

FP Foresight Global Real Infrastructure Fund (Lux)

Fund Commentary

Foresight

30 June 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 the investment cycle.

(0.43%)
Monthly Performance

(24.65%)
Total Return Since Inception

€21.20m
Fund Size at 28/06/2024

Past performance is not a reliable indicator of future results.

Market Update

- Central banks around the world commenced their interest rate cutting cycles this month, including the ECB and Bank of Canada. The ECB retained a cautious tone, noting that inflation remains a threat amidst stronger than expected labour data, and commenting that the path to lower rates will not necessarily be linear.
- Economic activity in the US continues to expand, with job gains remaining relatively strong and unemployment below historic levels. US CPI moderated slightly to 3.3% in May. Federal Reserve officials elected to maintain interest rates within their current range, signalling expectations to cut only once in 2024, compared to three cuts forecast in March.

Portfolio News

- Infratil (“IFT”) is announced its plans to raise NZ\$1.15bn of equity to accelerate growth in its data centre business (CDC) and to help bolster its financial flexibility. This initiative responds to increasing demand for data centres driven by cloud adoption and investments in AI technology. Combined with existing funds and debt facilities, the equity raise will provide IFT with significant headroom to support ongoing growth in renewable energy projects and digital connectivity platforms globally.
- Innergex Renewable Energy (“INE”) has partnered with Irradiant Partners, LP, to sell minority stakes in its 826 MW renewable energy portfolio in Texas. The transaction involves Innergex selling 49.9% of its interests in the Phoebe and Griffin Trail facilities, along with 22.2% of the Foard City facility for a total equity consideration of US \$188m. The proceeds will primarily go towards repaying debts of the Foard City and Phoebe projects, with the rest allocated for general corporate purposes. This strategic partnership reduces balance sheet risk for Innergex, providing significant capital infusion to repay project debts and improve financial flexibility.
- Crown Castle Inc (“CCI”) has launched a restructuring plan as part of the Company's efforts to drive operational efficiencies and returns, with a primary focus on the Company's Fibre business. The plan involves reducing the company's workforce by over 10% and closing several offices. CCI estimates it will incur aggregate restructuring charges of approximately \$110m, most of which expected in the second and third quarters of 2024. This strategic initiative is expected to enhance CCI's growth outlook by optimising costs and operational efficiency, with hopes of improving investor sentiment.



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Portfolio Changes

- A full divestment of BBGI Global Infrastructure (“BBGI”) occurred during the period. The proceeds of the sale have been reallocated to digital infrastructure stocks which offer better risk-adjusted returns.
- A full divestment of Scatec ASA (“SCATC”) occurred during the period. This decision was driven by a better relative risk-return profile in developed markets given the current macroeconomic environment.

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 July 2023, 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 LLP 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 LLP 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 LLP is the investment manager. Unless stated otherwise any opinions expressed are those of Foresight Group LLP and may change. They should not be viewed as indicating any guarantee of return from an investment managed by Foresight Group LLP 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>. July 2024

