

# Premier Miton Global Renewables Trust PLC

## Strategy and market update



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# Premier Miton Global Renewables Trust

## Investment case

1. Renewables are the lowest cost form of electricity generation
2. Renewables are a secure domestic source of energy
3. Returns have low correlation to GDP
4. Exceptional levels of growth in global renewable energy
5. Renewables are the single most important element in the fight against climate change

*While the London listed renewable energy funds have been a good source of income, the Premier Miton Global Renewables Trust has the potential to deliver not just income but capital growth and lower underlying risk through higher diversification*

*PMGR is a pure-play exposure into global listed renewable generation companies with a focus on electricity generation infrastructure rather than “clean tech”*

Funds that invest in specific sectors or industries may carry a higher risk and display greater volatility than funds with a more diversified portfolio.

# Investment proposition

## Renewable energy growth and income through a global portfolio of listed equities

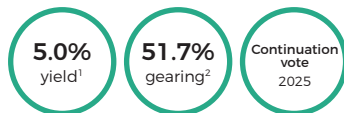
### Trust

LSE Main Market  
Investment Trust  
Inception. Nov 2003  
c. £27m mkt cap<sup>1</sup>

**Current strategy**  
Since 9 Oct 2020

**James Smith**  
Manager from June 2012

**Compound return**  
p.a. 11.1%<sup>4</sup>



### Strategy

Renewable Energy  
Companies

Global remit  
Listed equities

**Total return = growth & income**

Unconstrained approach

### Opportunity

#### Why renewable energy?

Growth sector with long-term structural drivers

#### What the trust offers

Growth and income

*Unique exposure to listed equities offering  
enhanced diversification (technology, geography)  
and higher growth and valuation opportunities*

### Portfolio<sup>3</sup>

40-50  
Holdings

Top 10: 53.6%  
Top 20: 81.7%

**Renewable developers, renewable yieldcos**  
Multi-technology and enabling infrastructure

UK: 35%	Europe ex UK: 31%	Global: 21%
North America: 7%	China: 2%	Latin America: 2%

### Performance<sup>4</sup>

#### Share price total returns (%)

	1 year	5 year	Since current strategy 09.10.2020
Premier Miton Global Renewables Trust	(22.3)	52.8	23.0
S&P Global Clean Energy Index	(0.3)	128.6	(5.6)

<sup>1</sup>Based on 28.04.2023 share price of 159.00p and historic DPS in respect of 2022 of 7.0p. <sup>2</sup>Gearing based on ZDP Shares / Net Assets, as at 28.04.2023. <sup>3</sup>Source: Premier Miton, data as at 28.04.2023. <sup>4</sup>Source of performance data: Morningstar, as at 28.04.2023, net income reinvested, bid to bid basis. Index on a total return basis. ©2023 Morningstar. All Rights Reserved. The information contained herein; is proprietary to Morningstar and/or its content providers; may not be copied or redistributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

The level of income paid by the trust may fluctuate and is not guaranteed. Past performance is not a reliable indicator of future returns.

# Management team



**James Smith**

Premier Miton Global Renewables Trust PLC manager, co-head infrastructure investment

- Joined the group in 2012
- 22 years of experience covering infrastructure
- 14 years as lead analyst and assistant manager for Utilico Emerging Markets Limited and Utilico Investments Limited
- Chartered accountant and barrister



**Jim Wright**

Premier Miton Global infrastructure Income Fund manager, co-head infrastructure investment

- Jim Wright joined the group in January 2017
- Manager of the Global Duration Equity Portfolio at the British Steel Pension fund
- Chartered accountant



**Claire Long**

Head of Investment Trusts

- Claire Long is Head of Investment Trusts for Premier Miton Investors, and is currently responsible for managing Board and shareholder relations for the Premier Global Infrastructure Trust, Miton UK MicroCap Trust, MIGO Opportunities Trust and The Diverse Income Trust
- Claire was co-manager of the Premier Global Infrastructure Trust and Premier Global Infrastructure Income Fund. Claire joined Premier Asset Management in 2008, and has 20 years of investment experience
- Claire is an associate of the CFA UK



**Helene Winch**

Head of Responsible Investing

- Helene joined the group in September 2019 and is responsible for overseeing Premier Miton's overall responsible investing strategy and development, including co-ordinating the integration of ESG factors into Premier Miton's general investment philosophy, process, oversight and reporting on stewardship activities.
- Her previous roles include, Senior Responsible Investment Adviser at HSBC Global Asset Management, Head of Policy and Research at the Principles for Responsible Investment, Portfolio Director at Low Carbon Ltd and Head of Policy at BT Pension Scheme Management.

# Investment process

## How we create the portfolio

### 1. Understand the universe

Proprietary database of global renewable companies

Review of Government policies, targets, incentive schemes, taxation

Technical and market knowledge, including electricity markets, gas markets, carbon pricing & industry developments

*Identify areas of strong renewable growth, supportive policies & strong energy demand*

### 2. Company research

Focus on valuation, growth & yields

Understand the balance sheet

Understand company assets, contracts, revenues and relevant legislation

Build and expand database. Constant analysis of results, IPOs, markets

*Focus on value, understand the business, look to select the best companies at the right price*

### 3. Portfolio construction

Find optimal mix of:

- business models
- geographic allocation
- growth vs yield
- large vs small caps

*Looks to secure high and growing yield with long term growth exposure, while minimising underlying risks*

# Investment process

## What we look for / what we look to avoid

### Macro / country factors

Political	Regualtion	Power markets	Growth	Currency
Long term targets	Stable frameworks	Imbalance demand / supply	Dynamic economies	Hard currencies
Positive track records	Inflation linkages	Carbon pricing	Ample physical space	Hedging when cost effective / prudent
Changing the rules	Asymetric risks	PPA availability	Low existing renewable share	E.M Currencies
Populism		Volatility	Slowing economies	

### Micro / company factors

Valuation	Balance sheet	Revenues	Business	Complimentary sectors
Strong cash flow yields	Fixed rate debt	Long-term PPAs	Developer relationships	Storage
Modest EV/EBITDA + P/E	Asset level financing	Inflation linkages	Multi-year pipelines	Networks
Under-appreciated pipelines	Floating rate debt	Long-term nominal contracts	Skin-in-game management	Capital goods (turbines etc)
Over-valued pipelines	Excessive leverage	Excessive merchant exposure	Troublesome assets	Technology
Earnings inflated by asset sales			Technology risks	Non-recurring revenues
High valuation metrics				

# Comparison of Premier Miton Global Renewables to directly invested renewable investment companies

	Premier Miton Global Renewables Trust	Typical profile: direct investment renewable investment companies within the AIC Renewable Energy Sector (Greencoat UK Wind, Bluefield Solar, US Solar fund, etc)
Assets	Listed equities	Unlisted assets
Geographic focus	Invests globally	Invests in a single region (UK /Europe /US)
Technology	Multi generation technology	Usually specialise in a single technology (wind or solar)
Developer profits	Holds both renewable developers and investment companies	Do not take development risk, buy in secondary market only
Value chain	Full value chain including generation, distribution and storage	Specialise in generation or storage
Market risk	Modest market risk when appropriate	Usually actively avoid market risk
Asset turnover	Medium, reflecting portfolio changes to take account of changing markets and opportunities	Buy and hold private assets for very long term

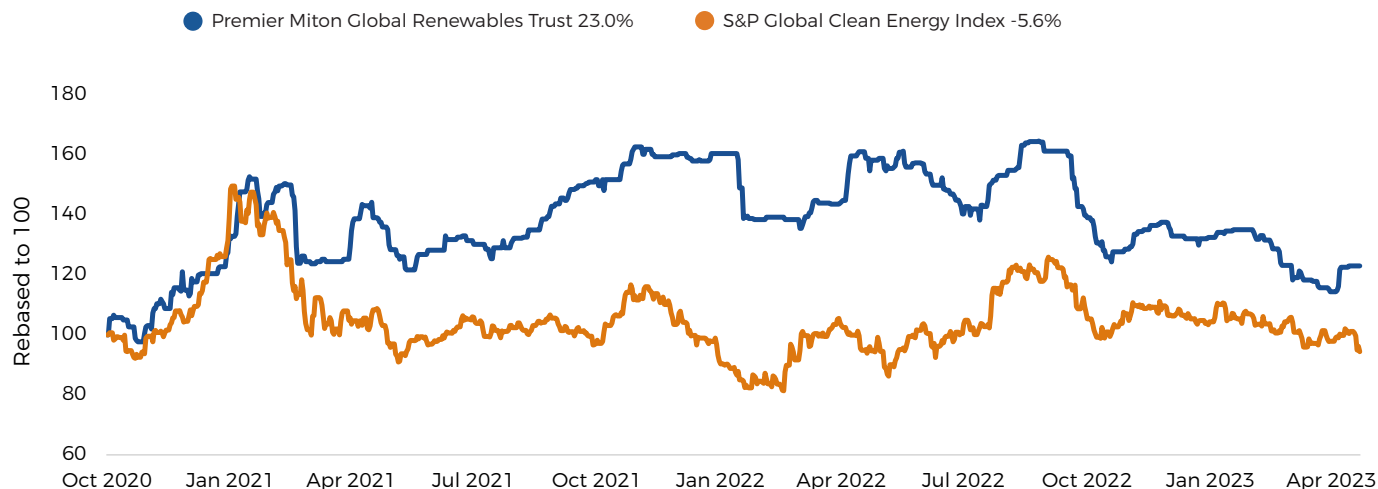
Medium risk, high potential return

Low risk, medium potential return

# PMGR performance vs S&P Global Clean Energy Index

Since investment policy change 9 October 2020

Rebased 100 at 8 October 2020, GBP



**Strong outperformance of comparator since change of investment policy**



# PMGR performance vs S&P Global Clean Energy Index

## Discrete calendar performance (%)

	2018	2019	2020	2021	2022	2023 ytd <sup>1</sup>
Share price	-23.3	38.3	31.0	30.7	-17.7	-6.9
NAV	-25.5	39.0	28.7	26.9	-12.3	-4.0
S&P Global Clean Energy Index	-2.7	39.5	134.6	-22.5	7.3	-9.9

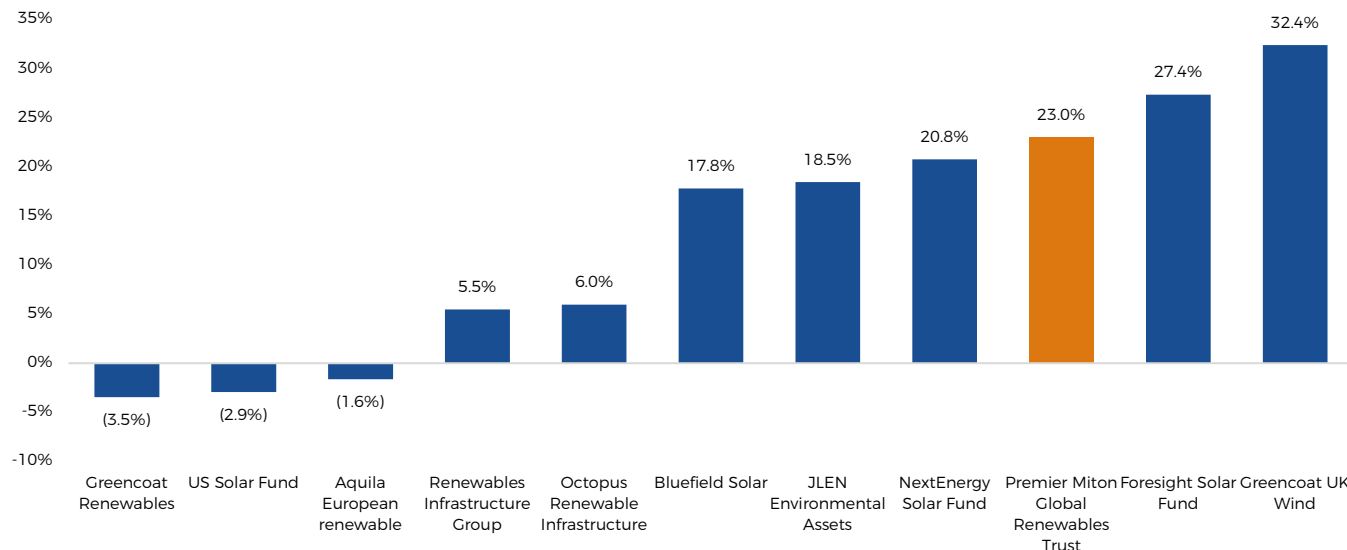
Source: Morningstar, <sup>1</sup>2023 ytd as at 28.04.2023, net income reinvested, bid to bid basis, Index on a total return basis.

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Past performance is not a reliable indicator of future returns.

# PMGR performance vs UK listed direct renewable investment companies

Since investment policy change 9 October 2020



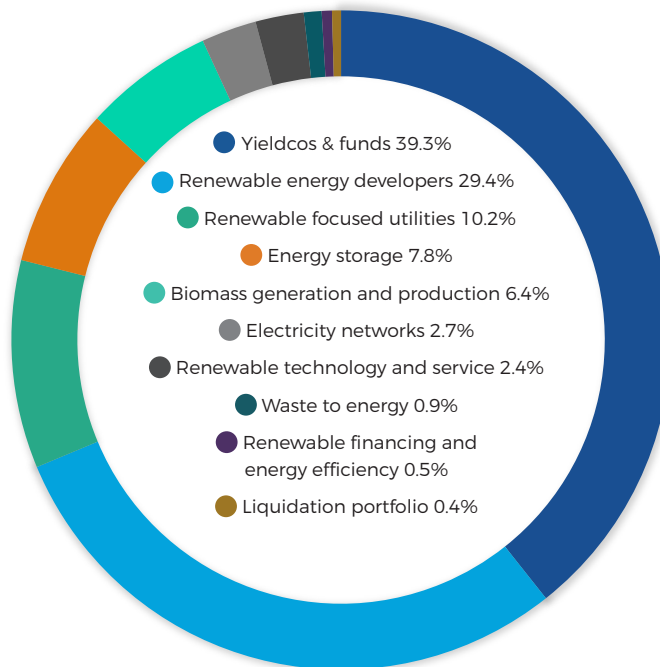
**PMGR has been an above average performer in the UK renewable energy peer group**

Source: Bloomberg, share price and dividend total return performance. Performance is shown net of fees. Data from 08.10.2020 to 28.04.2023.

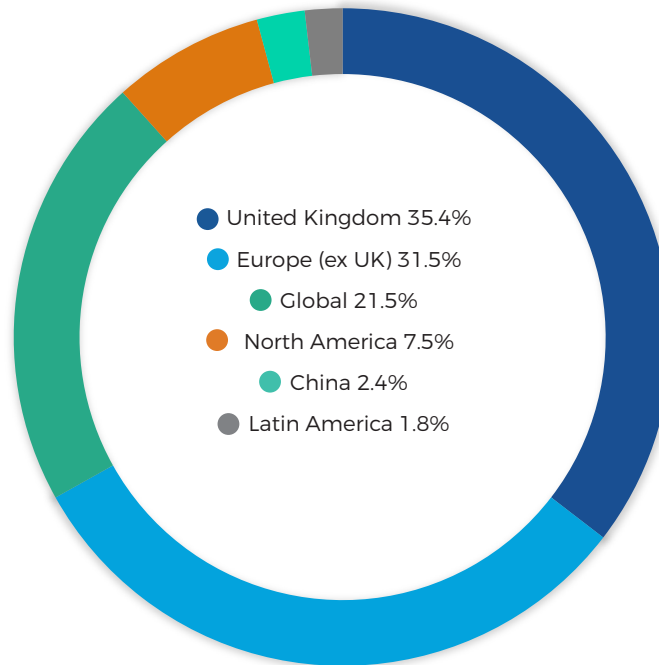
The companies have been chosen as similar to the Premier Miton Global Renewables Trust; they generate and own renewable energy assets and are classified within the AIC renewable energy sector.

**Past performance is not a reliable indicator of future returns.**

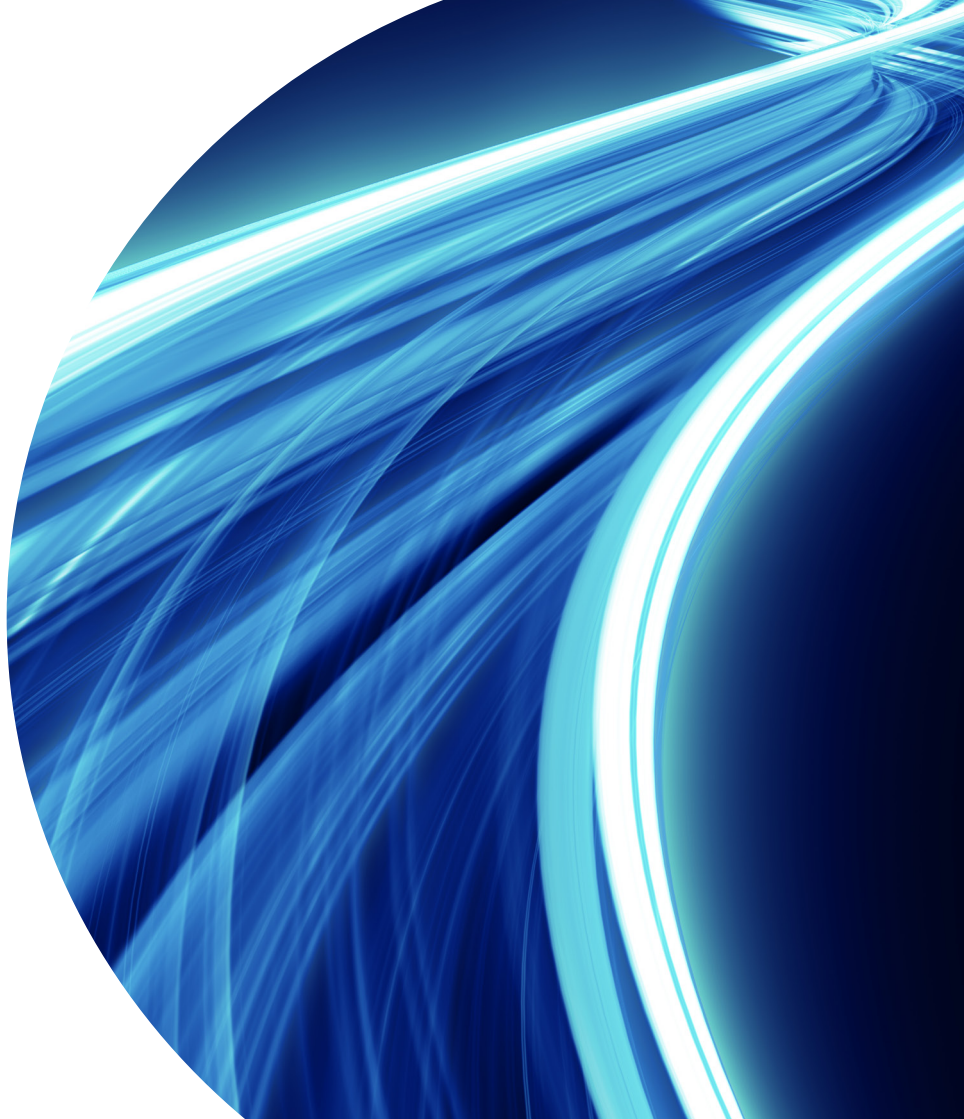
# PMGR offers a diversified exposure to asset backed renewable energy companies



# PMGR offers a balanced global renewables exposure



# The renewables opportunity



# Renewably generated electricity has three growth legs in coming years

## Historic / near term - growth of renewables within electricity generation mix



Renewable cost reductions

Higher carbon prices / expansion of carbon pricing to new locations / carbon border tax adjustments

Direct restrictions on technology (coal phaseout)

## Near / medium term - growth of electricity share of energy consumption



Electric vehicles

Space heating

Light industrial

## Medium / long term - green hydrogen



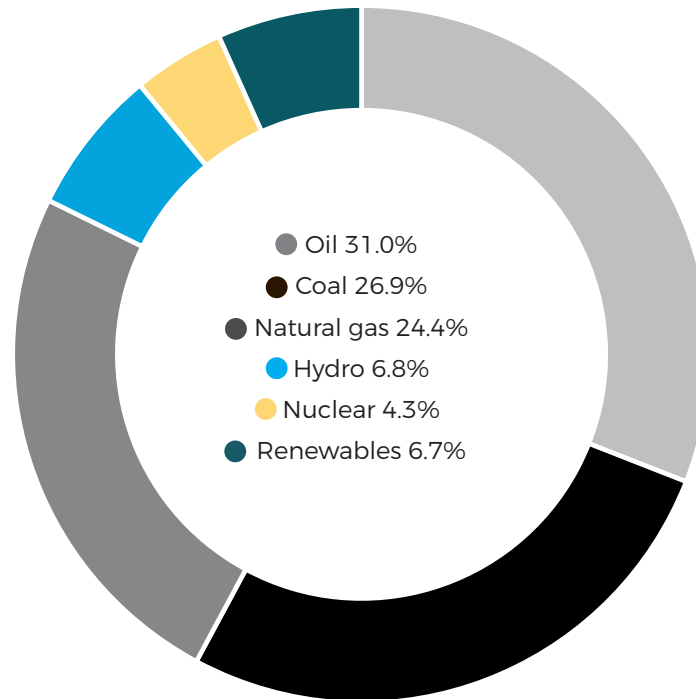
Blending / replacement of natural gas in the gas grid

Heavy transport (trucks /sea freight /air)

Industry

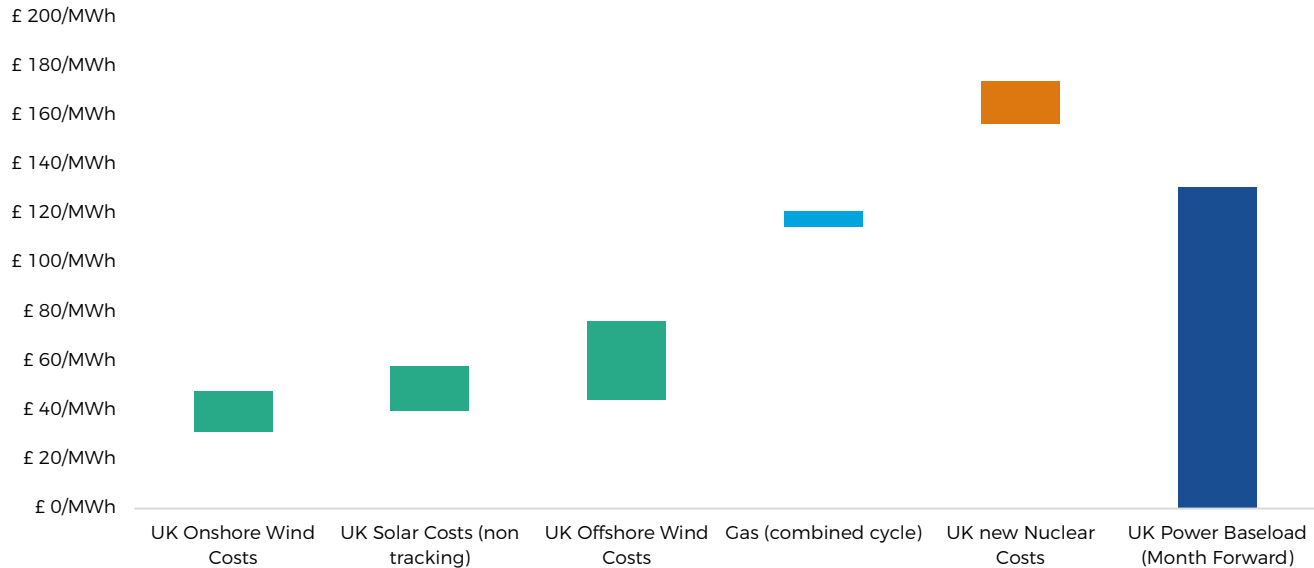
**By 2050 electricity will provide between 49% and 53%  
of total consumed energy, up from 20% today (BNEF, April 2022)**

# Global share of primary energy 2021



# Levelised cost of energy (“LCOE”)

## United Kingdom, range per technology (new build)



Source: Bloomberg New Energy Finance. Levelised cost of electricity UK H2 2022.

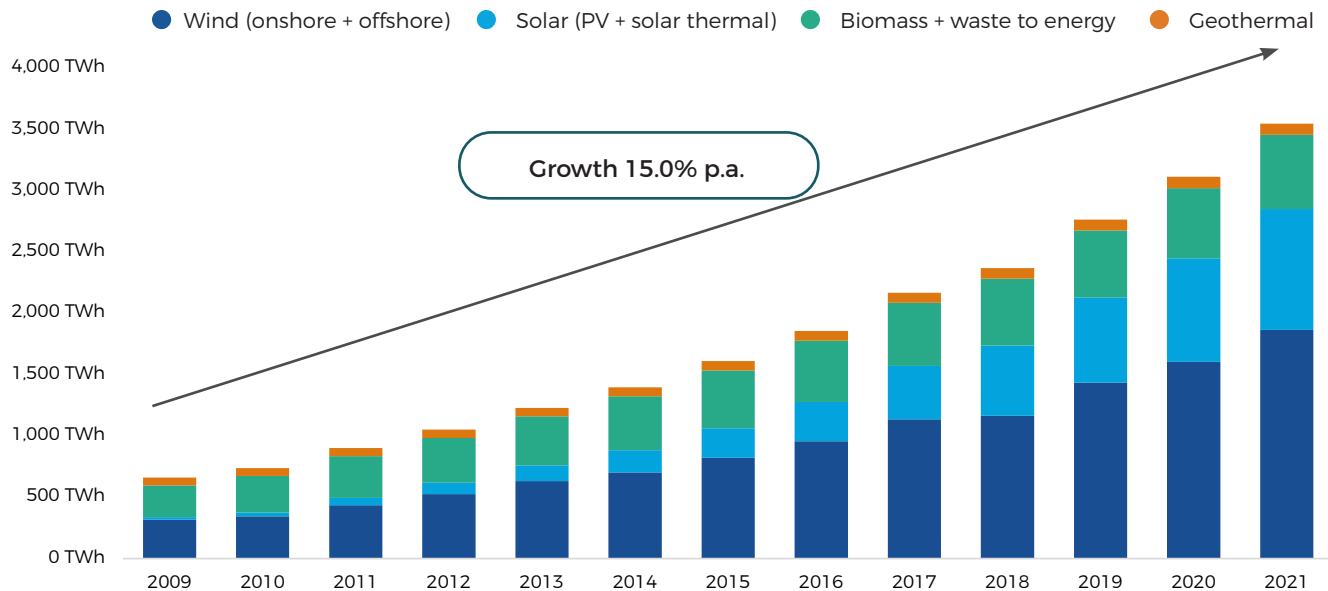
BNEF LCOE figures translated from USD to GBP at 1.2567 (rate at 28.04.2023)

\*Source: Bloomberg: UK month forward average baseload price year to date 28.04.2023.



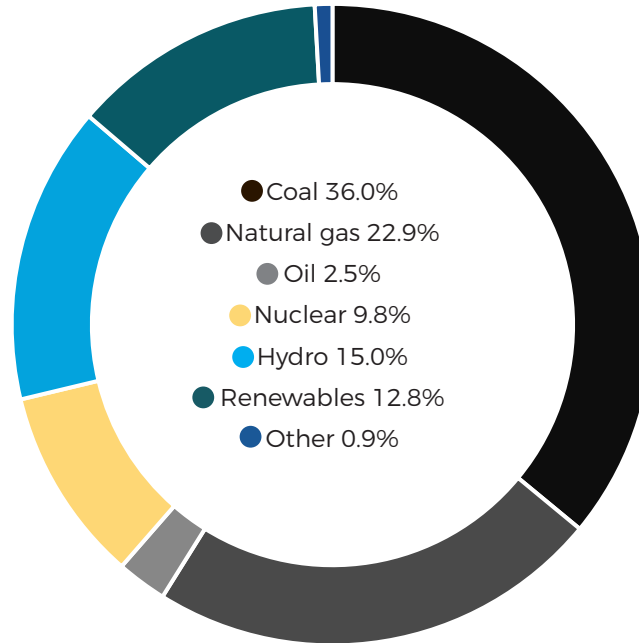
# Growth in global renewable energy generation has been strong

## Global renewable energy production by technology



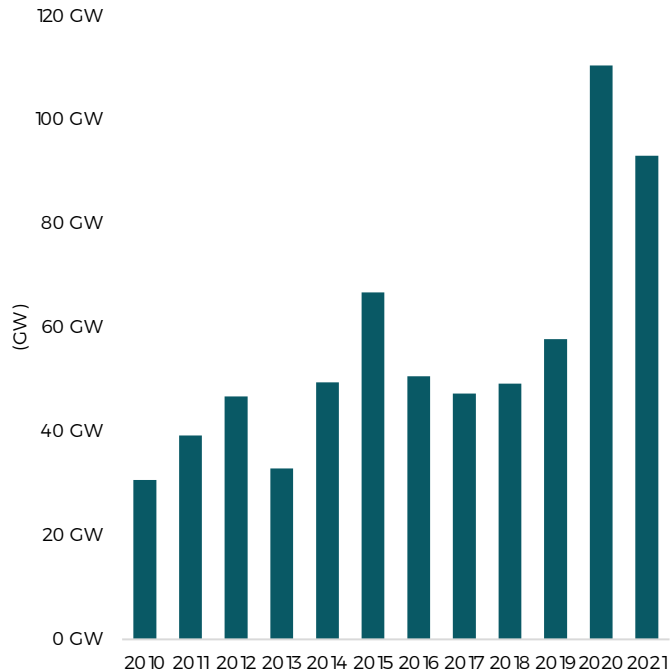
**Wind retains dominant position**  
**Solar has shown the strongest growth in recent years as its costs have converged with wind**

# Global electricity generation by fuel type

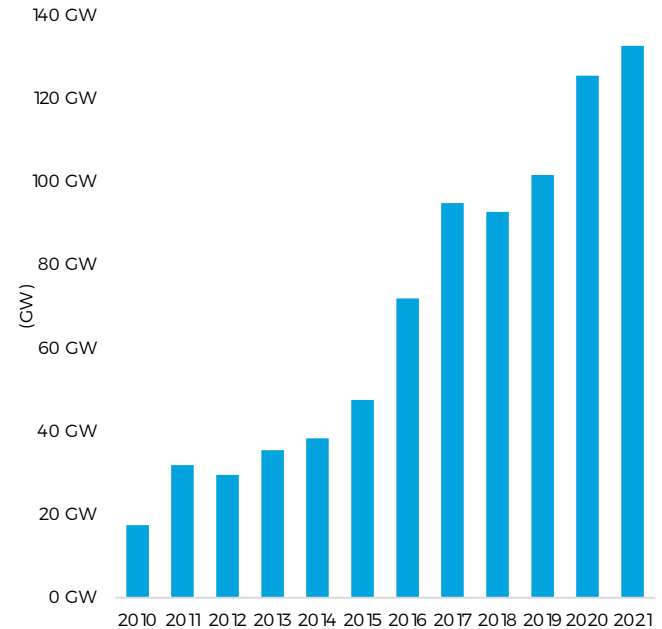


# Installations of global renewable energy assets have been increasing

Global wind energy capacity additions



Global solar energy capacity additions



# 15 largest holdings

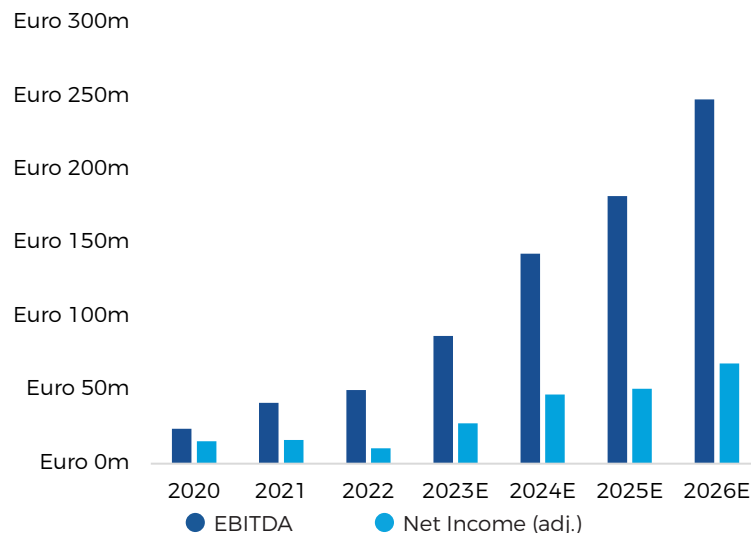
## 28 April 2023<sup>1</sup>

Holding	Weight	Portfolio segment	Location	Total return past 3 years to PMGR <sup>2</sup>
Greencoat UK Wind	6.7%	Yieldcos & funds	United Kingdom	35.1%
NextEnergy Solar Fund	6.4%	Yieldcos & funds	United Kingdom	17.3%
RWE	6.4%	Renewable energy developers	Europe (ex UK)	43.5%
Drax Group	6.3%	Biomass generation and production	United Kingdom	242.6%
Octopus Renewables Infrastructure Trust	5.7%	Yieldcos & funds	Europe (ex UK)	(3.4%)
Aquila European Renewables Income Fund	5.3%	Yieldcos & funds	Europe (ex UK)	1.9%
Atlantica Sustainable Infrastructure	5.0%	Yieldcos & funds	Global	26.8%
Iberdrola	4.4%	Renewable focused utilities	Global	25.1%
Greenergy Renovables	3.7%	Renewable energy developers	Global	(28.4%)
Harmony Energy Income Trust	3.7%	Energy storage	United Kingdom	21.5%
Clearway Energy A Class	3.7%	Yieldcos & funds	North America	71.6%
Foresight Solar Fund	3.6%	Yieldcos & funds	United Kingdom	27.1%
SSE	3.5%	Renewable focused utilities	United Kingdom	76.2%
Corporacion Acciona Energias Renovables	3.0%	Renewable energy developers	Europe (ex UK)	25.4%
Bonheur	3.0%	Renewable energy developers	Europe (ex UK)	(7.1%)

<sup>1</sup>Source: Premier Miton, data as at 28.04.2023. <sup>2</sup>Source: Bloomberg, total return, from 28.04.2020 to 28.04.2023 or from date of acquisition.

# Case study: Greenergy, growing strongly in the global solar market

## EBITDA and net income progression



## Investment arithmetic (Bloomberg consensus)

	2023e	2024e	2025e
P/E	30.1x	21.0x	16.3x
EV/EBITDA	13.4x	8.2x	6.4x
Price/ Book	3.0x	2.6x	2.5x
Return on equity	9.7%	14.1%	17.5%

**Highly profitable, fast growth, generating shareholder value**

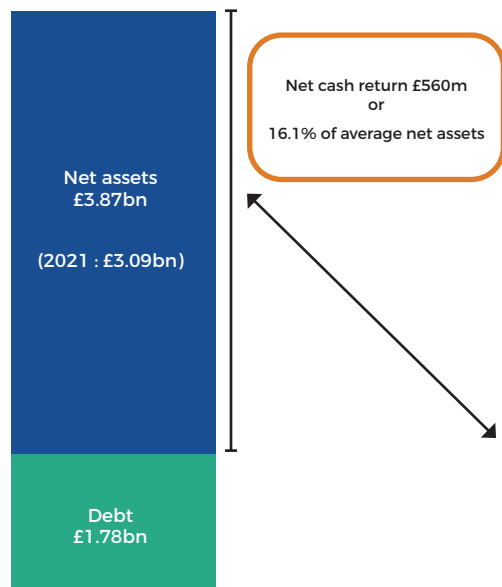
**FY 2022 Greenergy had 1.6 GW operational and under construction,  
with pipeline of 11.7 GW**

Source: Greenergy reports, Bloomberg consensus forecast. Data as at 10.05.2023.

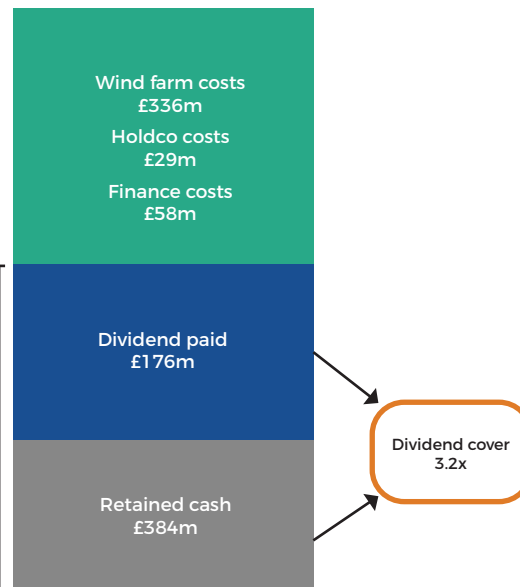
The level of income paid by the fund may fluctuate and is not guaranteed. Forecasts are not reliable indicators of future returns. Past performance is not a reliable indicator of future returns.

# Case Study: Greencoat UK Wind, value generation from UK wind assets

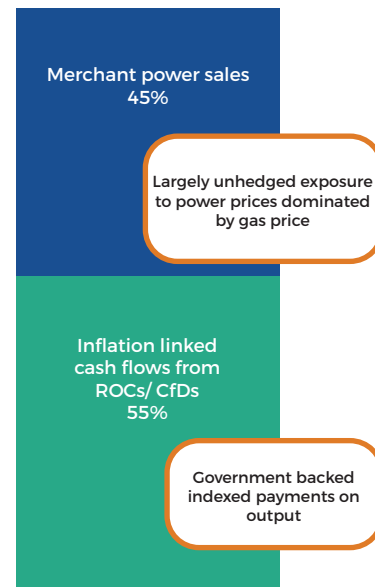
Balance sheet (December 2022)  
Gross assets £5.65bn...



... produced revenue of £982m  
which is absorbed as follows:



Long term portfolio  
expected revenue split



**Combination of index linked revenues,  
exposure to bouyant power markets, low (fixed) cost of debt**

Source: Greencoat UK Wind, 2022 annual report.

In certain market conditions, companies may reduce or even suspend paying dividends until conditions improve. This will impact the level of income distributed by the fund.

# Premier Miton renewable energy investment credentials

- **Extensive years of combined experience in infrastructure and renewable energy investment**
  - Excellent performance record, 11.1% p.a. since running trust from 2012, 15.0% p.a. 3 years to April 2023<sup>1</sup>
- **Team has significant renewables investment experience**
  - Knowledge and experience of passive and direct renewable investment
  - Experience of investing in renewables globally including both developed and emerging markets
- **Dedicated sustainable investing resource**
  - ESG investment resource available to investment team
- **Several years of renewables experience within PGIT/PMGR**
  - Renewable Energy was the Trust's largest sector exposure in each of 2017, 2018 and 2019 at approximately 30% of the portfolio. PMGR has dedicated renewables policy from 9 October 2020.
- **Following Premier / Miton merger, team can call on wider multi-disciplinary investment experience**

<sup>1</sup>Source: Morningstar, as at 28.04.2023, net income reinvested, bid to bid basis. ©2023 Morningstar. All Rights Reserved.  
**Past performance is not a reliable indicator of future returns.**

# Investment summary

**PMGR offers a unique exposure to global renewable energy companies**

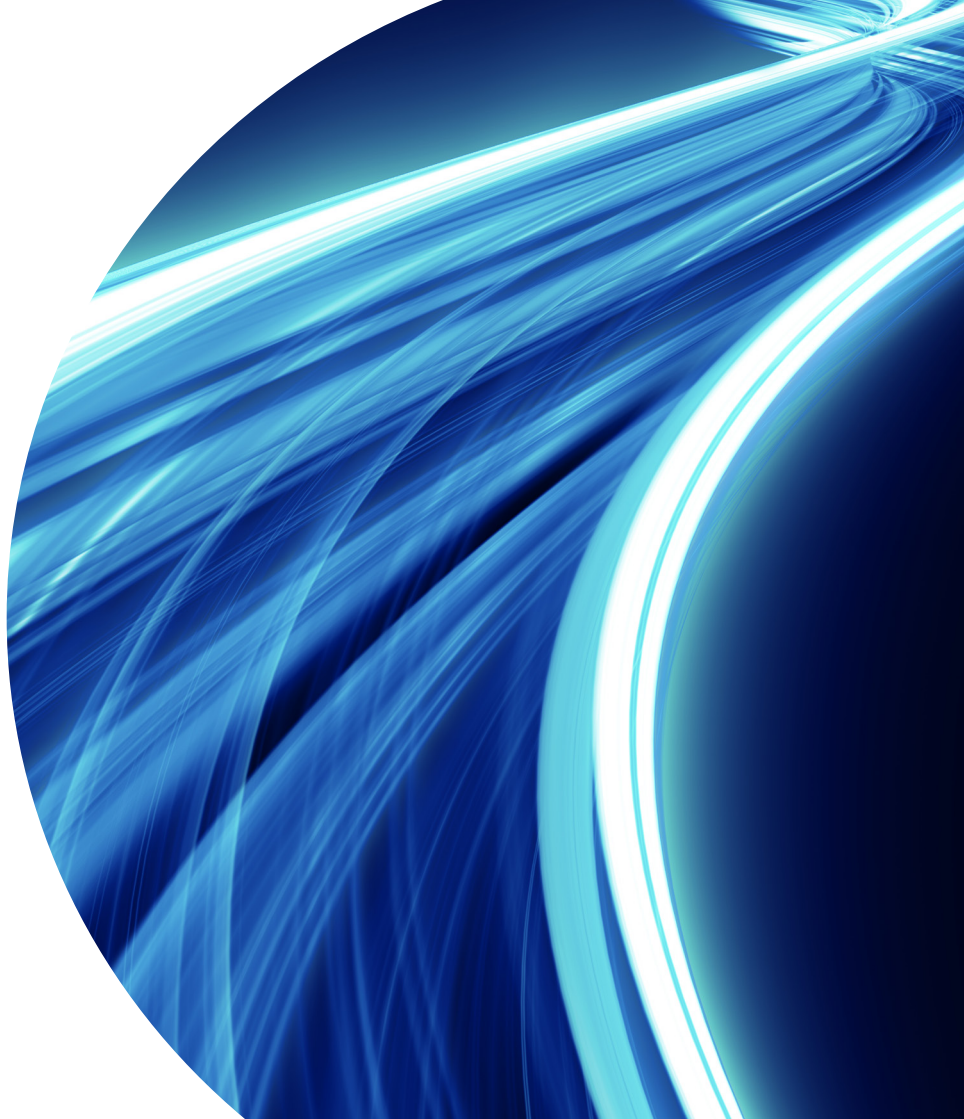
- Focussed on asset operators with established technologies
- Portfolio offers a balanced combination of value, yield and growth

**A diversified way to invest in global renewable energy**



## List of appendices

1. Company information
2. Company history
3. Balance sheet



# Key facts

Ordinary shares	Number: 18,238,480 Bloomberg: PMGR LN SEDOL: 3353790GB
ZDP shares	Number: 14,217,339 Bloomberg: PMGZ LN SEDOL: BNG43G3GB Redemption: 127.6111p on 28 November 2025
Management fees	0.75% per annum. Split 40% revenue, 60% capital, 1.70% OCF <sup>1</sup>
Year end	December
Dividend payments	At the end of March, June, September and December
Directors	Gillian Nott (Chairman), Victoria Muir, Melville Trimble
Auditor	KPMG
Stockbroker	finnCap

<sup>1</sup>OCF correct as at 31.12.2022. The ongoing charges figure (OCF) is not the same as the ongoing costs figure set out in the Company's key information document. The key differences are that gearing costs and portfolio transaction costs are not included in the OCF. In addition costs are calculated on slightly different bases. The OCF figure set out above mirrors that in the Report and Accounts and is based on costs incurred in the year which are likely to recur in the foreseeable future. The ongoing costs figures in the key information document provide investors with the impact costs have had on returns averaged over the five year recommended holding period.

# Significant events during James Smith management tenure

<b>May 2012</b>	James Smith appointed manager of Premier Energy & Water Trust ("PEWT")
<b>August 2014</b>	Fixed wind up date of December 2015 replaced with unlimited life and 5 year continuation votes, the first in 2020
<b>December 2015</b>	ZDP rollover - PEWT repays £25.7m of 2015 ZDP shares, new 2020 ZDP launched with value of £24.1m
<b>November 2017</b>	Name change to Premier Global Infrastructure Trust plc
<b>2018-2020</b>	Renewable Energy increasing weighting in portfolio
<b>9 October 2020</b>	Shareholders approve update to investment policy to focus on renewable energy
<b>November 2020</b>	Name change to Premier Miton Global Renewables Trust PLC ("PMGR")
<b>November 2020</b>	ZDP rollover - PMGR repays £16.0m of 2020 ZDP shares, new 2025 ZDP launched with value of £14.2m
<b>December 2020</b>	Completion of portfolio transition to renewable energy completed, save for 1 liquidation holding

# Strong performance plus ZDP re-financing has resulted in a reduction in gearing and structural risk over the past three years

	December 2018	December 2019	December 2020	December 2021	December 2022
Gross assets	£48.0m	£55.2m	£45.7m	£53.4m	£48.3m
ZDP liability	(£27.7m)	(£29.0m)	(£14.3m)	(£15.0m)	(£15.7m)
Equity shareholders' funds	£20.4m	£26.2m	£31.4m	£38.4m	£32.5m
Gearing <sup>1</sup>	135.8%	110.7%	45.5%	39.0%	48.4%
ZDP share cover <sup>2</sup>	1.49x	1.76x	2.32x	2.74x	2.51x

- ✓ Gearing has fallen substantially
- ✓ Shareholders' Funds have increased
- ✓ Ordinary Shares now comprise the majority, rather than the minority, of total capital

Source: Premier Miton Global Renewables Trust PLC annual report and accounts 31 December 2022. <sup>1</sup>Gearing = ZDP Shares / Equity Shareholders' Funds. <sup>2</sup>Non-cumulative cover = Gross assets at year end dividend by final repayment of ZDPs plus management charges to capital. The figures above have been rounded.

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A free, English language copy of the trust's full Prospectus, the Key Information Document and Pre-investment Disclosure Document are available on the Premier Miton website, or copies can be requested by calling 0333 456 4560 or emailing [contactus@premiermiton.com](mailto:contactus@premiermiton.com).

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