



What investors want

BIEE Conference

Jeremy Tighe – F&C Management Limited

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F&C's history financing long term projects



- Early investor in North Sea oil exploration companies in 1970s
- Early investor in Eurotunnel in 1980s
- Recent investments in oil and gas exploration companies and renewables funds and related businesses

Who are the major investors



Domestic

- Pension funds
- Insurance companies
- Wealth managers
- Individuals

Global

- Sovereign wealth funds
- Hedge funds
- Global fund managers

- In 2012 only 13% of defined benefit schemes were open to new joiners compared with 43% in 2005
- In 2012 only 9.9% of assets were invested in UK shares
- Continuing switch from defined benefit to defined contribution

- Limited appetite for high risk and high reward investments
- Reducing appetite for large companies operating across the value chain
- Increasing appetite for income producing inflation-linked assets

What is an ideal investment

- Income producing
- Inflation linked
- Long term contracts
- Low correlation to equity and bond markets
- Low visibility

What is selling now



- Onshore and offshore wind
- Solar
- Up and running assets
- Long lives

What happens next

- Supply rises to meet demand
- Projected returns fall
- Inflation and interest rates go up
- Customer resistance?
- Government changes the rules?

- Huge market for perceived secure income producing assets will only increase
- Small market for high risk high reward investments will not increase
- Great opportunities for those who can create attractive structures

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