

Alpha Real Capital

PRESS RELEASE

ALPHA INVESTS £1.1BILLION IN LONG INCOME ASSETS

Alpha Real Capital LLP (“Alpha”), the specialist manager of long income real assets, today announces that its long income business performed strongly in 2019.

Alpha invested more than £1.1bn in long income assets in 2019 across commercial ground rents, long lease property, social real estate and renewables on behalf of its funds and clients in 2019. Key transactions included:

- On behalf of Alpha’s Index Linked Income Fund (“ILIF”), £360m was invested in commercial ground rents on four central London hotels which combined, have 1,125 rooms;
- Funding the construction of a c.500,000 sq. ft new distribution facility let to DHL on a long lease;
- Establishment of a joint venture partnership with Salford Primary Care Together to deliver a new state of the art primary care medical centre in Little Hulton, Salford; and
- Invested over £55m of operating Feed in Tariff (“FIT”) Wind for the Wind Renewables Income Fund (“WRIF”) across nine transactions

Importantly Alpha’s long income funds and mandates continue to perform strongly with ILIF, its £1.6bn commercial ground rent fund, maintaining a three-year average return for its investors of greater than 6% per annum. ILIF has invested over £500m in sectors delivering wider community benefits including healthcare and education.

As a result of strong demand from investors, Alpha raised approximately £400m of new commitments from UK pension schemes across its institutional funds and mandates. Alpha now manages more than £2.6bn of long lease property assets and close to £500m of UK renewable energy infrastructure assets with more than 220MW of installed green energy capacity, enough to power more than 94,600 UK homes.

Highlights of the year included:

- In response to demand from European pension funds for secure long income derived from long income property, Alpha launched the European Long Income Fund (“ELIF”) in November 2019; and
- As part of Alpha’s commitment to continue to evolve our sustainable investment practices, Alpha recently became a signatory of the United Nations-supported Principles for Responsible Investment (“PRI”).

Demand from investors for secure long income remains strong and a greater understanding of the benefits of long-term funding options by counterparties continues to grow the range and depth of opportunities available to our Funds.

Hugo James, Partner and Head of Long Income commented *“Becoming a signatory of the PRI was another external signal of the importance that we attach to all aspects of ESG. We continue to work with our investors and counterparties to identify how we can improve ESG outcomes across the different asset classes in which we invest. We appreciate the trust that major UK institutional investors have placed in us to help them meet their investment goals. We believe there will continue to be good risk adjusted returns available for our investors from prudent and well researched long income investing.”*

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Phillip Rose, CEO commented "*Alpha continues to be strongly focused on long income assets including ground rents, long lease property and infrastructure. As well as providing investors with secure income and inflation linkage, our long income investments deliver significant wider community benefits including the funding of much needed social infrastructure and clean renewable energy*".

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About Alpha Real Capital (www.alpharealcapital.com)

Alpha is an investment services group focused on income security from real assets. We invest in asset-backed income from real estate, infrastructure, and lending, with an emphasis on long income and inflation protection. Alpha has a strong team of more than 120 staff and partners with over £3.8billion of assets under management. Established in 2005, Alpha is jointly owned by Phillip Rose, members of the Alpha management team and companies ultimately owned by PS Gower Personal Settlement.

Alpha operates across diversified investment markets, managing listed and unlisted property vehicles, open and closed-ended property vehicles, UK and international funds, and working with large institutional investors as well as private investors, family offices and wealth managers.

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