SHINING A LIGHT ON THE……
3i Group PLC

AT A GLANCE

Investment Objective
The Company aims to build a diversified portfolio of equity investments in entities owning infrastructure businesses and assets. The Company seeks investment opportunities globally, but with a focus on Europe, North America and Asia. To invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive impact on our portfolio companies and their stakeholders. This is set out above, and the key elements of our purpose are used to help structure our Strategic report. Responsible investing has always been integral to our business model, and that of our Investment Manager.

Inception Date	13th March 2007
Fund Factsheet Link	https://www.morningstar.co.uk/uk/report/cef/quote.aspx?t=F000000EOV&lang=en-GB

Management	
Manager Name	**Start Date**
Scott Moseley	1 July 2022
Bernardo Sottomayor	1 July 2022

FUND PERFORMANCE

Performance from 1st January 2016 to 31st October 2022:

	2016	2017	2018	2019	2020	2021	2022
3i Infrastructure Plc	13.28%	15.84%	22.18%	17.50%	8.09%	18.77%	-10.05%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
3i Infrastructure Plc	-2.18%	20.58%	78.07%	461.33%

You should note that past performance is not a reliable indicator of future returns, and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	-	-	-	-	-	-

Volatility Measurements	
3-Yr Std Dev (volatility)	16.86%
3-Yr Mean Return (average)	6.44%

Top 5 Holdings		
Infinis	-	11.67%
Tampnet	-	9.35%
Joulz	-	8.63%
Ionisos	-	8.21%
Dns:Net	-	6.31%

Sectors	
Utilities	26.00%
Communications	24.00%
Transportation / logistics	22.00%
Natural Resources / energy	17.00%
Healthcare	8.00%
Social infrastructure	3.00%

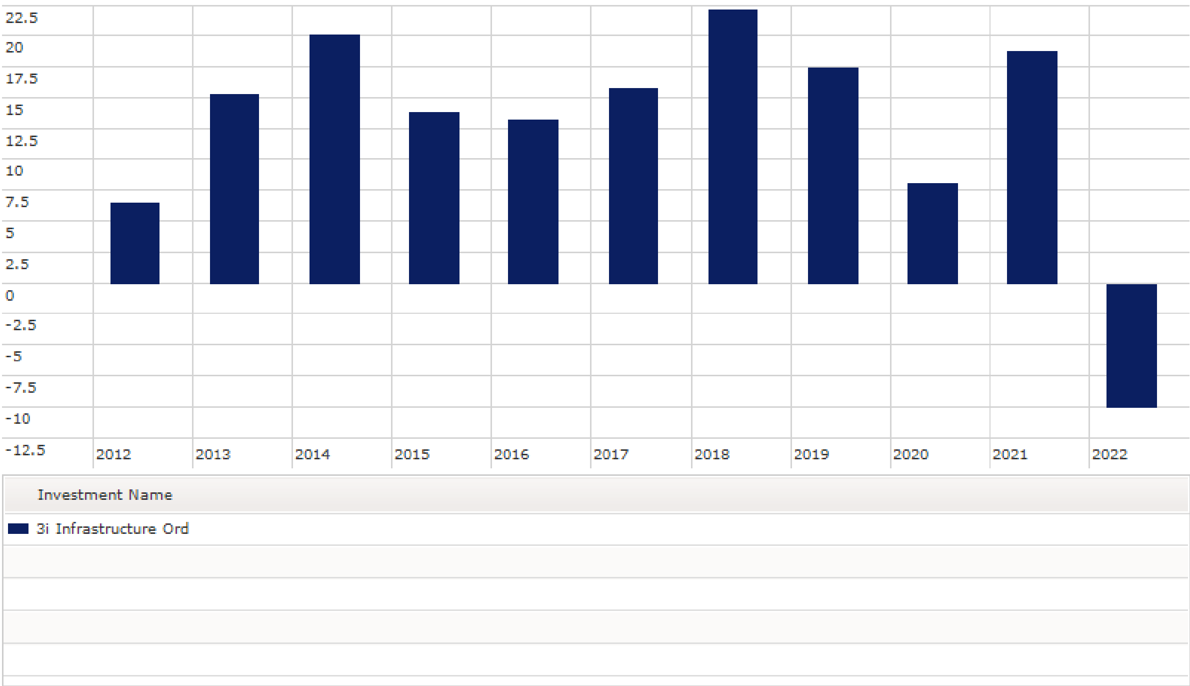
Fund Benchmark	-
Fund size (Mil)	GBP 2.8 billion
Ongoing Charge	0.88%

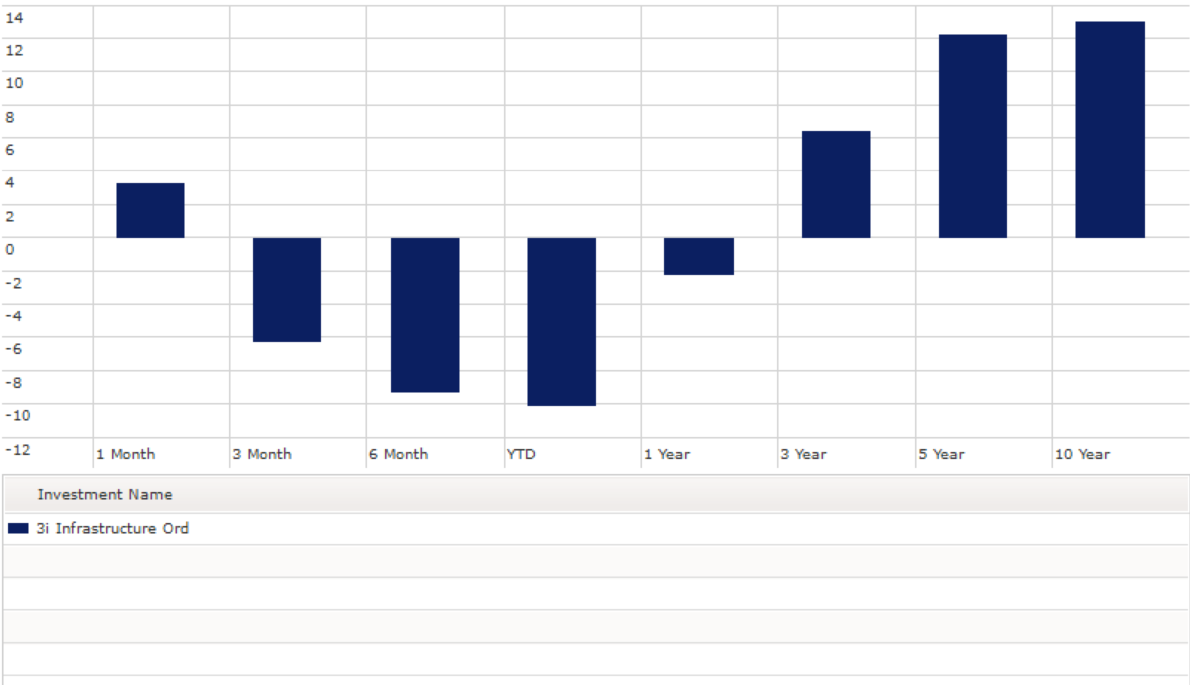
Bull points (pros)	Bear points (cons)
• Targets a return of 8 – 10% per annum from investment in privately owned "economic infrastructure companies" in Europe • Consistently strong returns • Growing yield, currently 3.29% • Focus on mega trends including energy transition, digitalization, globalization, renewing social infrastructure and demographic change • Collection of businesses in which they own a majority stake, influence the strategy and provide very active input • Long term buy and hold strategy	• Private equity focus which could expose the portfolio to greater risk and volatility • Relatively low gearing, however underlying companies tend to have higher levels of gearing which could make them sensitive to rising interest rates

UPDATE….

3i have built up a strong reputation within the private equity infrastructure. This is different to other infrastructure funds as it is more akin to a private equity strategy rather than a core infrastructure fund. This means they tend to have a majority stake in businesses and therefore look to influence strategy and provide a very active input.

Since launch the market return has been 11.65% p.a.





The strategy has a yield of 3.2%, and this has grown consistently since the strategy was launched. As this is a growth and income strategy this might be lower than other strategies. The proposed divided is 11.15 per share.

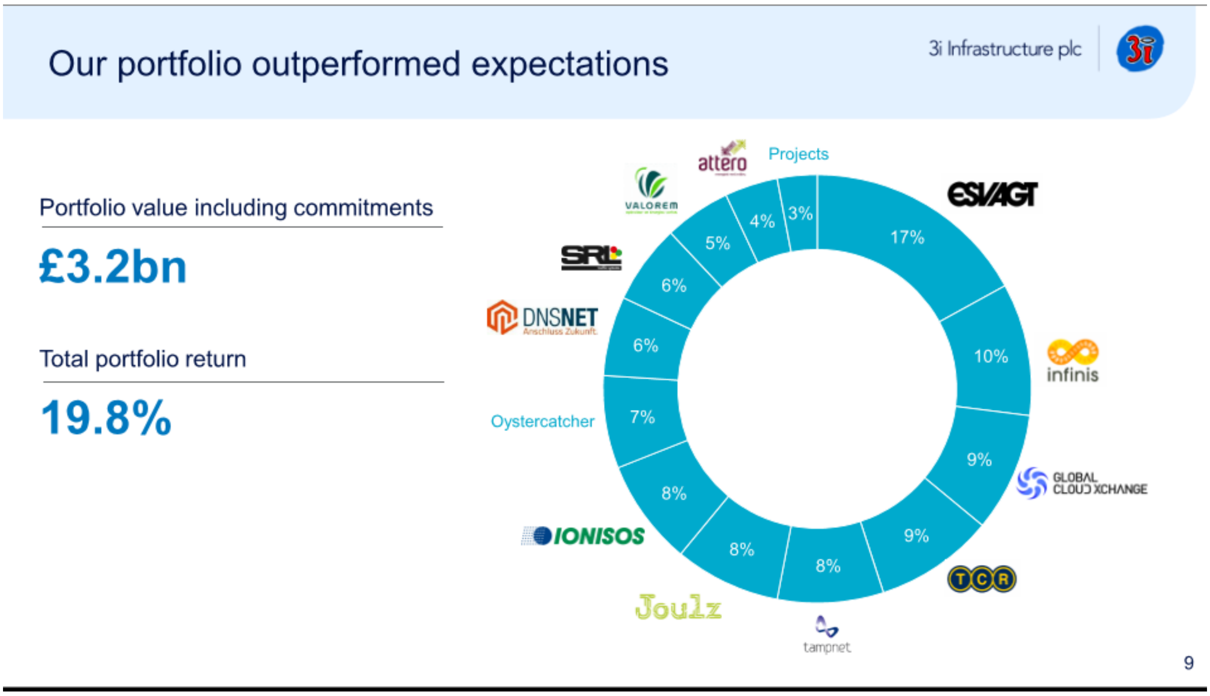
They look to invest in asset intensive, resilient companies, asset bases that are hard to replicate, those that provide essential services, have established market positions, good visibility of future cash flows and opportunities for future growth.

In 2021 they invested £980 million into new projects with 30% into existing projects. They sold two projects: Oystercatcher and European Projects.

The key sectors they invest in are utilities, communications, and transportation / logistics. They are linked into the key megatrends, including energy transition, digitalisation, globalisation, renewing social infrastructure and demographic change.

They are long term investors looking at the long-term investment outlook. When the team sell an asset, the "cash" is recycled into new opportunities, or in the past has been paid as special dividends.

Below is an example of holdings as at 31 March:



Some examples include:

ESVAGT – they now own 100% of the business. The company delivers wind farm maintenance support vehicles and emergency response vessels. They have recently won a contract with Orsted and are looking at opportunities in the US

Infinis – they own 100% of the business. The company is a renewable power generator in the UK and is developing a pipeline of battery sites

Tampnet – they own 50% of the business. The company are an offshore telecommunications services business. They are developing new initiatives targeted at government services, offshore agriculture and carbon capture

Oystercatcher – they own 45% of the oil product storage in Singapore after selling the European terminals

DNS:NET – they own 64% of the business. This is a leading independent telecommunications provider in Germany. They have recently injected a further £33m into the businesses to fund the next phase of the fibre build out

In summary, this is a different type of infrastructure fund which is more akin to private equity and therefore carries potentially additional risk. They are specialists in this area and therefore value is gained via their engagement and working with companies. There is a balance between yield and growth and therefore yield may be lower than other infrastructure funds. Although gearing is relatively low the underlying companies have higher levels of gearing and therefore there could be some risk over interest rate sensitivity.

The table below shows how some of the businesses match to the UN Sustainable Development Goals and the greatest levels of impact:

The source of information in this note has been provided by 3i Infrastructure and is correct as of November 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to decide based on these notes we cannot take responsibility for this, and you should carry out your own research before deciding. We would also recommend that you receive advice before following up on any decision.