Q4 2022 GBP

KBI Global Investors

KBIGI Global Energy Transition Strategy

Summary Details	
Assets under Mgmt.	£828.3m
Strategy Inception Date	01 Mar 2006
Benchmark	Wilderhill New Energy Gbl Innovation Index
Number of Stocks	52
Revenue Alignment SDG Score	63.8%
Risk Characteristics	
Beta (10 Yrs)	0.64
Information Ratio (10 Yrs)	0.16

Source: KBI Global Investors as of 31/12/22. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 10 year period relative to the Index as at the 31/12/22. The AUM listed above is Energy Solutions Strategy AUM excluding AUA from Q1 2022. 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 12/31/2021 (annually).

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

Annualised Performance (£)

	3Mths	YTD	1Yr	3Yrs	5Yrs	10Yrs
Fund (Gross)	3.9	4.6	4.6	25.9	20.7	16.3
Benchmark	-8.9	-21.0	-21.0	14.1	11.3	14.2

Source: KBI Global Investors, Datastream as of 31/12/22.
KBI calculate both composite returns and benchmark returns. Returns are gross of fees in GBP. 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, and software and hardware devices for industrial and utility end markets. The portfolio contains circa 30-60 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, and falling costs of renewable energy through technological advancement. . The investment team evaluates and integrates ESG into the analysis conducted to determine the fundamental value of the companies it invests in. The material risks associated with the composite include market risk and stock-specific event risk. Share prices can decline and there is a risk that the composite may under-perform its benchmark. 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	45.7
Utilities	30.2
Renewable Energy	24.1

Geographical Breakdown

Region	%
North America	54.3
Europe	40.2
Emerging Markets	5.5

Top 10 Holdings

Stock	Country	%
ENEL SPA	Italy	4.8
Greencoat Renewables Plc	Ireland	4.2
Sunnova Energy International Inc	US	4.2
Samsung Sdi Co Ltd	South Korea	4.1
Iberdrola SA	Spain	3.7
NXP Semiconductors NV	US	3.7
RWE AG	Germany	3.6
Ormat Technologies Inc	US	3.3
ASML Holding NV	Netherlands	2.8
Universal Display Corp	US	2.8

Source of all data: KBI Global Investors. Data as of 31/12/22

Strategy Overview

The KBIGI Global Energy Transition Strategy is a long-only, high-conviction global equity portfolio investing in 30-60 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 Global Energy Transition 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.

Investment Team

Energy Portfolio Management Team	Role	Investment Experience
Colm O'Connor	Lead Portfolio Manager	20yrs
Treasa Ni Chonghaile	Co Portfolio Manager	24yrs
Andros Florides	Co Portfolio Manager	27yrs
Investment Team	**Title**	**Investment Experience**
Noel O'Halloran	Chief Investment Officer	35yrs
Catherine Cahill	Senior Portfolio Manager	22yrs
Matt Sheldon	Senior Portfolio Manager	21yrs
Martin Conroy	Portfolio Manager	19yrs
Eoin Fahy	Head of Responsible Investing	34yrs
Ben Cooke	Investment Analyst	6yrs
Ultan O'Kane	Trader	17yrs

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 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

With the world's major economies now committed to achieving net-zero emissions in the long-term, we believe we are in the early stages of a multi-decade energy transition. The need to decarbonise global economies will lead to substantial investment and growth opportunities for our companies who provide solutions for decarbonisation across many end markets. We believe the energy transition will remain on track despite the prospect of the global economy slowing and we believe companies offering solutions to the energy crisis and economic incentives will benefit from higher demand and offer earnings resilience. The recent legislation packages (Infrastructure & Jobs Act, Inflation Reduction Act) should kick-start investment spend in new wind and solar installations in the US as tax credits kick-in, while more nascent end markets such as battery storage and EV charging infrastructure will enjoy strong growth off a low base. We also anticipate accelerating growth of EVs and an increase in domestic manufacturing for both renewable and e-mobility end markets.

We expect Europe is likely to continue to accelerate its plans to reduce overall dependence on fossil fuels and increase share of renewables as energy security issues remain to the fore. We expect countries to continue their efforts to accelerate the transition via the removal of key bottlenecks such as permitting delays, which countries such as Germany and the UK have already begun. We expect energy/electricity prices to remain volatile and renewable energy generators and equipment providers to benefit from continued high demand for long-term renewable energy supplies. Overall, the strategy should continue to benefit from exposure to key structural growth trends such as decarbonisation of electricity supplies, smart building technologies, smart grid infrastructure, increased use of energy storage and disruptive technologies.

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