

9 February 2011

The Rt Hon David Cameron MP
The Prime Minister
10 Downing Street
London SW1A 2AA

Dear Prime Minister

As long-term investors in the UK economy, we welcome the government's commitment to be "the greenest government ever" and to support and enhance the UK's future economic success by encouraging the transition to a low carbon economy.

There is strong and credible evidence from a range of sources that significantly increased investment in UK low carbon infrastructure is needed to achieve this aim.

We welcome the cross-party support that has developed for a UK Green Investment Bank. Within a trustworthy investable public policy framework, a UK Green Investment Bank of sufficient scale could play an important role to enable and accelerate this major low carbon investment. It may act also as a key player in stimulating a large global market in climate-focused bond investments and hence accelerate low carbon investments worldwide.

As investors, we are keen to assist the Green Investment Bank to achieve these funding targets where such investment meets our clients' requirements. To this end and to maximise its capital raising ability we would encourage the government to explicitly support some tranches of securities issued by the Green Investment Bank. This will lead to a larger funding base, cheaper funding costs for the new institution and access to huge sources of capital that could otherwise be unable to participate in the funding efforts. Such Government support is particularly important at the beginning of the new institution's existence, but will become less so as the bank develops its own rating.

Therefore, it is of great importance that the government recognises its role in this regard and acts accordingly. If a future UK Green Investment Bank issues significant tranches of securities that meet our clients' requirements, we will be keen to consider them for our portfolios.

Yours sincerely

Paul Abberley, Chief Executive Aviva Investors London, Aviva Investors
Bill Seddon, Chief Executive, Central Finance Board of the Methodist Church
Neville Richardson, Chief Executive, The Co-operative Financial Services
Richard Wilson, Head of Equities, F&C Management Ltd
Mitesh Sheth, Deputy Head of Fixed Income, Henderson Global Investors
Alex Veroude, Head of Credit, Insight Investment
Edward Bonham Carter, Chief Executive, Jupiter Fund Management plc

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cc. The Rt Hon Nick Clegg MP, Deputy Prime Minister
The Rt Hon George Osborne MP, Chancellor of the Exchequer
The Rt Hon Dr Vincent Cable MP, Secretary of State for Business, Innovation and Skills
The Rt Hon Chris Huhne MP, Secretary of State for Energy and Climate Change
The Rt Hon Oliver Letwin MP, Minister of State, Cabinet Office