



Armstrong says changes to the market mean the challenge now is to find assets that are priced attractively - only 2% of opportunities presented to Bluefield were taken up in 2018, for example.

Instead, the focus has been on asset optimisation measures to improve the returns on its existing portfolio - things such as lease contracts, power prices, and batteries.

#### Storage on way

Armstrong says it's impossible currently to be in the renewable space and not be talking about batteries/storage.

The ability to store power will mark a fundamental shift for solar and other renewable power producers, he says.

Bluefield has surplus capacity and excess land at present and while it may not be directly involved in their development, he envisages a situation where battery groups set up on its facilities.

"We are always looking at storage," he says, but the plan currently is to prime its land for the possibility through planning permissions and see then the direction it takes.

"We like the idea of second mover advantage here," he says but adds that undoubtedly the advent of batteries will be good both for BSIF and the renewables sector.

Bluefield's NAV rose to 114.1p at the end of December, which puts the share premium at nearly 13% at 128.5p.

Underlying earnings were £17.9m and based on the first quarterly payment of 1.9p the yield currently is 5.9%.

#### Fundamental support

Such high income backed by strong fundamentals explains Bluefield's premium to NAV, though all of the listed solar vehicles also trade at premiums.

While the fund is primarily backed by institutions, Armstrong says that its yield should appeal to all investors especially with fixed income and savings offering such a meagre return currently.

"Earnings have also stood up well since IPO and the fund has kept delivering on its targets.

"Single technology, UK focused renewable funds are the best opportunity in our view for people seeking sterling income.

"It's a great place for investors to get some stable, attractive income."

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