


**Kayne Anderson**
*Capital Advisors, L.P.*

## Kayne Anderson Renewable Infrastructure Fund

Portfolio managers J.C. Frey, Justin Campeau, and Jody Meraz provide insight into the rapidly growing renewable energy infrastructure industry and the management of the Kayne Anderson Renewable Infrastructure Fund.

Institutional Class | **KARIX**

Retail Class | **KARRX**

### Portfolio Management Team



John C. (“J.C.”) Frey, Justin Campeau, and Jody Meraz are the portfolio managers responsible for the management of the Fund. They have 20, 14, and 19 years of experience, respectively, in the energy industry with specific expertise in renewable energy infrastructure.

### Kayne Anderson Capital Advisors Leading the Way in Alternative Niche Investing, including Renewable Strategies, Since 1984

Kayne Anderson has been a leader in energy infrastructure investing since 1998, and investing in renewable energy infrastructure since 2013.

Founded in 1984, Kayne Anderson is a leading alternative investment management firm focused on infrastructure, real estate, credit, and private equity. Kayne’s investment philosophy is to pursue niches, with an emphasis on cash flow, where our knowledge and sourcing advantages enable us to seek to deliver above average, risk-adjusted investment returns.

[kaynefunds.com/karix](http://kaynefunds.com/karix)

### 1. What makes the case for renewable energy infrastructure investing so compelling at this time?

There has been a remarkable sea change in the global energy industry. Not only has the worldwide focus on climate change and sustainability provided a catalyst for renewable energy, but the cost argument for renewable power has also become much more compelling. For wind and solar power, in particular, the costs of development, production, and distribution have plummeted over the last decade:

- Solar production costs have decreased 90% and wind production costs 70%.\*
- In many cases, it is now less expensive to produce solar and wind energy than fossil fuel generated energy.
- New technologies continue to improve renewable energy efficiency and yield.

As a result, renewable energy is steadily becoming “The Energy Business.” Approximately 75% of global new power capacity is invested in renewables.\*\* There are now more wind and solar energy production facilities worldwide than conventional power generation facilities.

### 2. How do you see the Kayne Anderson Renewable Infrastructure Fund fitting into an overall portfolio allocation?

The Kayne Anderson Renewable Infrastructure Fund offers the opportunity to participate in the growth of renewable energy via a diversified portfolio of high-quality, renewable infrastructure companies that represent “best in class” innovators and market leaders. The Fund has the potential to meet a number of investment needs, including providing investors with:

- **Long-term capital appreciation** - from faster-growing small- and mid-cap companies complemented by steady growth from larger market leaders.
- **Comprehensive diversification** - the Fund is diversified across market capitalizations, subsectors, and geographies and offers a lower correlated solution.
- **Participation in ESG and decarbonization** - and the transition to a lower carbon economy for socially responsible and ESG-oriented (environmental, social, and corporate governance) investors seeking to invest for both performance and mission.

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# Kayne Anderson Renewable Infrastructure Fund

## **3. The Fund invests at least 80% of its net assets in renewable infrastructure companies involved in renewable energy production, storage, and transmission. How do you select companies for inclusion in the portfolio?**

Our investable universe contains over 100 renewable infrastructure companies with more than \$1 trillion in aggregate market capitalization from over 25 countries. We have closely watched the growth of this investable universe over the past decade and expect the opportunities to continue to grow. Globally over \$300 billion a year is spent annually on new renewable energy infrastructure.\*\*

Within this global investable universe, we seek renewable energy opportunities we believe are best positioned over the long-term to generate attractive yield and total return for our investors. As a result, the Fund invests in market-leading companies with visible long-term growth trajectories and undervalued companies with compelling long-term growth potential including:

- Companies with an attractive portfolio of existing renewable assets that generate stable cash flows from long-term contracts.
- Companies with a compelling combination of track record, competitive business model, and industry expertise.
- Larger companies that use scale to generate attractive returns and opportunities.

Some of the areas we are currently finding interesting include smaller renewable energy infrastructure companies that have benefited from a significant scale-up in their businesses. We are also finding opportunities with large-cap companies in undervalued mispriced subsectors, and utility companies transitioning to renewable energy. The Fund has a concentrated portfolio of equity holdings and currently consists of 36 renewable energy infrastructure companies as of December 31, 2020.

## **4. Kayne Anderson has a rich history of energy infrastructure investing and more recently renewable energy infrastructure investing. How has the firm been a pioneer in this space?**

We noted the long-term secular shift to renewable energy almost a decade ago and have built a business line to coincide with the growth in renewables. With a long legacy of investing in the fossil fuel space, we understood the game-changing seismic shift occurring and began investing in the renewable energy infrastructure arena in 2013. Since then, our team of investment professionals employs rigorous research to identify renewable energy infrastructure opportunities across the globe. We take a long-term business owner perspective on every opportunity we identify.

## **DISCLOSURES**

\*Source: Lazard Levelized Cost of Energy Analysis - Version 14.0 (October 2020)

\*\*Source: Bloomberg New Energy Finance

*The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus and summary prospectus contains this and other important information about the Fund, and may be obtained by calling 844-95-KAYNE or visiting [kaynefunds.com/karix](http://kaynefunds.com/karix). Read it carefully before investing.*

**Mutual fund investing involves risk. Principal loss is possible. An investment in the Fund could suffer loss. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. Because the Fund invests in Renewable Infrastructure Companies, the value of the Fund shares may be affected by events that adversely affect companies in that industry. The Fund has investments in non-U.S. issuers or U.S. issuers with significant non-U.S. operations, which may be subject to additional political, social, regulatory, and economic risks. As a result, the Fund may be exposed to risks that the exchange rate of the U.S. dollar relative to other currencies may change in a manner that could have an adverse effect on the gain and loss generated from the fund's investments denominated in currencies other than the U.S. dollar. Market risk is the potential for changes in the fair value of financial instruments from market changes, including fluctuations in market price. Market risk is directly affected by the volatility and liquidity in markets in which the related underlying assets are traded.**

**Cash flow** measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. Diversification does not assure a profit or protect against loss in a declining market.

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