



# ASMA Capital Partners B.S.C



The costs of capital for Infrastructure Investment and Risk Allocation

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# ASMA Capital Partners

**ASMA CAPITAL  
MANAGES THE IDB  
INFRASTRUCTURE  
FUND II**

**BACKED BY  
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- ASMA Capital Partners is an **asset management firm** licensed and regulated by the Central Bank of Bahrain.
- ASMA Capital Partners is the **fund manager of the IDB Infrastructure Fund II with a target size of US\$2bn.**
- ASMA Capital and the IDB Infrastructure Fund II are sponsored by key sovereign institutions:

**Islamic Development Bank (“IDB”) – Kingdom of Saudi Arabia**

**Public Pension Agency (“PPA”) – Kingdom of Saudi Arabia**

**Public Investment Fund (“PIF”) – Kingdom of Saudi Arabia**

**Ministry of Finance Bahrain – Kingdom of Bahrain**

**Ministry of Finance Brunei - Sultanate of Brunei Darussalam**

# ASMA Capital Partners

- ASMA Capital invests in **infrastructure projects** in the **member countries** of the **IDB**.
- Our target **sectors**:
  - Power and Energy Infrastructure.
  - Transport and Logistics.
  - Telecommunications Infrastructure.
  - Water and Waste.
  - Social Infrastructure (Education, Healthcare).
- Our target **countries**:



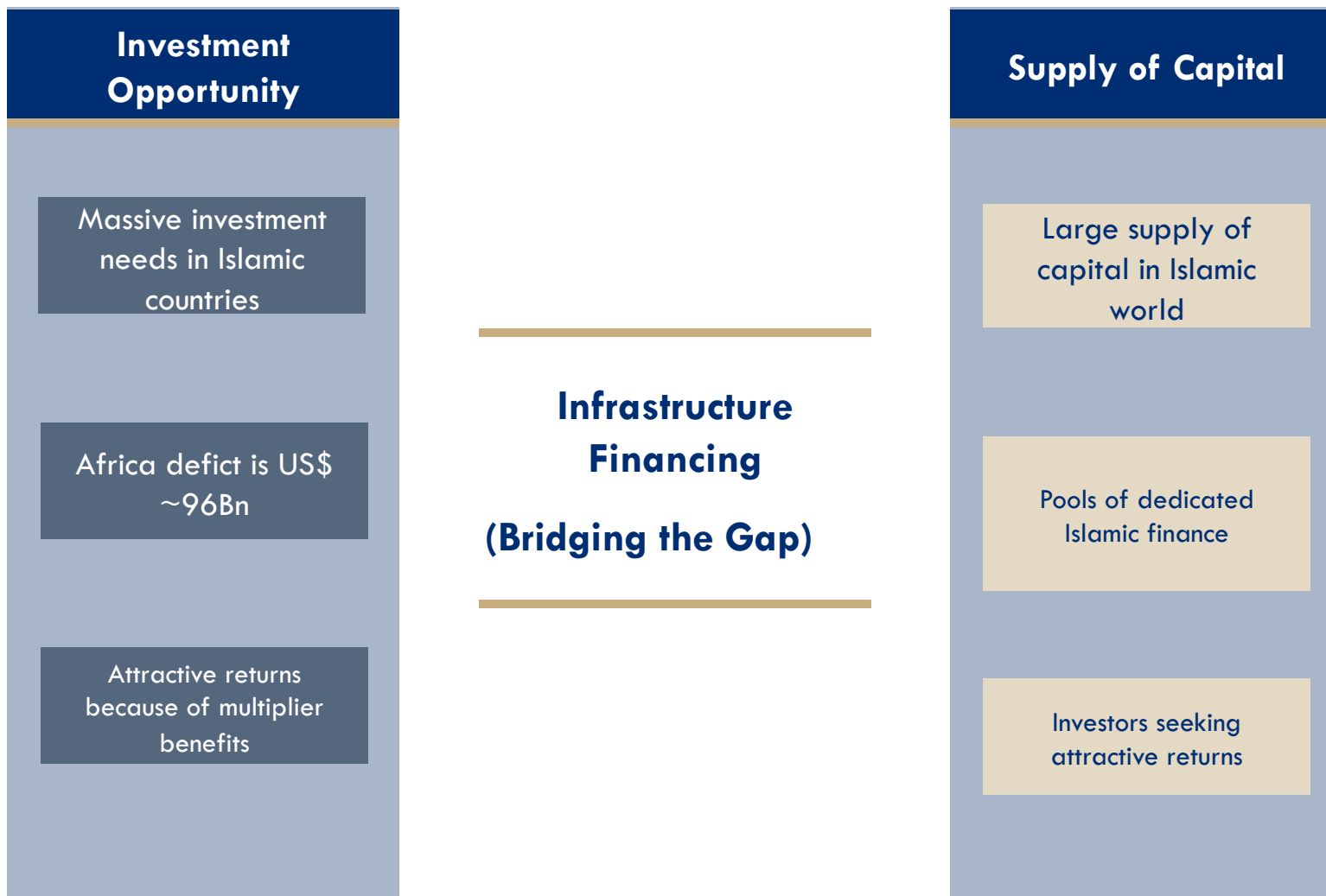
# Global Infrastructure Financing

- The global infrastructure investment market is relatively new.
- First dedicated infrastructure investment funds created in early 1990's
- Pension fund and sovereign wealth funds followed with dedicated allocations
- Government programs of asset sales and privatization, also "take-private" of publicly listed companies
- Conventional finance markets were quick to respond on both bank lending and capital markets issuance
- Now deep and relatively liquid markets in Australia, UK, Europe and North America
- However, biggest single investor concern remains political risk

## What's different in the Islamic World?

- Investment often required for new projects, rather than the transfer of existing assets
- Relatively few dedicated investors
- Financing markets are not as deep as in Europe and North America
- More difficult to secure long term financing, that matches the profile of the underlying assets
- Relatively recently established regulatory and policy frameworks

# Infrastructure Investment in the Islamic World



# Benefits of Islamic Finance for Infrastructure

- Large potential pool of capital available
- Potential for long-term financing
- Risk Sharing
- Linked to underlying asset
- Can be used by governments and individual projects

# Challenges of Islamic Finance for Infrastructure

- Islamic Finance for infrastructure is still relatively under-developed, compared with Conventional Finance
- Some technical aspects of Islamic Finance are still developing
- Documentation can be more complex
- Limited transferability and liquidity



## Conclusion

- The global infrastructure investment market is relatively modern
- Conventional finance for infrastructure has grown rapidly.
- Infrastructure opportunity in the Islamic world is large and growing.
- Capital from within the Islamic world to meet the opportunity is also growing.
- Dedicated Islamic Finance is still less utilized than conventional finance.
- However, the strong dynamic of supply and demand, means that this role will increase.



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