

FUNDTRACKER TRENDWATCH

2017 first look

Infrastructure fundraising just keeps keeping on

For much of the past 10 years, infrastructure fundraising has ebbed and flowed — up one year, down the next. Based on early numbers, it appears that 2017 will continue that pattern. Looking at the numbers, however, we

can see that overall fundraising is growing ever so slightly, with each ebb and flow being a bit higher than its previous counterpart. For example, the market closed on \$49.3 billion and \$51.3 billion in the 2014 and 2016 ebb years, respectively, and \$56.4 billion and \$57.1 billion in the flow years of 2015 and 2017. More capital will likely be attributed to 2017 as additional fund closings are captured and added to the database.

Of the 28 funds that closed last year, 9 (32 percent) were mega-funds (funds that raised \$2 billion or more). These funds accounted for \$41.8 billion, or 73 percent, of the total. The number of managers and investors might be increasing, but infrastructure is still a big manager's game.

Average time on offer for infrastructure funds has continued to trend upward over the

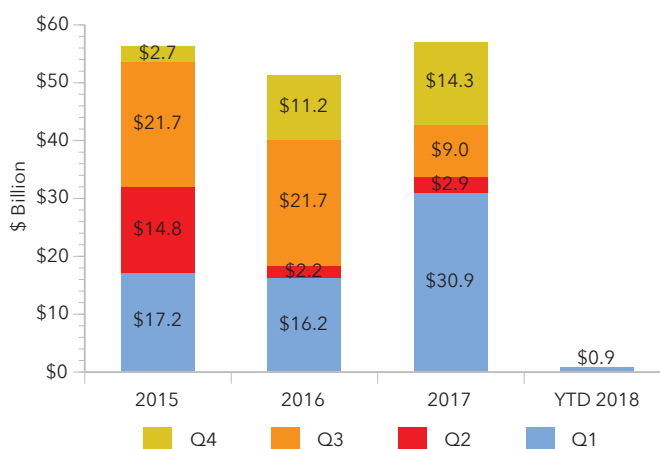
past three years. In 2015, funds took 15.3 months on average to close, with the trimmed average (removing the top and bottom 5 percent from the calculation) being a bit lower at 13.3 months. In 2016, those numbers came in at 17.2 months and 16.3 months for those categories, respectively. Last year, the average moved up to 20.8 months for all funds, and 18.3 months when the lowest and highest outliers were removed.

Compared to the ebb and flow of capital raised and the increase in time in the market, the average fund size has moved very little over the years. Using a trimmed mean, which drops the top and bottom outliers to prevent funds, such as the \$15.8 billion Global Infrastructure Partners III fund from skewing the results, we find that the average fund size in 2015 was \$1.8 billion, in 2016 was \$1.6 billion, and in 2017 was \$1.6 billion.

Based on the amount of capital raised and the relatively short time it takes the average fund to raise that capital, it appears the infrastructure fundraising landscape is healthy and growing. Now if all of these managers with billions of dollars to invest could find attractive deals — lack of appropriate deals is a major concern facing the industry — all would be good with the infrastructure world.

- 2017 closes on \$57.1 billion
- Average fund size stabilizes at about \$1.6 billion
- Funds taking longer to reach final close

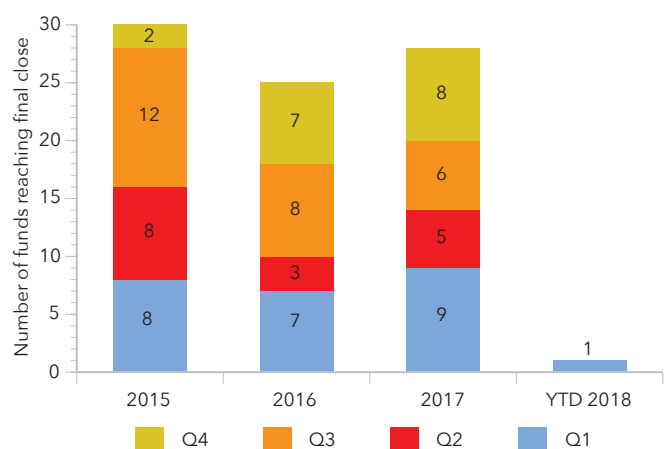
Capital raised by funds closing by quarter (\$B)



Source: IREI FundTracker

YTD 2018 = 1/12/18

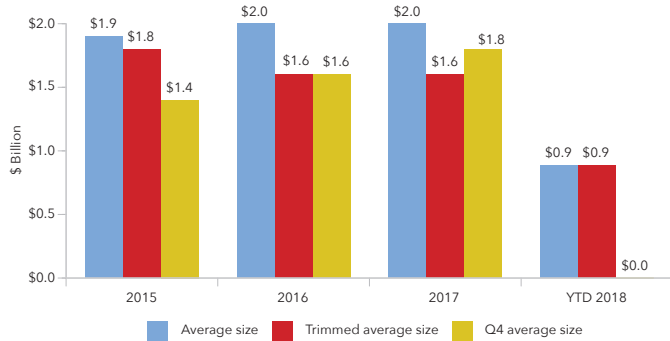
Number of funds holding final close by quarter



Source: IREI FundTracker

YTD 2018 = 1/12/18

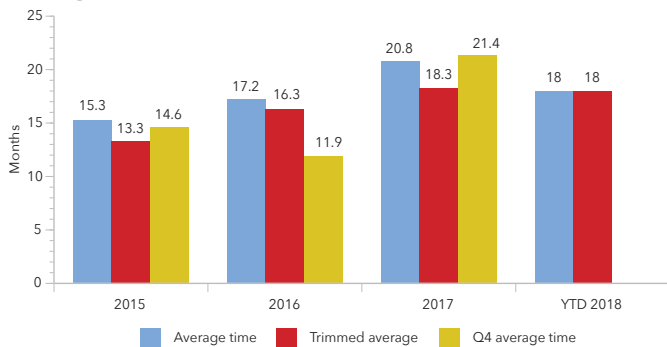
Average size of funds closed (\$B)



Source: IREI FundTracker

YTD 2018 = 1/12/18

Average time on offer



Source: IREI FundTracker

YTD 2018 = 1/12/18

Largest funds closed 2017

Fund Name	Total Raised	Region
Global Infrastructure Partners III	\$15.8 billion	Global.
EnCap Energy Capital Fund XI	\$7.0 billion	N. America
EQT Infrastructure Fund III	\$4.3 billion	Europe
Actis Energy 4	\$2.8 billion	Global
AMP Capital Infrastructure Debt Fund III	\$2.5 billion	Global

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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from the INFRASTRUCTURE NEWS

- Japan's \$1.4 trillion [Government Pension Investment Fund](#), the world's largest pension fund, has appointed StepStone Infrastructure & Real Assets to be a new fund-of-funds manager for its global infrastructure mandate, with Sumitomo Mitsui Asset Management Co. serving as gatekeeper.
- [IFM Investors](#), an Australian-based fund manager, has raised additional capital for its open-end infrastructure fund, IFM Global Infrastructure Fund, with recent investors including Arkansas Teacher Retirement System, Ohio Police & Fire Pension Fund, and Massachusetts Housing Finance Agency.
- [Brookfield Business Partners](#) has acquired Westinghouse Electric Co., the U.S. nuclear unit of Japan-based Toshiba, in a deal valued at approximately \$4.6 billion.
- [Alameda County \(Calif.\) Employees' Retirement Association](#) has committed a total of \$35 million to Quantum Energy Partners VII and Quantum Energy Partners VII Co-Investment Fund, according board meeting documents.
- [Brookfield Asset Management](#) has held the final close on the Brookfield Infrastructure Debt Fund (BID), its first fund focused on infrastructure debt, with aggregate equity commitments of approximately \$885 million, exceeding its target of \$700 million.

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