

FUNDTRACKER TRENDWATCH

2015 first look

2015 infrastructure funds raise about same amount as 2014

Everyone talks about how much infrastructure fundraising has slowed during the past couple of years. It has become conventional wisdom that the market is in the midst of a downward slide, though

major players are expected to come to market with mega-funds in 2016 and save us all. Although there has, indeed, been a downward trend since 2013, it really has not been as significant as many would have you believe.

In 2013, \$52.4 billion was raised by 33 funds. In 2014, \$45.2 billion was raised by 32 funds. Last year, \$45.0 billion was raised by 21 funds. (This figure is as of Jan. 12, 2016, and will probably increase as end-of-year

reports are released.) When looking at these numbers, it appears that it is not the amount of capital raised that has fallen significantly, but the number of funds able to raise that capital.

No infrastructure fund closed in Q4/15. In fact, fewer funds closed, and less capital was raised, in each succeeding quarter throughout the year.

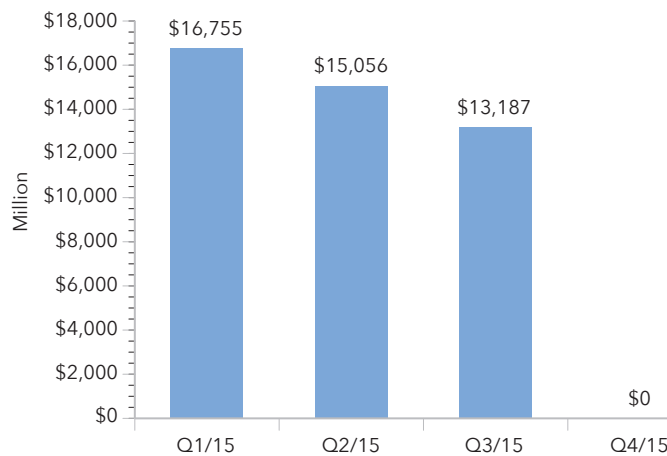
Not surprisingly, given the fact that 21 funds in 2015 raised nearly as much capital as 32 funds in 2014 did, mega-funds dominate the market. For infrastructure funds, mega-funds are defined as those that raise \$2 billion or more. The average mega-fund in 2015 came in at \$4.3 billion, while those under \$2 billion averaged \$1 billion in size. Mega-funds accounted for 33 percent of funds closed, but raised 67 percent of the capital.

Larger funds, on average, also closed faster than smaller offerings. The average for all funds, which included a European offering that took 72 months to close, was 16.2 months. Using a trimmed average that eliminates the shortest and longest closing funds, the average drops to 14 months. Mega-funds close in about 12.3 months, on average, while smaller funds take 14.1 months. (The 72-month fund was dropped from the calculations.) Two funds opened and closed in 2015, taking only three months each to reach their target. Both of these funds were relatively small; one raising \$869 million and the other raising \$1.5 billion.

North America was the favorite fund target, with global strategies coming in a distant second. No funds with an Asian focus closed in 2015.

- Fewer funds are raising larger amounts of capital
- No infrastructure funds closed in Q4/15
- Asia was noticeably absent from funds closed in 2015

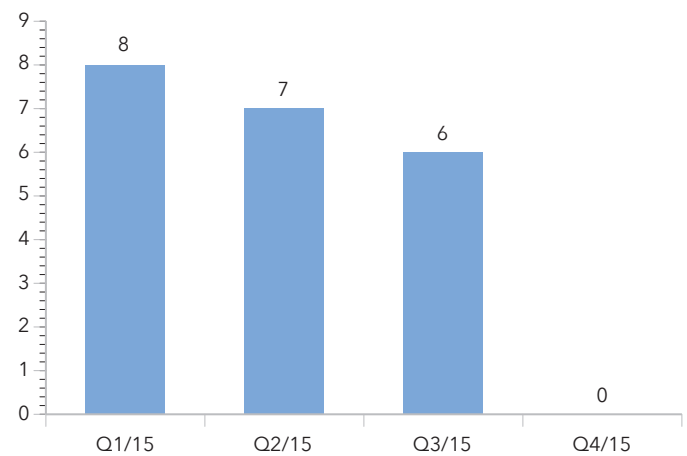
Capital raised by closed 2015 funds by quarter (\$M)



Source: IREI FundTracker

Funds closed in 2015

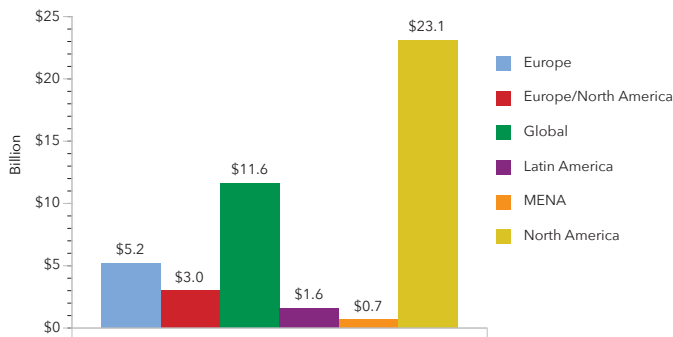
Number of 2015 funds closed by quarter



Source: IREI FundTracker

Funds closed in 2015

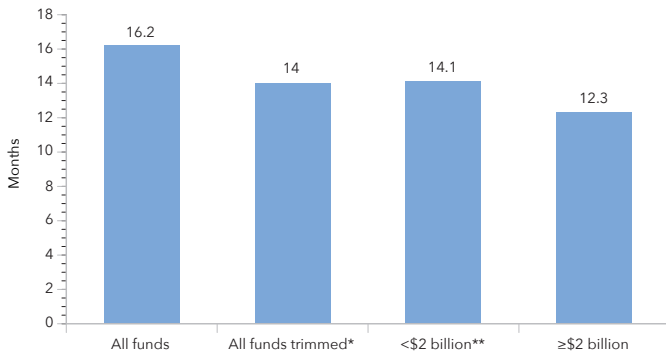
Capital raised by regional focus (\$B)



Source: IREI FundTracker

Funds closed in 2015

Average closing times by size of fund



Source: IREI FundTracker

Funds closed in 2015

*Dropped longest and shortest closings **Dropped fund that took 72 months to close

Largest funds closed in 2015

| Fund Name | Total Raised | Region |
|--------------------------------|---------------|---------------|
| Encap Energy Capital Fund X | \$6.5 billion | North America |
| ArLight Energy | \$5.6 billion | North America |
| NGP Natural Resources XI | \$5.3 billion | North America |
| Blackstone Energy Partners II | \$4.5 billion | Global |
| KKR Global Infrastructure Fund | \$3.1 billion | Global |

Source: IREI FundTracker

Funds closed in 2015

from the IREI NEWS CLOUD

- [Ardian](#) has raised €2.65 billion (\$2.89 billion) for its fourth infrastructure fund, Ardian Infrastructure Fund IV.
- [Stonepeak Infrastructure Partners](#), a North America-focused infrastructure investment firm, has completed fundraising for its second fund, Stonepeak Infrastructure Fund II, at its \$3.5 billion hard cap.
- European private equity fund manager [Access Capital Partners](#) has hit a €130 million (\$141 million) first close for its dedicated infrastructure fund of funds, Access Capital Fund Infrastructure.
- The U.K. [Pensions Infrastructure Platform \(PiP\)](#) to launch its first internally managed fund.
- The \$3.3 billion [San Mateo County \(Calif.\) Employees' Retirement Association](#) has committed \$25 million to CIM Infrastructure Fund II.
- The \$665 million [Plymouth County \(Mass.\) Retirement System](#) is seeking an infrastructure manager for a commitment between \$10 million and \$15 million to a global closed-end, private-market infrastructure fund.
- The \$69.7 billion [Oregon Public Employees Retirement Fund](#) has committed \$400 million to Global Infrastructure Partners III.
- U.K. financial services company [Legal & General](#) is investing in an NTR fund dedicated to onshore wind.

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Information in this report has been drawn from IREI's proprietary FundTracker database. Online subscriptions are available. Click [here](#) for more information.

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