

FUNDTRACKER TRENDWATCH

Q3/17 first look

Steady as she goes

Infrastructure private equity investment funds reaching a final close in third quarter 2017 added about \$7.6 billion to the year's total, bringing 2017 slightly ahead of 2016's three-quarters total. This is a good sign for the health

of the industry, given that the first quarter was dominated by the closing of the \$15.8 billion Global Infrastructure Partners III. In previous years, when a huge amount of capital was committed to one fund, the industry tended to take the rest of the year off, almost as if that one fund had managed to sweep up all available capital. Although there was a significant drop-off in second quarter 2017 — the second quarter is typically noticeably lower than the first

— additional closings in the first quarter, as well as second and third, have shown that relatively smaller funds are also experiencing success.

Funds reaching a final close in third quarter 2017 raised a total of \$7.6 billion, bringing the total for the year to \$41.4 billion. About \$53.7 billion was raised by funds closing in the first three quarters of 2015, while 2016 saw \$39.3

billion raised during that period. It is very possible that 2017 will surpass 2016's annual total of \$49.9 billion, but the jury is still out on whether funds closing in the fourth quarter will bring in enough capital to jump 2015's \$56.5 billion.

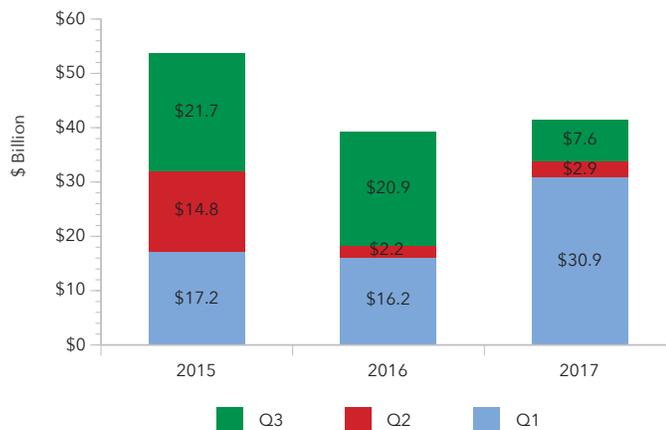
The one thing the jury is not still out on is the verdict that bigger is definitely better in the infrastructure fund world. The average size of infrastructure funds reaching final closing year-to-date is \$2.18 billion. That compares to an average size of \$2.30 billion for funds closing in the first three quarters of 2016, and \$1.92 billion for funds closing in that time period during 2015. Of the 19 funds reaching final closing in 2017, 11 raised more than \$1 billion.

Possibly because a few very successful funds are dominating the market, the number of new funds being launched is decreasing. A total of 62 funds were launched in 2015, with an additional 50 in 2016. So far in 2017, only 35 funds have come to market, with 12 of those being launched in the third quarter.

The data used in this report will likely change as additional fund closings are announced, but it is safe to say that 2017 is tracking very closely to 2016 and will probably exceed last year's total. We will be watching to see whether fourth quarter 2017 takes it past 2015, as well.

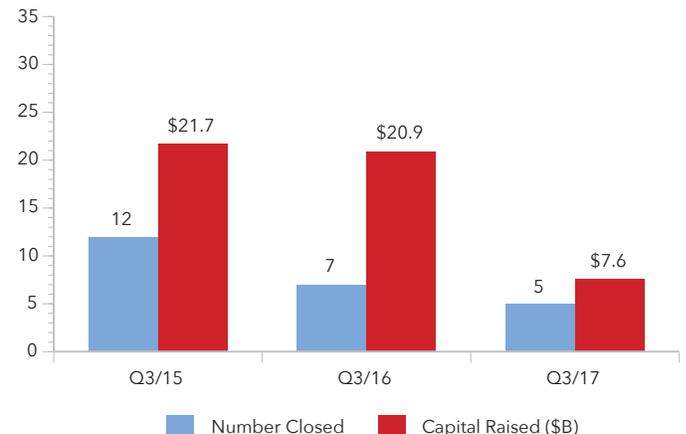
- YTD 2017 fundraising roughly equals same period of 2016
- Top two funds accounted for 61 percent of total raised Q3/17
- Average size of funds continues to grow

Capital raised by funds closing by quarter (\$B)



Source: IREI FundTracker

Capital raised by funds closing in third quarter (\$B)



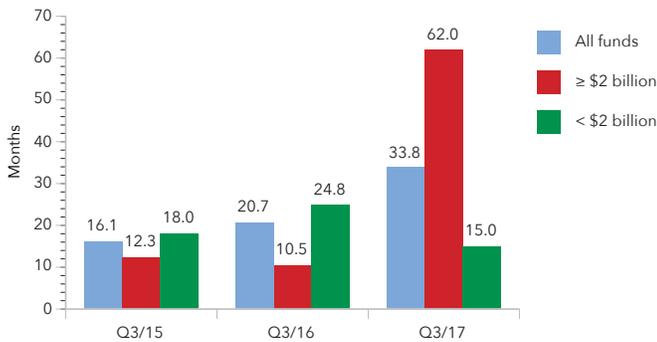
Source: IREI FundTracker

Average size of funds closed in first three quarters



Source: IREI FundTracker

Time in market for funds closing third quarter



Source: IREI FundTracker

Largest infrastructure funds closed Q3/17

Fund Name	Total Raised	Region
AMP Capital Infrastructure Debt Fund III	\$2.50 billion	Global
Pan-European Infrastructure Fund II)	\$2.10 billion	Europe
BlackRock Global Renewable Power Fund II	\$1.65 billion	Global
First Infrastructure Capital	\$1.00 billion	Global
True Green Capital Fund III	\$350 million	U.S.

Source: IREI FundTracker

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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- A new report from [Infrastructure Partnerships Australia and Perpetual](#) throws cold water on what has long been one of the more attractive markets for infrastructure investment – Australia.
- Six [Kentucky-based banks](#) have joined forces to launch a \$150 million infrastructure fund to support public-private partnership projects, in which state and local governments can partner with private companies to finance and build large projects that might otherwise not be possible.
- The [\\$142 billion Teacher Retirement System of Texas](#) has committed \$250 million to the Carlyle Global Infrastructure Opportunity Fund.
- [M&G Investments](#), a leading international asset manager, has launched a global equity infrastructure fund, M&G Global Listed Infrastructure Fund, which aims to provide investors with both a growing income stream and long-term capital appreciation.
- The \$75.96 billion [New Jersey State Investment Council](#) has committed \$75 million to Stonepeak Infrastructure Fund III.
- [Excelsior Energy Capital](#) has launched a new energy fund, Excelsior Renewable Energy Investment Fund I, which focuses on equity investments in the solar and wind utility and distributed generation middle markets.

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