

Press release

Half of institutional investors to increase their exposure to the energy transition, new study¹ reveals

63% of institutional investors say energy storage offers attractive investment opportunity

Hamburg, 13 February 2019 – By 2021, almost half (49%)² of institutional investors expect to increase their exposure to assets supporting and participating in the energy transition, according a new study by Aquila Capital. This transition involves the progressive replacement of fossil fuels by renewable sources of energy production.

The new research reveals the fast-growing popularity of the energy transition among institutional investors and the most attractive opportunities it currently presents. Nearly two-thirds (63%)³ cited energy storage (e.g. batteries) as offering the greatest investment potential. This was followed by electricity transmission (45%), which involves building and operating the links from power plants to substations, and the interconnectors between energy grids (41%)⁴.

According to Aquila Capital⁵, energy storage is becoming particularly appealing because of the growing role it will play in maintaining the supply of renewable electricity to Europe's energy mix. Aquila Capital believes that cost reductions, technology development and improving regulations will continue to strengthen the investment case for storage moving forward.

The study identifies several factors that make participating in the energy transition more interesting financially for investors. The most important of these, cited by 68%⁶ of investors,

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

² Note: '49%' consists of 6% and 43% of respondents who scored this as 'increase dramatically' and 'increase moderately' respectively

³ Note: '63%' consists of 18% and 45% of respondents who scored this as 'very high' and 'high' respectively

⁴ Note: '45%' consists of 16% and 29% of respondents who scored this as 'very high' and 'high' respectively; '41%' consists of 5% and 36% who scored this as 'very high' and 'high' respectively

⁵ Source: Insights: Charging Ahead – Renewables Coupled with Storage, 2018

⁶ Note: '68%' consists of 33% and 35% of respondents who scored this 'most important' and 'important' respectively

is the increasing share of renewable sources in the energy mix, followed by the restructuring and decentralisation of energy grids (62%)⁷.

Susanne Wermter, Head of Investment Management Energy & Infrastructure EMEA, Aquila Capital, commented: “These findings underline the growing appeal of the energy transition among institutional investors and the opportunities that they find most appealing. Indeed, 82%⁸ of investors said they would be attracted by a multi-asset class fund mandated to invest in renewable energy generation, storage and transportation.

“To meet growing investor demand, we launched the Energy Transition Infrastructure Strategy (ETIF) in April last year. The ETIF aims to invest in these three key subsectors. Europe is making progress on its energy transition journey and investors have an unprecedented opportunity to benefit from this,” says Wermter.

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Read Aquila Capital’s whitepaper on energy storage [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

⁷ Note: ‘62%’ consists of 4% and 58% of respondents who scored this ‘most important’ and ‘important’ respectively

⁸ Note: ‘82%’ consists of 16% and 66% of respondents who scored this ‘attractive’ and ‘somewhat attractive’ respectively

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