

## Infrastructure fundraising cools off

After raising close to \$40 billion in consecutive quarters, second quarter fundraising falls to \$13 billion

According to preliminary data from IREI's FundTracker database, infrastructure fundraising in second quarter 2020 fell considerably compared to first quarter, with eight funds raising more than \$13 billion in the second quarter. In first quarter, 14 funds raised more than \$39 billion, and in fourth quarter 2019 eight funds closed on more than \$41 billion.

The decline in both capital raised and funds closed resulted in an average fund size in second quarter of \$1.7 billion.

This compares with an average fund size of \$2.8 billion in first quarter and \$5.1 billion in fourth quarter 2019.

The declines in fund size during the past three quarters is a possible indication of a waning appetite for megafunds, something the market has been anticipating and which could open the market for smaller and emerging manager funds.

During the quarter, London-based Arcus Infrastructure Partners completed a final closing of its second fund, Arcus European Infrastructure Fund 2 (AEIF2), with €1.22 billion (\$1.33 billion) in equity commitments. AEIF2's portfolio consists of controlling positions in four infrastructure businesses across Switzerland, the Benelux region, Norway and the United Kingdom.

The fund was backed by new and existing institutional investors in Europe, North America, the Middle East and Asia, including the European Investment Bank.

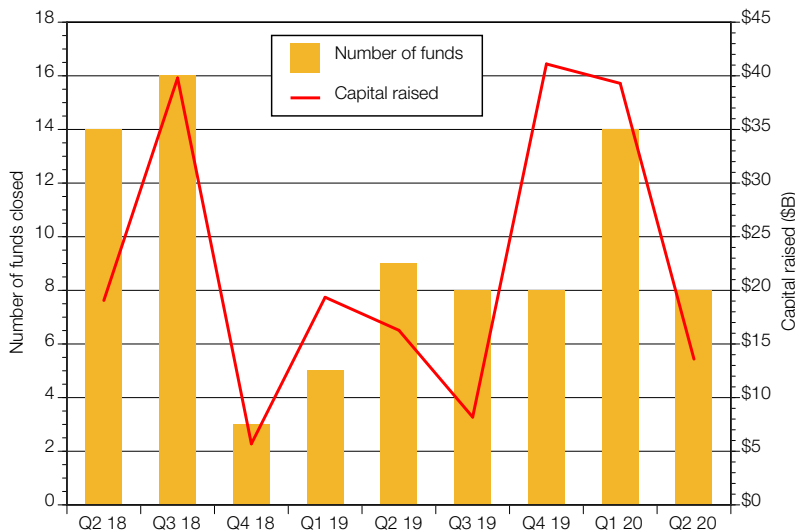
Also during the quarter, BlackRock closed Global Renewable Power Fund III with \$5.1 billion. GRP III is managed by BlackRock's dedicated Renewable Power team, which manages \$6 billion in assets and has invested in more than 250 renewables projects across 11 countries globally.

InstarAGF Asset Management, meanwhile, completed a final close of its latest flagship infrastructure fund, InstarAGF Essential Infrastructure Fund II, exceeding its \$1 billion target. The fund collected \$1.2 billion in equity commitments from institutional and high-net-worth investors across Canada, Europe, the United States, the Middle East and Asia. InstarAGF said 80 percent of the capital came from existing investors. ♦

**Drew Campbell** is senior editor of *Institutional Investing in Infrastructure*.

- More than \$13 billion raised in Q2/20
- 8 funds closed during Q2/20
- Average fund size declines again

Fundraising Trends, Q2/18-Q2/20



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.

For IREI FundTracker database subscription information, please contact Karen Palma, [k.palma@irei.com](mailto:k.palma@irei.com), +1 925-255-0500, ext-136

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