

FUNDTRACKER TRENDWATCH

Q1/18 first look

Infrastructure fundraising: Ebb and flow continues

Early numbers are in for infrastructure private investment funds closing in first quarter 2018, and they look ... a bit anemic. At this time last year, we were looking at \$30.9 billion raised by the nine funds that closed in the first quarter of 2017.

Today, we are seeing just \$10.6 billion raised by five funds closed in the first quarter of 2018.

We need to be a bit careful with our predictions because we are looking at very early numbers, but we might well be seeing the start of a down year in fundraising.

If 2018 ends up bringing in less capital than 2017, it will be the continuation of a pattern going back to at least 2013, where even numbered years

are down, and odd numbered years are up.

This "First Look" edition is usually where I like to extrapolate out for the year and estimate how much capital will be raised based on the percentage of capital raised in the first quarter in previous years. Unfortunately, this does not work for infrastructure because there is no consistent relationship between the

amount raised in any single quarter to the final amount. During 2015 and 2016, the first quarter accounted for about 30 percent of the annual total. But in 2014, only 15 percent of the total was raised in the first quarter, while in 2017, 54 percent was raised in the first three months of the year. This lack of a relatively straight trend line is consistent with the only real trend we find in infrastructure, i.e. there are no trends.

The growth in average fund size seems to be leveling off. In 2014, funds averaged \$1.3 billion in size. They then grew to an average of \$1.8 billion in 2015, and \$2.1 billion in 2016. Funds closing in 2017 came in relatively the same as 2016, with an average size of \$2.0 billion. The mean size for the first quarter 2018 is holding steady at \$2.1 billion. If this average continues to the end of the year, the mean fund size for all funds during the most recent three-year period will be \$2.0 billion and above. In other words, the average infrastructure fund is a mega-fund.

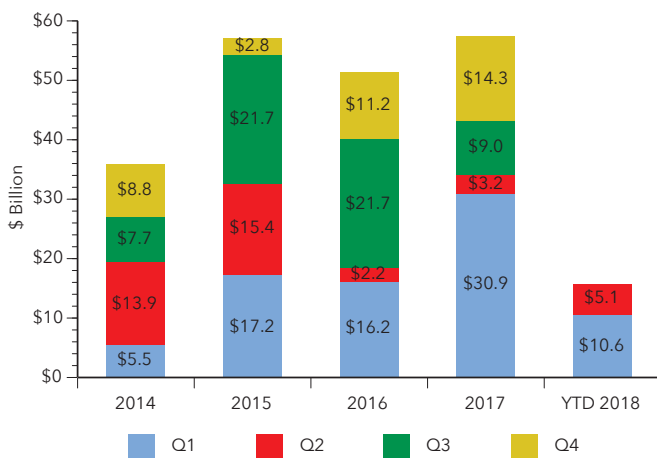
During the first quarter 2018, the largest five funds to close, which are also the only five funds to close, raised an aggregate of \$10.6 billion. The top five funds closing during first quarter 2017 raised \$26.7 billion, thanks primarily to the \$15.8 billion Global Infrastructure Partners III.

- Fundraising backs off in Q1/18

- Average fund size steady at \geq \$2.0 billion

- Number of funds closed continues to fall

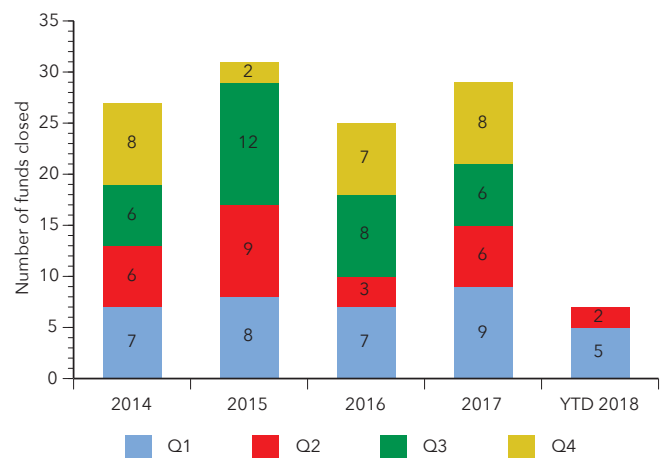
Capital raised by closed funds by quarter



Source: FundTracker

YTD 2018 = April 13, 2018

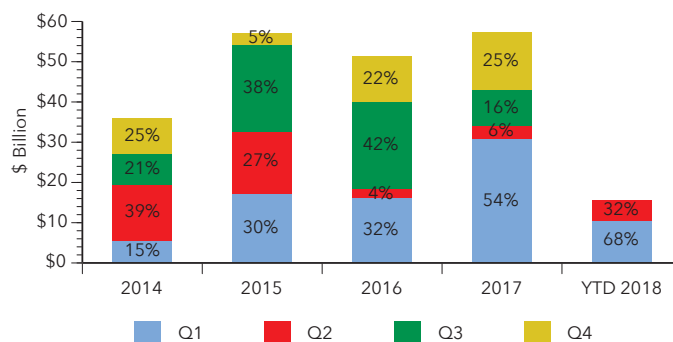
Number of funds closed by quarter



Source: FundTracker

YTD 2018 = April 13, 2018

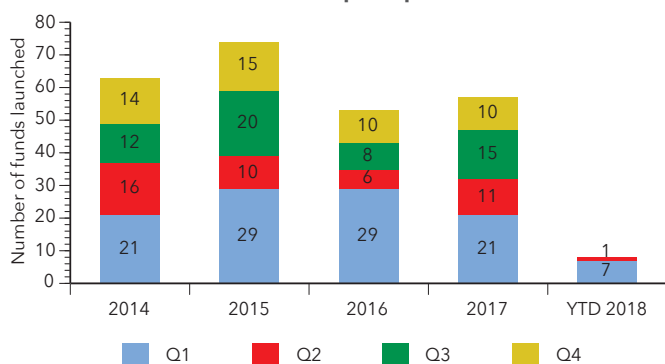
Percent of capital raised by quarter



Source: FundTracker

YTD 2018 = April 13, 2018

Number of funds launched per quarter



Source: FundTracker

YTD 2018 = April 13, 2018

Largest infrastructure funds closed Q1/18

Fund Name	Total Raised	Region
Copenhagen Infrastructure III K/S	\$4.33 billion	Global
Partners Group Direct Infrastructure 2016	\$3.70 billion	Global
Golding Infrastructure 2016 SCS SICAV	\$0.93 billion	Global
Brookfield Infrastructure Debt Fund I	\$0.89 billion	Global
Five Point Energy Fund II	\$0.75 billion	U.S.

Source: FundTracker

Funds closed Jan. 1–Mar. 31, 2018

Information in this report has been drawn from IREI's proprietary FundTracker database. Online subscriptions are available. Click [here](#) for more information.

from the Infrastructure News Page

- The [European Investment Bank \(EIB\)](#) has approved a total of €5.8 billion (\$7.15 billion) of new financing for 29 projects in the European Union, Africa and Latin America.
- [Copenhagen Infrastructure Partners' \(CIP\)](#) new fund, Copenhagen Infrastructure III (CI III), held a €3.5 billion (\$4.3 billion) final close at its hard cap, exceeding the €3 billion (\$3.7 billion) target fund size.
- Following the completion of Northill Capital's acquisition of the international businesses of Hastings Funds Management, the global infrastructure specialist, Hastings' international businesses will rebrand and will be known as [Vantage Infrastructure](#).
- [Legal & General Investment Management \(LGIM\)](#) has launched its first listed infrastructure fund, Legal & General Global Infrastructure Index Fund, a UCITS compliant Unit Trust.
- [Macquarie Infrastructure and Real Assets \(MIRA\)](#), a division of Australia's Macquarie Group, has closed its second Asian regional infrastructure fund, Macquarie Asia Infrastructure Fund 2 (MAIF 2), at \$3.3 billion.
- [Strategic Partners Fund Solutions](#), Blackstone's dedicated secondary and fund solutions business, announced the final closing on the hard cap of \$1.75 billion for Strategic Partners Real Assets II L.P. and related entities (SP RA II), its second global infrastructure-focused secondary fund.

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