



# Invest in Australia's clean energy transition

with the Australian Ethical  
Infrastructure Debt Fund

# Australia's clean energy transition

An investment opportunity aligning with the nation's renewable energy goals

82%

The Australian Government aims for renewable energy to drive 82% of the country's total electricity generation by 2030, a significant jump from the 39% recorded in 2023.<sup>1</sup>



\$80bn

This ambitious target requires a substantial investment of capital to facilitate the transition - estimated at \$80 billion this decade.<sup>2</sup>



50-70%

Debt financing is projected to play a pivotal role in funding this transition, and is expected to provide between 50% and 70% of the required capital expenditure in this period.

Non-bank lenders are set to emerge as key players in driving forward renewable energy projects and will be critical in addressing financing gaps, especially in complex projects and areas underserved by traditional bank finance.



The spectrum of projects involved in Australia's energy transition are diverse, and include wind and solar farms, solar battery storage and property developments linked with energy programs.



The outcomes of international climate conferences such as COP28, combined with the introduction of new Australian Government schemes, serve to reinforce the momentum behind renewable energy infrastructure financing, providing additional impetus and support for investors and stakeholders involved in the transition.

1. Annual Climate Change Statement 2023; Australian Government Department of Climate Change, Energy, the Environment and Water  
2. The Plan to Deliver Net Zero – The Australian Way; Commonwealth of Australia, Department of the Prime Minister and Cabinet



# What is infrastructure debt?

Infrastructure debt for renewable energy projects specifically focuses on financing individual projects dedicated to constructing and operating renewable energy infrastructure, such as solar, wind, hydro, or geothermal power generation.

This form of debt can be issued by private corporations or specialised entities created for specific projects. The income generated by the project directly services the debt.

## Key features

Long-term investment timeframes, with infrastructure projects typically having lengthy construction periods and operational lifespans.

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Senior debt has first priority over project cash flows, offering investors stable and predictable defensive income ahead of equity financiers.

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Debt is secured by physical assets and/or contracts over the project.

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Investments can span various sectors and have a low correlation with traditional asset classes, making them attractive for portfolio diversification purposes.

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Offers investors a material illiquidity premium by investing in less liquid parts of the credit market.

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Some infrastructure projects enjoy government support, either through direct financing, regulatory frameworks or subsidies, contributing to lower levels of credit risk.



# Australian Ethical Infrastructure Debt Fund

Financing the future of renewable energy projects, the Australian Ethical Infrastructure Debt Fund (the 'Fund') offers wholesale investors the opportunity to drive positive environmental and social outcomes, while embracing the benefits of investing in Australia's clean energy transition.

The Fund offers a dual-purpose of aiming to provide robust, risk-adjusted returns to investors while contributing to Australia's renewable energy ambitions.

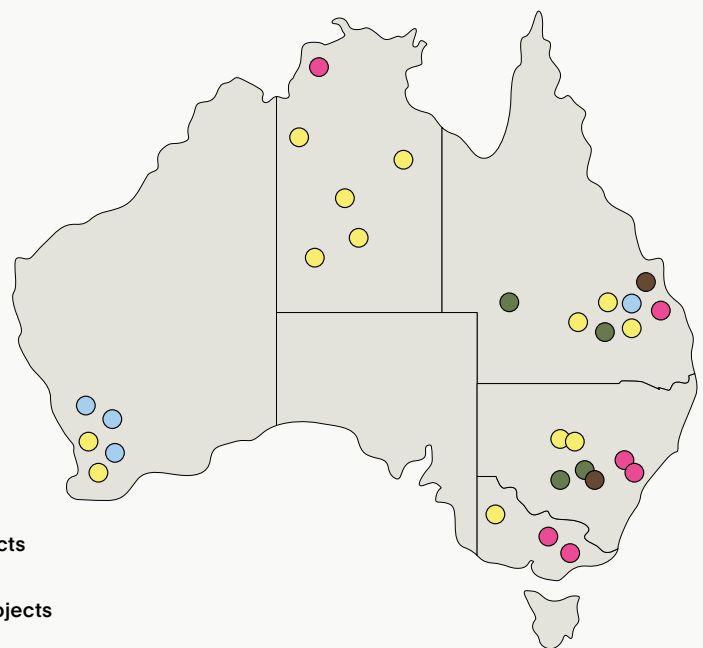
## Where the Fund invests

The Fund primarily invests in infrastructure debt, which involves lending funds to finance projects dedicated to developing, constructing, and operating renewable energy infrastructure, as well as facilities supporting societal or economic functions.

## At a glance

An infrastructure debt fund providing defensive income from private loans to projects that support Australia's clean energy transition.

Income is derived from a diversified pool of predominantly senior secured loans to renewable energy infrastructure projects, social infrastructure and property projects, with loans secured by physical assets and/or contracts.



### Renewable energy

Solar and wind farms & battery energy storage systems



### Social infrastructure

Schools, hospitals, public transport, research facilities & recycling facilities

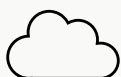


### Property projects

Social housing & financing of leasehold renewable assets



## Why invest?



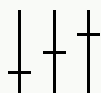
### Invest in Australia's transition to 'net zero'

Finance projects that support Australia's national renewable energy generation goal of 82% by 2030.<sup>3</sup>



### Attractive risk-adjusted return potential

Stable cash flows and the long-term nature of the Fund's investments offers attractive risk-adjusted return potential, without interest rate risk.



### Diversification

Infrastructure debt is often less-correlated with traditional fixed income securities like government bonds and corporate credit, and can help investors diversify their portfolios and manage overall portfolio risk.



### Transparency and reporting

Direct visibility of underlying projects funded by your capital and the environmental and social benefits achieved.

## About the Fund

### Fund structure

Open-ended, unlisted Australian Managed Investment Scheme

### Eligible investors

Australian Wholesale Clients (as defined in section 761G and 761GA of the Corporations Act 2001 (Cth)) can invest where they have received the Information Memorandum in Australia.

### Investment strategy

To provide exposure to a diversified range of predominantly senior secured loans to renewable energy projects (such as solar, wind, and battery assets), as well as loans for social infrastructure (such as schools and hospitals) and property projects (such as social housing). These loans are typically privately originated and illiquid in nature.

### Objective

The Fund aims to deliver returns of 2-3% above the RBA cash rate per annum (after fees and expenses) over 5-year periods.<sup>4</sup>

### Asset class

Alternatives

### Management fees & costs

0.85% pa

### Risk level

Medium

### Recommended minimum investment timeframe

5 years

### Minimum initial investment

\$100,000

### Benchmark

RBA Cash Rate Target

### Distributions

Quarterly – March, June, September, December

3. [Annual Climate Change Statement 2023](#); Australian Government Department of Climate Change, Energy, the Environment and Water

4. This is not a forecast. Returns are subject to a number of factors outside of the Fund's control and will vary from time to time.

Past performance is not a reliable indicator of future performance.

# A partnership

between Australia's  
pioneering ethical investor  
and a key financier of  
renewable initiatives

Australian Ethical has appointed Infradebt Pty Ltd ('Infradebt') as a specialist investment manager for the Australian infrastructure debt assets of the Fund.

Infradebt is a specialist boutique fund manager focused on originating, structuring and managing private debt investments for infrastructure projects in Australia. Renowned as a key financier of renewable initiatives, the company has supported more than 50 projects nationwide.

Australian Ethical is the Trustee and Investment Manager of the Fund and is responsible for the investment strategy and ongoing investment monitoring.



Australian  
Ethical



## Projects

Projects financed by the Fund as at March 2024 include:

### Yarranlea Solar Farm

**Sector:**  
Renewable energy

**Project type:**  
Utility-scale solar

**Contribution:**  
Carbon-free energy  
generation

**Investment:**  
Senior loan

**Project lifecycle phase:**  
Commissioning

The Yarranlea Solar Farm is a 103MWac/134MWdc Single-Axis tracking PV project located in Yarranlea QLD, approximately 100km west of Brisbane, and is adjacent to the Brigalow Solar Farm.

The solar farm will have an expected yield of 273 GWh per annum and will displace approximately 215,000 tonnes of CO2 emissions per annum.





# Bouldercombe Battery Energy Storage Project

**Sector:**  
Energy storage

**Project type:**  
Battery Energy Storage System

**Contribution:**  
Facilitates additional variable renewables, energy trading and grid services

**Investment:**  
Senior loan and Letter of credit facility

**Project lifecycle phase:**  
Commissioning

The Bouldercombe Battery Energy Storage Project (BESS) is a standalone two-hour 50MW/100MWh battery project being developed by Genex Power Limited (Genex).

Genex is an ASX-listed company focused on developing a portfolio of renewable energy generation and storage projects in Australia.

The project will be the first Australian BESS to feature the Tesla Megapack 2. We expect battery projects, such as Bouldercome to benefit from increasing penetration of renewables in the grid and the shutdown of coal fired power stations.

## Battery Bright Energy Investments Portfolio

**Sector:**  
Renewable energy

**Project type:**  
Utility-scale wind & solar

**Contribution:**  
Carbon-free energy generation

**Investment:**  
Senior loan

**Project lifecycle phase:**  
Operating

Bright Energy Investments (BEI) is a portfolio of contracted wind and solar farms in Western Australia. BEI was established in 2018 and owns and develops wind and solar farms in the South West Interconnected System (SWIS) - the main electricity grid in Western Australia.

The portfolio comprises the 40MW Greenough River Solar Farm, the 35MW Albany & Grasmere Wind Farms and the 183 MW Warradarge Wind Farm.

All projects are in the operating phase and revenue is 100% contracted to 2034.



# Join us in investing in Australia's green future

Learn more about the Australian Ethical Infrastructure Debt Fund and download a copy of the Information Memorandum at [australianethical.com.au/infrastructuredebtfund](https://australianethical.com.au/infrastructuredebtfund)

Or get in touch with our team to learn more about investing in the future of energy in Australia.



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#### For Wholesale Clients/Investors only

© March 2024 This information has been prepared by Australian Ethical Investment Limited (ABN 47 003 188 930, AFSL 229949) (Australian Ethical, we, our, us, Trustee) in its capacity as Trustee for the Australian Ethical Infrastructure Debt Fund ABN (78 283 158 021) (Fund) in relation to Class W units in the Fund. Under the Fund's constitution, we are able to issue different classes of units and determine the rights which attach to each class of units.

Australian Ethical has appointed Infradebt Pty Ltd (ABN 54 162 814 495, AFSL 438 986) (Infradebt) as a Specialist Investment Manager for Australian infrastructure debt assets for the Fund.

The information contained within this document is for use only by Wholesale Clients as defined in section 761G and 761GA of the Corporations Act 2001 (Cth). It provides general information only and does not take account of your individual investment objectives, financial situation or needs. The information is provided in summary form and may be subject to qualifications. Before acting on the information, visit [australianethical.com.au](https://australianethical.com.au) for our Financial Services Guide (FSG) and Information Memorandum ('IM') to consider its appropriateness to your circumstances.

Investors may request a paper copy of the IM at any time, free of charge. The Trustee and its employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. An investor's investment does not represent deposits or other liabilities of Australian Ethical.

The IM contains important information but does not consider your investment objectives, financial situation or particular needs and does not purport to contain all the information that you may require in evaluating a possible investment in the Fund. Before making any decision based upon information contained in the IM, you should read it carefully in its entirety and consider consulting with a financial adviser or tax adviser. An investment in the Fund should be considered in the context of the risks outlined in this IM.