

FUNDTRACKER TRENDWATCH

Europe-focused infra funds still in favor Global/Multi-regional funds less attractive

Looking for trends in the infrastructure world is like doing the Sunday *New York Times* crossword. The clues seem straightforward enough — but you (or at least I) usually end up with more blanks than answers. With numbers

bouncing around from year to year, the infrastructure fundraising world also offers more questions than answers. For example, instead of a straight line of increasing (or decreasing) fundraising, it has developed a wave-like line. Odd numbered years have been good for fundraisers; even numbered years have not been so good.

This ebb and flow is also found in regional preferences. The variation in regional

attractiveness is particularly noticeable in North American-focused funds. Back in 2015, funds focused on North America accounted for 46 percent of the capital raised that year. Interest fell off dramatically the next year, with just 13 percent of the capital raised coming from North American funds. 2017, however, saw them come roaring back with 60 percent of the total capital

raised last year coming from funds with North American strategies. We are still very early in 2018, but so far, North American funds account for only 3 percent of the capital raised.

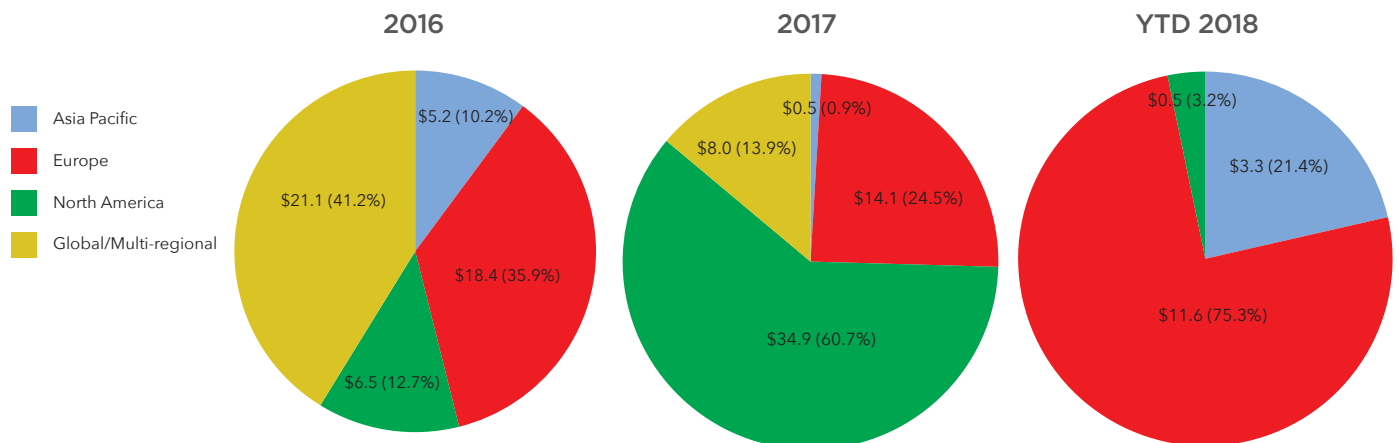
Europe- and Asia Pacific-focused funds also find themselves in and out of favor, depending on the year. In 2015, Asia Pacific funds account for just 4 percent of the capital raised. The following year, that share of market rose to 10 percent, but quickly fell back to just 1 percent in 2017. Year to date 2018 sees 21 percent of capital coming from Asia Pacific funds holding a final close.

Europe sees a similar trend line, with market share in 2015 sitting at 13 percent, rising to 36 percent in 2016, falling back a bit to 25 percent in 2017, and so far in 2018, accounting for a whopping 75 percent of the capital raised by funds closing.

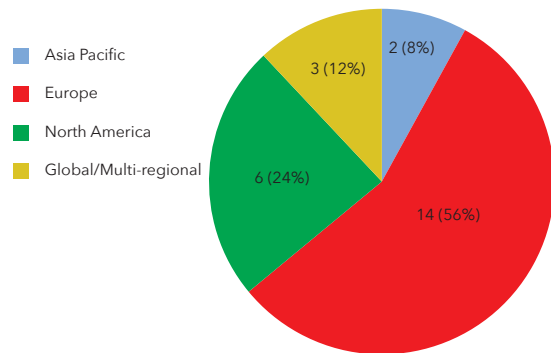
Back in 2014, global funds represented 30 percent of the capital raised. That market share grew to 33 percent of the capital raised in 2015. By the end of 2016, global funds accounted for a little more than 41 percent of the capital raised. Interest came to a screeching halt in 2017, when only 14 percent of the capital raised was from global funds. So far this year, no global fund has reached a final closing.

- Europe funds raise 75% of the capital YTD 2018
- North American funds raised most capital 2017
- No global funds have closed YTD 2018

Capital raised by funds closing each year by region (\$B)

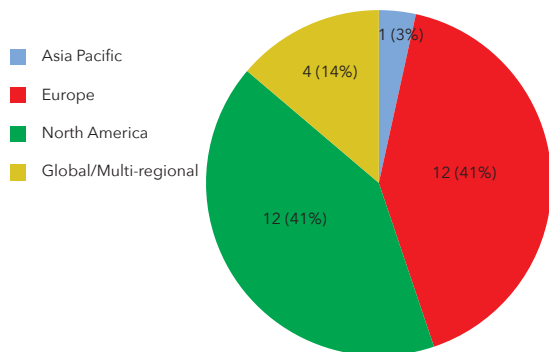


Number of funds closed by region — 2016



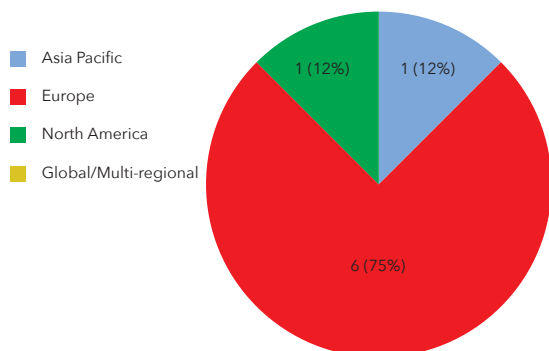
Source: IREI FundTracker

Number of funds closed by region — 2017



Source: IREI FundTracker

Number of funds closed by region — YTD 2018



Source: IREI FundTracker

YTD 2018 = May 1, 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

IREI Infrastructure News Page

- ▶ The [Board of Port Commissioners](#) and the Chula Vista City Council unanimously approved a disposition and development agreement (DDA) between the Port, the City and RIDA Chula Vista, for the development of a \$1.13 billion convention center and hotel complex along San Diego Bay.
- ▶ The \$854 million [Louisiana State Police Retirement System](#) has committed \$5 million to Carlyle Global Infrastructure Opportunity Fund, which will invest in noncore infrastructure investments with a return target in the mid-teens.
- ▶ Canada Pension Plan Investment Board and Allianz Capital Partners, on behalf of Allianz insurance companies, are acting as anchor investors in the first private infrastructure investment trust in India, [IndInfravit Trust](#), which will initially acquire five operational toll roads.
- ▶ The [Emerging Africa Infrastructure Fund \(EAIF\)](#), managed by Investec Asset Management (IAM), has raised \$385 million in new long-term debt capital to invest over the next five years in infrastructure projects, mainly in fragile states.
- ▶ The \$201.2 billion [New York State Common Retirement Fund](#) has committed \$400 million to KKR Global Infrastructure Investors III, which will invest in a diversified portfolio of core/core-plus infrastructure assets primarily domiciled in OECD countries.

To view the latest infrastructure headlines, go to the [IREI Infrastructure News Page](#).

FUNDTRACKER TRENDWATCH

A report by Institutional Real Estate, Inc.

www.irei.com

Author: Sheila Hopkins

For IREI FundTracker database subscription information, please contact Cynthia Kudren, c.kudren@irei.com, +1 917-620-4666

Institutional Real Estate FundTracker TrendWatch is published by Institutional Real Estate, Inc. 24 times a year. The publisher is not engaged in rendering tax, accounting or other professional advice through this publication. No statement in this issue is to be construed as a recommendation to buy or sell any security or other investment. Some information presented in this publication has been obtained from third-party sources considered to be reliable. Sources are not required to make representations as to the accuracy of the information, however, and consequently, the publisher cannot guarantee its accuracy.

© 2018 Institutional Real Estate, Inc. • All rights reserved.

Copyright Information: The contents of this publication are protected under federal copyright law, which makes it illegal to reproduce in whole or in part any publication without the publisher's written permission.