

BRIDGE MONGOLIA & EMERGING ASIA INFRASTRUCTURE FUND (“BMEA”)

This indicative concept paper is not an attempt to contain, nor shall it be construed as an attempt to define all the terms and conditions of the proposed fund. Rather, it is intended only to outline certain basic points of business understanding around which the relevant documentation will be structured. Further negotiations within the general scope of any agreement or further major items shall not be precluded by the issuance or acceptance of this concept paper or otherwise. Any formal offer of finance will be subject to the execution of mutually acceptable documentation and to regulatory, shareholding and other relevant approvals of companies that may be involved at a later stage and further may be subject to revision and amendment from the terms indicated below in consideration of the then current market conditions.

Objective:	This concept outline has been prepared to start initial discussions with financial institutions and professional investors that may be seeking to invest in an infrastructure investment vehicle managed professionally by an investment team with proven track record in the global international infrastructure space and a thorough understanding of developing economies.	
Fund Rationale:	Developing countries need to meet basic human development targets including access to water, sanitation, electricity and transportation; on the other hand, rapid urbanization in emerging markets is calling for expansion of the existing infrastructure, as well as for the upgrade of infrastructure assets to adequately meet increasing social standards. According to PwC, the geographical shift in infrastructure spending from West to East has already started and is advancing steadily. Developing economies, most notably emerging Asia, account for nearly half of all infrastructure spending due to economic growth in China. Forecasted demand is expected to require investment of at least an additional US\$ 1 trillion a year through 2020, solely in developing markets based on current growth rates. BMEA is seeking to address the World Bank's forecast that traditional sources of funding for infrastructure investment may become inadequate and aims to provide an alternative liquidity pocket.	
Target Markets:	BMEA will contribute to the significant funding requirements to implement infrastructure projects principally in Mongolia and other emerging Asian countries such as Kazakhstan, Myanmar and Vietnam. BMEA might potentially encompass other neighboring countries should it be justified by highly attractive investment opportunities.	
Initiators:	Edmond de Rothschild Asset Management (Luxembourg) S.A. and Liberty Partners.	
Investment Manager:	Edmond de Rothschild Asset Management (UK) Limited (“EdRAM”) will act as investment manager (“IM”) to BMEA. Liberty Capital Management LLC (“Liberty”) will act as the sub-advisor to the Investment Manager.	
Value Proposition:	BMEA proposes to investors an opportunity to participate in infrastructure projects in the Target Markets based on the involvement of two independent and reputable firms such as the Edmond de Rothschild Group (“EdR”) and Liberty. Both firms bring a significant track record in originating and structuring infrastructure assets. Additionally, Liberty's on the ground presence and their extensive high level political and commercial network will provide privileged access to deals. This is combined with BMEA's professional investment skills to select appropriate investment opportunities with appropriate fund returns for a balanced mix of country, commercial and project risks.	
Investment Strategy:	BMEA will seek to create a portfolio in a broad range of infrastructure sectors including transport, energy, renewables, social, utilities, telecommunications and oil and gas. Investments will be a mix of quasi-equity and debt in greenfield and brownfield projects. BMEA aims to take participations in 8 to 16 different infrastructure assets.	
Fund Management:	The Investment Management team of BMEA seeks to combine EdRAM's global expertise in infrastructure funds and name recognition with Liberty's thorough understanding of the developing market environment in the region. The Investment Management team will manage BMEA according to the best in class governance principles.	
Legal Counsel:	Sidley Austin LLP (“Sidley”) will act as legal advisor during the structuring phase. Sidley is a leading global law firm with extensive expertise in structuring and advising investment funds as well as dealing with investors. They have the relevant expertise to cover all legal, tax, fiduciary and regulatory issues in the jurisdictions of BMEA. This will ensure the implementation of an optimum operational, financial and tax efficient structure for the BMEA fund.	
Investors:	Target anchor investors are Sovereign Wealth Funds and International Finance Institutions with an appetite for the infrastructure assets located in the Target Markets, as well as other international investors with an ability to take on large ticket sizes.	
Fund Size:	US\$ [650 - 1,500] million	
Hold Period:	Up to [10-15] years of average life	
Fee Structure:	Standard management fees will apply	
Timetable:	<ul style="list-style-type: none"> ▪ 4Q2015 – Structuring of the fund and offering documents ▪ 1Q2016 – Roadshow ▪ 2Q2016 – Constitution of the Fund ▪ 3Q2016 – 4Q2016 – First Investments 	
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