

FUNDTRACKER TRENDWATCH

Take your pick

Currently marketing infrastructure funds give investors wide choice

The cover article in the upcoming February issue of *Institutional Investing in Infrastructure* features discussions with real assets and infrastructure consultants from Asia, Australia, Europe and North America.

- Infrastructure debt funds make up 11 percent of those on offer
- Europe-focused funds account for 27 percent of marketing funds
- Ten percent of current funds are open-ended

Despite their regional diversity, the consultants are in general agreement on the major issues facing infrastructure investors. One of those issues is how investors are looking to execute their asset allocation strategies. In general, infrastructure investors prefer to invest directly, but not all have the size, staff or skill to do so. That means they must look to funds. Luckily, according to IREI's FundTracker database, those looking at funds have a

variety of choices. Open-end or closed-end, equity or debt, globally or regionally focused, fund of funds or traditional pooled structure — all are available in today's market.

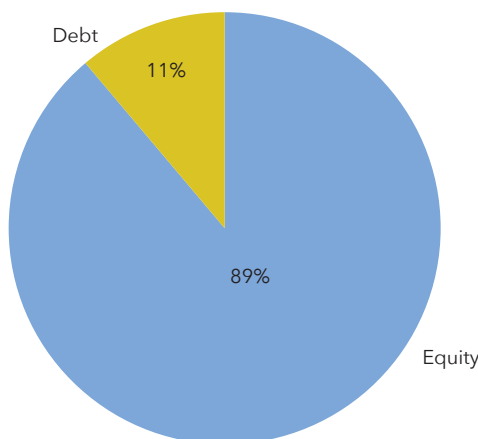
According to FundTracker, there are 278 funds in the market seeking at least \$292 billion. This total is undoubtedly higher because several funds, particularly open-end

funds, do not list a maximum fund size. One vehicle, India's National Infrastructure and Investment Fund, is looking to raise \$75 billion, although the average size of the typical fund comes in at a more reasonable \$1 billion. Debt funds make up only 11 percent of the total, but they are slightly larger than the overall mean, coming in at \$1.3 billion on average. Debt funds are also slightly newer, with all but one fund (Emerging Africa Infrastructure Fund) hitting the market since 2010.

Hastings Funds Management has several iconic open-end funds dating back to the early 1990s, but it is typically the newer funds that get investors' attention. To get a clearer view of how many true choices investors have, we have peeled off those funds launched after 2010 for a closer look. A total of 215 funds launched since 2010 are still open. Of those offered since 2013, 124 are still open. 2015-vintage funds find 42 still open. And two funds have already hit the market in 2016.

Reflecting the maturity of its market and investors' preference for core, Europe is the favorite regional target for funds. Europe is followed by Asia- and globally-focused funds, which typically offer higher-return strategies. North America comes in fourth.

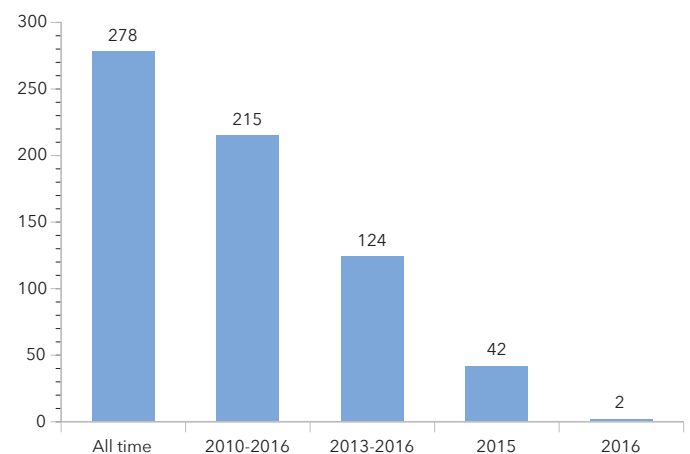
Percentage of debt funds vs. equity funds



Source: IREI FundTracker

Funds marketing as of Jan. 25, 2016

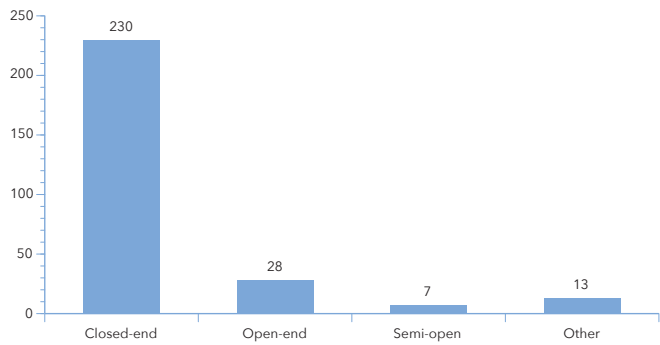
Funds currently marketing by year launched



Source: IREI FundTracker

Funds marketing as of Jan. 25, 2016

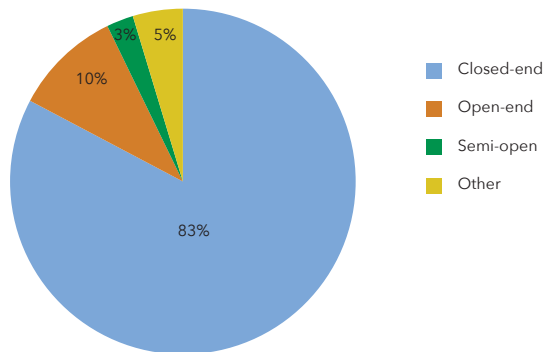
Funds currently marketing by product type



Source: IREI FundTracker

Funds open as of Jan. 25, 2016

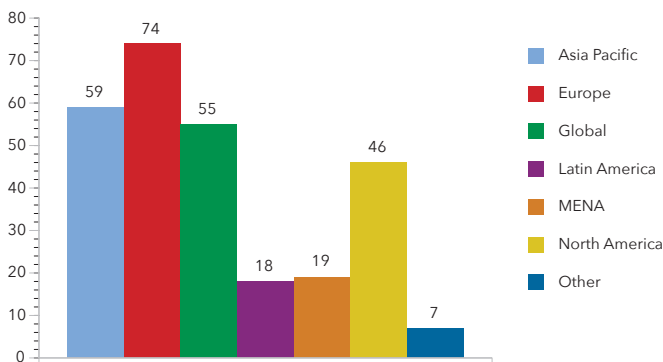
Funds currently marketing by product type



Source: IREI FundTracker

Funds open as of Jan. 25, 2016

Funds currently marketing by region



Source: IREI FundTracker

Funds open as of Jan. 25, 2016

from the IREI NEWS CLOUD

- New York established a [\\$5 billion clean energy fund](#) to encourage renewable sources of electricity, such as wind and solar, while reducing the state's reliance on fossil fuels linked to climate change.
- [Ardian](#) plans to make its first infrastructure investments in the U.S., after wrapping fundraising for its fourth infrastructure fund.
- [China Everbright](#), the Chinese state-backed asset management company, plans to establish a fund specializing in European aviation, port and infrastructure mergers and acquisitions.
- [Gravis Capital Partners](#) (GCP) is launching an open-end infrastructure fund targeting U.K. opportunities.
- The [Development Bank of Japan](#) and Japan Wind Development Co. will create a 50 billion yen (\$423 million) joint fund in April, which will be the nation's first fund for wind power.
- The New York-based investment bank, [India Ventures Group \(IVG\)](#), is set to launch a \$1 billion debt fund to invest in core infrastructure projects in India.
- The \$14.5 billion [Public Employees Retirement Association of New Mexico](#) is searching for one or more managers to run \$100 million to \$200 million in a listed infrastructure portfolio.

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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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