Summary

Resonance British Wind Energy Income Limited ("The Fund") invests solely in UK onshore wind farms with capacities between 2 and 12 MW. It aims to create a portfolio of wind farms that generates income and is resilient to inflation.

The Fund promotes environmental and social characteristics, such as renewable energy generation and increased access to clean energy, but doesn't have sustainable investment as its primary objective. The Fund tracks sustainability indicators such as clean energy production and avoided emissions and uses accepted methodologies to calculate emissions.

Due diligence and engagement policies are in place to ensure alignment with environmental goals.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Fund invests solely in onshore wind farms in the UK. These investments can promote several environmental characteristics.

Environmental characteristics promoted by the Fund's investments include:

- Renewable energy generation: The Fund's investments generate electricity from renewable energy sources, which leads to the avoidance of greenhouse gas emissions, and helps to combat climate change.
- Access to energy: The Fund's investments help increase access to clean, renewable energy, improve energy security and reduce dependence on fossil fuels.

Investment strategy

The Fund's investment strategy took advantage of the highly fragmented industry of small and medium-sized operating onshore wind farms in the UK to create a portfolio of wind farms which constitute an ungeared income-generating portfolio of real assets with a degree of inflation resistance arising from the economics of wind energy in the UK.

The Fund is invested exclusively in operating wind farms in the United Kingdom with a peak generating capacity of between two and twelve MW.

Proportion of investments

The Fund is fully invested in onshore wind farms with a capacity between two and 12 MW.

Investments	#2 Not Sustainable

Monitoring of environmental or social characteristics

The Fund's key sustainability indicators include the following:

- The volume of clean energy produced annually in MWh.
- Avoided emissions.

The Fund will refine existing and develop additional sustainability indicators, as appropriate, to measure the attainment of the Environmental Characteristics of the Fund in the future.

An external service provider has been engaged to collect underlying data from the asset manager, the operator and maintenance ("O&M") contractors every quarter and process/report on this to the advisor.

Methodologies

Greenhouse gas emissions are calculated in line with the greenhouse gas protocol. The Scope 1, 2 and 3 emissions of the special purpose vehicles holding the assets.

Avoided greenhouse gas emissions are calculated in line with the International Financial Institutions ("IFI") Technical Working Group on Greenhouse Gas Accounting. This follows a displacement principle, where the wind turbines renewable energy would otherwise have been supplied by fossil-fuel-generated power to the local grid. The avoided emissions calculation utilises the IFI dataset on grid emissions.

Data sources and processing

Raw data from portfolio companies is collected to calculate the metrics. This can take many forms for greenhouse gas emissions but is often core financial data (e.g. invoices from utility providers).

For avoided greenhouse gas emissions, core financial data (e.g. off-taker invoices) is also applied to the IFI grid emissions data set.

Data quality is ensured by going direct to the source, and underlying evidence is obtained for the calculation inputs (e.g. invoices and other supporting information).

Data is processed through automated routines, and validation checks are performed.

Estimates are primarily used in the calculation of avoided greenhouse gas emissions. Data in the calculation of Scope 1, 2 and 3 emissions are actual to the extent possible, but Scope 3 emissions require some degree of estimation.

Limitations to methodologies and data

Estimations have inherent limitations to accuracy. However, these do not inhibit the attainment of the investment objective because the portfolio is measured consistently using generally accepted methodologies, so it is both internally and externally comparable.

Due diligence

The Fund applied a robust investment and due diligence process incorporating key risk management activities pre- and post-investment.

All potential transactions were screened and underwent due diligence in areas including the wind farm's electricity production history, mechanical problems, claims under warranty, legal disputes, power purchase agreements and land rental agreements. The Manager met the seller in person and inspected the site.

Engagement policies

The Fund is a controlling investor in the SPVs holding wind assets. There are no employees, and all operations are outsourced. Engagement is, therefore, not required with the SPVs.