

FUNDTRACKER TRENDWATCH

2016 looks an awful lot like 2015

Infrastructure fundraising is steady, though not spectacular

The end of 2016 brings a feeling of déjà vu in the infrastructure fundraising market. Nearly everything that was observed and written about fundraising activity in 2015 could also be written at the end of 2016.

- 2016 saw fund size hold steady at \$1.9 billion
- 2016 saw fundraising hold steady at \$54.8 billion
- 2016 saw energy funds continue to dominate the market

To get a better feel for the year — and illustrate how similar the years have been — we have updated a few of the more interesting charts that appeared in earlier *TrendWatch* editions. These charts indicate a stable fundraising climate, but energy funds and mega-funds are still raking in more than their fair share of capital.

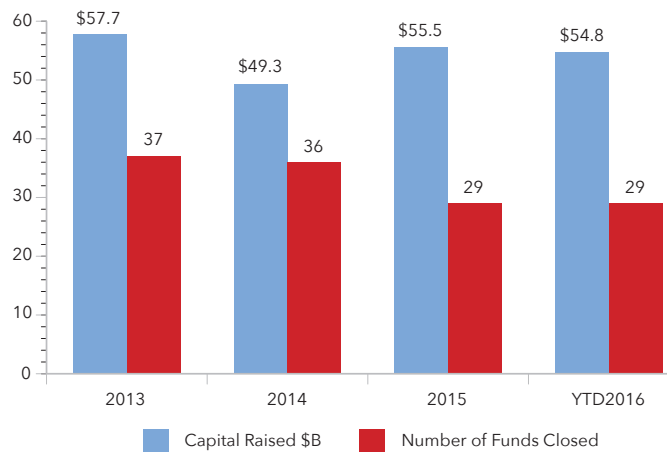
According to IREI's FundTracker database, 29 infrastructure funds have held a final close YTD 2016, raising an aggregate total of \$54.8 billion. This is nearly identical to end-of-year 2015 totals, when 29 funds raised \$55.5 billion. It is likely that additional funds will be added to the database before the year closes, so 2016 could surpass 2015 in capital raised, though it is unlikely to reach the 2013 total of \$57.7 billion by 37 funds.

Energy funds and multi-sector funds that include energy in their mandates accounted for 98 percent of the capital raised and 90 percent of the total number of funds closed YTD 2016. This nearly total dominance of the market was helped along by the multi-sector, \$14 billion Brookfield Infrastructure Fund III. In 2015, funds that included energy in their strategy accounted for 95 percent of the capital raised and 90 percent of the funds closed.

According to FundTracker, funds that raised \$2 billion or more accounted for 34 percent of the funds reaching a final close YTD 2016, but 77 percent of the capital raised. The average size of the typical infrastructure fund held steady at \$1.9 billion when compared to 2015. But when a trimmed average is used (dropping the top and bottom .05 percent of funds), the 2016 trimmed average falls to \$1.5 billion versus the 2015 trimmed average of \$1.8 billion.

The one area that appears significantly different year-over-year is the number of new funds launched. Year-to-date 2016, 43 infrastructure funds have entered the market versus 67 new funds launched in 2015. This metric continues a survival-of-the-fittest trend, which has seen the number of funds being offered falling steadily since 2013.

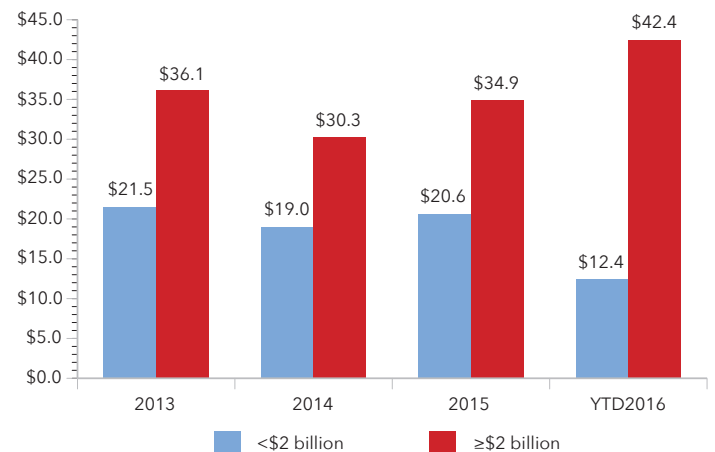
Total funds closed and capital raised (\$B)



Source: IREI FundTracker

YTD 2016 is Dec. 18, 2016

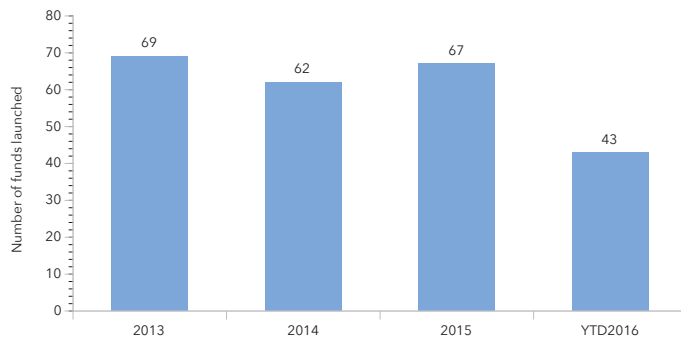
Capital raised by closed funds by size (\$B)



Source: IREI FundTracker

YTD 2016 is Dec. 18, 2016

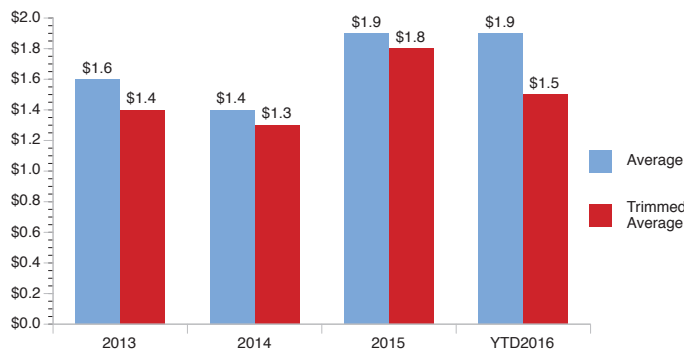
Number of infrastructure funds launched per year



Source: IREI FundTracker

YTD2016 is Dec. 18, 2016

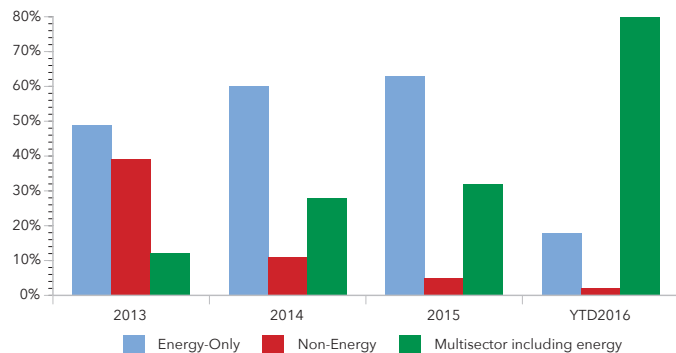
Average size of closed funds by year (\$B)



Source: IREI FundTracker

YTD2016 is Dec. 18, 2016

Percent of capital raised by energy funds vs others



Source: IREI FundTracker

YTD2016 is Dec. 18, 2016

from the IREI NEWS CLOUD

- The [New York State Energy Research and Development Authority](#) (NYSERDA) is seeking to expand its pool of expert consultants to help develop the Offshore Wind Master Plan.
- [AEP Ohio](#), a unit of American Electric Power, has issued two separate requests for proposal (RFPs) for wind and solar energy generation resources in Ohio.
- In the third quarter of this year (Q3/16), the [U.S. solar market](#) shattered all previous quarterly solar photovoltaic (PV) installation records.
- [Boralex Inc. and Alberta Wind Energy Corporation](#) (AWEC) announced the creation of the Alberta Renewable Power Limited Partnership, owned respectively approximately 52 percent and 48 percent by the two companies.
- The [Inter-American Development Bank and the Brazilian Development Bank](#) (BNDES) will provide a total of \$900 million in financing for renewable energy and energy-efficiency projects in Brazil's private sector.
- South Korea's [Hyundai Merchant Marine Co.](#) has withdrawn from a joint bid with Mediterranean Shipping Co. for a controlling stake in the U.S. port operator that runs Long Beach, California's biggest container terminal.

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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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