

2022 ESG Trends: What Renewable Energy Investors Should Know





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Agenda

- 1 About Entrust & Self-Directed IRAs
- 2 Meet Energea
- 3 What's Trending in Renewable Energy
- 4 An Overview of Impact Investing & ESG
- 5 How to Identify a Truly Sustainable Investment
- 6 Q&A Time

Meet Your Host

Tony Unkel

Business Development Manager at The Entrust Group



4

Years in retirement industry administration



Educating investors and professionals
on tax-preferred retirement accounts

About Entrust



\$4B

Assets Under
Administration



45k

Investors
Empowered



40+

Years in
Business



1

Point of
Contact

About Entrust



- Self-Directed IRA administrators
- Knowledgeable staff with CISP designations
- Nationwide offices
- In-person events and virtual webinars
- National Continuing Education program for other credentials
- Bi-annual IRA Academy

What is a Self-Directed IRA?



A retirement account in which the individual investor is in charge of making all investment decisions



Greater opportunity for asset diversification outside of traditional stocks, bonds, and mutual funds



All securities and investments are held in a retirement account administered by a regulated custodian or trustee



PRESENTERS



Mike Silvestrini

Co-Founder, Managing Partner

- Former President, CEO and Co-Founder of Greenskies Renewable Energy, a leading U.S. C&I solar developer and asset manager.
- Sourced and managed over \$600M+ of project financing to support the development of over 420+ solar projects across three continents.
- Peace Corps volunteer in Mali, West Africa.
- National Merit Scholar and MA from Boston University



Tyler Hurlburt

Director of Investor Relations

- Former licensed Financial Advisor and Wealth Manager. Managed over \$500M in client assets in most recent role at TIAA.
- 20 years experience within the financial service industry.
- Extensive experience in portfolio management, risk mitigation, tax and estate planning.
- MBA with honors from Saint Joseph's University.



About Energea

Energea connects investors to premium renewable energy projects in order to accelerate renewable energy development in select global markets. Through our proprietary on-line investment platform Energea brings together both accredited and non-accredited investors to own clean energy projects earning long-term, carbon-free dividends.

Year In Review

2021 Retrospective



\$100,710,734

Assets Under Management



31

Projects



92 MW

Under Construction



12.74%

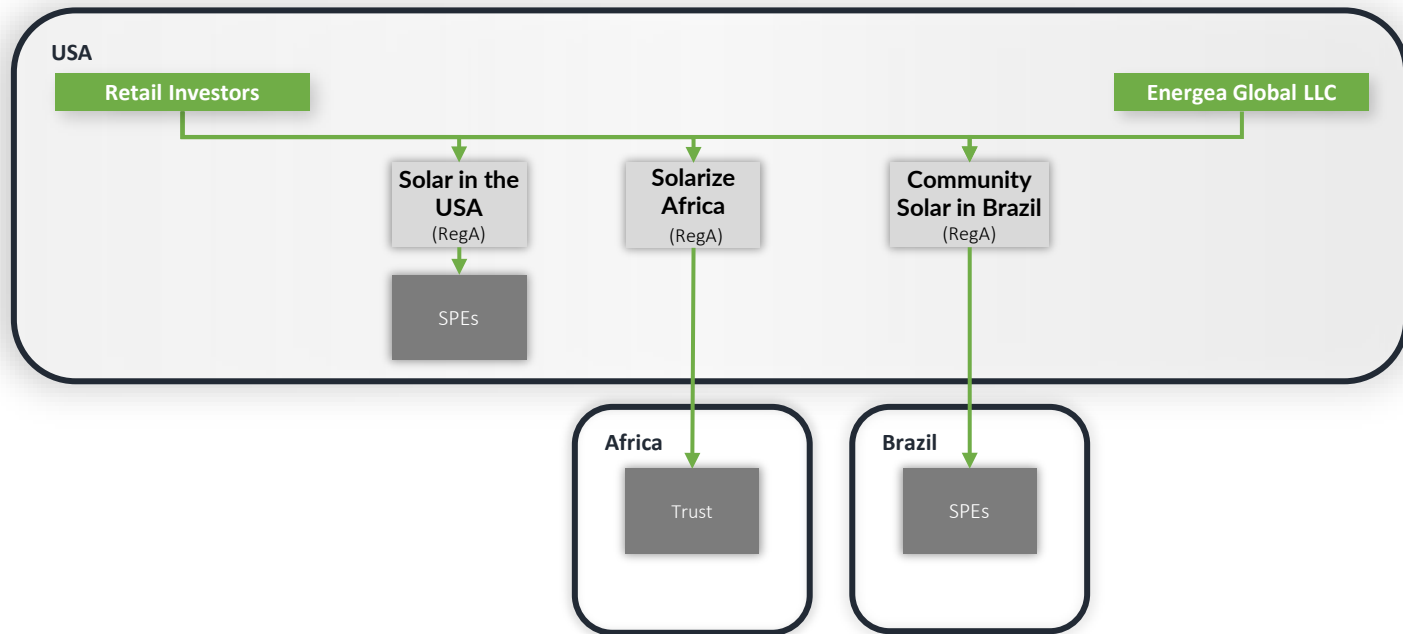
Realized IRR



4.9 Million MWh

Est. Clean Energy Created

PORTFOLIO STRUCTURE





RENEWABLE ENERGY MARKET



Global Energy Markets

Instability In Energy Markets

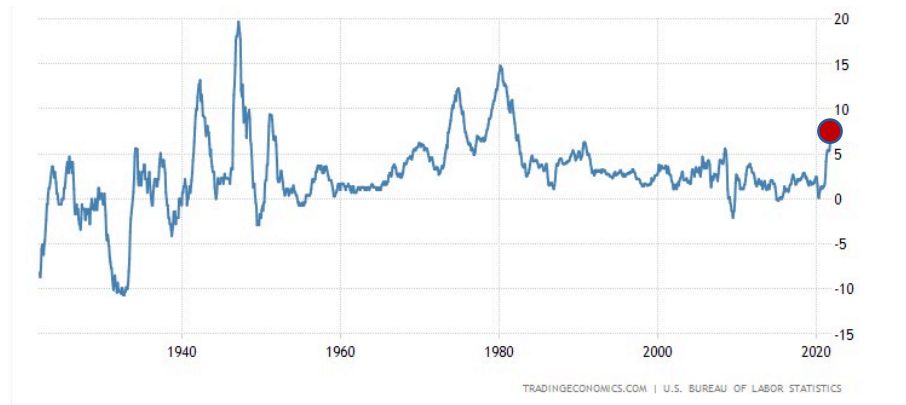
- The war in Ukraine has sent oil and natural gas prices higher. This coupled with surging demand has stressed global energy grids.
- This has heightened the demand for renewable energy with a focus on distributed generation.
- Global supply chain issues causing price instability across all energy sectors.
- U.S. has extended tariffs on imported solar equipment making emerging markets more attractive.
- The U.S. is tapping into the strategic oil reserve in an effort to stabilize oil prices.

Inflation On The Rise

Inflation

- The U.S. inflation rate jumped 7% in 2021, the highest jump in nearly four decades.
- Core Price Index, which excludes food and energy, rose 4.9% last year, the most since 1983.
- In times of rapid inflation investors tend to gravitate towards alternative investments and real assets.
- Energea's contracts start with a fixed price of electricity and are adjusted annually for inflation.

U.S. Inflation Rate 1920-2021



Distributed Generation

Community Solar

Community solar allows a group of local residential and small business customers, called a consortium, to purchase clean solar energy credits from an offsite solar plant that is connected to the local utility grid.

A rental contract with the consortium allows subscribers to opt-in or out of the program without penalty. In the event any subscriber does not make a payment, they may be replaced with another subscriber from the consortium's waiting list.

How It Works



First, the solar plant generates electricity and then connects to the local power grid to distribute that electricity.



The clean energy produced is then sold to a group of local small business customers called a consortium.



These customers typically enjoy a 10-20% discount off their electricity bill.



Distributed Generation

Community Solar

- We love the impact community solar can have on underserved communities around the globe.
- Strong financial returns and underserved markets only add to our excitement.
- Brazil has one of the fastest growing community solar programs as the country tries to stabilize the price of electricity.
 - Law 14.3 just recently signed
- Community Solar is expanding in the U.S. in select states.
- South Africa is also developing the framework for a community solar policy.



ESG & IMPACT INVESTING

Transformation



“Today we are on the cusp of another transformation. Better technology and data are enabling asset managers to offer customized index portfolios to a much broader group of people – another capability once reserved for the largest investors. As more and more investors choose to tilt their investments towards sustainability-focused companies, the tectonic shift we are seeing will accelerate further.”

- Larry Fink, CEO BlackRock

What is ESG?

Environmental, Social, Governance

- ESG stands for Environmental, Social and Governance
 - Environmental – How a company interacts with the physical environment
 - Social – Impact on society and the communities they serve
 - Governance - How the company is governed and how they treat employees
- ESG is a \$20 Trillion market in AUM.
- While ESG investing is certainly a step in the right direction, many are calling for stricter regulations on how and when the ESG label can be used.

The Problem with ESG



The Problem with ESG

More Work to be Done

- Greenwashing is **the process of conveying a false impression or providing misleading information about how a company's products are more environmentally sound.**
- **Avoid** the **best-in-class** approach to evaluating an ESG investment.
- Regulators are beginning to crack down on the ESG label as investors demand more transparency.
- Transparency and access to data will play a large role in exposing true ESG investments from the impostors.



Government Regulation

Cracking Down On The ESG Label

- The EU has taken a major step forward in ESG regulation with the new Sustainable Financial Disclosure Regulation (SFDR).
 - Increased transparency and disclosure requirements: Forcing fund managers to report on key sustainability metrics.
- SEC created a task force in March 2021 to evaluate climate and ESG issues related to investing.
- SEC releases a risk alert white paper in April 2021 outlining inconsistencies with how ESG is defined and reported on amongst various financial managers.
 - <https://www.sec.gov/files/esg-risk-alert.pdf>

True Impact Investing

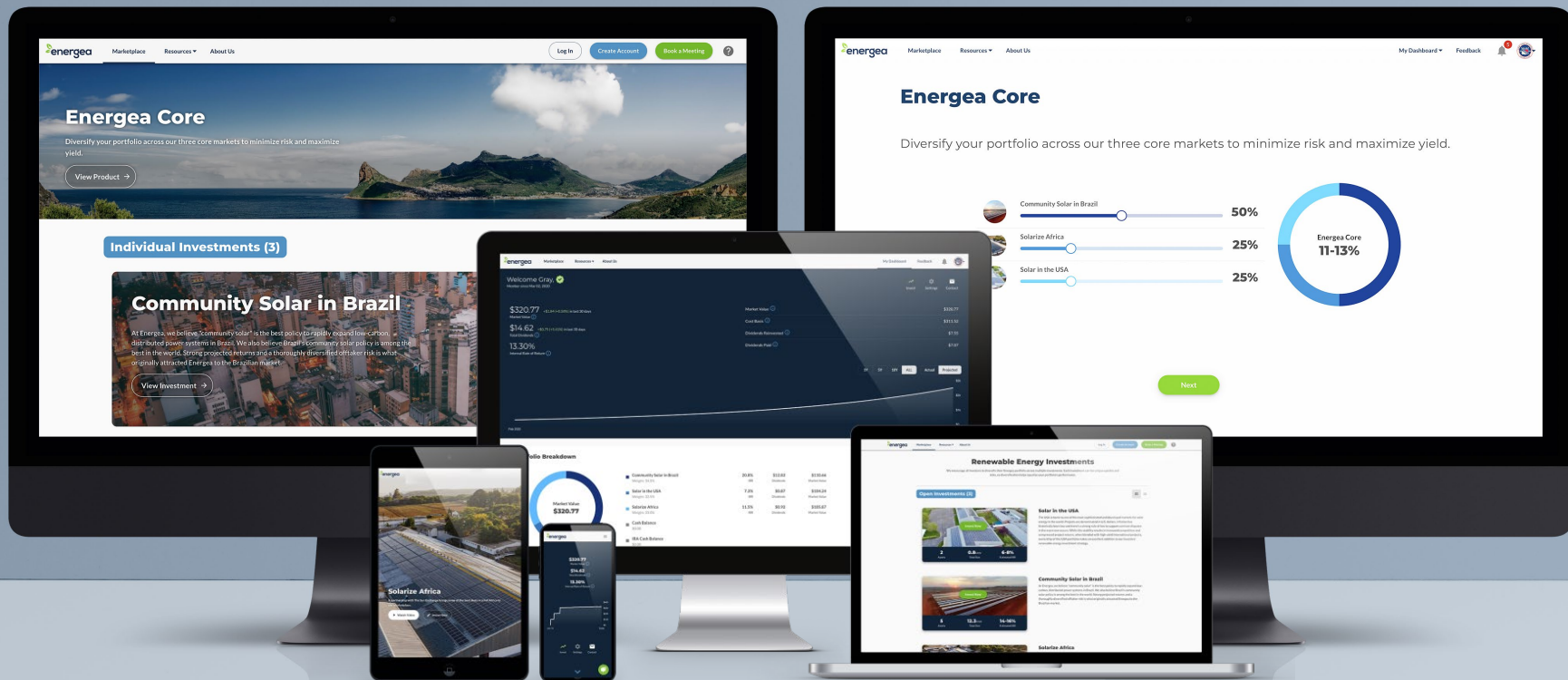
Evaluating Investments

- Passive investments are generally not your friend i.e. (Index funds and ETF's.
- True impact investing often requires more research and active management.
 - Does it pass the “smell test”?
 - Get as close as you can.
 - Know what's most important to you.
 - Look for shareholder reports (Prospectus, Annual Report, Sustainability Report, Top 10 Holdings)

<https://www.investor.gov/introduction-investing/investing-basics/glossary/edgar>

<https://www.msci.com/research-and-insights/esg-ratings-corporate-search-tool>

PLATFORM



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Time for Questions



Stay Connected



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Always Remember . . .



An **investment in knowledge**
pays the best interest.

- Benjamin Franklin

