

Media Release

IFM Investors 



IFM INVESTORS SIGNS MOU WITH UK GOVERNMENT, INTENDS TO INVEST £10 BILLION IN UK BY 2027

Monday 27 November, 2023

IFM Investors, a global institutional investment manager owned by Australian superannuation funds, will today sign a Memorandum of Understanding (MoU) with the Government of the United Kingdom, announcing its intention to invest £10 billion in the UK by 2027.

Supported by its major shareholders, the MoU is between IFM and the Department for Business and Trade of the Government of the UK.

The objectives of the MoU are to drive IFM's investment in the UK across large-scale infrastructure and energy transition projects by working with the government to identify commercially viable opportunities for investment.

It reflects the appetite of IFM and Australian 'super funds' to invest in the UK market. The Australian pension system is currently approximately £1.8 trillion and expected to grow to approximately £4.7 trillion by 2040. Increasingly more capital will need to be deployed in aligned economies such as the United Kingdom.

The MoU intends to facilitate collaboration between IFM and UK Government departments to provide greater understanding of policy priorities and the ongoing development of the infrastructure and energy transition sectors.

IFM Investors opened an office in London in 2006 and is continuing to grow its presence in the UK, including through infrastructure equity and debt, such as IFM's infrastructure portfolio's investments in major UK toll roads, utilities and airports, and IFM's extensive portfolio of loans to UK-based infrastructure and energy transition businesses and projects.

A key example of how the MoU may support further UK investment is Nala Renewables, a portfolio company of one of IFM's funds and a renewable energy business headquartered in the UK, which is actively seeking investment opportunities in the UK as it looks to achieve a renewable capacity target of 4GW by 2025.

The MoU is an increase on IFM's commitment in 2022 to invest £3 billion in its UK-based infrastructure portfolio assets, which IFM is on track to meet.

The MoU will be signed at the Global Investment Summit 2023 in London between IFM Investors and the Minister for Investment Lord Johnson at Hampton Court Palace.

Quotes attributable to UK Business & Trade Secretary Kemi Badenoch:

"This £10bn commitment from IFM Investors is a very important investment for the UK's innovative energy and infrastructure sectors."

"The increasing flows of new capital into our country, combined with the forthcoming Global Investment Summit, show how the UK is fast becoming the most exciting and innovative place in the world to invest."

Quotes attributable to IFM Investors Chief Executive David Neal:

"Australia's 'super funds' system can be a trusted long-term partner with the United Kingdom. We're proud to sign this Memorandum of Understanding with the UK Government, which is a signal of the confidence IFM and Australian super funds have in the UK as a place to invest."

“Our presence in the UK continues to grow and we look forward to working closely with the Government to drive investment into large-scale infrastructure and energy transition projects across equity and debt funding.”

“Partnerships between governments and long-term investors are necessary to unlock the potential of pension funds to invest to help mitigate system-level risks such as climate change.”

Quote attributable to IFM Investors Head of Infrastructure Europe Deepa Bharadwaj:

“The UK is taking steps to help facilitate long-term investment in infrastructure and we currently see significant deployment opportunities, particularly as part of the UK energy transition in areas such as offshore wind, solar, battery storage, renewable fuels, and pumped hydro.”

Quote attributable to IFM Investors Head of Infrastructure Debt Europe David Cooper:

“We believe the UK market continues to supply attractive infrastructure debt opportunities and we look forward to working with the government to identify future projects in the years ahead.”

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About IFM Investors

IFM Investors was established more than 25 years ago with the aim to invest, protect and grow the long-term retirement savings of working people. Owned by a group of Australian pension funds, the organisation has approximately A\$217 billion under management as at 30 June 2023. Because IFM is owned by industry pension funds, we prioritise the interests of 640 like-minded investors worldwide by focusing on assets that combine excellent long-term risk/reward characteristics with broad economic and social benefits to the community. As a signatory to The United Nations-supported Principles for Responsible Investment, IFM actively engages on ESG issues with the companies in which we invest with the aim of enhancing their net performance while minimising investment risk. Operating globally from offices in Melbourne, Sydney, London, Berlin, Zurich, Amsterdam, Milan, New York, Houston, Hong Kong, Seoul and Tokyo, IFM manages investments across infrastructure, debt, listed equities and private equity assets. For more information, visit www.ifminvestors.com