

FUNDTRACKER TRENDWATCH

Infrastructure funds meeting their goals

Funds launched since 2013 have raised 71% of target

Since 2013, managers have launched 143 infrastructure-focused funds. 2013 was the high point, with 69 funds opened for business, followed by 54 launched in 2014 and 20 launched YTD 2015. Although 15 fewer funds were launched in 2014 than 2013, the total target amount was nearly identical — managers were looking for \$68 billion in 2013 and \$67 billion in 2014. The amount targeted in 2015 so far totals \$20 billion. The total maximum target for the infrastructure funds launched since 2013 comes in at \$155.4 billion. The total amount raised by these funds YTD 2015 is \$110.2 billion, or 71 percent of the goal.

- 32 percent of funds launched since 2013 have closed
- 66 percent of those were oversubscribed
- 20 percent of funds launched since 2013 were debt funds

The amount raised versus amount targeted is a bit misleading, however. Only 46 of the funds launched (32 percent) have managed to reach a final close. Those 46 closed funds targeted a total of \$73.3 billion, but managed to raise \$94.1 billion. Excluding funds with no maximum fund size listed, the average closed fund overshot its maximum target by \$604 million.

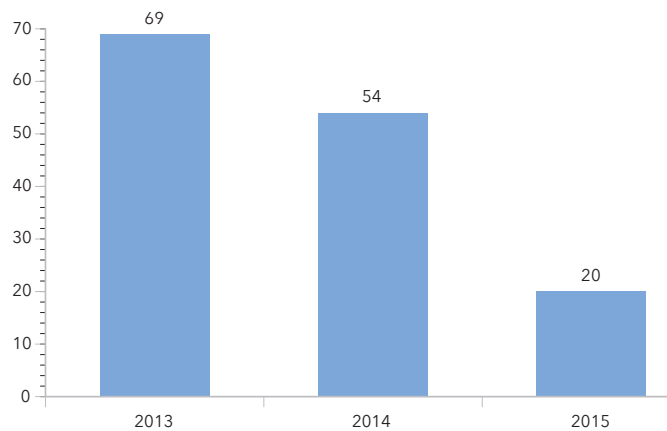
Funds focused on providing financing for infrastructure deals, i.e. debt funds, are gaining traction, but are not nearly as successful (yet) as equity funds. Of the 143 funds launched since 2013, only 27, or less than 20 percent, were debt funds. Nearly 60 percent of the debt funds, 16 to be exact, were launched in 2013, with nine opened in 2014 and only two hitting the market so far in 2015.

Only three debt funds, or 11 percent, have closed, compared to the 32 percent of total infrastructure funds that have closed. Of the three closed debt funds, one was oversubscribed by \$1.8 billion, one was undersubscribed by \$50 million, and one was just right.

One observation for both debt and equity funds — bigger does seem to be better. Although average fund size of all equity funds was \$1.4 billion, the average size of closed equity funds was \$2.0 billion. Similarly, the average size of all debt funds based on their maximum fund size target was \$1.0 billion. The average size of the three funds that have managed a final close was \$2.8 billion, based on the amount raised.

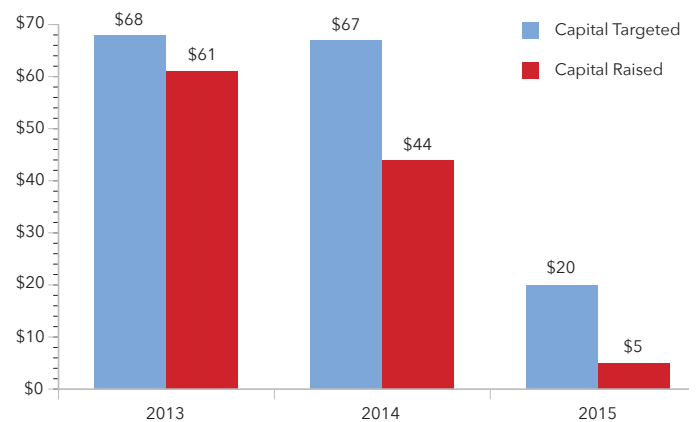
For additional details on capital targeted, raised and deployed by infrastructure funds, see "The Chase Is On" in the September issue of *Institutional Investing in Infrastructure*.

Infrastructure funds launched 2013–2015



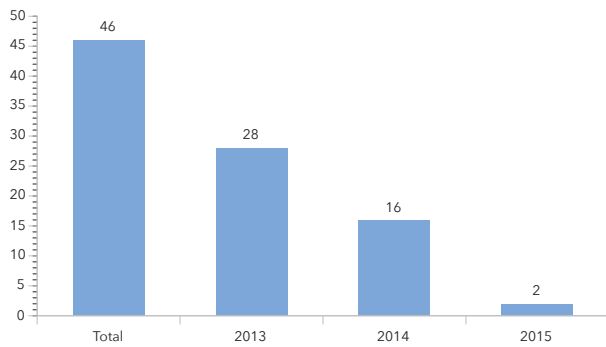
Source: IREI FundTracker

Infrastructure funds capital 2013–2015 (\$B)



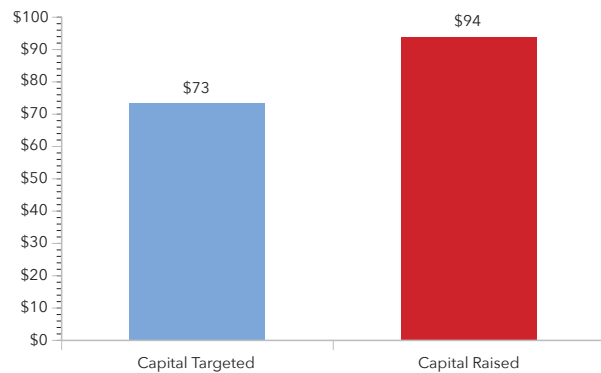
Source: IREI FundTracker

Number of 2013–2015 vintage funds closed



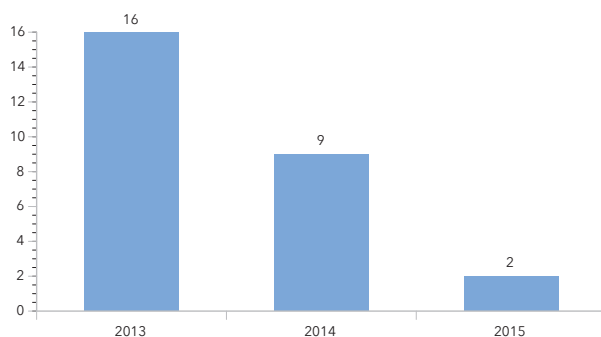
Source: IREI FundTracker

Closed funds' capital target vs. raised 2013-2015 (\$B)



Source: IREI FundTracker

Number of debt funds launched



Source: IREI FundTracker

from the IREI NEWS CLOUD

- CGN Capital Partners Fund III LP, a fund focused on renewable energy infrastructure in China, has completed a first closing of \$292 million.
- SunEdison and Goldman Sachs have formed a \$1 billion warehouse investment vehicle to fund construction and buy operating assets.
- Carlyle Power Partners II, which invests in power generation, has raised \$839.3 million since its launch in June 2014.
- Hawaii's Governor dumps oil and gas in favor of 100 percent renewables.
- \$75 billion UAE-India fund could be the answer to India's infrastructure funding gap.
- The Regional Transportation Council for north-central Texas has allocated \$4.5 million to fund the planning, design and preliminary engineering for the construction of a high-speed rail link between Dallas and Fort Worth.
- The Denver Employees Retirement Plan has committed \$40 million to Kayne Anderson Energy Fund VII.
- The \$12.6 billion Maine Public Employees Retirement System committed up to \$50 million to Carlyle Power Partners II.

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