Fullerton Carbon Action Fund

May 2024

FULLERTON FUND MANAGEMENT

Emerging Asia's decarbonsation sector is a huge and fast-growing opportunity

52%
of global carbon emissions are attributed to Asia[1]

$37 trillion
required for Asia's green transition[3]

5 out of 10
largest CO2 emitting countries reside in Asia[2]

$4-5 trillion
Addressable market size by 2030[4]

Investing in profitable companies at the forefront of Emerging Asia's decarbonisation

Accelerate decarbonisation	Emerging Asia focus	Growth Private Equity approach	Robust sustainability framework
Investing in **green beneficiaries** and **green enablers**	Fast growing region having to **adapt to climate-related regulatory changes**	Driving **financial and decarbonisation** return. Underwriting **25% IRR, 2.5x** MOIC across the portfolio	**SFDR Article 8** Fund. Appointed the **UNDP** to advise on our Sustainability Framework[5]

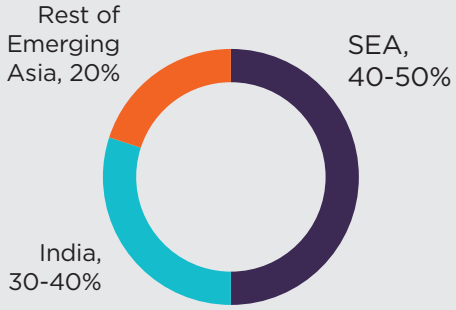
We invest in companies that have:

- Profitable operating history
- Strong, stable cashflows
- Clear market leadership
- Strong, aligned management
- Clear decarbonisation thesis

Sector focus

- Energy
- Agriculture
- Transportation
- Manufacturing & Industrials

Geographical allocation*

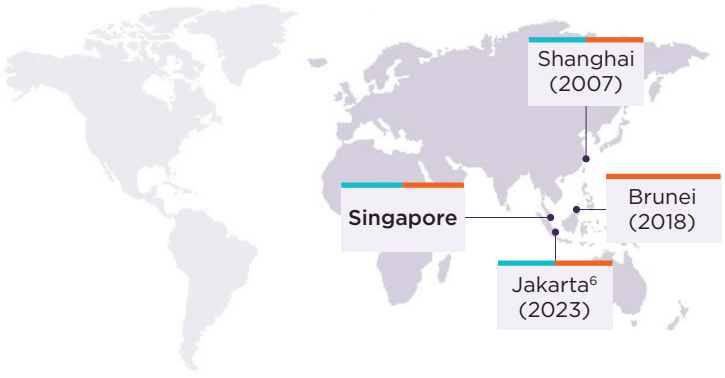


* Indicative. Subject to change

We work with portfolio companies to drive value

- Build scale, improve margins
- Business development, cross-border expansion
- Enhance management
- M&A, capital raising
- Raising ESG data disclosure standards
- Drive commercial decarbonisation initiatives

Fullerton's heritage as a sovereign-linked institution provides competitive advantages



~$41bn AUM
managing capital on behalf of institutions globally[7]

21 Years
of investment excellence with expertise across asset classes[7]

Our shareholders

SEVIORA HOLDINGS · TEMASEK · income

1. We count the **backbone corporations** of Singapore as part of our network, many of which are key drivers of sustainability
2. We **harness our network and knowledge in global sustainability agenda** to help portfolio companies grow
3. Status as a sovereign-linked institution **instills reputation and credibility** in our portfolio companies
4. **Experienced investment team** with over 20 years of private equity industry experience to drive value creation
5. Active in think-tanks led by **UNDP** and other industry partners to drive more capital towards sustainability agendas

Key terms[8]

Fund Name	Fullerton Carbon Action Fund
Investment objective	Support the Carbon Net Zero Agenda by investing in companies that are at the forefront of decarbonisation
SFDR classification	Article 8
Geographical and sector focus	Developing Asia (Southeast Asia, India, Rest of Emerging Asia) focused on Energy[9], Manufacturing, Construction & Industrials, Agriculture and Transportation. Single country exposure of up to 40%
Portfolio composition	10-15 investments into significant minority stakes in each company
Average size of investments	US$20-75m per investment
Term	5 years investment period, 5 years divestment period (with 2 one-year extensions)
Target size	US$500m target in total commitments
Fund manager	Fullerton Fund Management Company
Investment advisor	CICC Capital
Gross target return[10]	25% IRR, 2.5x MOIC
Management fee and carry	2% / 20% carry over 8% IRR preferred return
GP commitment	1%, with Fullerton and investment team committing US$3m upfront

Notes

1. Source: BP Statistical Review of World Energy, 2022.
2. Source: McKinsey, "Asia's net zero transition opportunity and risk amid climate action", 2022.
3. Source: Asia Investor Group on Climate Change (AIGCC), in USD term.
4. Source: McKinsey, "Green Growth: Capturing Asia's $5 trillion green business opportunity", 2022, in USD term.
5. UNDP does not endorse any entity, brand, product or service
6. Joint venture between Fullerton Fund Management Company Ltd and PT Stockbit Investa Bersama
7. Source: Fullerton, Data as at end March 2024.
8. Terms subject to changes
9. Including electricity, heat, renewables
10. Target return does not represent and should not be constructed as a guarantee, promise or assurance of a specific return on the portfolio

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