

## Press release

### **Institutional investors nearly double exposure to renewable infrastructure from 2% to 3.6% in two years, new research<sup>1</sup> shows**

- **75% of investors have a positive outlook on investments in renewable energy**
- **Long-term, stable cashflows remains key attraction**

**Hamburg, 20 February 2019** – A new study among institutional investors, commissioned by Aquila Capital, revealed that respondents' average portfolio exposure to renewable infrastructure has risen to 3.6%<sup>1</sup>, up from 2% in 2016.<sup>2</sup> Over one in 10 (12%) institutional investors surveyed now allocate between 10 – 15% of their assets to renewable energy infrastructure.

Rising allocations to renewable infrastructure are reflective of investors' attitude towards the asset class: three-quarters<sup>3</sup> (75%) of investors said they were positive about the future of renewable infrastructure, an increase of 9% on 2016, when the figure was 66%. Between now and 2021, investors expect the biggest increases in their investment allocations will be made to offshore wind, solar thermal and onshore wind<sup>4</sup>.

Aquila Capital's research analysed the key drivers behind investors committing more capital to renewables. The most important reason, cited by the majority (55%) of investors, is long-term stable cash-flows, followed by geographic diversification and low correlation to other asset classes (both 35%), inflation hedging (33%) and fulfilment of ethical standards (30%).

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<sup>1</sup> Source: Survey conducted by PollRight among 103 institutional investors globally, July/August 2018

<sup>2</sup> Source: Survey conducted by PollRight among 102 institutional investors globally, December 2016

<sup>3</sup> Note: '75%' figure for 2018 consists of 14% and 61% of respondents who scored their attitude towards the sector as 'very positive' and 'slightly positive' respectively; '66%' figure for 2016 consists of 18% and 48% who scored this 'very positive' and 'slightly positive' respectively

<sup>4</sup> Note: 72% of investors selected offshore wind (of which 15% scored their prediction as 'increase significantly' and 57% as 'increase slightly'); 69% of investors selected solar thermal (of which 5% selected 'increase significantly' and 64% 'increase slightly'); and 63% of investors selected onshore wind (of which 5% selected 'increase significantly' and 58% 'increase slightly').

Almost two-thirds (63%) of respondents flagged regulatory risk as the greatest challenge influencing their decision towards investing in renewable infrastructure. The next biggest challenges, identified by a significantly lower number of investors (37%), were political risk, government subsidies and the development of electricity prices.

**Susanne Wermter, Head of Investment Management Energy & Infrastructure EMEA, Aquila Capital, commented:** “Investors have been allocating increasing amounts of capital to renewable infrastructure in recent years and, given the positive outlook expressed in our research, there is every reason to believe that this trend will continue.

“With concerns of a global capital market correction mounting, the investment case for renewable energy remains compelling. Investors are increasingly looking beyond ethical considerations when committing capital to renewable infrastructure funds.

“Looking ahead, new investment opportunities continue to emerge as Europe accelerates its energy transition from fossil fuels to renewables. In April last year we launched the Energy Transition Infrastructure Strategy (ETIF), which capitalises on this trend by investing across the three key subsectors of the energy transition, namely renewable energy generation, energy storage and energy transportation.”

- Ends -

**Read Aquila Capital’s whitepaper on energy transition [HERE](#)**

**About Aquila Capital:**

Aquila Capital develops alternative investment solutions for institutional investors worldwide. Founded in 2001 and owner-managed, the investment company considers itself a fiduciary for its clients and applies a holistic approach to managing customised real assets and financial assets.

Aquila Group’s client base consists predominantly of institutional investors in Europe and Asia. Over 200 professionals located in ten offices globally implement efficient investment strategies via fund structures and individual mandates. The Aquila Group comprises Aquila Capital Investmentgesellschaft mbH, which is licensed by the Federal Financial Supervisory Authority (BaFin) to act as an alternative investment fund manager in Germany, and Alceda Fund Management S.A., which is licensed as an alternative investment fund manager and UCITS management company in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF).

Further information is available at: [www.aquila-capital.com](http://www.aquila-capital.com)

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