

**LWM FUND SPOTLIGHT**  
**THE RENEWABLES INFRASTRUCTURE GROUP (TRIG) LIMITED**

**INVESTMENT OBJECTIVE**

To generate sustainable returns from a diversified portfolio of renewables infrastructure that contribute towards a zero-carbon future. The Company invests principally in operational assets which generate electricity from renewable energy sources, with a particular focus on onshore wind farms and solar PV parks.

**INCEPTION DATE**

29 July 2013

**FUND FACTSHEET**

<https://www.trustnet.com/factsheets/T/jktb/the-renewables-infrastructure-group/>

**MANAGEMENT**

**Manager Name**

Richard Crawford

**Start Date**

**RATIO DATA (3-years)**

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
1.00	0.33	-19.76	11.78	-12.53	76	77	16.91

**OTHER DATA**

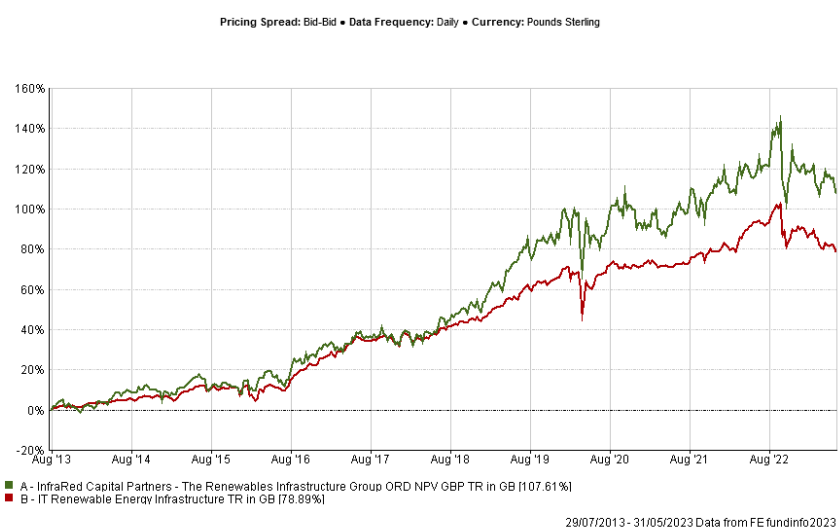
<b>Benchmark</b>	AIC Renewable Energy Infrastructure
<b>Fund Size</b>	£3.34 billion
<b>Fees</b>	Management fee of 1% of the Adjusted Portfolio Value in respect of the first GBP 1 bn of the Adjusted Portfolio Value, 0.8% between GBP 1bn and 2 bn, 0.75% between GBP 2 bn and 3 bn and 0.70% in excess of GBP 3 bn.No performance or acquisition fees. The contract is terminable on 12 months notice.

# The Renewables Infrastructure Group (TRIG) Limited – June 2023

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> <li>• Dividend yield currently 6.16%.</li> <li>• Direct investment into a diversified portfolio of assets.</li> <li>• Critical mass and a fully-invested portfolio.</li> <li>• 63% of forecasted revenues are directly linked to inflation. Majority of balance has indirect inflation protection.</li> </ul>	<ul style="list-style-type: none"> <li>• Constraints on how to build out the portfolio.</li> <li>• Raising interest rates make other assets potentially more interesting.</li> <li>• Majority of returns likely to come from dividend.</li> <li>• Revolving credit of £413 million, interest is 1.8% above overnight rates.</li> </ul>

## FUND PERFORMANCE

Performance from 29<sup>th</sup> July 2013 – 31<sup>st</sup> May 2023



Pricing Spread: Bid-Bid • Performance Growth Option: Annualised • Currency: Pounds Sterling

Customise Columns	2023 ↑↓	2022 ↑↓	2021 ↑↓	2020 ↑↓	2019 ↑↓	2018 ↑↓	2017 ↑↓	2016 ↑↓	2015 ↑↓	2014 ↑↓	2013 ↑↓
InfraRed Capital Partners The Renewables Infrastructure Group ORD NPV GBP TR in GB	-14.95	1.76	11.34	-2.88	29.33	10.68	5.11	15.75	4.44	6.97	
Sector IT Renewable Energy Infrastructure TR in GB	-12.23	4.09	5.40	2.06	16.12	5.65	9.48	12.58	4.75	4.25	14.62

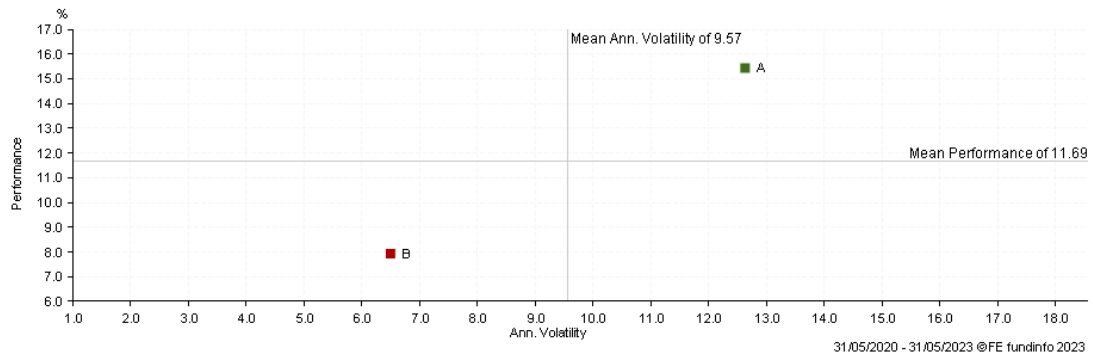
Customise Columns	1m ↑↓	3m ↑↓	6m ↑↓	1yr ↑↓	3yr ↑↓	5yr ↑↓
InfraRed Capital Partners The Renewables Infrastructure Group ORD NPV GBP TR in GB	-4.31	-2.16	-4.12	-5.25	15.44	49.26
Sector IT Renewable Energy Infrastructure TR in GB	-1.52	-3.80	-5.02	-7.43	7.93	29.74

*Please 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.*

# The Renewables Infrastructure Group (TRIG) Limited – June 2023

## VOLATILITY / RISK SCORE

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Performance	Annualised Volatility
A	InfraRed Capital Partners - The Renewables Infrastructure Group ORD NPV GBP TR in GB	15.44	12.63
B	IT Renewable Energy Infrastructure TR in GB	7.93	6.50

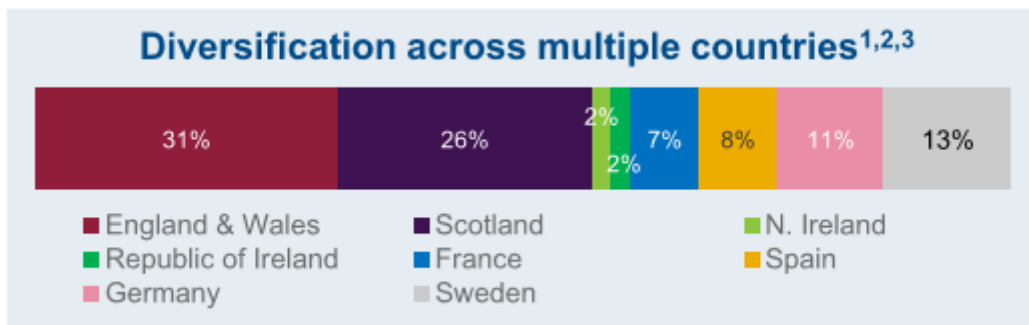
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## LWM FUND ANALYSIS

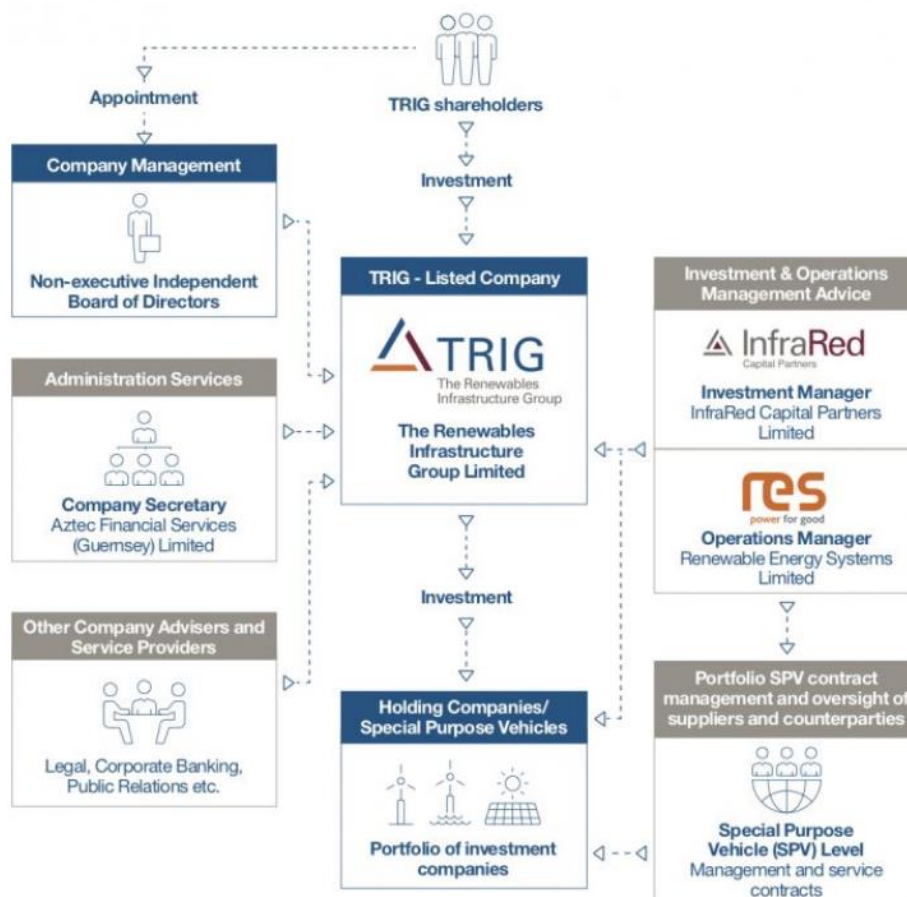
The strategy looks to deliver returns for shareholders through:

- Portfolio diversification
- Responsible investment
- Value enhancement

The company owns a portfolio of renewable infrastructure projects in the UK, Ireland, France, Germany, Spain, and Sweden.

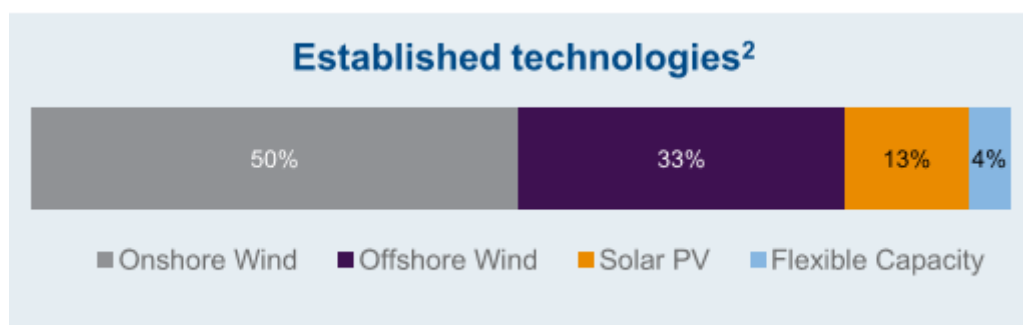


The structure of the company is show below:



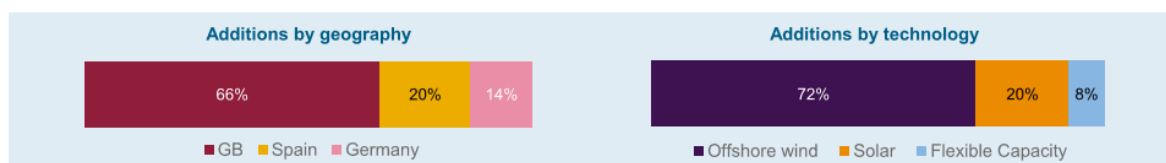
# The Renewables Infrastructure Group (TRIG) Limited – June 2023

Where perhaps this is different to other strategies is that it mainly investments in wind and solar. This may therefore limit future growth, although they have started to diversify into battery storage and pipelines.



Below are some of the additions in 2022.

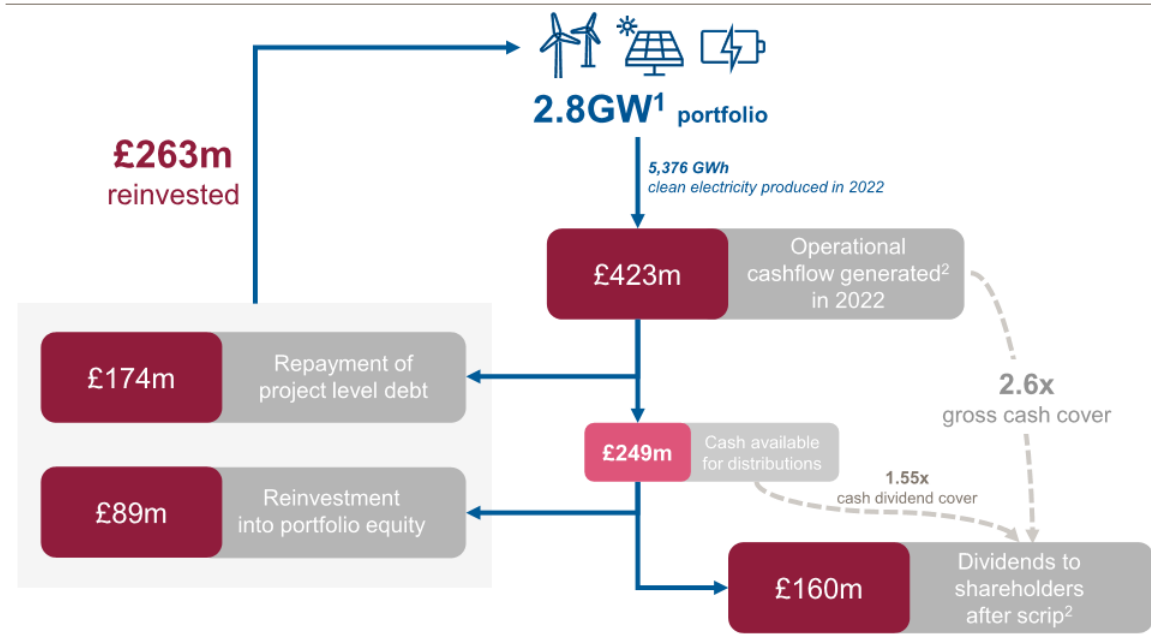
Date of completion	Project	Technology	Revenue type <sup>1</sup>	Location	Equity share	Net capacity (MW) <sup>2</sup>	% of portfolio value <sup>3</sup>
March 2022	Valdesolar	Solar PV	Wholesale market	Spain	49%	129	3%
July / October 2022	Hornsea One	Offshore wind	CfD	GB	10.2%	122	8%
September / December 2022	Ryton	Battery Storage	Wholesale market & ancillary services	GB	100%	74	4% <sup>5</sup>
	Drakelow					90	
	Drax					89	
	Spennymoor					100	
December 2022	Merkur (Incremental)	Offshore wind	FiT	Germany	11% <sup>4</sup>	44	2%



The strategy is designed to have defensive qualities with limited exposure to interest rates, and inflated correlated returns. Most returns come from the dividend. Since launch the total return is 7.70% p.a. The return after the yield is paid is 1.93% p.a.

The dividend is fully covered by cash flows. The gross cash cover is 2.6x. Part of the cash flow was used to repay debt and the balance re-invested into the portfolio equity.

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In terms of gearing, there are two elements:

1. Term project debt
2. Short-term acquisition debt

The term project debt is limited to 50% of portfolio enterprise value. Effectively the special purpose vehicle pays down the debt over the life of the subsidy. These therefore have limited interest rate exposure and the average cost of debt is circa 3.6%. Around 38% of the portfolio has no debt.

Where they have exposure to debt is short-term acquisition. This is around £413 million. The rate is 1.8% above overnight interest rates. In a high interest rate environment, paying this down becomes important as it can impact cashflows.

The strategy is managed by InfraRed and RES.

InfraRed are the investment manager. They have overall responsibility for the day-to-day management of the portfolio. Other aspects include sourcing, transacting and approving new investments, advising the board, advising on capital raising, risk management and investor reporting.

RES provide operational management. Other areas include implementing the strategy and maintaining operating risk management policies.

InfraRed have a 25 year track record and manage \$10 billion of assets.

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RES have 40 years of experience and have delivered 345 projects worldwide across.



The shareholders with more than 5% ownership of TRIG are:

- ▲ Rathbones Investment Management
- ▲ Newton Investment Management
- ▲ Investec Wealth and Investment
- ▲ Quilter Cheviot Investment Management

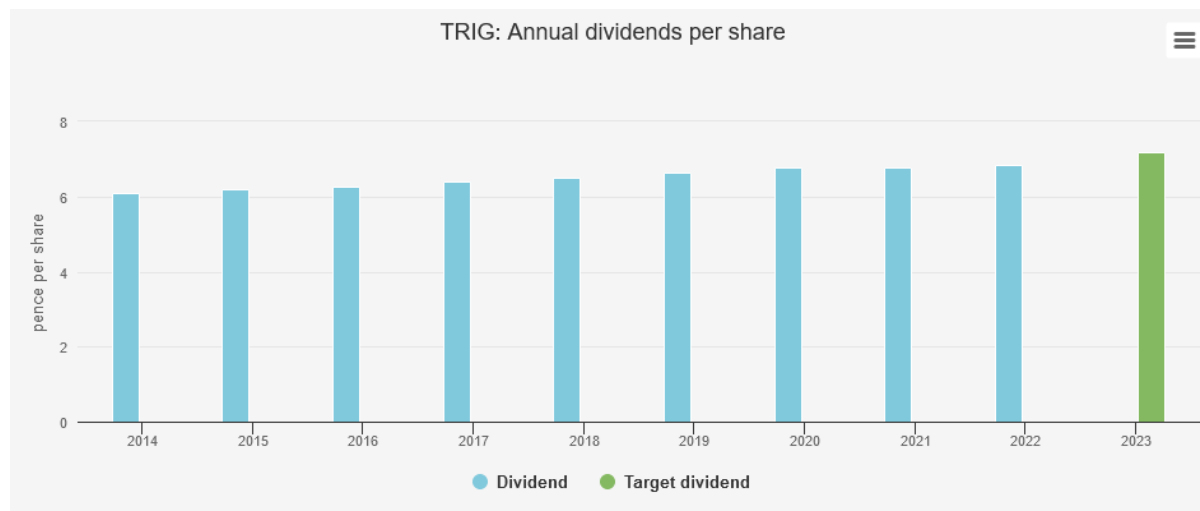
Below is an example of some of the holdings:

Project	Market (Region)	Location	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned	Technology Type	Turbine/Panel/Battery Type
Drax	GB (England)	Drax	100%	89	2029	Battery Storage	
 <span style="float: right;"> <a href="#">About us</a>   <a href="#">Sustainability</a>   <a href="#">Portfolio</a>   <a href="#">Investors</a>   <a href="#">News &amp; Media</a>   <a href="#">Contact</a>   <a href="#">Search</a> </span>							
Ryton	GB (England)	Ryton	100%	74	2024	Battery Storage	
Spennymoor	GB (England)	Spennymoor	100%	100.0	2031	Battery Storage	
Valdesolar	Spain	Badajoz	49%	129	2021	Solar PV	JA Solar
Hornsea One	GB (England)	Yorkshire Coastline	10.2	122.4	2020	Offshore Wind	Siemens 7MW
Malabrigo	Spain	Cadiz	100%	58.1	2022	Solar PV	Trina Solar
Guita	Spain	Cadiz	100%	58.1	2022	Solar PV	Trina Solar
El Yarte	Spain	Cadiz	100%	58.1	2022	Solar PV	Trina Solar
Arenosas	Spain	Cadiz	100%	58.1	2022	Solar PV	Trina Solar

## The Renewables Infrastructure Group (TRIG) Limited – June 2023

In summary, this is a direct investment into renewable assets, primarily wind and solar. The management are looking to diversify, however battery storage and pipelines remain a small part of the overall asset base. This could limit future growth.

It pays a yield of circa 6%. This is fully covered by cash flow and has increased each year.



Interest rate risk is limited. The revolving credit is relatively high although they have used cash flow to reduce this. In terms of inflation, this is a good hedge against this.

To conclude, this has a strong record of returns. However, this is invested in a single area of the market and although it has critical mass, this might restrict returns in the future.

***The source of information in this note has been provided by TRIG and is correct as of June 2023. 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 make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.***

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