

The EdenTree

Green Infrastructure Fund

Managed by Tommy Kristoffersen



Performance
with principles®

The foundation for a sustainable future

Infrastructure is crucial to the transition to a more sustainable world and listed infrastructure is a key part of the solution. A deepening pool of green infrastructure companies is providing alternative sources of income and growth for investors. Some estimates suggest building a low-carbon global economy will require over \$10 trillion of investment in new power capacity across solar, wind, and batteries between 2020 and 2050. Green infrastructure is at the forefront of that journey.

The **EdenTree Green Infrastructure Fund** seeks to generate income with the potential for capital growth by investing in listed infrastructure-related companies, which demonstrate positive environmental outcomes.

Why Green Infrastructure?

The fund offers access to real assets and projects that are making a difference.

Fund Overview

Investment Focus: Global Infrastructure

Investment Horizon: 3 years +

Fund Style: Income orientated

Holdings: Between 15 and 20, potentially increasing as the fund scales

Return target: Regular income in excess of long term CPI, with the potential for capital growth

Performance references: Investment Association Infrastructure Sector and CPI

Currency: GBP

 A sustainable future	 Inflation-mitigation	 Diversification
A growing role in the low-carbon energy transition	Exposure to inflation-linked income	A genuine alternative investment

THE GREEN INFRASTRUCTURE FRAMEWORK

The Fund operates under our **Green Infrastructure Framework**, which is a thematic approach that incorporates both bottom-up and top-down analysis. The Fund will seek to invest in companies that own, operate, construct, develop, or

provide debt funding for real assets and projects that enable the systems and services that a society needs to work effectively in a way that demonstrates positive environmental outcomes. These investments will initially focus on four key themes.

	Current infrastructure framework				Future potential
Theme	 <p>Energy Generation</p>	 <p>Energy Storage and Efficiency</p>	 <p>Natural Capital</p>	 <p>Complementary Assets</p>	 <p>Water Infrastructure</p>  <p>Sustainable Transportation</p>  <p>Circular Economy</p>
Description	Providing and enabling generation of clean energy	Enabling a low carbon transition	Assets relating to sustainable engagement with the natural environment	Up to 20% in other sustainable assets and companies that provide diversification and preserve capital	
Examples	<ul style="list-style-type: none"> • Wind, solar, hydro and other renewables • Combined heat and power plants • Wind turbine installation vessels 	<ul style="list-style-type: none"> • Energy storage • Energy efficiency projects • Efficient grid and energy distribution projects • Carbon capture technology 	<ul style="list-style-type: none"> • Afforestation assets • Sustainable forestry • Sustainable agriculture • Soil improvement 	<ul style="list-style-type: none"> • Carbon allowances and offsets • Social housing • Care homes • Green logistics and warehousing 	

Rigorous Investment Process

The investment approach is primarily focused on bottom-up stock-picking. The team assesses each business’s activities against the themes defined by the Green Infrastructure Framework, such as energy generation, energy storage and efficiency, natural capital, circular economy, water management, or sustainable transportation.

Investment analysis is grounded in close reading of prospectuses and analysis of financial statements to determine the quality of the yield on offer and how well it is covered. Where appropriate, this may be supported by the valuation of an investment company’s underlying assets. Regular meetings with company managements are central to the team’s fundamental analysis process. Similarly, the team conducts site visits where appropriate.

Idea generation	Alignment and categorisation	Investment analysis	Portfolio construction
<ul style="list-style-type: none"> • Screening of core investment universe plus wider market • Insights about developing technologies and market opportunities from broader team • Strong market relationships keep us informed of IPOs and capital raisings 	<ul style="list-style-type: none"> • Each potential investment must be aligned with the Green Infrastructure Framework • Each potential investment must fit into one of the following categories: <ul style="list-style-type: none"> – Core holdings, providing either: <ul style="list-style-type: none"> • Secure income or • High return potential – Diversifiers 	<ul style="list-style-type: none"> • Analysis of prospectuses and financial statements to assess likelihood of indicated yield being delivered or if we estimate a different yield • Valuation of underlying holdings, where appropriate • Regular meetings with company managements to support analysis • Site visits where appropriate 	<ul style="list-style-type: none"> • Portfolio modelling to achieve appropriate characteristics (yield, beta, valuation, diversification) • Sector and geographical weights informed (but not prescribed) by EdenTree Asset Allocation Committee • Position size adjustment with reference to conviction and liquidity

Focused, yet diversified

By focusing on diversified investment companies, we can reduce the number of top-level holdings, allowing us to regularly meet with underlying management teams as well as increase the frequency with which we can review each holding – without compromising on diversification because each investment company will itself have a diversified portfolio of investments.

Potential holdings must clearly fit into one of three investment categories: secure income, high return potential, and diversifiers.

- **Secure income** indicates holdings that are judged to be likely to provide a secure source of income even if they may not have as much upside potential as holdings in the ‘high return potential’ category.
- **High return potential** indicates holdings that the manager believes can offer potential for greater returns.
- **Diversifiers** are holdings where past or likely future return profiles clearly complement those of existing holdings. They may not offer high (or any) income, but they will be deemed likely to help preserve capital in the portfolio as a whole.

Positive social and environmental outcomes

The underlying business and assets of each holding must demonstrate ‘intentionality’ and ‘materiality’. The team expects these attributes to be clear from the nature of the company and its fundamental purpose, with each engaging in one or several themes such as energy generation, energy storage and efficiency, natural capital, circular economy, water management, or sustainable transportation.

When it comes to positive environmental outcomes, the team does not require that investments supply a unique product or service, but rather must be able to quantify a materially positive impact: peak capacity for an energy generator or tonnes of CO2 sequestered for an afforestation investment, for example.

Theme	 Energy Generation	 Energy Storage and Efficiency	 Natural Capital	 Complementary Assets
Engagement topics	<ul style="list-style-type: none"> • Labour conditions in solar panel supply chain. • Waste at end of life including recyclability of wind turbine blades • Embodied emissions from turbine installation vessels 	<ul style="list-style-type: none"> • Site selection, for example avoiding arable land • Reduction in grid energy losses • Conflict minerals and labour rights in battery supply chains 	<ul style="list-style-type: none"> • Safety of employees working in forests • No net biodiversity loss and species conservation • Soil health and use of pesticides • Wildfire strategy 	<ul style="list-style-type: none"> • Due diligence of care provider tenants such as monitoring of care outcomes • Energy and emission reductions • Credibility of carbon offsets

THE EDENTREE TEAM

A highly experienced sustainability-orientated investment team

Tommy Kristoffersen is the Lead Fund Manager and will manage the Fund from launch. Tommy joined EdenTree in 2021 and assists with the management of Multi Asset Strategies & European Equities, contributing to funds such as the Responsible & Sustainable Managed Income Fund and the Responsible & Sustainable Multi-Asset fund range. He has over 11 years' financial services experience.

In the management of the EdenTree Green Infrastructure Fund, Tommy will be working closely with Charlie Thomas, Chief Investment Officer and global equity fund manager with 21 years' sustainable investment experience, and Chris Hiorns, Head of Multi Asset Strategies and European Equities with over 25 years' experience investing across asset classes.



Tommy Kristoffersen
Green Infrastructure
Fund Manager

Tommy joined EdenTree in 2021 and assists with the management of Multi Asset Strategies & European Equities. He is a

sector generalist with a special interest in infrastructure investment. Prior to EdenTree, Tommy worked at JP Morgan and Jupiter Asset Management, most recently within Jupiter's Alternatives business. Tommy has an MSt. in History of Art from the University of Oxford, holds the Investment Management Certificate (IMC), and is studying towards the FMVA certification from the Corporate Finance Institute.

Why EdenTree?

EdenTree is the original responsible investment house having launched one of the first ethical equity funds in the UK back in March 1988. For us, responsible investment is not just a fad, but a long-term dedication to performance with principles.

Investors increasingly want their investment portfolios to make a difference and have a positive impact on society and the environment around them. At EdenTree we applaud this alignment of investment with values. After all, as pioneers in responsible and sustainable investing, our strategy for over 30 years has been to invest for the long-term to create a better world for tomorrow.

For additional information on the Green Infrastructure Fund, please contact your EdenTree relationship manager, or get in touch with us at:



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