

Summary Details

Assets under Mgmt.	€62.2m
Strategy Inception Date	28 Feb 2006
Benchmark	Wilderhill New Energy Gbl Innovation index
Number of Stocks	54
Risk Characteristics	
Beta (10 Yrs)	0.76
Information Ratio (10 Yrs)	0.11

Source: KBI Global Investors as of 31/12/19. The risk characteristics are calculated using monthly gross returns over a 10 year period relative to the Index as at the 31/12/19. The AUM listed above is Energy Solutions AUM. Weighted Avg. Mkt. Cap figures are in US Dollars.

Investment Thesis

There are compelling investment opportunities in companies providing solutions to resource scarcity across water, food and energy driven by five long term trends.

- Inadequate supply of water, cleaner energy and arable land for farming
- Increasing demand for resources, driven by population growth, industrialisation and urbanisation
- Increasing regulation and government support
- Increasing investment in infrastructure to address urgent global requirements
- Increasing investment in technology to create solutions and facilitate the more efficient use of resources

Strategy Overview

The KBIGI Energy Solutions Strategy is a long-only, high-conviction global equity portfolio investing in 40-60 global companies providing low carbon solutions to the world's accelerating demand for energy. The strategy can invest across the full range of renewable sources including wind, solar, biomass, and fuel cells as well as smart technologies that facilitate the integration of renewable energy and/or use energy more efficiently.

KBIGI's Energy Solutions Strategy provides exposure to a number of dominant and persistent themes:

- Global growth
- Natural resource scarcity
- Infrastructure spending
- Emerging market growth
- Mergers and acquisitions

Energy Solutions brings new sources of alpha to a global equity allocation. Specialist active management is the best way to capture this alpha, carefully qualifying a universe of stocks to assure exposure to energy solutions and then identifying companies with strong fundamentals, leading products, and attractive valuations.

Annualised Performance (€)

	3Mths	YTD	1Yr	3Yrs	5Yrs	10Yrs
Fund (Gross)	6.6	42.7	42.7	15.0	10.0	3.8
Benchmark	15.1	42.0	42.0	10.8	8.0	2.8

Source: KBI Global Investors, Datastream as of 31/12/19.

Returns are gross of fees in Euro. Our firm claims GIPS compliance and is annually verified by an independent verification firm to be so. The verification report from our verifier and our GIPS composite presentation are available upon request. The performance record disclosed here is that of the firm's composite for this strategy. The strategy invests in an internationally diversified selection of shares in companies active in the clean energy sector. These companies are active in both producing, manufacturing, providing equipment or supplying power from renewable sources and those active in energy efficiency end markets. Renewable sources include technologies such as wind power, solar energy, hydro-power, biomass and geothermal. Energy efficiency end markets covers a wide range of end markets including the automotive sector (through the use of fuel efficient parts and electric vehicles), LED lighting and building insulation products for construction end markets, software and hardware devices for industrial and utility end markets. The portfolio contains circa 40-60 publicly traded stocks. The rapid ascendance of decarbonisation and the increased demand for both clean energy and energy efficient products is directly linked to five key drivers; increasing global energy demand to meet growing population and industrialization, limited supply of oil and natural gas, climate change – growing political and regulatory support for decarbonisation, falling costs of renewable energy through technological advancement and security of fuel supply is enhanced by local sources of energy. The benchmark is the Wilderhill New Energy Global Innovation Index, inclusive of gross income. The benchmark is comprised of companies worldwide whose innovative technologies and services focus on the generation and use of cleaner energy, conservation and efficiency. These companies have a low-carbon approach and provide technologies that help reduce emissions relative to traditional fossil fuel use. Sources of foreign exchange rates may be different between the composite and the benchmark; but not materially so. See disclaimers for further information.

Portfolio Positioning

Segment Breakdown

Sector	%
Energy Efficiency	43.7
Renewable Energy	38.3
Utilities	18.0

Geographical Breakdown

Region	%
North America	54.7
Europe	35.1
Emerging Markets	10.2

Top 10 Holdings

Stock	Country	%
First Solar Inc	US	5.8
National Grid Plc	UK	3.7
Vestas Wind Systems A/S	Denmark	3.4
ON Semiconductor Corp	US	3.3
Huaneng Renewables Corporation Limited	China	3.1
Greencoat Renewables PLC	Ireland	2.9
Covanta Holding Corporation	US	2.8
ABB Limited - CHF	Switzerland	2.8
Owens Corning	US	2.8
NXP Semiconductors NV	Netherlands	2.7

Source of all data: KBI Global Investors. Data as of 31/12/19

Investment Team

Key People	Title	Investment Experience
CIO		
Noel O'Halloran	Chief Investment Officer	32yrs
Portfolio Management Team		
Andros Florides	Senior Portfolio Manager	24yrs
Treasa Ni Chonghaile	Senior Portfolio Manager	21yrs
Colm O'Connor	Senior Portfolio Manager	17yrs
Eoin Fahy	Head of Responsible Investing, Chief Economist	31yrs
Trading		
Ultan O'Kane	Trader	14yrs

Contact Details

Address: KBI Global Investors Ltd.
3rd Floor, 2 Harbourmaster Place
IFSC
Dublin 1
Ireland

Phone: +353 1 438 4400 Email: info@kbigi.com
Web: www.kbiglobalinvestors.com

Investment Process

Our investment process is designed to use our specialist skills to precisely define each theme, construct a proprietary investment universe and then build a concentrated, high conviction portfolio designed to outperform the broad market and passive alternatives

Investment Universe Definition

- Precisely defined opportunity set for investment to ensure exposure to drivers of resource scarcity
- Companies for inclusion: Pure Plays and Market Leaders

Weighting Sector

- Focus on bottom up fundamentals and valuation with an overlay of top down influences

Stock Selection

- Focus on stocks with exposure to key themes driving earnings growth, strong fundamentals, competitive advantages, strong management and attractive valuation

Overview

We are positive on the prospects of the Energy Solutions strategy as the push towards cleaner energy sources and more efficient use of energy will provide a supportive backdrop for our investible universe. The push for increased infrastructure spending will help companies focusing on strengthening electricity grids and networks, either through installation of smart meters/software or more efficient hardware. Construction markets are building ahead of efficiency standards be it in residential, industrial or commercial driving need for efficient lighting, HVAC, and insulation. The auto sector's transition towards a more efficient and more electric future will also be a driver of the strategy. The pace of adoption of electric vehicles has picked up significantly and we expect the falling costs of batteries as well as product launches to continue to drive it forward. We now have the reality of renewable energy sources being a cost competitive source of electricity in many regions. We believe this can improve and will continue to drive installation growth globally.

Disclaimer

KBI Global Investors Ltd. is regulated by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority in the UK. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. KBI Global Investors claims compliance with the Global Investment Performance Standards (GIPS®). Gross results shown do not show the deduction of investment management fees. A client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment account. For example, a €1,000,000 investment with an assumed annual return of 5% with a management fee of 0.85% would accumulate €8,925 in fees during the first year, €48,444 in fees over five years and €107,690 in fees over ten years. Under MiFID II this is deemed marketing material and should not be regarded as investment research. The firm is defined as the institutional business of KBI Global Investors Ltd., and its subsidiary, KBI Global Investors (North America). The term 'institutional business' shall have the meaning of all pensions, charity and corporate asset management strategies of the firm as they pertain to client funds. Unitholders are specifically excluded from composite assignment given that their underlying unit holdings are already assigned to composites and such strategies are therefore accounted for in composite values and returns. The firm definition has been re-defined on two occasions over recent years; on 30 September 2010 to reflect the firm's sale to RHJL by our previous parent firm KBC Asset Management NV, and on 1 October 2016 to reflect the firm's sale to Amundi Asset Management. No change in investment process arose as a result of these sales. To receive a copy of the compliant presentation and/or a list of composite descriptions, please contact sales@kbigi.com **IMPORTANT RISK DISCLOSURE STATEMENT:** This material is provided for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase any security, product or service including any group trust or fund managed by KBI Global Investors Ltd., or any of its affiliates (collectively, "KBI Global Investors"). The information contained herein does not set forth all of the risks associated with this strategy, and is qualified in its entirety by, and subject to, the information contained in other applicable disclosure documents relating to such a strategy. KBI Global Investors Ltd's investment products, like all investments, involve the risk of loss and may not be suitable for all investors, especially those who are unable to sustain a loss of their investment. The views expressed in this document are expressions of opinion only and should not be construed as investment advice. Past performance may not be a reliable guide to future performance and the value of investments may fall as well as rise. Investments denominated in foreign currencies are subject to changes in exchange rates that may have an adverse effect on the value, price or income of the product. Income generated from an investment may fluctuate in accordance with market conditions and taxation arrangements. Performance for periods of more than 1 year is annualized. All MSCI data is provided "as is". In no event shall MSCI, its affiliates, or any MSCI data provider have any liability of any kind in connection with the MSCI data. No further distribution or dissemination of the MSCI data is permitted without MSCI's prior express written consent. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The products mentioned in this Document may not be eligible for sale in some states or countries, nor suitable for all types of investors. In some tables and charts, due to rounding, the sum of the individual components may not appear to be equal to the stated total(s).