

ADVISERS INDICATE INCREASED EXPOSURE TO INFRASTRUCTURE AND ALTERNATIVES AS BIGGEST CHANGE TO CLIENT PORTFOLIOS OVER PAST YEAR

- **62% of advisers would consider recommending a diversified infrastructure fund as it protects against interest rate changes, inflation, market correction or volatility**
- **91% of advisers believe the increased availability of infrastructure investment funds for retail investors will encourage them to recommend the asset class to clients**

London, 16 April 2019: The most significant asset allocation change to client portfolios over the last 12 months has been rising exposure to infrastructure and alternatives, according to a study conducted among 200 intermediaries.

Almost a third (31%) of advisers said client portfolios had been increasingly weighted towards alternatives in the past year of which infrastructure (11%) was the largest beneficiary. Fixed income accounted for the biggest fall in asset class exposure (16%).

The research, conducted by Foresight Group LLP (“Foresight”), a leading independent infrastructure and private equity investment manager, highlights what advisers perceive as the three key advantages of infrastructure investing for their clients.

According to Bloomberg data from February 2019, the cumulative number of global listed renewable and infrastructure investment companies has increased from 37 (in 2010) to 91 in 2018. This marks a 146% increase over the course of eight years, supporting the growth of infrastructure as a means of providing stable and predictable returns.

The majority of advisers are looking to increase their clients’ allocation to infrastructure over the next three years, a dramatic increase from 32% in 2018². According to the findings, the average portfolio allocation to infrastructure currently stands at 4.3%.

The principal benefit of infrastructure, cited by 79% of advisers, is its low correlation to traditional assets such as equities and bonds; 75% flagged access to long-term positive and stable cashflows; while 70% of advisers cited a level of inflation linkage.

Mark Smith, Partner at Andrews Gwynne LLP, commented: *“We have invested in infrastructure for over 10 years, but over the past 3 years we have gradually moved our clients’ portfolios towards more exposure due to its relatively stable return profile. In a world where we are concerned over valuations of traditional asset classes, the income is also attractive for many of our clients.*

“Recent performance from funds such as the FP Foresight UK Infrastructure Income Fund (FIIF) has demonstrated the clear advantages of a diversified fund approach for clients. Since entering the fund in June 2018, we have been impressed by the level of protection from market volatility that it offers and believe infrastructure will continue to increase in popularity as investors recognise its resilience and ability to generate stable, uncorrelated levels of income.”

Mark Brennan, Lead Fund Manager of FIIF, said: *“Infrastructure and renewables are rapidly evolving into mainstream asset classes for retail investors and this trend is likely to continue over the coming years as advisers become more familiar with its advantages and more high-quality funds enter the market.*

“FIIF’s total return of 11.65% over its first year demonstrates how high-quality infrastructure and renewable assets can be an appealing substitute for income investors looking for stable and predictable returns.”

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¹ Research conducted online with 198 UK financial advisers in November / December 2018

² 62% of advisers are looking to increase their clients’ allocation to infrastructure over the next three years.

About the study:

The study was commissioned to coincide with the first anniversary of the FP Foresight UK Infrastructure Income Fund (“FIIF” or “the Fund”), which exceeded its investment objective by delivering a yield of 5.35% and dividend payments of 5.35p per unit in its first twelve months. Since launch on 4th December 2017, the fund has also achieved significant capital appreciation contributing to a one-year total return of 11.65% with annualised volatility of 4.6% and a return of 14.68% since January 2019. In the same time period, the UK All Share delivered a total return of -1.27% with annualised volatility of 11.1%. The Fund NAV now stands at more than £185m.

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 £2.9 billion of Assets Under Management across a number of funds, including Listed Vehicles, Limited Partnerships, Enterprise Investment Schemes (EISs), Venture Capital Trusts (VCTs) and Inheritance Tax Solutions using Business Property Relief (BPR).

Foresight is a leading renewables infrastructure investor with over £2 billion of energy infrastructure assets under management. Foresight currently manages more than 140 renewable generation assets globally, with a total generating capacity of 1.6GW.

In Solar, Foresight has invested in over 100 solar plants and has more than 1.1GW of solar generation assets under management around the world.

In Wind, Foresight has more than 165MW of wind generation assets across the UK and Germany.

In Bioenergy, Foresight manages 32 waste projects with 115MW baseload generating capacity, processing over 1.8 million tonnes of waste per annum, having mobilised some £1bn of capital investment. The projects when fully operational will divert some 800,000 tonnes of waste from landfill every year, saving more than c.600,000 tonnes of CO₂ emission every year.

In addition, Foresight manages 160MW of Reserve Power assets and two utility scale Battery Storage projects providing 45MW of Enhanced Frequency Response (“EFR”) services to National Grid.

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

Foresight Group was awarded Fund Manager of the Year at the PLC Awards 2018 for the group's success with FP Foresight UK Infrastructure Income Fund.

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.