Q4 2020 USD

KBI Global Investors

KBIGI Global Sustainable Infrastructure Strategy

Summary Details	
Assets under Mgmt.	$99.7m
Inception Date	01 Oct 2017
Benchmark	S&P Global Infrastructure Index
Number of Stocks	49
Revenue Alignment SDG Score	82.1%

Risk Characteristics	
Beta (3 Yrs)	0.80
Information Ratio (3 Yrs)	1.21
Tracking Error (3 Yrs)	8.33

Portfolio Statistics	Strategy	Index
Current Dividend Yield	3.5%	3.3%
Price to Earnings	16.6x	18.7x
Price to Book	2.5x	2.1x
Weighted Avg Market Cap.	$19.2bn	$33.6bn

Source: KBI Global Investors as of 12/31/20. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of a representative account managed to the same strategy over a 3 year period relative to the Index as at the 12/31/20. Portfolio and Benchmark Statistics are from a representative account managed to the same strategy and the benchmark respectively. KBI Global Investors independently estimate these statistics for both the portfolio and the benchmark. The AUM listed above is Global Sustainable Infrastructure Strategy AUM. This is the combined AUM of KBI Global Investors Ltd and KBI Global Investors (North America) Ltd. Weighted Avg. Mkt. Cap figures are in US Dollars. The Revenue Alignment SDG Score measures the portfolio contribution to the achievement of United Nations Sustainable Development Goals. Calculations are based on KBIGI's own methodology and are not independently verified as at 12/31/2019 (annually).

Investment Thesis

There are compelling investment opportunities in infrastructure 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

Annualised Performance ($)

	3Mths	YTD	1Yr	Since Incep
Strategy (Gross)	21.4	20.2	20.2	12.3
Strategy (Net)	21.2	19.3	19.3	11.5
Benchmark	14.8	-6.5	-6.5	2.1

Source: KBI Global Investors, Datastream, MSCI as of 12/31/20.
KBI calculate both NAV returns and benchmark returns. Returns are gross of fees in USD. 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 Infrastructure strategy invests in sustainable publicly-traded infrastructure companies that deliver strong investment returns within a robust risk framework. The strategy delivers material and diverse exposure to water and clean energy infrastructure, food storage, transportation and farmland. Further, integrating ESG considerations is key to our investment process given our belief that companies with good governance and whose products and services enhance social or environmental goals are likely to have long, durable, sustainable business models. The benchmark is the S&P Global Infrastructure index, net of taxes on dividend income. The index is comprised of listed infrastructure securities from across the world. To create diversified exposure, the index provider includes three distinct infrastructure clusters within the index structure; energy, transportation and utilities.See disclaimers for further information.

Portfolio Positioning

Sector Breakdown

Sector	%
Utilities	49.3
Asset Owners	31.3
Infrastructure Capex	19.4

Geographical Breakdown

Region	%
Europe	46.7
North America	43.1
Emerging Markets	8.2
Japan	2.0

Top 10 Holdings

Stock	Country	%
National Grid Plc	UK	6.6
Greencoat Renewables PLC	Ireland	6.1
Nextera Energy Inc	US	4.4
Hydro One Ltd	Canada	4.3
Essential Utilities Inc	US	3.9
GCP Infrastructure Investments Ltd	Jersey	3.9
International Public Partnerships Ltd	Guernsey	3.9
Veolia Environnement SA	France	3.6
Covanta Holding Corporation	US	3.5
Ormat Technologies Inc	US	3.2

Source of all data: KBI Global Investors. The above information represents the top 10 largest positions in the strategy as of 12/31/20 based on the aggregate USD value. Each quarter KBI Global Investors uses this same objective, non-performance based criteria to select the ten largest holdings. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the strategy, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned.

Strategy Overview

The KBI Global Sustainable Infrastructure Strategy is a global portfolio of 30-60 sustainable publicly traded infrastructure companies. The composition of our portfolio is demonstrative of where we believe we have a core competency, but more importantly where we believe a significant proportion of future infrastructure will occur, and where we believe investors lack exposure. Many commentators continue to highlight the vast amounts of money required to be spent on water infrastructure, clean energy infrastructure and the infrastructure necessary for the storage and transportation of food as a direct result of:

- Ageing and depleted assets in dire need of rehabilitation/replacement
- Population growth
- Rapidly expanding cities
- Societal and economic demand

The strategy provides exposure to companies that demonstrate strong infrastructure investment characteristics:

- High regulatory support
- Predictable and stable cash flow
- Long-term contractual businesses
- Low volatility of earnings
- Quality of assets and management

The strategy offers new sources of alpha to investors in the infrastructure asset class, and seeks to provide protection from long-term inflation. It is demonstrative of future investment and displays strong ESG credentials as well as providing investors with differentiation and diversification in what is an efficient asset class.

Investment Team

Infrastructure Portfolio Management Team	Role	Investment Experience
Colm O'Connor	Lead Portfolio Manager	18yrs
Noel O'Halloran	Co Portfolio Manger	33yrs
Martin Conroy	Co Portfolio Manager	17yrs
Investment Team	**Title**	**Investment Experience**
Treasa Ni Chonghaile	Senior Portfolio Manager	22yrs
Catherine Cahill	Senior Portfolio Manager	20yrs
Matt Sheldon	Senior Portfolio Manager	19yrs
Andros Florides	Senior Portfolio Manager	25yrs
Eoin Fahy	Head of Responsible Investing	32yrs
Ultan O'Kane	Trader	15yrs

Contact Details

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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 benchmark.

Identification of sustainable companies as either:

- **Pure plays** (>50% of sales from either Water, Agri or Clean Energy) or
- **Market leaders** (>10% sales and also be a global leader)

Identification of infrastructure companies as either:

- Owners or operators of sustainable infrastructure assets or
- Beneficiaries of sustainable infrastructure investment

Weighting Sector

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

Stock Selection

- Focus on asset-intensive (often monopolistic) businesses with long-duration contracts (often with strong regulatory or government backing) producing stable cash flow generation with inflation protection.
- Emphasis on companies with predictive and stable dividend yields, strong fundamentals, stable management and attractive valuations.

Overview

There is an urgent need to upgrade our ageing infrastructure in developed markets - the integration of renewable energies such as wind and solar also necessitates investment in infrastructure in electricity and ‘smart’ grids. Investment in agriculture infrastructure (e.g. storage, refrigeration, grain handling assets, processing etc.) is needed to reduce the large wastage that occurs between production and consumption. Following several years of under investment, governments are increasingly recognising the need to invest in ageing infrastructure both as a way of stimulating the global economy and as a way of providing a social benefit to taxpayers. Investing in cleaner water and providing clean and reliable energy can help to reflate the economy and also providing a dividend to society.

There are three key drivers supporting increased growth in sustainable infrastructure. Firstly, significant demographic changes (such as population growth, emerging market middle class growth and urbanization etc) are set to raise demand for infrastructure sharply over coming decades. Much of the world’s infrastructure was designed and built at a time when our cities were less populated and that infrastructure is now often in need of a major overhaul. Secondly, concern over rising emissions has prompted governments to prioritise climate change objectives when enacting fiscal incentives schemes that support infrastructure end markets. Finally, advances in technology across renewable energy end markets have accelerated the trend of decarbonisation. Increased growth in intermittent wind and solar energy requires additional spend in electric grid infrastructure. It is widely expected that trillions of dollars will be spent on infrastructure over the coming decades with much of that focused on sustainable end markets such as water infrastructure and the clean energy projects. We expect governments to recalibrate their decarbonisation efforts over the coming years, in the wake of recent changes in government and because of the global pandemic. The pandemic underlined the importance of a coordinated response to a global crisis and of the consequences of failure to act. The policy response to climate change since the onset of the pandemic has been noteworthy; several countries have announced new net zero carbon targets while stimulus packages have incorporated climate protection measures. The new US administration in our view heralds the dawn of a new era in the US where the White House will prioritise more sustainable energy sources; President Biden is targeting a massive $2tr to be spent on clean energy infrastructure over the coming 4 years and will re-commit the US to the Paris accord, originally signed in December 2015.

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The firm definition has been re-defined on two occasions over recent years; on 30 September 2010 to reflect the firm's sale to RHJI 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. Gross results shown do not show the deduction of Adviser's fees. A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. See Part 2 of Adviser's Form ADV for a complete description of the investment advisory fees customarily charged by Adviser. 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