

31 March 2024

The Fund predominantly invests in listed UK infrastructure companies that own or operate critical infrastructure assets which ensure the smooth functioning of economies. 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 underpinned by a 5.00% dividend yield over an investment term of 5 years.

(0.99%) Monthly Performance	11.55% Total Return Since Inception <sup>1</sup>	£303.49m Fund Size at 31 March 2024	6.14% 12-Month Trailing Dividend
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Past performance is not a reliable indicator of future results. Target yield is not guaranteed. <sup>1</sup>The Fund's inception date is 4 December 2017.

## Market Update

- Gilt yields moderated in March as markets reacted positively to the February inflation print with early signs of cooling wage growth. Disinflation continues with the yearly CPI rising by 3.4% in February as prices increased at the slowest rate since 2021.
- There remains a disconnect between private and public market valuations. Company shares trade at double digit discounts to Net Asset Value ("NAV"), while asset disposals remain at or above book value. Positive catalysts include potential M&A activity, a resolution to cost disclosures and reversal of flows as macro stabilises.

## Portfolio News

- The month saw several updates from portfolio companies executing on asset disposal and deleveraging programmes while private capital interest in the renewables sector remains evident.
- 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.
- International Public Partnerships ("INPP") delivered a positive NAV total return in 2H23. The Thames Tideway project has completed construction and is on track to be fully operational in FY24. The Board has increased the FY24 target dividend by +3% to 8.37p, ahead of the previous guidance of +2.5% growth.
- Greencoat Renewables ("GRP") achieved gross dividend cover of 2.7x (2.6x net of SPV-level debt repayment) in FY23, due to strong cash generation. The Board confirmed a +5% increase for the year ahead dividend target, with the Company outlining strong dividend cover over the next 5 years, due to the high level of inflation-linked, contracted revenues across the portfolio.
- SDCL Energy Efficiency Income Trust's ("SEIT") interim update statement announced that it has selected a preferred bidder for a large asset disposal, with proceeds earmarked to repay the RCF. SEIT deployed £52m in organic investment opportunities over the six-month period at guided double-digit IRRs.
- Outside of the portfolio, KKR made a bid for the takeover of European renewable energy company, Encavis ("ECV"), at EUR 17.50 per share, a 57.5% premium to last price on 1st March 2024. ECV is an owner and operator of wind and solar assets across Europe, and the transaction illustrates how well-funded private entities are capitalising on depressed share prices in listed markets and paying levels that materially exceed public market pricing.

## Portfolio Changes

- The Manager decreased the combined position in Physicians Realty Trust and Healthpeak Properties due to the finalisation of the merger (-1.48% to 3.18%).



- The Manager initiated a position in Spanish listed communications infrastructure owner, Cellnex Telecom, as the Company progresses with strategic initiatives and improving shareholder returns (+1.68%).

Source: Foresight Group, Company Reports, April 2024.

## 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 February 2024, 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

