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IJInvestor Awards 2022 – Debt Fund Manager EMEA

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07/12/2022

The independent panel of judges for IJInvestor Awards 2022 was so impressed by the BlackRock submission – against stiff competition – that it singled it out for honours in the EMEA category for the Debt Fund Manager award.

BlackRock Global Infrastructure Debt was able to demonstrate that – over the course of the judging period – it had shown strength in investing, portfolio resilience, and fundraising.

From 1 April 2021 to 31 March 2022 (IJInvestor Awards' judging period), the investment team closed 23 transactions, deploying $2.6 billion on behalf of its global investor base.

These investments were across all 6 major infrastructure sectors and located across 11 countries: Australia, Canada, Colombia, Denmark, Finland, Germany, the Netherlands, Norway, Sweden, the UK, and the US.

Further, over the judging period, the BlackRock platform fundraised $3.6 billion across separately managed accounts and commingled fund strategies.

According to the submission: "We attribute the growing client appetite for infrastructure debt exposure to our team's strong performance track record in delivering total returns and downside protection."

And BlackRock has the people in place to achieve its goals with the global infrastructure debt team (at time of submission) boasting 35 investment professionals, leveraging local presence from team members on the ground to source transactions.

The team has local debt-related investment expertise in New York, London, Hong Kong and Bogota, with additional equity-related investment expertise globally.

The judging panel – formed of experienced infra professionals – were impressed by BlackRock claims over performance.

The submission states: "BlackRock's infrastructure debt team has experienced zero credit losses to date since platform inception.

"To contextualise this achievement, it is important to consider recent market conditions. The pandemic triggered a global economic disruption and markets experienced unprecedented volatility.

"Certain transactions suspended dividends to shareholders due to revenues below base case, but debt service continued to be met. Structuring mitigants such as reserve accounts, as well as equity contributions in some cases, ensured that there were no credit losses on the infrastructure debt platform.

"Additionally, during the pandemic, 8% of our portfolio experienced ratings actions, with comparable IG public corporate bonds experiencing roughly twice the volatility in credit ratings. We actively reviewed the recovery profile of impacted assets to inform re-modelling.

“As of 31 March 2022, across 140-plus assets we have had only 4 borrowers request amendments to their documentation.”

In submissions of this type, the judges tend to be swayed by confident displays of performance, often eliciting envious comments.

They were impressed by BlackRock’s statement: “Our ability to swiftly aggregate capital, serve as a lead or anchor lender, and provide certainty of execution for sponsors often gives us early or exclusive access to deal flow.

“As a result of BlackRock’s direct origination capabilities, we have delivered an average private debt premium – transaction spread compared to similarly rated public corporate bonds – of 90-100bp.

“Additionally, in our dedicated high yield infrastructure debt fund we have delivered a 9.3% gross / 7.6% net IRR on executed investments as of 31 December 2021.”