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Subject: End of year update from the Infrastructure Access Fund

End of year update from the Infrastructure Access Fund

Dear Investor

I'm pleased to report that units in the Infrastructure Access Fund continue to grow steadily in value. We have just received the November unit price of 1.0348 from the Trustee. This is up from 1.0279 in October and 1.02015 in September and amounts to 3.5 per cent growth in the 5 months since June.

I'm also pleased to announce that after our last capital raise we were successful in securing an additional \$9.6 million worth of units in The Infrastructure Fund. The current value of the Infrastructure Access Fund is now over \$30 million.

If you are interested in increasing your investment in IAF please let us know as there will likely be a new opportunity to invest in February 2020.

Similarly, we are considering opening a new fund to pool individual investments and invest in a large new best in class 'green infrastructure' fund. As with our investment in TIF, we have identified an investment opportunity which is usually only available to large institutional investors that we hope to make accessible to smaller investors. Again, please feel free to contact us if you are interested in finding out more about this new investment.

In our last update to you we included our submission to TIF's ESG policy review. Since then we have met with senior managers from MIRA (the TIF asset managers) and engaged with co-investors in TIF to discuss our plans and goals for improved asset performance.

TIF has now adopted its first ever ESG policy and, while it doesn't yet go as far as we would like, TIF will now systematically report on the ESG performance of its assets to investors. The adoption of the initial ESG policy, and the related reporting obligations, will create ongoing opportunities for us to propose improvements to both process and practice. For example, MIRA recently held a workshop on the development of science based emission reduction targets for the individual assets within the TIF portfolio.

While this is a small and belated step, we believe that the new level of reporting, and the pressure on individual assets to engage with science based targets for their own emissions, will make it significantly easier for us to engage with our co-investors to drive further ESG improvements in our underlying assets. Having focussed on establishing and growing the fund for the last 6 months, next year we will systematically reach out to our largest co-investors in TIF to pursue our ESG goals for the underlying assets. Some recent ESG initiatives from TIF assets include:

Perth Airport is pursuing a carbon emission reduction targets of 15% below 2017-18 levels over a 5-year period.

Port of Newcastle:

*has switched to ultra-low sulphur diesel in PoN's own marine operations;

*Invested \$600,000 in vessel engine modifications to reduce oil consumption by 4,000 litres per year (saving \$21,000 per year).

- Has removed 115 hectares of noxious weeds and planted 2,297 trees
- Is installing solar panels to meet a significant portion of on site electricity demand.

The Port of Newcastle's plans to diversify away from coal by developing a large container terminal remain before the courts. The ACCC has alleged that the privatisation of Port Botany and the Port of Newcastle led to the creation of an anti-competitive restriction on the development of new container terminals. The case is currently before the Federal Court and Judge Jagot has instructed the parties to attempt a mediated resolution by April 3 2020.

<https://www.newcastleherald.com.au/story/6543023/open-court-house-or-confidential-mediation-accs-case-over-newcastle-container-handcuffs/>

Finally, thank you for supporting a new Fund Manager offering an alternative investment opportunity. The Productivity Commission found that unlisted infrastructure is a key asset class in the best performing superannuation funds in Australia and we believe that unlisted infrastructure will continue to provide an attractive balance of returns and risk for long term investors seeking to diversify their portfolio away from equities and property.

It's been an exciting year since we secured our first units in TIF in July and we look forward to the new year.

Yours sincerely

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