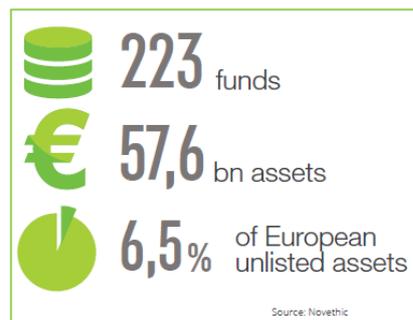


NEARLY €60 BILLION IN UNLISTED GREEN ASSET FUNDS

Paris, 29 January 2019. Novethic, with the support of ADEME, announces the results of a recent study that has quantified green asset investment across 223 unlisted European funds from Infrastructure, Private Equity, Private Debt, to Real estate and Forest.

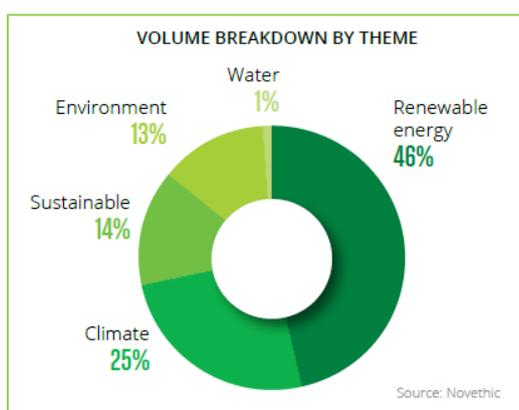
The study entitled, "Promising trends in unlisted green funds", provides a better understanding of the environmental characteristics of this under-explored area of sustainable finance. The information available for these types of funds is much more limited than listed funds, yet very much essential in attracting institutional investors increasingly interested in this niche market.



PUSH FROM THE PARIS AGREEMENT

The majority of the 223 unlisted environmental asset funds have only been launched in the last four years. They attest to the push felt by investors since the signing of the Paris Agreement in 2016: a record year of fundraising, with €12 billion invested in 35 funds. Green funds represent less than 10% of unlisted funds, but their share remains higher than that of listed green funds (less than 1% of all European funds).

RENEWABLE ENERGY COMING OUT AHEAD



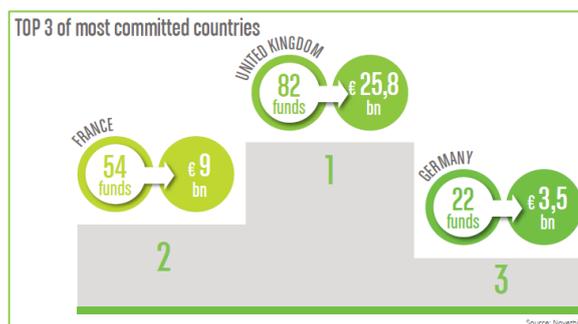
More than half of the unlisted green asset funds identified by Novethic are dedicated to renewable energy, with assets under management totalling over €26 billion. These funds may offer lower returns as they rely on the refinancing of mature assets, such as onshore wind farms. The most financially attractive products are those involved in the early stages of a project's finance chain, or those that position themselves around more innovative investment themes, such as smart cities.

DEMAND FOR GREEN FUNDS REMAINS WEAK AMONGST INSTITUTIONAL INVESTORS

While the general trend is toward diversification in alternative investments such as infrastructure, the demand for green branding from investors who subscribe to these types of unlisted asset funds remains small. Investors are not very demanding about the quality of environmental reporting, whether they refer to avoided emissions or installed capacity, with the exception of the European Investment Bank (EIB) and some public investors with strong climate engagements. For them, the Novethic-audited “Energy and Ecological Transition for the Climate” (TEEC) label put forward by the French government is an attractive element.

A market dominated by the United Kingdom

The top countries for managing unlisted green funds are the United Kingdom, remotely followed by France and Germany. It is also in these countries where the majority of renewable energy and energy efficiency projects are concentrated.



TOP 10 asset management companies (in €M)

Macquarie Infrastructure and Real Assets	4 000
BlackRock	3 402
Copenhagen Infrastructure Partners (CIP)	3 186
First State Investments	2 100
PERIAL Asset Management	1 973
Greencoat Capital	1 960
Cube Infrastructure Managers	1 830
NextEnergy Capital	1 474
InfraRed Capital Partners	1 441
Marguerite Adviser	1 410
TOTAL	22 776

Source: Novethic

PROMISING PROSPECTS

The implementation of the European Commission's Action Plan on Sustainable Finance is expected to bring new developments to this emerging market. The publication of a standardised classification system for green activities will better direct financial flows towards the energy and ecological transition. This assumes that investors are moving towards defining their green strategies and reporting requirements at a larger scale. These actors should be encouraged to do so under new transparency requirements on ESG criteria and climate risk management.

► [DOWNLOAD THE FULL STUDY](#) ◀

Press contact: [Corinne Amori Brunet](#) | communication@novethic.fr



The Sustainable Transformation Accelerator of the Caisse des Dépôts Group. As an expert in sustainable finance, a media reference in France for economics, business & sustainability, and now an Accelerator, Novethic combines approaches to offer financial players, companies and their employees the keys to sustainable transformation. A pioneer in responsible investment certification for funds in Europe, Novethic is committed to

enhancing the transparency, reliability and trust of public, private and individual investors. Novethic strives to accelerate the transition to a low-carbon and inclusive economy through the development and auditing of ambitious responsible certification labels for financial products. www.novethic.com | Contact : info@novethic.fr | [@novethic](#)

The French Environment and Energy Management Agency (ADEME) is active in the implementation of public policy in the areas of the environment, energy and sustainable development. ADEME provides expertise and advisory services to businesses, local authorities and communities, government bodies and the public at large, to enable them to establish and consolidate their environmental action. As part of this work the agency helps finance projects, from research to implementation, in its areas of action: waste management, soil conservation, energy efficiency and renewable energy, air quality, the fight against noise pollution, the circular economy transition, and the fight against food waste. ADEME is a public institution under the joint supervision of the French Ministry of Ecological and Solidarity Transition and the Ministry of Higher Education, Research and Innovation.

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