

Alpha Real Capital

UK Pension funds plan to increase allocation to renewables

Over the next five years, 68% of UK pension fund investors expect allocations to renewable energy to increase, compared to just 10% who expect it to fall. These are the findings of new research⁽¹⁾ from Alpha Real Capital LLP (“Alpha”), the specialist manager of secure income real assets.

When it comes to the UK, 74% of those surveyed already invest in the renewable energy sector. However, only 30% describe it as mature, with 52% classifying it as developing and 18% as early stage, while the top two investment areas for the next five years are expected to remain as solar and onshore wind.

The most important attributes are seen as the ability to invest in strategic infrastructure, access attractive risk adjusted returns, benefit from asset diversification, and the ability to deliver stable income returns.

Ranking	Importance of investing in UK renewables
1	Investment into strategic infrastructure
2	Attractive risk adjusted returns
3	Asset diversification
4	Ability to deliver stable income returns

Will Morgan, Head of Renewables at Alpha Real Capital said: “Our research supports the view that professional pension fund investors see the UK renewables sector as offering attractive investment opportunities, and plan to increase their exposure here. We are seeing growing interest from a range of pension funds in our renewable energy investments.”

Alpha’s renewables business invests in the majority of UK renewable energy infrastructure types including wind, solar, hydro and other low carbon energy resources. It has completed over 50 transactions and invested more than £550 million into a portfolio of over 225MW and more than 100 sites, providing predictable, long term cash flows to investors.

Alpha’s renewables portfolio now generates over 340 GWh of wind, solar and hydropower - enough clean power for over 110,000 homes. Alpha estimates the annual CO2 offset is equivalent to planting almost 50 million trees.

Phillip Rose, CEO at Alpha Real Capital said: “Renewable energy infrastructure is an attractive secure income asset with predictable cash flows, significant inflation linkage and good duration that complements Alpha’s other secure income platforms in commercial ground rents, social infrastructure and real asset-backed debt.”

www.alpharealcapital.com

Alpha Real Capital LLP is Authorised and Regulated by the Financial Conduct Authority
Alpha Real Capital LLP: Registered in England and Wales, Number OC312705

Alpha Real Capital

Boris Mikhailov, Head of Client Solutions at Alpha Real Capital, added: "With more pension schemes looking to become carbon-neutral, investment in renewable energy infrastructure has significant ESG benefits and can help schemes on their journey to becoming carbon-neutral. Alpha's renewables investments currently offset over 75,000 tonnes of CO2 per annum."

-Ends-

Notes to editors

- (1) Alpha Real Capital commissioned the research company Pureprofile to interview 50 professional pension fund investors based in the UK. The interviews were conducted online in September 2020.

For further information contact Phil Anderson at Perception A

Phone: +44 (0)7767 491 519 | Email: phil@perceptiona.com

About Alpha Real Capital (www.alpharealcapital.com)

Alpha is a specialist real assets investment manager focused on secure income strategies. Alpha invests in UK and European assets with predictable secure long-term cash flows. We provide market leading and innovative real asset solutions across a range of investments such as commercial ground rents, UK renewable infrastructure, social real estate and secured lending, combining operational real estate expertise and fixed income skills.

Alpha has a 130 plus strong professional team with around £4 billion of assets under management, including capital commitments.

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

www.alpharealcapital.com

Alpha Real Capital LLP is Authorised and Regulated by the Financial Conduct Authority
Alpha Real Capital LLP: Registered in England and Wales, Number OC312705