

FUNDTRACKER TRENDWATCH

Mega-funds sweep up capital

Infrastructure mega-funds account for 70% of capital raised since 2014

Infrastructure mega-funds — those funds raising \$2 billion or more — have been responsible for the vast majority of the capital raised each year since 2012 — and this trend shows no signs of ending. In fact, it might even be accelerating.

In the past three years ending Dec. 31, 2016, 96 funds closed with an aggregate total of \$162 billion raised. Of that total, 28 mega-funds, or 29 percent of the total number of closed funds, have raised \$108 billion, or 67 percent of the capital. If you add in the funds closed so far in 2017, you come up with 102 funds closed since Jan. 1, 2014. Of those, 33 mega-funds were responsible for 70 percent of the capital raised.

Looking back to earlier three-year periods, it is obvious that mega-funds are consolidating their dominance. During the three-year period ending Dec. 31, 2014, mega-funds were responsible for 60 percent of the capital raised. During the following three-year period ending in 2015, mega-funds brought in 62 percent of the capital. And now they are up to 67 percent

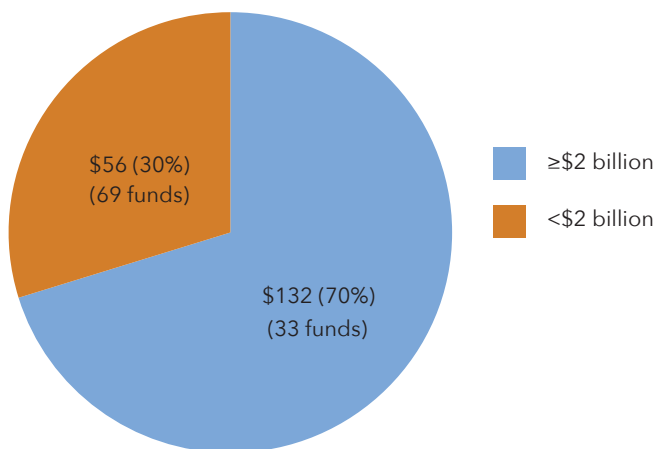
and possibly heading past the 70 percent line, if 2017 early closings — particularly the \$15.8 billion Global Infrastructure Partners III fund — are any indication.

When looking at the average size of infrastructure funds, it is no surprise that so few vehicles are responsible for raising so much capital. The size of the average mega-fund during the past three years, including those closed year-to-date 2017, was more than \$4.0 billion, while the size of non-mega-funds comes in at about \$806 million. Using a .95 confidence-level trimmed average, which removes the top and bottom outliers, those averages come down to \$3.7 billion for mega-funds and \$788 million for the others. Still quite a gap.

Since 2012, mega-funds have seen their share of capital raised slowly increase, but the absolute amounts of mega-fund capital and non-mega-fund capital have both steadily risen. That trend line was broken in 2016, when the total amount of capital raised was nearly the same as that raised in 2015, but the amount of smaller-fund capital declined significantly. It is too early to tell if non-mega-fund capital will shrink again in 2017, but based on first quarter 2017 closings, it looks like it very well could.

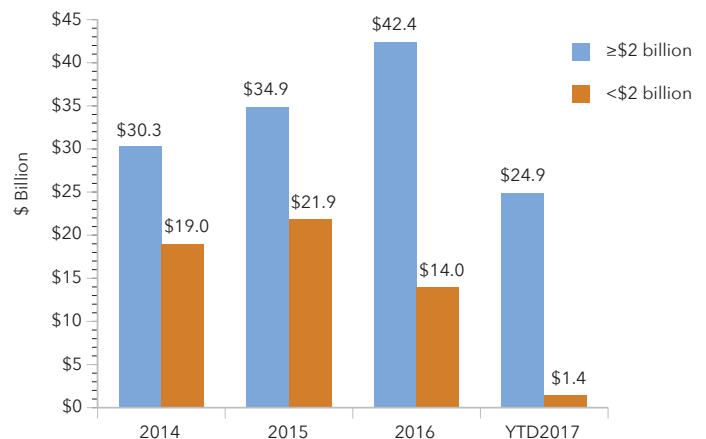
- Mega-funds accounted for 67 percent of capital raised 2014–2016
- Mega-fund regional strategies becoming more varied
- Mega-fund average size at \$4.2 billion in 2016

Total capital raised 2014–YTD2017 by fund size (\$B)



Source: IREI FundTracker

Capital raised per year by fund size (\$B)

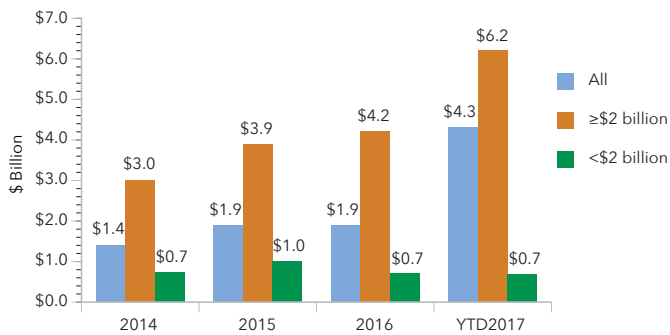


Funds closed Jan. 1, 2014 – Mar. 17, 2017

Source: IREI FundTracker

Funds closed Jan. 1, 2014 – Mar. 17, 2017

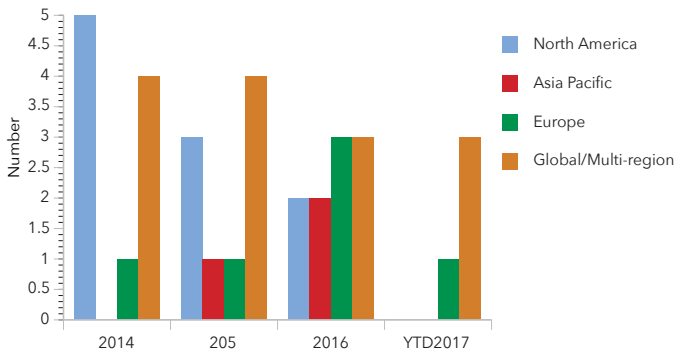
Average fund size — mega vs. non-mega (\$B)



Source: IREI FundTracker

YTD2017 = Mar. 17, 2017

Number of mega-funds closed per region



Source: IREI FundTracker

YTD2017 = Mar. 17, 2017

Largest funds closed YTD 2017

Fund Name	Total Raised	Region
Global Infrastructure Partners III	\$15.8 billion	Global
EQT Infrastructure Fund III	\$4.3 billion	Europe
QIC Global Infrastructure Fund	\$2.5 billion	Global
AMP Capital Global Infra Fund	\$2.4 billion	Global
Northleaf Infrastructure Capital Partners II	\$721.0 million	Global

Source: IREI FundTracker

Funds closed Jan. 1 – Mar. 17, 2017

from the IREI NEWS CLOUD

- [Omnes Capital](#), a Paris-based infrastructure investment firm, has exceeded its €200 million (\$214.9 million) equity fundraising target for Capenergie 3, a fund that invests in European renewable energy infrastructure projects throughout Europe.
- [Copenhagen Infrastructure Partners](#) has raised \$1.28 billion for its new infrastructure fund, Copenhagen Infrastructure III, a 20-year “build-and-hold” fund, primarily from an anchor investor group, which includes PensionDanmark, Kommunal Landspensjonskasse, Lægernes Pension, Juristernes og Økonomernes Pensionskasse and Danske civil- og akademilIngeniørers Pensionskasse.
- The \$290 million [City of Quincy \(Mass.\) Contributory Retirement System](#) is searching for managers of core and noncore private market infrastructure strategies to manage a \$6 million diversified strategy that invests in private market global infrastructure investments.
- Work has begun on replacing the 57-year-old [Pensacola Bay Bridge](#), the largest public infrastructure project in the history of Northwest Florida.
- Peru could suspend a [\\$525 million airport project](#) if the country’s comptroller recommends doing so amid questions over controversial changes to the contract.

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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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