

Green | ESG

## UK's National Trust Makes 'Moonshot' Investments in Climate Tech

The country's biggest private landowner has a goal of reaching net-zero emissions across its portfolios by the end of the decade.

by [Alastair Marsh](#)  
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The UK's biggest private landowner has dedicated a chunk of its \$1.8 billion in assets under management to a testing ground for new ideas on how to tackle climate change.

The endowment fund of UK heritage charity National Trust has made what it's calling "moonshot" bets on everything from low-carbon cement production to airplane fuels. The holdings, which account for about 10% of the trust's investments, are one pillar of its strategy to reach net-zero emissions across its portfolio by 2030, a full 20 years before the British government.

Investors are rushing to back companies and technologies that will drive the shift to a clean energy economy as scientists warn about the growing threat of catastrophic planetary warming. Mark Carney, the former bank of England Governor who has become a figurehead for pushing banks and asset managers to take climate action, has said the energy transition will deliver "the greatest commercial opportunity of our age."

"We do know the biggest risk to cultural conservation is climate change: We see it in the forest, in the ocean and in houses," Peter Vermeulen, National Trust's chief financial officer, said in an interview. "This is the biggest challenge our cause will face. That's why we have an ambitious deadline of 2030."

While National Trust's fund is a minnow in terms of assets under management, its climate ambitions stand out. The world's biggest asset managers, as well as many of the largest banks and insurers, have committed to reach net-zero emissions across their portfolios by 2050, though most haven't provided specific details on how they plan to achieve that goal.

The National Trust is Europe's largest



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conservation charity and owns more than 1% of all the land in the UK. It is responsible for protecting miles of coastline, woodlands and agricultural lands, as well as castles and other historic buildings. During its 125th anniversary in early 2020, the trust committed to eliminate the net emissions of its entire operations, including its endowment, by 2030. And that's where the moonshot climate tech deals come in.

National Trust has invested in nuclear fusion energy startup Commonwealth Fusion Systems, which also counts billionaire Bill Gates and venture capitalist John Doerr among its investors, via a venture-capital fund manager; Sublime Systems, which is trying to decarbonize cement; Osmoses, a spinoff from Massachusetts

Institute of Technology that has created a membrane material to reduce carbon emissions from industrial processes such as natural gas production; and ZeroAvia, which is developing hydrogen fuel cell propulsion systems to replace jet fuel-powered engines for aircraft.

While these companies might have an impact on decarbonizing some emissions-intensive sectors, they can't be relied upon to eliminate emissions from National Trust's portfolio by the 2030 deadline because the technologies aren't yet proven, said Joshua Featherby, senior investment director at Cambridge Associates. The charity appointed Cambridge Associates as its investment adviser.

National Trust has taken other steps to

eliminate emissions from its fund. The charity said in 2019 that it would divest from all fossil fuels, a process that's now almost complete. In addition, the trust has severed ties with external managers that have fallen behind in their climate work and pushed those who continue to oversee its assets to cut emissions faster. Current managers include Legal & General Investment Management and

#### Ownership Capital.

Even after divestments and improved manager selection, the trust concedes its fund still won't have eliminated sufficient emissions to reach net zero by the end of the decade. The final piece of the strategy therefore is to create carbon offsets to cover the remaining portion.

The fund will focus on regenerative forestry by investing in degraded lands,

planting trees and generating carbon credits that can be used to offset emissions generated by the portfolio, said Annachiara Marcandalli, a partner at Cambridge Associates. Investments in reforestation funds are also being explored, according to a National Trust spokeswoman.

"Irrespective of the date, achieving net zero is a problem you need to throw the kitchen sink at," Marcandalli said.

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