

**Foresight's Italian Green Bond Fund achieves first close at  
€70 million**

**Rome/London: 22 January 2018**, Foresight Group LLP ("Foresight") is pleased to announce the first close of the Foresight Italian Green Bond Fund ("The Fund") at €70 million.

The Fund represents a number of firsts:

- The Fund is the first infrastructure debt fund raised by Foresight.
- The Fund is the first international institutional fund supported by Foresight's specialist international infrastructure team.
- The Fund is the first dedicated infrastructure project bond fund in the Italian Market.

The Fund has generated strong appeal amongst banks, insurance companies and family offices with support at first close from leading financial institutions including the European Investment Bank under the Juncker Plan (European Fund for Strategic Investments "EFSI"), and top tier Italian insurance companies, banking institutions and family offices.

The Fund will target small and medium projects in renewable energy generation - including solar, wind, Waste-to-Energy ("WtE"), biomass and Anaerobic Digestion ("AD") and energy efficiency – including public lighting, cogeneration and district heating.

These projects typically have a debt capacity in the range of €5 million to €15 million and the pipeline of potential investments for the Fund is strong due to the fact that this niche Italian market is not currently served by banks or other sources.

The Fund is targeting a final close of €200 million with an anticipated second close by the end of 2018.

Bonds which are rated investment grade will be fully underwritten by the Fund, fully amortising, and listed on the Milan stock exchange in the ExtraMot Pro segment and will target returns of between 6% and 8%.

It is expected that the Fund will complete its first investment before end of q1 2018.

**Federico Giannandrea, Partner and Head of Foresight Southern Europe, commented:** *"There will be considerable financing requirements in Italy over the coming years in view of the significant investments that are planned, both in terms of renewable energy generation and energy efficiency solutions as part of the recent National Energy Strategy. Foresight Italian Green Bond Fund stands out*

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*by virtue of its unique approach: it operates in the smaller project size where there is a lack of financing from traditional lenders, by providing a non-recourse long term financing solution starting from the construction phase through the subscription of project bonds for single or multiple projects.” “Smaller renewable energy generation and energy efficiency projects are increasingly becoming integrated, especially with own consumption solutions, as part of the energy transition model. Several Sponsors have already initiated discussions with Foresight’s experienced team to arrange project bonds, reflecting strong interest in this financing solution from developers and operators in the sector.”*

**Yanti Falangola, Director and Head of Institutional Capital Southern Europe at Foresight concluded:**

*“This niche opportunity could reward opportunistic investors who are open to exposure to the Italian market. The Fund delivers lower volatility and correlation to the public market and other asset classes with an expected cash yield at more than twice that offered by traditional infrastructure debt funds and general fixed income portfolios of similar (low investment grade).*

*Investors’ appetite for alternative investments in private markets is at an all-time high and infrastructure debt has historically enjoyed the lowest default rate and the highest recovery rate among all fixed income investments of equal rating quality.*

*After such a prolonged period of low rates, we continue to receive strong interest from investors who are attracted by the predictable and stable cash yields with limited duration risk and zero leverage.*

*This Fund makes absolute sense in today’s environment for a wide range of investors, but we expect it to have particular appeal for insurance companies due to the underlying positions of the Fund scoring favourably vis a vis Solvency 2 capital requirements”*

**-ENDS-**

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### Notes to Editors

#### **About Foresight Group LLP (“Foresight”):**

Foresight is a leading independent infrastructure and private equity investment manager which has been managing investment funds on behalf of institutions and retail clients for more than 30 years.

Foresight has £2.8 billion of Assets Under Management across a number of funds, including Listed Vehicles, Limited Partnerships, Enterprise Investment Schemes (EISs) and Venture Capital Trusts (VCTs).

As a global leading solar infrastructure investment manager, Foresight currently manages more than £1.5 billion in some 105 operating Photovoltaic (“PV”) plants with a generating capacity of over 1.2 GW in the UK, Southern Europe, Australia and North America.

In Bioenergy, Foresight has mobilized £900 million of capital investment into 31 waste projects, which when fully operational will have a waste processing capacity of 1.8 million tonnes per annum, diverting some 1 million tonnes of waste from landfill every year and generating 134MW of clean energy, saving 750,000 tonnes of CO<sub>2</sub> emissions every year.

Foresight Group is headquartered in London, with international offices in Sydney, Rome and San Francisco and regional UK offices in Nottingham, Manchester and Guernsey.

[www.foresightgroup.eu](http://www.foresightgroup.eu)