

FUNDTRACKER TRENDWATCH

Q3/16 first look

Infrastructure bounces back from weak Q2/16

Early numbers are in for infrastructure investment funds closing in third quarter 2016 — and a couple of the mega-funds have closed, giving hope that 2016 will eventually match 2015's total.

- \$21.7 billion raised by funds closing in Q3/16
- Europe continues to be prime focus
- 35 infrastructure funds launched YTD 2016

Eight infrastructure funds held final closings in the third quarter, one more than each of the previous 2016 quarters, but three less than the number closing in third quarter 2015. The amount of capital raised in third quarter 2016 was significantly more than that raised in third quarter 2015 — primarily due to the closing of the \$14 billion Brookfield Infrastructure Fund III.

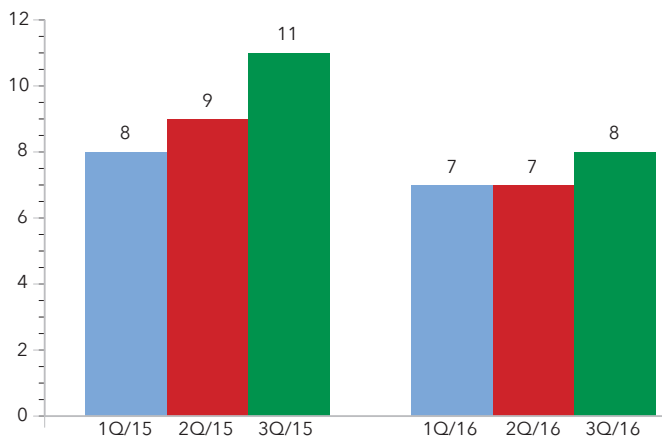
Third quarter 2016 saw funds closing with an aggregate total of \$21.7 billion. This is quite a rebound from second quarter 2016, when only \$5.9 billion was raised by funds closing in that timeframe. Because of the light second quarter, however, 2016 still has a ways to go to match 2015. At the end of three quarters, infrastructure funds closing in 2015 had raised \$53.1 billion. At this point in 2016, funds have raised \$43.8 billion.

One thing to note — only one fund closed in fourth quarter 2015, adding just \$2.4 billion to the aggregate total of the first three quarters. We already know that at least three funds have closed in fourth quarter 2016, adding more than \$3 billion to the year's total. It's not hard to imagine that several more will close, eventually setting 2016's total on a par with that of 2015.

In addition, fewer funds have been launched YTD 2016 compared with the number launched during the same period in 2015 — 35 versus 52, respectively. Infrastructure looks to be an asset class that is quickly consolidating around a few behemoth funds that are able to raise enough capital to invest in a diversified portfolio of large, expensive assets.

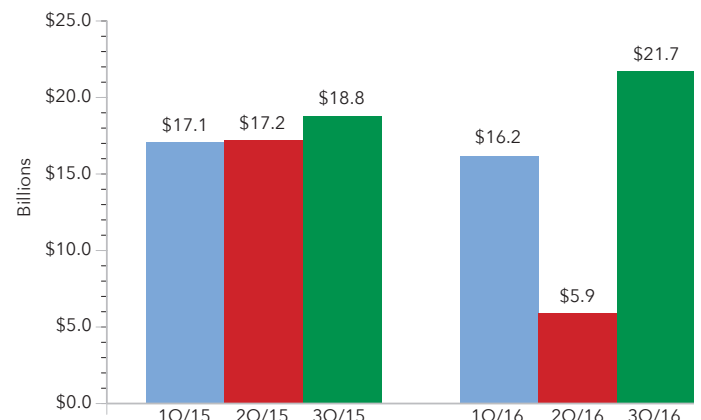
When looking at favored regions, Europe is surprisingly strong. In the first three quarters of 2016, 10 Europe-focused funds have closed, accounting for \$12.3 billion in capital raised, or 45 percent of the total number closed and 28 percent of the total capital raised. This Europe focus looks to continue, as 24 Europe-focused funds (37 percent of total) were launched in 2015, and 12 have been launched YTD 2016 (34 percent of total).

Number of funds closed by quarter



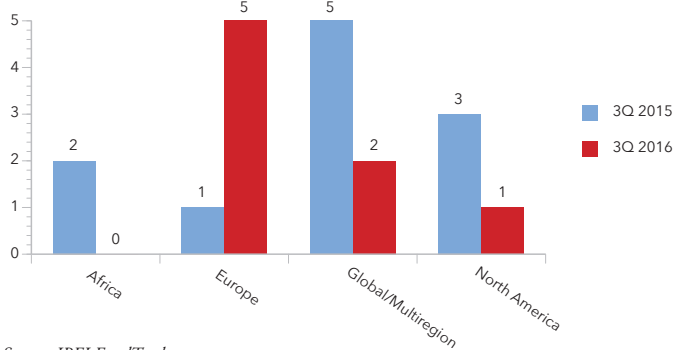
Source: IREI FundTracker

Capital raised at final closing by quarter (\$B)



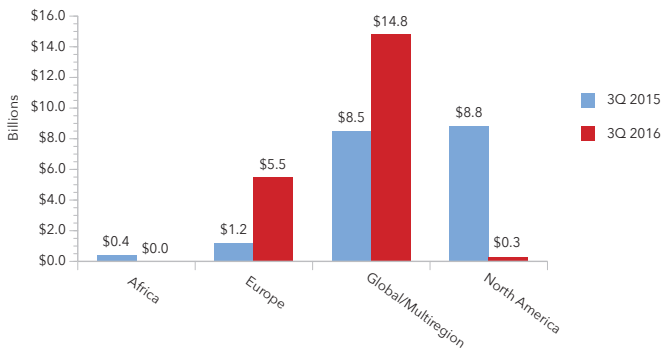
Source: IREI FundTracker

Funds closed by region



Source: IREI FundTracker

Capital raised by region



Source: IREI FundTracker

Largest infrastructure funds closed Q3/16

Fund Name	Total Raised	Region
Brookfield Infrastructure Fund III	\$14.0 billion	Global
Macquarie European Infra Fund V	\$4.5 billion	Europe
Kerogen Energy Fund II	\$830 million	Multiregion
Blackrock Renewable Income Europe	\$720 million	Europe
Archmore Infra Debt Platform	\$650 million	Europe

Source: IREI FundTracker

Funds closed July 1–Sept. 30, 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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- [Kayne Anderson Capital Advisors](#) has held a \$2 billion final close for an energy-focused private equity fund, Kayne Anderson Energy Fund VII.
- Dubai will launch the \$27 billion (AED99.1 billion) [Green Energy Fund](#) to assist local, national and international sustainability projects.
- French private equity firm [Ardian](#) is set to raise a \$500 million fund as it jointly launches a North American direct investment business with New York-based private equity firm Seven Mile Capital Partners.
- [InfraVia Capital Partners](#) held the final closing of InfraVia European Fund III with €1 billion (\$1.1 billion) in equity commitments, surpassing its fundraising target of €750 million (\$840 million).
- [Integrated Asset Management Corp.](#) has announced the close of its Infrastructure Private Debt Fund with commitments of \$347 million.
- [UBS Asset Management](#) has announced the final close for its first infrastructure debt fund, Archmore Infrastructure Debt Platform, raising €570 million (\$640 million).
- [Allianz Group](#) has signed a partnership with the International Finance Corporation (IFC), a member of the World Bank Group, to invest \$500 million for infrastructure projects in emerging markets worldwide.

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