

Q3 2024 CAD

KBI Global Investors



KBIGI Global Sustainable Infrastructure Strategy

Summary Details

Assets under Mgmt.	C\$2.6bn	
Inception Date	01 Oct 2017	
Benchmark	S&P Global Infrastructure Index	
Number of Stocks	48	
Revenue Alignment SDG Score	74.0%	
Risk Characteristics		
Beta (5 Yrs)	0.81	
Information Ratio (5 Yrs)	0.52	
Tracking Error (5 Yrs)	8.33	
Portfolio Statistics		
	Strategy	Index
Current Dividend Yield	3.4%	3.7%
Price to Earnings (forward)	16.9x	17.0x
Price to Book	2.0x	2.2x
Weighted Avg Market Cap.	\$39.8bn	\$48.6bn

Source: KBI Global Investors as of 09/30/24. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 5 year period relative to the Index as at the 09/30/24. 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 excluding Assets under Advisement 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 06/30/2024 (quarterly).

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 (C\$)

	3Mths	YTD	1Yr	2Yrs	3Yrs	5Yrs	Since Incep
Fund (Gross)	11.5	13.3	25.3	14.4	7.3	11.0	10.4
Benchmark	11.8	20.0	29.6	16.2	11.0	6.4	6.7

Source: KBI Global Investors, Datastream, MSCI as of 09/30/24. KBI calculate both composite returns and benchmark returns. Returns are gross of fees in CAD. 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 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 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	44.1
Asset Owners	38.6
Infrastructure Capex	17.3

Geographical Breakdown

Region	%
North America	51.3
Europe	43.7
Emerging Markets	3.6
Japan	1.4

Top 10 Holdings

Stock	Country	%
RWE AG	Germany	5.6
SBA Communications Corp	US	5.3
Nextera Energy Inc	US	5.2
National Grid PLC	UK	4.0
The Renewables Infrastructure Group	UK	3.7
Northland Power Inc	Canada	3.6
Waste Management Inc	US	3.4
American Tower Corp	US	3.3
Equinix Inc	US	3.3
E.ON SE	Germany	3.2

Source of all data: KBI Global Investors. Data as of 09/30/24

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 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.

Investment Team

Infrastructure Portfolio Management Team	Role	Industry Experience
Colm O'Connor	Lead Portfolio Manager	22yrs
Noel O'Halloran	Co Portfolio Manger	37yrs
Martin Conroy	Co Portfolio Manager	21yrs
Investment Team	Title	Investment Experience
Treasa Ni Chonghaile	Senior Portfolio Manager	25yrs
Catherine Cahill	Senior Portfolio Manager	24yrs
Matt Sheldon	Senior Portfolio Manager	22yrs
Andros Florides	Senior Portfolio Manager	29yrs
Eoin Fahy	Head of Responsible Investing	36yrs
Ben Cooke	Portfolio Manager	8yrs
Jeanne Chow Collins	ESG & Engagement Analyst	24yrs
Robert Fullam	Investment Analyst	10yrs

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