

Commentary

31 January 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 any 5 year period.



Class A Acc (EUR). Past performance is not a reliable indicator of future results. ¹ The Fund's inception date is 29 October 2021.

Market Update

- Listed infrastructure markets corrected globally as expectations regarding interest rate cuts as early as Spring recalibrated in line with commentary from central banks and robust economic data. Company share prices reversed some of the gains from end of last year as the market reacted to long-term bond yields moving higher over the month.
- US, UK and EU central banks held policy rates at current levels indicating that interest rates have risen sufficiently to tackle inflation, although uniformly pushed back on near-term rate cut expectations as UK and EU economies face sticky services inflation, and the Fed contends with strong jobs data.

Portfolio News

- Two of the Fund's Canadian listed developers and owners of renewable energy projects, Boralex and Innergex, achieved success in the latest Request for Proposals (RFP) by Hydro Quebec in Canada. Boralex secured two wind projects totalling 365 MW; Innergex secured two projects totalling 400 MW. The projects benefit from a 30-year, fully indexed offtake price for the power generated. Demand for power in Canada is expected to double by 2050 to accommodate population growth and electrification trends, and the Fund's Canadian renewable energy holdings are strategically positioned to capitalise on this growth trajectory.
- Healthpeak Properties (“PEAK”), an owner, operator, and developer of healthcare related real estate properties, announced a new strategic joint venture (JV) with Breakthrough Properties. The deal involves the sale of a 65% stake in PEAK's fully leased Callan Ridge lab campus (two-buildings) located in San Diego, with PEAK retaining the remaining 35% interest. Pricing of the deal highlights the underlying demand for PEAK's lab assets, as well as allows the Company to recycle capital back into the business to either pay down debt or use for other developments.
- Scatec, alongside Standard Bank and its asset management unit Stanlib, has unveiled Lyra Energy, a renewable energy platform designed to deliver a low-risk, flexible commercial solution to South Africa's private sector. Lyra will offer distributed access to high-quality, affordable, and predictable utility-scale renewable energy for medium to large commercial and industrial (C&I) entities.
- Infratil, an Australian-listed infrastructure investor, has announced its 48.24% data centre investment in CDC has risen A\$133m to a midpoint of ~A\$4.01bn from ~A\$3.88bn in 3 months to December 2023. The uplift reflects the strong progress CDC has made in securing new customer contracts and the underlying demand for such digital infrastructure assets.

Portfolio Changes

- There were no significant portfolio changes to report during the month.

Source: Foresight Group, Company Reports, February 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>. February 2024

