

IST3 INFRASTRUKTUR GLOBAL

IST Portfolio

Portfolio Manager IST Investmentstiftung

IST3 INFRASTRUKTUR GLOBAL („IST3 IG“) is an actively managed investment group that invests in infrastructure assets directly and indirectly through direct assets, indirect single assets or diversified funds (primaries and secondaries) across OECD countries. IST3 IG is structured as an open-ended fund with no fixed duration, aligning its investment horizon with the economic life of its assets. The primary objective is to gain exposure to stable and predictable cash flows. Consequently, IST3 IG invests primarily into core private infrastructure brownfield assets with limited correlation to economic cycles across the following sectors: energy transmission/distribution/storage, energy generation, communication, transportation, social infrastructure and water and waste water.

Sectors

Energy transmission/distribution/storage	28.5
Energy generation	23.3
Communication	19.5
Transportation	10.2
Social infrastructure	8.5
Water and waste water	7.9
Liquidity	2.1



Applied ESG Approaches

Exclusion



Yes. IST exclusion list and process is applied:

Composition of IST exclusion list			
SVVK-ASIR	THEMATIC / SECTOR EXCLUSION	COUNTRY EXCLUSIONS	ENGAGEMENT / VIOLATIONS OF NORMS
<ul style="list-style-type: none"> – Nuclear weapons – Cluster munitions and anti-personnel mines 	<ul style="list-style-type: none"> – Coal mining and power generation (turnover > 25%) 	<ul style="list-style-type: none"> – UN Security Council Arms Embargo – OFAC – Swiss sanctions 	<ul style="list-style-type: none"> – Exclusion of non-cooperative companies – Violation of internationally acceptable standards

In addition, investments into nuclear power facilities, prisons, and military are excluded.

Proxy Voting



Partially. Voting rights are exercised in direct investments (where applicable).

Engagement



Partially. As shareholder or member of Board of Directors of investee companies IST3 IG is addressing ESG subjects actively.

ESG Integration



Yes. IST3 IG engages with specialist consultants throughout its due diligence and underwriting process to assess ESG related risks and opportunities. The due diligence typically includes work streams on health, safety, and environmental matters.

Best-in-Class

Not applicable

Thematic/Impact Investing



Partially. Although IST3 IG does not follow thematic/impact strategy, a substantial part of the assets is invested into ESG related themes (e.g. renewable energy, social housing etc.).

Source:
<https://www.istfunds.ch/en/nachhaltigkeit/>

Portfolio manager: IST Investmentstiftung

Facts & figures

Assets under management	CHF 10 bn
Whereof IST3 IG	CHF 0.9 bn (net)
Number of inv. profess.	23
Whereof IST3 IG	10
Whereof dedicated to ESG	2
Signatory to UNPRI	External managers are signatories
UNPRI rating	Not applicable
Memberships (selection only):	
<ul style="list-style-type: none"> • ASIP • KGAST 	<ul style="list-style-type: none"> • Swiss Sustainable Finance (SSF)

Commitment to selected UN SDGs



Consultant/ Partnerships

- zRating/Inrate for proxy voting
- Sustainalytics for Engagement

Carbon Strategy

Carbon footprint is being measured since 2019.

Voting Activity

Yes, report on exercise of voting rights is available.

<https://www.istfunds.ch/en/nachhaltigkeit/>

Engagement

Yes, Engagement report for 2022 is available.

https://www.istfunds.ch/media/5539/ist_d_engagementbericht-2022.pdf

Source: IST; as of 30.06.2023

Investment Approach and Sustainability

IST3 Infrastruktur Global ("IST3 IG") is an evergreen fund and pursues a long term buy-and-hold strategy for its infrastructure investments. In particular, infrastructure assets have the potential to make a positive ESG impact, not only due to their systemic nature, but also through the provision of crucial environmental and socio-economic services and functions. Thus, as an actively managed investment group with a long-term horizon, having a portfolio in line with relevant principles for responsible investments is of high importance. As an active promoter of responsible investing, IST3 IG believes that complying with certain ESG considerations in its investment and asset/portfolio management activities is essential to create value for its investors and to develop a sustainable long-term strategy for its assets.

IST3 IG's ESG policy strives at contributing to a tailored sub-group of UN SDGs, which serve as a toolkit to inform the activities of the investment and asset/portfolio management team. As such, fostering of energy efficiency, use of sustainable energy sources, promotion of education and science, ensuring health and safety, and the promotion of responsible business ethics are (among others) part of the UN SDG sub-group.

IST publishes its own sustainability report on an annual basis.

https://istfunds.ch/media/5671/web_1_34_ist_d_nachhaltigkeitsbericht-2022.pdf

Next steps and further developments

IST timely implements new regulatory requirements respectively industry standards and continuously enhances its ESG reporting - on a corporate but also on a product level.