

FP Foresight Global Real Infrastructure Fund (Lux)

Fund Commentary

Foresight

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.

1.28%

Monthly Performance

(21.00%)

Total Return Since Inception*

€21.78m

Fund Size as at 30/08/2024

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.



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Portfolio Changes

- No significant portfolio changes during the month.

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Important Notice

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