

FUNDTRACKER TRENDWATCH

And the world is made of energy

Infrastructure capital drawn to energy, power, renewables

According to the U.S. Energy Information Association, world energy consumption is expected to grow by 56 percent between 2010 and 2040, from 524 quadrillion British thermal units (Btu) to 820 quadrillion

Btu. Most of this growth will come from non-Organization for Economic Cooperation and Development (non-OECD) countries, where demand will be driven by strong economic growth, changing demographics and urbanization.

Infrastructure investors and managers have been quick to jump into this space. While the need for infrastructure of all kinds is huge, energy investment is one of the easiest

and most-straightforward entry points into the asset class. For purposes of this report, energy investment funds include those self-identified as "energy" funds, as well as those focused on pipelines, power generation and renewables.

Since Jan. 1, 2014, 52 infrastructure funds have closed, representing 10 categories. Of these funds, more than 80 percent focused on

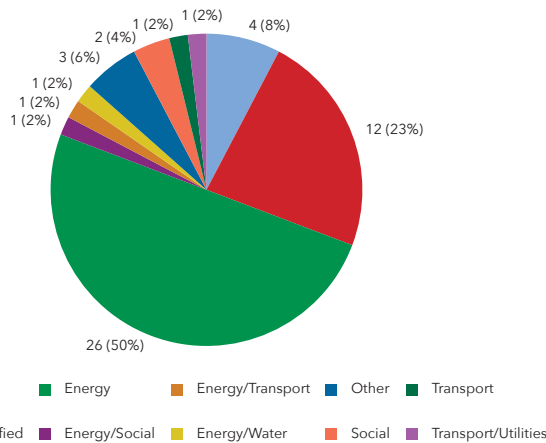
an energy, debt or diversified strategy. Nearly all diversified funds — funds that either classify themselves as "diversified" or that focus on three or more discreet sectors — include an energy mandate along with other sectors. Adding in funds that include energy along with one other sector (social, transportation or water) to the top three strategies increases the total percentage of funds controlled by these three strategies to 87 percent of the total.

In addition, energy, debt and diversified strategies in total captured nearly 90 percent of the capital raised. When funds that included energy along with other sectors are added, the total capital raised increases to 92 percent of all capital raised.

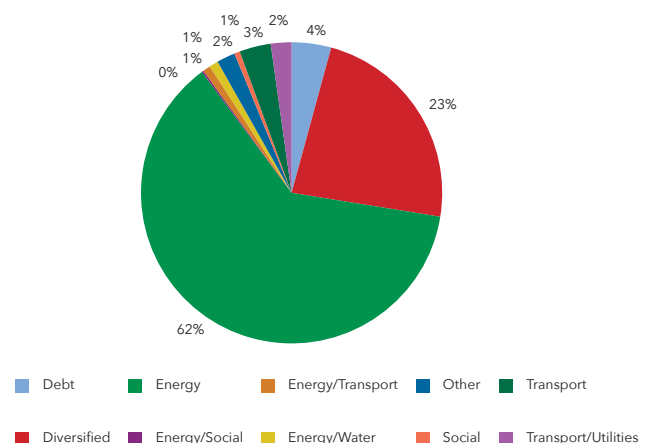
New offerings hitting the market in the past two years are also focused on energy, debt and diversified strategies. Of the total 86 new infrastructure investment funds, 69 (80 percent) focused on one of these three categories. The mix, however, was slightly different than that of closed funds. Debt is finding itself much more popular in new offerings than closed funds, with only 8 percent of closed funds focused on debt while 14 percent of new funds seek to raise capital for infrastructure financing opportunities.

- 62% of capital raised is for energy strategies
- 23% of capital raised is for diversified funds
- Infrastructure debt funds make up 20% of new offerings

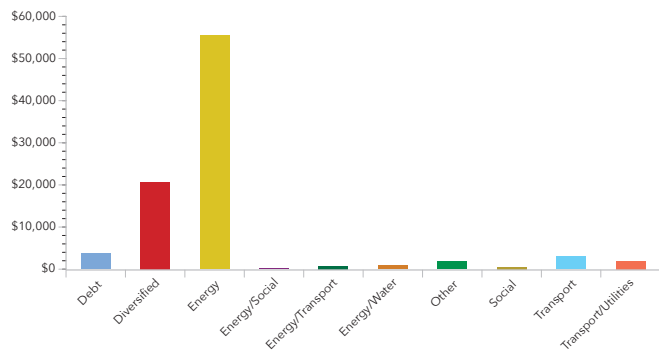
Percentage of closed funds by property focus



Capital raised by closed funds by property type



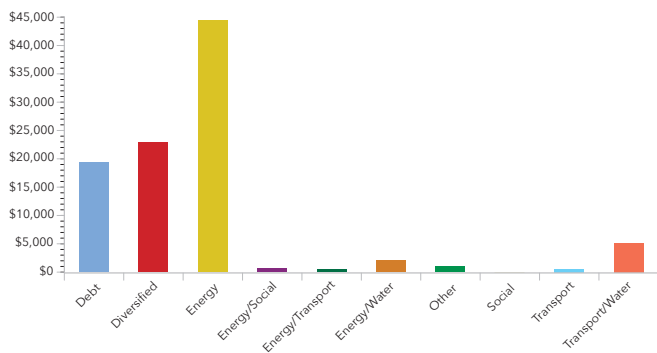
Capital raised by closed funds by property type (\$m)



Source: IREI FundTracker

Funds closed 1/01/14–11/13/15

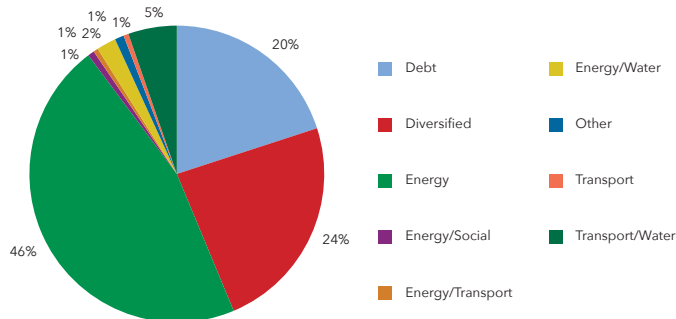
Capital targeted by new funds by property type (\$m)



Source: IREI FundTracker

Funds opened 1/01/14–11/13/15

Percentage of capital targeted by new funds by property type



Source: IREI FundTracker

Funds opened 1/01/14–11/13/15

from the IREI NEWS CLOUD

- Geneva-based [Quaero Capital](#) has held a first close of €50 million (\$53.8 million) for its €200 million (\$213.3) European infrastructure fund.
- [AMP Capital](#) has started fundraising for its third infrastructure debt fund, the \$2 billion Infrastructure Debt Fund III, which will invest in utilities, energy and transport in OECD countries.
- The governments of [Argentina and China](#) have signed several agreements to build the South American country's fourth and fifth nuclear power plants for an investment of \$14 billion.
- The \$106.8 billion [Washington State Investment Board](#) is considering investing \$1 billion with Global Infrastructure Partners.
- [Apple](#) has agreed to fund a €1 million (\$1.1 million) initiative through the Sustainable Energy Authority of Ireland (SEAI) to support research into harnessing wave energy.
- The [Florida State Board of Administration](#) has committed a total of \$204.8 million to energy and real estate during the third quarter.
- Voters in [Maine](#) have approved an \$85 million bond program that would supply funding for road and bridge projects as well as multimodal infrastructure work.

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.

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