

Covid-19 market volatility spurs demand for infrastructure, say financial intermediaries

- **More than half of intermediaries believe infrastructure is the asset class most likely to see an increase in demand because of COVID-19**
- **75% of intermediaries likely to choose infrastructure to access sustainable income**
- **47% say infrastructure is best placed to deliver sustainable income during the crisis**

London, 06 July 2020: A new study reveals that over half (54%) of financial intermediaries believe that infrastructure is seeing the biggest surge in investor demand among all asset classes in response to the COVID-19 crisis, over twice the number who chose equities (20%) and fixed income (19%).¹

According to the research, which was conducted among 112 intermediaries by Foresight Group LLP (“Foresight”), a leading independent infrastructure and private equity manager, almost three-quarters (72%) of intermediaries anticipate their clients’ exposure to infrastructure will increase over the next three years.

Foresight’s study, which is published today as a white paper “Stability in adversity” - <https://www.foresightgroup.eu/media/05apjvy1/foresight-group-infrastructure-whitepaper.pdf> - highlights the three biggest drivers behind infrastructure’s growing popularity among financial intermediaries: its low correlation to traditional assets (73%); defensive qualities (66%); and low volatility (58%).

Financial intermediaries are turning to infrastructure to generate a sustainable income, according to the study. With total dividend payouts set to be the lowest since 2015¹, three-quarters (75%) of intermediaries say they are likely to consider using infrastructure within their traditional equity income allocation to access sustainable income during the current economic uncertainty caused by COVID-19, including 24% who say they are ‘extremely likely’.

Nearly half of respondents (47%) say infrastructure is the asset class best-placed to produce a regular income during the current economic crisis caused by COVID-19, ahead of both equities (21%) and fixed income (13%).

The study follows the announcement of FP Foresight Global Real Infrastructure Fund’s first 12 months performance figures. The Fund achieved a total return of 18.51% over 12 months, outperforming all competing indices over the period. As well as this, the Fund provided a yield of 4.12% over 12 months, exhibiting lower volatility levels than higher risk asset classes such as high-yield debt.

Nick Scullion, Head of Foresight Capital Management, said: “Advisers recognise that their clients’ portfolios will need to adapt to the new reality if their goals are to be met. They also appreciate the benefits that infrastructure can bring to portfolios in terms of providing stability in the face of market adversity.

“In a fast-changing and challenging environment, investors are increasingly looking towards ‘real’ physical assets to generate reliable, regular income and preserve capital values against inflation risks. Infrastructure is an asset class whose time has come, offering enduring solutions to today’s global challenges.”

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¹ Research conducted online with 112 UK financial intermediaries in June 2020

² Source: AJ Bell

Notes for editors

“Stability in adversity”: a white paper published by Foresight Group LLP which considers the growing popularity of infrastructure investment in a crisis-hit world. The white paper can be found at <https://www.foresightgroup.eu/media/05apjvy1/foresight-group-infrastructure-whitepaper.pdf>

About Foresight Group LLP (“Foresight”):

Foresight has been managing investment funds on behalf of institutions and retail clients for more than 35 years. It has in excess of £4.5 billion AUM across a number of funds, including Listed Vehicles, Limited Partnerships, Enterprise Investment Schemes (EISs), Venture Capital Trusts (VCTs), Inheritance Tax Solutions using Business Relief (BR) and OEICs.

Foresight was named ‘Fund Manager of the Year’ at last year’s PLC Awards, ‘Generalist VCT of the Year’ at the Investment Week Tax Efficiency Awards 2018/19 and was a finalist in the 2018 Unquote British Private Equity Awards as Venture and Growth Capital House of the Year.

In private equity, Foresight has more than £600 million of funds under management and a UK SME portfolio comprising more than 90 companies, making growth capital and equity release investments from five regional institutional funds alongside a family of Venture Capital Trusts and Enterprise Investment Schemes.

Foresight is a leading renewables infrastructure investor with £3.5 billion of clean energy infrastructure assets under management including wind, solar, bioenergy, hydro, battery storage, district heating, and flexible generation. Foresight currently manages more than 240 renewable generation assets globally, with a total generating capacity of 2.3GW.

Foresight is headquartered in London with regional UK offices in Manchester, Nottingham, Milton Keynes, Leicester, Edinburgh, Cambridge and Guernsey and international offices in Sydney, Rome, Madrid, Luxembourg and Seoul.

www.foresightgroup.eu

Important Information

This announcement has been issued and approved by Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority.

The value of an investment in the Fund, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future

results. Investors must be prepared to accept fluctuations in the capital value of their investment, including possible capital loss and the risks of investing in equity markets. There are a number of other risks connected to an investment in the Fund, including (but not limited to) counterparty risk, liquidity risk and volatility. These risks are explained in the Fund Prospectus. We recommend investors seek professional advice before deciding to invest.