



GOVERNMENT OF BERMUDA

**The Ministry of Legal Affairs**

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**Ministry of Legal Affairs Headquarters**

TO : Senator Vance M.E. Campbell, JP  
Spokesperson for Finance

FROM: Senator Dwayne V. Robinson  
Opposition Spokesperson on Public Works

DATE: July 3 2019

**PARLIAMENTARY QUESTIONS**

1. With respect to the Bermuda Infrastructure Fund, would the Junior Minister please inform the Senate as to the amount of public monies that have been committed to the Fund by the Government of Bermuda since the Fund commenced operations in April 2018?

The Government of Bermuda backstops the Fund's minimum semi-annual management fee of \$500,000, essentially paying the difference, if any, between (a) the management fee earned by Fortress based on the invested capital of the Fund's investors at that time, and (b) \$500,000. The Government's commitment to backstop the management fee is capped at a total amount of \$3,000,000. To the extent the Government's capital is not returned by the conclusion of the Fund's investment period, the Government will have pro-rata limited partner interests in the Fund. The amount of Management Fees paid by the Bermuda Government to the Fund Manager, Fortress Investment Group LLC (together with its affiliates, "Fortress"), to date is \$175,342.47, and as of June 30, 2019, the Fund has accrued an additional ~\$1 million of Management Fees due from the Bermuda Government, which the Fund has yet to call.

2. With respect to the Bermuda Infrastructure Fund, would the Junior Minister please inform the Senate as to the criteria used for evaluating businesses or projects under consideration for investment, and how the investments are ultimately determined?

The Fund evaluates investments that fit the investment mandate of the Fund across several criteria, which include, among others, the following:

- Profitability
- Actionability
- Risk-Adjusted Returns
- Management Team Capability
- Reliability of Technology and/or Design
- Quality of Service Provider
- Downside Protection
- Value Creation Potential

3. Would the Junior Minister please inform the Senate as to what are the Fund Manager's exact duties undertaken in managing the Fund, as required by the Government and Institutional investors in the Fund?

The Fund Manager's basic duties to the Fund are to act as investment advisor for the Fund, invest in companies and projects, purchase and sell assets, securities and businesses on the Fund's behalf, and manage and supervise the Fund's investments.