

FUNDTRACKER TRENDWATCH

Riding the wave

Infrastructure continues its up and down pattern

When visualizing infrastructure fundraising over the years, a mountain range comes more to mind than a flat sandy beach. Everything about infrastructure — amount of capital raised, number of mega-funds closed, time for funds to close — seems to go up one year and then down the next. The only straight-line metrics appear to be the number of total funds that have closed each year, which has gone down each year since 2013, and the percentage of mega-funds among that number, which has gone up each year. And it's the mega-funds that seem to have an outsized influence on whether it will be an up or a down fundraising year. In years when several mega-mega-funds close, the overall fundraising goes up. The following year, as those funds commit the capital they raise, fundraising totals go down. If 2016 holds true to form, it will be a down year. But several mega-funds on the verge of closing could break the cycle. One has almost broken the cycle all by itself.

- Mega-funds accounted for 78.5 percent of capital raised YTD 2016
- Mega-funds accounted for 35.3 percent of funds closed YTD 2016
- Megs continue to focus on global strategies

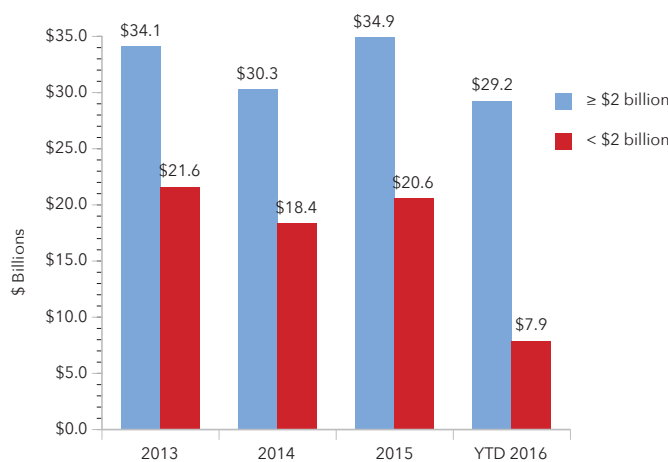
As of Aug. 15, 2016, infrastructure investment funds had closed on \$37.2 billion. Mega-funds (those raising \$2 billion or more) accounted for 78.5 percent of that total while only being 35.3 percent of the number of funds closed. Much of the mega-fund fundraising dominance came from one fund — Brookfield Infrastructure Fund III — which closed with \$14 billion in commitments. This \$14 billion is greater than the aggregate total of the next four largest funds.

Looking back over the past three years, mega-funds typically accounted for 62 percent to 63 percent of the funds raised. Their percentage of total funds closed, however, has risen steadily, going from just 19.4 percent in 2013 to 35.3 percent YTD 2016. Go big or go home?

Average closing times for infrastructure funds also has bounced around over the past few years. In general, mega-funds close faster than non-mega-funds, except for 2015, when the average closing time for a mega-fund was 18.6 months while the closing time for smaller funds was a year.

Last year, mega-funds focused predominantly on global and North American strategies. So far this year, global strategies have remained popular, but not a single Americas mega-fund has closed.

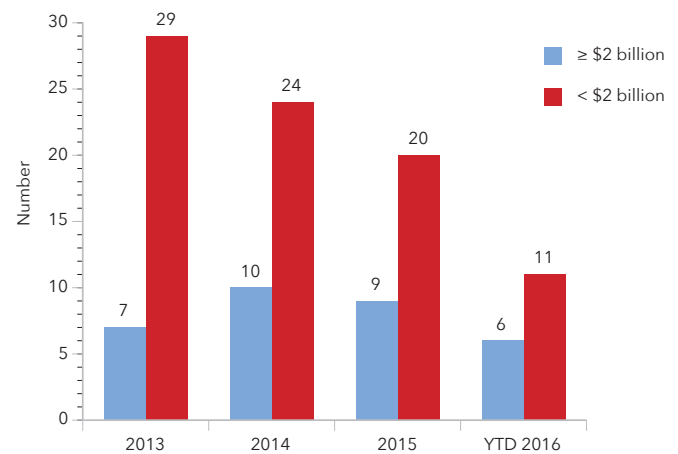
Capital raised by funds by size (\$B)



Source: IREI FundTracker

YTD 2016 = 8/15/16

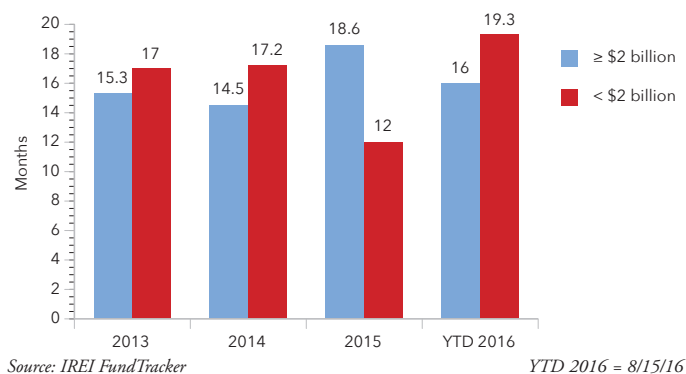
Number of funds closed by size



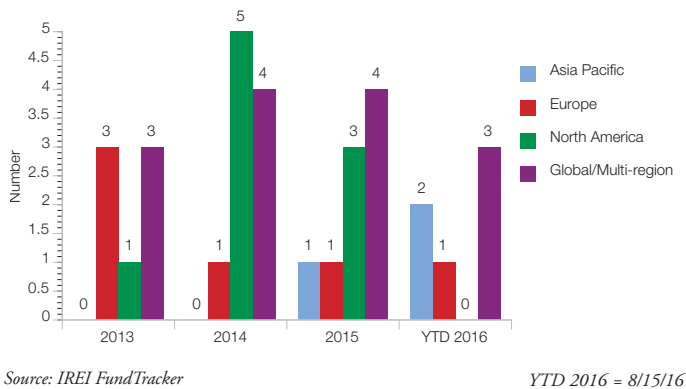
Source: IREI FundTracker

YTD 2016 = 8/15/16

Average time to close based on fund size



Number of mega-funds closed by region



Largest infrastructure funds closed 1/1/16 – 8/15/16

Fund Name	Total Raised	Region
Brookfield Infrastructure Fund III	\$14.0 billion	Global
North Haven Infrastructure Partners II	\$3.6 billion	Global
Stonepeak Infrastructure Fund II	\$3.5 billion	Global
Macquarie Asia Infrastructure Fund	\$3.1 billion	Asia Pacific
Ardian Infrastructure Fund IV	\$2.9 billion	Europe

Source: IREI FundTracker
Funds closed Jan. 1 – Aug. 15, 2016

from the IREI NEWS CLOUD

- [BlackRock Real Assets](#) has raised €650 million (\$733 million) for its Renewable Income Europe fund, which had a maximum target of €500 million (\$564 million).
- [Alceda](#) has partnered with CBRE Clarion Securities to launch a new infrastructure fund on its Luxembourg-based UCITS platform, the CBRE Clarion Funds SICAV – Global Listed Infrastructure Fund.
- The \$4.2 billion [Fire and Police Pension Association of Colorado](#) has committed \$20 million to Scout Energy Partners' third fund.
- [Aviva](#) has said it is ready to invest billions in the country's infrastructure and has called on the government to "step up" to assume more of the risk in big projects.
- The [New York State Common Retirement Fund](#) has committed \$250 million to Kayne Anderson Private Energy Income Fund.
- The \$2.7 billion [San Antonio Fire & Pension Fund](#) has committed \$10 million to Kayne Anderson Energy Fund VII.
- [Partners Group](#) has agreed to acquire a majority stake in Sinogreenergy, a Taiwanese solar power platform, for over \$200 million.
- The [Regents of the University of Michigan](#) have committed \$95 million for energy and real estate.

To view the latest real estate, infrastructure and real assets headlines, go to the [IREI NewsCloud](#).

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

FUNDTRACKER TRENDWATCH

A report by Institutional Real Estate, Inc.

www.irei.com

Author: Sheila Hopkins

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

Institutional Real Estate FundTracker TrendWatch is published by Institutional Real Estate, Inc. 24 times a year. The publisher is not engaged in rendering tax, accounting or other professional advice through this publication. No statement in this issue is to be construed as a recommendation to buy or sell any security or other investment. Some information presented in this publication has been obtained from third-party sources considered to be reliable. Sources are not required to make representations as to the accuracy of the information, however, and consequently, the publisher cannot guarantee its accuracy.

© 2016 Institutional Real Estate, Inc. • All rights reserved.

Copyright Information: The contents of this publication are protected under federal copyright law, which makes it illegal to reproduce in whole or in part any publication without the publisher's written permission.