

Institutional Investor Engagement - 1: Approach

Institutional Investors are open to investments which:

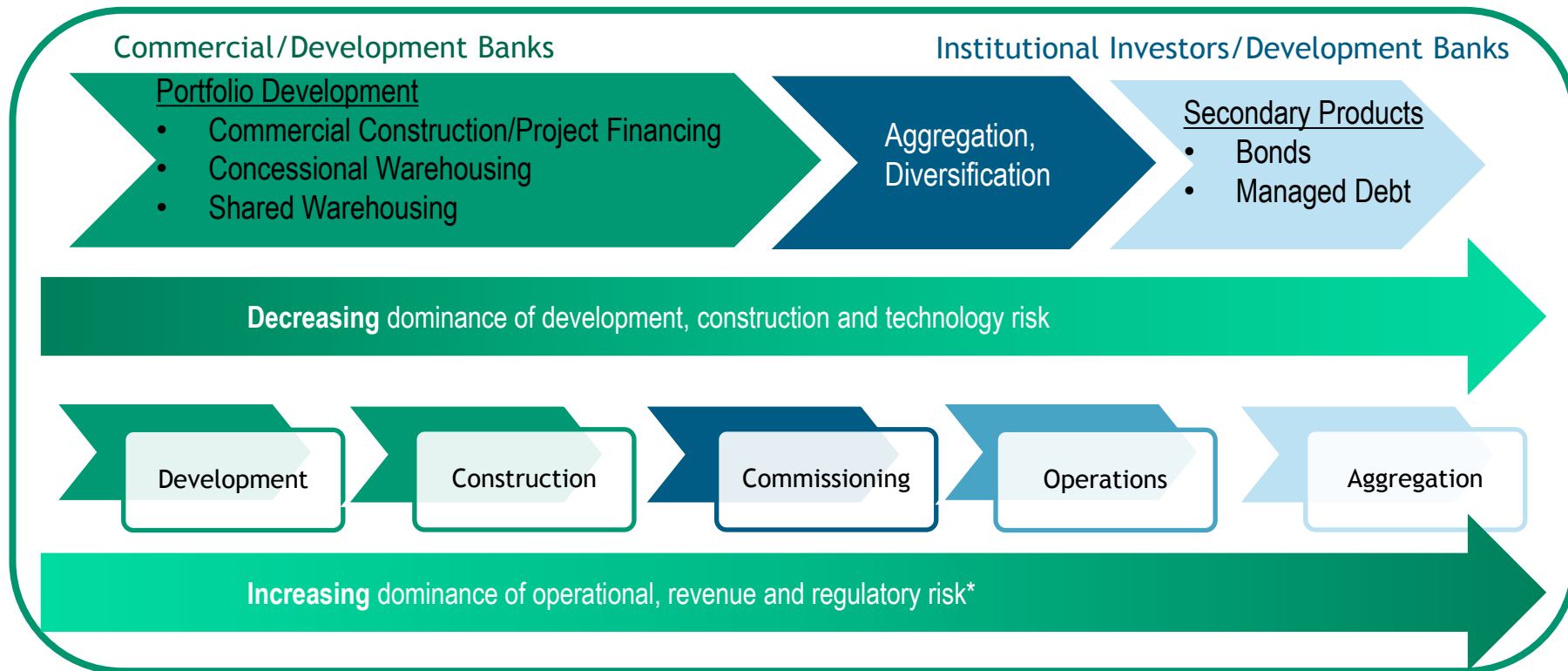
- can articulate clearly defined asset class characteristics
- are suitably structured investment products for initial engagements with well diversified portfolios
- are led by credible managers with sufficient track records in Climate-Smart investing
- are of sufficient scale to interest larger investors

Approach to products should be based on matching investor appetite and proving success

- Matching investors' motivations, allocations, segmenting investors using
 - Type of investor
 - Investor-specific drivers and constraints
 - Investor development cycle for new sectors and products
 - Relevant investor allocations
 - Market dynamics affecting institutional portfolios and sub-portfolios
 - Competing products
- Design of portfolios of sector projects in emerging markets with well-defined robust and replicable characteristics

Institutional Investor Engagement - 2: Secondary Strategy Outline

- Target Institutional Investors seek diversified, stable predictable yield.
- Secondary products take the form of either acquiring portfolios of debt positions in operational projects or refinancing an existing portfolio into a vehicle. Appropriate portfolios do not exist yet for climate smart projects.
- While bundling is usually retrospective, it is proposed to create a warehouse structure to build a demonstration portfolio.
- Nature of the secondary vehicle will depend on the underlying portfolio and the degree to which active management is necessary to achieve investor-appropriate returns.



* Risk products for these issues are also in early consideration