HARDMAN&CO.

2026 – WILL THE IIC/REIF NAV WORM TURN?

REIF WIND-DOWNS, PLUNGING NAV DISCOUNTS AND "AJAR" EQUITY MARKETS, BUT...

NIGEL HAWKINS

FEBRUARY 2026

Table of contents

Executive summary **3**
Sector overview of 2025 ..... **6**
Continuation/Discontinuation Votes and MWDs **9**
The UK macro environment **11**
Infrastructure investment companies (IICs) **13**
European energy background **25**
UK energy market 28
Wholesale power prices in the UK 31
Power costs in the UK 32
Renewable energy infrastructure funds (REIFs) **35**
Fundraises 53
Current market ratings 56
Valuation issues 57
Dividends 58
Databoxes **60**
Conclusion **69**
Appendix 1 ..... **70**
Glossary 70
Appendix 2 ..... **71**
Possible questions 71
About the author 72
Disclaimer **73**
Status of Hardman & Co's research under MiFID II 73

Please note:

- *Closing stock market prices, as at 31 December 2025, have been used, unless otherwise specified.*
- *The relevant exchange rates are: £ to € – €1.15; £ to $ – $1.35. The above exchange rates have been used throughout, although the fundraising table on pages 55-56, including its historical data, has not been adjusted to reflect the latest rates.*
- *The number of shares in issue for many IICs and REIFs has varied of late due to numerous share buyback schemes that are being undertaken.*
- *In terms of the plant capacity figures cited in this publication, the data is based – with some adjustments – on information published by the relevant REIF.*

Executive summary

- Undoubtedly, 2025 was a difficult year for Infrastructure Investment Companies (IICs) and Renewable Energy Infrastructure Funds (REIFs). Investors have seen underperformance against the FTSE 100, widening NAV discounts, several delistings, managed wind-downs (MWDs) and regulatory issues in both the UK and in the US. The question for investors is: where do we go from here? On the one hand, yields for some REIFS are well over twice those of 10-year gilts, and, generally, IICs have met their dividend expectations. On the other hand, however, the NAV discounts have widened, especially for REIFs.

- What are the prospects for the 8 quoted IICs and the remaining 17 REIFs? Back in 2023, there were 31 quoted sector funds. While the IICs, with the notable exception of Digital 9 Infrastructure, have generally held their own of late, the opposite is the case for the REIFs, virtually all of which are currently trading at heavy discounts to NAV.

- The shrunken 25-strong group now commands a much-reduced market capitalisation of ca.£19.1bn, weighted 58% in favour of the IICs. During 2025, after making various adjustments for the delisted funds, the IIC subsector rose by 3.7%, while the REIF subsector was down by a depressing 17.6%. Over the same period, the FTSE 100, driven by mining, defence and bank stocks, increased by almost 22%, while the FTSE 250 was up by a more modest 9%.

- With the REIFs performing badly in 2025, the most valuable sector fund is 3i Infrastructure, which prospered – yet again in 2025 – and is now capitalised at £3.5bn. The most valuable REIF is now Greencoat UK Wind at £2.1bn, albeit having suffered from various negative wind-related issues during 2025.

- NAV discounts have been all the rage during 2025, with many exceeding 30%; not surprisingly, they have unleashed a rash of share buybacks. Against this background, neither sector IPOs nor material new equity issues were undertaken. Arguably, with a few exceptions, equity markets are effectively closed to sector participants – a sad commentary on a combined sector that has raised ca.£10.3bn of new funds since 2020.

- In addition to two sector delistings in 2024 – Asian Energy Impact due to its liquidation and the acquired Atrato Onsite Energy – three further funds were taken over and then delisted in 2025. The trio of BBGI, Downing Renewables and Infrastructure, and Harmony Energy Income were all taken out at close to their latest published NAVs.

- Many "Continuation/Discontinuation Votes" have taken place in the past two years. The upshot is that Aquila Energy Efficiency, Aquila European Renewables, Digital 9 Infrastructure, Ecofin US Renewables Infrastructure, Hydrogen Capital Growth and VH Global Energy Infrastructure are either in MWD or in an equivalent status.

- Selling assets, at a figure close to their NAV, via MWDs, remains challenging; although the now delisted Triple Point Energy Transition realised "89% of the portfolio carrying value" in just over a year. VH Global Energy Infrastructure indicated that its MWD may be a three-year process, while unscrambling the complex asset base of SDCL Efficiency Income – although not currently in MWD – would be a formidable undertaking.

- Despite all these challenges, most IICs/REIFs – outside those in MWD or equivalent status – have avoided nominal dividend cuts. With a few exceptions, dividend increases have been modest. Nevertheless, 3i Infrastructure's dividend

is set to rise by 6.3% this year and even HICL is due to raise its dividend from 8.25p per share, where it has been marooned since 2019, to 8.35p per share. Encouragingly, among the REIFs, Greencoat UK Wind, which currently links its dividend payments to RPI movements but will shortly change to a CPI-calculation, is expected, by the 2025 year-end, to have raised its dividend per share by 34% since 2022.

- Underlying prospective dividend yields for the more established IICs and REIFs – omitting those in MWD or the equivalent – are generally within ranges of 5.5%-7.5% and 10%-13%, respectively. Lower dividend cover has become a notable trend, with many funds seeking to build up their cover.

- More specifically, the REIFs have been badly hit of late. Due to US regulatory issues, the share price of leading EU wind generator, Orsted, plummeted, needing a £6.9bn rights issue to restore its balance sheet. Uncertainty about future Renewable Obligation Certificate (ROC) and Feed-in Tariff (FiT) UK inflation adjustments – now determined – have also been a negative along with the government's near-25% cut in renewable output assumptions. Even so, the UK wind power sector now exceeds 32GW of capacity – split 16MW apiece between onshore and offshore – while UK solar capacity is almost 22GW.

- Previously, UK offshore wind power had been set to boom, with the government seeking a quintupling of its capacity by 2030. However, the surge in costs, notably of turbines, has seen the "Contracts for Difference" (CfD) strike prices for offshore wind projects rise very sharply. The recent "allocation round seven" auction saw six new offshore wind projects being given the go-ahead, with a maximum CfD strike price of £91per MWh being awarded.

- Gas prices, by contrast, have fallen back markedly from their Ukraine-driven 2022 peaks – and much of the stability has now been restored. However, lower gas prices have adversely affected some REIF valuations since long-term power price assumptions are a key factor – along with the more important discount rate figure – in determining the NAVs of most REIFs.

- Despite the heavy NAV discounts currently applicable to the REIF sector, the "worm may turn", in terms of the NAV discounts being markedly reduced, especially if lower interest rates – despite the current febrile UK political environment – are forthcoming. Very attractive yields for most REIFs, combined with solid figures for most IICs, may result – if not immediately but probably in time – in lower NAV discounts.

Current market ratings of UK IICs

IIC	Share price (p)	Shares in issue (m)	Market cap (£m)	Year-end	NAV per share (p)	Premium vs. discount (%)	Prosp. dividend (p)	Prosp. Yield (%)
3i Infrastructure	375	922	3,459	Mar	407.9	-8.1	13.45	3.6
Cordiant Digital Infrastructure	105	766	804	Mar	140.0	-25.0	4.35	4.1
Digital 9 Infrastructure	6	865	52	Dec	32.7	-81.7	0.00	0.0
GCP Infrastructure	74	835	618	Sep	101.4	-27.0	7.00	9.5
HICL	116	1,900	2,204	Mar	156.0	-25.6	8.35	7.2
INPP	125	1,810	2,263	Dec	148.7	-15.9	8.58	6.9
Pantheon Infrastructure	108	469	507	Dec	127.7	-15.4	4.35	4.0
Sequoia Economic Infrastructure	79	1,490	1,171	Mar	94.0	-16.4	6.88	8.8
			11,077					

Source: Hardman & Co Research

Current market ratings of UK REIFs

REIF	Share price (p)	Shares in issue (m)	Market cap. (£m)	Year-end	NAV per share (p)	Prem./ disc. to NAV (%)	Prosp. dividend (p)	Prosp. Yield (%)
Aquila Energy Efficiency	24	81	20	Dec	50.2	-52.2	8.00	*n/a*
Aquila European Renewables	31	378	117	Dec	51.0	-39.2	1.94	6.3
Bluefield Solar	68	592	403	Jun	114.0	-40.4	9.00	13.2
Ecofin US Renewables Infrastructure	15	138	21	Dec	30.0	-50.0	0.00	0.0
Foresight Environmental Infrastructure	65	623	405	Mar	104.7	-37.9	7.96	12.2
Foresight Solar	65	550	355	Dec	102.1	-36.8	8.10	12.6
Gore Street Energy Storage	55	505	278	Mar	90.1	-39.0	5.07	9.2
Greencoat Renewables (ex €)	59	1,110	657	Dec	88.3	-33.0	5.92	10.0
Greencoat UK Wind	98	2,160	2,117	Dec	140.7	-30.3	10.35	10.6
Gresham House Energy Storage	78	569	444	Dec	115.7	-32.6	0.11	0.1
Hydrogen Capital Growth	13	129	17	Dec	34.2	-62.0	0.00	0.0
NextEnergy Solar	50	575	288	Mar	88.8	-43.7	8.43	16.9
Octopus Renewables Infrastructure	61	528	322	Dec	98.5	-38.1	6.17	10.1
SDCL Efficiency Income	52	1,090	567	Mar	87.6	-40.6	6.36	12.2
TRIG	69	2,390	1,649	Dec	109.7	-37.1	7.55	10.9
US Solar	25	308	77	Dec	47.4	-47.3	2.59	10.4
VH Global Energy Infrastructure	66	396	261	Dec	106.7	-38.1	5.80	8.8
			7,998					

Source: Hardman & Co Research

Sector overview of 2025

Sector performance

Disappointing year, with NAV discounts widening among REIFs

For the IICs/REIFs, 2025 was a disappointing year, although the latter suffered far more than the former: NAV discounts, in many cases, soared. During 2025, the FTSE 100 Index rose by no less than 22%, while – over the same period – the FTSE 250 rose by 9%. Although Gresham House Energy Storage's shares soared by 79%, only four of the other 24 IICs/REIFs under review – 3i Infrastructure, Cordiant Digital Infrastructure, Gore Street Energy Storage and Pantheon Infrastructure – were able to report double-figure rises in their share price during 2025.

Takeovers

BBGI exits

While BBGI, a stalwart of the IICs was taken over – at close to its NAV – and Digital 9 Infrastructure's share price collapsed, most of the action was in the REIFs' subsector. Two REIFs – Downing Renewables and Infrastructure, and Harmony Energy Income – were taken over at close to their latest NAV value.

IIC funds

3i Infrastructure, Cordiant and Pantheon dominate

Among the IICs, Pantheon Infrastructure was the best performer – its shares rose by 23% during 2025. 3i Infrastructure's shares were up by 18% while Cordiant Infrastructure's shares also rose - in its case, by 16%.

REIF/BESS funds

Gresham rallies strongly

While wind and solar generators struggled in 2025, some sector funds did manage to prosper during the year, most notably leading Battery Energy Storage System (BESS) operator, Gresham Energy Storage, whose shares rose by no less 79% after a dreadful year in 2024, which was dominated by a major profit-warning and the suspension of its dividend. Shares in Gore Street Energy Storage also rallied as Investment Tax Credits (ITCs) earned in the US were cashed in, which enabled special dividends to be paid.

Fundraising

Although many funds would welcome additional equity funding, it is simply not available – for most at least – given the current NAV discounts. To be sure, some minor sums of money were raised, but they added virtually nothing to the ca.£10.3bn of new funds raised by the then 31, now 25, IICs/REIFs since January 2020. With high interest rates and major discounts to NAVs still prevailing, there is no obvious reason for this trend to reverse in the short term.

Share buybacks

Share buybacks now the default option

Instead, undertaking share buybacks has become the preferred – and default – option for those funds that can afford to do so. In consequence, material acquisitions, except for some larger IICs, such as Cordiant Digital Infrastructure's absorption of BT Ireland, were very limited.

Inflation

Concerns about high inflation might have abated but have not been eliminated

At a general level, there were many negative financial factors affecting the IICs/REIFs during 2025. But, with UK inflation now falling again, concerns about persistently high inflation may have abated. They have not, though, been eliminated, as the government's borrowing costs continue to escalate.

Discount rates

More specifically, the progressive rise in interest rates, starting from 2022, has adversely affected discount rates and thereby depressed the sector's NAVs. Almost all the 25 IICs/REIFs have made upward adjustments to their discount rates to reflect this trend. Not only have NAVs been cut – although, in some cases, this has been offset by other factors – but also the trading discounts for virtually all IICs/REIFs have widened, in some cases very considerably.

Yields

Soaring REIF yields

The current low ratings for the sector, and especially for the REIFs, have resulted in enhanced dividend yields during 2025. Despite the challenges that they have faced, nominal dividend cuts have been surprisingly few – mostly impacting those funds in MWD or its equivalent.

Dividend growth

3i Infrastructure and Greencoat UK Wind take the dividend plaudits

Within the 25 IICs/REIFs, two stocks stand out – on the upside – in terms of their dividend policies. 3i Infrastructure plans to raise its dividend by an impressive 6.3% for 2025/26 compared with its 2024/25 payment. Greencoat UK Wind paid a 7.70p per share dividend payment in 2022; with its projected 2025 payment of 10.35p per share, this would represent an impressive 34% increase in just three years.

Government interventions

Beyond those in MWD or in an equivalent status, two major government interventions of late have disorientated the valuations of UK wind and solar assets.

Wind/solar yield projections

Overegging the yield pudding

First, the Department for Energy Security and Net Zero (DESNZ) has concluded that projected yields, especially from wind farms, have been too optimistic. To be sure, several generators, including Greencoat UK Wind, have blamed adverse wind trends for major generation shortfalls when compared with their budgets. However, the DESNZ's figures suggest that the sector has over-estimated its yield potential by up to a quarter – quite a serious shortfall if these figures prove to be accurate.

ROC/FiT inflation adjustments

DESNZ inflation ruling - CPI

Secondly, the DESNZ has intervened to address the inflation upgrade issue covering projects which are either subject to ROC or FiT payments. DESNZ has proposed either a switch from RPI-related upgrading to one based on CPI or a temporary freeze – in allowing for inflation – as from April 2026. Very recently, no doubt to the relief of mature wind and solar generators, DESNZ has opted for the CPI option.

Clearly, the second option, had it been implemented, would have had a serious impact on returns – possibly as high as 10p of a mature UK wind generator's NAV. Importantly, the financial implications of the first option being introduced are quite modest.

Energy prices

On the energy front, despite the various peace talks being convened, the war in Ukraine is now entering its fourth year. The impact on the energy sector has eased of late, as prices have adjusted to the new gas supply market in western Europe, which has seen imports of Russian gas significantly reduced in recent years.

Gas contracts

As the international gas market has adjusted since 2021, with more gas contracts being signed with non-Russian suppliers, prices have fallen sharply from their peak.

In fact, the main impact of lower gas prices in the wholesale energy sector is to make Combined Cycle Gas Turbine (CCGT) plants rather more competitive than previously – gas input costs make up a very high percentage of a CCGT's operating cost base. It should be added that the recent surge in short-term gas prices is mainly due to adverse weather conditions in the US.

Political events

More generally, over the past 18 months, there have been several political events that have had an impact on the IIC/REIF sector. First, there was the July 2024 General Election, at which the Labour Party secured 411 parliamentary seats and – as such – an overwhelming majority. Nevertheless, the current UK political environment remains febrile.

Net zero remains the holy grail for the Labour government

Secondly, in opposition, the Labour Party had proposed a £28bn green investment programme. However, this commitment was subsequently pared back, mainly due to the huge costs involved in meeting it. Nevertheless, the Labour government is already working aggressively towards Net Zero, a pledge that – almost inevitably – requires massive investment in new renewable generation plant and far less output from CCGT plants.

Thirdly, in terms of the IICs, the Public/Private Partnership (PPP) market is central to the activities of several sector players, such as HICL and INPP. The Labour government may seek to expand the use of such financing arrangements, including the Private Finance Initiative (PFI); however, to date, little has been said on the matter. Retrospective changes to existing PPP projects are unlikely but certainly cannot be ruled out.

A mixed bag – at best

The table, below, highlights the – in many cases, depressing – share price performance of the 25 listed IICs/REIFs funds during the 2025 calendar year. Gresham House Energy Storage's share price performance has been exceptional.

IIC/REIF share price performance during 2025

IIC/REIF	Share price performance during 2025
Gresham House Energy Storage	+79%
Pantheon Infrastructure	+23%
3i Infrastructure	+18%
Cordiant Digital Infrastructure	+16%
Gore Street Energy Storage	+15%
GCP Infrastructure	+7%
INPP	+4%
Sequoia Economic Infrastructure	+1%
HICL	0
VH Global Energy Efficiency	0
SDCL Efficiency Income	-3%
Aquila Energy Efficiency	-6%
Foresight Environmental Infrastructure	-8%
Octopus Renewables Infrastructure	-13%
Greencoat Renewables	-14%
Foresight Solar	-17%
TRIG	-19%
US Solar	-20%
Greencoat UK Wind	-22%
NextEnergy Solar	-24%
Bluefield Solar	-26%
Hydrogen Capital Growth	-34%
Ecofin US Renewables Infrastructure	-40%
Aquila European Renewables	-46%
Digital 9 Infrastructure	-68%

Source: Bloomberg

Continuation/Discontinuation Votes and MWDs

Continuation/Discontinuation Votes

"Continuation/Discontinuation Votes" frequent in 2025

A recurring feature of 2025 for the IICs/REIFs has been the frequency of "Continuation/Discontinuation Votes", some of which have already led to MWDs or their equivalent.

In certain cases, "Continuation/Discontinuation Votes" are prescribed by the terms of the investment trust; Sequoia Economic Infrastructure, which secured overwhelming backing from its shareholders in 2024, is one such example. In other cases, shareholders have a right to move a resolution that such a vote should be implemented. Within the IICs, they are less of an issue, except for Digital 9 Infrastructure, where there was an overwhelming 99% vote in favour of MWD, as borrowing levels became unsustainable.

In the REIFs subsector, several funds have been subject to a "Continuation/Discontinuation Vote", including Greencoat Wind in 2024, which – hardly surprisingly – emerged unscathed, with ca.93% of shareholders voting for its continuation.

The casualties

Less successful on that front have been Aquila Energy Efficiency, Aquila European Renewables, Ecofin US Renewables Infrastructure, Hydrogen Capital Growth and VH Global Energy Infrastructure. All are now in MWD or its equivalent.

Implementing an MWD

In terms of implementing an MWD or equivalent liquidation, the process is not straightforward, especially in terms of selling the more "sticky" assets.

Easier sales go first

Hence, the easier sales – and one with a valuation close to NAV – are often sold first. While SDCL Efficiency Income is not currently in MWD – but may well be in coming months – it chose to sell the solar generation business that it had bought outright in 2022 from leading utility, United Utilities. The sales price was close – after certain adjustments – to the acquisition price that it paid just two years earlier. And, if SDCL Efficiency Income does end up in MWD, it will find selling some of its stakes in US renewable energy businesses that much more challenging.

Discount to NAV

The quest to sell at NAV premium

The quest to achieve sales at close to NAV is also compromised by the recognition that the MWD seller is, in effect, a forced seller – like Digital 9 Infrastructure as it seeks to dispose of its 51.8% economic interest in Arqiva, its key remaining asset. Further downward price pressure is the almost inevitable outcome.

Timing

Timing is also an issue. Although the asset base of VH Global Energy Infrastructure may look comparatively liquid – the 198MW Mascarenhas hydro-plant being an exception – it has cited a timeline of three years for full liquidation.

Triple Point Energy Transition's 13-month MWD exit

More encouragingly for shareholders in MWD funds, Triple Point Energy Transition – admittedly a fund with relatively few assets – succeeded in completing its MWD in just 13 months. In doing so, it realised 89% of its portfolio carrying value.

The combination of these factors suggests that obtaining prices close to NAV – unless the asset has been suitably marked down, as is often the case, during the sales process – will be very challenging.

The reality is that few REIFs in MWD are likely to emulate Triple Point Energy Transition.

The UK macro environment

Unquestionably, macroeconomic issues, as they relate to the UK economy, affect the 25 remaining IICs/REIFs to varying degrees: this section addresses the most important factors in this respect.

Inflation being tamed

High energy costs have been a major factor in recent inflation trends; until quite recently, in July 2022, UK inflation had exceeded 10%. While such a figure is negative for most other sectors – although banks are an obvious exception – many IICs and REIFs derive real benefit from such trends given that a high proportion of their revenues are effectively inflation-linked, especially those in the electricity and water sectors. However, with UK inflation now at 3.4%, investor concerns about persistent inflation have abated, although they may well reappear as public net debt reaches £3.0tr and the yield on 10-year gilts fluctuates around 4.5%.

The graph below shows the yield on the government's 10-year gilts and how it has increased very sharply since 2020. Inevitably, high gilt yields help to underpin inflationary trends, especially with the UK's high percentage of inflation-linked gilts, as well as having a major impact on the cost of issuing new long-dated stock.

UK 10-year gilt yield risen sharply since 2020

Source: FT.com

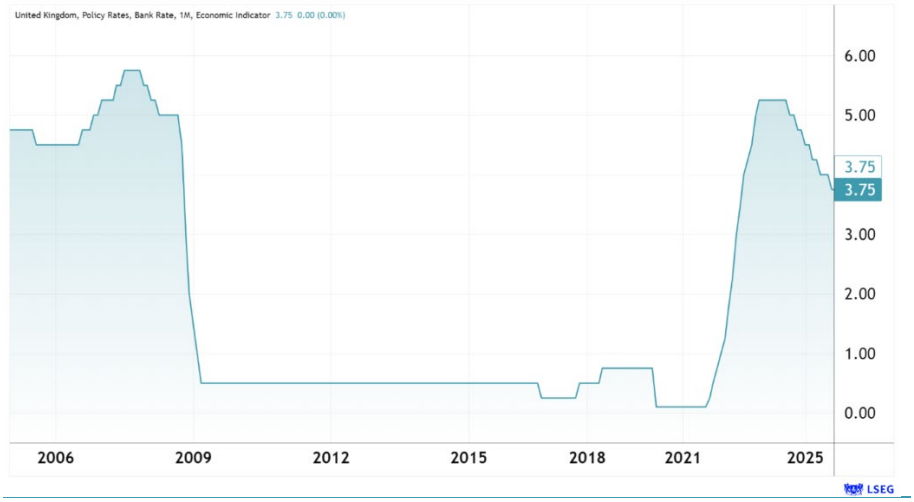
Pronounced inflation hedges

In fact, many IICs/REIFs enjoy significant protection from inflation. In the cases of HICL and INPP, their inflation hedges are 80% and 70%, respectively. HICL has more than 100 high-quality assets while INPP has been a major investor in the much-lauded Thames Tideway Tunnel (TTT) sewerage scheme; it is also heavily involved in electricity transmission links, as an Offshore Transmission Owner (OFTO) of offshore wind farms.

Hardly surprisingly, after a sustained period of low interest rates, the rises in interest rates, since 2022, have adversely affected some IICs and REIFs, especially those with high gearing, such as Digital 9 Infrastructure, which is now in MWD.

The graph below shows the Bank of England's official Base Rate from late 2004 to December 2025. The near-zero levels, which prevailed between the onset of the financial crisis in 2009 and prior to the post COVID-19 rise in inflation in 2021, have been replaced by the rise in the Base Rate to the current figure of 3.75%. Whether further Base Rate cuts are feasible is debatable, to say the least.

Bank of England Base Rate, 2005 to 2025



Source: LSEG, 2026

Inevitably, higher interest rates have driven up the discount rates used by IICs/REIFs for valuation purposes. Consequently, in many cases, NAV valuations have fallen as future revenues are marked down in real terms value. Several IICs/REIFs have already responded to this trend; HICL, for example, raised its discount rate from 7.2% in March 2023 to 8.0% in September 2023; by June 2025, it had risen to 9.0%.

Infrastructure investment companies (IICs)

3i Infrastructure, at £3.5bn, the most valuable among the current eight quoted UK IICs

Following the delisting of BBGI, there are currently eight quoted UK IICs; they are capitalised at a total of £11.1bn, with 3i Infrastructure, at £3.5bn, being the most valuable in the sector.

Following the delisting of BBGI, the core IIC grouping now consists of 3i Infrastructure, HICL and INPP. 3i Infrastructure has ca.20 investments while HICL's assets are spread across a wide range of sectors. INPP focuses more on the regulated, energy sectors, especially gas and water.

Both the long-established GCP Infrastructure and the US-based Sequoia Economic Infrastructure are effectively major lenders. In the former's case, energy and PPP/PFI investments are key. In the latter's case, its lending is wide-ranging. In 2022, it struggled, facing some major bad debts. However, more recently, real progress has been made in settling them.

3i Infrastructure –a one-off

The highly successful 3i Infrastructure is very much a one-off within the IIC subsector, with a greater risk profile and materially higher dividend growth.

The three other IICs – all of which are recent sector arrivals – are either very, or partly, focused on the digital infrastructure market. In two cases, those of Cordiant Digital Infrastructure and Digital 9 Infrastructure, their core business is self-evident from their corporate names.

Cordiant's and Digital 9's share prices are very negatively correlated

The contrast between the share price performance of these two telco-orientated funds over the course of 2024 has been binary – the former was the best stock market performer of the then 29 IICs/REIFs, while the latter – with its collapsed share price – is now languishing in MWD. The share price gap widened during 2025 as Digital 9 Infrastructure headed towards WMD.

Pantheon's very successful 2025

For Pantheon Infrastructure, floated in 2020, its investment remit is wide-ranging, with digital and energy infrastructure investments being considered priorities, as its recent investments have demonstrated. Its 2025 share price performance – a rise of 23% – was undoubtedly impressive.

Shown below are details of the eight remaining IICs and the key aspects of their business operations.

3i Infrastructure (market cap. £3,459m)

3i Infrastructure plc

Investment sectors: In 2007, 3i Infrastructure was demerged from the 3i Group. Throughout the subsequent 18 years, it has thrived and delivered an internal rate of return (IRR) of over 11%, well above that of any of its peers over a prolonged period, as well as increasing its dividend every year. With regard to its investment, 3i Infrastructure's investments have become increasingly diverse over the years. Yet, its "sweet spot" remains mid-market economic infrastructure within a typical equity range of £100m to £300m. Periodic recycling of its portfolio is a key policy for 3i Infrastructure – often generating substantial returns on its original investment. Its last major disposal in 2025 was the sale of its 33% stake in the Valorem renewable energy business: the sale proceeds of €309m (£269m) were at a sizeable 31% premium to the September 2023 valuation.

Portfolio: 3i Infrastructure owns a portfolio of ca.20 investments. In terms of sectors, based on asset value, the energy business is a key component, although communications – in various guises – have also become more prominent. In recent

years, several deals have given rise to material changes in the portfolio. Three investments – TCR, an airport services business operational at 237 airports – has been the star performer of late through higher rental returns and lower costs. With ESVAGT, an offshore services operator, and Infinis, a waste and recycling undertaking, this trio now account for more than 40% of total equity value. In terms of legal jurisdictions, 3i Infrastructure's assets are split quite widely throughout the EU and the UK. Also, some of the operations, such as TCR, have become more international, extending well beyond mainland Europe. Less satisfactory has been a very recent announcement regarding DNS:NET, a German-based broadband telecoms provider. Due to adverse financing issues, its value has plummeted, with 3i Infrastructure expecting its £212m book value to be written off in its entirety – a rare investment misstep for 3i Infrastructure.

Financial/share price data: 3i Infrastructure's share price performance in 2025 was very reassuring – up by 18%. In its half-year results for 2025/26, the figures were impressive, with the reported NAV rising to 407.9p per share – the comparable March 2025 figure was 386.2p. Even with the latest NAV figure being derived from a highly conservative 11.5% discount rate, the shares are currently trading at an 8.1% discount to NAV. With the various initiatives in recent years to raise its stakes in such companies as GCX, ESVAGT and SRL, it is no surprise that the once formidable net cash balance has been eroded; net debt, however, at September 2025, was below £350m. On the dividend front, 3i Infrastructure is far ahead of its peers in announcing a dividend target of 13.45p per share for 2025/26, which represents a formidable 6.3% increase on the 2024/25 dividend per share figure. 3i Infrastructure's latest income statement is shown in the table below.

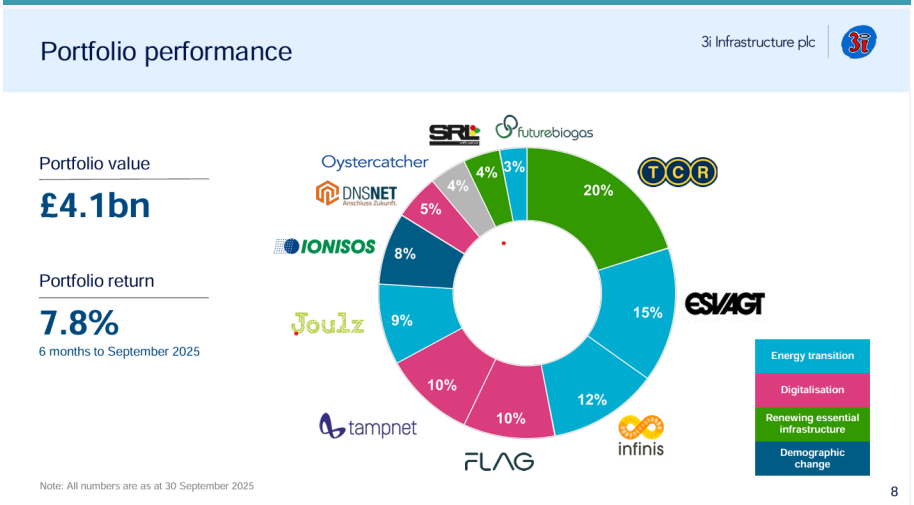
3i Infrastructure half-year income statement, 2025

(£m)	to 30/09/25	to 30/09/24
Net gains on investment	**200**	**40**
Investment income	**115**	**98**
Investment return	**315**	**138**
Movement in FV of derivative instruments	(8)	58
Management and performance fees	(25)	(25)
Operating expenses	(2)	(1)
Finance costs	(9)	(17)
Exchange movements	(13)	16
Profit before tax	**258**	**169**
Income taxes	0	0
Profit after tax and profit for the year	**258**	**169**
Total comprehensive income for the year	**258**	**169**
EPS (basic and diluted, p)	**28.0**	**18.3**

Source: 3i Infrastructure, Hardman & Co Research

In terms of sector exposure, the slide below highlights 3i Infrastructure's key investments.

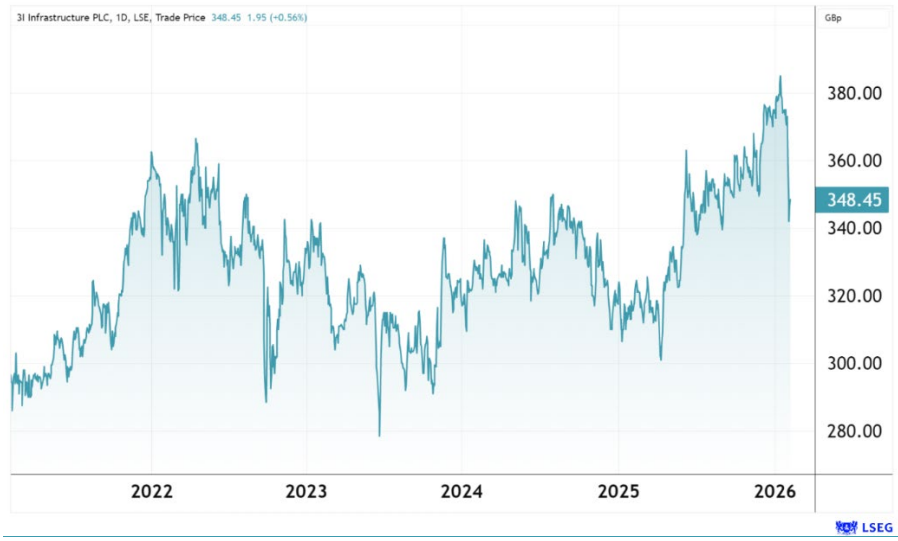
3i Infrastructure's key investments



Source: 3i Infrastructure

Overall, most long-term investors in 3i Infrastructure should have benefited considerably, as the five-year graph highlights – its outperformance against other IICs, and virtually all REIFs, has been very noticeable.

3i Infrastructure – five-year share price performance



Source: LSEG, 2026

Cordiant Digital Infrastructure (market cap. £804m)

Investment sectors: Of the then 29 IICs/REIFs under review in 2024, Cordiant Digital Infrastructure's share price was the best – or the least bad performer – during the year, rising by 18%: the equivalent figure in 2025 was an increase of 16%. The business model is very focused on digital infrastructure and enhanced connectivity; these rapidly developing markets, especially in the EU, lie at the heart of its business operations. Major acquisitions in Poland and in the Czech Republic have indicated that Eastern Europe is its core market – and one where the opportunities for revenue growth, especially in Poland with its booming economy, are self-evident. More recently, the acquisition of Speed Fibre, the former BT Ireland, has opened up new opportunities in the Republic of Ireland (RoI).

Portfolio: Cordiant Digital Infrastructure's most valuable business is the Polish-based, Emitel, which is a multi-asset digital information undertaking; it is located in Warsaw and owns more than 550 communication towers. The Emitel acquisition cost more than £350m, but it was valued in the 2025/26 half-year accounts, ending in September 2025, at £607m. Cordiant Digital Infrastructure's other key business – bought at a cost of £306m – is Ceske Radiocomunikace (CRA) in the Czech Republic. This company owns a thriving business comprising 660 broadcast towers, an optical backbone network and a portfolio of strategically located data centres – a major data centre building project in Prague is currently under way. In the half-year accounts ending in September 2025, CRA was allocated a book value of £485m. Two other post-IPO deals also merit comment – the acquisition of the New York City-based Hudson Interchange for $74m (£54.8m) and of Speed Fibre, which is now generating the second-highest revenues within Cordiant Digital Infrastructure's portfolio. Furthermore, Cordiant Digital secured a 37.4% economic stake in a group of data centre operations in Belgium. Undoubtedly, the Emitel and CRA operations in Eastern Europe, along with Speed Fibre in RoI, will be pivotal in driving the finances of Cordiant Digital Infrastructure, especially through strong YoY EBITDA growth.

Financial/share price data: With its share price performance over the past two years, Cordiant Digital Infrastructure contrasts with the very sorry plight of the sector's other core telco player, Digital 9 Infrastructure, the shares of which have collapsed; it is now in MWD. Cordiant Digital's NAV, as at September 2025, was 140.0p per share; this compares with 112.7p per share at September 2023; its latest discount rate is 9.3%. EBITDA continues to grow strongly and should exceed €160m (£139m) by the year-end. However, despite impressive returns, its shares are now trading at a 25% discount to NAV. Cordiant Digital Infrastructure has been quite aggressive – although far less so than Digital 9 Infrastructure – in building up its portfolio, having raised ca.£800m of funding from equity markets since its IPO in February 2021. While further equity fundraising has been discounted for the present, due to the parlous state of the market for new equity capital, Cordiant Digital Infrastructure still has some headroom for additional borrowing, especially given its strongly rising EBITDA: its latest net debt/GAV ratio is 41%. With a reassuring dividend cover of 1.7x, Cordiant Digital Infrastructure plans to pay a 4.35p dividend per share for its 2025/26 financial year.

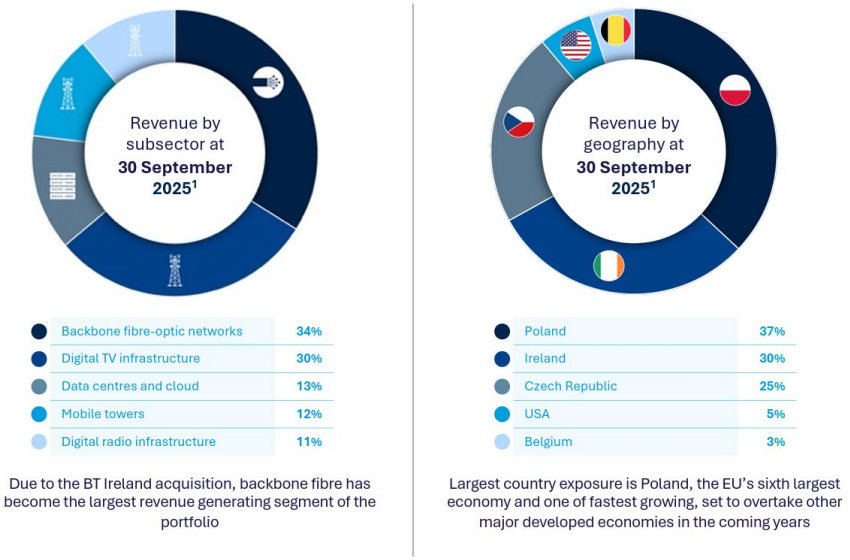
Cordiant Digital Infrastructure – half-year income statement, 2025

(£000)	to 30/09/25	to 30/09/24
Income		
Net gain on investments at FV through P/L	89,722	54,155
Management fee income	666	0
Dividend income	18,867	0
Total income	**109,255**	**54,155**
Operating expenses		
Investment acquisition costs	0	(1,327)
Other expenses	(4,396)	(3,951)
Operating profit	**104,859**	**48,877**
Foreign exchange movement of working capital revaluation	(8,049)	2,886
Finance income	237	1,077
Finance expenses	0	(3,826)
Profit before tax for the period	**97,047**	**49,014**
Tax charge	0	0
Profit and total comprehensive income for the period	**97,047**	**49,014**
Basic EPS from continuing operations (p per share)	**12.67**	**6.40**
Diluted EPS from continuing operations (p per share)	**12.67**	**6.40**

Source: Cordiant Digital Infrastructure, Hardman & Co Research

Cordiant Digital Infrastructure has recently published two pie charts, reproduced below, showing its revenues both by sector and by geography.

Cordiant revenues, by sector and geography



Source: Cordiant Digital Infrastructure

Digital 9 Infrastructure (market cap. £52m)

(In managed wind-down)

Investment sectors: Digital 9 Infrastructure undertook its well-received IPO in March 2021 – it emerged from the same stable as the now delisted Triple Point Energy Transition. Digital 9 Infrastructure had focused on building out digital infrastructure, including networks, undersea cables and data platforms, mainly in Europe. But, since 2023, it has been downhill all the way for Digital 9 Infrastructure, as financial pressures have caused its share price to plummet, effectively preventing new equity-raising. Following an overwhelming 99% vote in favour of an MWD, Digital 9 Infrastructure is now proceeding – somewhat unsteadily – to this end. Nevertheless, completion of the ca.$440m (ca.£326m) sale of the key business, Verne Global, was eventually confirmed in March 2024: the disposal value includes deferred consideration payments but excludes a medium-term earn-out provision. Selling its 51.8% economic stake in Arqiva is now Digital 9 Infrastructure's priority.

Portfolio: Initially, Digital 9 Infrastructure made good progress in building its portfolio, with a series of investments. Its first substantial acquisition was that of Aqua Comms., an Irish-based business that operates capacity services across fibre-optic telecoms networks. Subsequently, Verne Holdings, which operates data centres in Iceland, was acquired for £231m. The former was then sold – at well below expectations – for just €48m (£41.8m), while the sale of the latter was eventually completed in March 2024. Digital 9 Infrastructure's 51.8% economic interest in Arqiva, a UK data, networks and communications service provider, was acquired at a formidable cost of ca.£456m. Selling this business is more problematic, with the sales process being put on the "back burner" – for the moment at least – in the quest to maximise shareholder value. The recent imputed valuation from the 26.5% Arqiva disposal – for just £16.5m – by fellow shareholder, Macquarie, and its associates materially reduces sales expectations for Digital 9 Infrastructure's majority economic stake in Arqiva.

Financial/share price data: Digital 9 Infrastructure's share price performance has been dire – it now trades at a discount of over 80% to its much-written-down NAV, at June 2025, of just 32.7p per share: significantly, its NAV, at June 2023, exceeded

100p per share, so the decline has been quite precipitous. With paying down its Revolving Credit Facility (RCF) being the priority, dividends will no longer be paid, although there should be returns of capital as the MWD yields sales proceeds. Indeed, it is expected that, within the next few months, ca.£20m will be distributed to shareholders principally due to the Aqua Comms. sale. The key to the ongoing valuation will be the level of proceeds generated by the expected – albeit deferred – sale of the 51.8% Arqiva stake. Key decisions on future Arqiva contracts and their financing are eagerly awaited.

Digital 9 Infrastructure – half-year income statement, 2025		
(£000)	to 30/06/25	to 30/06/24 (restated)
Income		
Loss on investments held at FV	(14,494)	(167,965)
Interest income	1,487	1,352
Other income	1,934	190
Total income/loss	**(11,073)**	**(166,423)**
Expenses		
Investment management fees	(1,860)	(3,329)
Other operating expenses	(1,291)	(2,022)
Total expenses	(3,151)	(5,351)
Loss/profit on ordinary activities before taxation	**(14,224)**	**(171,774)**
Loss/profit and total comprehensive expense/income attributable to shareholders	(14,224)	(171,774)
EPS (basic and diluted, p per share)	**(1.7)**	**(19.8)**

Source: Digital 9 Infrastructure, Hardman & Co Research

GCP Infrastructure (market cap. £618m)

Investment sectors: GCP Infrastructure's declared aim is "to create a diversified portfolio of debt and similar assets secured against UK infrastructure projects". It focuses on debt investments in the renewable generation sector and, to a lesser extent, on PPP/PFI schemes. Currently, the split is 59% in favour of renewables and 41% in favour of PPP/PFI and supported living investments.

Portfolio: Within GCP Infrastructure's portfolio, there are currently 47 investments, with an average life of eight years – all are UK-based. The core business remains its renewable energy investments, especially solar generation (both commercial and rooftop) and wind generation: they account for 21% each of the portfolio's value. The biomass plants add a further 12%. Outside the energy sector, GCP Infrastructure has much of its remaining asset value tied up within PPP/PFIs, a financing model that the UK government is seeking either to phase out or at least to reform fundamentally, or in supported living investments. With the ongoing priority to deliver portfolio sales, including further disposals of renewable assets and of supported living assets, material new investment is unlikely.

Financial/share price data: With a share price rise of 7% in 2025, GCP Infrastructure held its own, but material changes to its strategy are being implemented. In its full-year results for the period ending in September 2025, GCP Infrastructure reported a NAV of 101.4 per share, compared with a return of 105.2p per share in September 2024: the former figure was boosted by a share buyback programme during 2025, which was offset by a slightly higher discount rate of 8.0%. GCP Infrastructure's shares are currently trading at a 27% discount to its NAV. To maximise the use of its capital and to boost its NAV per share, GCP Infrastructure has increased its asset recycling policy target to no less than £250m – around 40% of its total equity value – and thereby signalling an aggressive asset sell-off policy. In 2019/20, GCP Infrastructure's dividend was cut to 7.00p per share, a figure that has been held subsequently. The focus will assuredly be on delivering the specifics of the asset

recycling policy – reducing gearing, de-risking the portfolio, delivering £50m+ of returns to shareholders and holding the 7p per share dividend.

GCP Infrastructure – full-year income statement, 2025		
(£000)	to 30/09/25	to 30/09/24
Income		
Net income/gains on FV financial assets	33,697	37,340
Net gains on FV derivative financial instruments at FV	(297)	496
Other income	321	493
Total income	**33,721**	**38,329**
Expenses		
Investment advisory fees	7,858	(8,300)
Operating expenses	(3,268)	(3,038)
Total expenses	**(11,126)**	**(11,338)**
Total operating profit before finance costs	22,595	26,991
Finance costs	(4,237)	(7,477)
Total profit and income for the period	**18,358**	**19,514**
EPS (basic and diluted, p)	**2.15**	**2.25**

Source: GCP Infrastructure, Hardman & Co Research

HICL Infrastructure (market cap. £2,204m)

Investment sectors: In its extensive portfolio, HICL holds over 100 high-quality investments across many sectors. Indeed, despite various overseas acquisitions, including investments in France, in the US and in New Zealand, HICL's portfolio remains heavily slanted towards the UK, which accounts for 63% of its investments: a further 23% arise from the EU. Following its acquisition of a 46% stake in the Texas Nevada Transmission business – now its fourth most valuable holding – the North American exposure is growing. Transport and health investments, which now account for 44% of the overall value, are key sectors, along with electricity and water – via its 33% Affinity Water investment, now HICL's most valuable investment – in its increasingly diverse portfolio. Had the recently aborted acquisition of TRIG proceeded, HICL's electricity exposure would have been far more pronounced.

Portfolio: HICL manages the largest – and widest – portfolio of investments of the eight IICs under review. Since its IPO in 2006, its portfolio has been accumulated over a sustained period. Importantly, in terms of investor risk, contracted revenues, such as those under PPP/PFI schemes, are now earned from more than 50% of these assets. As such, the demand-based revenue segment, which includes some revenue risk, is now 14%, with regulated revenues accounting for the remainder. Reassuringly for investors, HICL's portfolio currently offers inflation linkage of ca.80% – well above that of most other quoted IICs. Compared with previous half-years, HICL had a relatively quiet period in terms of portfolio changes during 1H'25. Seven IPP investments, including four Local Improvement Finance Trusts (LIFTs), were recently sold along with some hospital and school assets. Ofwat's final price determination for Affinity Water, covering the five-year regulatory period between 2025 and 2030, has been accepted – without an appeal to the Competition and Markets Authority (CMA).

Financial/share price data: Shares in HICL have remained broadly unchanged in 2025, unlike the previous 15% falls in each of 2023 and 2024. The latest NAV figure was 156.0p per share – marginally down from 156.5p per share at March 2024. The share trading discount is now 26%, while the latest weighted average discount rate is 8.4%. HICL's half-year results for 2025/26 were sound overall, with few obvious

operational challenges to surmount. However, underlying dividend cover, on a cash basis, remains very tight, at 1.1x. After seven years of a flat dividend, it is now set to rise for 2025/26 – albeit only marginally – to 8.35p per share. Although it is a sector bellwether, HICL's dividend profile compares very unfavourably with that of 3i Infrastructure. More recently, the on/off deal to acquire TRIG disconcerted some HICL investors, who eventually succeeded in overturning the planned takeover.

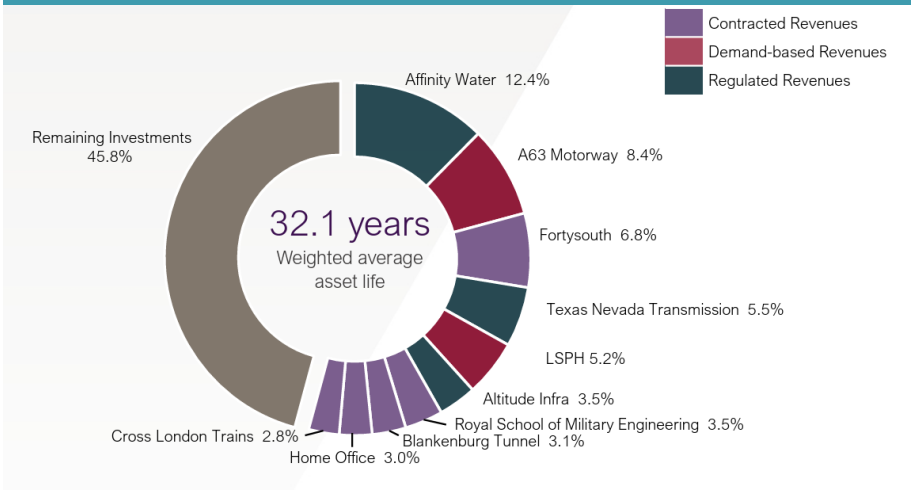
HICL – half-year income statement, 2025/26

(£000)	to 30/09/25	to 30/09/24
Income		
Dividends received	41.8	280.8
Interest income	67.5	69.7
FV movement	25.5	(273.2)
FV movement on investments	14.3	(29.4)
Loss on forex derivatives	7.0	17.6
Other income	3.7	6.2
Total income (IFRS basis)	**145.8**	**71.7**
Expenses/finance costs	(26.3)	(26.7)
Profit before tax	**119.5**	**45.0**
Tax	0	0
Total return	119.5	45.0
Earnings per share (basic and diluted, p)	**6.1**	**2.2**

Source: HICL, Hardman & Co Research

In its 2025/26 half-year results, HICL updated key data for its current portfolio; details are set out in the chart below. The two most valuable investments are Affinity Water (12.4%) and the A63 motorway in France (8.4%).

HICL's portfolio, 2025



Source: HICL Infrastructure

INPP (market cap. £2,263m)

Investment sectors: The origins of INPP date back to Babcock & Brown, an Australian Investment Bank. In terms of investment policy, INPP adopts a long-term approach – of well over 30 years. Its core investments are in the energy sector, especially in gas transportation – its 7.0% stake in the price-regulated Cadent is its prime asset – and electricity transmission. Indeed, investment as an OFTO is illustrated by the £77m purchase of the Moray East OFTO in February 2024, although a 49% minority stake in the business is now being sold, at a premium to NAV, to Daiwa Energy & Infrastructure.

Portfolio: Utilities' infrastructure lies at the heart of INPP's investment strategy. The Cadent gas distribution network is the UK's largest and supplies 11m homes and businesses. Crucially, Cadent accepted Ofgem's R110-3 pricing proposals covering the regulatory period between 2026 and 2031. INPP's other major investment – at 15% of the portfolio and similar to the Cadent component – is the 25km TTT super sewer, which should capture 95% of London sewer overflows. The final cost of the project came out at just over £4.5bn, very close to its budget. As such, it is an obvious template – using the Regulatory Asset Base (RAB) model – for financing large utility projects; it has already been copied elsewhere. Furthermore, INPP has committed to major long-term equity investment – up to £254m in five years – in the Sizewell C nuclear power project. Much of the remainder of INPP's portfolio comprises OFTOs, which – with the £77m Moray East investment – have become a priority of late for INPP. Transport and education investments also remain important components of INPP's asset base. Geographically, the UK remains INPP's key market, with 73% of its portfolio being located here. Of the remainder, the main Belgium asset is the Diabolo rail link contract to service Brussels Airport, accounting for 7% of the portfolio's value. In 2024, INPP, through the acquisition of Abelio Germany by its fully owned subsidiary BeNEX, became a major provider of local railway services in Germany. More recently, there have been several portfolio disposals by INPP, including a part sale of its Angel Trains investment. It should be added that, for investors, INPP offers impressive inflation linkage of ca.70%; among its peer group, only HICL quotes a higher figure.

Financial/share price data: Despite a share price fall of almost 12% in 2024, which was partially reversed in 2025, INPP continues to perform well operationally – with very high asset availability – as its latest half-year results demonstrated. However, the rise in its weighted average discount rate from just over 7.5% at December 2022 to 9.0% at June 2025 has inevitably curbed INPP's NAV returns of late. In fact, INPP's NAV has fallen from 159.1p per share at December 2022 to 148.7p per share at June 2025: its shares are currently trading at a 16% discount to its NAV. In terms of dividends, INPP's policy is clear-cut; it plans an 8.58p dividend per share figure for 2025, rising to 8.79p per share in 2026. Indeed, INPP is reverting to its long-term policy of a 2.5% annual increase in its dividend. Importantly, cash conservation has become more of a priority of late – almost £350m has been raised from divestments since July 2023. In addition, a lengthy and ongoing share buyback programme is being implemented as INPP seeks to narrow its NAV trading discount.

^

INPP – half-year income statement, 2025		
(£m)	to 30/06/25	to 30/06/24
Interest income	50,246	55,863
Dividend income	42,894	35,994
Net change in investment at FV via P&L	64,864	(55,344)
Total investment income	**158,004**	**36,513**
Other operating income/expenses	2,141	790
Total income	**160,145**	**37,303**
Management costs	(14,266)	(15,649)
Administration costs	(1,440)	1,236
Transaction costs	(58)	1,208
Directors' fees	(300)	(254)
Total expenses	**(16,064)**	**(18,347)**
Profit before finance costs and tax	**144,081**	**18,956**
Finance costs	(1,522)	(2,286)
Profit before tax	**142,559**	**16,670**
Tax credit	(149)	(58)
Profit for the period	**142,410**	**16,612**
EPS (basic and diluted, p)	**7.64**	**0.87**

Source: INPP, Hardman & Co Research

PANTHEON
INFRASTRUCTURE PLC

Pantheon Infrastructure (market cap. £507m)

Investment sectors: Pantheon Infrastructure was one of two IICs/REIFs, along with Cordiant Digital Infrastructure, whose shares rose in 2024 – by over 6%. However, in 2025, they were up by an impressive 23%. At its IPO, in November 2021, Pantheon Infrastructure identified the following sectors as possible investment targets: digital infrastructure; renewables and energy efficiency; power and utilities; transport and logistics; and social investment. In the event, the first three sectors of this quintet have featured prominently in Pantheon Infrastructure's subsequent investments; the latter pair less so. At its IPO date, Pantheon Infrastructure had been seeking to acquire between eight and 12 assets by the autumn of 2022 – a target that was achieved. And, following the recent £30m investment commitment to the Californian-based Intersect Power, it now owns – for the moment at least – 14 such investments. Undoubtedly, the pulling of its proposed £250m C shares issue in September 2022 – at the height of the mini-Budget controversy – was something of a harbinger for the IIC/REIF sector, by suddenly making equity fundraising far more difficult. As such, it was a serious setback and has been a constraint as Pantheon Infrastructure sought to develop its portfolio.

^

Portfolio: Pantheon Infrastructure now boasts a portfolio worth £548m, as at June 2025. These investments have been spread across several sectors – power/utilities/renewables and digital infrastructure, each accounting for well over 40% each of the portfolio's value. In terms of markets, 80% of Pantheon Infrastructure's assets are located either in mainland Europe, with 44%, or in North America, with 36%: the UK element is now 15%. Impressively for Pantheon Infrastructure, there have been few material operating issues from its 14 investments, although Cartier Energy faced some challenging times in 2023, from which it has now recovered. Importantly, Pantheon Infrastructure is expected to sell all, or at least, part of its shareholding in Calpine in early 2026, which is due to be acquired by Constellation Energy. The investment in Calpine is Pantheon Infrastructure's most profitable project to date: it was also the most expensive. Calpine is the largest generator of electricity from natural gas and geothermal resources in the US. Furthermore, the sale of the recently acquired Intersector Power, which is due to be taken over by Alphabet – the owner of Google – and its associates should also boost NAV. Looking forward, Pantheon Infrastructure's portfolio may eventually begin to resemble that of 3i Infrastructure – but with less risk, lower returns and higher US exposure.

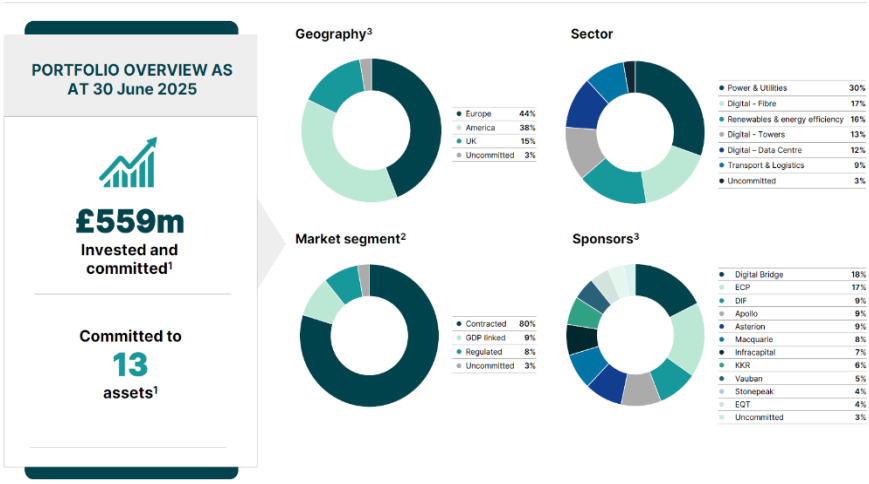
Financial/share price data: Pantheon Infrastructure's NAV, as at September 2025, was 127.7p per share compared with just 106.6p per share at September 2023 – a very impressive increase in difficult markets. Unlike most IICs/REIFs, its NAV has been on an upward trajectory of late. Even with its shares rising by 23% during 2025, they are still trading at a discount of 15% to the latest NAV. Furthermore, the discount rate used by Pantheon Infrastructure is now 12.3%, compared with 13.6% in the previous year – both figures are way above those of most of its peer group. Such a scenario may also indicate some hidden – and material – shareholder value. In November 2021, Pantheon Infrastructure's IPO had been very robustly supported in that its £300m fundraising target was comfortably reached; eventually, a figure of £400m was prescribed – a very different scenario from the pulled C shares issue in September 2022. Clearly, timing was everything. Subsequently, Pantheon Infrastructure has been focusing on delivering further shareholder value from its well-performing portfolio as well as undertaking a share buyback programme, suggesting that consolidation – rather than further expansion – has become more of a priority. The two planned sales – Calpine and Intersector Power – should also boost NAV, by at least 5p per share. In terms of dividends, Pantheon Infrastructure is expected to pay a ca.4.35p dividend per share for 2025.

Pantheon Infrastructure – half-year income statement, 2025		
(£m)	to 30/06/2025	to 30/06/2024 (restated)
Gain on investments at FV via P&L	17,454	28,041
Gains on financial instruments at FV via P&L	14,187	3,944
Forex gains on cash and non-portfolio investments	(22)	32
Investment income	3,984	14,706
Investment management fees	(2,771)	(2,608)
Other expenses	(875)	(781)
Profit/loss before finance and tax	**31,957**	**43,334**
Finance income	277	366
Interest payable and similar charges	(1,078)	(970)
Profit/loss before taxation	**31,516**	**42,730**
Tax paid	(35)	0
Profit/loss for the period	31,121	42,730
Earnings per share (p) – basic and diluted	6.64	9.09

Source: Pantheon Infrastructure, Hardman & Co Research

The table below lists the acquisitions completed by Pantheon Infrastructure since its IPO along with the June 2025 portfolio data.

Portfolio characteristics, as at 30 June 2025



Source: Pantheon Infrastructure

Sequoia Economic Infrastructure (market cap. £1,171m)

Investment sectors: Sequoia Economic Infrastructure operates as a specialist investor in the infrastructure debt market. It manages a portfolio of debt – virtually all of which is private – and bond investments, with generally shorter timeframes than those of other quoted IICs. At present, Sequoia Economic Infrastructure has 51 investments, of which 49 are private debt investments, with an average life of approximately three years.

Portfolio: Recent reports indicate that Sequoia Economic Infrastructure's portfolio is taking a slightly more cautious stance, with 56% of its investments being defensive. Defined within this latter category are – somewhat questionably – lending to digitalisation businesses, along with loans to accommodation, utility and renewable generation undertakings. In terms of jurisdictions, 42% of Sequoia Economic Infrastructure's assets are located in North America, with a further 26% being in the UK and 32% being in Europe. Digitalisation and power are, by some margin, the two most favoured lending sectors. A key priority remains the minimisation of non-performing loans (NPLs). Significantly, Sequoia Economic Infrastructure has now received full repayments, including interest, for its most notorious NPL – to the collapsed BULB Energy, a victim of the UK's shambolic energy supply market.

^

Financial/share price data: Sequoia Economic Infrastructure's share price fell by almost 8% in 2024, while, in 2025, it rose marginally. Moreover, NAV per share has been broadly flat of late. At November 2025, NAV was 94.0p per share compared with 100.5p per share in March 2022: the current trading discount to NAV is 16%. Many investors will welcome the recent share buyback programme. In terms of dividends, however, cover remains very tight. Sequoia Economic Infrastructure's dividend payment for the 2025/26 full-year is expected to be 6.875p per share – unchanged from 2024/25.

Sequoia Economic Infrastructure – half-year income statement, 2025		
(£m)	to 30/06/2025	to 30/06/2024 (restated)
Revenue		
Net gains on non-derivative financial assets at FV	9,748,117	(67,483,092)
Net losses on derivative financial assets at FV	7,655,908	50,330,671
Investment income/deficit	80,993,486	94,858,567
Net foreign exchange loss	(266,825)	257,226
Total revenue	**78,634,524**	**77,963,372**
Expenses		
Investment adviser fees	4,901,958	4,918,696
Investment manager fees	219,247	207,695
Directors' fees and expenses	196,385	163,292
Other professional fees	1,264,630	2,160,094
Other expenses	417,814	334,327
Total operating expenses	**7,000,034**	**7,784,104**
Loan finance costs	3,717659	2,020,391
Total expenses	**10,717,693**	**9,804,495**
Loss/profit and comprehensive loss/income for the year	**67,916,831**	**68,158,877**
EPS (basic and diluted, p)	**4.40**	**4.26**

Source: Sequoia Economic Infrastructure, Hardman & Co Research

European energy background

Eager embracing of Europe

With many REIFs investing in mainland Europe, it is appropriate to address the common energy issues that apply, especially in the larger markets – Germany, Italy and France – as well as in those, including Iberia and the Nordic countries, which are particularly favoured by REIFs: the former is ideal for solar generation and the latter for wind generation.

With the expectation of a rapidly expanding EU renewable generation market, many REIFs, most notably TRIG, the RoI-based Greencoat Renewables, Foresight Solar, Octopus Renewables Infrastructure and Aquila European Renewables, have all embraced – for better or for worse – mainland EU countries.

The Baltic fulcrum

In particular, the *Energiewende* in Germany, which envisages a very significant rise in renewable generation investment, remains a key driver. From time to time, Germany has suffered from periods of *Dunkelflaute* – its English equivalent is "dark doldrums" – when no wind and a lack of irradiation severely curtail the output of the two major sources of renewable energy, wind and solar. Major investment, undoubtedly, will be required in the Baltic Sea region to finance new renewable plant, much of which – despite recent sharp rises in turbine costs – will consist of offshore wind plants.

Furthermore, with the closure, in April 2023, of Germany's last remaining nuclear power plant, heavy investment will be required to wheel power from the north of Germany to the south of the country. Bavaria, which has been highly dependent on nuclear power for decades, will face a formidable challenge over the next decade in securing sufficient power resources.

As with Germany, securing the necessary gas supplies presents a real challenge for Italy, which, historically, has imported large volumes of gas. ENEL has long dominated the Italian electricity sector, since it is both the leading generator as well as being a major supply company. In fact, relatively few REIFs operate in Italy, although NextEnergy Solar has operated a relatively modest 35MW solar generation portfolio in the Puglia region in recent years.

French nuclear issues

Since the 1970s, in the face of the oil crisis, it has been self-evident that France's energy generation has become dependent on a massive nuclear power portfolio. Hence, renewable generation has been significantly slower to take off in France than elsewhere. However, the advanced age of many French nuclear power stations is such that various technical problems, mainly reactor cracks, have emerged across the portfolio. Indeed, over the past four years or so, up to half of EdF's nuclear power portfolio has been offline at any one time – a most unwelcome situation in the early 2020s, given the Russian gas supply constraints.

For the REIFs, France offers some renewable energy investment opportunities: after all, its wind power capacity is just one third of the more than 72GW in Germany. To be sure, TRIG and Octopus Renewables Infrastructure do have significant renewable generation capacity in France, although Foresight Environmental Infrastructure sold off its small French wind portfolio in 2021.

Sweden and Iberia are major attractions for REIFs

Outside the three largest European energy consumers, Sweden, Spain and, to a lesser extent, Portugal have emerged as the preferred markets for REIF investment. In fact, a discernible pattern, although hardly a surprising development, has emerged from EU investment by REIFs – best exemplified by the strategy of Aquila European Renewables, currently in MWD, that the Nordic countries are best for wind generation investment, and Iberia is best for solar generation investment. However, in Sweden's case, fundamental long-term changes seem likely, as Sweden has recently announced its intention to undertake a major nuclear new-build programme, which will become the focus of its ongoing energy policy.

Aside from Sweden, other Nordic countries, such as Norway and Finland, are favoured for onshore wind investment – TRIG is a notable investor in the region. Furthermore, prior to its delisting, Downing Renewables and Infrastructure had quietly built up a small hydro generation portfolio in Sweden, while Greencoat Renewables is also active in pursuing investment opportunities there.

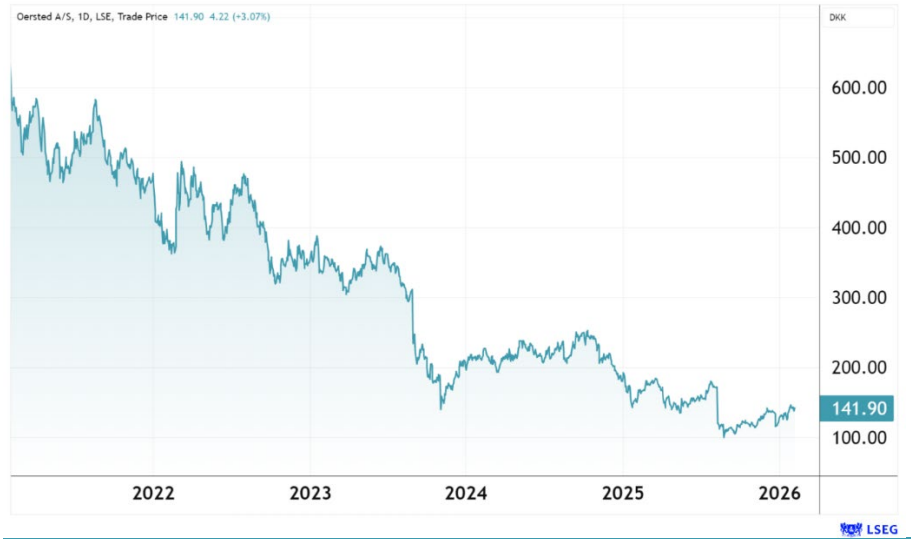
The Orsted US-driven share price plunge

In fact, the major renewable generation company in the Nordic Region is the Danish-based Orsted, valued in early February 2026 at ca.£22bn. In August 2025, its shares plunged following its failure to attract co-investors into its 924MW offshore wind plant, Sunrise Wind, and its associated Revolution Wind projects off the US east coast: an adverse political climate and regulatory regime were cited as the prime causes.

Instead, a substantial €8bn (£6.9bn) rights issue was launched to fill the financing gap – much to the market's consternation. Nevertheless, the rights issue ultimately proved successful, backed by the Danish government.

Orsted's shares have performed poorly in recent years, as the graph below shows – the share price plunge of ca.30% on 11 August 2025 is self-evident.

Orsted – five-year share price performance



Source: LSEG, 2026

The two Iberian countries – Spain and Portugal – have been markedly less affected, mainly for climatic reasons, by the challenging gas supply issues in recent years. Both countries have been attracting significant solar investment of late: Spain's Andalucía province, with its high levels of irradiation, is especially favoured by potential investors. TRIG, notably in Cadiz, Foresight Solar, and Aquila European Renewables – now in MWD – have all been active in the Iberian solar generation market, although Octopus Renewables Infrastructure has terminated its planned involvement in a key 175MW solar project in Andalucía.

The Iberian power cuts saga – passing the blame parcel

However, confidence in the renewable generation sector in Iberia was seriously eroded by a major outage on 28 April 2025 throughout Spain, Portugal and part of southern France. Some 60 million people lost power – in some cases, for more than a day – while urban transport systems were heavily compromised by the power cuts; they left many elderly people stranded.

Cascading over-voltages?

Debate continues to this day, increasingly on a technical level, regarding the root cause of this prolonged outage, which seems to centre around the risks of excessive dependence on renewable generation and the grid constraints that such a scenario

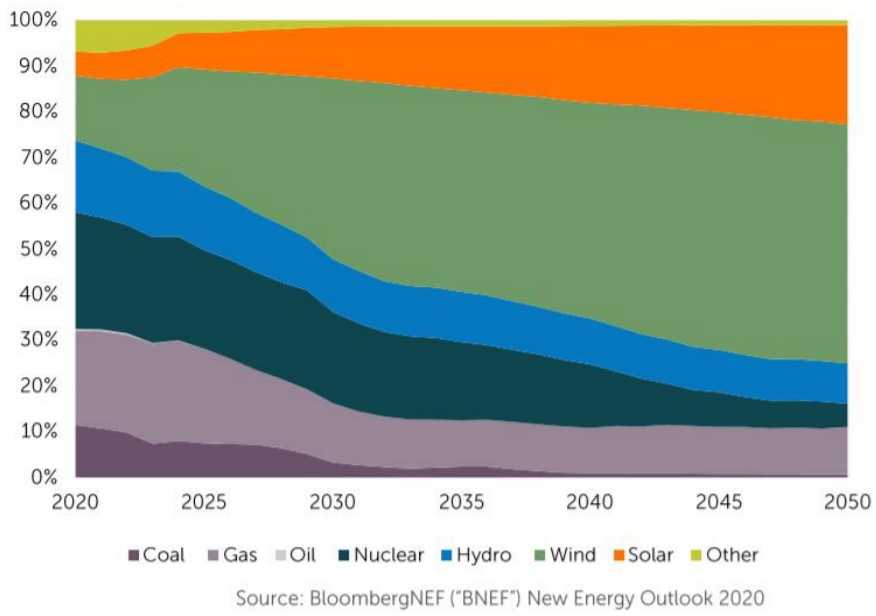
entails. Spain's National Grid equivalent, Red Electrica de Espana (REE), has been adamant that it was not responsible; other market participants have expressed similar views. More recently, the concept of "cascading over-voltages" has been proposed as a key factor.

Poland, with strong economic growth, offers real prospects

Poland, whose economy – unlike most EU members – is booming, remains an attractive target for renewable generation investment, especially wind power projects on its northern coast. However, Octopus Renewables Infrastructure sold – admittedly at attractive prices in terms of their NAV – its two wind plants, at Kuslin and Krzecin, in Poland. Looking to the future – and in common with Sweden – Poland has set out an aggressive nuclear new-build programme, which will lie at the heart of its long-term energy policy, especially in providing base-load power. The first such plant is due to be built at Lubiatowo Kopalino on Poland's northern coast.

More generally, the chart below sets out the European generation projections of Bloomberg New Energy until 2050; these show a major expansion of both wind and solar generation in coming years.

European power generation mix to 2050 (Bloomberg New Energy)

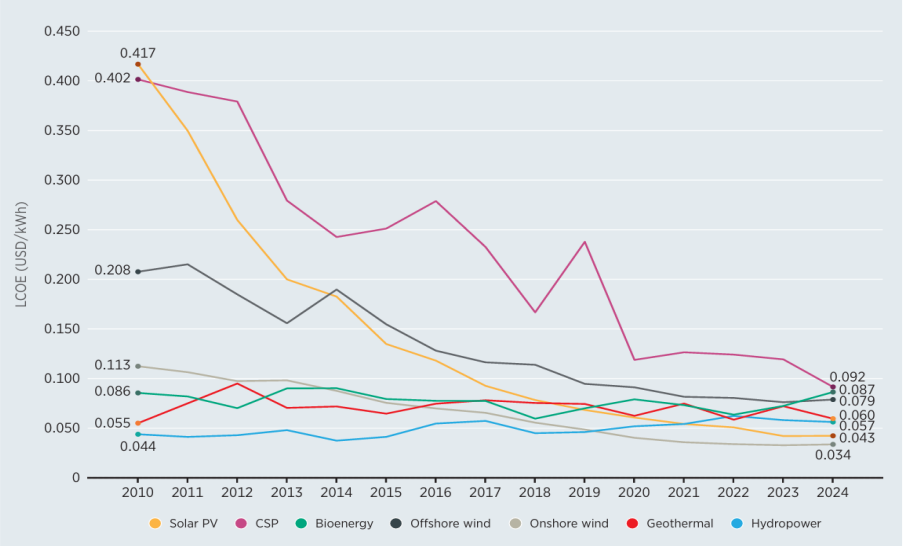


Source: Bloomberg New Energy/Foresight Environmental Infrastructure (ex JLEN), September 2020 interim results presentation

In terms of costs, the graph below – compiled by IRENA, originally established by the United Nations – highlights the major falls in renewable generation costs since 2010, most notably for solar plants but also for wind farms.

Renewable costs plunge since 2010

Renewable generation costs 2010–24



Notes: CSP = concentrated solar power; kWh = kilowatt hour; LCOE = levelised cost of electricity; PV = photovoltaic; USD = United States dollar.

Source: IRENA

In addition, also extracted from its Renewable Power Generation Costs document in 2024, IRENA has published renewable energy cost comparisons on a levelised basis. The quoted capacity factor data is also highly relevant, with solar PV generation being assessed at just 17% of theoretical capacity.

Renewable energy cost comparisons on a levelised basis

Table S1 Total installed cost, capacity factor and LCOE trends by technology, 2010 and 2024

	Total installed costs (2024 USD/kW)			Capacity factor (%)			Levelised cost of electricity (2024 USD/kWh)		
	2010	2024	Percent change	2010	2024	Percent change	2010	2024	Percent change
Bioenergy	3 082	3 242	5%	72	73	1%	0.086	0.087	1%
Geothermal	3 083	4 015	30%	87	88	1%	0.055	0.060	9%
Hydropower	1 494	2 267	52%	44	48	9%	0.044	0.057	30%
Solar PV	5 283	691	-87%	15	17	13%	0.417	0.043	-90%
CSP	10 703	3 677	-66%	30	41	37%	0.402	0.092	-77%
Onshore wind	2 324	1 041	-55%	27	34	26%	0.113	0.034	-70%
Offshore wind	5 518	2 852	-48%	38	42	11%	0.208	0.079	-62%

Notes: CSP = concentrated solar power; kW = kilowatt; kWh = kilowatt hour; USD= United States dollars.

Source: IRENA

UK energy market

In recent years, the Ukraine crisis, and more specifically, gas prices, have dominated debates in the UK energy sector. There have been many initiatives to reduce the role of gas in energy generation, which have been driven by the underlying concerns about future gas supplies – Norway and Qatar, along with the US, remain at the top of the UK list for new gas importing contracts.

In fact, gas prices have fallen sharply from their 2022 peaks over the past three years. Whether this trend will continue, in an uncertain international environment, is debatable.

The Rough initiative

Since Ukraine was invaded in February 2022, various initiatives to boost UK gas supplies have been undertaken. The reopening – at very considerable cost – of the Rough gas storage facility in the North Sea, which was controversially closed in 2017, provides some important protection against interruptions in gas supplies. Its owner, Centrica, has confirmed that it is prepared to invest heavily to quadruple Rough's capacity and turn it into the world's biggest methane and hydrogen storage facility. However, the regulation of the Rough facility – both financially and operationally – must be acceptable to Centrica.

Gas imports are key

The uncertainties attached to gas supplies has also meant a pronounced rise in imports – a trend that is common to other EU members, including Germany. Norway has been a long-standing gas supplier to the UK: new supply contracts with Norway have been signed of late. Furthermore, in the Middle East, Qatar will continue to be a major gas exporter to the UK, along with the US and the Netherlands.

Undoubtedly, the energy crisis has had a marked impact on UK consumers, both in terms of gas heating and cooking costs but also in terms of electricity prices, which were driven higher by increased gas input costs. Throughout 2024 and 2025, this trend eased and current electricity wholesale prices are well below their enhanced 2022 and 2023 levels.

The updated price cap

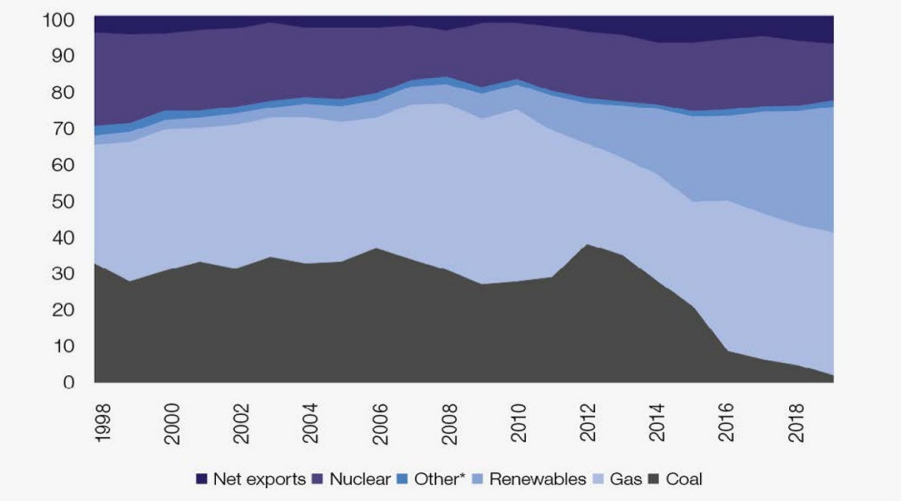
Recently, Ofgem announced details of the controversial energy price cap for the January-March 2026 period. The cap has been set at a unit rate that is calculated to cost the typical dual-fuel household, paying by Direct Debit, £1,758 per year. For the previous October-December 2025 period, the figure was marginally lower at £1,755 per year.

Last UK coal-fired plant closed in 2024

Over the past two decades, there has been a sea-change in electricity generation sources as output from renewable energy has progressively replaced coal-fired output, which produced substantial CO_2 emissions. In fact, the UK's last remaining coal-fired plant, at Ratcliffe in Nottinghamshire, closed in September 2024.

This pronounced shift in generation sources is highlighted in the graph below, which was published in the Energy White Paper 2020. It shows how electricity generation sources have changed fundamentally since 1998. Unquestionably, since the outbreak of the war in Ukraine in 2022 and the subsequent surge in gas prices, the percentage of output accounted for by gas-fired generation in 2018 has fallen back.

Change in power supply, 1998–2019



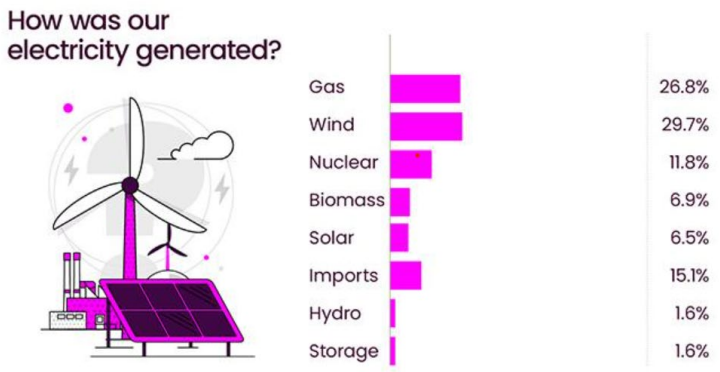
Source: Energy White Paper 2020

Renewable sources on the march

This pronounced switch in electricity generation sources was highlighted in the Energy White Paper 2020, which confirmed that the then contribution from UK renewable generation was ca.33%, compared with only 7% in 2010 – a very sharp increase in just a decade. Subsequently, renewable generation has continued to expand, especially in terms of the wind sector, both onshore and offshore.

Indeed, the government-owned National Energy System Operator (NESO) has just published data covering GB generation sources in 2025. The chart below shows that renewables contributed 47% of total generated output last year, mostly from wind farms, and that the share of gas was almost 27%.

Electricity generation sources in 2025



Source: NESO

Impressive though the market share of wind generation may have been during 2025, the DESNZ has also published new data suggesting that the projected load factors for wind-generated output are unrealistically high. In recent years, several REIFs have missed their wind output budgets – in certain cases, by some distance. The DESNZ data concluded that the load factor for wind generation output should be considerably lower than has generally been assumed – the financial implications of this reassessment are considerable.

2025 electricity demand data

Highs and lows

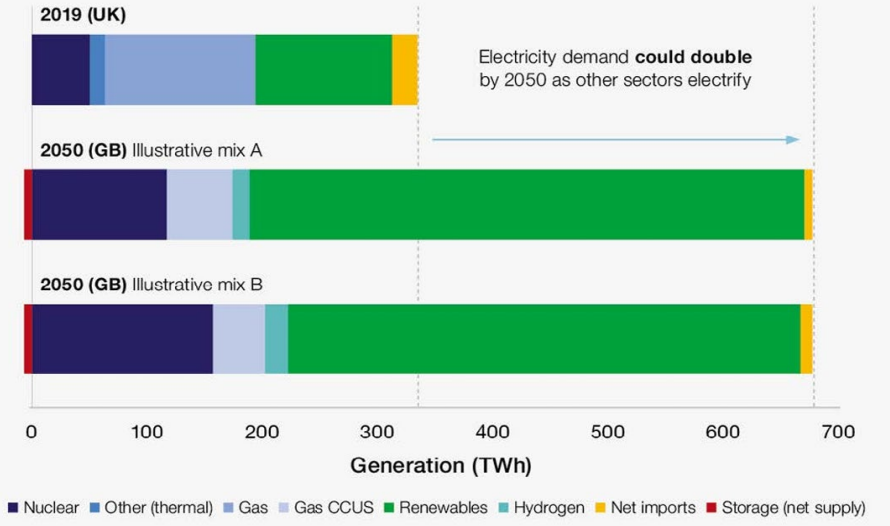
On the demand front, NESO has published key electricity data for 2025. It showed that total GB demand reached 322 TWh during the year. More specifically, it identified the 30-minute period of the highest demand – 45.8GW at 5pm on 9 January 2025 – and the lowest – at 12.9GW on 25 May 2025. The near 3.5x multiple of demand during a peak period, when compared with the most fallow period, illustrates the complex challenge of ensuring that not only is demand met and but also that the electricity supply network system remains stable: stand-by plants are often called up at short notice.

Looking to the future, the *Energy White Paper 2020* confirmed that there is significant scope until 2050 – and beyond – for new investment in wind power and in solar power for deployment in the GB energy market. While the tranches earmarked for renewable generation, mostly from wind, may seem highly ambitious, they are not unattainable.

The data for these targets is reproduced below.

Future generation mix projections

Long-term electricity projections



Source: Energy White Paper 2020

Wholesale power prices in the UK

^

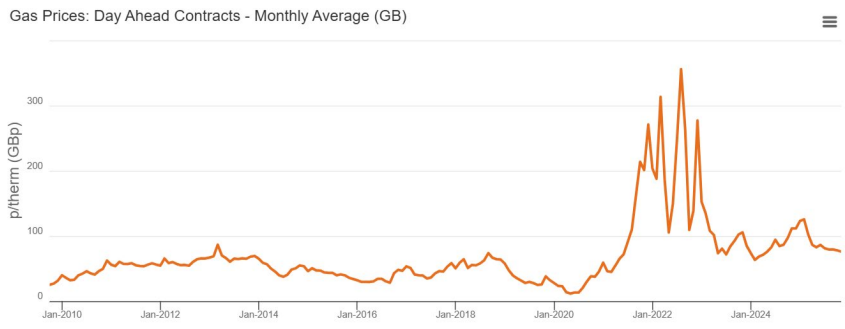
The widely fluctuating gas prices of the early 2020s have had a pronounced impact on UK energy prices – they have also affected the underlying valuations of REIFs.

Almost unprecedented gas price spikes

Undoubtedly, the spiking of spot gas prices from the latter part of 2021, which was driven by Russia's invasion of Ukraine, is almost unprecedented in terms of the UK energy market. Only the OPEC-driven surge in oil prices in the mid-1970s – up fourfold between October 1973 and January 1974 – bears comparison.

The graph below, published by Ofgem, shows both how alarmingly gas prices rose between 2020 and 2022 but also how steeply they have fallen from their short-term peaks in subsequent years.

Gas prices per therm – forward delivery contracts (GB)



Source: https://www.ofgem.gov.uk

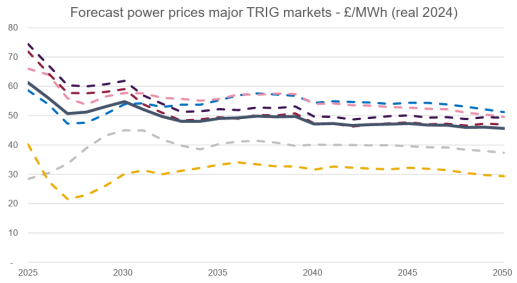
The market's response

In time, the operation of market forces should incentivise more supplies to come on stream and for the demand for gas to be reduced. Importantly, though, due to much higher gas input costs, CCGT plants had become less competitive than previously. This trend is now reversing.

Looking forward, there is no real consensus about long-term energy prices. However, a recent graph was compiled on behalf of TRIG in mid-2025, which provided power price projections as far ahead as 2050, based on 2024 prices.

TRIG's graph is reproduced below. For comparative purposes, it includes projections for leading EU energy markets, including Germany, as well as addressing the "cannibalisation" issue, which is particularly relevant to Spain, whereby – as a rule – renewable generators earn revenues that are well below those implied by the prevailing wholesale price.

Projections for leading EU energy markets



Major markets	% Portfolio value (June 25)	Cannibalisation (Average)
GB offshore	28%	-20%
GB onshore	24%	-24%
Spain solar	8%	-50%
Germany offshore	9%	-20%
France onshore / solar	9%	-14%
Sweden onshore	15%	-18%
Blended portfolio		**-23%**

Cannibalisation is the effect whereby renewable power generators typically earn less than the average wholesale power price

Source: TRIG

REIFs welcome high energy prices

In general, higher energy prices are good news for the 17 REIFs, in that they boost their revenue line – although not necessarily immediately – over time. In the real world, higher inflation, which is often fuelled by increased energy prices, is likely to bring about a rise in interest rates; the latter, given the impact on discount rates, is clearly a distinct negative for REIF valuations. Since 2022, many REIF valuations have fallen, due in part to the application of higher discount rates: sector share prices have responded accordingly, with more pronounced NAV discounts.

Power costs in the UK

In recent years, volatility has been a central element of UK energy generation costs, especially in the spot market, where sudden changes of weather often bring about major price changes.

A key consequence of the Ukrainian-driven gas price surge has been the impact on the competitiveness of CCGTs, for which gas input costs are a sizeable element of their overall cost base. The subsequent decline in gas prices over the past three years, however, has helped restore their competitiveness.

The Hinkley Point C update

On the nuclear front, the operating costs of such plants have been far more predictable, although many UK nuclear plants, although not Sizewell B, are now near the end of their operating lives. Media headlines have focused, not surprisingly, on further extensive cost overruns – with costs soaring to up to £40bn as well as persistent delays – at the still-to-be completed Hinkley Point C plant: it is not expected to be commissioned before 2030 at the earliest.

The 2017 subsidy cut-off for new renewable plant

With respect to renewable generation in the UK, onshore wind and solar investment persists – although below the levels prior to 2017, when the subsidy payments for new onshore wind and solar plant were abolished.

Nevertheless, in 2023, Greencoat UK Wind invested heavily in the unsubsidised 235MW South Kyle wind farm in Scotland, which it bought for ca.£320m from its developer, Sweden's state-owned Vattenfall. While NextEnergy Solar has invested

in some subsidy-free solar plants in the UK, such as its, now sold, Staughton plant, it is now undertaking a capital recycling initiative involving additional plant sales.

Despite sharply rising costs, offshore wind development will remain a major growth area, with far larger turbines now in evidence. Furthermore, environmental concerns are less pressing – the *Energy White Paper 2020* was unequivocal in its support for offshore wind.

Financial challenges offshore

Until recently, offshore wind generation had performed extremely well on the cost front. The rapidly falling cost base prior to 2021 has latterly experienced a major reversal, with a pronounced increase in costs being incurred since the end of COVID-19, especially for wind turbines, as well as for the associated wind generation equipment, notwithstanding higher financing costs.

The pronounced cost increases in the past few years will clearly have an increasing impact on future generation investment decisions. Nevertheless, the noticeable fall in offshore wind generation costs had – until 2021 at least – provided a much-needed kick-start for the offshore wind sector.

Recent CfD figures

The two high points – in terms of competitiveness – for the UK offshore wind sector were, first, in 2019, when the winning bid of £39.65p per MWh (2012 prices) for the Dogger Bank project compared very favourably with the 35-year £92.50 per MWh (2012 prices) CfD for the Hinkley Point C nuclear plant. Secondly, in the 2022 offshore wind auction, the lowest successful CfD bid was even lower – at just £37.35p per MWh.

Price reversal – with a vengeance

Thereafter, prices reversed – and with a vengeance. Previously, it had risen sharply to £73 per MWh – almost double the price of winning bids as recently as 2022. The latest auction gave the go-ahead to six offshore wind projects. The CfD strike price was a maximum £91 per MWh, in 2024 prices. Even after inflation, this figure is way ahead of the successful bids of just four years ago.

Big Oil interest in renewables wanes

Less certain is the long-debated participation of Big Oil in North Sea offshore wind projects, which has waned in recent years. Previously, major oil sector players, including BP and Shell, were expected to participate, using their formidable financial capacity. However, intensive pressure from major shareholders is causing BP, in particular, and, to a lesser extent, Shell, to focus on their very profitable core oil and gas operations.

Despite the recent price increases, the government, whether Labour or Conservative, is likely to focus on rolling out offshore wind projects; the politics of doing so are straightforward when set against controversial – and financially very challenging – new nuclear-build.

In addition, National Grid, whose activities are pivotal to exploiting North Sea energy resources, is undertaking a wide-ranging, five-year investment programme to expand its network, which is targeted at building more infrastructure to transport renewable power generated at remote sites. Despite its current net debt exceeding £40bn, most of this formidable £60bn capital expenditure budget is expected to be deployed before 2030.

National Grid pushing out the capex boat

Relating to its planned five-year investment programme, which is crucial for the expansion of renewable energy in the UK, National Grid has confirmed the key features, as follows:

- Its UK electricity transmission network is receiving the highest component of this £60bn capital expenditure budget, namely some £23bn.
- Its UK electricity distribution network has been allotted £8bn of this investment.

- Its dated New York electricity network is scheduled to benefit from £17bn of investment.
- Its New England electricity network is being allocated £11bn of funds.
- An estimated 85% of this projected £60bn investment programme is deemed, under EU taxonomy criteria, to be "green".

In summary, this is a massive commitment by National Grid to modernise its UK network, part of which dates back to the 1960s, along with undertaking heavy investment on the east coast of the US – and especially in New York.

Renewable energy infrastructure funds (REIFs)

In terms of UK renewable generation, SSE is the undoubted market leader. It was privatised, as Scottish Hydro-Electric, in 1991 and inherited a substantial portfolio of hydro-electric generation plants. Subsequently, it merged with Southern Electric, one of the 12 Regional Electricity Companies (RECs), which was privatised in 1990. In early February 2026, SSE's market capitalisation was a formidable ca.£30bn.

SSE's aggressive 9GW renewables' target by 2027

SSE's operational capacity of renewable plant exceeds 4,500MW. Indeed, its three main sources of renewable energy capacity are: onshore wind, at 2,000MW; hydro-electric, at 1,500MW; and offshore wind, the operating capacity of which is rising quickly. Indeed, by 2027, SSE plans to be operating renewable generation capacity of close to 9GW – an ambitious target. But SSE has substantial renewable generation capacity currently either under construction or in development.

By comparison with SSE, most REIFs have relatively modest generation capacity figures, but there are exceptions. Sector leader, Greencoat UK Wind, operates 1,982MW of capacity – virtually all of which are UK-based wind plants – while TRIG boasts of more than 1,035MW of UK capacity, which is overwhelmingly wind generation plant. Despite weak sector share prices, both REIFs still have market capitalisations currently exceeding £1.6bn.

The three largest quoted wind generators – including the RoI-based Greencoat Renewables – combined with the three solar generators form the backbone of the quoted REIF sector, which now comprises 17 funds. In market capitalisation terms, these six REIFs account for ca.60% of the sector's overall value.

In assessing their portfolios, the three quoted (almost pure) solar companies – Bluefield Solar, Foresight Solar and NextEnergy Solar – are included in the wind and solar data table below, along with Greencoat UK Wind and TRIG; due to its lack of UK plants, Greencoat Renewables is excluded. The latest UK plant capacity data of these five REIFs is also highlighted in the table.

UK wind and solar data

REIF	Installed capacity (MW)	UK	Solar	Wind
Bluefield Solar	883	100%	93%	7%
Foresight Solar	969	75%	100%	0%
Greencoat UK Wind	1,982	100%	0%	100%
NextEnergy Solar	939	84%	100%	0%
TRIG	2,335	44%	22%	78%

Source: Hardman & Co Research

The BESS opportunities

BESS, as an energy source, has come to the fore in recent years, as the quest to design an effective storage system for power generated from renewable energy sources continues. The leading REIF in this field is Gresham House Energy Storage. The RoI-based Gore Street Energy Storage is also a significant player in this growing energy subsector, along with now delisted Harmony Energy Income. Moreover, some prominent wind and solar generators, including TRIG, Bluefield Solar, Foresight Solar and NextEnergy Solar are also investing – at a comparatively modest level to date – in this developing field.

The Gresham profit warning in February 2024

The market reacted particularly badly to a major profit warning from Gresham House Energy Storage in early February 2024 when its shares plummeted; they were down by 59% in 2024 overall but rallied strongly in 2025 – up by a formidable 79%. Gore

Street Energy Storage fared little better with its shares down by 46% in 2024; however, its share price rose in 2025 by 15%.

DESNZ's inflation adjustment ruling – welcomed by mature REIFs

More recently, the DESNZ's proposals to review the inflation adjustment changes for ROC/FiT-based renewable energy projects may well have cut their future NAV returns. Older funds, which were heavily reliant on either ROCs or FiTs, were vulnerable in this respect – they have welcomed the recent decision to adopt a CPI-based inflation adjustment.

Aquila Energy Efficiency (market cap. £20m)

(In managed wind-down)

Investment sectors: At its IPO in May 2021, Aquila Energy Efficiency emphasised its commitment to invest in energy efficiency projects in both the public and private sectors. Key countries included Italy, which has been its prime market, Germany, Spain and the UK. However, these aspirations have been overtaken by subsequent corporate events. The pivotal "Continuation Vote" was lost in February 2023. As a result, Aquila Energy Efficiency is now in a MWD status. The highly challenging aim currently is to sell its assets at acceptable prices – this has already been achieved in part – while eschewing any further investment (with a few minor exceptions). Despite an over-subscribed tender offer in May 2024, which saw 18.6m shares being repurchased, the process of dismantling Aquila Energy Efficiency's business remains challenging.

Portfolio: Aquila Energy Efficiency was painfully slow in building up its portfolio – a failing that contributed to the defeat of the "Continuation Vote" in February 2023. Other REIFs, apart from the now delisted Triple Point Energy Transition, deployed the capital they raised more quickly. In Aquila Energy Efficiency's case, £100m (gross) of proceeds were raised at its May 2021 IPO. The portfolio, which is now being dismantled, includes various energy efficiency-related assets, such as solar PV installations, wind generation plants and lighting systems. To date, three of the five Italian Superbonus investments have been realised, yielding more than £18m for shareholders. The value of its remaining investments, as at June 2025, in its four key markets, was as follows:

- Italy – £11.0m;
- Germany – £10.9m;
- Spain - £6.1m; and
- UK – £2.7m.

Disengaging from some of the solar investments in Spain is proving painstaking, along with two wind plants in the UK. Importantly, several of Aquila Energy Efficiency's investments are beholden to long-term contracts, which complicate the sales process.

Financial/share price data: Not surprisingly, Aquila Energy Efficiency's NAV has fallen sharply of late, due mainly to the enhanced distribution payment of 36.8p per share. At June 2024, its NAV was 95.1p per share; one year later, the figure was just 50.2p. Aside from ongoing dividends – 4.0p per share was paid as an interim dividend, which may reach 8.0p per share for the 2025 full year – future dividends will be very dependent upon cash receipts. In 2025, Aquila Energy Efficiency's share price fell by 6%, as the MWD sell-down encountered problems. Currently, its shares are trading at a 52% discount to its downgraded NAV as the MWD process continues.

Aquila European Renewables (market cap. £117m)

(In managed wind-down)

Investment sectors: Aquila European Renewables is based in Hamburg, Germany, a country that is undergoing major energy supply changes. Offshore wind generation plant, despite rapidly rising costs, is set to replace many of the now decommissioned nuclear power plants there. Wind power and solar power have been Aquila European Renewables' preferred technologies; they have been central to the business since the IPO in May 2019. But, in common with Aquila Energy Efficiency, there has been serious shareholder discontent. Consequently, it has been decided to place Aquila European Renewables into MWD – a policy that appears to have attracted near shareholder unanimity. Previously, the larger Octopus Renewables Infrastructure had publicly proposed a combination of the two REIFs' assets: a Scheme of Reconstruction under section 110 of the Insolvency Act 1986 was mooted as a possible solution to combining the two businesses. However, such overtures were spurned and the MWD route was preferred.

Portfolio: Up to 2023, Aquila European Renewables had expanded aggressively. Prior to the €27.0m (£23.5m) sale – at a premium of over 10% to its book value – of its 25.9% stake in the Tesla wind plant, it had an operational generation capacity of 464MW; this latter figure includes the 13.7% stake in the controversial 400MW Rocks plant in Norway, which has been the subject of recent court cases involving the local Sami population. Prior to the MWD, its capacity had been split on a 231MW solar and 214MW wind basis, with the remaining 19MW being supplied by hydro power in Portugal. However, in recent months, various disposals have been completed, including the Holmen II and Svindaek wind plants in Denmark, along with the 18% stake in the hydro-generation project at Sagres in Portugal. With the planned sale of the Desfina solar generation project in Greece due to be completed shortly, proceeds of over €78m (£67.9m) from the four sales will have accrued. On a country basis, Spain remains an important market for Aquila European Renewables, along with its ongoing operations in the Nordic countries. In 2025, there were major shortfalls in solar production in Iberia while the Olhara wind generation plant in Finland continues to face several challenging issues. It seems unlikely that Aquila European Renewables will undertake further major investment – selling its assets at acceptable prices is the new priority.

Financial/share price data: On the back of MWD-driven asset sales and a higher discount rate, Aquila European Renewables' NAV has been falling of late. At September 2024, its NAV was c90.3 (78.6p) per share; a year later, the NAV was c58.6 (51.0p) per share. The shares are currently trading at a 39% discount to the latest NAV figure: during 2025, the shares were down by 46%. Following its IPO in 2019, Aquila European Renewables had raised further funds in both 2020 and 2021 as it expanded its generation portfolio. By contrast, in 2023, it embarked upon a share buyback programme as it sought to raise its NAV per share. Furthermore, a distribution of ca.€33.9m (£29.5m) is being paid via new B shares. For 2025, a dividend of c2.23 (1.94p) per share is now expected. Undoubtedly, in coming months, investor focus will be very much on the asset disposal programme, which has gathered steam of late. Several key sales remain, however, before the MWD is completed.

Bluefield Solar (market cap. £403m)

Investment sectors: Bluefield Solar, which launched its IPO in July 2013, is the oldest of the three quoted solar generation stocks on the UK market – its peer group includes Foresight Solar and NextEnergy Solar. Along with Greencoat UK Wind, but unlike Foresight Solar, Bluefield Solar's portfolio is entirely UK-dependent. In recent years, it has acquired a modest amount of wind generation capacity. Previously, its share price performance had been impressive, but it has fallen sharply of late. Unquestionably, Bluefield Solar derives major benefits from the various generous subsidies offered by the UK government, including ROCs and FiTs, whose inflation-

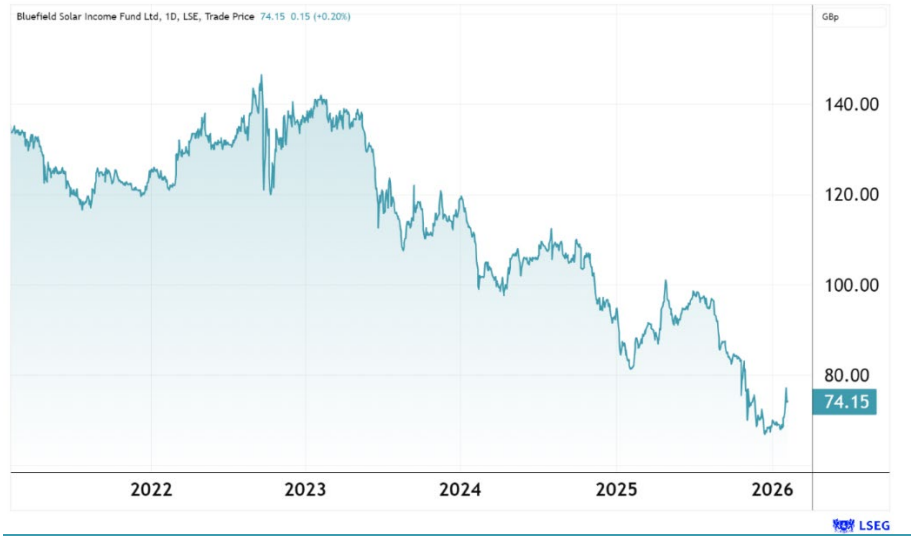
linking price upratings have been under review by the DESNZ – the recent ruling is, though, positive for Bluefield Solar.

Portfolio: Bluefield Solar's operating capacity figure, as at June 2025, was 883MW, with virtually all its plants – like other solar generation operators – being located south of Yorkshire; the 5MW wind farm at Wormit in north-east Fife is an anomaly. Despite recently acquiring a 58MW wind portfolio, 93% of Bluefield Solar's capacity are solar generation assets. Its major solar plants include Bradenstoke in Wiltshire, accounting for over 8% of its portfolio, and the two solar farms at West Raynham in Norfolk and Yelvertoft in Northamptonshire: the latter account for 6% of the portfolio apiece. Plant disposals or, at least, further part sales have become more likely of late, especially as Bluefield Solar has linked up with GLIL Infrastructure, which operates in the Local Authority pension market.

Financial/share price data: Having raised £150m of new equity in June 2022, Bluefield Solar's finances remain reasonably solid, despite a share price that fell by more than 13% during 2023 and by a further 21% during 2024: the decline in 2025 was a more precipitous 26%. Its shares are currently trading at a discount of 40% to its latest NAV, as at September 2025, of 114.0p per share; by comparison, its NAV, at June 2022, was 140.4p per share. A key factor for this decline has been the movement in Bluefield Solar's discount rate, which was 6.75% in June 2022 and is now 8.0%. Furthermore, Bluefield Solar has been undertaking a share buyback programme of late that is intended to reduce the share trading discount to its NAV. Bluefield Solar's dividend position, especially in terms of its dividend cover of 1.2x, is tight. For 2025/26, a dividend of 9.0p per share is anticipated. However, recently, a strategic review of its business has been announced by Bluefield Solar – it was accompanied by the initiation of a formal sales process of some, or all, of its assets.

After the end of COVID-19, Bluefield Solar's shares rallied strongly, but they have slumped of late – despite a strong dividend record – in the light of various negative factors affecting the wind and solar generation sectors, as its five-year share price graph highlights.

Bluefield Solar – five-year share price



Source: LSEG, 2026

Ecofin US Renewables Infrastructure (market cap. £21m)

(In managed wind-down)

Investment sectors: A successful IPO on the LSE was undertaken by Ecofin US Renewables Infrastructure in 2020. Subsequently, there was a build-out of a solar generation portfolio across various states. However, in common with US Solar, Ecofin US Renewables Infrastructure has faced difficult times not only with respect to its own operations but also due to other headwinds facing the US renewable generation sector. Consequently, after a year-long strategic review, Ecofin US Renewables Infrastructure has decided to undertake an MWD. Indeed, in March 2025, Ecofin US Renewables Infrastructure completed the sale of some 64MW of its total capacity – the proceeds were used primarily to reduce borrowings. Furthermore, the sale of its key 60MW Whirlwind plant has just been concluded. As such, just the two Beacon Solar plants in California, with total capacity of 108MW, remain: Ecofin US Renewables has a 49.5% stake in each plant.

Portfolio: Ecofin US Renewables Infrastructure previously had operations stretching across eight states, including Texas, California and Massachusetts. While the Beacon plants in California remain, the largest capacity unit, by some way, had been the Whirlwind Energy wind farm in Texas. Following a tornado in June 2023, the plant was taken offline but was subsequently re-energised. Given its size – it had accounted for over one-third of Ecofin US Renewables' total capacity – its lengthy outage had very adverse implications on the fund's finances and its dividend stream. The recent sale of Whirlwind Energy comprises three elements: $12.0m (£8.9m) of cash; $11.0m (£8.1m) of funds held in escrow pending resolution of the interconnector stability curtailment issues; and a deferred "repowering earn-out".

Financial/share price data: With a share price that fell by 45% in 2024 and a current trading discount of 50% to its downgraded June 2025 NAV of 30.0p ($0.41) per share, these have been very challenging times for Ecofin US Renewables Infrastructure. However, completion of its MWD seems likely to occur shortly. On the dividend front, payments have been suspended from 2Q'24 onwards – the 1Q'24 dividend was 0.51p ($0.70) per share – as the focus moved abruptly to the raising of cash from asset disposals as part of the MWD process. Looking forward, completing the MWD process is now in sight, although key decisions on the distribution of funds that have been raised remain outstanding.

Foresight Environmental Infrastructure (market cap. £405m)

Investment sectors: Foresight Environmental Infrastructure (formerly JLEN and initially the John Laing Environment Fund), which was floated in March 2014 out of the eponymous housebuilder, now has 39 assets. Almost 90% of these assets are UK-located; its few European investments, including a minority stake in an Italian energy-to-waste business and an aquaculture project at Rjuken in Norway, are modest. With ca.160 MW of wind capacity, it is a significant wind generator. However, other modes of renewable generation are also to the fore. Anaerobic Digestion (AD) now accounts for a 20% share of the renewables portfolio while the solar generation element of the portfolio value is now 12%. Using waste for electricity generation and other purposes is also key for Foresight Environmental Infrastructure. Unquestionably, its portfolio provides a credible template for a renewable energy start-up business – at least in terms of achieving diversification across the UK renewables sector.

Portfolio: Foresight Environmental Infrastructure's operational capacity, as at September 2025, was ca.360MW. Approximately 45% of its generation capacity is dependent on onshore wind; however, following the sale of the small French wind portfolio in 2022, virtually all the operating capacity is now sited in the UK. Foresight Environmental Infrastructure also owns six UK solar plants, with a capacity of 80MW. Waste and bioenergy account for a further 64MW of capacity. Almost uniquely among the other REIFs, except SDCL Efficiency Income, Foresight

Environmental Infrastructure has invested in AD facilities; it operates capacity of 50MW in this segment. These AD plants have earned impressive returns, since plant revenues are underpinned by substantial payments from the Heat Incentive Scheme. Like other REIFs, Foresight Environmental Infrastructure has struggled to find renewable energy projects that can meet its desired financial returns commensurate with assuming the appropriate risks. While the Cramlington CHP acquisition met those criteria, the hydrogen-based HH2E investment in Germany failed: due to its effective insolvency, Foresight Environmental Infrastructure's £19.3m book value was written down to zero.

The table below lists the four leading elements of Foresight Environmental Infrastructure's current generation portfolio, which accounts for 71% of its total portfolio value. Non-generation activities, including controlled environment, low carbon energy waste concessions and battery systems, make up the remaining 29%.

Foresight Environmental Infrastructure – generation portfolio, as at September 2025

Resource	% of portfolio value
Wind	26
Anaerobic digestion	20
Solar	12
Waste/bioenergy	9

Source: Foresight Environmental Infrastructure

Financial/share price data: During 2023, Foresight Environmental Infrastructure's shares fell by more than 15%; in 2024, a further 27% of shareholder value was lost, while the 2025 decline was a more modest 8%. The shares are now trading at a 38% discount to the September 2025 NAV of 104.7 per share, which at least is an increase on the depressed NAV of 92.2p per share at the March 2021 year-end. To be sure, Foresight Environmental Infrastructure's recent NAVs have been reduced by the application of a higher discount rate, which is now 10.1%, the highest figure since the IPO back in 2014. With dividend cover above 1.2x, the dividend forecast for 2025/26 is 7.96p per share, an increase of just 2% over the 2024/25 payment. While Foresight Environmental Infrastructure's gearing remains around 30%, reducing its RCF still remains a priority, along with pursuing the ongoing share buyback share scheme. It should be noted, too, that the "Discontinuation Vote", held under a special resolution in September 2024, showed just 7.3% of votes in favour: overwhelming support was shown for Foresight Environmental Infrastructure's existing management and the policies that are being implemented.

Foresight Solar (market cap. £355m)

Investment sectors: As the second-most valuable quoted solar generation REIF – after Bluefield Solar – Foresight Solar offers some distinguishing characteristics. Almost 25% of its operating capacity of 969MW solar generation capacity is sited overseas, either in Spain or Australia; Foresight Solar has been seeking to sell the latter assets for some considerable time. Some co-ownership of assets may also be on the agenda, following the 50% sell-down of the 99MW Lorca portfolio in Spain, which raised €26.9m (£23.4m), at an impressive – and rare for the sector – 21% premium to book value. However, selling its troublesome Australian portfolio, with its declared 170MW, remains a priority.

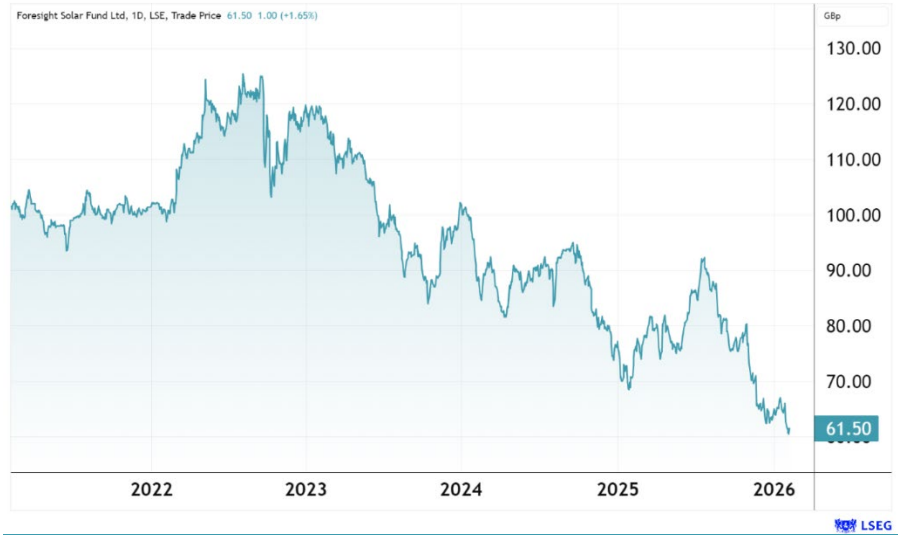
Portfolio: Excepting some small BESS investments, Foresight Solar's entire capacity is comprised of solar plants, over 75% of which are based in the UK. The largest UK plant, at 72MW, is located at Shotwick, which is situated on the southern part of the Wirral peninsula. Overseas, Foresight Solar has focused on southern Spain as a favoured market. Even after the recent – and profitable – partial divestment of the Lorca assets, it owns capacity of 76MW there, a figure that may increase in time. By contrast, its efforts to sell its 170MW Australia portfolio, which has been beset with

issues during the past five years, have so far proved unsuccessful. Outside the solar sector, Foresight Solar has quietly entered the growing BESS market.

Financial/share price data: In the past two years, Foresight Solar has faced some operational challenges, notably with below-average irradiation levels. However, it will be relieved that the DESNZ now plans to use a CPI-related formula to calculate inflation adjustments to ROC and FiT subsidies. Against this background, it is hardly surprising that its share price fell by almost 15% in 2023 and by a further 25% in 2024: the 2025 decline was 17%. The shares currently trade at a near 37% discount to its NAV, which was 102.1p per share at September 2025 – a weak performance, due partly to UK outages and curtailments in Spain, although its NAV was as low as 91.9p per share at March 2021. The ongoing share buyback programme seeks to narrow the trading discount to NAV. Foresight Solar's global weighted discount rate figure rose slightly to 7.93% at June 2025 – not surprisingly, the discount rate for the unsold Australian assets increased. With respect to its dividend policy, Foresight Solar has confirmed a planned 8.10p per share dividend target for 2025 – a modest increase over its 2024 payment: dividend cover is expected to be just 1.3x. A "Discontinuation Vote" was held in June 2024, but – unlike some other REIFs – it was opposed by just over three-quarters of the votes cast.

The graph below shows how Foresight Solar's shares have performed over the past five years – the earlier years were adversely affected by COVID-19, while 2025 has seen major downside.

Foresight Solar – five-year share price



Source: LSEG, 2026

Gore Street Energy Storage (market cap. £278m)

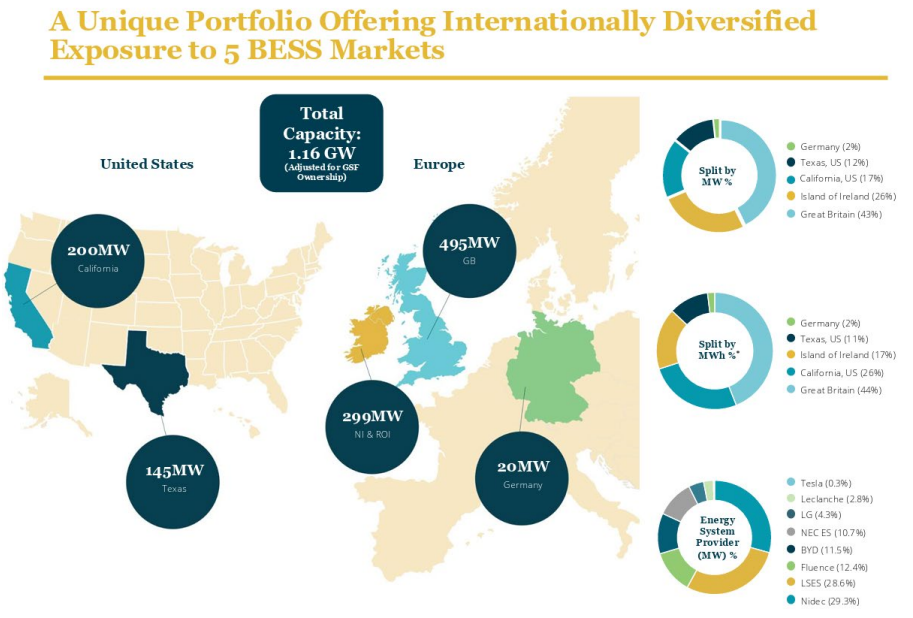
Investment sectors: Gore Street Energy Storage, which is located in the RoI, continues to invest in a diversified portfolio of utility-scale BESS projects – it operates in the same space as the larger Gresham House Energy Storage. Despite its RoI base, the key revenue drivers for Gore Street Energy Storage have been the two 50MW plants in Northern Ireland (NI). Aside from its GB and RoI operations, the fund also owns a 90% stake in the Cremzow plant in Germany, which is now up for sale. Most importantly, though, substantial investment has taken place in the US, especially in Texas and California, where material ITCs have been generated. On the commercial front, Gore Street Energy Storage deploys battery cell technology to provide frequency-balancing services to grid operators – undoubtedly, an expanding market as renewable energy output grows and supply constraints, including substantial curtailments, persist.

Portfolio: At its IPO in 2018, Gore Street Energy Storage focused on the UK and on the RoI, where it had assembled a portfolio of BESS investments. Following the energisation of its 80MW Stony plant, near Milton Keynes, Gore Street Energy Storage currently owns 643MW of operating assets. Significantly, much of its EBITDA return is derived from the two 50MW NI plants at Drumkee and Mullavilly – with their distinctly favourable margins. In the RoI, the two BESS plants – Porterstown and Kilmannock – are poised to increase their capacity. Aside from an investment in Cremzow in Germany, Gore Street Energy Storage operates three plants, with modest capacities, in Texas. However, its US returns are being boosted by the 200MW Big Rock plant in California, which was recently energised: its 75MW Dogfish plant, in Texas, has also been commissioned. Less satisfactory have been the poor recent returns from the Texas investments and the delays in Gore Street Energy Storage's 57MW Enderby project. Given the current financial climate and its weak share price, Gore Street Energy Storage is expected to rein in some of its planned investment.

Financial/share price data: Gore Street Energy Storage's share price has had all the characteristics of a roller-coaster – down by over 45% in 2024 but up by 15% in 2025; as such, it is now trading at a 39% discount to its September 2025 NAV of 90.1p per share. Gore Street Energy Storage is clearly facing challenges. Its latest NAV is weak due partly to a higher discount rate of 10.2% being applied – and one that is more in line with that of Gresham House Energy Storage, its nearest comparator. In recent months, Gore Street Energy Storage has focused on delivering value from its bank of ITCs relating to its US investments. A total ITC-related payment of between $60m-$80m is anticipated, much of which has already been received. For 2025/26, the level of Gore Street Energy Storage's dividend is unclear. The 1Q'25 dividend payment was passed, but the 2Q'25 dividend was 0.69p per share. On the basis of the latter figure applying for the two remaining quarters and taking into account both the recently paid 1.5p per share special dividend and the second proposed 1.5p per share special dividend – both relating to the ITCs – the total shareholder payment for the year may amount to ca.5.07p per share.

The chart below highlights the international BESS markets in which Gore Street Energy Storage participates.

Gore Street Energy Storage – International BESS markets



Source: https://www.gsenergystoragefund.com

Greencoat Renewables (market cap. £657m)

Investment sectors: Greencoat Renewables' focus is on the expanding wind generation sector, both within the RoI – its home territory – and in mainland Europe: it does not own generation plant in the neighbouring province of NI, where Greencoat UK Wind – its former stable mate – operates. Since its IPO in 2017, the RoI market has been pivotal in underpinning Greencoat Renewables' revenues. However, it has also spent heavily overseas, with significant offshore wind investment in German waters; Sweden and Spain are the other preferred EU markets. More recently, Greencoat Renewables has focused on the rapidly developing demand for power in the RoI from heavy inward investment and especially from Big Tech – and its demand for vast data-centres: signing long-term PPAs with such organisations is, understandably, a priority.

Portfolio: At June 2025, before the recent sale of six wind plants in the RoI, Greencoat Renewables' operational plant capacity amounted to 1,543MW, almost entirely comprised of wind generation assets, of which 798MW were in the RoI. While the RoI market, boosted by inward investment, remains the unquestioned core business, major investment has been undertaken elsewhere in the EU: no less than nine operating assets were acquired in 2022 while €275m (£239m) was invested in 1H'23. Not surprisingly, such aggressive investment levels have been curbed over the past three years, as offshore wind operating costs have risen sharply. Nevertheless, in the German sector of the North Sea, Greencoat Renewables owns a 50% stake in the 312MW Borkum Riffgrund 1 project along with a 38.2% stake in the 288MW Butendiek offshore wind farm – these are major investments. And, given its suitability for wind-power generation, the Nordic Region is also a favoured market. As such, Greencoat Renewables has invested heavily in the Erstrask projects in Sweden – initially, in the more advanced southern sector but also in the northern sector: their combined capacity is 235MW. However, Greencoat Renewables is now focusing much more on cash generation – and signing favourable long-term PPAs – and rather less on acquisitions. Indeed, a portfolio of six wind assets in the RoI were sold recently for €156m (£135.7m) – at a 4% premium to their NAV holding value.

Financial/share price data: Partly due to weak wind levels, both in the RoI and in Germany, Greencoat Renewables' operating performance disappointed in 2025 – the same was true of its share price performance, down by 14% during the year. As such, its share price is trading at a discount of 33% to its September 2025 NAV of 88.3p (c101.5) per share. In seeking to narrow the NAV trading discount, a major share buyback programme has been undertaken. Greencoat Renewables' latest gross debt figure was 55% of its GAV in September 2025; this figure was struck before the sale of the aforementioned RoI portfolio. For its 2025 full-year dividend, Greencoat Renewables is targeting a payment of 5.92p (c6.81) per share, which is marginally higher than in 2024: the former projected payment is underpinned by a reassuringly high dividend cover of 1.8x (gross). Unusually in the IIC/REIF sector, Greencoat Renewables' shares are quoted on a €-denominated basis and, since its IPO in 2017, they had performed solidly until interest rates rose sharply in 2022. Subsequently, market conditions have become tougher, discount rates have risen – although Greencoat Renewables continues to use a base rate of an unusually low 6%-7% range – and offshore wind investment has become both more challenging and more expensive.

Greencoat UK Wind (market cap. £2,117m)

Investment sectors: Greencoat UK Wind, the REIF sector leader, focuses almost exclusively on the UK onshore and offshore wind sectors. Due to its high investment in recent years, it now boasts a 6% UK market share. Its capacity, as at June 2025, amounted to 1,982MW. Overall, around 40% of its capacity is sited in Scotland, with virtually all of the remainder in England. Its inflation-linked dividend policy, which has prevailed since its IPO in 2013, stands alone within the renewable generation

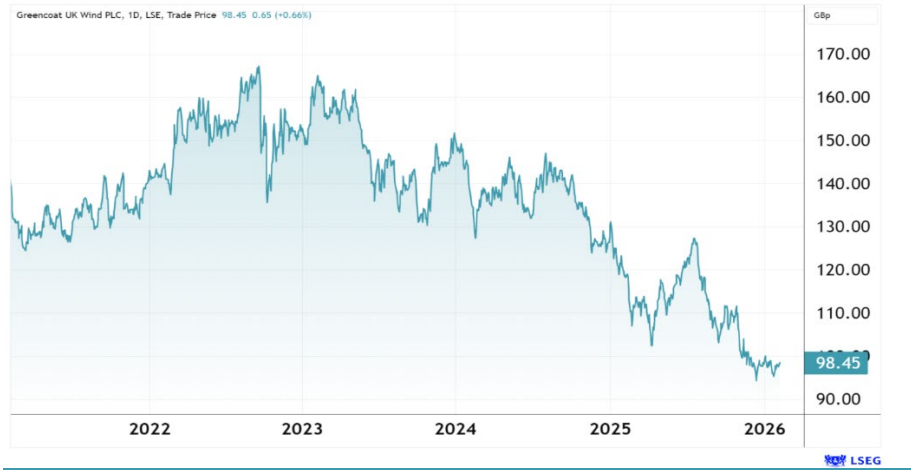
sector – and helps to underpin its share price rating. However, given its dependence on ROC and FiT subsidies, it was clearly exposed to any adverse decisions by the DESNZ regarding the methodology for assessing inflation-related ROC and FiT price adjustments: the recent announcement on the issue will have allayed such fears.

Portfolio: During 2024, a year of retrenchment in the sector, Greencoat UK Wind's portfolio barely increased. The previous year had seen a major rise in capacity, following the acquisition of the 240MW South Kyle wind farm in south-west Scotland, which was bought in September 2023 from the Swedish-based Vattenfall, at a cost of ca.£320m. In addition to its recently sold-down investment in the 1,200MW Hornsea 1 offshore wind farm, it has also secured a 13.7% stake in the 630MW London Array project from Orsted: the cost was a substantial £444m, of which £394m was equity. Of late, a major share buyback programme has been under way. Additionally, recent plant sales, yielding ca.£220m and at a price that was close to NAV, should push gearing below 40% of GAV. Indeed, with higher debt than the sector average, Greencoat UK Wind has curbed its expansion plans. And, during 2026 and beyond, it will also be focusing on raising its generation output – low wind speeds continue to be an abiding issue about which it warned investors recently.

Financial/share price data: Due in part to its RPI-linked dividend policy, which will shortly be replaced by a CPI calculation, Greencoat UK Wind's shares have outperformed a weak sector in recent years. In 2024, its shares fell by just under 16%. But, in 2025, its shares fell sharply and they are now trading at a discount of 30% to Greencoat UK Wind's much-reduced NAV per share – down by 11.2% compared with 2024 – was 140.7p per share, as at September 2025. The latest discount figure applied to ascertain its NAV is a seemingly high 11.0%, although this figure is on a leveraged basis. With net debt of almost £2.3bn, equivalent to 41% of GAV, Greencoat UK Wind is seeking to boost its cash generation: the major refinancing of its debt, including a substantial reduction of its RCF, reflects this priority. Greencoat UK Wind's shares have been clearly sustained by a minimum annual RPI-adjusted dividend increase, as prescribed under its fund principles. Recently, it confirmed its plans for a 10.35p dividend per share for 2025. Against that background, it was no surprise that the "Continuation Vote" held in April 2024 attracted almost 90% of votes in favour.

Unquestionably, Greencoat UK Wind remains the bellwether for the nascent – and in many cases struggling – UK renewable generation sector. If the COVID-19-related share price plunge is disregarded, Greencoat UK Wind's five-year performance chart shows a relatively consistent performance – until 2025 when it encountered turbulence on several fronts, including the 11.2% cut in its NAV, which is highlighted by the graph below.

Greencoat UK Wind – five-year share price



Source: LSEG, 2026

In terms of Greencoat UK Wind's overall financial performance since 2013, the figures are impressive, as demonstrated by the table below.

Greencoat UK Wind's financial performance, 2013-25

Period	Net Cash Generation	Cash Dividend	Reinvestment	Dividend Cover
2013[1]	£21.6m	£3.9m	£17.7m	
2014	£32.4m	£20.8m	£11.6m	1.6x
2015	£48.3m	£35.9m	£12.4m	1.7x[2]
2016	£49.0m	£35.1m	£13.9m	1.4x
2017	£80.1m	£52.3m	£27.8m	1.5x
2018	£117.3m	£72.3m	£45.0m	1.6x
2019	£127.7m	£93.2m	£34.5m	1.4x
2020	£145.2m	£112.6m	£32.6m	1.3x
2021	£256.8m	£138.8m	£118.0m	1.9x
2022	£560.1m	£175.8m	£384.3m	3.2x
2023	£405.5m	£197.0m	£208.5m	2.1x
2024	£278.7m	£249.8m	£28.9m	1.3x[3]
H1 2025	£163.3m	£114.0m	£49.3m	1.4x
Total	**£2.3bn**	**£1.3bn**	**£1.0bn**	**1.8x**

Source: Greencoat UK Wind

Gresham House
Specialist investment

Gresham House Energy Storage (market cap. £444m)

Investment sectors: With a ca.20% GB market share, Gresham House Energy Storage has been the undoubted leader of the three BESS stocks – Gore Street Energy Storage and the now delisted Harmony Energy Income are the others. BESS plants enable the provision of short-term frequency-balancing services to grid operators. Central to Gresham House Energy Storage's revenue model are the

activities of the now government-owned – but formerly part of National Grid – NESO. Delays in setting up the system and weak initial revenues were responsible for the severe underperformance of the three BESS funds in 2024 – a process that was triggered by Gresham House Energy Storage's revenue-driven profit warning in early February 2024. The sector's stock market rating for BESS businesses has recovered sharply during 2025 on the back of higher revenues, the signing of various long-term supply contracts and the takeover of Harmony Energy Income – at a price that was close to its NAV. In Gresham House Energy Storage's case, its shares rose impressively – by almost 80% – in 2025.

Portfolio: Following the pronounced plant build-out over the past few years, Gresham House Energy Storage now operates utility-scale BESS assets at various sites in England and Scotland; its latest operating plant capacity figure, at September 2025, was 1,072MW. With new funds now available from the £220m loan, the plant build-out continues: further new capacity will come on stream shortly. Reassuringly for investors, key long-term contracts have been signed covering the projected revenues from no less than 88% of capacity, namely 939MW. More generally, Gresham House Energy Storage seeks to benefit from the many arbitrage opportunities that have been created as UK renewable generation output rises in a volatile energy trading market, although the delays – caused, in part, by technical issues – in NESO's launching of the Open Balancing Mechanism (OBM) have undoubtedly been frustrating.

^

Financial/share price data: During 2024, Gresham House Energy Storage's share price fell by almost 60% – a major reverse from its outstanding performance in 2023. In 2025, the rollercoaster continued, with Gresham House Energy Storage's share price up by a thumping 79% – by some way, the largest increase in the IIC/REIF grouping. Its shares are now trading at a much lower discount of 33% to its NAV of 115.7p per share, as at September 2025. In February 2024, the "very depressed revenue environment" was cited by Gresham House Energy Storage as the prime factor for its shock profit warning – revenues have recovered subsequently. Importantly, Gresham House Energy Storage has signed long-term contracts covering projected revenues from 939MW of its plant capacity – a very reassuring development for long-term investors. In 1H'25, its EBITDA exceeded £20m and, with enhanced margins, should be noticeably higher in the future. Furthermore, the conservative 10.35% discount rate that applies to operating plants – way above the sub-8.5% figure still used by some REIFs – suggests some material hidden value. However, the revenue-based profit warning in early 2024 caused all planned dividends for 2024 to be scrapped. Nevertheless, principally for legal reasons, it is planned to reinstate a modest – and rather token – dividend of just 0.11p per share for 2025 and a minimum 0.25p per share in 2026. With net debt now close to 20% of NAV and with the plant build-out progressing well, Gresham House Energy Storage's cashflow should improve, especially with the much-needed £220m Revolving Credit loan. Overall, since January 2020, Gresham House Energy Storage has raised ca.£450m of new equity finance.

Hydrogen Capital Growth Plc

Hydrogen Capital Growth (market cap. £17m)

(In managed wind-down equivalent)

Investment sectors: While the hydrogen market has excited many investors, the share price performance of the sector in recent years has been dreadful. For some months, Hydrogen Capital Growth's share price had been in single figures and its descent into an equivalent MWD was a near formality – its shares were suspended between mid-September and mid-November 2025 due to significant valuation uncertainties. For some time, it has been clear that there were inherent weaknesses in the Hydrogen Capital Growth model, not least in failing to identify a single specific element of the emerging hydrogen market on which to focus. At a general level, the hydrogen market is beset with uncertainties, not least with the ongoing equivocation of government policy, both in the UK and in the EU. The scope for inserting

hydrogen, up to a certain level, into the UK domestic gas network remains – despite considerable interest – an aspiration: two planned trials on the Wirral and in Redcar have been abandoned. Hydrogen Capital Growth has also invested in some mainly unquoted hydrogen-related businesses overseas. This move has not proved successful as the recent revaluation exercise demonstrated.

Portfolio: Given the inherent uncertainties on the valuation front of its mainly unlisted portfolio, it is difficult to ascertain where real value, if any, actually lies. Three of its investments were previously assessed by Hydrogen Capital Growth as representing more than 60% of its NAV. The largest is the stake in the unquoted Sunfire, a German industrial electrolysis producer, which was recently valued at almost £24m, thereby accounting for 46% of Hydrogen Capital Growth's latest investment valuation. Less than £9m of value was attributable to HiiROC, a UK-based thermal plastic electrolysis developer, and a similar figure was cited for the Estonian-based Elcogen, which supplies solid oxide fuel cells and electrolysis components. Furthermore, Hydrogen Capital Growth has recently confirmed that its 11% shareholding in HH2E – Foresight Environmental Infrastructure is another REIF shareholder – is probably worthless as the latter is now in liquidation.

Financial/share price data: Over the past two calendar years, 2023 and 2024, shares in Hydrogen Capital Growth have fallen by 38% and by 60%, respectively. In 2025, the decline was also pronounced. Given the sharply reduced September 2025 NAV of 34.2p per share, there is now a hefty discount of 62% to NAV against its share price of 13p per share. The ongoing MWD may yield a distribution, although it is likely to be very modest. At its IPO in July 2021, Hydrogen Capital Growth raised proceeds of £107m (gross) as investor interest soared: a further £21m (gross) was raised in April 2022. Subsequently, the fortunes of Hydrogen Capital Growth have plunged, although it had been confirmed that sufficient funds were available for it to operate until at least November 2025. While this forecast proved to be accurate, there is now apparently sufficient working capital to continue until spring 2026 – but not beyond. Full implementation of the MWD beckons – with the Sunfire proceeds being key – before the sad saga concludes.

NextEnergy Solar (market cap. £288m)

Investment sectors: NextEnergy Solar, which operates solar plants, undertook its IPO in April 2014. Longer-term energy price projections at that time were considerably higher than proved to be the case, until late 2021, when gas input prices began their upward surge following Russia's invasion of Ukraine in February 2022. During the past decade, NextEnergy Solar has built up a generation portfolio exceeding 100 solar assets, many of which are dependent upon subsidies. As at September 2025, its installed capacity was 939MW. While most of this capacity is located in the UK, there is both a small solar generation portfolio located in southern Italy, and – through NPIII – a 13.6% interest in the Santarem plant in Portugal along with a modest investment in a generation plant near Cadiz, Spain. Acquisitions, of late however, have been few as NextEnergy Solar has increasingly focused on reducing its debt. Central to the latter priority is its recently established Capital Recycling Programme (CRP), which has already seen two major plant disposals.

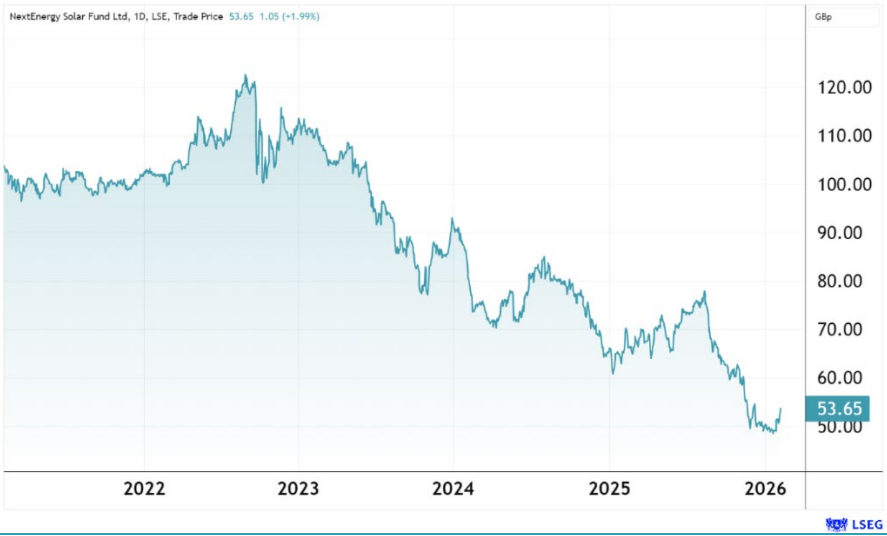
Portfolio: The overwhelming majority of NextEnergy Solar's 939MW of generation capacity is UK-based. Despite the end of the RO for new solar plants in 2017 and – more specifically – the end of the subsidies to which it gave rise, NextEnergy Solar continued, for a while at least, to invest in subsidy-free solar plants. Of late, however, this policy has been superseded by the CRP, which has seen the sale of the key 50MW subsidy-free plant at Staughton in Cambridgeshire: an impressive 21.5% premium over its holding value was achieved. Also disposed of under the CRP was the 35MW Whitecross plant in Lincolnshire. Combined, the pair yielded proceeds of more than £57m. Other solar plants are likely to be sold over the next two years. On the BESS front, NextEnergy's first such plant, in Fife, Scotland, has now begun commercial operations. Overseas, the Italian solar plants, with a total

capacity of 35MW, and the shareholding in the Santarem plant are the most obvious value drivers.

Financial/share price data: Shares in NextEnergy Solar having fallen by nearly 30% during 2024 and by 24% in 2025, are currently trading at a 44% discount to the lowered NAV of 88.8p per share, as at September 2025: at March 2024, the NAV was 104.7p. Moreover, the latest weighted average discount rate of 8% is below that of most other REIFs. In attempting to narrow the trading discount to NAV, Next Energy Solar has undertaken a £20m share buyback programme. But, on the negative side, NextEnergy Solar had been exposed to any changes – and flow-through cuts to its NAV – in the methodology used to adjust ROC and FiT prices for inflation: the recent determination announcement to adopt a CPI-related adjustment will be welcomed by NextEnergy Solar's shareholders. On the dividend front, the expected dividend cover, at the full year-end, lying between 1.1x and 1.x3, is distinctly thin. However, the dividend target for 2025/26 remains at an unchanged 8.43p per share; in 2023/24, the dividend had been raised by 11% to a higher base. Although a "Discontinuation Vote" was voted down in 2024, a Strategic Review is now under way. NextEnergy's main priority, though, is generating increased cash resources, partly through improved plant returns, partly via completion of its CRP and partly through judicious refinancing. After all, if the preference shares are treated as debt, NextEnergy's gearing, based on GAV, exceeds 49% – a comparatively high figure for the sector.

The graph below shows how NextEnergy Solar's share price has performed over the past five years. Unlike some other REIFs, its share price has failed to reach the levels achieved prior to the COVID-19 plunge in early 2020 – and the share price fall during 2025 has been very pronounced.

NextEnergy Solar– five-year share price



Source: LSEG, 2026

Octopus Renewables Infrastructure (market cap. £322m)

Investment sectors: In December 2019, Octopus Renewables Infrastructure undertook its IPO. Subsequently, it has built up a strong portfolio of renewable generation assets, with a latest capacity figure of 797MW. Its investment strategy has been very pan-European as Octopus Renewables Infrastructure continues to focus on the wind and solar generation markets – and especially the latter. However, its current policy is undoubtedly less expansionist than previously, with cashflow now being paramount. Furthermore, its recent proposal to combine its business with

the smaller – and very much struggling – Aquila European Renewables, now in MWD, was rejected: talks on the possible merger have ceased. More recently, Octopus Renewables Infrastructure has set itself various short-term and medium-term goals – extending share buybacks to £30m, reducing net debt to 40% of GAV and selling at least £80m of its assets to pay down debt.

Portfolio: Following the sale of its 48MW Ljungbyholm wind farm, Octopus Renewables Infrastructure owned, as at October 2025, total generation capacity of 797MW: almost 50% of this capacity is solar generation plant. In the UK, the 67MW Breach Solar acquisition in Cambridgeshire is now operational, although a 49% stake in the plant will be sold shortly to Tokyo Century Corporation. Also being sold is the stake in the 46MW Crossdykes plant. Elsewhere, Octopus Renewables Infrastructure has acquired a substantial portfolio of solar assets in the RoI, with 199MW of capacity sited near Dublin. PPAs, over a 15-year period, have been signed with Microsoft – offering high-quality, long-term earnings. Offshore, its stake in the 270MW Lincs project has been increased to 15.5%. Significantly, Octopus Renewables Infrastructure is now active in many leading EU markets, including the RoI, France and Finland. Indeed, its 120MW solar portfolio in France remains key. However, the option to acquire 175MW of ready-to-build solar capacity in Spain was terminated.

Financial/share price data: Octopus Renewables Infrastructure's share price, although down by 24% in 2024, has performed rather less poorly – down 13% – than several of its peer group during 2025. Nevertheless, its shares are currently trading at a 38% discount to its NAV, as at September 2025, of 98.5p per share: the latest average discount rate is now a rather lowly – and adjusted – 8.2%. The dividend profile, though, is more encouraging with a 6.17p dividend per share being targeted for 2025, although dividend cover is now just 1.2x. Having raised equity proceeds of £774m (gross) between its IPO in 2019 and 2022, there appears to be no immediate need for Octopus Renewables Infrastructure to raise additional funding, especially as consolidation – rather than expansion – has become the new *mantra*. Indeed, recent asset sales will have reached £74m, once the Breach Solar and Crossdykes deals are completed. Furthermore, another share buyback programme is expected.

In the longer term, Octopus Renewables Infrastructure aspires to achieve a NAV figure of £1bn by 2030. To do so organically is a mighty ask, although Octopus Renewables Infrastructure has indicated some non-organic growth will be needed. However, the latter will not be driven by the immensely successful Kraken Technologies, whose IT systems, developed by Octopus Energy, now have an implicit valuation of $8.65bn (£6.4bn). Sadly, for shareholders in Octopus Renewables Infrastructure, the latter has no financial interest in Kraken Technologies.

SDCL Efficiency Income (market cap. £567m)

SEEIT

Investment sectors: Following its IPO in 2018, SDCL Efficiency Income brought considerable optimism to its commercial and financial model that, in the event, has been misplaced. To be sure, SDCL Efficiency Income has focused on investment in energy businesses, such as the US-based Onyx, in various energy efficiency projects as well as in Combined Heat and Power (CHP) schemes. The US operations now account for more than 70% of its GAV. Until quite recently, SDCL Efficiency Income had been very active in closing deals that met its investment criteria, especially in the US. Irrespective of its US businesses, SDCL Efficiency Income has also invested in the EU, notably in the gas network in Sweden and in Spain. However, with an ever-weaker share price, SDCL Efficiency Income's period of expansion has been superseded by one of consolidation and of cash conservation, along with various initiatives to sell core assets. Indeed, a "Continuation Vote" is due shortly. SDCL Efficiency Income's own hard-nosed assessment is that "the Board is unlikely to

recommend continuing in the current form". Hardly an unequivocal vote of confidence in the existing strategy.

Portfolio: With the US as its core market, SDCL Efficiency Income has completed several acquisitions there. In particular, it bought the district energy system, Red Rochester, based around the extensive Eastman Industrial Park in Rochester, New York. To this day, the business remains SDCL Efficiency Income's most valuable single investment, now accounting for 21% of its GAV. Also in the US, SDCL Efficiency Income owns – via ONYX – a solar generation and energy storage business, with off-takers spread across many sites: Onyx's current book value accounts for 19% of its GAV. The various Primary Energy businesses, which operate several co-generation projects within the US steel industry, also account for 19% of GAV. In Europe, SDCL Efficiency invested ca.£100m in the Stockholm-based Driva (formerly known as Vartan Gas) whose main subsidiaries are Gasnatet, a Swedish gas distribution business, and Stockholm Gas; these businesses account for ca.7% of SDCL Efficiency Income's overall GAV. Elsewhere in the EU, there is the 125MW co-generation Oliva portfolio in Spain, comprising five CHP plants, two olive-processing plants and two biomass plants.

Financial/share price data: Despite a decent operating performance, SDCL Efficiency Income faces challenges on several fronts. In 2023, its share price fell by 32% and, in 2024, it fell back by a further 18%. The 2025 performance was improved – losing just 3% of its value over the year. The share price discount to its latest NAV figure of 87.6p per share, as at September 2025, is now over 40%. At best, SDCL Efficiency Income's NAV remains flat and it has also been held back by a higher discount rate – its levered figure is 9.4%, having been 8.5% at March 2023: the valuation implications are self-evident. For 2025/26, the dividend is set to rise marginally to 6.36p per share: the dividend cover is very tight at just 1.2x. SDCL Efficiency Income's total gearing is quite high – it amounts to 72% of NAV. SDCL Efficiency Income has also conceded that both Onyx and EVN, its UK-based electronic charging platform business, need additional funding. With a seemingly inaccessible equity market – SDCL Efficiency Income has raised £860m of new equity since January 2020 – and a compelling need to cut borrowing, the focus is now on asset disposals. Given its various complex holdings, especially in the US, delivering disposal proceeds that are close to NAVs will be very challenging. Replicating the straightforward selling of United Utilities' renewables business – at close to NAV – in 2024 is unlikely to be feasible. In any event, discontented shareholders may shortly force SDCL Efficiency Income to go down this route for all its business assets via the MWD process in what would be a sad end to the aspirations of over seven years ago.

TRIG (market cap. £1,649m)

Investment sectors: Some time ago, TRIG ceded REIF sector leadership to Greencoat UK Wind; the former has an increasing international reach, notably in northern Europe. Investment in offshore wind generation, now accounting – post the sale of part of its stake in the Gode project off the German coast – for a sizeable 33% of capacity, had become a priority: but sharply rising costs remain an undoubted deterrent. In terms of generation sources, TRIG has focused on the wind sector, both onshore and offshore; it has also invested in solar farms, most notably in Spain. Having expanded quite aggressively in the past, consolidation – in common with other REIFs – has now become much more of a priority: further asset sales are expected. On the corporate front, the short-lived – of some two weeks only – dalliance with HICL ended without a deal, but it did suggest that TRIG was in play.

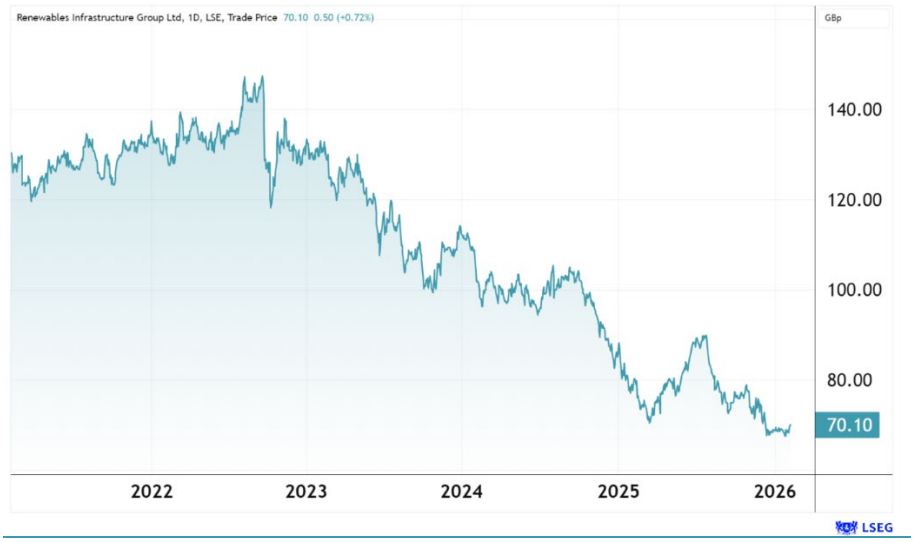
Portfolio: TRIG's latest operational capacity figure is 2,335MW. Currently, almost 60% of TRIG's capacity is sited in the UK, with the exposure in Scotland being slightly lower than that in England. Offshore wind generation investment has been a very prominent feature of late, with the Hornsea 1 offshore wind project shareholding being the largest; it accounts for an 11% share of the portfolio. In mainland Europe,

Sweden, principally via the 213MW Jadraas plant, is TRIG's leading market overseas. France, Spain and Germany are also key markets for TRIG. Until the recent surge in costs, which has seen some offshore wind projects either "parked" or cancelled, TRIG had been expected to invest heavily in both the Baltic Sea and in the North Sea over the next decade. On the solar front, TRIG now has full ownership of four plants, with a capacity of 234MW at Cadiz in the Spanish province of Andalucía. And, in time, post the acquisition of Fig Power, a leading BESS plant developer, TRIG will expect to become a leading player in this subsector.

Financial/share price data: With its share price down by almost 40% since late 2023, TRIG's shares have performed very poorly; they are now trading at a discount of 37% to its NAV of 109.7p, as at September 2025: the current discount rate used by TRIG is 8.8%. Poor wind resources in early 2025, pronounced exposure to the financially stretched offshore wind sector, the sharp cuts in load capacity assumptions for wind plant by the DESNZ, along with possible – although quite modest – NAV cuts from the latter's revised inflation methodology for ROC and FiT projects, are all negatives for TRIG: they are clearly concerning for investors. In seeking to reduce its trading discount to NAV, a major share buyback programme has been undertaken. In terms of dividends, and despite the very thin cover, TRIG is expecting to pay a dividend of 7.55p per share for the full year. With cash generation now a priority, TRIG has made several disposals of late, including part of its stake in the 330MW Gode offshore wind project – at a 9% premium to its carrying value. Presumably, similar cash-generating policies will be pursued, especially since its proposed absorption by HICL has been abandoned.

The graph below shows movements in TRIG's share price over the past five years as it has sought to recover from the COVID-19-induced plunge in March 2020. TRIG's 2025 share price performance has been particularly painful.

TRIG – five-year share price performance



Source: LSEG, 2026

US Solar (market cap. £77m)

Investment sectors: During its IPO in April 2019, US Solar set out its policy to invest in solar power assets, predominantly in the US, where many states were offering attractive financial incentives for renewable generation investment. A solar generation portfolio was subsequently assembled by US Solar, mainly on the east and west coast of the US, as well as in Utah. But, in common with several other REIFs, including Ecofin US Renewables Infrastructure, there has been major disquiet

among leading shareholders. Importantly, in US Solar's case, 81% opposed a "Discontinuation Vote" in May 2025: in the May 2024 vote, the latter figure had been lower, at 65%. However, every effort is now being made to enhance shareholder value in a fund whose share price rating remains noticeably low. A tender auction was held in April 2024, which was heavily over-subscribed and saw the fund buy back 24.4m shares at c76.4 (0.57p) per share – well above the current depressed share price.

Portfolio: Until quite recently, US Solar's focus had been on investing in states on the US east and west coasts, as well as operating its core 128MW Milford plant in Utah. Following the June 2023 $52m (£38.5m) sale of its 50% stake in the Californian-based Mount Signal 2 plant, US Solar now owns a 443MW solar generation portfolio across four states, with 41 operating plants. Its largest investment – 28 plants in all – is in North Carolina, with a capacity of 168MW. Aside from the Milford facility, the 10 plants in Oregon are also pivotal to US Solar's underlying valuation. US Solar has suffered generation shortfalls for varying reasons over the past two years – ranging from excessive cloud cover to inverter issues. And, in 3Q'25, unplanned outages materially reduced financial returns. Fixing these aggravating – and for US Solar very frustrating – issues is a priority.

Financial/share price data: In April 2019, US Solar had raised proceeds of $200m (£148m) (gross) at its IPO. However, its share price has been particularly weak over the past two years, falling by 20% in 2025 alone. US Solar is currently trading at a 47% discount to its NAV figure of 47.4p (c64.0) per share, as at September 2025. Its NAV has fallen back of late, partly due to poor plant performance but also due to the increase in its discount rate to a pre-tax figure of 10.5%. Despite these uncertainties, a 2.59p (c3.5) dividend per share is planned for the 2025 financial year. Clearly, US Solar's expansionist strategy of the past has been reined back both by material structural changes adversely affecting the US renewables sector – as Orsted experienced in August 2025 – and by its own disappointing returns. Recently, US Solar was successful in raising new debt of $166m (£122.8m). Even so, it will need to assess shareholders' views on a regular basis. Otherwise, support for another "Discontinuation Vote" could recur – and, next time, produce a different outcome.

VH Global Energy Infrastructure (market cap. £261m)

(In managed wind-down)

VICTORY HILL
VH Global Sustainable Energy Opportunities plc

Investment sectors: At its IPO in January 2021, VH Global Energy Infrastructure (the then named Victory Hill GSEO) planned to "invest in a diversified portfolio of global sustainable energy infrastructure assets" – something it has done across several continents. Its targeted investments may seem very unrelated, except for their prime emphasis being on the energy sector. Five years after its IPO, VH Global Energy Infrastructure now owns major investments in Brazil – notably, the 198MW Mascarenhas hydro-plant – as well as in the US. The UK, European and Australian portfolios are, however, quite modest. Inevitably, management's focus will now turn to implementing the Asset Realisation Strategy (ARS) – broadly equivalent to an MWD – that VH Global Energy Infrastructure is obliged to undertake following a "Discontinuation Vote" in favour of such a strategy.

Portfolio: In Brazil, VH Global Energy Infrastructure acquired the 198MW run-of-the-river hydro-plant at Mascarenhas, in Espirito Santo state, which was previously owned by EDP, the leading Portuguese utility. The cost was ca.£115m – around two-thirds of which was payable upfront; the remainder was deferred. The plant has been operational since 1974. Elsewhere in Brazil, VH Global Energy Infrastructure has invested in a portfolio of remote solar distribution plants spread across several states. Its US investments are also sizeable, notably the two terminal storage sites on the Texan coast that were acquired at a cost of ca.$96m (ca.£71m). In the UK, VH Global Energy Infrastructure has invested in carbon reduction projects. Its lead

UK investment is the 10MW plant at Worksop in Nottinghamshire: its planned 35MW Durham plant was never built. Investing in renewable power assets in Australia has also been an aspiration for VH Global Energy Infrastructure. In Europe, too, wind and solar generation assets have been acquired, mainly in Spain – a rare example of capacity enhancement by sector funds in the past two years.

Financial/share price data: With its share price remaining flat in 2025 – a better out-turn than most REIFs – VH Global Energy Infrastructure's shares are now trading at a discount of 38% to its latest NAV, as at September 2025, of 106.7p. It is planning to pay a 5.80p per share dividend in respect of the 2025 financial year. Having raised more than £460m of gross proceeds over the past five years, VH Global Energy Infrastructure's finances are somewhat more robust than those of other smaller REIFs. And, to boost its NAV, a share buyback programme has been instigated, albeit at a distinctly modest level. With the ARS being implemented, the key valuation parameter will be the ca.£115m Mascarenhas hydro-plant in Brazil, which – for the moment at least – will remain the cashflow driver of VH Global Energy Infrastructure: some 60% of its revenues are subject to long-term PPAs. The remainder of VH Global Energy Infrastructure's assets will produce lower proceeds, although the two terminal storage sites in Texas should attract decent bids. However, given the distinctly eclectic nature of the portfolio for sale, most of the assets seem likely to be sold on a standalone basis.

Fundraises

Sector equity fundraising a non-event of late

Although 3i Infrastructure did raise £102m (gross) in 2023, IIC/REIF fundraising in equity markets has been virtually non-existent in recent years. Moreover, no sector IPOs have been undertaken since 2021. In 2025, there were three sector takeovers, which saw the departures – and delisting – of BBGI, Downing Renewables and Infrastructure and Harmony Energy Income.

In fact, given the scarcity of corporate activity, there have been few reasons to raise further equity funds. In truth, the reverse has probably been the case – the inability to raise new equity in the market precluded many possible deals from proceeding. There are, though, a swathe of sector assets up for sale currently, primarily due to the various MWDs that are under way.

The depressing view from the coal face

This equity scenario – especially for IICs/REIFs – was encapsulated by Foresight Solar when it highlighted the…

"challenges facing the listed infrastructure sector with equity markets likely to remain inaccessible in the short to medium term".

This view was echoed by one of the IIC/REIF sector's leading performers of late, Cordiant Digital Infrastructure, as follows:

"*Capital markets for new equity investment remain effectively closed for many investment trusts, including the Company."*

Nevertheless, between 2020 and 2022, IICs and REIFs had raised ca.£10.3bn of new money. Initially, investor appetite had been reasonably strong but faltered badly in 2023. The sector remains depressed to this day.

During the sector boom period, some investors had overlooked the serious problems facing the weaker REIFs. Their NAVs failed to grow, their share prices weakened, their trading discounts to NAV widened and, in some cases, their shareholders demanded, via "Continuation/ Discontinuation" votes, quite radical solutions.

Previously, many investors had been prepared to accept the IIC/REIF risk profiles. No less than nine sector IPOs had taken place in 2021 – three IICs and six REIFs but none during the past four years. Furthermore, during the boom period, many secondary fundraisings had been undertaken at distinctly modest discounts to the then prevailing share price.

Late 2022 was the turning point as confidence frayed

From late 2022, the sector's outlook changed quite rapidly. Pantheon Infrastructure's proposed £250m C share issue was pulled in September 2022: "extreme volatility" due to the much maligned mini-Budget of 2022 was cited as the reason. In the case of the now delisted Harmony Energy Income, its last equity offering raised just £15m, way below the maximum £130m that was being sought. A similarly lacklustre response greeted the November 2022 fundraise of Asian Energy Impact (then ThomasLloyd Energy Impact), which yielded just over £30m (gross) of proceeds. Subsequent events, namely its eventual liquidation, vindicated the cautious stance of many potential investors.

The poor response to these equity fundraises – and to others that were not officially announced – partly explains the subsequent paucity of equity fundraising by the IIC/REIF sector. Undoubtedly, the interest rate rises from 2022 did major damage to sector valuations, and especially to those of the less mature funds. And, for the REIFs at least, there were some underlying renewables-related issues that damaged confidence in the sector.

Real challenges for smaller REIFs

Indeed, many of the smaller REIFs, especially given the current large trading discounts to NAV, face a real challenge to raise additional funds, whether equity or debt – consolidation or entry into MWD are two unpalatable options that some will face. In truth, most such IICs/REIFs are – perhaps optimistically – awaiting better times, assuming their shareholders have sufficient patience. Others, and not just those in MWD, will focus on seeking to generate much-needed funds through asset disposals.

Two out of nine successes is a poor ratio

For seven of the nine IIC/REIF funds who undertook their IPOs in 2021 – Aquila Energy Efficiency, Asian Energy Impact (formerly ThomasLloyd Energy Impact), Atrato Onsite Energy, Cordiant Digital Infrastructure, Digital 9 Infrastructure, Harmony Energy Income, Hydrogen Capital Growth (formerly HydrogenOne Capital Growth), Pantheon Infrastructure and VH Global Energy Efficiency (formerly Victory Hill GSEO) – the past few years have been seriously challenging. Only Cordiant Digital Infrastructure and Pantheon Infrastructure have bucked this highly disappointing trend, although both Atrato Onsite Energy and Harmony Energy Income did attract successful bidders.

Indeed, for most of these IICs/REIFs, their financial performance, such as that of Digital 9 Infrastructure and Hydrogen Capital Growth, will have been markedly different from their mid-case – and, in some cases, very extensive – modelling assumptions prior to their IPOs over four years ago.

Share buybacks the fall-back option

Instead, many IICs and REIFs, including the formerly deal-hungry SDCL Efficiency Income, have implemented share buyback programmes, principally in the quest to lower their share price discount to NAV: to date, success on the latter front has been at best limited – and, at worst, elusive.

The table below lists the major fundraisings by the then 31 IICs/REIFs – it includes various delisted IICs/REIFs – since January 2020. The total new equity raised in the sector between 2020 and 2023 slightly exceeded £10.3bn; it included £900m for Digital 9 Infrastructure, the market worth of which is now just £52m – a heroic loss of shareholder value. Significantly, the last major fundraises were back in 2023 when 3i Infrastructure and Gresham House Energy Storage raised £102m and £50m, respectively.

Major IIC and REIF fundraises since January 2020				
IICs and REIFs	Date	New shares (m)	Price (p)	Gross proceeds (£m*)
3i Infrastructure	Feb'23	30.9	330	102
Aquila Energy Efficiency	May'21	100.0	100	100
Aquila European Renewables	Sep'21	87,4	89	76
	Oct'20	122.9	89	107
	Mar'20	38.1	90	34
Asian Energy Impact (now delisted)	Nov'22	34.3	89	31
	Dec'21	115.4	100	85
Atrato Onsite Energy (now delisted)	Nov'21	150.0	100	150
BBGI	Jul'21	45.2	166	75
(now delisted)	Nov'20	32.5	169	55
Bluefield Solar	Jun'22	115.4	130	150
	Jul'21	89.1	118	105
	Nov'20	36.5	124	45
Cordiant Digital Infrastructure	Jan'22	188.7	106	200
	Jun'21	185.0	100	185
	Feb'21	370.0	100	370
Digital 9 Infrastructure	Jul'22	54.5	110	60
	Jan'22	88.1	108	95
	Sep'21	255.8	107	275
	Jun'21	166.6	105	175
	Mar'21	300.0	100	300
Downing Renewables and Infrastructure	Jun'22	47.6	111	53
(now delisted)	Oct'21	14.5	103	15
	Dec'20	122.5	100	123
Ecofin US Renewables Infrastructure	May'22	10.7	101	10
	Dec'20	125.0	100	99
Foresight Environmental Infrastructure (ex JLEN)	Jan'22	60.1	101	61
	May'21	54.7	104	57
	Feb'20	49.7	115	57
Foresight Solar	nil			0
GCP Infrastructure	nil			0
Gore Street Energy Storage	Apr'22	136.4	110	150
	Sep'21	68.8	107	74
	Apr'21	132.3	102	135
	Dec'20	60.0	100	60
	Jul'20	24.6	96	24
	Feb'20	3.6	96	3
Greencoat Renewables	Apr'22	251.4	95	240
	Oct'21	148.6	95	139
	Dec'20	110.6	97	105
Greencoat UK Wind	Nov'21	341.0	132	450
	Feb'21	150.9	131	198
	Sep'20	305.3	131	400
Gresham House Energy Storage	May'23	32.2	155	50
	May'22	103.4	145	150
	Jul'21	89.3	112	100
	Nov'20	114.3	105	120
	Feb'20	30.0	104	31
Harmony Energy Income	Oct'22	14.8	100	15
(now delisted)	Nov'21	210.0	100	187
HICL	Jul'22	94.7	169	160
	Jul'20	73.2	164	120
Hydrogen Capital Growth (ex HydrogenOne Capital Growth)	Apr'22	21.5	100	21
	Jul'21	107.4	100	107
INPP	Apr'22	203.8	160	325
	Jul'20	81.8	165	135
NextEnergy Solar	nil			0
Octopus Renewables Infrastructure	Nov'21	70.0	105	74
	Jun'21	144.9	104	150
Pantheon Infrastructure	Nov'21	400.0	100	400

Major IIC and REIF fundraises since January 2020 (continued)				
SDCL Efficiency Income (ex SEEIT)	Sep'22	118.4	114	135
	Mar'22	87.0	115	100
	Sep'21	226.2	110	250
	Feb'21	150.9	106	160
	Oct'20	100.0	105	105
	Jun'20	105.8	104	110
Sequoia Economic Infrastructure	Mar'21	105.0	105	110
	Feb'20	267.9	112	300
TRIG	Mar'22	210.1	132	277
	Sep'21	161.3	124	200
	Mar'21	195.0	123	240
	Nov'20	160.0	125	200
	May'20	100.0	120	120
Triple Point Energy Transition (now delisted)	Oct'20	100.0	100	100
US Solar	May'21	132.0	72	98
VH Global Energy Efficiency (ex Victory Hill GSEO)	Jun'22	111.0	110	122
	Dec'21	69.0	101	70
	Feb'21	242.6	100	243
Total				**10,312**

**Based on the exchange rates ruling at the time of the equity issue.*
Source: Hardman & Co

Current market ratings

The latest market ratings for the remaining 25 IICs and REIFs, based on prices at the close of business on 31 December 2025, are set out below. Most, though not all, NAV figures are those calculated at the end of either June 2025 or September 2025.

The tables below covering dividends, yields and NAVs show:

- A prospective underlying dividend yield for the 25 IICs/REIFs of between 5.5% and 13.0%, with a few noticeable outliers, such as 3i Infrastructure, whose prospective dividend yield of 3.6% is far lower; in some cases, adjustments have been made to reflect funds in MWD making one-off distribution payments.

- A total market capitalisation for the remaining 25 IICs and REIFs of £19.1bn, split as follows: IICs at £11.1bn and REIFs at £8.0bn. Both figures are well below those in 2024, especially for the REIFs; this reflects both recent delistings, most notably that of BBGI, and funds moving into MWD.

All trading at discounts to NAV

All IICs/REIFs, including 3i Infrastructure, are currently trading at discounts to their NAVs. In many cases, even with lowered NAVs, these discounts are substantial – Digital 9 Infrastructure, at 82%, and Hydrogen Capital Growth, at 62%, being the most egregious.

The NAV figures reported by the IICs/REIFs – in most cases, calculated at the end of June 2025 or September 2025 – are set out below, along with their prospective yields, which are assessed on our dividend projections for the coming period.

NAVs and dividend yields of IICs and REIFs					
IICs and REIFs	Share price (p)	Market cap. (£m)	NAV (p per share)	Premium/ discount to NAV (%)	Yield
3i Infrastructure	375	3.459	407.9	-8.1	3.6%
Aquila Energy Efficiency	24	20	50.2	-52.2	0
Aquila European Renewables	31	117	51.0	-39.2	6.3%
Bluefield Solar	68	403	114.0	-40.4	13.2%
Cordiant Digital Infrastructure	105	804	140.0	-25.0	4.1%
Digital 9 Infrastructure	6	52	32.7	-81.7	0
Ecofin US Renewables Infrastructure	15	21	30.0	-50.0	0
Foresight Environmental Infrastructure	65	405	104.7	-37,9	12.2%
Foresight Solar	65	355	102.1	-36.8	12.6%
GCP Infrastructure	74	618	101.4	-27.0	9.5%
Gore Street Energy Storage	55	278	90.1	-39.0	9.2%
Greencoat Renewables (ex €)	59	657	88.3	-33.0	10.0%
Greencoat UK Wind	98	2,117	140.7	-30.3	10.6%
Gresham House Energy Storage	78	444	115.7	-32.6	n/m
HICL	116	2,204	156.0	-25.6	7.2%
Hydrogen Capital Growth	13	17	34.2	-62.0	0
INPP	125	2,263	148.7	-15.9	6.9%
NextEnergy Solar	50	288	88.8	-43.7	16.9%
Octopus Renewables	61	322	98.5	-38.1	10.1%
Pantheon Infrastructure	108	507	127.7	-15.4	4.0%
SDCL Energy Efficiency	52	567	87.6	-40.6	12.2%
Sequoia Economic Infrastructure	79	1,171	94.0	-16.4	8.8%
TRIG	69	1,649	109.7	-37.1	10.9%
US Solar	25	77	47.4	-47.3	10.4%
VH Global Energy Efficiency	66	261	106.7	-38.1	8.8%
Total	**n/a**	**19,076**	**n/a**	**n/a**	**n/a**

Note: Based on prices as at 31 December 2025. Source: Bloomberg, Hardman & Co Research

Valuation issues

In valuing IICs and REIFs, movements in their NAVs are clearly pivotal. In fact, for much of 1H'22, there were significant premia over NAV for most quoted IICs and REIFs. This scenario has been totally reversed, with not only discounts applying for all 25 funds, but – in most cases – very substantial discounts that have prevailed over the past three years. Upward movements in the yield on 10-year gilts have undoubtedly been a negative factor. While the defensive characteristics of most IICs and the larger REIFs, especially at a time of economic uncertainty and inflation concerns, have appealed to some income-seeking investors, these benefits have not been reflected as sector share prices remain weak.

The nuclear Continuation/Discontinuation vote option

Not surprisingly, many sector investors have become increasingly disgruntled – as demonstrated by the various "Continuation/Discontinuation Votes" that have been held while agitated management focuses on seeking solutions to the widening NAV valuation gap. Undertaking share buybacks is generally the go-to solution, but they have distinct limitations in closing large NAV discounts. Cranking up the asset disposal programme, despite the time and effort involved, is an obvious alternative.

On a longer-term perspective, the table below tracks the latest published NAVs for the leading IICs and REIFs; it also compares them with those reported in late 2018 or early 2019, prior to the outbreak of the COVID-19 pandemic. The 2025 NAV figures quoted below are based mostly on the latest published data, from either June 2025 or from September 2025.

3i Infrastructure's seven-year NAV growth figure standalone...

The outstanding performance, in terms of NAV growth over almost seven years, has been delivered by 3i Infrastructure; its NAV has risen by almost 74% – a quite exceptional return in the sector context. At the other end of the scale is NextEnergy Solar; its NAV is down by 20% over the seven-year period.

...otherwise, material NAV growth has proved elusive

3i Infrastructure aside, the NAV data below can only be viewed as very disappointing for long-term sector investors, although – in most cases – decent dividend payments have been made: quite simply, NAV growth has proved elusive.

Latest NAVs for leading IICs and REIFs

IIC/REIF	Latest NAV figure (p)	NAV at either 12/18 or 03/19 (p)	Current prem./disc. to 12/18 or 03/19 NAV
3i Infrastructure	407.9	234.7	+74%
Bluefield Solar	114.0	114.4	Nil
Foresight Environmental Infrastructure (ex JLEN)	104.7	104.7	Nil
Foresight Solar	102.1	111.2	-8%
GCP Infrastructure	101.4	112.5	-10%
Greencoat Renewables	c101.5	c103.4	-2%
Greencoat UK Wind	140.7	123.1	+14%
HICL	156.0	157.5	-1%
INPP	148.7	148.1	nil
NextEnergy Solar	88.8	110.9	-20%
Sequoia Economic Infrastructure	94.0	103.4	-9%
TRIG	109.7	108.9	+1%

Source: Company accounts, Hardman & Co Research

Lack of consistency in data

It should be noted that, in analysing the IICs and REIFs, there is a pronounced lack of consistency in defining individual NAV methodologies. Many of the key valuation tools, such as discount rates (which are now increasingly wide-ranging), future power price assumptions, inflation projections, asset lives and energy yields, *inter alia*, are – in many cases – inherently subjective. To that extent, they increase distortions from direct read-across comparisons, especially as they impact the REIFs.

Dividends

Even delivering nominal dividend growth is a challenge for some funds

Many IIC/REIF funds are finding it very challenging to deliver real increases in dividends. 3i Infrastructure, with its aggressive dividend projections, is an outlier in this respect – for 2025/26, it is targeting a 6.3% dividend increase. Greencoat UK Wind, despite an 11% YoY fall in its NAV, is expected to pay a dividend for 2025 of 10.35p per share, which is 34% above its 2022 payment of 7.7p per share. Given the current REIF financial environment, this is a seriously impressive dividend increase – driven by Greencoat UK Wind's formidable cashflow.

The HICL dividend to rise –at last

At the other end of the dividend scale is leading IIC, HICL. For 2024/25, it held its dividend at 8.25p per share before announcing its plan to increase it – for the first time in six years - to 8.35p per share: dividend cover, though, remains very tight.

A few dividend cuts, for one-off reasons

Some REIFs cut their dividends during 2024, most notably Gresham House Energy Storage following its deep, revenue-driven profit warning in February 2024. Investors in Ecofin US Renewables Infrastructure, which suffered collateral damage to the local electricity network following a tornado in Texas, has now suspended ongoing dividend payments as it nears completion of its MWD. The only IIC to pass its dividend in 2024 was Digital 9 Infrastructure, which is now in MWD.

In recent years, dividend cover levels for many IICs/REIFs have been eroded. Such a scenario does not apply, though, to 3i Infrastructure, a major outlier in this respect. In fact, several leading IIC funds, such as HICL and INPP, are paying dividends that are barely covered, which clearly has implications for future dividend growth. In other cases, raising dividend cover has become a priority. Indeed, in framing their future dividend policies – many of which are described as "progressive" – IICs and REIFs will be very mindful of their level of projected dividend cover and how it might fluctuate going forward.

The table below lists our projected dividend payments and the relevant prospective yields for the quoted IICs and REIFs. The underlying yields vary quite considerably, but most lie within a wide range of 5.5%-13%. While several IICs and REIFs maintain quite low dividend cover, most are targeting modest nominal – although not real – dividend increases. Such a scenario may seem unexciting, but it is infinitely preferable to the swingeing 58% per share dividend cut imposed by the UK's leading gas supply company, Centrica, back in 2019.

Prospective dividends

IIC/REIFs	Financial year-end	Prospective dividend (p)	Prospective yield
3i Infrastructure	Mar	13.45	3.6%
Aquila Energy Efficiency	Dec	8.00	n/a
Aquila European Renewables	Dec	1.94	6.3%
Bluefield Solar	Jun	9.00	13.2%
Cordiant Digital Infrastructure	Mar	4.35	4.1%
Digital 9 Infrastructure	Dec	0	n/a
Ecofin US Renewables Infrastructure	Dec	0	n/a
Foresight Environmental Infrastructure	Mar	7.96	12.2%
Foresight Solar	Dec	8.10	12.6%
GCP Infrastructure	Sep	7.00	9.5%
Gore Street Energy Storage	Mar	5.07	9.2%
Greencoat Renewables	Dec	5.92	10.0%
Greencoat UK Wind	Dec	10.35	10.6%
Gresham House Energy Storage	Dec	0.11	n/m
HICL	Mar	8.35	7.2%
Hydrogen Capital Growth	Dec	0	n/a
INPP	Dec	8.58	6.9%
NextEnergy Solar	Mar	8.43	16.9%
Octopus Renewables Infrastructure	Dec	6.17	10.1%
Pantheon Infrastructure	Dec	4.35	4.0%
SDCL Efficiency Income	Mar	6.36	12.2%
Sequoia Economic Infrastructure	Mar	6.88	8.8%
TRIG	Dec	7.55	10.9%
US Solar	Dec	2.59	10.4%
VH Global Energy Efficiency	Dec	5.80	8.8%

Source: Company accounts, Hardman & Co Research

Reasonable dividend performance over the past five years – but cover has narrowed

In fact, the recent dividend payout record from the IICs and REIFs over the past five years has been reassuring, especially when set alongside the intense financial pressures that other UK energy stocks, such as Centrica, have faced. With the relative lack of good-quality quoted stocks on decent yields, and the various dividend cuts and/or suspensions by well-known quoted companies over the past few years, it is hardly surprising that IICs and REIFs have attracted the interest of some discerning yield-driven investors. To be sure, this confidence has been seriously eroded of late as large trading discounts to NAVs, especially for the REIFs, are still the sector norm.

Disregarding the difficult period in the spring and summer of March 2020, when the COVID-19 pandemic panic was at its height, many IICs and REIFs had continued – until mid-2022 – to trade at a decent premium to their NAV. But no longer.

A BBGI-type 25% premium to NAV looks unlikely to return – for some time

Over a short – and certainly eventful – period for financial markets, the trading premium-based scenario has changed markedly, with all 25 IICs/REIFs now being quoted at a discount to their NAVs – many discounts exceed 35%. While interest rates have fallen of late, these heavy discounts to NAV persist, driven, in part, by flat NAV returns. And it will certainly take a major reversal to see IICs/REIFs trading at a 25% premium to their NAV, as was the case with the now delisted BBGI as recently as 2022.

Databoxes

Reproduced below are databoxes for the remaining 25 listed IICs/REIFs – they contain key financial information and other relevant data for investors. In terms of total shareholder returns (TSRs) – listed as "return record" in the databoxes – the relevant information is not, in some cases, readily available: the time periods also vary. Moreover, given the poor performance of virtually all the sector's stocks over the past two years, it is perhaps unsurprising that less prominence is now given to highlighting TSRs since the relevant IPO date. Nevertheless, for the more long-standing funds, the relevant TSRs, where available, are stated below.

3i Infrastructure

Issue	Comments
Status	IIC
Ticker/website	3IN/www.3i-infrastructure.com
Fund aim	"To maintain a balanced portfolio of infrastructure investments delivering an attractive mix of income yield and capital appreciation for shareholders"
Key sectors	Utilities, transportation and digitalisation
Key markets	EU, UK, Norway and US
Year-end	Mar
Core portfolio	ca.20 infrastructure assets
NAV per share	407.9p (09/25)
Discount rate	11.5%
Market cap./share price	£3,459m/375p
Premium/discount to NAV	-8.1%
Prospective DPS/yield	13.45p/3.6%
Return record	Since its IPO in 2007 and March 2025, TSR has increased by an average 10.9% per year

Source: 3i Infrastructure, Bloomberg

Aquila Energy Efficiency

Issue	Comments
Status	REIF in MWD
Ticker/website	AEET/www.aquila-energy-efficiency-trust.com
Fund aim	The fund "focuses on investments in small to medium-sized energy efficiency projects in the private and public sectors"
Key sectors	Energy efficiency
Key markets	Italy, Germany
Core portfolio capacity	n/a
Year-end	Dec
NAV per share	50.2p (6/25)
Discount rate	n/a
Market cap./share price	£20m/24p
Premium/discount to NAV	-52.2%
Prospective DPS/yield	8.00p/n/a
Return record	n/a

Source: Aquila Energy Efficiency, Bloomberg

Aquila European Renewables

Issue	Comments
Status	REIF in MWD
Ticker/website	AERS/www.aquila-european-renewables-income-fund.com
Fund aim	"Will seek to generate stable returns, principally in the form of income distribution, by investing in a diversified portfolio of renewable energy infrastructure investments"
Key sectors	Wind and solar generation
Key markets	Nordics, Iberia
Core portfolio capacity	In MWD – capacity being sold
Year-end	Dec
NAV per share	(c58.6)/51.0p (09/25)
Discount rate	n/a
Market cap./share price	£117m/31p
Premium/discount to NAV	-39.2%
Prospective DPS/yield	(c2.23)/1.94p/6.3%
Return record	n/a

Source: Aquila European Renewables, Bloomberg

Bluefield Solar

Issue	Comments
Status	REIF
Ticker/website	BSIF/www.bluefieldsif.com
Fund aim	"Acquisitioned management of a diversified portfolio of large-scale solar energy in the UK, with the objective of delivering long-term stable yield'
Key sectors	Solar generation
Key markets	UK
Core portfolio capacity	883MW
Year-end	Jun
NAV per share	114.0p (09/25)
Discount rate	8.0%
Market cap./share price	£403m/68p
Premium/discount to NAV	-40.4 %
Prospective DPS/yield	9.00p/13.2%
Return record	Since its IPO in 2013 and June 2025, TSR has increased by ca.85%

Source: Bluefield Solar, Bloomberg

Cordiant Digital Infrastructure

Issue	Comments
Status	IIC
Ticker/website	CORD/www.cordiantdigitaltrust.com
Fund aim	"The Company invests principally in operating digital infrastructure assets (that) exhibit several attractive investment features which drive value growth, including recurring long-term contracts with predictable cashflows"
Key sectors	Digital infrastructure
Key markets	Poland, Czech Republic, RoI and US
Core portfolio	Digital networks in Eastern Europe
Year-end	Mar
NAV per share	140p ((09/25)
Discount rate	9.3%
Market cap./share price	£804m/105p
Premium/discount to NAV	-25.0%
Prospective DPS/yield	4.35p/4.1%
Return record	n/a

Source: Cordiant Digital Infrastructure, Bloomberg

Digital 9 Infrastructure

Issue	Comments
Status	IIC in MWD
Ticker/website	DGI9/www.d9infrastructure.com
Fund aim	As an investment trust, it "actively invests in critical digital infrastructure assets with a target annual return of 10% per annum"
Key sectors	Digital infrastructure broadcasting
Key markets	UK
Core portfolio	Broadcasting infrastructure
Year-end	Dec
NAV per share	32.7p (06/25)
Discount rate	n/a
Market cap./share price	£52m/6p
Premium/discount to NAV	-81.7%
Prospective DPS/yield	0.0p/n/a
Return record	n/a

Source: Digital 9 Infrastructure, Bloomberg

Ecofin US Renewables Infrastructure

Issue	Comments
Status	REIF in MWD
Ticker/website	RNEP/www.uk.ecofinvest.com
Fund aim	"To provide shareholders with an attractive level of current distributions by investing in a diversified portfolio of mixed renewable energy and sustainable assets, predominantly located in the US"
Key sectors	Solar and wind generation
Key markets	US (California)
Core portfolio capacity	In MWD - capacity being sold
Year-end	Dec
NAV per share	(c40.6) 30.0p (06/25)
Discount rate	n/a
Market cap./share price	£21m/15p
Premium/discount to NAV	-50.0%
Prospective DPS/yield	0.0/n/a
Return record	n/a

Source: Ecofin US Renewables, Bloomberg

Foresight Environmental Infrastructure (ex JLEN)

Issues	Comments
Status	REIF
Ticker/website	FGEN/www.jlen.com
Fund aim	"FGEN is an environmental infrastructure investment company investing in a diversified portfolio of private infrastructure assets that deliver stable returns, long-term predictable income and opportunities for growth…"
Key sectors	Renewable generation inc. anaerobic digestion
Key markets	UK
Core portfolio capacity	360MW capacity, 161MW of which is wind and 80MW solar – almost entirely in UK
Year-end	Mar
NAV per share	104.7p (09/25)
Discount rate	10.1%
Market cap./share price	£405m/65p
Premium/discount to NAV	-37.9%
Prospective DPS/yield	7.96p/12.2%
Return record	Since its IPO in March 2014 and September 2025, TSR has increased by ca.45%

Source: Foresight Environmental Infrastructure, Bloomberg

Foresight Solar

Issues	Comments
Status	REIF
Ticker/website	FSFL/www.fsfl.foresight.group.eu
Fund aim	"To provide investors with a sustainable and inflation-linked quarterly dividend …and it aims to preserve and, where possible, enhance capital value through the re-investment of excess cashflow"
Key sectors	Solar generation
Key markets	UK, Australia, Spain
Core portfolio capacity	969MW solar (inc.723MW in UK, 170MW in Australia and 76MW in Spain)
Year-end	Dec
NAV per share	102.1p (09/25)
Discount rate	7.93%
Market cap./share price	£355m/65p
Premium/discount to NAV	-36.8%
Prospective DPS/yield	8.10p/12.6%
Return record	Since its IPO in 2013 and December 2025, TSR has increased by 51%

Source: Foresight Solar, Bloomberg

GCP Infrastructure

Issues	Comments
Status	IIC
Ticker/website	GCP/www.graviscapital.com
Fund aims	"Our investment objective is to provide shareholders with regular, sustained, long-term dividends and to preserve the capital of (our) investment assets"
Key sectors	Renewable energy, PPP/PFI, social housing
Key markets	UK
Core portfolio	47 investments, mainly energy and PPP/PFI stakes
Year-end	Sep
NAV per share	101.4p (09/25)
Discount rate	8.0%
Market cap./share price	£618m/74p
Premium/discount to NAV	-27.0%
Prospective DPS/yield	7.0p/9.5%
Return record	Since its IPO in 2010 and July 2025, TSR has increased by 178%

Source: GCP Infrastructure, Bloomberg

Gore Street Energy Storage

Issues	Comments
Status	REIF
Ticker/website	GSF/www.gsenergystoragefund.com
Fund aims	"To focus on projects that are well-positioned for growth in strategic locations with high barriers to entry and with a sustainable low operating cost structure" and "to generate value for our companies and investors beyond capital"
Key sectors	Battery storage systems
Key markets	UK, RoI, Germany, US
Core portfolio capacity	643MW of operating energy storage systems
Year-end	Mar
NAV per share	90.1p (09/25)
Discount rate	10.2%
Market cap./share price	£278m/55p
Premium/discount to NAV	-39.0%
Prospective DPS/yield	5.07p/9.2%
Return record	n/a

Source: Gore Street Energy Storage, Bloomberg

Greencoat Renewables

Issues	Comments
Status	REIF
Ticker/website	GRP/www.greencoat-renewables.com
Fund aim	"Initially to focus on investing in operating wind assets in Ireland…. over time, it will also target certain other Eurozone countries"
Key sectors	Wind generation
Key markets	RoI, Germany, France, Nordics, Spain
Core portfolio capacity	1,543MW, mainly wind capacity in RoI and in other leading EU countries
Year-end	Dec
NAV per share	(c101.5) 88.3p (09/25)
Discount rate	Base of 6.0%-7.0%
Market cap./share price	£657m/59p
Premium/discount to NAV	-33.0%
Prospective DPS/yield	(c6.81)/5.92p/10.0%
Return record	n/a

Source: Greencoat Renewables, Bloomberg

Greencoat UK Wind

Issues	Comments
Status	REIF
Ticker/website	UKW/www.greencoat-ukwind.com
Fund aim	It "invests in UK wind farms" and "seeks to provide investors with an annual dividend that increases in line with RPI inflation whilst preserving the capital value of its investment portfolio in the long term"
Key sectors	Wind
Key markets	UK
Core portfolio capacity	1,982MW
Year-end	Dec
NAV per share	140.7p (09/25)
Discount rate	Base of 11% (leveraged) IRR
Market cap./share price	£2,117/98p
Premium/discount to NAV	-30.3%
Prospective DPS/yield	10.35p/10.6%
Return record	Since its IPO in March 2013 and June 2025, TSR has increased by more than 140%

Source: Greencoat UK Wind, Bloomberg

Gresham House Energy Storage

Issues	Comments
Status	REIF
Ticker/website	GRID/www.greshamhouse.com
Fund aim	"To provide investors with an attractive and sustainable dividend over the long term by investing in a diversified portfolio of utility-scale operational energy storage systems"
Key sectors	Battery storage systems
Key markets	UK
Core portfolio capacity	1,072MW operating battery storage systems
Year-end	Dec
NAV per share	115.7p (09/25)
Discount rate	10.35%
Market cap./share price	£444m/78p
Premium/discount to NAV	-32.6%
Prospective DPS/yield	0.11p/n/m
Return record	n/a

Source: Gresham House Energy Storage, Bloomberg

HICL

Issues	Comments
Status	IIC
Ticker/website	HICL/www.hicl.com
Fund aim	"HICL's investment proposition is to deliver sustainable income from a diversified portfolio of investment core infrastructure"
Key sectors	Health, transport
Key markets	UK
Core portfolio	Over 100 investments
Year-end	Mar
NAV per share	156.0p (09/25)
Discount rate	8.4%
Market cap./share price	£2,204m/116p
Premium/discount to NAV	-25.6%
Prospective DPS/yield	8.35p/7.2%
Return record	Since its IPO in 2006 and March 2024, TSR has increased by an annual average of 8.7%-9.0%

Source: HICL Infrastructure, Bloomberg

Hydrogen Capital Growth

Issues	Comments
Status	REIF in MWD Equivalent
Ticker/website	HGEN/www.hydrogenonecapitalgrowthplc.com
Fund aim	"Hydrogen Capital Growth was established to provide investors with opportunities in clean hydrogen and energy storage for energy transition"
Key sectors	Hydrogen
Key markets	UK, Germany and Estonia
Core portfolio capacity	n/a
Year-end	Dec
NAV per share	34.2p (09/25)
Discount rate	n/a
Market cap./share price	£17m/13p
Premium/discount to NAV	-62.0%
Prospective DPS/yield	0.0p/n/a
Return record	n/a

Source: Hydrogen Capital Growth, Bloomberg

INPP

Issues	Comments
Status	IIC
Ticker/website	INPP/www.internationalpublicpartnerships.com
Fund aim	"We aim to provide investors with long-term, inflation-linked returns, by growing our dividend and creating the potential for capital appreciation"
Key sectors	Over 140 investments in energy, transport
Key markets	Predominantly UK, but also the EU
Year-end	Dec
Core portfolio	Electricity, gas and water price-regulated assets
NAV per share	148.7p (06/25)
Discount rate	9.0%
Market cap./share price	£2,263m/125p
Premium/discount to NAV	-15.9%
Prospective DPS/yield	8.58p/6.9%
Return record	Since its IPO in 2006 and June 2025, TSR has increased by an average of between 6.0% and 6.4% per year

Source: INPP, Bloomberg

NextEnergy Solar

Issues	Comments
Status	REIF
Ticker/website	NESF/www.nextenergysolarfund.com
Fund aim	"Seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term; in addition, the Company seeks to provide investors with an element of capital growth"
Key sectors	Solar generation
Key markets	UK, Italy
Core portfolio capacity	939MW of solar capacity, ca.90% of which is in the UK, and 35MW capacity in Italy
Year-end	Mar
NAV per share	88.8p (09/25)
Discount rate	8.0%
Market cap./share price	£288m/50p
Premium/discount to NAV	-43.7%
Prospective DPS/yield	8.43p/16.9%
Return record	Since its IPO in 2014 and March 2025, TSR has increased by 42%

Source: NextEnergy Solar, Bloomberg

Octopus Renewables Infrastructure

Issues	Comments
Status	REIF
Ticker/website	CORIT/www.octopusrenewablesinfrastructure.com
Fund aim	"Seeks to provide investors with an attractive and sustainable level of income returns, with an element of capital growth by investing in a geographically and technology-diversified spread of renewable energy assets"
Key sectors	Solar and wind generation
Key markets	UK, RoI, France, Sweden and Spain
Core portfolio capacity	797MW
Year-end	Dec
NAV per share	98.5p (09/25)
Discount rate	8.2%
Market cap./share price	£322m/61p
Premium/discount to NAV	-38.1%
Prospective DPS/yield	6.17p/10.1%
Return record	Since its IPO in 2019 and June 2024, TSR has decreased by 11.3%

Source: Octopus Renewables Infrastructure, Bloomberg

Pantheon Infrastructure

Issues	Comments
Status	IIC
Ticker/website	PINT/www.pantheoninfrastructure.com
Fund aim	We "will enable investors to gain exposure to a high-quality mix of yielding and growth infrastructure assets with strong downside and inflation protection in developed markets"
Key sectors	Digital infrastructure and renewable energy generation
Key markets	US, EU and UK
Core portfolio	Digital infrastructure and energy
Year-end	Dec
NAV per share	127.7p (09/25)
Discount rate	12.3%
Market cap./share price	£507m/108p
Premium/discount to NAV	-15.4%
Prospective DPS/yield	4.35p/4.0%
Return record	Since its IPO in 2021 and September 2025, its TSR has increased by 20.9%

Source: Pantheon Infrastructure, Bloomberg

SDCL Efficiency Income

Issues	Comments
Status	REIF
Ticker/website	SEIT/www.seeitplc.com
Fund aim	"To provide an attractive total return for shareholders of 7%-8% per annum – with a stable dividend income, capital preservation and the opportunity for capital growth"
Key sectors	CHP, gas generation/networks and biomass
Key markets	US, Spain, Sweden, UK
Core portfolio	Various energy asset holdings
Year-end	Mar
NAV per share	87.6p (09/25)
Discount rate	9.7% (levered)
Market cap./share price	£567m/52p
Premium/discount to NAV	-40.6%
Prospective DPS/yield	6.36p/12.2%
Return record	n/a

Source: SEEIT, Bloomberg

Sequoia Economic Infrastructure

Issues	Comments
Status	IIC
Ticker/website	SEQI/www.seqifund.com
Fund aim	Sequoia Economic Infrastructure "invests in income-generating economic infrastructure debt, creating attractive risk-adjusted returns for shareholders from its diverse portfolio of private debt and bond investments, across 12 mature jurisdictions and a range of sectors and subsectors"
Key sectors	Economic infrastructure debt
Key markets	US, EU, UK
Core portfolio	TMT, transport, power
Year-end	Mar
NAV per share	94.0p (10/25)
Discount rate	Varied
Market cap./share price	£1,171m/79p
Premium/discount to NAV	-16.4%
Prospective DPS/yield	6.88p/8.8%
Return record	Since its IPO in 2015 and March 2025, TSR has increased by 7.3% per year

Source: Sequoia Economic Infrastructure, Bloomberg

TRIG

Issues	Comments
Status	REIF
Ticker/website	TRIG/www.trig-ltd.com
Fund aim	"To invest principally in a diverse range of operational renewable energy infrastructure assets, with a focus on the UK and other parts of Northern Europe….and to seek to provide an attractive long-term income-based return with a positive correlation to inflation"
Key sectors	Wind and solar generation
Key markets	UK, France, Sweden, Germany and Spain
Core portfolio capacity	2,335MW – ca.60% of capacity is in the UK
Year-end	Dec
NAV per share	109.7p (09/25)
Discount rate	8.8%
Market cap./share price	£1,649m/69p
Premium/discount to NAV	-37.1%
Prospective DPS/yield	7.55p/10.9%
Return record	Since its IPO in 2013 and June 2025, TSR has increased by 5% per year

Source: TRIG, Bloomberg

US Solar

Issues	Comments
Status	REIF
Ticker/website	USFP/www.ussolarfund.co.uk
Fund aim	"To provide its shareholders with attractive and sustainable dividends, with an element of capital growth, through investing in a diversified portfolio of solar power assets located in North America and other OECD countries in the Americas"
Key sectors	Solar generation
Key markets	US (North Carolina, Oregon, California and Utah)
Core portfolio capacity	443MW of solar plant
Year-end	Dec
NAV per share	(c64.0) 47.4p (09/25)
Discount rate	10.5% (pre-tax)
Market cap./share price	£77m/25p
Premium/discount to NAV	-47.3%
Prospective DPS/yield	(c3.5)/2.59p/10.4%
Return record	n/a

Source: US Solar, Bloomberg

VH Global Energy Efficiency

Issues	Comments
Status	REIF in MWD
Ticker/website	*ENRG/www.globalenergyinfrastructure.co.uk*
Fund aim	"Seeks income yield and NAV growth by investing in stable, yielding, sustainable energy infrastructure investments that are in operation, in construction or "ready-to-build"..."
Key sectors	Hydropower, CHP and solar generation
Key markets	Brazil, UK, US, Iberia and Australia
Core portfolio capacity	ca.285MW, including the 198MW Mascarenhas hydro plant in Brazil
Year-end	Dec
NAV per share	106.7p (09/25)
Discount rate	n/a
Market cap./share price	£261m/66p
Premium/discount to NAV	-38.1%
Prospective DPS/yield	5.80.p/8.8%
Return record	n/a

Source: VH Global Energy Efficiency, Bloomberg

Conclusion

Despite the pronounced fall in IIC and REIF share prices since 2023 – partly on the back of high interest rates and generally ex growth NAVs – some funds, in both sectors, still offer some attractions to investors. Aside from their decent yields, the more well-established funds, as defensive investments, look to be reasonably well placed, despite the present heavy discounts to NAV. Their earnings, especially those of the IICs, are generally high-quality – often backed by public sector contracts or by PPAs – while their dividend payment profiles, with a few notable exceptions, are satisfactory.

Risks remain

Of course, both IICs and REIFs are exposed to various risks, with high interest rates – certainly when compared with the current returns on 10-year gilts – being one obvious concern. More specifically, some IICs are vulnerable to the revenue risk of holding demand-based assets, while leading REIFs, especially wind and solar generators, are exposed to potentially lower power prices and to changes in the regulation of the renewable energy market – lower-than-expected wind and solar yields are also a concern.

Nevertheless, despite their low profile and generally poor share price performance since 2023, IICs and REIFs, especially the more mature funds, are expected to remain of interest to the discerning investor – even more so if interest rates decline, despite the current political uncertainties, and sector NAVs deliver reasonable growth.

Appendix 1

Glossary

Glossary	
AD	Anaerobic Digestion
AIC	Association of Investment Companies
ASR	Asset Realisation Strategy
BESS	Battery Energy Storage System
CCGT	Combined Cycle Gas Turbine Plant
CfD	Contract for Difference
CHP	Combined Heat and Power
CMA	Competition and Markets Authority
CPI	Consumer Price Index
CRP	Capital Recycling Programme
DESNZ	Department for Energy Security and Net Zero
Discount to NAV	Amount at which a Fund's Shares Trade below its NAV
EGL	Electricity Generation Levy
EPL	Energy Profits Levy
EU	European Union
EV	Enterprise Value
FCA	Financial Conduct Authority
FiT	Feed-in Tariff
FM	Facilities Management
FV	Fair Value
GAV	Gross Asset Value
GB	Great Britain
GWh	Gigawatt Hour – Electricity Generation per Hour
IFRS	International Financial Reporting Standards
IIC	Infrastructure Investment Company
IMF	International Monetary Fund
IPO	Initial Public Offering
IRR	Internal Rate of Return
ITC	Investment Tax Credit
LIFT	Local Improvement Finance Trust
MWD	Managed Wind-Down
MWh	Megawatt Hour – Electricity Generation per Hour
NAV	Net Asset Value
NESO	National System Energy Operator
NI	Northern Ireland
NPL	Non-Performing Loan
OBM	Open Balancing Mechanism
OBP	Open Balancing Platform
OFTO	Offshore Transmission Owner
PFI	Private Finance Initiative
PPA	Power Purchase Agreement
PPP	Public/Private Partnership
Premium to NAV	Amount at which a Fund's Shares Trade above NAV
RAB	Regulatory Asset Base
RAV	Regulatory Asset Value
RCF	Revolving Credit Facility
REC	Regional Electricity Company
REIF	Renewable Energy Infrastructure Fund
RoI	Republic of Ireland
RO	Renewable Obligation
ROC	Renewable Obligation Certificate
RPI	Retail Price Index
SPV	Special Purpose Vehicle
TMT	Technology, Media and Telecom
TSR	Total Shareholder Return
TTT	Thames Tideway Tunnel

Source: Hardman & Co Research

Appendix 2

Possible questions

We set out below, various questions – some of which may not relate to all 25 stocks under review – that might reasonably be asked of the Directors of IICs or of REIFs, although many are not applicable for those funds in MWD.

- How do you plan to close your NAV discount?
- What is the blended discount rate that you use for your NAV calculations?
- What projections are you using for long-term power prices?
- How concerned are you that recent UK Government wind volume projections have been sharply scaled back?
- What percentage of your revenues is subsidy-driven?
- How difficult is it for you to find new investments at the present time that meet your financial return requirements?
- What is your policy regarding investment in demand-based assets?
- Which overseas markets do you see as the most attractive for IIC/REIF investment – and why?
- What has been your TSR since your IPO?
- What percentage of your revenues is covered by PPAs?
- In percentage terms, what is your inflation linkage?
- What is your latest dividend cover?
- What is your long-term dividend policy?
- How damaging is the 2017 closure of the RO for new solar investment?
- When do you expect gas prices to return to 2020 levels?
- Have you had any issues with "Continuation/Discontinuation Votes"?
- How beneficial are share buybacks to your financial model?
- Is raising new equity in your sector viable in today's challenging markets?
- Has the 2024 change of government in the UK had any impact on your business operations?

About the author

Nigel Hawkins

Nigel Hawkins is the Infrastructure and Renewables Specialist at Hardman & Co.

Nigel specialises in the energy sector, with a particular focus on the expanding renewable generation market, both in the UK and overseas, about which he has written several reports assessing the sector's finances. He has been involved in analysing the utilities sector since the 1980s. He covered the privatisation of the water and electricity companies for Hoare Govett between 1989 and 1995. Subsequently, he researched the UK and EU telecoms sector for Williams de Broe; he joined Hardman & Co in February 2016.

He has also written many feature articles for Utility Week magazine since the mid-1990s. Between 1984 and 1987, Nigel was the Political Correspondence Secretary to Lady Thatcher at 10 Downing Street. He holds a BA (Hons) in Law, Economics and Politics from the University of Buckingham, and is a senior fellow of the Adam Smith Institute.

Disclaimer

Hardman & Co provides professional independent research services and all information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable. However, no guarantee, warranty or representation, express or implied, can be given by Hardman & Co as to the accuracy, adequacy or completeness of the information contained in this research and they are not responsible for any errors or omissions or results obtained from use of such information. Neither Hardman & Co, nor any affiliates, officers, directors or employees accept any liability or responsibility in respect of the information which is subject to change without notice and may only be correct at the stated date of their issue, except in the case of gross negligence, fraud or wilful misconduct. In no event will Hardman & Co, its affiliates or any such parties be liable to you for any direct, special, indirect, consequential, incidental damages or any other damages of any kind even if Hardman & Co has been advised of the possibility thereof.

This research has been prepared purely for information purposes, and nothing in this report should be construed as an offer, or the solicitation of an offer, to buy or sell any security, product, service or investment. The research reflects the objective views of the analyst(s) named on the front page and does not constitute investment advice. However, the companies or legal entities covered in this research may pay us a fixed fee in order for this research to be made available. A full list of companies or legal entities that have paid us for coverage within the past 12 months can be viewed at http://www.hardmanandco.com/legals/research-disclosures. Hardman may provide other investment banking services to the companies or legal entities mentioned in this report.

Hardman & Co has a personal dealing policy which restricts staff and consultants' dealing in shares, bonds or other related instruments of companies or legal entities which pay Hardman & Co for any services, including research. No Hardman & Co staff, consultants or officers are employed or engaged by the companies or legal entities covered by this document in any capacity other than through Hardman & Co.

Hardman & Co does not buy or sell shares, either for their own account or for other parties and neither do they undertake investment business. We may provide investment banking services to corporate clients. Hardman & Co does not make recommendations. Accordingly, they do not publish records of their past recommendations. Where a Fair Value price is given in a research note, such as a DCF or peer comparison, this is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. Hardman & Co may publish further notes on these securities, companies and legal entities but has no scheduled commitment and may cease to follow these securities, companies and legal entities without notice.

The information provided in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Hardman & Co or its affiliates to any registration requirement within such jurisdiction or country.

Some or all alternative investments may not be suitable for certain investors. Investments in small and mid-cap corporations and foreign entities are speculative and involve a high degree of risk. An investor could lose all or a substantial amount of his or her investment. Investments may be leveraged and performance may be volatile; they may have high fees and expenses that reduce returns. Securities or legal entities mentioned in this document may not be suitable or appropriate for all investors. Where this document refers to a particular tax treatment, the tax treatment will depend on each investor's particular circumstances and may be subject to future change. Each investor's particular needs, investment objectives and financial situation were not taken into account in the preparation of this document and the material contained herein. Each investor must make his or her own independent decisions and obtain their own independent advice regarding any information, projects, securities, tax treatment or financial instruments mentioned herein. The fact that Hardman & Co has made available through this document various information constitutes neither a recommendation to enter into a particular transaction nor a representation that any financial instrument is suitable or appropriate for you. Each investor should consider whether an investment strategy of the purchase or sale of any product or security is appropriate for them in the light of their investment needs, objectives and financial circumstances.

(Disclaimer Version 9 – Approved July 2025)

Status of Hardman & Co's research under MiFID II

Hardman & Co's research is paid for by the companies, legal entities and issuers about which we write and, as such, falls within the scope of 'acceptable minor non-monetary benefits', as defined in the Markets in Financial Instruments Directive.

The FCA Handbook (COBS 2.3A.19) states: 'An acceptable non-monetary benefit is one which:[…] (5) consists of: […] (b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public.'

The fact that Hardman & Co is commissioned to write the research is disclosed in the disclaimer, and the research is widely available.

research@hardmanandco.com

9 Bonhill Street
London
EC2A 4DJ

www.hardmanandco.com