

31 August 2024

The Fund invests in developed market “real infrastructure” companies that own or operate critical infrastructure assets which ensure the smooth functioning of economies, and that provide a net social or environmental benefit. The Manager takes an active approach to investing in infrastructure companies with high quality, predictable and inflation linked cash flows from strong counterparties. The Fund seeks to achieve a positive total return in excess of UK CPI+3% over the investment cycle.



Class A Acc (EUR). Past performance is not a reliable indicator of future results. Target yield is not guaranteed. *The fund's inception date is 29 October 2021.

Market Update

- In the Eurozone, inflation dropped to 2.2% from 2.6% in July, its lowest level in over three years. However, core inflation persisted due to elevated service sector costs, leading to caution from the European Central Bank regarding future rate cuts
- Both the Federal Reserve and the ECB left their interest rates unchanged in August, although market sentiment points toward potential rate cuts in the near future, particularly from the Fed, which has hinted at possible reductions in September due to cooling inflation and a softer labor market. The ECB is also expected to follow suit with cuts later in the year, given the slowdown in inflation.

Portfolio News

- Assura (“AGR”), a UK owner of primary healthcare facilities, has announced the acquisition of a £500m private hospital portfolio from Northwest, financed through a combination of debt, cash, and shares. This acquisition increases the company's rent roll by 20%, solidifying establishing its position as a diversified healthcare REIT in the UK. The private healthcare market offers significant growth opportunities, and Assura's progressive dividend policy remains unchanged following the acquisition. Overall, this acquisition further diversifies Assura's portfolio mix, reducing reliance on NHS and GP revenues from 79% to approximately 68% upon completion.
- Cellnex (“CLNX”), a European tower communications owner and operator, has announced the sale of its Austrian business for €803m to a consortium of infrastructure investors at an attractive valuation. This strategic divestment will enable Cellnex to advance its objectives and re-evaluate its capital allocation priorities, including reducing its debt.
- Greencoat Renewables (“GRP”), an investor in renewable electricity generation assets, has finalised the acquisition of a 50% stake in the South Meath Solar Farm in Ireland from Statkraft. The solar farm (80.5 MWp) has already secured a long-term PPA with a major technology company for 100% of its output, providing GRP with secure, long-term cash flow. The completion of this acquisition showcases GRP's ability to successfully secure corporate PPAs and the strength of the European PPA market. Additionally, the acquisition highlights the critical role renewables play in powering the global acceleration of the technology sector.
- Chorus (“CNU”), a New Zealand based owner of fibre infrastructure, announced its full year results during the period, which included steady financial results despite a challenging macroeconomic backdrop. The company was able to improve its operating revenue and EBITDA year on year, as well as provide shareholders with an unimputed final dividend of 28.5 cents per share. Fibre connections increased to a total of 1,084,000, and fibre uptake rose to 71.4% of addresses, while management continued efforts to reduce its copper connections to become a pure-play fibre business.



Portfolio Changes

- No significant portfolio changes during the month.

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Important Notice

The value of an investment in the Fund, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future results. We recommend investors seek professional advice before deciding to invest. Investors must read the Fund Prospectus (“Prospectus”), dated July 2023 and Key Investor Information Document (“KIID”), dated July 2023, before making an investment decision. The opportunity described in this document may not be suitable for all investors. Attention should be paid to the risk factors set out in the Prospectus. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Factsheet. Foresight Group does not offer investment or tax advice. There are a number of other risks connected to an investment in the Fund, including (but not limited to) counterparty risk, liquidity risk and volatility. These risks are explained in the Fund Prospectus. This has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP (“Foresight Group”). Foresight Group is authorised and regulated by the Financial Conduct Authority (FRN 198020). Its registered office is The Shard, London SE1 9SG. FundRock Partners Limited is regulated by the FCA and is the authorised corporate director of the Fund and Foresight Group is the investment manager. Unless stated otherwise any opinions expressed are those of Foresight Group and may change. They should not be viewed as indicating any guarantee of return from an investment managed by Foresight Group nor as personalised advice or recommendation of any nature. This document should not be taken as a recommendation or offer by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Portfolio holdings are subject to change at any time without notice and information about specific securities should not be construed as a recommendation to buy or sell any securities. We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures we take in processing your personal information, please refer to our privacy policy, which can be found at <http://www.foresightgroup.eu/privacy-cookies>.

