

Proportion of institutional investors with exposure to renewables nearly doubles in one year

- *New study shows institutions investing in farmland rises dramatically from 3% to 14%*
- *73% are now optimistic about outlook for real assets, versus 41% last year*

London, 19 March 2015 – The proportion of European institutional investors with some exposure to renewable energy/infrastructure has nearly doubled from 21% to 39% over the last year, according to new research¹ by Aquila Capital, one of Europe’s leading independent alternative asset managers.

The proportion investing in farmland has also risen dramatically to 14%, albeit from a low base of 3% last year.

Institutional investors have become more optimistic about the outlook for real assets generally: the proportion of those who are positive on the investment outlook for real assets is now 73%, versus 41% a year ago. The proportion that is ‘very positive’ has nearly doubled from 10% to 19%.

The study shows that the most popular type of real asset is real estate, with 86% of investors holding some exposure to it. The figure was 74% in February 2014.

A paper published earlier this year by Aquila Capital, entitled *Real Assets – The New Mainstream*, concluded that institutions globally will increasingly divert investments into real assets as equities and bonds fail to deliver their long-term target returns.

According to the paper, there will be extensive opportunities to invest in real assets over coming decades because economic growth accompanying population expansion will fuel demand for commodities – a transformation that will also be highly energy intensive. Concerns over global warming and ever increasing global demand for electricity will also signal further growth in regenerative energy sources. Investment will also be needed in farmland to provide the 60% rise in calorific output that will be needed over the next 40 years to feed a population set to rise to nearly 10 billion by 2050².

Oldrik Verloop, Co-Head of Hydro at Aquila Capital, says: “The current low growth and low interest rates that characterise the world economy at present means institutional investors are looking to alternative investments to provide reliable, inflation-adjusted returns.

“Real assets will benefit from long-term macroeconomic trends and can deliver a strong, inflation-protected income with high investment security, manageable risk and a limited correlation with traditional investment asset classes. This makes them highly attractive to institutional investors, who will increasingly view them as a core holding going forwards.”

Aquila Capital is part of the Aquila Group, which has EUR 7.9 billion in assets under management, including c. EUR 1.9 billion in solar, wind and hydropower.

Source¹: Research carried out among 61 institutional investors across Europe in February 2015

Source²: UN Department of Economic and Social Affairs, Population Division, World Population Prospects, the 2012 Revision

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Notes to editors

About Aquila Capital

Established in 2001, Aquila Capital is a leading alternative investment firm managing a family of strategies in real assets, financial and private markets. The company applies a multi-team investment approach with dedicated experts in their respective fields. From regulated mutual funds to direct investments and special mandates, as a long-term partner, Aquila Capital provides holistic investment concepts and comprehensive investment advice and services to its investors.

Aquila Capital is part of the owner-managed Aquila Group, which employs more than 200 staff at nine locations in Europe and Asia Pacific and manages assets of over EUR 7.9bn for a global investor base (as at December 2014).

Further information can be found at www.aquila-capital.com.