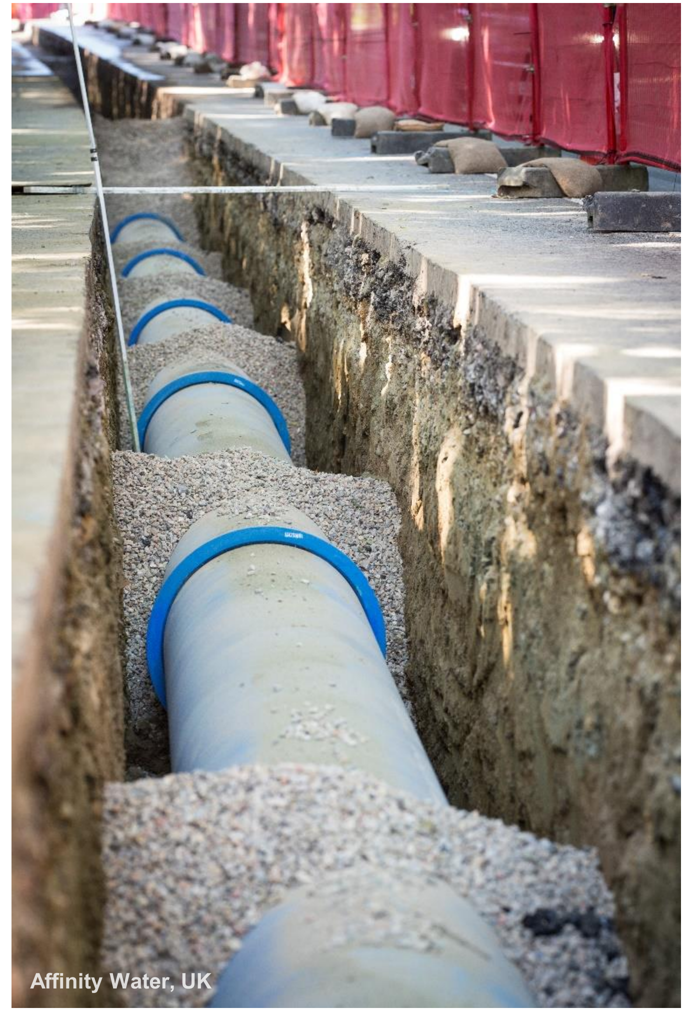
Regulated assets

Investment rationale

- Monopoly characteristics with regulatory price controls that balance performance standards and affordable pricing for end users
- Where the asset is subject to periodic regulatory reviews, this:
  - Protects investors over the long-term from industry-wide movements in costs[1]
  - Provides opportunities to re-set the cost of capital to reflect changing market conditions
- Lower counterparty risk as operations and maintenance are often either self-performed or sourced from a wide array of local contractors

Value preservation and enhancement activities

- Affinity Water: Submission of its 2020 – 2025 business plan to Ofwat
  - Targeting improvements in network resilience and operational performance through investment of £1.4bn
  - Developed in consultation with customers and other stakeholders
  - Significant support from customers
- Diversification
  - Addition of Burbo Bank OFTO[2] into the regulated asset segment of the portfolio
  - HICL announced as preferred bidder for Race Bank OFTO
  - OFTOs have availability-based revenue mechanisms


Affinity Water, UK

1. Including the cost of capital, operations, maintenance and asset replacement
2. Electricity transmission cable under Ofgem's Offshore Transmission Owner ("OFTO") programme

Current Portfolio I

Portfolio of 117 assets at 30 September 2018[1]

HICL Infrastructure

Education — 16% of Directors' Valuation[2]

Bangor & Nendrum Schools	Ealing Schools	Kent Schools	Renfrewshire Schools
Barking & Dagenham Schools	East Ayrshire Schools	Manchester School	Rhondda Schools
Belfast Metropolitan College	Ecole Centrale Supelec (France)	Newham BSF Schools	Salford & Wigan BSF Phase 1
Boldon School	Edinburgh Schools	Newport Schools	Salford & Wigan BSF Phase 2
Bradford Schools 1	Falkirk Schools NPD	North Ayrshire Schools	Salford Schools
Bradford Schools 2	Fife Schools 2	North Tyneside Schools	Sheffield Schools
Conwy Schools	Haverstock School	Norwich Schools	Sheffield BSF Schools
Cork School of Music (Ireland)	Health & Safety Labs	Oldham Schools	South Ayrshire Schools
Croydon School	Helicopter Training Facility	Paris-Sud University (France)	University of Bourgogne (France)
Darlington Schools	Highland Schools	Perth & Kinross Schools	West Lothian Schools
Defence Sixth Form College	Irish Grouped Schools (Ireland)	PSBP NE Batch	Wooldale Centre for Learning
Derby Schools			

Fire, Law & Order — 7%

Addiewell Prison	Exeter Crown and County Court	Metropolitan Police Training Centre	Sussex Custodial Centre
Breda Court (Netherlands)	Gloucestershire Fire & Rescue	Royal Canadian Mounted Police HQ (Canada)	Tyne & Wear Fire Stations
Dorset Fire & Rescue	Greater Manchester Police Stations	South East London Police Stations	Zaanstad Prison (Netherlands)
Durham & Cleveland Firearms Training Centre	Medway Police		

Transport — 30%

A9 Road (Netherlands)	A249 Road	M1-A1 Link Road	NW Anthony Henday (Canada)
A13 Road	Connect PFI	M80 Motorway	RD901 Road (France)
A63 Motorway (France)	Dutch High Speed Rail Link (Netherlands)	N17/N18 Road (Ireland)	High Speed 1
A92 Road	Kicking Horse Canyon (Canada)	Northwest Parkway (USA)	

1. Which excludes the AquaSure Desalination PPP that was sold post-period end
2. By value, at 30 September 2018, using the Directors' Valuation of £2,904.9m, which excludes the AquaSure Desalination PPP that was sold post-period end

Current Portfolio II

Portfolio of 117 assets at 30 September 2018[1]

HICL Infrastructure

Health			29% of Directors' Valuation[2]
Barnet Hospital	Doncaster Mental Health Hospital	Oxford John Radcliffe Hospital	South West Hospital Enniskillen
Birmingham Hospitals	Ealing Care Homes	Oxford Nuffield Hospital	Staffordshire LIFT
Birmingham & Solihull LIFT	Glasgow Hospital	Pinderfields & Pontefract Hospitals	Stoke Mandeville Hospital
Bishop Auckland Hospital	Hinchingbrooke Hospital	Queen Alexandra Hospital	Tameside General Hospital
Blackburn Hospital	Ireland Primary Care Centres	Redbridge & Waltham Forest LIFT	West Middlesex Hospital
Blackpool Primary Care Facility	Lewisham Hospital	Romford Hospital	Willesden Hospital
Brentwood Community Hospital	Medway LIFT	Salford Hospital	
Brighton Hospital	Newton Abbot Hospital	Sheffield Hospital	
Central Middlesex Hospital	Oxford Churchill Oncology	Southmead Hospital	

Accommodation			10%
Allenby & Connaught MOD Accommodation	Miles Platting Social Housing	Northwood MoD HQ	Royal School of Military Engineering
Health & Safety Headquarters	Newcastle Libraries	Oldham Library	University of Sheffield Accommodation
Home Office			

Electricity, Gas & Water		8%
Affinity Water	AquaSure Desalination PPP (Australia)	Burbo Bank OFTO

Key

▲ New investment since 31 March 2018

▲ Incremental investment since 31 March 2018

▲ Disposal since 31 March 2018

▲ Partial disposal since 31 March 2018

1. Which excludes the AquaSure Desalination PPP that was sold post-period end
2. By value, at 30 September 2018, using the Directors' Valuation of £2,904.9m, which excludes the AquaSure Desalination PPP that was sold post-period end

Portfolio Characteristics I

At 30 September 2018

MARKET SEGMENT

		Sep-18	Mar-18
▲	PPP Projects	70%	74%
▲	Demand-based Assets	22%	18%
▲	Regulated Assets	8%	8%

GEOGRAPHIC LOCATION

		Sep-18	Mar-18
▲	UK	79%	80%
▲	EU	13%	10%
▲	Australia	-	3%
▲	North America	8%	7%

A diversified investment proposition

- Diversification of the portfolio's risk profile between 'core' infrastructure market segments, with 22% comprising six demand-based assets and 8% being two regulated assets
- Subsequent to the acquisition of an incremental stake in the A63 Motorway, demand-based assets with returns correlated to GDP accounted for 19% of the portfolio, by value, within the self-imposed 20% limit[2] previously communicated to shareholders
- Trend towards an increased exposure to non-UK investments over the medium-term continues

1. By value using Directors' Valuation of £2,904.9m as at 30 September 2018, which excludes the AquaSure Desalination PPP that was sold post-period end
2. Limit applied at the time of investment

Portfolio Characteristics II

At 30 September 2018

OWNERSHIP STAKE

Sep-18

Mar-18

	Sep-18	Mar-18
▲ 100% ownership	25%	27%
▲ 50% - 100% ownership	30%	28%
▲ Less than 50% ownership	45%	45%

INVESTMENT STATUS

Sep-18

Mar-18

	Sep-18	Mar-18
▲ Fully operational	99%	99%
▲ Construction	1%	1%

SECTOR

Sep-18

Mar-18

	Sep-18	Mar-18
▲ Accommodation	10%	10%
▲ Education	16%	18%
▲ Electricity, Gas & Water	8%	11%
▲ Health	29%	28%
▲ Fire, Law & Order	7%	7%
▲ Transport	30%	26%

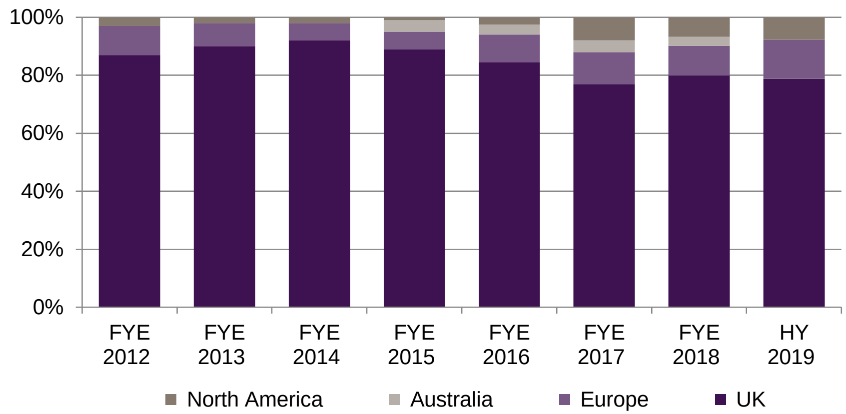
1. By value using Directors' Valuation of £2,904.9m as at 30 September 2018, which excludes the AquaSure Desalination PPP that was sold post-period end

Current Portfolio – Key Attributes

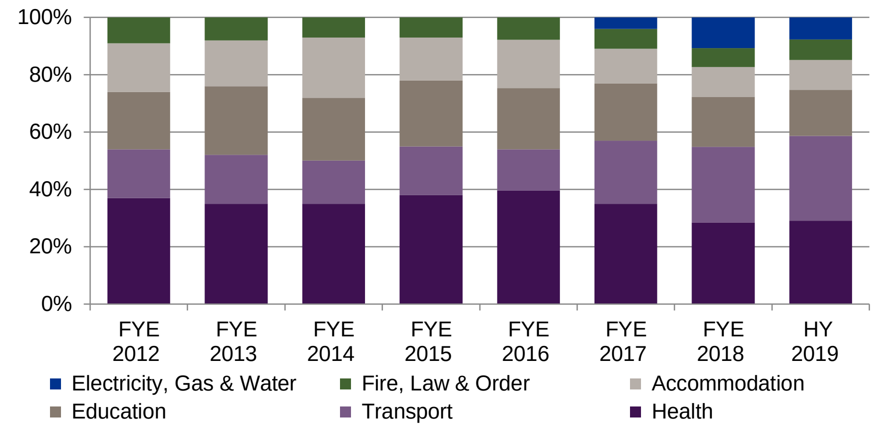
Evolution of the Group's portfolio

HICL Infrastructure

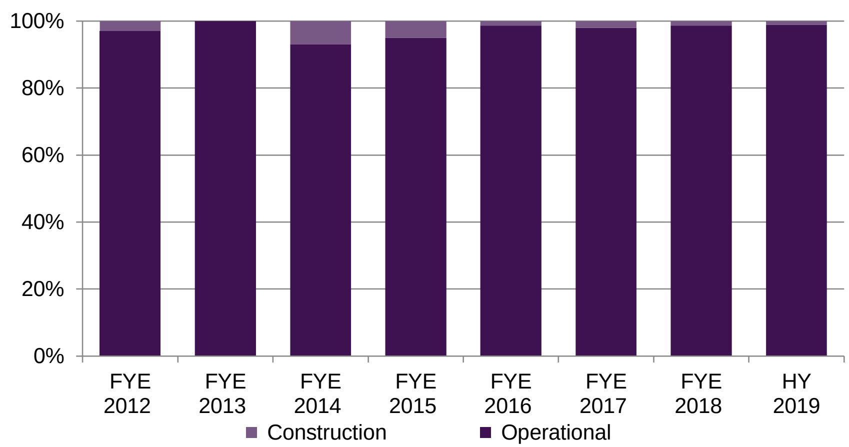
Geographically Spread Portfolio



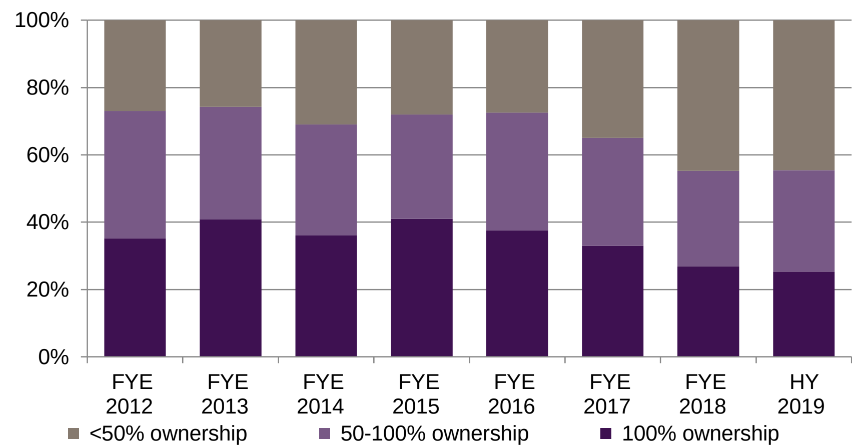
Good Sector Spread



Predominantly Operational Assets



Opportunities to Increase Ownership Stakes

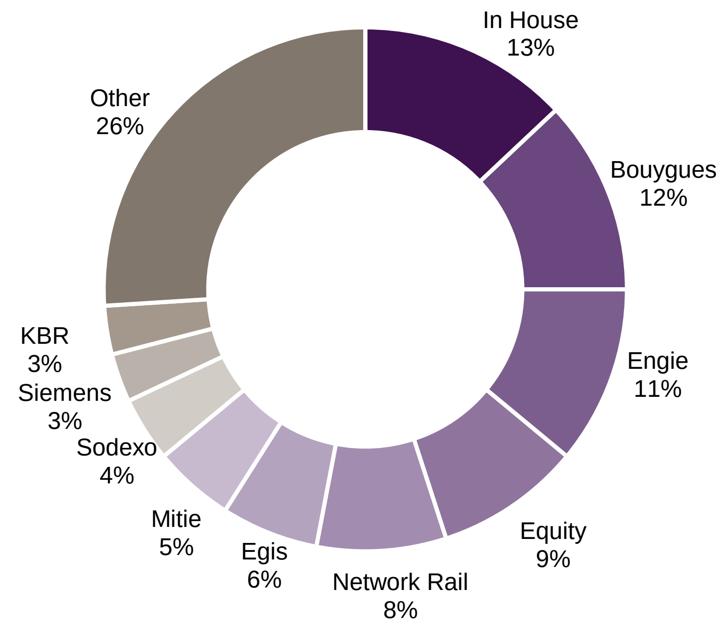


1. By value, at 30 September 2018, using the Directors' Valuation of £2,904.9m, which excludes the AquaSure Desalination PPP that was sold post-period end

Counterparty Exposure

- Exposure is reviewed quarterly and exposure reported to the Risk Committee by the Investment Adviser
- Profit warnings from a number of UK construction and facilities management companies during the period (and subsequently)
- Contingency plans are in place to address scenarios where material issues lead to a failure of service provision by a subcontractor
- Out of the ten projects in the HICL portfolio which were affected by the liquidation of Carillion, six of these projects have now transferred to long-term arrangements, which represents 40 separate facilities
- "Equity" represents facilities management contracts which were with Carillion subsidiaries and which are expected to transition to arrangements with new counterparties in due course

10 Largest Facilities Management and Operations Counterparty Exposures[1]

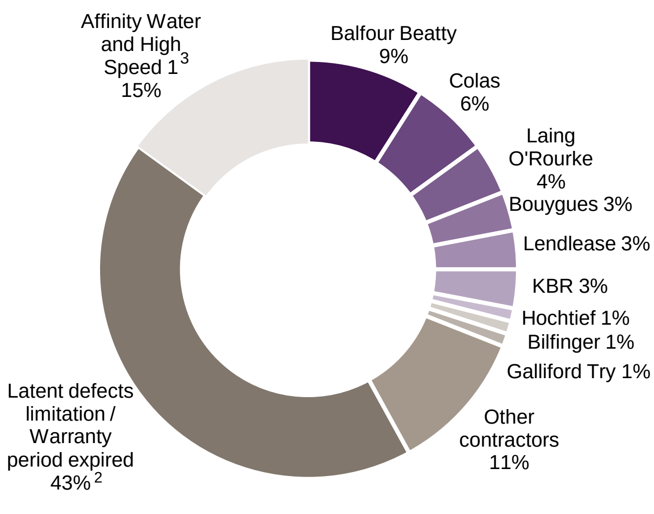


1. At 20 November 2018 to include two Carillion affected projects, which completed their transition to new long-term arrangements since the balance sheet date. Using Directors' Valuation at 30 September, excluding the AquaSure Desalination PPP that was sold post-period end and A13 senior bonds. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser). Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' Valuation. Projects where Interserve or Kier are the facilities management contractor represent less than 2% and approximately 1% of the portfolio, by value, respectively.

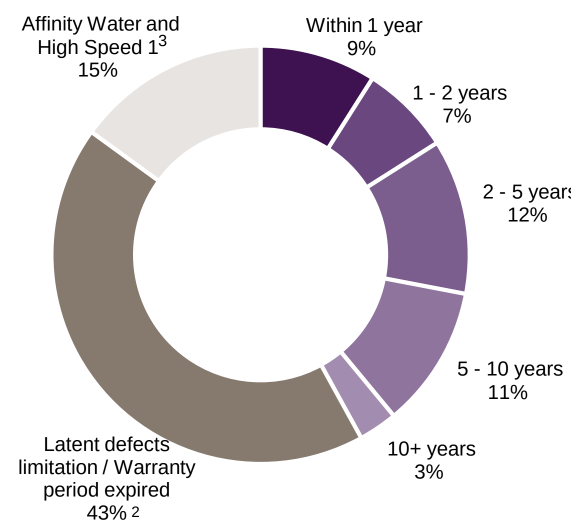
Construction Counterparty Exposure

- ▲ Following construction completion, the construction contractors are required to remediate construction defects for a specified period of time; in the UK the statutory period of limitations is 12 years
- ▲ As at 30 September 2018, 42% of HICL's portfolio[1] benefited from this protection after having adjusted for those projects where Carillion was the construction contractor
- ▲ Where construction defects are detected within the defect limitations / warranty period, remediation is sought from the construction contractor; if negotiated solutions cannot reasonably be reached, then portfolio companies may seek to use contractual remedies to obtain resolution

10 Largest Construction Counterparty Exposures[1,2]



Latent Defects Limitations / Warranty Periods Remaining[1,2]



1. By value, at 30 September 2018, using Directors' Valuation excluding AquaSure that was sold post period end and A13 senior bonds. Where a project has more than one operations contractor in a joint and several contract, the better credit counterparty has been selected (based on analysis by the Investment Adviser). Where a project has more than one operations contractor, not in a joint and several contract, the exposure is split equally among the contractors, so the sum of the pie segments equals the Directors' Valuation
2. Latent defects limitations / warranty period expired includes 13% portion for construction contracts which at 15 January 2018 were in their warranty defects period with Carillion
3. Assets subject to regulatory regimes that help mitigate the potential impact of defects on equity

Risk and Risk Management I

Political risk remains; HICL is well-positioned to withstand economic consequences of Brexit

HICL Infrastructure

Political Risk

- Due to the contractual relationship that infrastructure assets have with public sector counterparties and regulators, political and regulatory risks are inherent in HICL's business model
- Political commentary raising the possibility of nationalisation of UK regulated utilities
- The concept of nationalising infrastructure disregards:
  - Ring-fenced capital maintenance budgets and the significant operational risk transfer to the private sector;
  - Private sector management expertise and resource;
  - Practical considerations; and
  - Material costs to the taxpayer of both consultant costs and compensation to investors
- The Board and Investment Adviser retain their conviction that private investment in critical infrastructure, when responsibly undertaken, is a positive force and value for money
- Mindful of the risk of future changes in the cross-border tax landscape, the Board and Investment Adviser are recommending that the Company's investment business moves from Guernsey to the UK, by transferring the Company's assets to a new UK-incorporated plc through a scheme of arrangement[1]

Brexit

- The outcome of Brexit remains unclear for the UK economy, including the consequential impact on metrics such as inflation and UK GDP growth
- HICL is well-positioned to withstand economic consequences with strong inflation linkage and relatively low correlation to UK GDP[2]
- The portfolio benefits from a mix of contracted and regulated revenues, together with diverse investments in demand-based assets
- Contingency planning is underway at High Speed 1, which derives most of its revenues from domestic train paths - reducing the potential impact if its international train paths are disrupted

1. Further detail is provided in the Interim Report available on the Company's website: www.hicl.com. A circular will be sent to shareholders in early 2019 giving notice of an Extraordinary General Meeting to approve the new arrangements and setting out the details of the proposal
2. If outturn UK GDP growth were 0.5% p.a. lower for all future periods than the valuation assumption on page 53, expected return from the portfolio (before Group expenses) would decrease 0.1% from 7.2% to 7.1%

Risk and Risk Management II

Construction quality and counterparty risks remain key areas of focus

HICL Infrastructure

Construction Quality

- Construction quality remains a key focus, particularly in relation to fire-stopping, cladding systems and wall-ties
- As a result of a detailed review of the portfolio's fire safety that was proactively commenced in early 2017, cladding systems at a small number of assets need rectification works. Public-sector clients, and the local fire service where appropriate, appraised of fire prevention and protection measures that are in place, and progress towards rectification

Counterparty Risk

- Procurement models such as PPP projects and demand-based concessions transfer to the private sector asset delivery risks such as construction and maintenance
- Subcontracting these risks to specialist counterparties mitigates the impact of these risks on equity investors in infrastructure such as HICL
- In the event of a failure of a counterparty, delivery risks revert to the PPP project company - in the case of operations / maintenance, until a replacement subcontractor is found
- Counterparty credit risk is considered at regular intervals by the Investment Adviser's credit risk team. The portfolio has a small number of projects with weak counterparties, and the Board is comfortable with the exposure and contingency plans

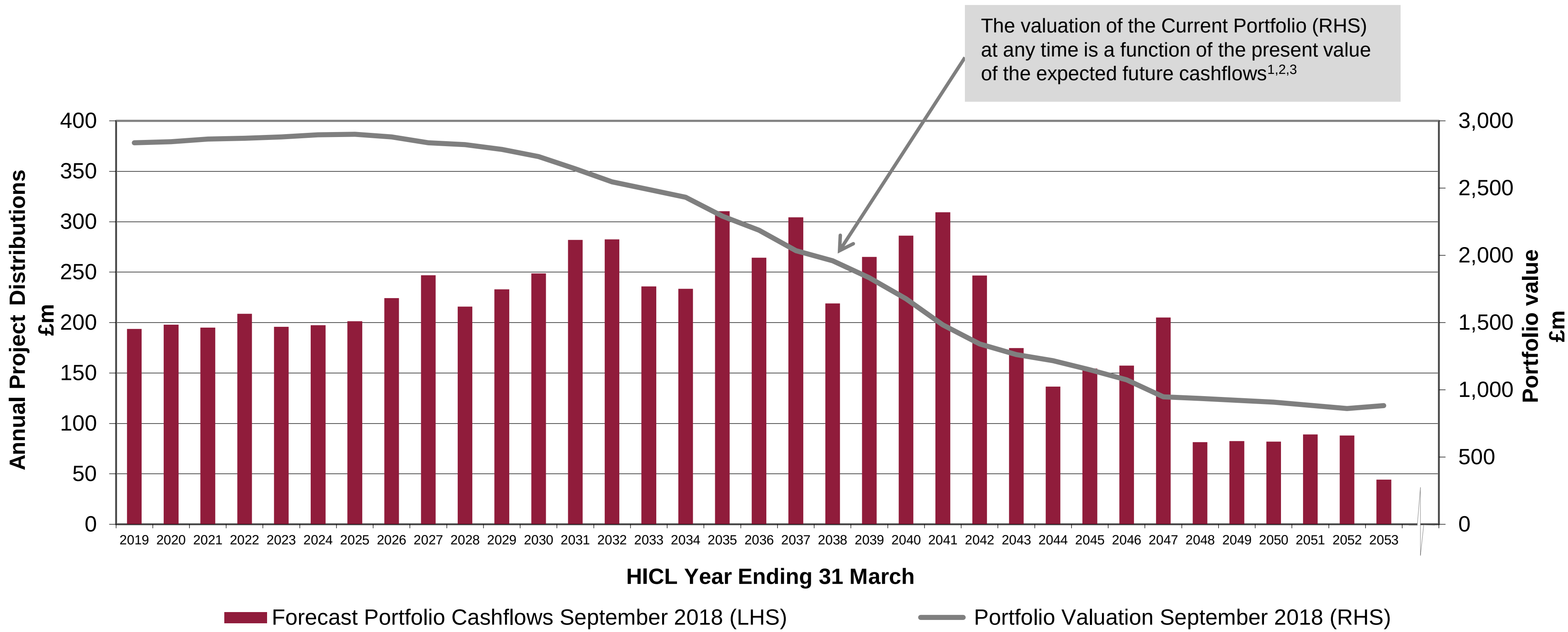
Portfolio Valuation at 30 September 2018

Defence Sixth form College, UK

Forecast Cashflow Profile[1,2,3]

Long-term, stable income

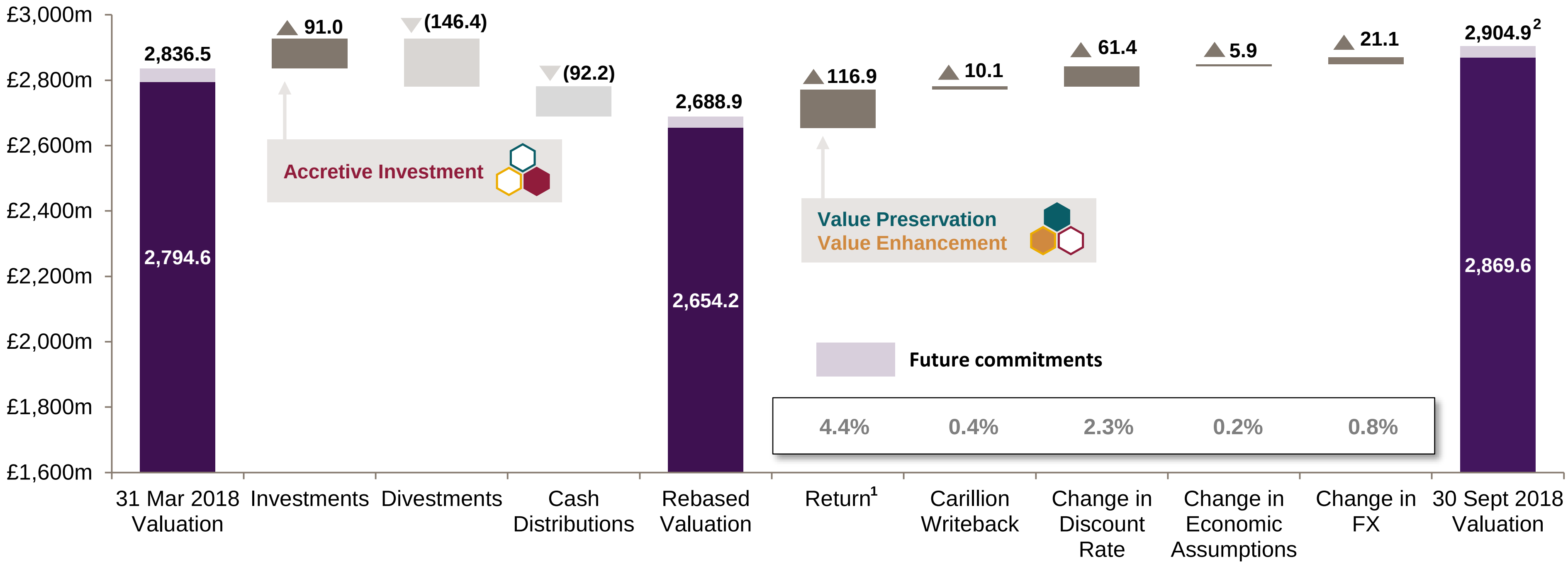
- Forecast shows steady long-term cashflows combined with a stable portfolio valuation in the medium term
- Portfolio cashflows underpin the dividend and two years of forward dividend guidance



1. The illustration represents a target only at 30 September 2018 and is not a profit forecast. There can be no assurance that this target will be met
2. Valuation, which excludes the AquaSure Desalination PPP that was sold post-period end, considers cashflows beyond 2053, for example for Northwest Parkway 88 years of cashflows are assumed
3. Subject to certain other assumptions, set out in detail in the Company's Interim Report for the six months to 30 September 2018

Analysis of Change in Directors' Valuation

Annualised return[1] of 9.0% from the underlying portfolio



- Valuation blocks (purple) have been split on an Investment Basis[2] into investments at fair value (dark purple) and future commitments (light purple)
- The percentage movements have been calculated on the Rebased Valuation as this reflects the returns on the capital employed in the period
- 9.0% annualised return[1] from the underlying portfolio
- Impact of the change in FX rates in the period net of hedging losses of £5m was an overall gain of £16m

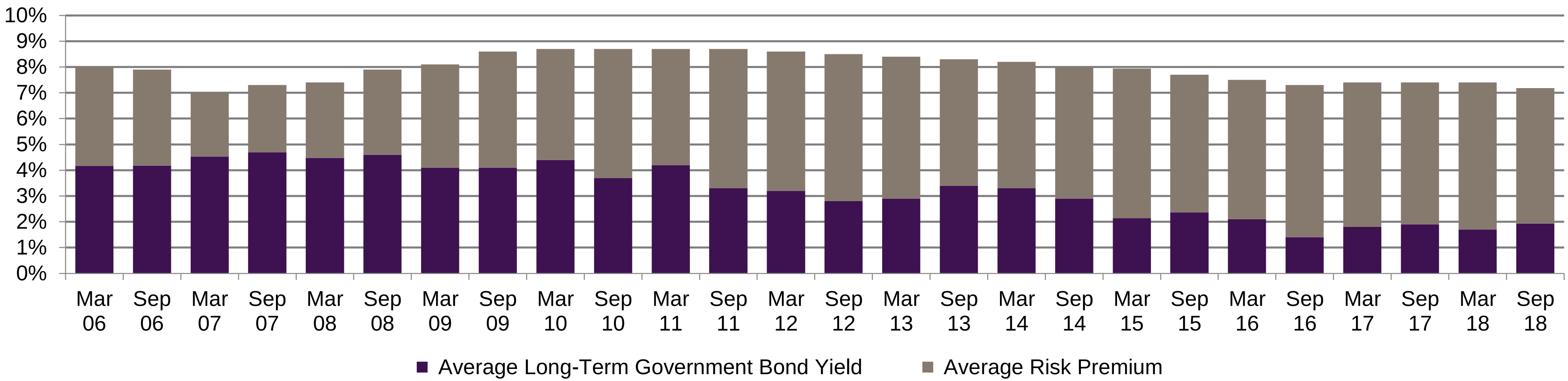
1. "Return" comprises the unwinding of the discount rate and portfolio outperformance, excluding the impact of changes in economic assumptions and discount rates, other than project specific changes such as projects moving from construction to operations - Past performance is no guarantee of future performance.
2. £2,904.9m, which excludes the AquaSure Desalination PPP that was sold post-period end, reconciles, on an Investment Basis, to £2,869.6m Investments at fair value through £35.3m of future commitments

Discount Rate Analysis

20 basis points reduction in weighted average discount rates

- Weighted-average discount rate of 7.2%, down from 7.4% at 31 March 2018, mostly driven by increased market asset pricing
- Discount rates for investments range between 6.4%[1] and 9.6%
- Implied risk premium over long-dated government bonds decreased by 0.4% to 5.3% in the period

	Appropriate Long-Term Government Bond Yield[2]		Risk Premium		Total Discount Rate[3]		
					30 September 2018	31 March 2018	30 September 2017
UK	1.9%	+	5.2%	=	7.1%	7.4%	7.3%
Eurozone	1.4%	+	5.7%	=	7.2%	7.6%	7.8%
N. America	3.0%	+	5.0%	=	8.0%	8.2%	8.2%
Portfolio	**1.9%**	**+**	**5.3%**	**=**	**7.2%**	**7.4%**	**7.4%**



1. Excludes investment in the AquaSure Desalination PPP that was sold post-period end and the A13 Senior Bonds
2. The long-term government bond yield for a region is the weighted average for all of the countries in which the portfolio is invested in that region
3. Weighted-average discount rate

Key Valuation Assumptions

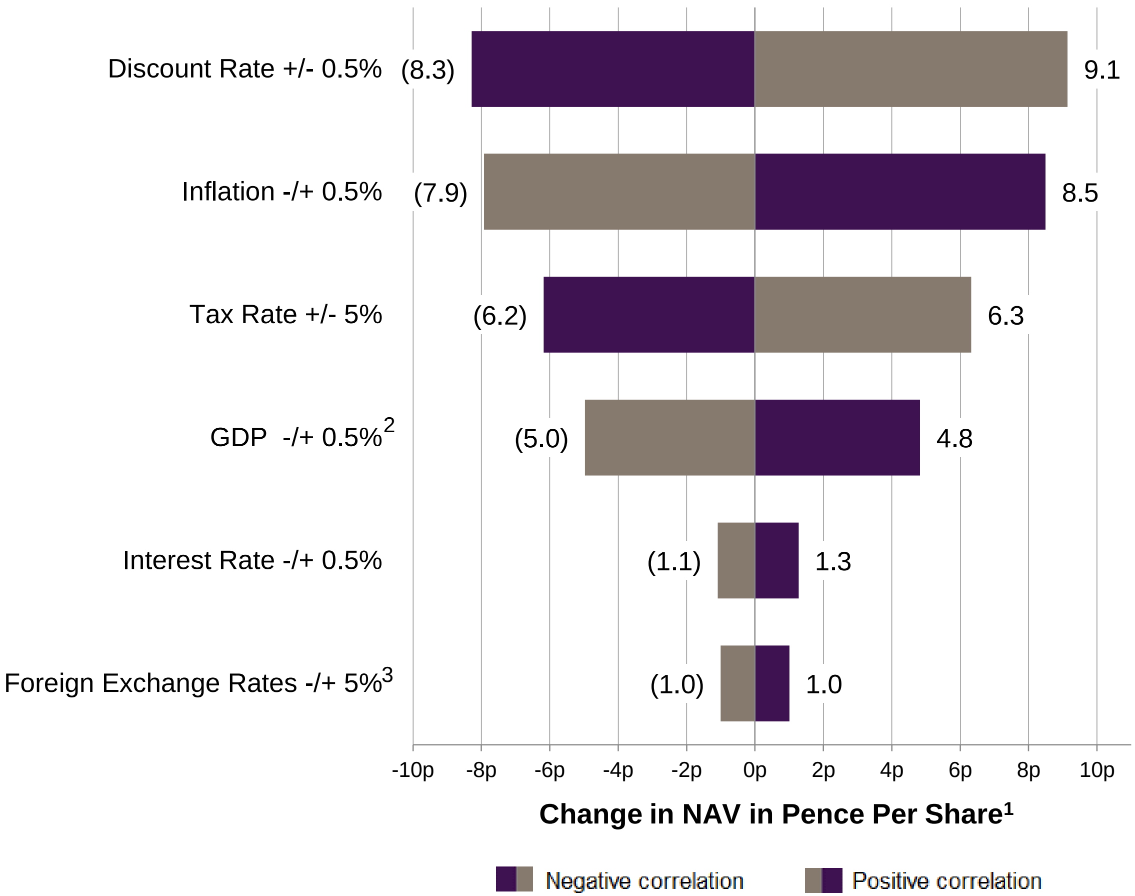
HICL Infrastructure

		Movement	30 September 2018	31 March 2018
Discount Rate	Weighted Average	↓	7.2%	7.4%
Inflation Rates[1] (p.a.)	UK (RPI[2] & RPIx[2] / CPIH[3]) Eurozone (CPI) Canada (CPI) USA (CPI)	↔	2.75% / 2.0% 1.0% to 2019 and 2.0% thereafter 2.0% 2.0%	2.75% / 2.0% 1.0% to 2019, 2.0% thereafter 2.0% 2.0%
Interest Rates (p.a.)	UK Eurozone Canada USA	↔	1.0% to 2021, 2.0% thereafter 0.5% to 2021, 1.5% thereafter 2.0% to 2021, 3.0% thereafter 2.0% with a gradual increase to 3.0% long-term	1.0% to 2021, 2.0% thereafter 0.5% to 2021, 1.5% thereafter 2.0% to 2021, 3.0% thereafter 2.0% with a gradual increase to 3.0% long-term
Foreign Exchange Rates	EUR / GBP CAD / GBP USD / GBP	↑	0.89 0.59 0.77	0.88 0.55 0.71
Tax Rates (p.a.)	UK Eurozone Canada USA	↔	19% to 2020, 17% thereafter Ireland 12.5% France 25% - 33.3% Netherlands 20% - 25% 26% and 27% (territory-dependent) 21% Federal & 4.6% Colorado State	19% to 2020, 17% thereafter Ireland 12.5% France 25% - 33.3% Netherlands 20% - 25% 26% and 27% (territory-dependent) 21% Federal & 4.6% Colorado State
GDP Growth Rates (p.a.)	UK Eurozone USA	↔	2.0% 1.8% 2.5%	2.0% 1.8% 2.5%

1. Some portfolio company revenues are fully indexed, whilst some are partially indexed
2. Retail Price Index ("RPI") and Retail Price Index excluding mortgage interest payments ("RPIx")
3. Consumer Prices Index including owner-occupiers' housing costs; used in the valuation of Affinity Water

Key Valuation Sensitivities

Sensitivity to key macroeconomic assumptions



- The discount rate, FX rate and GDP sensitivities are based on analysis of the whole portfolio
- Remaining sensitivities are based on the largest 35 investments in the HICL portfolio by value, and then extrapolated across the whole portfolio
- The GDP sensitivity shows the impact of a 0.5% per annum change in GDP across the four assets[2] where revenues are to some degree correlated with economic activity
- If outturn GDP growth were 0.5% p.a. lower in all relevant geographies for all future periods than this valuation assumption on page 53, expected return[4] from the portfolio (before Group expenses) would decrease 0.2% from 7.2% to 7.0% (7.2% at 31 March 2018)
- If the rate of UK corporation tax was 5% higher in each and every forecast period, NAV per share would decrease by 4.9p

1. NAV per share based on 1,790m ordinary shares in issue at 30 September 2018
2. Assets subject to GDP movements are High Speed 1 (UK), Northwest Parkway (USA), A63 Motorway (France) and M1-A1 Link Road (UK)
3. Foreign exchange rate sensitivity is net of current Group hedging at 30 September 2018
4. Expected return is the expected gross internal rate of return from the portfolio before group expenses, there is no assurance that returns will be met

Valuation Methodology

The Company's valuation methodology is consistent with industry standard

Semi-annual valuation and NAV reporting:

- Carried out by Investment Adviser
- Independent opinion for Directors from third-party valuation expert
- Approved by Directors

Non traded – discounted cash flow ("DCF") methodology on investment cashflows

- Discount rate reflects market pricing for the investments and comprises the yield for government bonds plus an investment-specific premium (balancing item)
  - For bond yield, average of 20 and 30 year government bonds (matching concession lengths)

Affinity Water

- DCF methodology with a terminal value assumed and a market discount rate applied to cash flows which incorporates forecast future regulatory outcomes as well as operational performance
- Regulated Capital Value multiple measures a company's Enterprise Value considered against comparable transaction data from the market and forms a useful cross-check to the DCF-derived valuation

Traded

- Traded securities are valued at the quoted market price (as is the case with the listed senior debt in the A13 Road project)

Recent Performance: 2018 Interim Results

Royal Canadian Mounted Police HQ, Canada

Highlights I

Strong performance for the six months to 30 September 2018

156.4p **NAV per share** Up 6.8p from NAV per share of 149.6p at 31 March 2018	**£2,905m** **Directors' Valuation[1]** Value of the Company's 117 investments (£2,837m at 31 March 2018)	**15.0%** **Annualised shareholder return[2]** 8.9% annualised shareholder return[2] for the six months to 30 September 2017
New Dividend Guidance[3] **8.45p for 2021** Reaffirmed Dividend Guidance[3] 8.25p for 2020 8.05p for 2019	**£91m** **Investments in the period** Three new and one incremental investment	**1.33x** **Dividend cash cover[4]** 1.26x at 30 September 2017

1. On an Investment Basis, which excludes the AquaSure Desalination PPP that was sold post-period end and includes £35.3m of future commitments. On an IFRS basis investments at fair value through profit or loss was £2,799.5m
2. Based on interim dividends paid plus uplift in NAV per share in the period. Past performance is no guarantee of future performance.
3. Expressed in pence per ordinary share for financial years ending 31 March. This is a target only and not a profit forecast. There can be no assurance that this target will be met
4. Including profit on disposals in the period of £18.9m. Excluding this, dividend cash cover would have been 1.06x

Highlights II

Additional dividend guidance to 2021 underpinned by robust cash flow forecasts

HICL Infrastructure

Strategic progress

- Annualised total return was ahead of expectations at 15.0%[1]
- Value delivered through active portfolio management
  - Divestments of AquaSure Desalination PPP and Highland Schools PPP2 projects for considerations in excess of portfolio value, unlocking returns that could not be delivered through on-going ownership
  - Use of proceeds to make four accretive investments and reduce drawings under the revolving credit facility
  - Value enhancements include the on-budget and on-time availability of two construction projects

Corporate domicile

- The Board is recommending that the Company's investment business moves from Guernsey to the UK, by transferring the Company's assets to a new UK-incorporated plc through a scheme of arrangement
- Will align HICL's domicile with a predominantly UK shareholder base and a portfolio largely invested in the UK, and better positions the Company in relation to future changes in the cross-border tax landscape
- A circular will be sent to shareholders in early 2019 giving notice of an Extraordinary General Meeting to approve the new arrangements and setting out the details of the proposal

Key risks

- Heightened political uncertainty in UK remains a key risk
- HICL well-positioned to withstand the potential economic impact of Brexit with a diversified portfolio, good inflation correlation over the long term and relative insensitivity to changes in the UK GDP growth rate
- All ten facilities management contracts with Carillion terminated; priority remains service continuity for clients
  - Six projects, which represent 40 separate facilities, now transitioned to new long-term arrangements
  - Four projects on stable interim arrangements

Governance

- Chris Russell is approaching nine years as a Director and will be stepping down on 31 March 2019. Search for a new Director commenced using an external recruitment firm

Outlook

- Asset pricing remains elevated
- The timing of any capital raising activity will take market conditions into account
- Extended dividend guidance to 2021[2] reflects the Board's continuing confidence in the HICL's business model

1. Calculated based on the uplift in NAV per share in the period plus dividends paid. Excluding the impact of changes in economic assumptions and reference discount rates, other than project specific changes such as projects moving from construction to operations, the annualised return from the underlying portfolio was 9.0%
2. This is a target only and not a profit forecast. There can be no assurance that this target will be met

Highlights III

Figures presented on an Investment Basis[1]

£193m **Profit before tax** £88m for the six months to 30 September 2017	**7.2%** **Weighted average discount rate** 7.4% at 31 March 2018	**£94m** **Operating cash flow** £78m for the six months to 30 September 2017
10.8p **Earnings per share** 5.1p for the six months to 30 September 2017	**1.09%** **Ongoing charges ratio[2]** 1.06% for the six months to 30 September 2017	**c. £70m** **Borrowings at 20 November 2018[3]** £135m at 31 March 2018

1. Summary financial statements provided in Appendix II. Investment Basis is the same basis as was applied in prior periods. See Section 3.1 of the 2018 Annual Report and Financial Statements for further details
2. Calculated in accordance with Association of Investment Companies' guidelines
3. Cash drawings under the Group's revolving credit facility ("RCF"). At 30 September 2018, RCF cash drawings were £160m

Summary Financials I

Figures presented on an Investment Basis[1]

Income Statement £m	Six months to 30 September 2018	Six months to 30 September 2017
Total income	211.0	108.1
Expenses & finance costs	(18.2)	(20.3)
Profit before tax	192.8	87.8
Earnings per share[2]	**10.8p**	**5.1p**
Ongoing charges[3]	**1.09%**	**1.06%**

Balance Sheet (as at) £m	30 September 2018	31 March 2018
Investments at fair value[4]	**2,869.6**	**2,794.6**
NAV per share (before interim dividend)	156.4p	149.6p
Interim dividend	**(2.01)p**	**(1.97)p**
NAV per share (after interim dividend)	**154.4p**	**147.6p**

1. Investment Basis is the same basis as was applied in prior periods. See section 3.1 of the March 2018 Annual Report & Financial Statements for further details
2. Earnings per share and NAV per share are the same under IFRS and Investment Basis
3. Calculated in accordance with Association of Investment Companies' guidelines
4. Directors' Valuation at 30 September 2018 of £2,904.9m, which excludes the AquaSure Desalination PPP that was sold post-period end, net of £35.3m future investment commitments (March 2018: £2,836.5m, net of £41.9m)

Summary Financials II

Figures presented on an Investment Basis[1]

Cashflow £m	Six months to 30 September 2018	Six months to 30 September 2017
Opening net (debt) / cash	(115.2)	82.2
Net operating cashflow	**93.6**	**77.9**
Investments (net of disposals)	(60.5)	(450.1)
Equity raised (net of costs)	(0.2)	265.5
FX movements and debt issue costs	(1.6)	(1.4)
Dividends paid	(70.3)	(61.6)
Net debt	**(154.2)**	**(87.5)**
Dividend cash cover	**1.33x[2]**	**1.26x**

1. Investment Basis is the same basis as was applied in prior periods. See section 3.1 of the March 2018 Annual Report and Financial Statements for further details
2. Including profit on disposals in the period of £18.9m. Excluding this, dividend cash cover would have been 1.06x

Summary Investment Activity

Six transactions completed in the period and one post-period end

Acquisitions

Net Amount	Type	Stage	Project	Segment	Sector	Stake Acquired	Overall Stake	Date
€21m	New	Greenfield	Paris-Sud University (France)	PPP	Education	85%	85%	Apr-18
£10m	New	Operational	Burbo Bank OFTO (UK)	Regulated	Electricity, Gas & Water	50%	50%	Apr-18
£6m	New	Operational	Belfast Metropolitan College (UK)	PPP	Education	75%	75%	Apr-18
€62m	Incremental	Operational	A63 Motorway (France)	Demand-based	Transport	7%	21%	Jun-18

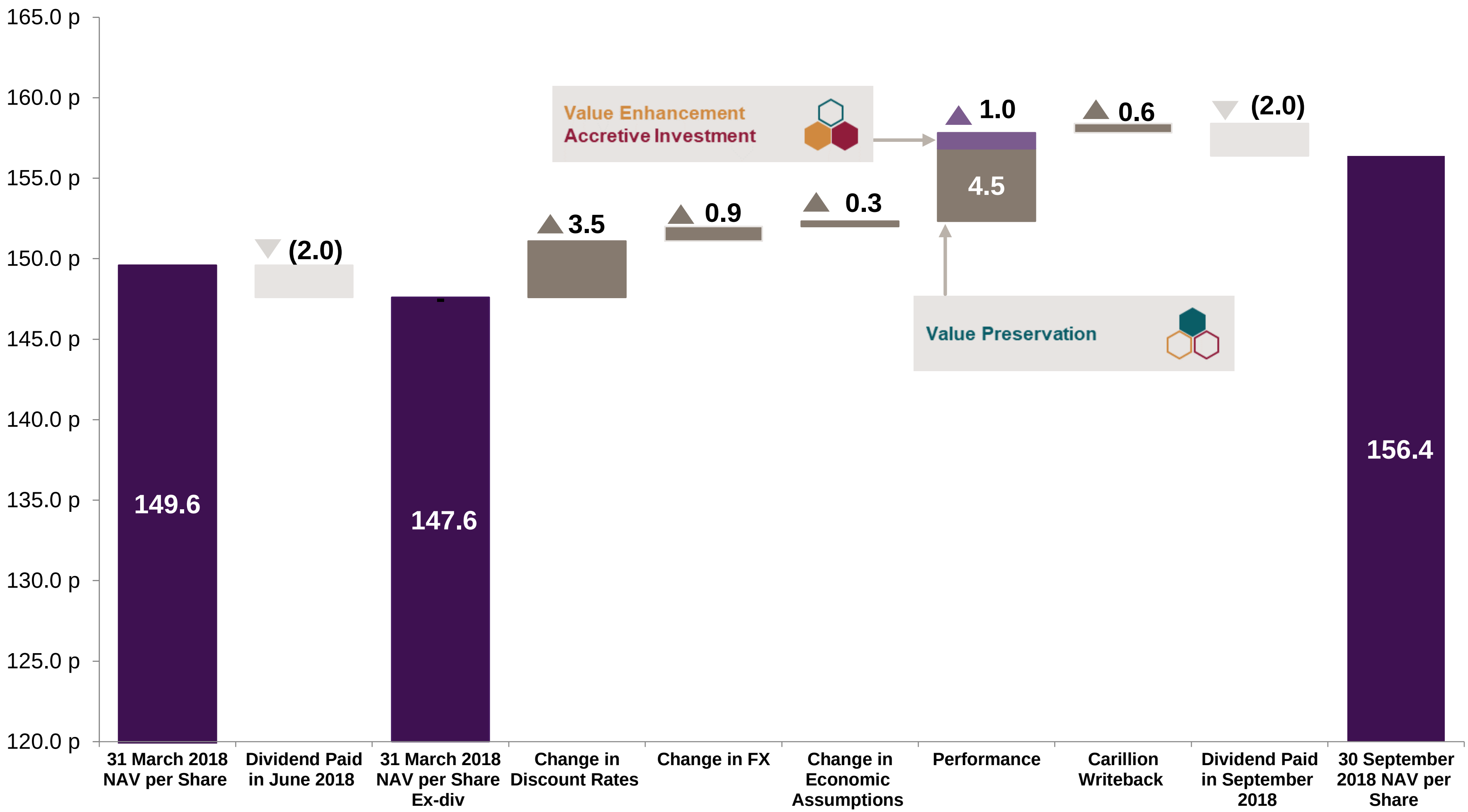
Disposals

Proceeds	Type	Stage	Project	Segment	Sector	Stake Sold	Overall Stake	Date
£56m	Disposal	Operational	Highland Schools (UK)	PPP	Education	100%	0%	Jun-18
£1m	Partial Disposal	Operational	Oldham Library (UK)	PPP	Accommodation	15%	75%	Jul-18
AUD$161m	Disposal	Operational	AquaSure Desalination (Australia)[1]	PPP	Electricity, Gas & Water	10%	0%	Nov-18

1. Transaction completed post-period end

Analysis of Change in NAV per Share

Outperformance of the underlying portfolio core to delivering NAV accretion



1. The sum of the movements (grey and light purple) may not equate to the overall change (dark purple bars), due to rounding

Company's Key Performance Indicators ("KPIs")

KPI	Measure	30 September 2018	30 September 2017	Objective	Commentary
Dividends	Aggregate interim dividends declared per share in the period	**4.02p**	**3.92p**	An annual distribution of at least that achieved in the prior year	**Achieved**
Total Return	NAV growth and dividends paid per share (since IPO)	**9.5% p.a.**	**9.5% p.a.**	A long-term IRR target of 7% to 8% as set out at IPO[1]	**Achieved**
Cash-covered Dividends	Operational cashflow / dividends paid to shareholders	**1.33x[2]**	**1.26x**	Cash covered dividends	**Achieved**
Positive Inflation Correlation	Changes in expected portfolio return for 1% p.a. inflation change	**0.8%**	**0.8%**	Maintain positive correlation	**Achieved**
Competitive Cost Proposition	Annualised ongoing charges / average undiluted NAV[3]	**1.09%**	**1.06%**	Efficient gross (portfolio) to net (investor) returns, with the intention to reduce ongoing charges where possible	**Market competitive cost proposition**

1. Set by reference to the issue price of 100p per share, at the time of the Company's IPO in March 2006. Previously reported on dividends declared basis
2. Including profit on disposals in the period of £18.9m. Excluding this, dividend cash cover would have been 1.06x
3. Calculated in accordance to Association of Investment Companies guidelines ongoing charges excludes non-recurring items such as acquisitions costs