

FUNDTRACKER TRENDWATCH

We've seen this before

Infrastructure fundraising in 2016 looks similar to that of 2015

For much of the past 10 years, infrastructure fundraising has ebbed and flowed — up one year, down the next. Conventional wisdom predicted that once the industry grew, once there were enough managers and

investors, fundraising would smooth out. No one knew what “enough” was, but they would know it when they saw it. Well, we might just be seeing it.

Instead of fundraising dropping off, which would have continued its wave-like trend after 2015's up year, fundraising in 2016 continued to climb.

Although 2016's total is similar to that of 2015 — \$56.4 billion versus \$55.4 billion respectively — it is indeed more, and additional capital will likely be

attributed to 2016 as additional fund closings are captured and added to the database.

Of the 30 funds that closed last year, 10 (33 percent) were mega-funds (funds that raised \$2 billion or more). These funds accounted for \$42.4 billion, or 75 percent, of the total. The number of managers and investors might be increasing, but infrastructure is still a big manager's game.

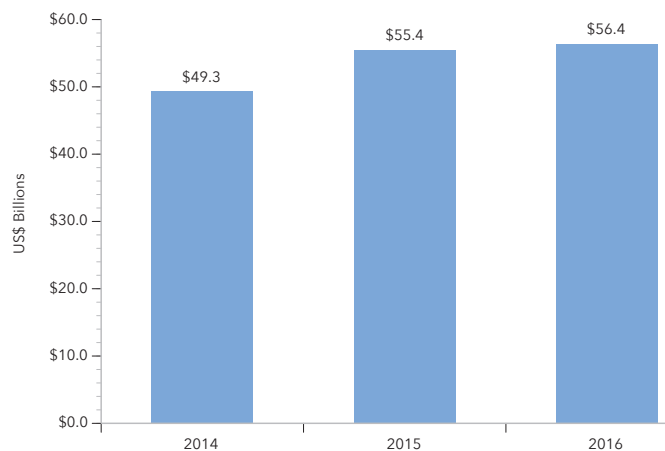
While fundraising has had two up years in a row (not sure we can say that is a definite trend, but it is a start), fund marketing periods have jumped around and flip flopped in the past couple of years. In 2015, the average closing time for all funds was 15.4 months, with mega-funds taking an average of 18.6 months to close. 2016 found closing times to be almost exactly the same as those in 2015 — except they were reversed. All funds took 18.2 months to close in 2016, on average, while mega-funds were on offer for 15.2 months.

Average fund size also is still jumping around. Using a trimmed mean, which drops the top and bottom outliers to prevent funds such as Brookfield's \$14 billion Infrastructure Fund III from skewing the results, we find that the average fund size in 2014 was \$1.3 billion, in 2015 was \$1.8 billion, and in 2016 was \$1.5 billion.

Based on the amount of capital raised and the relatively short time it takes the average fund to raise that capital, it appears the infrastructure fundraising landscape is healthy and growing. Now if all of these managers with billions of dollars to invest could find attractive deals — lack of appropriate deals is a major concern facing the industry — all would be good with the infrastructure world.

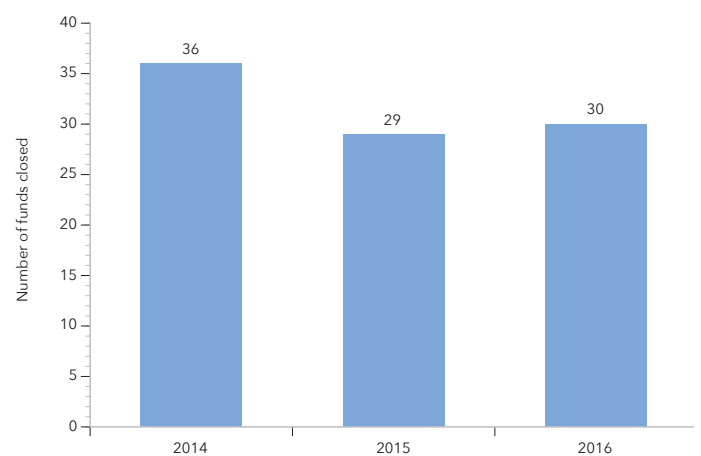
- 2016 fundraising comes in slightly ahead of 2015
- Average fund size down year-over-year
- Funds taking longer to reach final close than in previous two years

Capital raised by funds reaching final close (\$B)



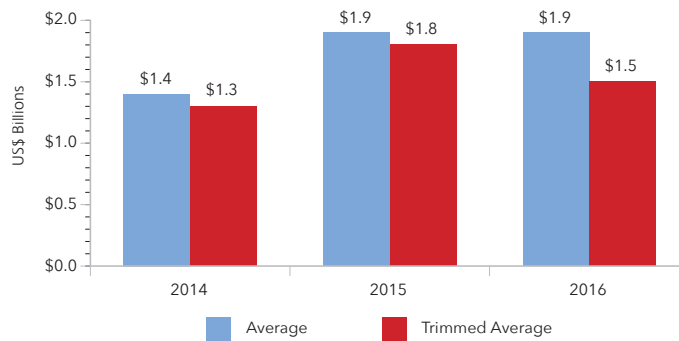
Source: IREI FundTracker

Number of funds reaching final close



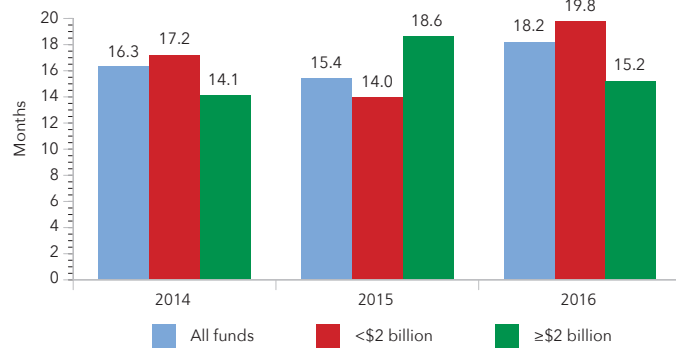
Source: IREI FundTracker

Average size of funds reaching final close (\$B)



Source: IREI FundTracker

Average closing times by size of fund



Source: IREI FundTracker

Largest funds reaching final close 2016

Fund Name	Total Raised	Region
Brookfield Infrastructure Fund III	\$14.0 billion	Global
Macquarie European Infrastructure Fund V	\$4.5 billion	Europe.
Antin Infrastructure Partners III	\$3.8 billion	Europe
North Haven Infrastructure Partners II	\$3.6 billion	Global
Stonepeak Infrastructure Fund II	\$3.5 billion	Global

Source: IREI FundTracker

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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www.irei.com

Author: Sheila Hopkins

For IREI FundTracker database subscription information, please contact Cynthia Kudren, c.kudren@irei.com, +1 917-620-4666

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- Global investment in [renewable energy](#) dropped by 18 percent in 2016 due to sharp falls in equipment prices and a slowdown in China and Japan, according to researchers at Bloomberg New Energy Finance (BNEF).
- [Brazilian pension funds](#) are likely to hold off on investments in infrastructure projects until a new framework for financing and licensing is designed, a senior industry leader said.
- The [Asian Infrastructure Investment Bank \(AIIB\)](#) wants to invest in infrastructure development, particularly railways, highways and seaports, in Việt Nam, said AIIB President Jin Liqun.
- Danish energy group [DONG Energy](#) said it strengthened its offshore wind portfolio with a new service contract, after charting a course away from oil and gas.
- The [Green Investment Bank Financial Services \(GIBFS\) Offshore Wind Fund](#) has passed its £1 billion (\$1.2 billion) asset target with the acquisition of its sixth asset, a 44 percent stake in the Lincs wind farm off the coast of Skegness.
- India expects to spend \$10 billion in the next five years to develop [airport infrastructure](#), so that the country could become the world's third-largest aviation market in seven years.

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