

First Sentier Investors' Global Diversified Infrastructure Fund signs cash advance facility including new Green Tranche Credit Facility

The A\$750 million facility includes a CBI-certified green tranche that allows part or all of the capacity to be deployed for infrastructure projects and assets that support the transition to a more sustainable economy

Wednesday, 1 December 2021: First Sentier Investors' Global Diversified Infrastructure Fund (GDIF) has structured an A\$750 million cash advance facility that includes a new Green Tranche Credit Facility.

The cash advance facility allows GDIF to fund traditional investments, while the green tranche will activate exclusively to fund projects and assets necessary for the transition to a low carbon and climate resilient economy. The facility provides bridge funding, pending drawdown from the fund's institutional investors.

First Sentier Investors' Unlisted Infrastructure team is a leading global infrastructure manager with A\$17 billion invested in assets¹. GDIF invests in unlisted infrastructure businesses in countries which are members of the Organisation for Economic Co-operation and Development and has already invested in several green assets, as certified by the Climate Bonds Initiative (CBI). The Unlisted Infrastructure team publicly supports the goals of the Paris Agreement and has published its target for net-zero greenhouse gas emissions in its funds by 2050 – all supported by their practical, here-and-now program 'Climate Action 1, 2, 3!'. The team has long held sustainability as a core part of its investment selection process, asset management function, and reporting.

The fund's newly established Green Financing Framework articulates how proceeds from the green tranche will be used and managed, and is in line with Asia Pacific Loan Market Association (APLMA)'s Green Loan Principles. Eligible asset categories are defined in the framework under CBI standards and EU Taxonomy, and include renewable energy, energy efficiency, waste management, clean transportation and sustainable water management.

Danny Latham, Partner and Co-head of Australia and New Zealand, Unlisted Infrastructure Investments at First Sentier Investors, said: "We have been investing on a long term sustainable basis through an ESG lens well before it was fashionable and this Green Tranche Credit Facility and our new Green Financing Framework further strengthen our efforts. A meaningful approach to ESG has long been integrated as a key part of our investment philosophy, and this green financing reinforces that pillar in our investment process. The investment opportunities that arise from the great transition are massive, particularly in this 'decade of action'. This Green Tranche Credit Facility aligns with that view, and the flexibility afforded within the overall cash facility allows us to pursue the full breadth of our investment strategy."

The GDIF facility was supported by Commonwealth Bank, which acted as Green Coordinator and Joint Lead Arranger on the transaction, and ANZ, NAB and Westpac as Joint Lead Arrangers.

"Commonwealth Bank is delighted to co-create this innovative sustainable finance solution with GDIF – the first multilateral green-labelled funds financing deal in Australia. The combination of the Green use-of-proceeds overlay and the functional flexibility required to support fund financing needs in one product is an important advance that expands the opportunities for financial firms seeking to participate in the sustainable finance market," said Christopher Scougall, Managing Director, Intelligent Finance at Commonwealth Bank.

Traditionally, the proceeds from green-labelled loans and bonds are used to fund assets and projects that drive improved environmental outcomes. GDIF's innovative structure enables the flexibility of a standard cash advance facility for funding traditional assets and an on-demand green tranche for funding green assets and projects as defined by GDIF's Green Financing Framework and certified by CBI.

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About First Sentier Investors

First Sentier Investors manages A\$247 billion in assets (as at 30 September 2021) on behalf of institutional investors, pension funds, wholesale distributors, investment platforms, financial advisers and their clients worldwide.

The firm operates as a standalone global investment management business with offices across Europe, the Americas, and Asia Pacific. First Sentier Investors' expertise spans a range of asset classes and specialist investment sectors focused on delivering sustainable investment success based on responsible investment principles.

Formerly Colonial First State Global Asset Management, the firm was acquired from the Commonwealth Bank of Australia in August 2019 by Mitsubishi UFJ Trust and Banking Corporation, a wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Inc.

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