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Investing in Clean Technologies and Renewable Energy

David Russell

**Co Head of Responsible Investment,
USS**

Clean Investor 2009

***Investing in sustainable themed funds: the new
generation of returns?***

**Wednesday 6th May 2009, Four Seasons Canary
Wharf, London**

USS

UNIVERSITIES
SUPERANNUATION
SCHEME LIMITED

USS Ltd

- Occupational pension fund of UK Universities
- ~ £23 billion in assets
- 250,000+ individual members
- ~400 institutional members
- Second largest UK private pension fund

USS Actions on Climate Change

- Climate change discussion paper – July 2001
- Established IIGCC October 2001
- Investments in the solutions
- Support projects
 - CDP
 - Principle For Responsible Investment
 - Adaptation project
 - Etc

Reasons for Investing in Clean Tech & Renewables

To pay pension!

- Funds like upside
 - Political drivers for a low carbon
 - Fiscal stimulus
 - Growth opportunities

USS Allocations to CleanTec / Renewables

Managers – Public Equity

- Blackrock New Energy Technology Plc
- Impax Environmental Markets Plc
- Others in equity portfolios

Managers – Private Equity

- Impax New Energy Investor
- Hg Capital Renewable Power Partners
- Climate Change Capital Private Equity Fund
- Riverstone Carlyle Renewable & Alternative Energy Fund II
- Others

Direct Investment

- Climate change Capital

<HELP> for explanation.

Hit 1<GO> for Options, Hit <Page> for table.

COMPARATIVE RETURNS

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Securities	Range	1/31/03	-	3/31/09	Period	Monthly	74 Mo.	Period
						Total Ret	Difference	Annual Eq
1 BRNE LN Equity					GBP	137.70 %	51.75 %	15.07 %
2 IEM LN Equity					GBP	85.23 %		10.58 %
3 SMX Index					GBP	18.56 %	-67.40 %	2.80 %

(* = No dividends or coupons)



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000

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COMPARATIVE RETURNS

Securities	Range	Crncy	Prc Appr	Period	Total Ret	Difference	Annual Eq
1 BRNE LN Equity	1/31/03 - 3/31/09	GBp	137.70 %	Monthly	137.70 %		15.07 %
2							
3							

(* = No dividends or coupons)



<HELP> for explanation.

Hit 1<GO> for Options, Hit <Page> for table.

COMPARATIVE RETURNS

Securities	Range	Crncy	Prc Appr	Period	Total Ret	Difference	Annual Eq
1 BRNE LN Equity	10/31/00 - 3/31/09	GBp	-66.89 %	Monthly	-66.89 %		-12.31 %
2							
3							

(* = No dividends or coupons)



SMX ↑2129.23 -7.20

Index GP

At DELAYED Op 2136.44 Hi 2136.44 Lo 2123.63

SMX INDEX

Show

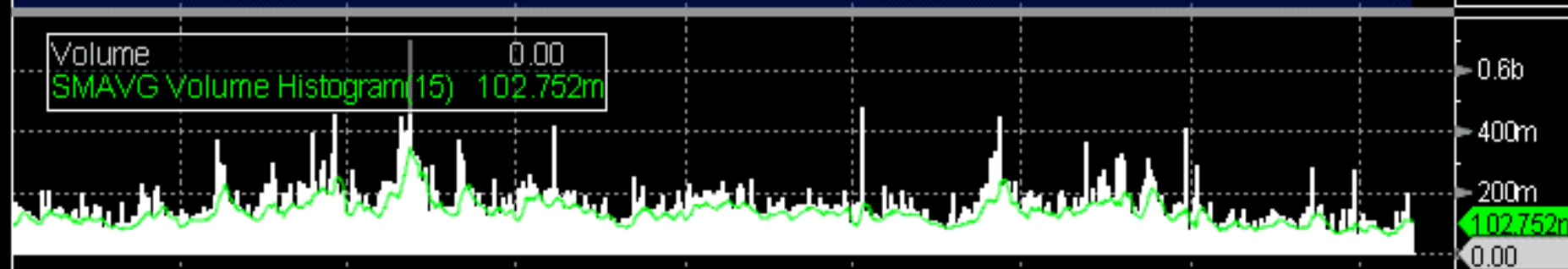
GP - Line Chart

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Last Price	2129.23
High on 06/04/07	4209.20
Average	2823.84
Low on 03/09/09	1621.27



Volume	0.00
SMAVG Volume Histogram (15)	102.752m



Dec 29 2000 Dec 31 2001 Dec 31 2002 Dec 31 2003 Dec 31 2004 Dec 30 2005 Dec 29 2006 Dec 31 2007 Dec 31 2008

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Structure of USS investments

- Detailed due diligence / approval process
- No “clean tec” allocation
 - all investments compete
- Often take 10%
 - Compete with other large investors
- Advisory broad seat
- Current lot size – €40-50 million
 - Fund size a problem

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