



## Fidante Daily Digest

### News bulletin on alternative investment companies

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This is a marketing communication. Author: Martin McCubbin

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For further details see below.

The 2019 EXTEL survey is open until 12 April. The Fidante research team would greatly appreciate your vote in the survey. If you have not received an invitation directly from EXTEL, please use this link <https://app.extelsurveys.com/quickvote> to access the survey.

### IMPACT SCORE

Our impact score reflects our own assessment of how the news would affect the company's stock. It focuses on the potential future impact on discount/premium and performance dynamics that are likely to arise as a result of the news. It is not indicative of the company's overall health and performance and is not directional (positive/negative). A high impact score can mean either adverse or positive impact, hence readers must make their own judgment with regards to this.

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### 3 3IN – 3i Infrastructure – New investment

Invests in infrastructure businesses and assets

- 3IN has agreed to invest around EUR 220m to acquire 100% of Joulz Diensten (Joulz), a leading owner and provider of essential energy infrastructure equipment and services in the Netherlands, from Stedin Holding, a Dutch distribution grid operator. Completion is subject to certain third-party approvals. Joulz leases equipment and meters to a large and diversified customer base of industrial, commercial and public sector customers and has two business units, each generating around 50% of total revenue – Infrastructure Services and Metering.
- Joulz will benefit from the Dutch Government's commitment to decarbonising the economy through the electrification of heat and transport, a focus on increased energy efficiency and the expansion of renewable generation. This move is expected to increase electricity consumption and demand for medium voltage equipment, and the focus on increased energy efficiency is expected to drive growth in sub-meters and data analytics, areas in which Joulz operates.

#### Fidante comment

- As at 31 December 2018 the company had cash of £142m and an undrawn balance on its revolving credit facility of £283m. The company's pro forma net debt following the funding of the £35m dividend (in January 2019) and the Trampnet commitment (around £196m, completion expected by the end of the financial year on 31 March 2019). Last month, 3IN announced that it had agreed to sell Cross London Trains for around £333m (a £62m uplift on the latest valuation, with completion expected before the company's year end), having received a £12m distribution from that investment in January 2019. The company's pro forma net cash position will therefore be around £67m following this latest acquisition, based on the available information.

### 3 FAIR – Fair Oaks Income – Final redemption of 2014 shares

Invests in US and European CLOs

- Further to the announcement on 14 December 2018 that the board was considering an early redemption of the 2014 shares, the company has now declared a final compulsory redemption of all 2014 shares at a price equal to the NAV per 2014 share as at 28 February 2019, less the dividend to be declared for February 2019. This cash payment will be funded by FOMC II (the master fund of the 2017 share class, the 2017 Master Fund) acquiring at NAV the residual interest in FOIF (the master fund of the 2014 share class, the 2014 Master Fund) owned by the company in respect of the 2014 share class. The 2017 Master Fund's purchase of the residual interest in the 2014 Master Fund supplements its existing interest, held since the launch of the 2017 share class.
- There will also be an option to receive an in-specie distribution of a 2014 shareholder's pro rata exposure to the company's interest in the Master Fund - a 2014 shareholder owning around 70% of the issued 2014 shares has signed an irrevocable undertaking to elect for the in-specie distribution and the company's implementation of the final redemption is conditional on the completion of this election.

- All holdings of 2014 shares on the record date, 1 April 2019, will be redeemed (this will also be the redemption date). The LSE quote will be cancelled on 2 April 2019 and settlement will be on 15 April 2019.

## 2 TFG – Tetragon – Final close of TCI III

Securitised credit and asset manager investor

- Tetragon Credit Income, one of the asset management businesses that comprise TFG Asset Management, the asset management company owned by TFG with assets under management of \$28.1bn as at 31 December 2018, has announced that the February 2019 final close of Tetragon Credit Income III (TCI III) has brought total commitments to around \$430m. TCI III is a private equity vehicle which focuses on CLO investments, including majority stakes in CLO equity tranches. Tetragon Credit Income's other most recent CLO investment vehicle, Tetragon Credit Income II, raised just under \$350m through its final close in 2017. Since 2005, TFG, directly and through Tetragon Credit Income private equity vehicles, has invested over \$2.3bn in CLO equity, across 101 CLOs managed by 32 managers.

### Hedge fund NAV performance

- BH Global (BHGG) GBP NAV as at 8-Mar-19 (1521pps) was down 2pps (0.11%) month-to-date and down 1.04% year-to-date.
- BH Macro (BHMG) GBP NAV as at 8-Mar-19 (2402pps) was down 3pps (0.13%) month-to-date and down 0.48% year-to-date.
- Highbridge Multi-Strategy (HMSF\*) NAV as at 8-Mar-19 (219.93pps) was up 0.01pps (0.00%) month-to-date and up 2.21% year-to-date.

### Private equity NAV performance

- JPEL Private Equity (JPEL) NAV as at 31-Jan-19 (\$1.77 per share) was up \$0.01 per share (0.57%) year-to-date.

### Share buybacks and issuance

- Alcentra European Floating Rate Income (AEFS) bought back 172,000 shares at 97.21pps on 12-Mar-19.
- Capital Gearing Trust (CGT) issued 23,000 shares at 4103pps on 12-Mar-19.
- Funding Circle SME Income (FCIF) bought back 405,000 shares at 85.75pps on 12-Mar-19.
- Highbridge Multi-Strategy (HMSF\*) bought back 50,000 shares at 211.83pps on 12-Mar-19.
- JPMorgan Global Convertibles Income (JGCI) bought back 100,000 shares at 87.78pps on 12-Mar-19.
- NB Global Floating Rate Income (NBLS) bought back 1,600,000 GBP shares at 89.7pps on 12-Mar-19.
- P2P Global Investments (P2P) bought back 20,000 shares at 811.2pps on 12-Mar-19.
- Personal Assets (PNL) issued 3,450 shares at 40030pps on 12-Mar-19.
- Third Point Offshore (TPOU) bought back 5,600 shares at \$14.35 per share on 12-Mar-19.

\*Current corporate client of Fidante Capital.

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## RESEARCH

**Joachim Klement**  
+44 20 7832 0956  
[jklement@fidante.com](mailto:jklement@fidante.com)

**Martin McCubbin**  
+44 20 7832 0952  
[mmccubbin@fidante.com](mailto:mmccubbin@fidante.com)

## PRODUCT DEVELOPMENT

**Tom Skinner**  
+44 20 7832 0953  
[tskinner@fidante.com](mailto:tskinner@fidante.com)

## CORPORATE FINANCE

**John Armstrong-Denby**  
+44 20 7832 0983  
[jdenby@fidante.com](mailto:jdenby@fidante.com)

**Nick Donovan**  
+44 20 7832 0981  
[ndonovan@fidante.com](mailto:ndonovan@fidante.com)

**Will Talkington**  
+44 20 7832 0936  
[wtalkington@fidante.com](mailto:wtalkington@fidante.com)

## UK SALES

**Justin Zawoda-Martin**  
+44 20 7832 0931  
[jzawodamartin@fidante.com](mailto:jzawodamartin@fidante.com)

**Daniel Balabanoff**  
+44 20 7832 0955  
[dbalabanoff@fidante.com](mailto:dbalabanoff@fidante.com)

**Max Bickford**  
+44 20 7832 0934  
[mbickford@fidante.com](mailto:mbickford@fidante.com)

**Hugh Ferrand**  
+44 20 7832 0935  
[hferrand@fidante.com](mailto:hferrand@fidante.com)

**Mike Rumbold**  
+44 20 7832 0929  
[mrumbold@fidante.com](mailto:mrumbold@fidante.com)

**MARKET MAKING**  
STX 79411 79412  
**Mark Naughton**  
+44 20 7832 0991  
[mnaughton@fidante.com](mailto:mnaughton@fidante.com)

**Anthony Harmer**  
+44 20 7832 0995  
[aharmer@fidante.com](mailto:aharmer@fidante.com)

## INTERNATIONAL SALES

**Nordics**  
**Ian Brenninkmeijer**  
+46 8 1215 1361  
[ibrennkmeijer@fidante.com](mailto:ibrennkmeijer@fidante.com)

**US**  
**Adam Randall**  
+1 212 897 2807  
[arandall@fidante-us.com](mailto:arandall@fidante-us.com)

**Benelux**  
**Yves van Langenhove**  
AAMYS\* (Fidante Partners)  
+32 468 29 08 04  
[yvanlangenhove@fidante.com](mailto:yvanlangenhove@fidante.com)

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