

FUNDTRACKER TRENDWATCH

Q1/16 first look

Size of funds continues to grow

Early numbers are in for infrastructure investment funds closing in first quarter 2016 — and it appears the only real straight-line trend is that fewer infrastructure funds are closing in the first quarter year-over-year, but those funds have

gotten larger each year since 2014, as well as taking longer to reach a final close.

The amount of capital raised has bounced around, with only \$8.6 billion raised by funds closing in the first quarter of 2014. Nearly double that amount — \$17.0 billion — was raised by funds closing first quarter 2015, while 2016 shows a small slide to \$16.1 billion in the first quarter.

During the past three years, the number of funds closing in the first quarter has steadily fallen, decreasing by one fund each year. Yet the average size of these funds has grown significantly. In 2014, the average fund held a final closing with just under a \$1 billion raised (\$959 million). That size jumped exponentially to \$2.1 billion in first quarter 2015 and continued to grow to \$2.3 billion in first quarter 2016.

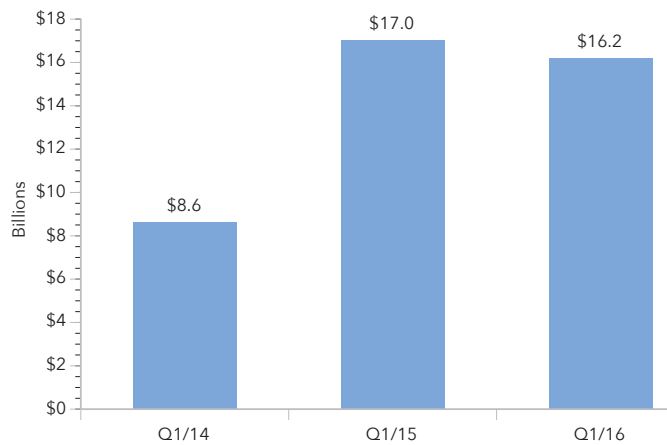
The increase in size can also be seen by looking at individual funds. In 2014, the largest fund holding a final close in the first quarter came in at \$2.1 billion, and it was the only fund over \$2 billion that quarter. By 2015, there were three funds closing in the first quarter with more than \$2 billion, one of which reached \$5.3 billion in commitments. First quarter 2016 saw five funds break the \$2 billion mark, with the largest closing out at \$3.6 billion.

Another interesting trend is the average closing time between launch and final close. The average for all funds closing in first quarter of 2014, 2015 and 2016 was 13.6 months, 14.6 months (one fund that took 72 months to close was removed from the calculation) and 15.7 months, respectively. So it appears the funds are taking a bit longer to close, which is not surprising given how much more capital they are raising.

None of the funds closing first quarter 2016 were focused on North America. This is in contrast to 2014, when four of the nine funds had a North American focus. Today, funds appear to be looking anywhere but the United States, with two funds focused on Asia Pacific, three looking for opportunities in Europe, and two having a global mandate.

- Fewer funds are raising larger amounts of capital
- Time from launch to final close is increasing
- No fund closing in the first quarter had a North American focus

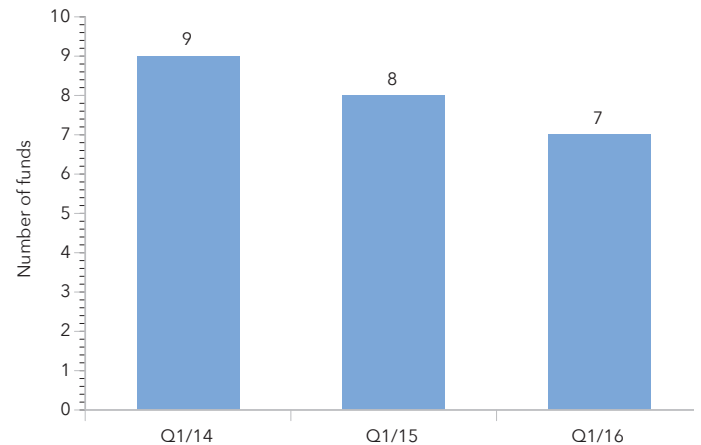
Capital raised by funds closing in first quarter (\$b)



Source: IREI FundTracker

Funds closed in first quarter

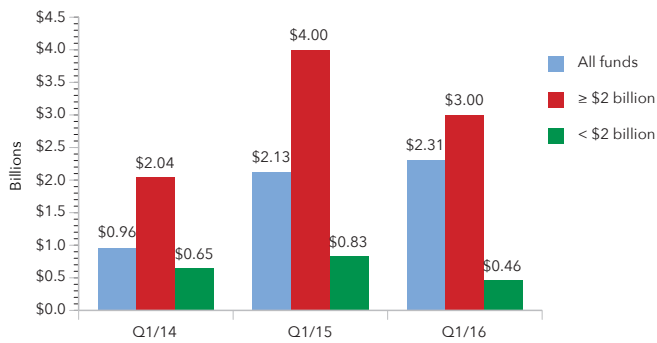
Number of funds closed in first quarter



Source: IREI FundTracker

Funds closed in first quarter

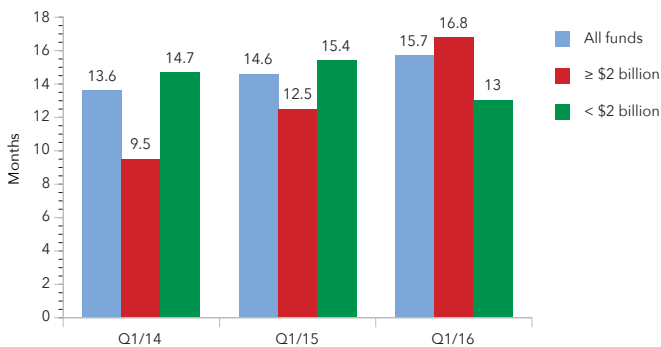
Average size of funds closed first quarter (\$b)



Source: IREI FundTracker

Funds closed in first quarter

Average time from launch to final close



Source: IREI FundTracker

Funds closed in first quarter

Q1/15 fund that took 72 months to close was not included

Largest funds closed Q1/16

Fund Name	Total Raised	Region
NGP Natural Resources XI	\$5.33 billion	U.S.
Blackstone Energy Partners II	\$4.50 billion	Global
Colonial First State EDIF	\$2.00 billion	Europe
P2 Brasil Private Infrastructure Fund III	\$1.60 billion	Latin America
P2i Fondo Italiano per le Infrastrutture Fund II	\$1.25 billion	Europe

Source: IREI FundTracker

Funds closed Jan. 1–Mar. 31, 2016

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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A report by Institutional Real Estate, Inc.

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