

31 March 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

11.06%

Total Return Since Inception

280.60m

Fund Size at 31 March 2024

4.29%

12-Month Trailing Dividend

Past performance is not a reliable indicator of future results.

Market Update

- Major central banks continue to navigate 'soft landings', standing firm in the face of fluctuating market expectations regarding policy rate cuts. The Federal Reserve Open Market Committee members polled an average expectation of 75bps of cuts in 2024, unchanged from December 2023, as GDP data revisions and manufacturing PMIs demonstrate robustness in the face of restrictive policy.
- As CPI continued to fall in Europe and the UK, the respective central banks remain cautious of domestic wage growth and services inflation. Nonetheless, gilt yields retreated slightly over March in the face of a weak growth outlook, falling inflation and looser employment data.

Portfolio News

- Encavis (ECV) received a take-out offer by KKR for EUR 17.50 per share, representing a 57.5% premium to the last price on 1st March 2024. This reflects the appeal of ECV's portfolio of wind and solar renewable energy assets across Europe, particularly at depressed share price levels, positioning it as a take-out candidate. This offer aligns with the ongoing trend in the industry, where well-capitalised private entities are seizing opportunities presented by attractively priced assets and growth pipelines.
- The Renewables Infrastructure Group (TRIG) announced several asset disposals at favourable valuations, including its 50MW Irish onshore wind farm, Pallas Wind Farm in Kerry, to an undisclosed buyer for EUR62 million, reflecting a 15% premium. Additionally, TRIG sold two onshore wind farm assets in Scotland, The Forss and Little Raith (32MW), for a total consideration of £51m, representing a 4% premium. These premiums are calculated in relation to the company's last published portfolio valuation as of 31 December 2023. The asset disposals form a strategic component of the company's portfolio enhancement plan aimed at optimising its construction and performance portfolio, while concurrently reducing its floating-rate debt.
- Cellnex (CLNX) hosted its capital markets day (CMD), where the company outlined its governance and management updates, emphasising its capital allocation strategy and future plans. Management discussed market insights and growth opportunities, revealing a significant backlog and reaffirming targets until 2027. The company aims to prioritize dividends and buybacks until 2030, while emphasising colocation growth within its Towers segment. In addition, CLNX recently received a credit rating upgrade from S&P to BBB- from BB+, credited to its commitment to deleveraging and robust earnings.
- Northland Power (NPI) also hosted a CMD where the company outlined its target EBITDA CAGR of 7-10% for 2023-2027, primarily driven by its construction pipeline. Management emphasised the priority of three ongoing fully funded projects, which include Oneida, Hai Long, Baltic Power and plans for increased capital recycling over the next two years. This has already been demonstrated by the \$205 million sale of the Mexican La Lucha solar facility, seen as a strategic exit from a challenging non-core market. Overall, the CMD offered shareholders with few groundbreaking announcements but reaffirmed management's dedication to their stated strategies.
- Greencoat Renewables (GRP) achieved gross dividend cover of 2.7x, due to strong cash generation over FY23. The Board announced a 6.74c per share dividend target for FY24, a 5% increase on FY23 with the Company confirming



base dividend cover of 2.1-2.3x over the next 5 years, due to the high levels of inflation-linked, contracted revenues across the portfolio.

Portfolio Changes

- KKR's offer to take portfolio holding Encavis private led to a significant rally in the company's share price, resulting in an increased position within the fund. (+2.64% to 4.23%).

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 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>. April 2024

